



Press release  
Solna, 30 January 2018

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## Xspray Pharma proposes a directed issue of 1,350,000 shares corresponding to approximately SEK 88 million to expand the product portfolio

**The board of directors of Xspray Pharma AB (publ) has resolved to propose a directed share issue of 1,350,000 shares at a subscription price of SEK 65 per share, representing a discount of 2 percent compared to the volume weighted average price during the last five trading days. The share issue will provide Xspray Pharma with approximately SEK 88 million before transaction costs.**

**The objective of the proposal and the reasons for the deviation from the shareholders' preferential rights are to strengthen the institutional shareholder base in the company and in a timely manner enable the company to finance the development of additional product candidates, relying on positive research data published on 24 October 2017. Shareholders representing approximately 67.2 per cent of the shares of Xspray Pharma have undertaken to vote in favour of the issue, including the company's largest shareholder Östersjöstiftelsen who will not participate in the issue. The directed issue will be fully subscribed by a number of selected investors in accordance with separate agreements, including Robur Ny Teknik, Niclas Ericsson&family, Unionen and Nyenburgh. The board of directors will convene an extraordinary general meeting to be held on 20 February to resolve on the share issue.**

"Our research results have proven that the tools we have developed are working for developing bioequivalent PKI-drugs based on our HyNap-platform. This reduces the development risk and enables us to develop additional drug candidates, efficiently and faster than anticipated by the time of the IPO last year. To be able to develop more drug candidates fast will increase our options as well as the value of the company's product pipeline," comments Per Andersson, CEO of Xspray Pharma.

### **Background and reasons**

The company intends to use the proceeds from the directed rights issue for financing the development of up to four new drug candidates, based on the company's HyNap-platform. The new drug candidates will be selected out of a group of six potential drug candidates currently under evaluation. All of them have a similar profile to that of the company's three current main candidates, i.e. they are all new versions of established cancer drugs based on protein kinase inhibitors – "PKI:s". The primary patents of the original drugs will expire between 2024-2026. The total annual sales of these original drugs in 2022 is estimated to exceed USD 7.3 billions in the US alone. The proceeds will in an efficient and timely manner enable Xspray to broaden its product portfolio of clinically proven drug candidates.



## The issue

The board of directors has resolved to propose an extraordinary general meeting to resolve on a directed share issue of not more than 1,350,000 shares. The subscription price for the issue is SEK 65 per share, which, in total, will provide the company with approximately SEK 88 million before transaction costs. The subscription price for the issue has been determined through a so-called private placement procedure and represents a discount of 2 percent compared to the volume weighted average price during the last five trading days. The directed issue will be fully subscribed by a number of selected investors in accordance with separate agreements, including Robur Ny Teknik, Niclas Ericsson&family, Unionen and Nyenburgh.

Shareholders representing approximately 67.2 per cent of the shares in Xspray Pharma, including the company's largest shareholder Östersjöstiftelsen who will not participate in the issue, have undertaken to vote in favour of the issue at the extraordinary general meeting.

The reasons for the deviation from the shareholders' preferential rights are to strengthen the institutional shareholder base of the company, whilst in an efficiently managed and timely manner raise capital for the development of additional drug candidates. Through the issue, the share capital will increase with SEK 1,350,000 to SEK 13,706,460, which entails a dilution effect of approximately 9.8 per cent of both the number of shares and votes.

## Advisors

Xspray Pharma has, in connection with the transaction, engaged Advokatfirman Vinge as legal advisor and Erik Penser as settlement agent. Zonda Partners has been engaged as advisor to the board of directors.

## For further information, please contact:

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This 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 person set out above, at 19.40 CET on 30 January 2018.

## About Xspray Pharma

Xspray Pharma AB (publ) is a product development company with several product candidates under clinical development. Xspray uses its innovative RightSize-technology in order to develop improved and generic versions of already marketed cancer drugs, primarily protein kinase inhibitors (PKI), for treating cancer. The segment is the second largest within the oncology department and the drug prices are very high. Through its innovative technology, Xspray can enter the market as first competitor to the original drugs available today without the hindrance of secondary patents. Xspray's goal is to have three products ready for launch on the American market during the period 2020-2023, with a first product launched at the latest by 2021. The company has patents on production technology, equipment and the resulting products. The shares in Xspray Pharma (publ) are traded on Nasdaq First North Stockholm and Redeye is the Certified Adviser for the company.

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