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Xspray Pharma Contemplates a Directed Share Issue

Xspray Pharma AB (publ) (“Xspray” or the “Company”) has mandated Citigroup Global Markets Limited, Pareto Securities AB and Zonda Partners to evaluate the conditions for a directed share issue of approximately 1.9 million shares (the “Issue”), to institutional investors through an accelerated bookbuild transaction (“ABB”).

Based on the shareholder authorisation granted by the annual general meeting on 14 May 2020, the Issue will be carried out with deviation from shareholders’ preferential rights. The Issue is intended to be carried out through an ABB, for which the bookbuilding will commence immediately. Pricing and allocation of the new shares are expected to take place before the beginning of trading on Nasdaq Stockholm at 09:00 CEST on 21 October 2020. The timing of closing, pricing and allocation of the bookbuilding is at the discretion of the Company. The Company will announce the outcome of the Issue when the bookbuilding has been completed in a subsequent press release.

The Company believes that using the flexibility provided by a non-pre-emptive placing is the most appropriate transaction structure in order to raise capital in a time- and cost-effective manner, whilst also further diversifying and strengthening the Company’s shareholder base.

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

- Enhance the Company’s financial position ahead of negotiating a deal pertaining to its lead product, HyNap-Dasa
- Continue to expand the product portfolio
- Complete the construction of its new manufacturing facility at a CMO in Malta
- General corporate purposes

In connection with the Issue, the Company has agreed to a lock-up undertaking on future share issuance for a period of 90 days, subject to customary exceptions. In addition, the management and Board of Directors have undertaken not to sell any shares in Xspray during the same period, subject to the right to sell shares to cover tax liabilities and to exercise holdings in the Company’s incentive program and subject to customary exceptions.

Citigroup Global Markets Limited, Pareto Securities AB and Zonda Partners are acting as Joint Bookrunners in connection with the Issue. Vinge is acting as legal advisor to the Company.

For further information, please contact:

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About Xspray Pharma

Xspray Pharma AB (publ) is a product development company with multiple product candidates in clinical development. Xspray uses its innovative, patented RightSize technology to develop improved and generic 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 or generic versions of PKIs already marketed for the treatment of cancer, which numbered to 54 in December 2019. The company's leading product candidates, HyNap-Dasa, HyNap-Sora and HyNap-Nilo, are stable amorphous versions of the three blockbuster cancer drugs Sprycel® (dasatinib), Nexavar® (sorafenib) and Tasisign® (nilotinib), respectively. The launch of the first product candidate, HyNap-Dasa, is planned to take place in 2021. The substance patent for the original drug Sprycel® (dasatinib) expires at the end of 2020, and the secondary patents in 2026, which offers Xspray's HyNap-Dasa a period of five years of semi-exclusivity before other competitors gain access to the market.

The company has patented manufacturing technology, equipment and the resulting products. The shares in Xspray Pharma are traded on Nasdaq Stockholm.

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 2020-10-20 17:31 CEST.

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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 with respect to prospects for pharmaceutical treatments 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 nor does it accept any

responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation 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.

Attachments

[Xspray Pharma Contemplates a Directed Share Issue](#)