

THIS PRESS RELEASE MAY NOT BE MADE PUBLIC, DISTRIBUTED OR PUBLISHED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, BELARUS, CANADA, HONG KONG, JAPAN, NEW ZEALAND, RUSSIA, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION WOULD REQUIRE REGISTRATION OR OTHER MEASURES IN ADDITION TO THOSE REQUIRED BY SWEDISH LAW, IS PROHIBITED, OR OTHERWISE IS UNLAWFUL OR CANNOT BE MADE WITHOUT THE APPLICATION OF AN EXEMPTION FROM SUCH ACTION. FOR MORE INFORMATION, REFER TO THE SECTION "IMPORTANT INFORMATION" AT THE END OF THIS PRESS RELEASE.

Guard Therapeutics carries out announced rights issue (repair issue)

The board of directors of Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company"), in accordance with the announcement of a non-guaranteed rights issue (repair issue) which was communicated through the Company's press release on 17 June 2024, has today resolved to carry out a new issue of shares with preferential rights for the Company's existing shareholders (the "Rights Issue") based on the authorization granted by the extraordinary general meeting on 3 July 2024. The Rights Issue is mainly carried out to compensate the shareholders that did not participate in the directed share issue that the board of directors of the Company resolved upon on 17 June 2024 (the "Directed Share Issue") by offering the Company's shareholders the opportunity to defend their share ownership on the same terms as in the Directed Share Issue.

"With this rights issue, we want to offer the company's shareholders the opportunity to defend their ownership on the same terms as in the directed share issue, which was directed to our larger and long-term shareholders", said Tobias Agervald, CEO of Guard Therapeutics.

Summary

- Those who are registered as shareholders in Guard Therapeutics on the record date 3 September 2024 will receive one (1) subscription right for each share held in the Company. Nine (9) subscription rights entitle the holder to subscribe for two (2) new shares.
- The Rights Issue comprises a maximum of 2,679,108 shares at a subscription price of SEK 30.08 per share.
- Upon full subscription in the Rights Issue, Guard Therapeutics will receive approximately SEK 80 million before issue costs.
- Participants in the Directed Share Issue have undertaken not to exercise or transfer any subscription rights received in the Rights Issue, meaning that other shareholders can partially compensate themselves against the dilution that the Directed Share Issue entailed. Full subscription in the Rights Issue *with* subscription rights can therefore only provide the Company with approximately SEK 40 million before issue costs.
- Given the special purpose and structure of the Rights Issue, and the fact that it is carried out without guarantee or subscription commitments, the Company has no particular expectations regarding the outcome of the Rights Issue.

- The last day of trading in the Company's shares including the right to receive subscription rights is 30 August 2024 and the first day of trading in the Company's shares without the right to receive subscription rights in the Rights Issue is 2 September 2024.
- The subscription period for the Rights Issue runs from 5 September 2024 up to and including 23 September 2024.
- Complete terms and conditions for the Rights Issue, including additional information about the Company, will be included in the EU growth prospectus that is expected to be published on or around 2 September 2024 (the "**Prospectus**").

Reasons for the Rights Issue

Guard Therapeutics is a Swedish biotech company that identifies and develops new therapies with a focus on kidney diseases. The Company's clinical drug candidate RMC-035 is being developed as a kidney-protective treatment, initially for patients undergoing open-heart surgery.

RMC-035 is based on an endogenous protein, alpha-1 microglobulin, which constitutes one of the body's most powerful and universal defence mechanisms against injuries arising from oxygen deficiency, a condition that often affects the kidneys during heart surgery. RMC-035 is administered to patients in a hospital setting via intravenous infusion in connection with heart surgery.

RMC-035 has previously been evaluated in several clinical phase 1 studies as well as a larger phase 2a study (AKITA) with the goal of establishing a kidney-protective treatment effect in patients (proof of concept). The results of the AKITA study, which included 177 patients, demonstrated a clinically relevant and statistically significant kidney-protective effect of RMC-035 compared to placebo. Efficacy was demonstrated both as measured by change in kidney function (estimated glomerular filtration rate, eGFR) at 90 days after surgery, and as a reduction in the number of Major Adverse Kidney Events (MAKE) at the same time. Treatment with RMC-035 thus has the potential to save lives and prevent a permanent loss of kidney function with an increased risk of the need for dialysis treatment or kidney transplantation.

