

THIS PRESS RELEASE MAY NOT BE MADE PUBLIC, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEELAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND, OR ANY OTHER JURISDICTION IN WHICH SUCH ACTIONS, WHOLLY OR IN PART, WOULD BE UNLAWFUL OR DEMAND ADDITIONAL REGISTRATION OR OTHER MEASURES. PLEASE REFER TO "IMPORTANT INFORMATION" IN THE END OF THIS PRESS RELEASE.

## Xspray resolves on a rights issue of approximately SEK 135 million and raises a loan of SEK 100 million

**The Board of Directors of Xspray Pharma AB (publ) ("Xspray" or the "Company"), (Nasdaq Stockholm: XSPRAY) has today, by virtue of the authorization from the annual general meeting held on 21 May 2024, resolved to carry out a new issue of shares of approximately SEK 135 million, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Company has received subscription undertakings and intentions to subscribe for shares of approximately SEK 74 million, as well as guarantee commitments of approximately SEK 61 million in total, corresponding to a total of 100 percent of the Rights Issue. Furthermore, the Company has raised a loan in the total amount of SEK 100 million (the "Loan", and together with the Rights Issue, the "Financing") and the Board of Directors of Xspray has resolved to issue warrants to the lenders Fenja Capital II A/S and Buntel AB (the "Lenders"), as a part of the Financing. The Financing is carried out in order to finance the continued development of the Company's product portfolio for commercialization in parallel with the ongoing FDA-process regarding Dasynoc and, at approval from the FDA, market-preparatory activities for the launch of the product.**

### Summary of the Rights Issue

- The Board of Directors of Xspray has, by virtue of the authorization from the annual general meeting held on 21 May 2024, resolved to carry out a new issue of shares of approximately SEK 135 million, with preferential rights for the Company's existing shareholders. The Rights Issue is carried out to capitalize the Company in connection with the commercialization of Dasynoc® (XS004-dasatinib) ("**Dasynoc**"), primarily to finance preparatory activities ahead of the contemplated launch on the U.S. market, the conducting of registration based studies for XS003 nilotinib, other working capital to cover the Company's ongoing operations, as well as the continued development of the product candidates XS008 axitinib and XS025 cabozantinib.
- Upon full subscription of the Rights Issue, Xspray will receive approximately SEK 135 million before issue costs.
- The Rights Issue is covered to approximately 43 percent by subscription undertakings, 12 percent by declarations of intent to subscribe for shares<sup>[1]</sup> and to approximately 45 percent by guarantee commitments. Consequently, subscription undertakings, intentions to subscribe for shares and guarantee commitments amount to 100 percent of the Rights Issue.

- For each existing share held on the record date of 13 November 2024, one subscription right is received. Ten (10) subscription rights entitle to subscription of one (1) new share, corresponding to a subscription ratio of 1:10.
- The subscription price of SEK 40 per share corresponds to a discount of approximately 27 percent compared to the theoretical price (so called TERP – theoretical ex-rights price) based on the closing price of Xspray's share on Nasdaq Stockholm on 5 November 2024.
- The subscription period in the Rights Issue is expected to run from 15 November 2024 up to and including 29 November 2024.
- Existing shareholders, including eight of the largest shareholders, Flerie Invest AB, Ribbskottet AB, Östersjöstiftelsen, Fjärde AP-fonden, Tredje AP-fonden, Unionen, Andra AP-fonden and Erik Norman, have committed or declared their intent to subscribe for shares corresponding to approximately 55 percent of the Rights Issue, or approximately SEK 74 million.
- A number of investors, including existing shareholder Flerie Invest AB, have entered into agreements to guarantee 45 percent of the Rights Issue, at a guarantee compensation of 8 percent of the guaranteed amount in cash.

### Summary of the Loan

- The Loan is unsecured and amounts to SEK 100 million in total with a term of 12 months from 6 November 2024.
- Upon the raising of the Loan, 1,150,000 warrants will be issued to the Lenders, free of charge. The warrants can be exercised for subscription of the corresponding number of shares in the Company from and including the day of registration of the warrants with the Swedish Companies Registration Office and up to and including 30 November 2029, at a subscription price of SEK 50 per share from and including the registration with the Swedish Companies Registration Office and up to and including 6 November 2025, and at a subscription price of SEK 60 from and including 7 November 2025.
- The Loan includes an arrangement fee of 4 percent and accrues interest at STIBOR 3M (however minimum 3 percent) plus an interest margin of 8 percent. If FDA approval for Dasynoc is obtained, the arrangement fee will be refunded, and the interest margin will be reduced to 4 percent.
- The Company may repay the Loan at any time during the term.
- If the warrants are exercised in full, during or after the Loan term, the number of shares and share capital will increase, resulting in dilution of approximately 3 percent for existing shareholders after the Rights Issue.

