

Offer to the shareholders in
Amniotics AB (publ)

A grayscale, high-magnification microscopic image of several cells, likely fibroblasts or epithelial cells, showing their characteristic irregular shapes and interconnected network. The cells are rendered in shades of gray against a dark background, highlighting their complex, wavy membranes and internal structures.

magle
group.

IMPORTANT INFORMATION.

General

Magle Chemoswed Holding AB (publ), a Swedish private limited liability company, with corporate registration number 556913-4710, domiciled in Malmö ("Magle Group"), has made a public offer for all shares in Amniotics AB (publ), with corporate registration number 559024-6558, ("Amniotics" or the "Company"), in accordance with the conditions set out in the offer document (the "Offer").

The information in this offer document is intended to be accurate, although not complete, only as of the date of the offer document. No warrant or guarantee is given that the information has been or will be accurate at any other time. The information in the offer document is provided solely with respect to the Offer and is not permitted to be used for any other purpose.

The information regarding Amniotics on pages 19 – 46 in the offer document is based on information published by Amniotics and has been reviewed by the board of directors of Amniotics. Magle Group does not guarantee that the information included herein with respect to Amniotics is accurate or complete and does not take any responsibility for such information being accurate or complete.

Vator Securities AB ("Vator Securities") is engaged as financial advisor is acting exclusively for Magle Group in connection with the Offer. Vator Securities will not be responsible to anyone other than Magle Group. Vator Securities has not undertaken any obligation to verify the information contained herein and disclaims any liability with respect to such information.

Apart from what is expressly stated, no information in the offer document has been audited or reviewed by Amniotics' or Magle Group's auditors.

Applicable law and disputes

The Offer, as well as the agreements entered into between Magle Group and the shareholders in Amniotics as a result of the Offer, shall be governed and construed in accordance with Swedish law. Any dispute regarding the Offer or such agreements, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the Stockholm District Court (Sw. Stockholms tingsrätt) shall be the court of first instance.

The Swedish Stock Market Self-Regulation Committee (Sw. Aktiemarknadens självregleringskommitté) takeover rules for certain trading platforms (the "Takeover Rules") and the Swedish Securities Council's (Sw. Aktiemarknadsnämnden) rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. Näringslivets Börskommitté), are applicable to the Offer.

Forward-looking statements

Statements in this offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Magle Group and Amniotics. Any such forward-looking statements speak only as of the date on which they are made and Magle Group has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations. The reader should, however, consult any additional disclosures that Magle Group or Amniotics have made or may make.

Information for shareholders outside Sweden and for banks, brokers, dealers and other nominees holding shares for persons with residence outside Sweden

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such offer would be prohibited by applicable law pursuant to legislation, restrictions and regulations in the relevant jurisdiction, by use of mail or any other communication means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national securities exchange or other trading venue, of Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such offer would be prohibited by applicable law pursuant to legislation, restrictions and regulations in the relevant jurisdiction, and the Offer cannot be accepted by any such means, instrumentality or facility of, in or from, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, the United States, or in any other jurisdiction where such offer would be prohibited by applicable law pursuant to legislation, restrictions and regulations in the relevant jurisdiction. Accordingly, this offer document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States or in any other jurisdiction where such offer would be prohibited by applicable law pursuant to legislation, restrictions and regulations in the relevant jurisdiction.

This offer document is not being, and must not be, sent to shareholders with registered addresses in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, or the United States must not forward this offer document or any other document received in connection with the Offer to such persons.

The Offer, the information and documents contained in this offer document are not being made and have not been approved by an "authorised" person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "FSMA"). The communication of the information and documents contained in this offer document is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire shares in a body corporate and the object of the transaction may reasonably be regarded as being the acquisition of day to day control of the affairs of that body corporate within article 62 (sale of a body corporate) of the FSMA (Financial Promotion) Order 2005.

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THE OFFER IN BRIEF.

Consideration:	SEK 0.004 in cash per share in Amniotics¹
Acceptance period:	8 April 2024 – 3 May 2024
Expected settlement date:	13 May 2024

¹ Should Amniotics, prior to the settlement of the Offer distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly.

OFFER TO THE SHAREHOLDERS IN AMNIOTICS.

1.1 Introduction

On 22 March 2024, Magle Chemoswed Holding AB ("**Magle Group**"), announced a recommended public offer to the shareholders of Amniotics AB (publ) ("**Amniotics**" or the "**Company**") to tender all their shares to Magle Group at a price of SEK 0.004 in cash per share (the "**Offer**"). The shares in Amniotics are listed on Nasdaq First North Growth Market.

1.2 Consideration

The shareholders of Amniotics are offered SEK 0.004 in cash per share in Amniotics.

Should Amniotics, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly. In the event of either of the foregoing, Magle Group reserves the right to determine whether this price adjustment mechanism or condition 7 to completion of the Offer (see below) shall be invoked.

No commission will be charged in respect of the settlement of the Amniotics shares tendered to Magle Group under the Offer.

1.3 Bid premium

The consideration under the Offer represents a premium of²:

- approximately 25.0 per cent compared to the closing share price for Amniotics' share on Nasdaq First North Growth Market of SEK 0.0032 on 21 March 2024 (the last day of trading prior to the announcement of the Offer); and
- approximately 48.1 per cent compared to the volume-weighted average trading price for Amniotics' share of approximately SEK 0.0027 during the last 10 days prior to the announcement of the Offer.

1.4 Total value of the Offer

The total value of the Offer, based on all outstanding 2,733,052,159 shares in Amniotics, amounts to approximately SEK 10.9 million.

1.5 Warrants

The Offer does not include warrants held by Amniotics.

1.6 Financing of the Offer

The Offer is not subject to any financing condition. The consideration paid under the Offer will be financed through a combination of cash reserves in Magle Group and available credit facilities according to customary terms for financing of public offers on the Swedish market.

² Source for Amniotics' share price: Nasdaq First North Growth Market.

1.7 Recommendation from Amniotics' Board of Directors

The Board of Directors in Amniotics has recommended Amniotics' shareholders to accept the Offer.³ For further information, see the section "Recommendation from Amniotics' Board of Directors".

1.8 Magle Group's shareholding in Amniotics and pre-acquisition

Hans Henrik Lidgard, who controls approximately 73.96 per cent of the shares and votes in Magle Group and therefore should be regarded as a related party to Magle Group, holds 1,017,326 shares in Amniotics, corresponding to approximately 0.037 per cent of the shares and votes in Amniotics, through a pension insurance. Save for Hans Henrik Lidgard's said shareholding, neither Magle Group nor any closely related companies or closely related parties own any shares or financial instruments in Amniotics that give financial exposure to Amniotics' shares at the time of this announcement.

Hans Henrik Lidgard has during a period of six months prior to announcement of the Offer acquired 497,900 shares in Amniotics. The shares were acquired on 1 March 2024 at a price of SEK 0.0036 per share. Save for Hans Henrik Lidgard's said pre-acquisition, neither Magle Group nor any of its closely related parties have acquired or agreed to acquire any shares in Amniotics during the six months preceding the announcement of the Offer or any other financial instruments that give financial exposure to Amniotics' shares. The above acquisition is a so-called pre-acquisition according to the Takeover Rules. In accordance with the Takeover Rules, the terms of the offer for shares in Amniotics may not be less favourable in the Offer than in the pre-acquisition. The price per share in the Offer exceeds the price per share paid in the pre-acquisition.

Magle Group may acquire, or enter into agreements to acquire, shares in Amniotics outside the Offer and any purchases made or arranged will be disclosed in accordance with applicable rules.

1.9 Undertakings from shareholders in Amniotics to accept the Offer

Magle Group has obtained irrevocable undertakings to accept the Offer from the following shareholders in Amniotics:

- LSCS Invest AB has undertaken to accept the Offer regarding their 287,888,101 shares in Amniotics, corresponding to approximately 10.5 per cent of the shares and votes in Amniotics; and
- Marcus Larsson, directly and through Deflexum AB, has undertaken to accept the Offer regarding his 278,903,077 shares in Amniotics, corresponding to approximately 10.2 per cent of the shares and votes in Amniotics.

Accordingly, irrevocable undertakings to accept the Offer from shareholders representing in total 566,791,178 shares have been obtained, which corresponds to approximately 20.7 per cent of the shares and votes in Amniotics.

³ As the board member and CEO Marcus Larsson, directly and through Deflexum AB, has undertaken to accept the Offer, Marcus Larsson has not participated in the Board of Directors' evaluation of or decisions relating to the Offer.

The undertakings will lapse in the event that a third party, prior to the last time of acceptance the Offer, makes an offer for all shares in Amniotics which corresponds to an offer value exceeding the price in the Offer by not less than thirty (30) per cent per share ("**Superior Competing Offer**"), provided that Magle Group does not match the Superior Competing Offer (i.e. announces a revised Offer at a price that at least corresponds to the price in the Superior Competing Offer) within six (6) business days of the Superior Competing Offer. Further, the undertakings are conditional upon that Magle Group (a) in all material respects complies with the provisions of the Takeover Rules, and (b) declares the Offer unconditional no later than 30 June 2024 (unless a Superior Competing Proposal is launched, in which case condition (b) shall no longer apply).

1.10 Due diligence

Magle Group has, in connection with the preparation of the Offer, conducted a confirmatory due diligence review of Amniotics including a documentary review and meetings with the management of Amniotics. Amniotics has informed Magle Group that no inside information (as defined in Article 7 of the EU Market Abuse Regulation) has been disclosed to Magle Group during the due diligence review, save for information regarding Amniotics liquidity situation, which was announced by Amniotics through a press release on 21 March 2024.

1.11 Approvals from authorities

The completion of the Offer is conditional upon, inter alia, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals and clearances from competition authorities and the National Inspectorate of Strategic Products, being obtained, in each case on terms which, in Magle Group's opinion, are acceptable. According to Magle Group's current assessment, the completion of the Offer will require submission of an application for clearance to the National Inspectorate of Strategic Products pursuant to the Swedish FDI Act (Sw. Lagen om granskning av utländska direktinvesteringar). According to Magle Group's current assessment, the completion of the Offer will not require any approvals or clearances from competition authorities or any other authorities than the National Inspectorate of Strategic Products.

1.12 Applicable law and disputes

The Offer, as well as any agreements entered into between Magle Group and the shareholders in Amniotics as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the Stockholm District Court (Sw. Stockholms tingsrätt) shall be the court of first instance.

The Takeover Rules and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. Näringslivets Börskommitté), are applicable to the Offer.

