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Xspray raises approximately SEK 251 million through a rights issue

On 2 May 2023 Xspray Pharma AB (publ) ("Xspray", "Xspray Pharma" or the "Company"), (NASDAQ Stockholm: XSPRAY), announced a rights issue of units amounting to approximately SEK 300 million (the "Rights Issue"), with two warrant series approximately amounting together up to an additional SEK 300 million upon full exercise. The Board of Director's resolution on the Rights Issue was based on the authorization granted by the extraordinary general meeting held on 25 May 2023. Today, Xspray hereby announces the outcome of the Rights Issue. Through the Rights Issue, Xspray will receive total proceeds of approximately SEK 251 million before transaction costs.

"It is a sign of strength that we have been able to successfully complete this rights issue in a challenging market. We now have sufficient funds to launch our innovative first product Dasynoc in the US market within the next 12 months, thus transforming Xspray Pharma from a research company into a commercial, profitable pharmaceutical company. I want to extend a warm thank you to all long-term and new investors for your trust." comments Per Andersson, CEO of Xspray Pharma.

The outcome of the Rights Issue shows that 2,718,687 units, equivalent to approximately 72 percent of the Rights Issue, were subscribed with the support of unit rights. In addition, 25,015 units were subscribed for without the support of unit rights, of which 25,015 units, equivalent to approximately 1 percent of the Rights Issue, were allocated to investors who subscribed without the support of unit rights. 389,244 units, corresponding to approximately 10 percent of the Rights Issue, have been allotted to the parties who entered into guarantee undertakings in the Rights Issue. The Rights Issue is thus subscribed to approximately 83 percent and Xspray will receive proceeds amounting to approximately SEK 251 million before transaction costs.

The purpose of the Rights Issue is primarily to finance the pre-launch activities for Dasynoc in the US as well as general corporate purposes, ongoing operating costs, and the continued development of product candidates XS003 nilotinib and XS008 axitinib.

Notice of allotment of units subscribed without the support of unit rights will be sent through a settlement note around 28 June 2023. Subscribed and allocated units are to be paid in cash in accordance with the instructions on the settlement note. The allocation of units subscribed without preferential rights has been carried out in accordance with the allocation principles stated in the prospectus published by Xspray on 30 May 2023. Nominee-registered shareholders will receive information regarding allocation and payment according to the procedures of the nominee.

Through the Rights Issue, Xspray's share capital will increase by approximately SEK 6,265,892, from approximately SEK 22,680,408 to approximately SEK 28,946,300, and the number of shares in Xspray will increase by 6,265,892 shares, from 22,680,408 shares to 28,946,300 shares.

The BTU (Sw. "Betald Tecknad Unit") will be tradable on Nasdaq Stockholm until the Rights Issue has been registered with the Swedish Companies Registration Office and the BTUs have been converted into shares and warrants. The last day of trading with BTUs is expected to take place on or around 11 July 2023.

Shares subscribed with the support of unit rights are expected to be registered with the Swedish Companies Registration Office around 6 July 2023 and are expected to start trading on Nasdaq Stockholm around 17 July 2023.

Shares subscribed without the support of unit rights are expected to be registered with the Swedish Companies Registration Office around 6 July 2023 and are expected to start trading on Nasdaq Stockholm around 17 July 2023.

The first day of trading for the warrants of series TO5 and TO6 is expected to be 17 July 2023.

Advisors

Pareto Securities and Zonda Partners have been appointed Joint Bookrunners. Advokatfirman Vinge KB is acting as legal adviser to the Company. Baker & McKenzie Advokatbyrå KB is acting as legal adviser to the Joint Bookrunners in connection with the Rights Issue.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Xspray in any jurisdiction, neither from Xspray nor from someone else.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue described in this press release has been prepared and published by the Company on 30 May 2023.

This press release 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 Company. The information contained in this press release relating to the Rights Issue is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. Pareto Securities and Zonda Partners are acting for Xspray in connection with the Rights Issue and no one else and will not be responsible to anyone other than Xspray for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein. Pareto Securities and Zonda Partners are not liable to anyone else for providing the protection provided to their customers or for providing advice in connection with the Rights

Issue or anything else mentioned herein.

This press release does not constitute or form part of 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 rights issue 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 USA, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, South Korea, Switzerland 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.

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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 and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. 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 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, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the offered shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

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About Xspray Pharma

Xspray Pharma AB (publ) is a pharmaceutical company with numerous product candidates in clinical development, utilizing its innovative, patented HyNap-technology to create improved versions of marketed protein kinase inhibitors (PKI), the largest oncology segment often with high drug prices. The company's goal is to become a market leader of enhanced PKIs for cancer treatment. Xspray Pharma's primary drug candidate, Dasynoc (XS004-dasatinib), is currently undergoing FDA review. It is an amorphous form of dasatinib, demonstrating bioequivalence at a 30% lower dose because of better solubility profile. Its compatibility with proton pump inhibitors (PPIs), commonly co-prescribed to chronic myeloid leukemia patients, provides a significant advantage. Xspray Pharma is building a robust product portfolio, including XS003-nilotinib (an optimized version of Tasigna®) and XS008-axitinib (an optimized version of Inlyta®).

Xspray Pharma's shares are traded at Nasdaq Stockholm (Nasdaq Stockholm: XSPRAY).
www.xspraypharma.com

Attachments

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