



Xspray Pharma has carried out a directed share issue raising gross proceeds of approximately SEK 92 million

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Press release

Solna, 6 December 2018

Xspray Pharma AB (publ) ("Xspray" or the "Company") has, based on the authorization given by Xspray's annual general meeting on 14 May 2018 and in accordance with what the Company indicated in a press release on 6 December 2018, successfully carried out a directed share issue at a subscription price of SEK 67 per share. The subscription price corresponds to a discount of approximately 3 percent compared with today's VWAP, 6 December 2018. The subscription price has been determined through an accelerated book-building procedure.

A group of Swedish and international institutional investors, among others Unionen, Third Swedish National Pension Fund and Forth Swedish National Pension Fund, have subscribed for shares in the directed share issue. The Company believes that the flexibility of a placing without pre-emption right for existing shareholders is the most appropriate way to diversify the shareholder base among institutional investors prior to the planned list change of the Company's share to Nasdaq Stockholm's main list during 2019, and at the same time raise capital in a time efficient manner.

Following the positive data announced on 10 October 2018 for the Company's lead product, HyNap-Dasa, the Company intends to use the proceeds from the directed share issue to i) continue development of its product portfolio; ii) develop its product candidates through registration; and iii) accelerate the development of product candidate HyNap-Nilo in order to be ready to launch the product earlier than previously planned.

Per Andersson, CEO, Xspray Pharma, comments:

"As a result of the positive results for the product candidate HyNap-Dasa, presented earlier this fall, we are in a strong position to bring our unique HyNap compositions, comprising a number of protein kinase inhibitors (PKIs), to the market. This is an important step towards becoming a powerhouse for PKIs where we address relevant medical needs and more accessible pharmaceuticals to the cancer market."

The directed share issue is expected to raise proceeds for the Company of approximately SEK 92 million before transaction costs. The subscription price has been determined through an accelerated book-building procedure. The directed share issue will result in an increase of the number of shares in Xspray of 1,370,000, from 13,706,460 to 15,076,460, and an increase in the share capital by SEK 1,370,000, from SEK 13,706,460 to SEK 15,076,460, resulting in a dilution of approximately 9.1 percent.

In connection with the directed share 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 directed share 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.

Advisers

In conjunction with the capital raising, the Company has engaged Carnegie Investment Bank as bookrunner and adviser, Zonda Partners as adviser and Vinge as legal adviser.

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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 6 December 2018 at 21:00 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. The Company's Certified Adviser is Redeye AB, www.redeye.se.

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Forward-looking statements

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