2. BACKGROUND AND REASONS FOR THE OFFER.

Amniotics is a clinical-stage biotech company developing innovative therapies based on amniotic fluid-derived mesenchymal stem cells. The company develops advanced therapy medicinal products (ATMPs) to treat diseases and injuries where effective treatments are currently lacking. Amniotics has an established GMP facility, approved and licensed by the Swedish Medical Products Agency. In parallel with its proprietary developing projects, the company has capabilities as a Contract Development and Manufacturing Organization (CDMO) for other biotech companies. Amniotics is headquartered in Lund, Sweden.

Through the proposed acquisition, Magle Group will take over Amniotics' cGMP-licensed ATMP facility, thereby ensuring that Nordic research-based companies will have access to development and manufacturing support in this rapidly growing area of biotechnology. Further, the integration of Amniotics' capabilities and knowledge with Magle Group's groundbreaking DSM (Degradable Starch Microspheres) technology allows opportunities to broaden the DSM-based product portfolio.

Magle Group remains committed to Amniotics' ongoing project and clinical activities, based on the potential to provide long-term benefits to patients. Magle Group does not currently foresee any material changes to Amniotics' operations, including operational sites, its management or employees or their terms of employment. However, Magle Group expects the business combination to offer synergies in the long-term perspective.

The board of Magle Group confirms that, to the best of the board's knowledge, the information in the offer document regarding Magle Group is correct.

Malmö on 5 April 2024

Magle Group AB

The board of directors

3. RECOMMENDATION FROM AMNIOTICS' BOARD OF DIRECTORS.

Press Release
22 March 2024 07:40:00 CET



Statement from the Board of Directors of Amniotics regarding the public offer from Magle Chemoswed

This statement is made by the Board of Directors of Amniotics AB (publ) (the "Company" or "Amniotics") pursuant to Section II.19 of the Stock Market Self-Regulation Committee's Takeover Rules for Certain Trading Platforms (the "Takeover Rules"). The Board of Directors has decided to recommend the shareholders of Amniotics to accept the Offer (as defined below).

The Offer

On 22 March 2024, Magle Chemoswed Holding AB ("**Magle Chemoswed**") announced a public offer to acquire all shares in Amniotics for SEK 0.004 in cash per share (the "**Offer**"). The Offer values all shares in Amniotics at approximately SEK 10.9 million (based on 2,733,052,159 shares in Amniotics (1)).

The price in the Offer represents a premium of (2):

- approximately 25.0 per cent compared to the closing share price for Amniotics' share on Nasdaq First North Growth Market of SEK 0.0032 on 21 March 2024 (the last day of trading prior to the announcement of the Offer); and
- approximately 48.1 per cent compared to the volume-weighted average trading price for Amniotics' share of approximately SEK 0.0027 during the last 10 days prior to the announcement of the Offer.

The acceptance period for the Offer is expected to commence on or about 8 April 2024 and expire on or about 29 April 2024. Magle Chemoswed has reserved the right to extend the acceptance period for the Offer, as well as to postpone the settlement date. The completion of the Offer is conditional upon, inter alia, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approval from competition authorities and the Inspectorate of Strategic Products, being obtained, in each case on terms which, in Magle Chemoswed's opinion, are acceptable, and that the Offer is accepted to such extent that Magle Chemoswed becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Amniotics. Magle Chemoswed has reserved the right to waive, in whole or in part, one, several or all conditions, including, completing the Offer at a lower level of acceptance.

The process for evaluating the Offer

As the board member and CEO Marcus Larsson, directly and through Deflexum AB, has undertaken to accept the Offer, Marcus Larsson has not participated in the Board of Directors' evaluation of or decisions relating to the Offer.

The Board of Directors has engaged Setterwalls Advokatbyrå AB as legal advisor in connection with the Offer.

The Board of Directors' perception of the Offer is based on an assessment of several factors that the Board of Directors considers to be relevant in relation to the evaluation of the Offer. These factors include, but are not limited to, Amniotics' business, current strategic and financial position, prospects of raising necessary financing for continued operations in the near future, current market conditions, operational prospects and challenges, the Company's expected future development and related opportunities and risks.

In evaluating the Offer, the Board of Directors has analysed the Offer using methods normally used to evaluate public offers for listed companies, including Amniotics' valuation in relation to comparable listed companies and comparable transactions, bid premiums in previous public takeover offers on Nasdaq First North Growth Market, stock market expectations regarding Amniotics' development, the Company's share price and the Board of Directors' view of Amniotics' ability to deliver shareholder value in the long term and other information deemed relevant.

Upon written request from Magle Chemoswed, the Board of Directors has permitted Magle Chemoswed to review limited information for confirmatory purposes in connection with the preparation of the Offer. The inside information shared in connection with such review was made public by the Company through a press release on 21 March 2024.

The considerations and recommendations of the Board of Directors

Amniotics was listed on Nasdaq First North Growth Market in July 2021 and has since then pursued a strategy to conduct innovative research and development in stem cell-based therapies. Amniotics is still in an early development phase and has so far not launched any product or conducted sales.

Since the listing, the Company has, in addition to research grants, financed the business through the public capital market, primarily through rights issues corresponding to a total amount of approximately SEK 115 million (including the exercise of warrants issued in connection with so-called unit issues) before deduction of issue costs. The latest capital raising, carried out as a rights issue of units, consisting of shares and warrants, was completed in October 2023 and provided the Company with initial gross proceeds of approximately SEK 25 million. In total, approximately 54 per cent of the rights issue were subscribed for by exercise of unit rights and approximately 2 per cent of the rights issue were subscribed for without unit rights. Approximately 44 per cent of the rights issue were subscribed for by guarantors. As the net proceeds received by Amniotics did not secure the Company's working capital for the next twelve months, the plan was that the deficit would be financed by the proceeds that Amniotics could receive upon exercise of the warrants series TO3 issued in the rights issue, where the exercise period ran during the period 26 February – 8 March 2024. However, in light of the Company's weak share price, it was uncertain as to what extent Amniotics would receive the capital injection that would be good for the Company, which is why the Board of Directors has worked

intensively to seek to solve the financing needs. On 11 March 2024, the Board of Directors announced the outcome of the exercise period for the warrants issued in the rights issue, which had only been subscribed to approximately 0.89 per cent, whereby Amniotics received approximately SEK 225,000 before deduction of issue costs.

In the year-end report for the fourth quarter 2023, it was underlined that Amniotics' assessment was that the available liquid funds would cover the Company's planned expenses until the end of March 2024, and that the Company's management and Board of Directors worked intensively on various possible solutions to the Company's capital needs. Extensive work has been underway to secure future financing of the business, but without being able to present a ready solution.

The Board of Directors notes that the Company is in need of funding and despite the fact that an extensive evaluation of various financing alternatives has been carried out, the work has not resulted in any long-term solutions as alternatives to the Offer. Risks associated with the development of the Company's products and/or technology and future profitability, as well as the difficulty for the market to estimate the Company's financing opportunities, are factors that were reflected in Amniotics' share price prior to the announcement of the Offer. On 21 March 2024, the Company announced that it had been granted an extension of a short-term loan (amounting to approximately MSEK 3.1) until 31 May 2024, and entered into a service agreement with Magle Chemoswed AB (a subsidiary of Magle Chemoswed) under which Amniotics will provide services regarding GMP activities and development, and which, based on current indications from Magle Chemoswed AB, is expected to provide Amniotics with total revenues of approximately SEK 2 million for the period until 31 May 2024. Through these measures, the Company is expected to be able to maintain continued operations in the short-term and avoid insolvency, at least until the end of May 2024. However, the Board of Directors still sees great difficulties in securing the Company's financing needs in the longer-term.

Amniotics' share price has over time reflected the market's assessment of the Company's future prospects. The Board of Directors views the negative share price development as a consequence of the uncertainty that exists among market participants regarding the Company's future financial development and immediate financing needs.

The Board of Directors notes that the Offer represents a premium of approximately 25.0 per cent compared to the closing share price for Amniotics' share on 21 March 2024 (the last day of trading prior to the announcement of the Offer) and a premium of approximately 48.1 per cent compared to the volume-weighted average trading price for Amniotics' share during the last 10 days prior to the announcement of the Offer.

The Board of Directors has also taken into account that the Company's larger shareholders LSCS Invest AB and Deflexum AB, which together own approximately 20.7 per cent of the outstanding shares and votes in the Company, have entered into irrevocable undertakings to accept the Offer subject to certain conditions.(3)

Consequently, the Board of Directors has therefore unanimously decided to recommend the shareholders of Amniotics to accept the Offer.

Effects on Amniotics and its employees

According to the Takeover Rules, the Board of Directors is required to present its opinion on the impact that the fulfilment of the Offer may have on Amniotics, particularly in terms of employment, and its opinion on Magle Chemoswed's strategic plans for the Company and the effects these can be expected to have on employees and the locations where Amniotics conducts its business. In its press release regarding the Offer, Magle Chemoswed states, among other things, the following:

"Magle Group remains committed to Amniotics' ongoing project and clinical activities, based on the potential to provide long-term benefits to patients. Magle Group does not currently foresee any material changes to Amniotics' operations, including operational sites, its management or employees or their terms of employment. However, Magle Group expects the business combination to offer synergies in the long-term perspective."

The Board of Directors assumes that Magle Chemoswed's description is accurate and has, in relevant aspects, no reason to believe otherwise.

This statement by the Board of Directors is governed by and shall be interpreted in accordance with Swedish law. Any dispute arising out of this statement shall be settled exclusively by the courts of Sweden.

Lund on 22 March 2024

The Board of Directors of Amniotics AB (publ)

(1) Includes 22,504,384 shares subscribed for and allotted through the exercise of warrants series TO3, which has not yet been registered with the Swedish Companies Registration Office (Sw. Bolagsverket).

(2) Source for Amniotics' share prices: Nasdaq First North Growth Market.

(3) The undertakings are conditional upon no other party, prior to the expiry of the acceptance period, announces a competing offer at a price per share that exceeds the price in the Offer by more than 30 per cent, provided that Magle Chemoswed does not, within six business days from the date of the announcement of the competing offer, announce a new offer at a higher price than the price in the competing offer. The undertakings are further conditional upon that Magle Chemoswed, in all material aspects, complies with the Takeover Rules and, provided that no competing offer is announced, that the Offer is declared unconditional no later than 30 June 2024.

Press Release
22 March 2024 07:40:00 CET



For more information please contact

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About Amniotics

Amniotics AB (publ) is a clinical stage biotech company, developing innovative therapies, based on amniotic fluid derived stem cells. The company develops therapies to treat diseases where effective treatments are currently lacking. Amniotics has an established GMP-facility, approved and licensed by the Swedish Medical Products Agency. The company has capabilities as a Contract Development and Manufacturing Organization (CDMO) for other biotech companies. Amniotics is headquartered in Lund, Sweden. The company is listed at Nasdaq First North Growth Market in Stockholm. Amniotics Certified Adviser at First North is Redeye AB. Learn more at www.amniotics.com.