**Xspray's CEO Per Andersson comments:** "With this financing, we expect to be able to with undiminished force continue to prepare for and, upon FDA market approval, execute the planned launch of Dasynoc. Further, we receive funding to carry out the studies required to complete the FDA application for our next product candidate, XS003 nilotinib. I would like to again express my gratitude to the major shareholders and investors who, through their commitments in connection with the rights issue, demonstrate continued confidence in our commercialization plan."

**Background and reasons**

Xspray is a pharmaceutical company that specializes in using its patented HyNap-technology to develop improved versions of existing protein kinase inhibitors (PKIs) for cancer treatment. The Company's goal is to become a leader in the development of improved PKIs for cancer treatment. In 2023, there were around 80 PKIs available in the US market with annual sales of approximately USD 33 billion.

Xspray's lead candidate, Dasynoc is currently under FDA regulatory review for approval in the US. Dasynoc is an amorphous version of dasatinib with improved properties compared to the crystalline reference listed drug Sprycel®. Significant advantages of Dasynoc compared to the crystalline reference drug include:

- compatibility with acid reducing agents which are commonly co-prescribed to many chronic myeloid leukemia (CML) patients but which may also be bought without a prescription; and
- bioequivalence with a 30 percent lower dose compared to the reference drug.

The Company intends to re-submit its supplemented application for market approval for Dasynoc during the fourth quarter of 2024. After re-submission of the application, the FDA will assign a new PDUFA date (target date for final approval from the FDA), which will be either two or six months from the re-submission of the application, and depending on the review timeline, this may allow for the launch of Dasynoc in the first half of 2025.

Xspray's product portfolio consists, in addition to Dasynoc, of several other enhanced PKI product candidates in various stages of development, including XS003 nilotinib (an improved version of Tassigna®), XS008 axitinib (an improved version of Inlyta®), and XS025 cabozantinib (an improved version of Cabometyx®). XS003 nilotinib is currently in the stage where registration studies are carried out in healthy volunteers, after which the Company intends to submit an NDA application, expected to occur in 2025. For the Company's two other published product candidates, XS008-axitinib and XS025-cabozantinib, the next steps are to continue formulation development for commercial scale, manufacture of clinical trial material and conduct clinical studies.

**Use of proceeds from the Financing**

The Company will receive SEK 235 million (excluding any proceeds from the warrants issued to the Lenders) through the Financing before deduction of transaction costs. The proceeds from the Financing are intended to be used to facilitate the continued development of the Company's product portfolio towards commercialization while the FDA process regarding Dasynoc is ongoing. Upon receiving approval from FDA for Dasynoc, the Company will in the short term prioritize market-preparatory activities in collaboration with its partner Eversana, over the development of the product portfolio, as the Company believes that successful commercialization will generate cash flows that can be used for the development of other product candidates.

The net proceeds from the Financing are primarily intended to finance:

1. Implementation of market-preparatory activities and building up sales inventory to be

ready for the launch of Dasynoc in the U.S.

- a. Market-preparatory activities in collaboration with the Company's commercialization partner Eversana (approx. 48 percent)
- b. Build-up of sales inventory (approx. 10 percent)
2. Conducting of registration studies for XS003 nilotinib and preparatory activities for submission of a market approval application in H1 2025 (approx. 13 percent)
3. Other working capital to cover the Company's day-to-day operations (approx. 16 percent)
4. Development of the product candidates XS008 axitinib and XS025 cabozantinib (approx. 13 percent)

Upon approval of Dasynoc and a subsequent launch, the Company's need for working capital is expected to increase in the short term due to higher inventory levels, increased accounts receivable, and increasing costs related to marketing and sales activities associated with the Company's commercialization partner Eversana, and that the Company in connection therewith shall repay the Loan. In such a scenario, the Company intends to secure non-dilutive loan financing of up to approximately SEK 200 million, which is expected to be repayable through cash flows from operating activities.

