

PILA PHARMA receives SEK 5.4 million from TO2 options under challenging conditions

PILA PHARMA yesterday announced the outcome of the TO2 option redemption, with the exercise period running from 5 February to 15 February. The company receives SEK 5.4 million from an option under challenging market conditions.

Back in the summer of last year, PILA PHARMA carried out an issue that was significantly oversubscribed at 293.5%. Prior to the issue, the company described it as a two-part financing, due to the subsequent TO2 warrant redemption, which has now taken place.

Challenging conditions

The option period had difficult terms from the outset. On 22 January, PILA PHARMA announced an unclear result from the company's preclinical studies, likely due to uncertainty regarding formulation and thus absorption of the compound into the bloodstream. At the same time, it was announced that the company would proceed undeterred toward clinical studies in obesity. However, the market did not respond positively to this news and the share price promptly and sharply fell by more than 50%, putting the option opportunity under pressure. In the option terms, a floor had been set, establishing a minimum price of SEK 1.50.

As the ordinary share price remained below this level (SEK 1.1–1.3) throughout the entire period, this meant that shareholders who exercised the options did so at a significant premium. Yesterday, PILA PHARMA announced the result of the TO2 options. The result showed that investors exercised 1.8 million warrants to subscribe for 3.6 million new shares in the company.

Strengthened signalling value and bolstered capital preparedness

Approximately 12% of all options were exercised, somewhat higher than analysts had expected, providing PILA PHARMA with approximately SEK 5.4 million before costs. Existing shareholders who did not participate and subscribe for new shares have been diluted by approximately 7.9%. PILA PHARMA published its annual report earlier last week, which showed that the company had cash holdings of SEK 19.3 million. The company therefore now stands strong in terms of future development, as it holds a solid cash position of around SEK 24.7 million. In connection with yesterday's result, the company also issued a press release stating that the upcoming clinical study in obesity is fully financed and that, as a starting point, cash extends well into 2027.

Chief Financial Officer, Hampus Darrell, states:

The additional funds from the TO2 options further strengthen our capital preparedness. With the solid balance sheet and financial robustness we have just presented in our H2 report, we assess that, even with the costs of the full clinical obesity study included, our liquidity and cash holdings extend well into the first half of 2027.

Chief Executive Officer, Gustav H. Gram, states:

We are deeply grateful to the shareholders who have chosen to exercise their TO2 options. In light of the challenging situation, where the ordinary share has consistently traded below the option exercise price, we see this as a truly strong sign that many shareholders believe in the company and its strategy and have chosen to invest further, even at a substantial premium.

The additional capital further strengthens our financial position and enables us to continue executing the obesity study plan we presented in the summer. With the capital, we now have sufficient funds to complete the entire clinical obesity study, and we are now preparing this for formal board approval so that we can accelerate the work.

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