This information is information that Amniotics is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-03-22 07:40 CET.

Attachments

[Statement from the Board of Directors of Amniotics regarding the public offer from Magle Chemoswed](#)

Terms of the offer.

4. TERMS AND CONDITIONS.

4.1 The Offer

The shareholders of Amniotics are offered SEK 0.004 in cash per share in Amniotics. The total value of the Offer based on all 2,733,052,159 outstanding shares in Amniotics amounts to approximately SEK 10.9 million.

Should Amniotics, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly.

4.2 No commission

No commission will be charged in respect of the settlement of the shares in Amniotics tendered to Magle Group under the Offer.

4.3 Conditions for completion of the Offer

The completion of the Offer is conditional upon:

1. the Offer being accepted to such extent that Magle Group becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Amniotics (calculated before as well as on a fully diluted basis);
2. no other party announcing an offer to acquire shares in Amniotics on terms that are more favorable to the shareholders of Amniotics than the Offer;
3. with respect to the Offer and completion of the acquisition of Amniotics, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals and clearances from competition authorities and the National Inspectorate of Strategic Products (Sw. Inspektionen för strategiska produkter), being obtained, in each case on terms which, in Magle Group's opinion, are acceptable;
4. neither the Offer nor the acquisition of Amniotics being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which Magle Group could not reasonably have foreseen at the time of announcement of the Offer;
5. no circumstances having occurred which have or could reasonably be expected to have a material adverse effect on Amniotics' financial position or operation, including Amniotics' sales, results, liquidity, equity ratio, equity or assets, and Amniotics being subject to bankruptcy, reorganization or similar proceedings;
6. no information made public by Amniotics or otherwise made available to Magle Group by Amniotics being inaccurate, incomplete or misleading, and Amniotics having made public all information which should have been made public; and
7. Amniotics not taking any measures that are likely to impair the prerequisites for making or implementing the Offer.

Magle Group reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions 2 – 7

above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Magle Group' acquisition of Amniotics or if otherwise approved by the Swedish Securities Council (Sw. Aktiemarknadsnämnden).

Magle Group reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1, to complete the Offer at a lower level of acceptance.

4.4 Acceptance of the Offer

4.4.1 Directly registered shareholdings

Shareholders in Amniotics whose shares are directly registered with Euroclear Sweden AB ("**Euroclear**") who wish to accept the Offer must, during the period from 8 April 2024 up to and including 3 May 2024, at 15.00 CEST, sign and submit a duly completed acceptance form to Vator Securities AB ("**Vator Securities**") that is pre-printed on the acceptance form.

The acceptance form must be submitted, sent by mail or sent by email in ample time before the last day of the acceptance period so that it may be received by Vator Securities no later than 15.00 CEST on 3 May 2024. The acceptance form may also be delivered to bank offices or to other securities institutions in Sweden to be forwarded to Vator Securities provided that this is done in such time that it is received no later than the last day of acceptance of the Offer. If the acceptance form refers to a person other than the person signing, for example a minor, the guardian/proxy must sign the acceptance where indicated.

The acceptance form will be sent out to shareholders in Amniotics who are directly registered with Euroclear on 5 April 2024. The securities account (Sw. VP-konto) and the current number of shares held in Amniotics are pre-printed on the acceptance form. Shareholders should verify that the pre-printed information on the acceptance form is correct.

Note that acceptance forms which are incomplete or incorrectly completed may be disregarded. No changes may be made to the pre-printed text on the acceptance forms.

Acceptance forms that are not pre-printed will be available on Vator Securities website, www.vatorsecurities.se, and on Magle Group's website for the Offer, www.maglegroup.com/.

4.4.2 Nominee-registered shareholdings

Shareholders in Amniotics whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, will receive neither the offer document nor a pre-printed acceptance form. Such shareholders are instead requested to contact their nominee in order to obtain a copy of the offer document. Acceptances must be made in accordance with instructions received by the nominee.

4.4.3 Pledged shares

If shares in Amniotics are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed. The pledge on the relevant shares in Amniotics must be de-registered in the Euroclear system at the time of delivery of the shares to Magle Group.

4.5 Offer document and acceptance form for shareholders

The offer document and acceptance forms will be available on Vator Securities website, www.vatorsecurities.se/, and on Magle Group's website for the offering, www.maglegroup.com/. Acceptance forms can also be provided from Vator Securities, on telephone +46 (0)8-5800 6591 or address below.

Vator Securities

Settlement/Amniotics

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E-mail: emissioner@vatorsec.se

Website: www.vatorsecurities.se

4.6 Acceptance period and right to extend the Offer

The acceptance period in the Offer is expected to commence on 8 April 2024 and end on 3 May 2024 at 15.00 CEST. Magle Group reserves the right to extend the acceptance period, as well as to postpone the settlement date. A notice of any such extension or postponement will be announced by Magle Group by means of press release in accordance with applicable rules and regulations.

4.7 Right to withdraw acceptance

Shareholders in Amniotics have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by Vator Securities (address on page 53) before Magle Group has announced that the conditions of the Offer have been fulfilled or, if such announcement has not been made during the acceptance period, not later than 15.00 CEST on the last day of the acceptance period. If conditions to the Offer, which Magle Group has reserved the right to waive, remain during an extension of the Offer, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer. Shareholders of Amniotics holding nominee-registered shares wishing to withdraw acceptance of the Offer shall do so in accordance with instructions from the nominee.

4.8 Confirmation of acceptance and transfer of shares in Amniotics to blocked securities accounts

After Vator Securities has received and registered an acceptance form which has been duly completed, the shares in Amniotics will be transferred to a new blocked securities account (Sw. *apportkonto*) which has been opened for each shareholder. In connection hereto, Euroclear will send a notification ("**VP-notice**") showing the number of shares in Amniotics that have been removed from the original securities account and a VP-notice showing the number of shares in Amniotics that have been entered in the newly opened blocked securities account.

4.9 Settlement

Settlement will be initiated as soon as Magle Group announces that the conditions for the Offer have been fulfilled or Magle Group otherwise decides to complete the Offer. If such announcement takes place no later than on 7 May 2024, settlement for shares is expected to

be initiated around 13 May 2024. Settlement will be effected by distribution of a confirmation letter to those shareholders who have accepted the Offer. If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

The settlement amount in respect of the shares will be paid to the yield account which is connected to the shareholder's securities account. Settlement for shareholders in Amniotics who do not have a yield account connected to their securities account or whose yield account is a BankGiro account or PlusGiro account may be delayed. In connection with the settlement, the shares in Amniotics will be removed from the blocked securities account which will then be terminated. No notice evidencing the removal from the blocked securities account will be sent.

Note that, even if the shares in Amniotics are pledged, payment will be made to the yield account which is connected to the shareholder's securities account.

4.10 Compulsory redemption proceedings and delisting

If Magle Group, whether in connection with the Offer or otherwise, acquires shares representing more than 90 per cent of the total number of shares in Amniotics, Magle Group intends to commence compulsory redemption proceedings under the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) to acquire all remaining shares in Amniotics and to promote delisting of Amniotics' shares from Nasdaq First North Growth Market.

4.11 Important information regarding LEI and NID at acceptance

According to Directive 2014/65/EU of the European Parliament and of the Council (MiFID II) and starting from 3 January 2018, all investors must have a global identification code in order to conduct a securities transaction. These requirements require legal entities to apply for registration of a LEI code (Legal Entity Identifier code) and natural persons need to find their National ID or NID number (National Client Identifier number) in order to accept the Offer. Please note that it is the shareholder's legal status that determines whether a LEI code or NID number is required, and that the issuing agent may be prevented from performing the transaction on behalf of the person in question if a LEI code or NID number (as applicable) is not provided. For more information see www.fi.se.

For natural persons who only have Swedish citizenship, the NID number consists of the designation "SE" followed by the person's social security number. If the person in question has a citizenship other than Swedish, or multiple citizenships, the NID number may be any other type of number.

Apply for registration of a LEI code (legal persons) or find out the NID number (natural persons) well in advance since this information is required in the acceptance form upon acceptance of the Offer.

Please note that Vator Securities cannot carry out the transaction at hand if LEI code or NID number is not provided at acceptance.

4.12 Other information

No customer relationship arises between shareholders who accept the Offer and Vator Securities due to Vator Securities' role as the receiving institution regarding the Offer.

If the participant in the Offer is not regarded as customer, the rules regarding the protection of investors pursuant to the Swedish Securities Market Act (Sw. lag (2007:528) om värdepappersmarknaden) will not be applicable to the acceptance. This means, inter alia, that

neither customer categorization nor the appropriateness test will be performed with respect to the Offer. Each participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Offer.

Vator Securities will not regard any other person as a customer in relation to the Offer and is not liable to anyone other than Magle Group for providing the protection that Vator Securities offers its clients or for advising in connection with the Offer or any other transaction, question or arrangement referred to in this offer document.

4.13 Information about processing of personal data

Those who accept the Offer will submit personal information, e.g. name, address and social security number, to Vator Securities, which is responsible for personal data for the processing. Personal information provided Vator Securities will be processed in computer systems to the extent required for to administer the Offer. The processing of personal data also takes place in order for Vator Securities to be able to fulfill its obligations in accordance with law.

For specified purposes - subject to the rules on bank secrecy - personal data may sometimes be disclosed to other companies within the Vator Securities Group or to companies with which Vator Securities cooperates, within and outside the EU / EEA in accordance with the EU's approved and appropriate safeguards. In some cases, Vator Securities is also obliged by law to disclose information, for example to the Swedish Financial Supervisory Authority and the Swedish Tax Agency.

The Swedish Banking and Financing Operations Act (2004:297) contains, like the Swedish Securities Market Act (2007:528), a secrecy provision according to which all Vator Securities employees are bound by a duty of confidentiality regarding Vator Securities' customers and other clients. The duty of confidentiality also applies between and within the various companies in the Vator Securities Group.

Information about which personal data is processed by Vator Securities, deletion of personal data, restriction of processing of personal data, data portability, or correction of personal data can be requested from Vator Securities' data protection officer. It is also possible to contact the data protection officer if the acquirer wants further information about Vator Securities' processing of personal data. In cases where the acquirer wishes to file a complaint regarding the processing of personal data, he has the right to turn to the Privacy Protection Authority in his capacity as supervisory authority.

Personal data shall be deleted if they are no longer necessary for the purposes for which they were collected or otherwise processed, provided that Vator Securities is not legally obliged to retain the data. Normal storage time for personal data is 10 years.