### **Terms of the Rights Issue**

Those who are registered as shareholders in the share register of Xspray on the record date 13 November 2024 have preferential rights to subscribe for new shares in Xspray in relation to their current shareholding in the Company. Shareholders receive one (1) subscription right for each share held in the Company. The subscription rights entitle the holder to subscribe for new shares in the Rights Issue, whereby ten (10) subscription rights give the shareholder the right to subscribe for one (1) new share. In addition, investors are offered the possibility to apply for subscription of shares without subscription rights.

If all of the shares are not subscribed for by virtue of subscription rights, the Board of Directors shall resolve on the allocation of shares which have not been subscribed for by virtue of subscription rights. In such case, shares shall: (i) firstly be allocated to those who have applied for subscription and subscribed for new shares by virtue of subscription rights, regardless if the subscriber was a shareholder on the record date or not, and in the event of oversubscription, in relation to the number of subscription rights each have exercised for subscription of new shares, and, to the extent that this is not possible, by drawing lots, (ii) secondly, shares are allocated to others whom have applied for subscription of shares without exercising subscription rights, and in the event of oversubscription, in relation to the number of new shares specified in the subscription application, and, to the extent that this is not possible, by drawing lots, and (iii) thirdly to those who have contractually entered into guarantee commitments, and in the event that allotment to these cannot be made in full, allotment shall be made pro rata in relation to the amount that each has guaranteed and, to the extent that this cannot be done, by drawing lots.

The subscription price is SEK 40 per share. Provided that the Rights Issue is fully subscribed, Xspray will receive issue proceeds of approximately SEK 135 million before deduction of costs attributable to the Rights Issue. Provided that the Rights Issue is fully subscribed, the number of shares will increase by a maximum of 3,376,226 shares, from 33,762,265 shares to a maximum of 37,138,491 shares. The share capital will increase by a maximum of approximately SEK 3,376,226, from approximately SEK 33,762,265 to a maximum of approximately SEK

37,138,491. Shareholders who choose not to participate in the Rights Issue will through the Rights Issue have their ownership share diluted by up to 3,376,226 shares, corresponding to approximately 9 percent (based on the total maximum amount of outstanding shares after the execution of the Rights Issue). These shareholders have an opportunity to compensate themselves financially for the dilution effect by selling their subscription rights received.

Full terms of the Rights Issue and information about the Company will be presented in a prospectus that is expected to be published on or around 14 November 2024.

### **Terms of the Loan**

The Loan of SEK 100 million has been secured from Fenja Capital II A/S and Buntel AB, with a term of 12 months starting from 6 November 2024. The Loan is unsecured. In connection with the Loan, 1,150,000 warrants will also be issued to the Lenders, free of charge. The warrants can be exercised to subscribe for the equivalent number of shares in the Company from and including the day of registration of the warrants with the Swedish Companies Registration Office and up to and including 30 November 2029, at a subscription price of SEK 50 per share from registration with the Swedish Companies Registration Office up to and including 6 November 2025, as well as from and including 7 November 2025 at a subscription price of SEK 60. The warrants will not be re-calculated as a result of the Rights Issue but are otherwise subject to customary re-calculation provisions. The Board of Directors has decided to issue the warrants by virtue of the authorization from the annual general meeting held on 21 May 2024.

The Loan includes an arrangement fee of 4 percent of the total Loan amount and bears an annual interest rate at STIBOR 3M (however minimum 3 percent) plus an interest margin of 8 percent. If FDA approval for Dasynoc is obtained, the arrangement fee will be refunded, and the annual interest will be adjusted to STIBOR 3M plus 4 percent. The Company may repay the Loan at any time during the term.

If all warrants are exercised, the number of shares in the Company will increase by 1,150,000 and the share capital by SEK 1,150,000, resulting in dilution of approximately 3 percent after the Rights Issue.

### **Subscription undertakings and guarantee commitments in the Rights Issue**

The Company's larger shareholders, Flerie Invest AB, Östersjöstiftelsen, Fjärde AP-fonden, Unionen and Erik Norman have undertaken to subscribe for shares corresponding to approximately 43 percent of the Rights Issue. In addition, certain members of the Board of Directors of the Company and senior executives intend to enter into binding subscription undertakings after the publication of the Company's interim report for the third quarter of 2024, and these intentions cover approximately 5 percent of the Rights Issue. In addition, certain other shareholders have submitted declarations of intent for subscription of shares in the Rights Issue, and these intentions cover approximately 7 percent of the Rights Issue. In total, these subscription undertakings and intentions represent approximately 55 percent of the Rights Issue, corresponding to approximately SEK 74 million. Several investors, including Flerie Invest AB, have agreed to guarantee approximately 45 percent of the Rights Issue, corresponding to approximately SEK 61 million, at a guarantee compensation of 8 percent of the guaranteed amount in cash.

