

PRESS RELEASE

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Spago Nanomedical proposes a fully guaranteed rights issue of units of approximately SEK 30.6 million to advance Tumorad

The Board of Directors of Spago Nanomedical AB (publ) ("Spago Nanomedical" or the "Company") has today decided to convene an Extraordinary General Meeting on October 31, 2023, and to propose to the Extraordinary General Meeting to resolve on a new issue of units with preferential rights for the Company's existing shareholders of initially approximately SEK 30.6 million before transaction costs (the "Rights Issue"). The proceeds are intended to be used to cover the initial working capital requirement for the continued development of Tumorad, including, among other things, inclusion of patients and obtaining early results in the first clinical study with Tumorad in cancer patients. The Company has received subscription commitments from a number of the Company's existing shareholders and entered into guarantee commitments, which secures the Rights Issue to 100 percent. The Company's largest shareholder, Peter Lindell through Cidro Förvaltning, participates with SEK 10 million in guarantee commitment.

The Tumorad development program aims to give more patients with cancer the opportunity for treatment with effective radionuclide therapy. The candidate drug Lu177-SN201 is based on the clinically effective isotope lutetium-177 linked to the Company's unique and clinically validated nanomaterial. Clinical results in the Company's second development program, SpagoPix, as well as preclinical results in Tumorad show that the material is safe and accumulates in growing tumors, resulting in prolonged survival with Lu177-SN201 in various cancer models. The first clinical study in cancer patients is in the start-up phase and the goal is to generate results at an early stage that support the continued clinical development.

Summary of the Rights Issue

- Each existing share in the Company as of the record date on November 7, 2023, entitles the holder to seven (7) unit rights. Five (5) unit rights entitle the holder to subscribe for one (1) unit. Each unit consists of one (1) share and one (1) warrant of series TO12.
- The subscription price in the Rights Issue is set at SEK 0.24 per unit, equivalent to SEK 0.24 per new share. The warrants are issued free of charge.
- The subscription period runs from November 9, 2023, up to and including November 23, 2023.
- The last day of trading in the shares with the right to receive unit rights in the Rights Issue is November 3, 2023.

- Prior of the Rights Issue, the Company has received subscription commitments and entered into guarantee commitments totaling approximately SEK 30.6 million, equivalent to 100 percent of the Rights Issue.
- The Company intends to publish a prospectus regarding the Rights Issue around November 7, 2023.
- The proceeds from the Rights Issue will enable, among other things, the ongoing development of Tumorad, including the inclusion of patients and the collection of early results in the first clinical study with Tumorad in cancer patients.
- In light of the Rights Issue, the Board of Directors has resolved to bring forward the publication of the interim report for the third quarter of 2023 to November 3, 2023.

Terms of Warrants of series TO12

- The Rights Issue includes a maximum of 127,321,212 warrants of series TO12.
- Each warrant of series TO12 entitles the holder to subscribe for one (1) new share in the Company during the period May 17 – 30, 2024, at a subscription price equal to 70 percent of the volume-weighted average share price of the Company's share during a period of ten (10) trading days immediately preceding the first day of the exercise period, i.e. during May 2 – 16, 2024, but not less than SEK 0.20 and not more than SEK 0.80 per share.
- The warrants of series TO12 are intended to be listed for trading following the final registration of the Rights Issue with the Swedish Companies Registration Office.

Reasons for the Rights Issue

Spago Nanomedical sees significant potential shareholder values in advancing and accelerating the development of Tumorad, given the substantial market potential and strong interest in the radionuclide therapy field from both investors and pharmaceutical companies, which in recent years have resulted in an increased number of investments and acquisitions in the field.

The Company's assessment is that existing working capital is not sufficient for the next twelve months and therefore not sufficient to secure results from the clinical study with Tumorad in cancer patients. Considering the above, the Board of Directors of Spago Nanomedical has resolved to propose to carry out the Rights Issue.

The proceeds from the Rights Issue, amounting to approximately SEK 30.6 million (before transaction costs and excluding any proceeds from the exercise of warrants of series TO12), are intended to cover the initial working capital needs for the continued development of Tumorad, including, among other things, the inclusion of patients and the collection of early results in the first clinical study with Tumorad in cancer patients.

Spago Nanomedical may receive additional proceeds depending on the extent to which warrants of series TO12 are exercised for the subscription of shares. In the event that the Rights Issue is fully subscribed and all warrants of series TO12 are exercised for subscription of shares, Spago Nanomedical may receive additional proceeds of up to approximately SEK 25.5 million – SEK 101.9 million (based on the lowest and the highest subscription price that may be set to the shares subscribed for by exercise of the warrants, i.e., SEK 0.20 and SEK 0.80 per share, respectively). The potential net proceeds from the warrants of series TO12 are intended to cover the additional working capital needs for the continued development of Tumorad.