Address of Vator Securities' data protection officer: Vator Securities AB, Kungsgatan 34, SE-111 35 Stockholm.

4.14 Questions about the Offer

Additional information about the Offer please contact Vator Securities on the following telephone number: **+46 (0)8-5800 6591**. Information will also be available on Vator Securities website, www.vatorsecurities.se, and on Magle Group's website for the Offer, www.maglegroup.com/.

Description of Amniotics.

5. DESCRIPTION OF AMNIOTICS.

The following is a summary description of Amniotics. The information presented in this description is, unless otherwise stated, based on publicly available information primarily gathered from Amniotics' website, www.amniotics.com, the EU growth prospectus published by Amniotics on 9 October 2023, Amniotics' annual report for the financial year 2022, the year-end report for the twelve months ended 31 December 2023 (which has neither been audited, nor reviewed by Amniotics' auditor), and has been reviewed by the board of directors of Amniotics.

5.1 Amniotics in brief

Amniotics, founded in 2015, is a biotechnology company developing allogeneic (i.e. from one patient to another) cell therapy drugs based on amniotic fluid from planned caesarean sections.

The Company develops two types of cell therapy; one is so-called mesenchymal stem cells ("**MSC**"), where the special feature is that the cells are derived from different tissues of the newborn baby through its contact with amniotic fluid; lung/kidney/nervous system/skin. The second type is so-called Natural Killer cells ("**NK cells**") which are generated via so-called iPSC (induced Pluripotent Stem Cells) where the produced cells will be used in cancer treatment. For a number of diseases and conditions where effective treatment is currently lacking or is insufficient, stem cells can be a potential alternative. Amniotics sees an opportunity to address this medical need by developing new effective treatment methods based on these neonatal tissue specific MSC and NK cells.

Amniotics also has a GMP (Good Manufacturing Practice) facility, approved by the Swedish Medical Products Agency (Sw. Läkemedelsverket), developed to manufacture Advanced Therapy Medicinal Products (ATMP).

Amniotics is headquartered in Lund, Sweden. The average number of employees during the fourth quarter of 2023 amounted to six employees.

5.2 Business idea and strategy

Amniotics focuses on the treatment of diseases where a smaller but well-defined group of patients (orphan drug designations included) has a great need for better treatment.⁴ Amniotics' strategy is to develop stem cell-based cell therapies. Through a patent portfolio including all steps from the collection of amniotic fluid to the finished product, with a focus on licensing and partnerships, but also combined with its own GMP production facility with the possibility of contract manufacturing. Amniotics' strategy also includes development of the Company's preclinical and early discovery phase programs, for example in the field of oncology and within the field of CNS⁵ with CogniStem™.

5.3 Amniotics' value chain

Amniotics has developed a multi-patented and patent-pending value chain and a CE-marked medical device (collection system class IIa) to extract amniotic fluid. The Company believes that it

⁴ Webber, Millest and Williams (2009) Stem Cell Therapies: Assessing the commercial opportunity (<https://www.ddw-online.com/stem-cell-therapies-assessing-the-commercial-opportunity-541-200908/>).

⁵ The central nervous system.

is a pioneer in the recovery of amniotic fluid obtained during planned caesarean sections.⁶ The Company produces MSC for clinical studies in its own GMP production facility. Amniotics has a collaboration agreement with Skåne University Hospital (SUS) to obtain amniotic fluid and extract MSC from this material.

Amniotics' marker technology to identify the different populations of MSC is based on tissue-specific cell surface markers identified during the research and development work in the Company. Amniotics uses the markers and marker-specific antibodies to select homogeneous and high-quality stem cells for the development of disease-specific cell therapies. The use of the markers and the patent-pending selection technology is one of several components that differentiate Amniotics from other stem cell companies. The Company's assessment is that Amniotics is the only currently active company that can produce neonatal tissue-specific MSC from amniotic fluid for medical use.

5.4 Project portfolio

Amniotics has developed methods for sorting out tissue-specific cells for the treatment of diseases of the lung (PulmoStem™), CNS (CogniStem™), kidney (NephroStem™) and skin (CutiStem™). Amniotics has with the lung-specific product PulmoStem™ entered clinical phase through a Phase Ib clinical trial in humans which achieved the primary objective of demonstrating that the product is safe and well tolerated. Amniotics' other cell-specific products are still in an earlier stage.

The Company's iPSC technology is in a preclinical stage where the potential is to constitute a new platform and address a group of new indications within oncology.

5.5 Amniotics' production facility

Amniotics' GMP certified facility has been dormant for some time, as the Company has manufactured all the necessary material for the near-term development of PulmoStem™. Amniotics' GMP facility is located directly adjacent to the Company's premises and the Company has built up the necessary technical expertise for production, quality control and temperature-controlled warehousing according to GMP. The facility is 85 m² and currently consists of six class B modules. This enables Amniotics to manufacture material for preclinical and clinical studies in-house, which reduces the cost compared to hiring a dedicated contract manufacturer, as well as increases flexibility as the Company has better control over development and maintains technical know-how within the Company. The GMP facility was approved for production by the Swedish Medical Products Agency in 2020.

The raw material used for pharmaceutical production is human amniotic fluid and there are legal requirements for ethical handling. Amniotics has therefore also built up its own tissue establishment, which is responsible for preparation, pre-release control and traceability registration. When tissues and cells are produced as raw materials for the production of pharmaceuticals, the Swedish Medical Products Agency acts as the supervisory authority and

⁶ The Company's assessment is based on the fact that the Company operates in a new therapeutic area, with very few existing treatments, with only a few developing and able to manufacture stem cells today.

licensor for the operations of the tissue establishment. Amniotics was granted a licence to operate a tissue establishment in 2020.

Through its facility and technical expertise, Amniotics is able to offer process development services for ATMP (Advanced Therapy Medicinal Products) as well as work with small and medium-sized companies to assist with the manufacturing and analysis of their products.

5.6 Technology and patents

Amniotics' technology allows for selecting the type of cell to be used for treatment of specific tissue. The Company has developed a process – patented in all steps – which includes collection of amniotic fluid, with a CE-marked medical device developed by Amniotics, followed by sorting and propagation of stem cells and packaging of product in ampoules in its own GMP facility.

The Company has patents in two main patent families attributable to the Company's MSC products intended for use in several treatments/indications. In addition, the Company has filed an additional 33 patent applications. The new patent applications are intended to protect the production line for stem cell products and therapies with such stem cell products.

6. SUMMARY OF FINANCIAL INFORMATION.

The following financial information regarding Amniotics has been extracted from the audited annual reports for 2022, 2021 and 2020, as well as the unaudited year-end report for the period 1 January – 31 December 2023.

The audited annual reports for 2022, 2021 and 2020 as well as the year-end report for the period 1 January – 31 December 2023 have been prepared in accordance with the Swedish Accounting Standards Board's General Council, BFNAR 2012:1, and the Annual Accounts Act (1995:1554).

The audited annual reports for 2022, 2021 and 2020 are available on Amniotics' website, www.amniotics.com. The year-end report for the period 1 January – 31 December 2023, which is fully recited on pages 33 – 46 in the offer document, has not been audited nor reviewed by Amniotics' auditor.

6.1 Consolidated income statement

KSEK unless otherwise stated	1 Jan – 31 Dec			
	2023	2022	2021	2020
Operating income				
Other operating income	6,495	553	50	38
Gross profit	6,495	533	50	38
Operating expenses				
Other external costs	-17,052	-26,622	-35,294	-21,586
Personnel costs	-15,031	-18,507	-16,056	-7,842
Depreciation of tangible and intangible assets	-2,301	-1,793	-2,153	-1,586
Other operating costs	-1,184	-324	-162	-18
Operating income	-29,072	-46,693	-53,615	-30,994
Income from financial activities				
Net interest items	-1,797	-1,353	-4	-3
Result after financial items	-30,870	-48,046	-53,619	-30,997
RESULT FOR THE PERIOD	-30,870	-48,046	-53,619	-30,997

6.2 Consolidated balance sheet

KSEK	31 Dec			
	2023	2022	2021	2020
Assets				
Fixed Assets				
Intangible assets	8,090	6,552	4,392	3,752
Equipment and installations	5,625	6,798	7,724	9,374
Total fixed assets	13,716	13,350	12,116	13,126
Current assets				
Inventory	534	0	0	0
Other receivables	3,625	6,464	1,991	1,970
Cash and bank balances	8,212	9,104	43,981	510
Total current assets	12,370	15,568	45,972	2,480
TOTAL ASSETS	26,086	28,918	58,088	53,451
Equity				
Restricted equity				
Share capital	6,505	869	869	604
Not registered share capital	0	0	0	96
Reserve for development expenses	167	167	167	167
Unrestricted equity				
Share premium reserve	100,082	60,793	60,793	90,549
Accumulated loss including profit/loss for the period	-91,216	-60,346	-12,299	-49,230
Total equity	15,539	1,484	49,530	42,186
Liabilities				
Long-term liabilities	0	0	0	599
Current liabilities	10,547	27,434	8,558	10,666
Total liabilities	10,547	27,434	8,558	11,265
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	26,086	28,918	58,088	53,451

6.3 Consolidated cash flow statement

KSEK	1 Jan – 31 Dec			
	2023	2022	2021	2020
Operating activities				
Operating result	-29,072	-46,693	-53,616	-30,994
Adjustment for items not affecting cash flow	3,698	1,793	2,152	1,586
Interest received	99	36	0	0
Interest paid	-1,497	-1,389	-4	-3
Paid income tax	0	-102	-75	64
Cash flow from operating activities before change in working capital	-26,772	-46,355	-51,542	-29,347
Change in working capital	-2,319	170	35,908	-32,426
Cash flow from operating activities	-29,090	-46,185	-15,634	-61,773
Investing activities	-2,666	-3,027	-1,144	-5,466
Cash flow after investing activities	-31,756	-49,212	-16,778	-67,239
Financing activities	-3,924	-14,335	-715	1,446
Rights issue	34,789	0	60,963	60,275
Change in cash and cash equivalents	-892	-34,876	43,471	-5,517
Cash and cash equivalents at the beginning of the year	9,104	43,981	510	6,027
Cash and cash equivalents at the end of the period	8,212	9,104	43,981	510

6.4 Key figures

KSEK unless otherwise stated	1 Jan – 31 Dec			
	2023	2022	2021	2020
Solidity (%)	60	5	85	79
Equity per share at end of period (SEK)*	0.006	0.092	3.083	3.778
*Based on number of shares at the end of the period				

6.5 Definitions

Solidity

Shareholders' equity as a percentage of total assets. Amniotics uses the alternative key ratio equity ratio because it shows how much of the assets have been financed through equity and thus clarifies the Company's financial strength. The key performance indicator is intended to contribute to an increased understanding of the Company's long-term ability to pay.

