OncoZenge resolves on a directed share issue to Sichuan Yangtian Bio-Pharmaceutical pursuant to existing investment agreement

The Board of Directors of OncoZenge AB (publ) ("OncoZenge" or the "Company") has, based on the authorisation granted by the Annual General Meeting on 28 May 2025, resolved on a directed share issue of 1,400,894 shares to the strategic investor Sichuan Yangtian Bio-Pharmaceutical Co, Ltd (the "Investor") at a subscription price of SEK 6.47 per share (the "Directed Share Issue"). The Directed Share Issue has been resolved upon after the Company has successfully submitted the complete phase III Clinical Trial Application (CTA) for Bupizenge™ in Europe. All 1,400,894 shares have been formally subscribed for by the Investor and allotted by the Board of Directors, which means that the Company will receive approximately SEK 9.1 million before deduction of limited administrative transaction costs. The Directed Share Issue constitutes the third of four tranches under the SEK 30.2 million investment undertaking (the "Investment"), pursuant to the investment agreement entered into by the Company and the Investor on 27 January 2025 and previously communicated (the "Investment Agreement").

***Daniel Ehrenstråhle, Chairman of OncoZenge, comments*:**
"I am very proud of the immense effort over the last few months across the OncoZenge team and our partners Meribel Pharma Solutions and LINK Medical to prepare and submit our Clinical Trial Application according to plan. This achievement now triggers the next tranche of investment from our strategic investor Sichuan Yangtian Bio-Pharmaceutical Co. We look forward to an even more eventful year ahead with deepened collaboration and progress across all our partners and strategic investors."

Background and motive
On 27 January 2025, OncoZenge announced that the Company had entered into an SEK 30.2 million Investment Agreement with the Investor, with the dual aim to obtain the necessary capital to fund the Phase 3 project for BupiZenge™ and of securing a new major strategic shareholder with the capacity to support the Company's continued growth journey. The Investment was conditional of customary regulatory approvals and the successful completion of the ODI Process and is conditional of the Company achieving certain Phase 3 trial milestones. On 6 June 2025 the Company announced that the Investor received department of commerce approval in support of the Investment. On 27 June 2025 the Company announced that the final State Administration of Foreign Exchange (SAFE) review was completed in accordance with the ODI process, and that the condition regarding regulatory approvals was fulfilled in accordance with the Investment Agreement. On 2 July 2025 the Company announced that a directed share issue to the Investor had been carried out, which corresponded to the first two (2) tranches of

the Investment Agreement and 20 percent of the total investment undertaking by the Investor. The execution of the third tranche of the Investment Agreement, corresponding to 30 percent of the total investment undertaking by the Investor, was subject to fulfilment of the Company having submitted the complete phase III Clinical Trial Application (CTA) for Bupizenge™ in Europe, which the Company has now successfully submitted. The fourth tranche, corresponding to the remaining 50 percent of the Investment, is conditional upon the Company having received European approval for the Phase III Clinical Trial Application (CTA). Pending customary EMA regulatory lead times, CTA approval is expected during March-April of 2026, enabling 1st patient in Q2 2026.

The Directed Share Issue

The Board of Directors has, based on the authorisation granted by the Annual General Meeting on 28 May 2025, resolved on a directed share issue of a maximum of 1,400,894 shares at a subscription price of SEK 6.47 per share. The Investor has formally subscribed for all 1,400,894 shares and the shares have been allotted to the Investor, which means that the Company will receive approximately SEK 9.1 million before deduction of administrative transaction costs.

The purpose of the Directed Share Issue and the reasons for deviating from the shareholders' preferential rights are to fulfil the Company's obligations in accordance with the Investment Agreement.

The Board has conducted a comprehensive assessment and carefully considered the option of raising capital through a rights issue with preferential rights for the Company's existing shareholders. The Board has concluded that the reasons for deviating from the shareholders' preferential rights are that (i) a rights issue would entail a higher risk of a negative impact on the share price, particularly in light of the current volatile and challenging market conditions, (ii) executing the Investment can be done at a lower cost, as a rights issue would likely require significant expenses, including guarantee commitments, (iii) the predictability of the Investment enables the Company to initiate and execute the Phase 3 project for the Company's product candidate, BupiZenge™ and (iv) to further diversifying and strengthening the Company's shareholder base with a new strategic, financially strong, and professional investor, which is expected to enhance the liquidity of the Company's shares and contribute to the Company's long-term financial stability. Accordingly, the Board's assesses that execution of the Investment, and consequently the Directed Share Issue, is in the best interest of the Company and its shareholders.