Subscription Commitments and Guarantee Commitments

The Company has received subscription commitments from a number of the Company's existing shareholders, including Peter Lindell, Mikael Lönn, Eva Redhe, and Tiel Ridderstad, as well as members of the Company's Board of Directors and management team, amounting to approximately SEK 12.0 million, equivalent to approximately 39.3 percent of the Rights Issue. Furthermore, the Company has entered into guarantee commitments with a number of existing shareholders and new investors, including Peter Lindell's wholly owned company Cidro Förvaltning AB, Mikael Lönn, and Eva Redhe, consisting of a so-called top guarantee of approximately SEK 11.3 million, equivalent to approximately 37.1 percent of the Rights Issue, and a so-called bottom guarantee of approximately SEK 7.2 million, equivalent to approximately 23.6 percent of the Rights Issue. The bottom guarantee secures, provided that subscriptions are made at least corresponding to the subscription commitments, that approximately 62.9 percent of the Rights Issue is subscribed and paid for. The top guarantee secures, provided that subscriptions are made at least corresponding to the subscription commitments and the bottom guarantee commitments, that 100 percent of the Rights Issue is subscribed and paid for. Cidro Förvaltning AB participates with SEK 10 million in the top guarantee.

Both the top- and bottom guarantee commitments entitle to compensation of 10.5 percent of the guaranteed amount in cash. Instead of cash compensation, the guarantors may choose, subject to authorisation of the general meeting, to receive guarantee compensation in the form of newly issued shares in the Company. If the guarantors choose to receive guarantee compensation in the form of newly issued shares, the guarantee compensation will amount to 12.5 percent of the guaranteed amount. The subscription price for any shares issued to the guarantors shall correspond to the volume-weighted average share price (VWAP) of the Company's shares on Nasdaq First North Growth Market during the subscription period of the Rights Issue (November 9 - 23, 2023), however not lower than the subscription price in the Rights Issue. In order to facilitate the issuance of shares as guarantee compensation to the guarantors who choose to receive their guarantee compensation in the form of newly issued shares, the Board of Directors has proposed that the Extraordinary General Meeting on October 31, 2023, which is proposed to resolve on the Rights Issue, also resolve to authorize the Board of Directors to resolve on the issuance of such shares to the guarantors.

If Peter Lindell, and related parties, (including Peter Lindell's wholly-owned company Cidro Förvaltning AB), who today have an ownership corresponding to approximately 20.3 percent of the total number of shares and votes in the Company, fulfill their respective subscription commitments and Cidro Förvaltning AB fulfills its guarantee commitment, Peter Lindell and related parties' combined holding in Spago Nanomedical may exceed 30 percent, triggering a mandatory bid obligation under the Swedish Takeovers Act (Sw. lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden). However, the Swedish Securities Council (Sw. Aktiemarknadsnämnden) has granted Peter Lindell and related parties an exemption from the mandatory bid obligation regarding subscription of shares and warrants in accordance with the aforementioned subscription and guarantee commitments (including Cidro Förvaltning AB's potential receipt of shares as compensation under the guarantee commitment) and in the event of the exercise of warrants for subscription of new shares. The exemption is conditional upon that the shareholders prior to the Extraordinary General Meeting on October 31, 2023, are informed about the total holding of shares and votes that Peter Lindell and related parties may receive as a result of their subscription and guarantee commitments, and that the resolution on the issuance is approved by the general meeting with at least two thirds of both the votes cast and shares represented at the meeting, excluding the shares held and represented by Peter Lindell and related parties at the general meeting.

If Peter Lindell and related parties fulfill their respective subscription commitments and if Cidro Förvaltning AB's entire guarantee commitment is utilized, Peter Lindell and related parties will hold shares corresponding to a maximum of approximately 39.4 percent of the number of shares and votes in Spago Nanomedical (or approximately 40.8 percent of the number of shares and votes if Cidro Förvaltning AB chooses to receive its entire guarantee compensation in the form of shares), and, following any exercise of warrants, shares corresponding to approximately 53.7 percent of the number of shares and votes in Spago Nanomedical (or approximately 54.5 percent of the number of shares and votes if Cidro Förvaltning AB has chosen to receive its entire guarantee compensation in the form of shares). The foregoing is based on the assumption that the Rights Issue is fully subscribed and that no one else exercises their warrants to subscribe for new shares (and, as regards the guarantee compensation, that the issue of shares is made at the lowest subscription price that may be set to the shares under the guarantee commitment, and that no other guarantor chooses to receive guarantee compensation in the form of shares).