Equity per share at the end of the period

Equity divided by the number of shares at the end of the period. The key ratio is intended to clarify how much of the equity is attributable to each individual share.

7. SHARE CAPITAL AND OWNERSHIP STRUCTURE.

7.1 General

The shares in Amniotics are listed on Nasdaq First North Growth Market under the ticker AMNI with ISIN-code SE0015961016.

7.2 Shares and share capital

All shares in Amniotics are of the same class. According to Amniotics' articles of association the share capital shall amount to not less than SEK 4,800,000 and no more than 19,200,000. The number of shares shall be no less than 2,000,000,000 and may not exceed 8,000,000,000. As of the date of this offer document, the registered share capital of Amniotics amounts to SEK 6,559,325.181600 distributed over a total of 2,733,052,159 outstanding shares. The shares are denominated in SEK and have a quota value of SEK 0.0024 per share. All shares issued are fully paid and freely transferrable.

7.3 Amniotics' ten largest shareholders as of 31 December 2023

As of 31 December 2023, Amniotics had approximately 2,000 shareholders. The ten largest shareholders as of 31 December 2023 are shown in the table below, sorted by number of shares and votes.

Shareholder	Number of shares	Percent of shares and votes
LSCS Invest AB	287,888,101	10.62
Deflexum AB	278,561,077	10.28
Wilhelm Risberg	268,631,567	9.91
Avanza pension	152,958,093	5.64
Max Mitteregger	125,000,000	4.61
Arne Andersson	104,707,608	3.86
Fredrik Tiberg	71,040,500	2.62
Omid Ghannad	70,054,809	2.58
Tass AB	66,602,315	2.46
Cloudo Invest AB	51,654,772	1.91
Others	1,233,448,933	45.51
Total	2,710,547,775	100.00

7.4 Shareholders' agreements

The board of directors of Amniotics is not aware of any shareholders' agreements or equivalent agreements between shareholders of Amniotics with the objective of creating joint influence over Amniotics.

7.5 Dividend policy

The Company has not adopted a dividend policy and has not resolved on any dividend for the period covered by the historical financial information in the offer document. The Company's board of directors currently has no intention to propose any dividend. Any future dividends will be decided by the shareholders at the annual general meeting and will be based on, among other things, the Company's profitability, development, acquisition opportunities and/or financial position.

7.6 Holding of own shares

As of the date of this offer document, Amniotics does not hold any own shares.

7.7 Incentive programs

The Offer does not include the 323,375 warrants held by Amniotics. After recalculation following completed rights issues these warrants entitles the holder to 1.41 shares per warrant at an exercise price of SEK 24.95 per share. The warrants were issued to Amniotics to secure future delivery of shares in an incentive program established in 2021. In the incentive program, qualified employee stock options series of 2021/2026 were allotted free of charge to employees. However, all allotted employee stock options have expired and, thus, there are no remaining outstanding employee stock options that can result in the exercise of the warrants.

7.8 Authorization for the board of directors to resolve on new issues of shares

Amniotics' annual general meeting on 22 May 2023 resolved to authorize the board of directors to, on one or more occasions during the period until the next annual general meeting, with or without deviation from the shareholders' preferential rights, resolve to issue shares, warrants and/or convertibles. An issue may be made with or without provisions regarding non-cash consideration, set-off or other conditions. The purpose of the authorization is to enable the company to raise working capital, to carry out company acquisitions or acquisitions of operating assets and to enable issues to industrial partners within the framework of collaborations and alliances.

The total number of shares that may be issued as a result of an issue of shares with preferential rights for the shareholders pursuant to the authorization, or alternatively be issued upon exercise of warrants and/or convertibles issued pursuant to the authorization, shall be accommodated within the limits of the Company's articles of association. To the extent that the authorization is exercised for issues with deviation from the shareholders' preferential rights, the authorization shall be limited so that the board of directors may resolve to issue shares, convertibles and/or warrants that may result in a dilution of not more than 20 percent calculated on the number of shares in the company at the time of the first issue resolution, and the issue price shall be in accordance with market practice (subject to a market-based issue discount where applicable).

7.9 Material agreements

Amniotics' annual report for the financial year 2022 does not mention any material agreements that Amniotics is party to, which could be affected, amended or terminated if the control of Amniotics would change as a result of a public offer.

8. ARTICLES OF ASSOCIATION OF AMNIOTICS.

Amniotics AB (publ)
Reg. No. 559024-6558

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

§ 1 Company name

The company name is Amniotics AB (publ). The company is a public company.

§ 2 Registered office of the board of directors

The registered office of the board of directors shall be in the municipality of Lund.

§ 3 Object of the company's business

The object of company's business shall be to manufacture, develop and commercialize cellular-, medical-, diagnostic-, pharmaceutical- and chemical-technical products, acquire, outlicense and transfer intellectual property rights for such products and other activities compatible therewith.

§ 4 Share capital

The share capital shall be not less than SEK 4,800,000 and not more than SEK 19,200,000.

§ 5 Number of shares

The number of shares shall be not less than 2,000,000,000 and not more than 8,000,000,000.

§ 6 Board of directors

The board of directors shall consist of not less than 3 and not more than 10 members.

§ 7 Auditors

The company shall have not less than 1 and not more than 2 auditors with not more than 2 deputy auditors. As auditor and, when applicable, deputy auditor, an authorized public accountant or a registered accounting firm shall be appointed.

§ 8 Notice

Notice to attend a General Meeting shall be given by announcement in the Swedish Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. It shall further be announced in Dagens Industri that a notice has been made.

Shareholders wishing to participate in the General Meeting must notify participation to the company no later than on the date specified in the notice. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than on the fifth weekday before the meeting.

A shareholder may bring one or two advisors to the General Meeting, but only if the shareholder has notified the company in accordance with the previous paragraph.

§ 9 Matters at the Annual General Meeting

At the Annual General Meeting, the following matters shall be dealt with.

1. Election of a chairman of the meeting
2. Preparation and approval of the voting list
3. Election of one or two persons to verify the minutes
4. Determination as to whether the meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and, where applicable, the auditor's report
7. Resolutions regarding:
 - adoption of the income statement and balance sheet
 - allocation of the company's profit or loss as set forth in the adopted balance sheet
 - discharge from liability for members of the board of directors and the CEO
8. Determination of fees for the board of directors and, where applicable, the auditors
9. Election of board of directors and, where applicable, auditors
10. Any other matter which rests with the General Meeting in accordance with the Swedish Companies Act (2005:551) or the Articles of Association.

§ 10 Financial year

The financial year shall be 1 January – 31 December.

§ 11 Record day provision

The company's shares shall be registered in a record day register pursuant to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

These Articles of Association were adopted at the Extraordinary General Meeting held on October 3, 2023.

9. BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS IN AMNIOTICS.

9.1 Board of directors

- **Peter Buhl Jensen (1955)**

Chairman and member of the board of directors since: 2021.

Other engagements: Board member of AIDA Oncology ApS, Cobis A/S, Symbion A/S and Symbion Fonden. CEO in Chosa ApS, Chosa Oncology AB and RhoVac ApS. Member of management in Buhl Krone Holding ApS.

Previous experience: Founder and CEO of TopoTarget A/S. CEO of Allarity Therapeutics and Medical Prognosis Institute A/S. Chief physician at Rigshospitalet University Hospital in Copenhagen.

Education: PhD in Internal Medicine and PhD from the University of Copenhagen.

Independent in relation Amniotics and its management: Yes.

Independent in relation Amniotics' major shareholders: Yes.

Shareholding in Amniotics: 0 shares.

- **Christopher Bravery (1967)**

Member of the board of directors since: 2021.

Other engagements: CEO of Consulting on Advanced Biologicals Ltd.

Previous experience: Drug assessor at the Medicines and Health Service (MHRA). Director at Consulting on Advanced Biologicals Ltd. Senior Scientist at Intercytex Ltd.

Education: in Immunology from Imperial College London and a BSc in Biochemistry.

Independent in relation Amniotics and its management: Yes

Independent in relation Amniotics' major shareholders: Yes

Shareholding in Amniotics: 0 shares.

- **Fredrik Tiberg (1963)**

Member of the board of directors since: 2021.

Other engagements: CEO of Camurus AB. Board member of Camurus AB and Camurus Lipid Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous experience: CEO of Heptahelix AB, Head of Research at Camurus, Visiting Professor of Physical and Theoretical Chemistry at the University of Oxford.

Education: M.Sc. in Chemical Engineering from the Faculty of Engineering at Lund University. PhD and Associate Professor in Physical Chemistry from Lund University.

Independent in relation Amniotics and its management: Yes.

Independent in relation Amniotics' major shareholders: Yes.

Shareholding in Amniotics: 71,040,500 shares.

- **Ingrid Atteryd Heiman (1958)**

Member of the board of directors since: 2021.

Other engagements: Chairman of the board of Bostadsrättsföreningen Gammelgården i Sälen and Iah AB. Board member of Colzyx AB, Ilima AB, Parkinson Research Foundation, Chosa Oncology AB and VitalSigns Innovation AB.

Previous experience: Chairman of the board of Doxa AB. Board member of Dignitana AB and Doxa Dental AB. CEO and Chairman of Svensk Egenvård. CEO and Chairman of the board of Ellen AB. Management consultant for Booz Allen Hamilton.

Education: Master of Science in Business and Economics from Lund University and MBA degree from Uppsala University.

Independent in relation Amniotics and its management: Yes.

Independent in relation Amniotics' major shareholders: Yes.

Shareholding in Amniotics: 1,494,000 shares.

- **Marcus Larsson (1973)**

Member of the board of directors since: 2015.

CEO since: 2022.

Other engagements: Chairman of the board of directors of Camurus' Lipid Research Foundation. Board member of Deflexum AB.

Previous experience: -

Education: Licensed physician with a degree from Lund University and specialist physician in pediatrics and clinically active at the Neonatal Clinic, Skåne University Hospital. Marcus is one of the founders of Amniotics.

Independent in relation Amniotics and its management: No

Independent in relation Amniotics' major shareholders: No

Shareholding in Amniotics: 278,561,077 shares

9.2 Senior executives

- **Marcus Larsson (1973)**

See description under "Board of directors"

- **Gerton Jönsson (1971)**

Position: CFO since 2023

Other engagements: Deputy board member of Increased Networks ME AB.

Previous experience: Has worked for around 20 years as an accounting consultant for both large international groups and for smaller companies, both listed and unlisted and has also been acting CFO at Doxa AB.