Consequently, the Rights Issue is covered by subscription undertakings and guarantee commitments, as well as intentions to subscribe for shares of 100 percent. The subscription undertakings and guarantee commitments are not secured by bank guarantees, blocked funds, pledging, or similar arrangements. Additional information regarding the parties who have entered subscription undertakings, submitted declarations of intent regarding subscription of shares and guarantee commitments will be presented in the prospectus which is expected to be published on or around 14 November 2024.

**Lock-up undertakings**

Prior to the execution of the Rights Issue, all members of the Board of Directors and senior executives of the Company have towards Skandinaviska Enskilda Banken AB (“**SEB**”) and Zonda Partners undertaken, subject to certain customary exceptions, not to sell shares in the Company for a period of 90 days from the day after the outcome of the Rights Issue has been announced, a so-called lock-up undertaking.

Furthermore, the Company has undertaken towards SEB and Zonda Partners, subject to customary exceptions and except for the issue of warrants to the Lenders, not to issue additional shares or other share-related instruments for a period of 180 days from the day after the outcome of the Rights Issue has been announced.

**Preliminary timetable for the Rights Issue**

The below timetable for the Rights Issue is preliminary and may be adjusted.

<b>Event</b>	<b>Date</b>
Last day of trading including the right to receive subscription rights	11 November 2024
First day of trading without the right to receive subscription rights	12 November 2024
Record date for participation in the Rights Issue	13 November 2024
Publication of prospectus	14 November 2024
Trading in subscription rights	15 November 2024 – 26 November 2024
Subscription period	15 November 2024 – 29 November 2024
Trading in paid subscribed shares (BTA)	15 November 2024 – 11 December 2024
Expected announcement of the outcome of the Rights Issue (preliminary and final, respectively)	2 December 2024 and 4 December 2024, respectively

**Advisers**

SEB and Zonda Partners are acting as Joint Global Coordinators and Joint Bookrunners to the Company and Advokatfirman Vinge KB is acting as legal adviser to the Company in connection with the Financing.

**For more information, please contact:**

Kerstin Hasselgren  
Senior Advisor & Investor Relations  
Xspray Pharma AB (publ)  
Mob: +46 (0) 70 311 16 83  
E-mail: kerstin.hasselgren@xspray.com

**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 for development of enhanced PKIs for cancer treatment. Xspray Pharma's primary drug candidate, Dasynoc (XS004-dasatinib), is currently undergoing FDA review. Dasynoc is an amorphous form of dasatinib, demonstrating bioequivalence at a 30% lower dose because of better solubility profile. Its compatibility with acid-reducing agents, 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 Tasisna®), XS008-axitinib (an optimized version of Inlyta®) and XS025-cabozantinib (an optimized version Cabometyx®).

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

[www.xspraypharma.com](http://www.xspraypharma.com)

**Important information**

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to legal 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 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. A prospectus prepared in accordance with the simplified rules for secondary issuances in the Prospectus Regulation regarding the Rights Issue described in this press release will be prepared and published by the Company prior to the commencing of the subscription period.

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 announcement 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. SEB 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. SEB 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.

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” 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.

Please note that an investment in the Company is subject to regulation under the Foreign Direct Investment Act (2023:560), which requires investors, under certain conditions, to notify and obtain approval from the Swedish Inspectorate for Strategic Products. Investors should make their own assessment of whether a notification obligation exists before making any investment decision regarding the Rights Issue.

#### *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. Potential investors should not put undue trust in the forward-looking statements herein, and potential investors are strongly recommended to read the sections in the prospectus that include a more detailed description of the factors that can affect the Company's business and its associated market.

#### *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.*

---

[1] Includes both declarations of intent by board members and senior executives who intend to enter into binding subscription commitments after the publication of the Company's interim report for the third quarter of 2024 and other shareholders who have submitted declarations of intent.

*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 2024-11-06 07:30 CET.*

## **Attachments**

---

[Xspray resolves on a rights issue of approximately SEK 135 million and raises a loan of SEK 100 million](#)