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## 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 27 May 2026, resolved on a directed share issue of 2,334,823 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 received approval of its Phase III Clinical Trial Application (CTA) for BupiZenge™ in Europe. All 2,334,823 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 15.1 million before deduction of limited administrative transaction costs. The Directed Share Issue constitutes the fourth and final tranche 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 Ehrensträhle, Chairman of OncoZenge, comments:**

*"I am delighted with the approval of our European Phase III Clinical Trial Application which also marks the final milestone in our investment agreement that we committed early 2025 with Yangtian Pharma. Our team has moved mountains to get us to this point and we now look forward to the start of patient recruitment during the summer and continued collaboration with Yangtian Pharma and all our investors and partners."*

**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 of obtaining the necessary capital to fund the Phase III 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 upon customary regulatory approvals and the successful completion of the ODI process and was conditional upon the Company achieving certain Phase III trial milestones. On 6 June 2025, the Company announced that the Investor had 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 had been completed in accordance with the ODI process, and that the condition regarding regulatory approvals had been fulfilled in accordance with the Investment Agreement. On 2 July 2025, the Company announced that a directed share issue to the Investor had been resolved upon, which corresponded to the first two (2) tranches of the Investment Agreement and 20 percent of the

total investment undertaking by the Investor. Furthermore, on 19 December 2025, the Company announced that a directed share issue had been resolved upon in accordance with the third tranche of the Investment Agreement, corresponding to 30 percent of the total investment undertaking by the Investor. The fourth and final tranche, corresponding to the remaining 50 percent of the Investment, was conditional upon the Company having received European approval for its Phase III Clinical Trial Application (CTA), which the Company received on 26 May 2026.

## **The Directed Share Issue**

The Board of Directors has, based on the authorisation granted by the Annual General Meeting on 27 May 2026, resolved on a directed share issue of a maximum of 2,334,823 shares at a subscription price of SEK 6.47 per share. The Investor has formally subscribed for all 2,334,823 shares and the shares have been allotted to the Investor, which means that the Company will receive approximately SEK 15.1 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 III project for the Company's product candidate, BupiZenge™, and (iv) to further diversify and strengthen 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 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 during the BupiZenge™ trial;
- Continuation of CRO activities for execution of the clinical trial;
- Required resourcing of sponsor oversight roles needed for the clinical trial;

- Other costs such as lidocaine comparator labelling and distribution services, lab services, trial insurance and other mandatory OPEX;
- Joint business development and collaboration with the Investor to maximize the commercial potential in China;
- Business development for BupiZenge™ licensing in global markets; and
- 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 2,334,823 from 14,048,068 to 16,382,891. The share capital will increase by SEK 259,424,939,590 from SEK 1,560,897,418,030 to 1,820,322,357,620. The Directed Share Issue results in a dilution of approximately 14.25 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, two, and three the Investor now holds approximately 28.5 percent of the Company's shares and votes.

### **Payment for subscribed shares**

Payment for the subscribed shares in the Directed Share Issue shall be received by the Company on or before 26 June 2026. The Investor has provided a commitment letter whereby it irrevocably undertakes to pay the aggregate subscription price of approximately SEK 15.1 million to the Company on or before such date.

### **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.

### **For additional information, please contact:**

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### **Certified Adviser**

OncoZenge's Certified Adviser is Redeye Nordic Growth AB.

### **OncoZenge AB**

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### **About OncoZenge**

OncoZenge AB (publ) is a clinical-stage pharmaceutical company developing an innovative, effective, and well-tolerated treatment for oral pain in conditions where current options are insufficient, such as oral mucositis from cancer therapy. Its lead candidate, BupiZenge™, represents a novel formulation of bupivacaine in a lozenge form, aimed at providing rapid and sustained local pain relief without the risks associated with systemic opioids. OncoZenge is headquartered in Stockholm, Sweden, and is publicly traded on Nasdaq First North Growth Market under the ticker ONCOZ. For more information, please visit [www.oncozenge.se](http://www.oncozenge.se).

**Important information**

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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.

In the United Kingdom, this announcement 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 (the “UK Prospectus Regulation”), 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.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Directed Share Issue is being made in the United States, Sweden or elsewhere.

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.