Education: Information technology at Mälardalen högskola

Shareholding in Amniotics: 0 shares.

- **Jan Talts (1965)**

Position: COO since 2017

Other engagements: -

Previous experience: Research assistant at the Max-Planck Institute for Biochemistry in Munich. Associate Professor and Head of Section for Anatomy and Cell Biology at the University of Copenhagen. Medical Director of Clinical Pathology at Lund University Hospital. Senior Researcher, Project Manager and ECA-certified QA Manager at Xintela AB.

Education: PhD in Animal Physiology from Uppsala University and Associate Professor in Cell and Molecular Biology at Lund University.

Shareholding in Amniotics: 7,279,571 shares.

9.3 Auditor

At the annual general meeting held on 22 May 2023, the registered auditing firm Deloitte AB was re-elected as auditor of Amniotics for the period until the end of the annual general meeting 2024. Maria Eklund (born 1970), authorized public accountant and member of the Swedish Professional Institute for Authorized Public Accountants (Sw. Föreningen Auktoriserade Revisorer), was appointed auditor in charge.

9.4 Other

There are no agreements between Amniotics and its board members or employees stipulating remuneration if such persons' employment ceases as result of a public offering to acquire shares in Amniotics.

10. AMNIOTICS' FULL YEAR REPORT FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2023



Orphan Designation granted in EU

October - December in brief

- Total revenues: SEK 0 (0).
 - Operating profit (EBITDA): SEK -5,0 (-9,8) million.
 - Result for the period: SEK -5,8 (-10,9) million.
 - Earnings per share: SEK -0,004 (-0,68).
 - Cash flow for the quarter: SEK 4,6 (-14,5) million.
 - Cash and cash equivalents at the end of the reporting period: SEK 8,2 (9,1) million.
 - Equity/assets ratio as per the end of the reporting period: 60 (5) %.
- Amniotics carried out a rights issue that provided the company with SEK 25 million before issue costs as well as set-off and repayment of outstanding bridge loans.
 - Amniotics has received renewed GMP certificate and authorization from the Swedish Medical Products Agency for the manufacture of clinical investigational drugs for advanced therapies based on mesenchymal stem cells isolated from amniotic fluid and for aseptic reconstitution of cell therapy products. The permit is valid until 2028-08-24.
 - Amniotics has been granted Orphan Drug Designation for PulmoStem® for the treatment of Primary Graft Dysfunction in Lung Transplantation by the European Commission.

Other events after the end of the reporting period

- We have been undertaking additional work to strengthen the preclinical package PulmoStem-in-PGD and are currently aiming to treat the first patient in the second half of 2024.
- The management and the board work actively to identify and evaluate various possible solutions to secure the Company's financing needs.

January - December in brief

- Total revenues: SEK 0 (0).
- Operating profit (EBITDA): SEK -27,1 (-46,7) million.
- Result for the period: SEK -30,9 (-48) million.
- Earnings per share: SEK -0,06 (-2,99).
- Cash flow for the period: SEK -0,9 (-34,9) million.

CEO Statement

Orphan Designation granted in EU

A major milestone was reached for the company when the European Commission granted Orphan Designation status for PulmoStem in preventing Primary Graft Dysfunction (PGD) in lung transplantation. This gives the company several benefits during the PulmoStem product development, and a ten-year market exclusivity once the medicine is on the market. We have been working with our academic partner to plan the PulmoStem-in-PGD study in the most efficient and cost-effective way we can. We have been undertaking additional work to strengthen the preclinical package and are currently aiming to treat the first patient in the second half of 2024.

Leveraging Amniotics' manufacturing assets to provide contract services (CDMO) has remained in focus. We believe there is a poorly served niche to support academic developers and academic spin-out companies who need flexible low cost CDMO services. We have continued to promote our services at relevant congresses and via direct approach to companies and academia.

The optimization of the production of our lead candidate, PulmoStem, has continued with a strong focus on the cost of goods.

The knowledge gained from this work will also feed into our CDMO offering.

Our CNS project, CogniStem has been progressing and we are currently investigating the CNS homing mechanisms and related biochemical effects in the brain together with an academic research group at Lund University.

The NK-consortium project is on track with each consortium partner attending their separate work packages and a yearly project assembly will be held in the second quarter of 2024.



Last autumn, we carried out a rights issue. Since the net cash supplied to Amniotics did not secure the Company's working capital for the next twelve months, the plan was that the deficit would be financed by the cash that Amniotics could be supplied upon redemption of the warrants series TO3 that were issued in the rights issue where the redemption period runs during the period 26 February – 8 March 2024.

In light of the fact that the Company's share is today traded below the redemption price for TO3 of 1 öre per share, it is currently uncertain to what extent Amniotics will receive the capital injection that the TO3 warrants were planned to provide. Management and the board are now working intensively on various possible solutions to the Company's capital needs. So far we do not have a ready solution to present, but the work continues with high intensity.

Lund, February 2024
Marcus Larsson

Amniotics in brief

Amniotics develops and manufactures stem cell therapies in the company's own GMP certified facility

Amniotics origin

Amniotics was born out of the discovery of a novel source of stem cells in full-term amniotic fluid. Based on a decade of research at the internationally recognized Lund University Stem Cell Center

and Hospital, the company is pioneering the harvesting and propagation of tissue specific neonatal mesenchymal stem cells (MSC).

Researchers and founders of the company, pediatrician Marcus Larsson, obstetrician Andreas Herbst and stem cell specialist Niels-Bjarne Woods discovered a new type of stem cells in amniotic fluid that has properties for applications in regenerative medicine.

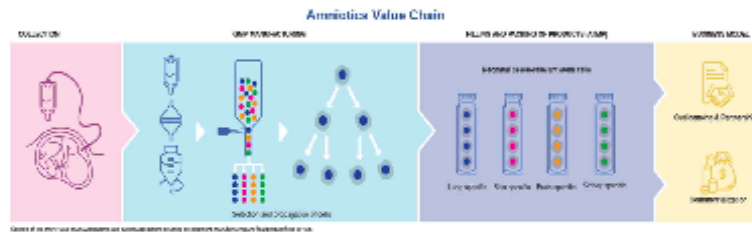
Amniotics is a biopharma company that develops cell therapy drugs based on mesenchymal stem cells (MSC) from amniotic fluid. These MSC are neonatal, which means that they are better than MSC from adult individuals in several important aspects (e.g. virus burden, growth capacity). As of now, it is Amniotics assessment that the company is the only currently active company that can produce neonatal tissue specific MSC from amniotic fluid for a number of indications. The amniotic fluid is collected during planned caesarean sections using Amniotics proprietary CE-marked medical device. Amniotics own marker technology is then used to identify and select stem cells for different tissue types:

- Lung (PulmoStem™)
- Brain (CogniStem™)
- Kidney (NephroStem™)
- Skin (CutiStem™)

Novel treatments for unmet needs

For a number of diseases and conditions where effective treatment is currently lacking or is insufficient, stem cells can be a potential alternative. Amniotics see an opportunity to address this medical need by developing new effective treatment methods based on these neonatal tissue specific MSC.

Amniotics vision is to contribute to the successful treatment of human diseases by providing the very best stem cells for medical applications.



Technology

Amniotics unique technology allows for selecting the type of tissue-specific neonatal stem cells to be used for specific tissue. The company has developed a process - patented in all steps - which includes collection of amniotic fluid, with a medical device developed by Amniotics, followed by sorting and propagation of stem cells and packaging of product in ampoules in its own GMP facility.

Strategy

Amniotics strategy is to develop treatments for diseases with severe inflammatory and fibrotic components, where tissue specific stem cells are expected to have an impact on potential future life-changing treatments. The objective is to successfully conduct and complete phase I/II clinical trials. For the later stage clinical development and commercialization Amniotics intends to seek licensing partners.

Amniotics is presently producing clinical batches of lung specific MSC (PulmoStem™). With the results from Amniotics™ preclinical studies and

the characterization of the quality attributes of the cells (sterility, identity, purity, injectability) Amniotics can proceed to clinical testing. All candidates are in the early development phase except PulmoStem™, which was evaluated in a clinical study during 2023 which resulted in positive Topline data with safety and tolerability being shown. Amniotics strategy also includes being an active and attractive contract manufacturer of potent MSCs to external research programs to increase the utilization rate of Amniotics GMP approved manufacturing facility.

Several patented technologies and concepts

Large values lie in the scientific knowledge, the developed process and the technology built by Amniotics. The Company has a well-developed IP strategy that works broadly to protect this value and by protecting the Company's position in the market from competitors and competing technologies. The Company has three patent families attributable to the Company's MSC products intended for use in several treatments / indications. In addition, the Company has filed an additional 14 patent applications, of which 12 are in new patent families.

Cell therapy market

There are only a few approved cell therapies on the market today. However, the area is expected to grow in the coming years driven by clinical successes that are accelerating investments. GlobalData estimates that the area of regulated cell therapies will reach \$ 3.1 billion by 2026. Cell therapies have the potential to change future treatments due to their therapeutic potential for a variety of diseases. The US Food and Drug Administration estimates that the approval of drugs based on cell and gene therapy will increase substantially between 2021 and 2025. The first MSC-based drug to receive European approval (Alofisel from TIGenix / Takeda) was approved by the European Medicines Agency EMA in March 2018.

Drug development with cell therapy

Amniotics focuses on the treatment of diseases where a smaller but well-defined group of patients (orphan drug designations included) has a great need for better treatment. Amniotics marker technology for identifying different populations of MSC is based on tissue-specific cell surface markers that have been identified during research and development work by the

Company. Amniotics use markers and marker-specific antibodies to identify and select homogeneous and high-quality stem cells for the development of disease-specific cell therapies. The use of markers and patent-pending selection technology is one of several components that distinguish Amniotics from other stem cell companies.

Contract development and contract manufacturing of cell therapy

Amniotics other business opportunity lies within the Company's own production service. With its own GMP production facility, Amniotics has secured production of its own products and is not dependent on outsourcing to a third party. This gives Amniotics a comparative advantage as well as control over the value chain, without the need for contracting and transferring knowhow to an external manufacturer.

Amniotics is also offering contract development and contract manufacturing of advanced therapy medicinal products (ATMPs) to the pharmaceutical industry, universities and to hospitals.



Amniotics has the capacity to work with other companies to add value through e.g.:

- Process development for ATMP at Amniotics GMP manufacturing facility in Lund
- Work with companies to help launch their products.
- Assist in solving operational challenges such as capacity constraints.

Amniotics Pipeline

Amniotics project portfolio is based on proprietary technology and methodology. The pipeline is made up of pulmonary indications (PulmoStem™), brain indications (CogniStem™), dermatological indications (CutiStem™) and kidney-specific indications (NephroStem™).