The subscription price in the Directed Share Issue has been negotiated on arm's length between the Company and the Investor prior to entering into the Investment Agreement on 27 January 2025, and corresponds to a premium of approximately 40 percent compared to the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during a period of 20 trading days ending on 24 January 2025, and represents a premium of approximately 4,7 percent compared to the volume-weighted average price of the Company's shares on 18 December 2025. The Board assesses the subscription price to be market-based.

The proceeds from the Directed Share Issue will be allocated for conducting the Phase 3 clinical trial and for general corporate purposes and operational activities, as follows:

- Continuation of CDMO activities in preparation for the BupiZenge™ trial;
- Other costs such as lidocaine comparator sourcing, labelling and distribution services, lab services, trial insurance and other mandatory OPEX,
- Continuation of CRO activities for execution of the clinical trial;
- Required resourcing of sponsor oversight roles needed for initiating the clinical trial;
- Updating of the dossier for the Clinical Trial Application (CTA) based on any regulatory feedback received;
- Joint business development and collaboration with the Investor to maximize the commercial potential in China;
- Business development for BupiZenge™ licensing in global markets;
- Corporate OPEX such as management, legal, finance, Nasdaq listing fees etc;

Through the Directed Share Issue, the number of shares and votes in the Company will increase by 1,400,894 from 12,647,174 to 14,048,068. The share capital will increase by SEK 155, 654.985977 from SEK 1,405,242.432053 to SEK 1,560,897.418030. The Directed Share Issue results in a dilution of approximately 9.97 percent of the capital and votes for existing shareholders (calculated as the number of newly issued shares divided by the total number of shares in the Company after the Directed Share Issue).

Following the Directed Share Issue and including the shares issued under tranches one and two, the Investor now holds approximately 16.6 percent of the Company's shares and votes. Upon completion of the full Investment, the Investor is expected to hold a total ownership stake of approximately 28.5 percent, based on the number of outstanding shares and votes at the time of the Directed Share Issue.

Advisors
Aqurat Fondkommission AB acts as issuing agent in relation to the Directed Share Issue and Fredersen Advokatbyrå AB acts as legal advisor to the Company in relation to the Directed Share Issue and Investment.

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About OncoZenge

OncoZenge is dedicated to developing an innovative, effective, and well-tolerated treatment for oral pain in conditions where current options fall short, often due to insufficient pain relief or significant side effects. BupiZenge™ is a novel oral lozenge formulation of bupivacaine, a local anesthetic with decades of clinical experience. The lead indication for BupiZenge™ is oral pain caused by oral mucositis, an inflammatory condition affecting millions of cancer patients. Oral mucositis leads to severe physical and psychological distress, representing a significant unmet medical need for an effective, opioid-sparing treatment. In Phase 2 trials, BupiZenge™ demonstrated substantially better pain relief compared to the standard of care. OncoZenge is headquartered in Stockholm, Sweden, and is publicly traded on Nasdaq First North Growth Market under the ticker ONCOZ.

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This announcement is not for publication, release or distribution, in whole or in part, directly or indirectly, in or into United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea, Russia, Belarus or any other jurisdiction in which publication, release or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for shares in the capital of the Company in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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This announcement has been issued by, and is the sole responsibility of, the Company. The distribution of this announcement and the offering of the securities referred to herein in certain jurisdictions may be restricted by law. No action has been taken by the Company or any of its respective affiliates that would, or which is intended to, permit an offering of the securities in any jurisdiction or result in the possession or distribution of this announcement or any other offering or publicity material relating to the securities in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company to inform themselves about, and to observe, such restrictions.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Directed Share Issue. Any investment decision to buy shares in the Directed Share Issue must be made solely on the basis of publicly available information.

This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities in any jurisdiction. This announcement does not constitute a recommendation concerning any investor’s option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements are not historical facts and contain expressions such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and other similar expressions. The forward-looking statements in this announcement are based on various assumptions, which in several cases are based on additional assumptions. Although OncoZenge believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties, contingencies and other material factors that are difficult or impossible to predict and beyond its control. Such risks, uncertainties, contingencies and material factors could cause actual results to differ materially from those expressed or implied in this communication through the forward-looking statements. The information contained in this announcement is subject to change without notice and, except as

required by applicable law or the Nasdaq First North Growth Market Rulebook for Issuers of shares, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor do they intend to. Accordingly, investors are cautioned not to place undue reliance on any of these forward-looking statements.