In connection with the board of directors of the Company resolving to carry out the Directed Share Issue of approximately SEK 60 million on 17 June 2024, the Company's board of directors also expressed an intention to carry out the Rights Issue in order to give existing shareholders, who did not participate in the Directed Share Issue, the opportunity to subscribe for new shares in the Company at the same subscription price as in the Directed Share Issue. Participants in the Directed Share Issue have undertaken not to exercise or transfer any subscription rights received in the Rights Issue, meaning that other shareholders can partially compensate themselves against the dilution that the Directed Share Issue entailed.

Additional reasons for the Rights Issue are that the proceeds raised by the Company through the Rights Issue will be used to carry out the planned phase 2b study, POINTER, which aims to further evaluate the safety, efficacy and optimal dose of RMC-035 before the start of a subsequent pivotal phase 3 study. Any issue proceeds also contribute to increased financial flexibility to support the Company's ongoing operational activities.

Use of proceeds

It is the Company's assessment that the existing working capital, as of the date of the Prospectus, will be insufficient for the Company's needs during the coming twelve-month period if the planned POINTER study is carried out at the optimal speed for patient enrolment. The Company estimates that the working capital deficit will then arise in April 2025, and the deficit for the coming twelve-month period is estimated to approximately SEK 35 million. The Company has thus decided to carry out the Rights Issue as one of several possible financing alternatives. Upon full subscription in the Rights Issue, the Company will receive proceeds of approximately SEK 80 million, before deduction of issue costs of approximately SEK 1 million. The Company intends to use the net proceeds of a maximum of approximately SEK 79 million for the following purposes stated in order of priority with an estimated distribution of the issue proceeds stated as a percentage:

- Costs associated with the Company's phase 2b clinical trial POINTER, approximately 90 percent.
- Extension of the Company's cash position to support the completion of the POINTER study, approximately 10 percent.

Terms of the Rights Issue

The board of directors has today, pursuant to the authorization granted by the extraordinary general meeting on 3 July 2024, resolved to carry out the Rights Issue by issuing a maximum of 2,679,108 shares. The right to subscribe for shares shall vest in those who are registered as shareholders in the Company on the record date, 3 September 2024, whereby holdings of one (1) share entitle one (1) subscription right and nine (9) subscription rights entitle to subscription of two (2) new shares. The subscription price amounts to SEK 30.08 per share, corresponding to the offer price in the Directed Share Issue, which means that Guard Therapeutics, upon full subscription in the Rights Issue, will receive approximately SEK 80 million before issue costs. The subscription period runs from 5 September – 23 September 2024. Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights is expected to take place on Nasdaq First North Growth Market during the period 5 September – 18 September 2024 and trading in paid subscribed shares ("**BTA**") is planned to take place during the period from 5 September 2024 up until conversion of BTA to shares, which is expected to occur on 14 October 2024.

Participants in the Directed Share Issue have undertaken not to exercise or transfer any subscription rights received in the Rights Issue, meaning that other shareholders can partially compensate themselves against the dilution that the Directed Share Issue entailed. Full subscription in the Rights Issue with the support of subscription rights can therefore only provide the Company with approximately SEK 40 million before issue costs, which is why the Rights Issue, to be subscribed for at its maximum amount, must largely be subscribed for without the support of subscription rights. Given the special purpose and structure of the Rights Issue, and the fact that the Rights Issue is carried out without guarantee or subscription commitments, the Company has no particular expectations regarding the outcome of the Rights Issue.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the Rights Issue: *firstly*, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; and *secondly*, to those who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for subscription of shares. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Preliminary timetable for the Rights Issue

30 August 2024	Last day of trading including the right to receive subscription rights.
2 September 2024	First day of trading excluding the right to receive subscription rights.
2 September 2024	Estimated date for publication of the Prospectus.
3 September 2024	Record date for participation in the Rights Issue.
5 September – 18 September 2024	Trading in subscription rights on Nasdaq First North Growth Market.
5 September – 23 September 2024	Subscription period.
5 September – 8 October 2024	Trading in BTA.
25 September 2024	Announcement of the outcome of the Rights Issue.