Amniotics lung-specific product PulmoStem™ has during 2023 been evaluated in a first clinical study in humans with the primary aim of demonstrating that the product is safe and well tolerated and these goals were met. Based on favorable experimental data in a lung transplantation model, PulmoStem development will be focused on improving outcome after lung transplantation. Amniotics other cell-specific products are still at an earlier stage and will in the coming years continue to be developed towards clinical phase. IPS technology is another opportunity at an early stage with the potential to shape a new platform and a new group of indications for Amniotics. Following Phase I/II clinical trials of PulmoStem™, Amniotics intends to seek a partner for out licensing the products / technology for the development of treatment for relevant lung diseases.

Pipeline – current prioritized areas

Platform	Candidate	Indication	Discovery	Preclinical	Phase I	Phase II / Partnering	Upcoming milestones
STEM CELLS (MSC)	PulmoStem™	ARDS (COVID-19)	[Progress bar: Discovery to Phase I]				First report Q2 2023
	PulmoStem™	Lung Transplantation	[Progress bar: Discovery to Phase I]				CTA, H2 2023
INK cells (iPSC)	AMN1-N009	Oncology	[Progress bar: Discovery to Preclinical]				CTA, Optimization, H1 2024

Amniotics additional platform candidates

Platform	Candidate	Indication	Discovery	Preclinical	Phase I	Phase II / Partnering	
STEM CELLS (MSC)	PulmoStem™	Idiopathic pulmonary fibrosis (IPF)	[Progress bar: Discovery to Phase I]				
	CogniStem™	Neurodegenerative disease, Parkinson's, Alzheimer, ALS	[Progress bar: Discovery to Phase I]				
	NephroStem™	Acute kidney injury Transplantation	[Progress bar: Discovery to Preclinical]				
EVs	Cut Stem™	Epidemiology Outbreak Burn/wound healing (Skin)	[Progress bar: Discovery to Preclinical]				

ARDS – Acute Respiratory Distress Syndrome
 IPF – Idiopathic pulmonary fibrosis
 Piv – Pre-clinical studies
 CTA – Clinical Trial Application to a health authority

Completed
 In progress
 Planned

Financial performance in summary

(KSEK)	Quarter 4		January-December	
	2023	2022	2023	2022
Net sales	0	0	0	0
Operating result	-5 468	-10 293	-29 072	-46 693
Cash flow from operating activities	-5 195	-13 702	-29 090	-46 185
Cash position	8 212	9 104	8 212	9 104
Equity/assets ratio %	60	5	60	5
Earnings per share (SEK)	-0,004	-0,68	-0,07	-2,99

Financial overview

Comprehensive result

Comprehensive result for the quarter was SEK -5,8 (-10,9) million, which corresponds to an improvement of SEK 5,1 million. Earnings per share, based on the number of shares at the end of the quarter, totaled SEK -0,002 (-0,68).

In the period, the comprehensive result was SEK -30,9 (-48) million, which corresponds to an improvement of SEK 17,1 million. Earnings per share, based on number of shares at end of the period, totaled SEK -0,011 (-2,99).

Expenses

Operating expenses for the quarter totaled SEK 8,1 (10,6) million, a decrease of SEK 2,5 million. Other external costs increased by SEK 0,2 million and amounted to SEK 4,9 (4,7) million. Personnel costs amounted to SEK 2,2 (5,3) million, a decrease of SEK 3,1 million. Financial costs were TSEK 280 lower and amounted to TSEK 358 (637) thousand.

Operating expenses for the period amounted to SEK 37,4 (47,2) million, a decrease of SEK 9,8 million. Other external costs amounted to SEK 17,4 (26,8) million, a decrease of SEK 9,2 million. A large part of the reduction is due to higher costs for clinical studies in 2022 and higher consultancy costs. Personnel costs decreased by SEK 3,5 million and amounted to SEK 15 (18,5) million.

Investments

The company's net capital expenditure during the quarter amounted to SEK 0,6 (0,7) million, including SEK 0,1 (0,4) million attributable to property, plant, and equipment, and SEK 0,5 (0,3) million relating to investments in intangible assets.

The company's net capital expenditure during the half year amounted to SEK 2,7 (3) million, including SEK 0,8 (0,9) million attributable to property, plants, and equipment, and SEK 1,9 (2,1) million relating to investments in intangible assets.

Cash flow and financial position

Total shareholders' equity at end of the period was SEK 15,5 (1,5) million after taking the result for the quarter into account. Equity per share based on the number of outstanding shares at the end of the period was SEK 0,006 (0,092). The company's equity ratio at the end of the quarter was 60 (5) percent.

Cash and cash equivalents at the end of the period amounted to SEK 8,2 (9,1) million. Management and the Board review the capital needs and requirements to be able to continue operating the business. The company has carried out a rights issue of SEK 25 million, which is 100 percent secured. In connection with the rights issue, Amniotics has renegotiated and extended outstanding loans to Buntel AB (which has taken over previous loans from Modelio Equity AB) of approximately SEK 4.8 million. For any part of the rights issue that is subscribed for in excess of the assurance ratio (i.e. 80 percent), at least half of the volume subscribed in excess of the collateral level (up to the entire liability from the loan) shall be repaid and be received by Buntel AB after the completion of the rights issue. Half part of the loan is according to the agreement repaid. The remaining part of the loan shall be repaid on the earlier of the following occasions: one (1) banking day after the registration of the shares issued upon exercise of the warrants series TO 3 issued in the rights issue with the Swedish Companies Registration Office, and (2) on 31 March 2024.

Management and the board work intensively to identify and evaluate possible financing solutions to ensure the Company's necessary capital needs. At present, Amniotics assesses that the current liquid funds cover the Company's planned expenses until the end of March.

Cash flow for the quarter was SEK 4,6 (-14,5) million. Cash flow from financing activities totaled SEK 7,9 (0,1) million.

Cash flow for the period amounted to SEK -0,9 (-34,9) million. Cash flow from financing activities during the period amounted to SEK 28 (14,3) million.

Organization

The number of employees at the end of the reporting period was 6, this a decrease of 11 people compared with previous year when it was 17 employees.

Share capital

Share capital at the end of the quarter was SEK 6 505 315 and the total number of shares was 2 710 547 775 with a par value of SEK 0.0024.

Other information

Risks factors

A pharmaceutical development company such as Amnlotics is exposed to significant operational and financial risk. Amnlotics operational and external risks mainly consist of risks related to research and development, clinical trials, and dependence on key employees. Many factors can have a negative impact on the probability of commercial success. The risks to which the Company is exposed in its current phase and the risk that the necessary financing cannot be secured. During the quarter no significant changes with respect to these risks or uncertainty factors have arisen.

Auditor's review

This report has not been reviewed by the Company's auditor.

Liquidity and financing

The company's cash and cash equivalents at the end of the quarter amounted to SEK 8,2 (9,1) million.

The board and company management are assessing alternatives to secure the company's long-term capital requirement on an ongoing basis.

The share

The number of shares at the end of the period amount to 2 710 547 775. All shares are of the same class and have the same voting rights. Amnlotics shares are traded on Nasdaq First North Growth Market and traded under the ticker symbol AMNI and ISIN code E0015961016.

First North is Nasdaq's European emerging market intended for small, growing businesses, with a less extensive rulebook than the main market.

Legal disclaimer

This report contains forward-looking statements that constitute subjective estimates and forecasts about the future. Assessments about the future are only valid on the date they are made and are, by their nature, like research and development work in the biotech field, associated with risk and uncertainty. Considering this, actual outcomes may differ substantially from what is described in this report.

Future reporting dates

- Year-end Report 2023, 24 Apr 2024.
- Annual General Meeting, 22 May 2024.
- Half-year report Jan-June 2024, 20 Aug 2024.
- Second Half-year report, July-Dec 2024, 18 Febr 2025.

The financial reports will be made available on Amnlotics website:

<https://www.amnlotics.com/investors/financial-reports/>

For further information, please contact

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OTHER INFORMATION

Certification by the Board of Directors and Chief Executive Officer

The Board of Directors and the Chief Executive Officer certify that this Interim report provides a true and fair overview of the development of the Company's business activities, financial position and results of operations and describes significant risks and uncertainties facing the Company.

Lund, February 23rd, 2024

Amnlotics AB (publ)

Marcus Larsson
CEO

Peter Buhl Jensen
Chairman

Ingrid Atteryd Heiman
Board member

Christopher Bravery
Board member

Fredrik Tiberg
Board member

Financial Statements

Income statement in Summary

SEK 000	Quarter 4		Full-Year	
	2023	2022	2023	2022
Other operating income	2 276	351	6 495	553
Operating income	2 276	351	6 495	553
Operating expenses				
Other external costs	-4 873	-4 711	-17 052	-26 622
Personnel costs	-2 168	-5 301	-15 031	-18 507
Other operating costs	-232	-164	-1 184	-324
Operating result before depreciation and amortization (EBITDA)	-4 996	-9 825	-26 772	-44 900
Depreciation of tangible and intangible assets	-471	-468	-2 301	-1 793
Operating result (EBIT)	-5 468	-10 293	-29 072	-46 693
Net financial items	-358	-637	-1 797	-1 353
Result after financial items	-5 826	-10 930	-30 870	-48 046
Taxes	0	0	0	0
Result for the period	-5 826	-10 930	-30 870	-48 046

	Quarter 4		Full-Year	
	2023	2022	2023	2022
Earnings per share (SEK)*	-0,002	-0,68	-0,011	-2,99
Earnings per weighted average number of share (SEK)**	-0,004	-0,68	-0,07	-2,99
Earnings per shares before dilution of shares***	-0,028	-0,68	-1,92	-2,99
Earnings per shares before dilution of shares****	-0,36	-0,68	-1,92	-2,99
Number of shares				
Weighted average for the period after dilution of shares	1 459 525 725	16 066 033	456 355 099	16 066 033
Weighted average for the period before dilution of shares	16 066 033	16 066 033	16 066 033	16 066 033
Number of shares at start of period	208 503 675	16 066 033	16 066 033	16 066 033
Number of shares at end of period	2 710 547 775	16 066 033	2 710 547 775	16 066 033

*Based on number of shares at end of period

***Based on number of shares at start of period

**Based on weighted average number of shares for the period

****Based on number of shares per 23-01-01

Balance sheet in Summary

SEK 000	December 31 ^a	
	2023	2022
Assets		
Fixed assets		
Intangible assets	8 090	6 552
Equipment and installations	5 625	6 798
Total fixed assets	13 716	13 350
Current assets		
Inventory	534	0
Other receivables	3 625	6 464
Cash and bank balances	8 212	9 104
Total current assets	12 370	15 568
Total assets	26 086	28 918
Shareholders' Equity and Liabilities		
Shareholders' equity		
<i>Restricted equity</i>		
Share capital	6 505	869
Reserve for development expenses	167	167
<i>Non- restricted equity</i>		
Share premium reserve	100 082	60 793
Accumulated loss including profit/loss for the period	-91 216	-60 346
Total shareholders' equity	15 539	1 484
Liabilities		
Current liabilities	10 547	27 434
Total liabilities	10 547	27 434
Total shareholders' equity and liabilities	26 086	28 918
Financial key ratios		
Shareholders' equity per share, SEK	0,006	0,092
Equity/assets ratio %	60	5

^a Based on the number of shares at the end of the period.

