



Xspray Pharma has carried out a directed share issue raising gross proceeds of approximately SEK 122 million

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Solna, 5 December 2019

Xspray Pharma AB (publ) ("Xspray" or the "Company") has, based on the authorisation given by Xspray's annual general meeting on 23 May 2019, and in accordance with what the Company indicated in a press release on 5 December 2019, successfully carried out a directed share issue at a subscription price of SEK 73 per share (the "Issue"). The subscription price is in line with the volume-weighted average price of the Xspray share during the last 30 days. The subscription price has been determined through an accelerated book-building procedure.

A group of Swedish and international institutional investors, among others C WorldWide Asset Management, Fourth Swedish National Pension Fund, Swedbank Robur, TIN Fonder, Third Swedish National Pension Fund and Unionen have subscribed for shares in the Issue. The Company believes that using the flexibility provided by a non-pre-emptive placing is the most appropriate transaction structure at this time in order to raise capital for the development of ongoing projects in a time and cost-effective manner. Moreover, through the Issue, the Company will further strengthen the shareholder base with institutional investors.

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

- i. enhance the Company's financial flexibility ahead of anticipated registration application of its lead product, HyNap-Dasa, in 2020 and anticipated deal making pertaining to the launch of this candidate;
- ii. establish second source manufacturing;
- iii. working capital requirement at expected listing on Nasdaq Stockholm's Main Market during the first half of 2020;
- iv. continue to expand its product portfolio;
- v. general corporate purposes.

The Issue is expected to raise proceeds for the Company of approximately SEK 122 million before transaction costs. The subscription price has been determined through an accelerated book-building procedure. The Issue will result in an increase in the number of shares in Xspray of 1,675,162, from 15,076,460 to 16,751,622, and an increase in the share capital by SEK 1,675,162, from SEK 15,076,460 to SEK 16,751,622, resulting in a dilution of approximately 10 percent.

In connection with the Issue, the Company has, with customary exceptions, agreed to a lock-up undertaking on future share issuances for a period of 90 days after the Issue. In addition, the management and Board of Directors have undertaken not to sell any shares in Xspray during the same period, subject to customary exceptions.

The reason for using the flexibility provided by a non-pre-emptive placing is to raise capital for the development of ongoing projects and to further strengthen the Company's shareholder base in a time and cost-effective manner.

Advisers

In conjunction with the Issue, the Company has engaged Carnegie Investment Bank and Zonda Partners as Joint Bookrunners and Vinge as legal adviser to the Company.

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This is information that Xspray Pharma AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was sent for publication, through the agency of the contact person set out above, on 5 December 2019, at 10:30 p.m. CET.

Xspray Pharma in brief

Xspray Pharma AB (publ) is a product development company with several product candidates in clinical development. Xspray Pharma uses its innovative patented RightSize technology to develop improved generic versions of marketed drugs, primarily protein kinase inhibitors (PKIs) for the treatment of cancer. The segment is the second-largest in the field of oncology and drug prices are high. Through its innovative technology Xspray Pharma will, by licensing out to its product to appropriate pharmaceutical company, be able to enter the market as a first competitor to the original drugs before the exclusivity from secondary patents expires. Three PKIs have been identified as the initial product candidates (HyNap-Dasa, HyNap-Sora and HyNap-Nilo). Xspray Pharma's goal is to have up to seven products ready for launch in the US market, where the first product to launch in 2021 will be HyNap-Dasa. The substance

patents for Sprycel (dasatinib) expire in 2020 and the secondary patents expire in 2026, which can give Xspray Pharma's HyNap-Dasa a five-year period of special position before other competitors get access to the market. The Company has patented manufacturing technology, equipment and the resulting products. The shares in Xspray Pharma AB (publ) are traded on Nasdaq First North Growth Market. The Company's Certified Adviser is Redeye AB (www.redeye.se).

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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", "shall", "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.