

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR OTHER MEASURES.

Xspray Pharma has carried out a directed share issue raising proceeds of MSEK 100

Xspray Pharma AB (publ) (“Xspray” or the “Company”) has, based on the authorisation granted by the annual general meeting of Xspray on 19 May 2022, and in accordance with what the Company indicated in the interim report for the second quarter of 2022, successfully carried out a fully subscribed directed share issue at a subscription price of SEK 50 per share (the “Issue”). The subscription price has been negotiated at arm’s length with investors and is based on the Board’s assessment, following discussions with the Company’s financial advisor, at market conditions.

A number of Swedish institutional investors, including Third Swedish National Pension Fund (AP3), Flerie Invest AB and Östersjöstiftelsen have subscribed for shares in the Issue. The Board has carefully considered alternative financing solutions, including the prospects to carry out a rights issue. The Board has concluded that a rights issue would take a significantly longer time to complete and entail a higher risk for a materially adverse effect on the share price, particularly in light of the market volatility and the challenging market conditions. Another important reason for deviating from the shareholders’ preferential rights is to further enhance the shareholder base with an institutional investor in the form of the Third Swedish National Pension Fund (AP3). In light of the above, the Board has made the assessment that a directed share issue with deviation from the shareholders’ preferential rights creates the best conditions to secure the Company’s continued financial stability in the current market climate and to enable market preparing activities before the upcoming launch on the American market. Overall, the Board considers that the Issue contributes to creating value for all the Company’s shareholders and is beneficial for the Company.

The Company intends to use the net proceeds from the Issue primarily to:

- Market preparing activities before the upcoming launch on the American market
- Continued development of the Company’s product portfolio with an initial focus on the product candidate XS003, which is the next product to be launched on the American market
- To enhance the Company’s financial stability

The Issue is expected to raise proceeds for the Company of SEK 100 million, before transaction costs. The Issue will result in an increase in the number of shares in Xspray of 2,000,000, from 20,680,408 to 22,680,408, and an increase in the share capital by SEK 2,000,000 from SEK 20,680,408 to SEK 22,680,408 resulting in a dilution of approximately 8.8 percent.

Zonda Partners has acted as Bookrunner in connection with the Issue. Advokatfirman Vinge has acted as legal advisor to Xspray Pharma.

Important Information

The release, announcement or distribution of this press release may, in certain jurisdictions, by law be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from someone else.

This press release does not constitute or form an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Canada, Australia, Japan or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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 authorised 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 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.

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

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates, including the prospects for pharmaceuticals and studies. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and further assumes no responsibility for the future accuracy of the opinions expressed in this press release, or any obligation to update or revise the statements contained in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

For further information, please contact:

Christina Malmberg Hågerstrand
Senior Vice President Communications & Investor Relations
Xspray Pharma AB
Mob: +46 (0) 72 855 93 29
E-mail: christina.malmberg.hagerstrand@xspray.com

About Xspray Pharma

Xspray Pharma AB (publ) is a pharmaceutical company with several product candidates in clinical development. Xspray Pharma uses its innovative, patented RightSize™ technology to develop improved versions of marketed drugs, primarily protein kinase inhibitors (PKIs) for the treatment of cancer. The segment is the second largest in oncology, and drug prices are very high.

The company's innovative technology allows Xspray Pharma to gain entry as the first competitor to today's original drugs before the secondary patents expire. Xspray's goal is to become the leader in the development of improved drugs of PKIs already marketed for the treatment of cancer, which numbered to 72 in the end of 2021.

The company has patented manufacturing technology, equipment, and the resulting products. The shares in Xspray Pharma are traded on Nasdaq Stockholm (Nasdaq Stockholm: XSPRAY). www.xspraypharma.com

This information is information that Xspray Pharma AB 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 2022-10-17 18:40 CEST.

Attachments

[Xspray Pharma has carried out a directed share issue raising proceeds of MSEK 100](#)