Changes in equity

SEK 000	Full Year	
	2023	2022
Opening balance	1 484	49 350
Issue of shares	44 925	0
Loss for the period	-30 870	-48 046
Equity at end of period	15 539	1 484

Cash Flow statement

SEK 000	Quarter 4		Full Year	
	2023	2022	2023	2022
Operating result	-5 467	-10 293	-29 072	-46 693
Adjustment for items not affecting cash flow	2 239	469	3 698	1 793
Interest received	97	36	99	36
Interest paid	-56	-675	- 1497	-675
Paid income tax	-12	-154	0	-154
Cash flow from operating activities before change in working capital	-1 997	-10 617	-26 772	-46 355
Change in working capital	2 744	-3 085	- 2 319	170
Cash flow from operating activities	-5 195	-13 702	-29 090	-46 185
Investing activities	-994	-672	-2 666	-3 027
Cash flow after investing activities	-6 189	-14 374	-31 756	-49 212
Financing activities	-3 072	-134	-3 924	14 335
Rights issue	13 881	0	34 789	0
Change in cash and cash equivalents	4 619	-14 508	-892	-34 876
Cash and cash equivalents at the beginning of the period	3 593	23 612	9 104	43 981
Cash and cash equivalents at the end of the period	8 212	9 104	8 212	9 104

Glossary

ATMP: Advanced Therapy Medicinal Products (ATMPs) are a new type of medicine that are based on cells, tissues, and genes. ATMPs are a type of biological medicine, and they are given for the purpose of treating or preventing diseases in humans. They can restore, correct, or modify physiological functions through their pharmacological, immunological, or metabolic actions.

GMP: Good manufacturing practice is a system or structure for ensuring that products are consistently produced and controlled according to quality standards. Thereby minimizing the risks involved in pharmaceutical production.

MSC: Mesenchymal stem cells are multipotent stem cells that are present in multiple tissues. They have a range of biological activities which have the potential to treat a range of human diseases.

Stem cells: Stem cells are a collective name for different types of cells with the ability for self-renewal as well as development and maturation into more specialized cells.

PDG: Primary graft dysfunction is a type of severe lung injury that occurs within the first 72 hours of lung transplantation and is the most common cause of early mortality.

ARDS: Acute respiratory distress syndrome. Several conditions can trigger inflammation in the lungs that makes it difficult for the body to oxygenate itself. Shortness of breath is a serious condition caused by inflammation. The incidence has increased markedly in connection with the covid-19 pandemic.



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11. STATEMENT FROM THE BOARD OF DIRECTORS OF AMNIOTICS.

The description of Amniotics on pages 19 – 46 in this offer document has been reviewed by the board of directors of Amniotics. It is the opinion of the board of directors of Amniotics that this brief description provides an accurate and fair, although not complete, picture of Amniotics.

**Lund on 5 April 2024
Amniotics AB (publ)
The board of directors⁷**

⁷ As the board member and CEO Marcus Larsson, directly and through Deflexum AB, has undertaken to accept the Offer, Marcus Larsson has not participated in the Board of Directors' evaluation of or decisions relating to the Offer.

Description of Magle Group.

12. DESCRIPTION OF MAGLE GROUP.

12.1 Description of Magle Group

Magle Group strives to establish itself as a leader in high-quality, life-changing healthcare innovations to meet unmet medical needs through scientific excellence. The Group's proprietary and proven technology platform of biodegradable starch microspheres (DSM) forms the basis for the development of new products.

Magle Group is based on strategic acquisitions aimed at driving growth and spreading risk. Magle AB (formed in 1995 as a pure development company) acquired Chemoswed AB (formed in 1944 as a manufacturing company) in 2016 before merging in 2017 to form Magle Chemoswed.

In 2019, Adroit Science AB was acquired to expand the development services segment. In 2021, PharmaCept GmbH was acquired as a first step towards developing a sales and marketing company in Europe for DSM products.

Magle Group is a growth-stage healthcare group:

- Magle PharmaCept launches innovative medical products on the market through its own sales channels based on Magle Group's proprietary and proven medical devices.
- Magle Chemoswed also sells contract manufacturing and contract development services through its Contract Development and Manufacturing Organization (CDMO).

Magle Group's business model is anchored in sustainability and designed to maximize internal earning potential to fully support and advance operations. At the core the strategy is the diversification of revenue streams and a balanced cost base across multiple strategic areas, ensuring a favourable revenue-to-cost risk profile.

The model is structured around five primary revenue streams, with three stemming from the Contract Development and Manufacturing Organization (CDMO) operations. These include a range of services from development to manufacturing, catering to the pharmaceutical and medical device sectors. The remaining two revenue streams are derived from the innovative Degradable Starch Microspheres (DSM) technology, which includes outlicensed royalties and direct sales of DSM products.

This approach not only provides a stable financial foundation but also positions Magle Group to capitalize on the high-growth potential of the DSM technology. By leveraging the synergy between the CDMO capabilities and DSM innovations, it's possible to drive growth, enhance profitability, and deliver substantial value to investors. The commitment to this sustainable business model underlines the dedication to long-term success and the ability to navigate the complexities of the healthcare market effectively.

In the Contract Development and Manufacturing Organization (CDMO) market, Magle Chemoswed stands out by addressing the intricate challenges of pharmaceutical development and manufacturing. Magle Group's role is crucial in reducing the high failure rates of drug candidates, with 99.2% not making it through trials and approvals. Magle Group offer a comprehensive range

of services, from formulation, which tackles inefficacy and regulatory hurdles, to process development and upscaling, enhancing efficiency and ensuring compliance.

The extensive capabilities include advanced manufacturing facilities and a broad spectrum of specialized services such as solid-state chemistry and lyophilization. With a steadfast commitment to quality, adhering to Good Manufacturing Practices (GMP), Magle Group ensure the safety, efficacy, and compliance of pharmaceutical products.

Degradable Starch Microsphere (DSM)

Degradable Starch Microsphere (DSM) technology has been steadily gaining recognition. Originating from starch, a material known for its bio-compatibility and environmental sustainability, DSM technology has found its place in a variety of medical treatments.

The journey with DSM technology commenced over two decades ago, motivated by the ambition to utilise natural materials to address medical challenges. This approach has led to DSM becoming a fundamental component in numerous successful treatments globally, demonstrated by products such as Arista®, SmartPAN®, SmartGel®, and EmboCept®. These products validate the safety, efficacy, and compatibility of DSM with the human body, showcasing Magle Group's contributions towards enhancing healthcare innovations worldwide.

The adaptability of DSM technology underlines its extensive potential as a platform for various medical applications, ranging from surgical interventions to advanced wound care. Towards the future, the focus is on further developing and broadening the applications of DSM, continually seeking ways it can meet the evolving challenges of healthcare. The dedication to employing DSM technology for improved patient care and ongoing innovation guides the path forward, signalling a future where it remains instrumental in elevating healthcare standards globally.

13. SWEDISH TAX CONSIDERATIONS.

The following is a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current Swedish tax legislation and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not cover the specific rules that in certain cases apply to shares acquired by virtue of shares in a closely held company (Sw. fåmansföretag). Also, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax-exempt capital gains on "shares held for business purposes" (Sw. näringsbetingade andelar). Nor does this description deal with the rules that apply where shares are held by a partnership, held as inventory by a legal person or held in an investment savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring). Special tax consequences that are not described below may also apply for certain categories of shareholders, such as investment companies, mutual funds, banks, brokers and other financial traders holding shares as trading assets.

Taxation of each individual shareholder depends on his or her specific circumstances. Each shareholder is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise from the Offer, including the applicability and effect of foreign tax legislation, provisions in tax treaties and other rules that may be applicable.

13.1 General information on taxation in connection with sale of shares

Shareholders who accept the Offer and sell their shares will generally be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes (net sales compensation). The acquisition cost is determined according to the "average method" (Sw. genomsnittsmetoden). This means that the acquisition cost for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. For listed shares such as Amniotics' shares the acquisition cost may, as an alternative, be determined as 20 per cent of the net sale revenue under the "standard rule" (Sw. schablonmetoden).

13.2 Individuals

For individuals, a capital gain on listed shares is taxed as income from capital at a rate of 30 per cent. As a general rule, 70 per cent of a capital loss is deductible against any other taxable income from capital. Capital losses on listed shares and other listed securities that are taxed in the same manner as shares are, however, fully deductible against taxable capital gains on such assets and on non-listed shares in Swedish limited liability companies and foreign legal entities arising in the same tax year. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. If a capital loss on listed shares cannot be deducted as above, 70 per cent of the loss may be deducted from other income from capital. Should a deficit arise in the income from capital category, a reduction of tax on income from employment and from business operations, as well as real-estate tax and municipal real-estate fee, is allowed. Such tax reduction amounts to the part of 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any remaining deficit. Deficits may not be carried forward to a later fiscal year.

13.3 Legal entities

For limited liability companies and other legal entities, capital gains on shares are normally taxed as income from business operations at a rate of 20.6 per cent. For the calculation of capital gains and losses, see the section "General information on taxation in connection with sale of shares" above.

A tax-deductible capital loss on shares incurred by a corporate shareholder may only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met (Sw. koncernbidrag). Capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year, may be carried forward and be offset against such capital gains in future fiscal years without any limitation in time.

13.4 Shareholders residing outside of Sweden

Generally, shareholders who are not resident for tax purposes in Sweden and do not carry out business operations from a permanent establishment in Sweden are not subject to Swedish taxation on a sale of shares. These shareholders may nonetheless be subject to tax in the state in which they are resident for tax purposes. However, as far as individuals are concerned, capital gains on the sale of shares may be subject to Swedish tax if the individual has been resident or habitually stayed in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The applicability of this provision may however be limited under tax treaties that Sweden has concluded with other countries. There is no Swedish withholding tax on capital gains resulting from the Offer.

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