Transaction costs

Transaction costs for the Rights Issue are estimated to amount to approximately SEK 4.9 million (excluding any additional costs that may be incurred depending on the extent to which warrants are exercised for subscription), of which up to approximately SEK 1.9 million constitutes guarantee compensation in the event that all guarantors choose to be paid in cash in full.

Extraordinary General Meeting

The Board of Directors has today resolved to convene an Extraordinary General Meeting on October 31 2023. A notice will be published by Spago Nanomedical shortly.

Prospectus

Full terms and conditions for the Rights Issue as well as other information about the Company and further information about subscription commitments and guarantee commitments, will be included in the EU Growth Prospectus that the Company is expected to publish around November 7, 2023 (the "Prospectus").

Preliminary Timetable for the Rights Issue

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| October 31, 2023 | Extraordinary General Meeting |
| November 3, 2023 | Publication of interim report for the period 1 January – 30 September 2023 |
| November 3, 2023 | Last day of trading in the share including the right to receive unit rights |
| November 6, 2023 | First day of trading in the share excluding the right to receive unit rights |
| November 7, 2023 | Estimated date for the publication of the Prospectus |
| November 7, 2023 | Record date for the Rights Issue |
| November 9 – 20, 2023 | Trading in unit rights |

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| November 9 – 23, 2023 | Subscription period |
| November 9, 2023 – Until the Rights Issue is registered with the Swedish Companies Registration Office | Trading in paid subscribed units (Sw. “BTU”) |
| Around November 27, 2023 | Estimated publication of the outcome in the Rights Issue |

Shares and Dilution

Assuming full subscription in the Rights Issue, the share capital will increase by SEK 12,732,121.20, from SEK 9,094,372.30 to SEK 21,826,493.50 through the issuance of 127,321,212 shares, resulting in the total number of shares increasing from 90,943,723 to 218,264,935, representing a dilution effect of approximately 58.3 percent of the share capital and number of shares. If all warrants are fully exercised, the share capital will increase by an additional maximum of SEK 12,732,121.20 and the number of shares will increase by an additional maximum of 127,321,212 shares, equivalent to a dilution effect of approximately 36.8 percent in relation to the share capital and number of shares, assuming full subscription in the Rights Issue.

The total dilution effect if the Rights Issue is fully subscribed and all warrants of series TO12 are exercised amounts to a maximum of approximately 73.7 percent. Shareholders who do not participate in the Rights Issue have the opportunity to financially compensate themselves for this dilution by selling their unit rights.

If all guarantors would choose to receive guarantee compensation in the form of newly issued shares, there would be an additional dilution effect of approximately 4.2 percent in relation to the share capital and the number of shares given a fully subscribed Rights Issue (based on the lowest subscription price that may be set to the shares in the issue to the guarantors).

Advisors

Redeye AB acts as financial advisor, and Advokatfirman Cederquist KB act as legal advisor to Spago Nanomedical in connection with the Rights Issue.

For further information, please contact Mats Hansen, CEO Spago Nanomedical AB, +46 46 811 88, mats.hansen@spagonanomedical.se

Spago Nanomedical AB is a Swedish nanomedicines company in clinical development phase. The company’s development projects are based on a platform of polymeric materials with unique properties for more precise diagnosis and treatment of life-threatening and debilitating diseases. Spago Nanomedical’s share is listed on Nasdaq First North Growth Market (ticker: SPAGO). For further information, see www.spagonanomedical.se.

FNCA Sweden AB is the Certified Adviser of the company.

This information is information that Spago Nanomedical 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 2023-10-05 08:02 CEST.

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Topics discussed in this announcement may constitute forward looking statements. Forward looking statements are statements that are not historical facts that can be identified by the use of words such as, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions. Forward looking statements in this press release are based on various assumptions, many of which in turn are based on further assumptions. Although Spago Nanomedical believes these assumptions were reasonable when made, these assumptions are inherently associated with known and unknown material risks, uncertainties, unforeseen events and other important factors that are difficult or impossible to predict and that are beyond its control. Such risks, uncertainties, unforeseen events and other important factors could cause actual events to differ materially from the expectations expressed or implied in this announcement by such forward looking statements. Information, opinions and forward looking statements contained in this announcement speak only as at its date, and may be changed without notice.

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