Change in share capital and number of shares and dilution

If the Rights Issue is fully subscribed, the number of shares in Guard Therapeutics will increase by a maximum of 2,679,108 shares, from 12,055,988 shares to 14,735,096 shares and the share capital will increase by a maximum of SEK 2,679,108, from 12,055,988 SEK to 14,735,096. For existing shareholders who do not participate in the Rights Issue, this means, at full subscription, a dilution effect of approximately 18.2 percent of the votes and capital in the Company.

As participants in the Directed Share Issue have undertaken not to exercise or transfer the subscription rights allotted to them based on their ownership as of the record date in the Rights Issue, many of the maximum number of shares that may be issued in the Rights Issue will consequently *not* be subscribed for with subscription rights. If only the subscription rights that are *not* held by participants in the Directed Share Issue are exercised for subscription of shares, this corresponds to a dilution effect of approximately 10 percent of the votes and capital in the Company.

Lock-up undertakings

In connection with the Directed Share Issue, the Company has, subject to customary exceptions, agreed to a lock-up undertaking on future share issuances, with exception of the Rights Issue, for a period of 180 days after the first settlement in the Directed Share Issue. In addition, members of the Company's board of directors and management holding shares and/or options, have, subject to customary exceptions, agreed to not sell their shares and/or options in the Company for a period of 180 days after the first settlement in the Directed Share Issue.

Prospectus

Full terms and conditions for the Rights Issue including additional information about the Company will be included in the Prospectus.

Advisors

Setterwalls Advokatbyrå AB is legal advisor to the Company in connection with the Rights Issue and Nordic Issuing AB is acting as issuing agent in connection with the Rights Issue.

For further information, please contact:

Tobias Agervald, CEO
Telephone: +46 8 670 65 51
E-mail: info@guardtherapeutics.com

The information was submitted for publication, through the agency of the contact person set out above, at 2024-08-27 08.30 CEST

About Guard Therapeutics

Guard Therapeutics is a Swedish biotech company that identifies and develops new therapies for diseases with a great medical need for more effective treatments. The company's investigational drug RMC-035 is being developed as a kidney-protective treatment in connection with open-heart surgery and kidney transplantation. Guard Therapeutics is listed on Nasdaq First North Growth Market Stockholm.

Certified Advisor is Svensk Kapitalmarknadsgranskning AB, www.SKMG.se

IMPORTANT INFORMATION

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Guard Therapeutics. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for shares in Guard Therapeutics will only be made through the Prospectus that Guard Therapeutics estimates to publish on or around 2 September 2024 on Guard Therapeutics' website, www.guardtherapeutics.com. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the Company's shares or any other securities. This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares or other securities in Guard Therapeutics. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares or other securities in Guard Therapeutics have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the European Union ("**EU**"), such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "*intend*", "*will*", "*expect*", "*anticipate*", "*may*", "*believe*", "*plan*", "*estimate*" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development, and the actual outcome could differ materially from the forward-looking statements.

This information, the opinions and the forward-looking statements included in this press release are only applicable as of this date and may change without any notice thereof. Guard Therapeutics does not undertake to publish any updates or amendments of forward-looking statements, future events or similar circumstances other than what is required by applicable legislation.

As Guard Therapeutics conducts activities worthy of protection in accordance with the Act (2023: 560) on the Screening of Foreign Direct Investments, certain investments in the Rights Issue may require review by the Swedish Inspectorate of Strategic Products. The Company will, no later than in connection with the publication of the Prospectus, publish more information about this on the Company's website, www.guardtherapeutics.com.

Attachments

[Guard Therapeutics carries out announced rights issue \(repair issue\)](#)