PILA PHARMA AB

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Malmö, 15 June 2021

PILA PHARMA AB (publ) receives conditional approval for listing on Nasdaq First North Growth Market Stockholm and publishes its prospectus

PILA PHARMA AB, ("PILA PHARMA" or "the Company") announced on November 17, 2020 its intention to carry out a listing of the Company's shares on Nasdaq First North Growth Market Stockholm ("Nasdaq First North") and at the same time carry out a new shares issue to finance the Company's continued clinical studies (the "Offer"). On June 11, 2021, PILA PHARMA received a conditional approval from Nasdaq Stockholm for listing on Nasdaq First North. The conditional approval from Nasdaq Stockholm contains customary conditions such as that the distribution requirement for PILA PHARMA's shares is met prior to the planned listing on Nasdaq First North. Furthermore, today, 15 June 2021, the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Finansinspektionen). The offer is aimed at the general public in Sweden and institutional investors in Sweden and internationally.

The offer in summary:

- The price in the Offering is set at SEK 9 per unit, which corresponds to a total market value of the Company's shares of approximately SEK 110 million before the Offering.
- The offer comprises a maximum of 3.888.888 units. A unit consists of one (1) share and one (1) warrant of series TO 1. Each warrant gives the right to subscribe for one (1) new share during the period from 23 May 2022 to 3 June 2022 at the subscription price of SEK 10.
- The Offer corresponds to approximately 25 percent of the total number of shares and votes in the Company after the Offer.
- The offer is expected to provide the Company with funds of approximately SEK 35 million before transaction costs.
- A number of new investors and existing shareholders have committed to subscribe for shares corresponding to a total of SEK 20.2 million, corresponding to approximately 58 percent of the Offer, at the same price as other investors.

The estimated first trading day for the Company's shares on Nasdaq First North is July 12, 2021. The shares will be traded under the short name/ticker "PILA".

Dorte X. Gram, CEO, comments:
"*It is with great pleasure that we receive Nasdaq's and Finansinspektionen's approvals. This means that today we are getting closer to a market listing of PILA PHARMA's ordinary shares. The new shares issue that we are making in connection with the listing enables the next step for the company. We will now move towards a comprehensive phase 2b study to develop a unique diabetes drug."*

Prospectus and application forms:
A prospectus with the Offer's complete terms and instructions is published today on PILA PHARMA's website, www.pilapharma.com, and Aqurat Fondkommission AB's website, www.aqurat.se. The application form is available on Aqurat's website and must be received by Aqurat Fondkommission AB no later than 15.00 CET on 29 June 2021.

Preliminary schedule for the Offer:
Registration period: 16 June 2021 - 29 June 2021
Settlement date: Approximately 5 July 2021
First day of trade: Approximately 12 July 2021

Advisors:
Göteborg Corpoate Finance (GCF) is the financial advisor. Certified Adviser and issuer is Aqurat Fondkommission. The law firm MAQS Advokatbyrå is legal advisor to PILA PHARMA and authorized Public Accountant is Deloitte.

Background to the Offer:
PILA PHARMA is developing a new class of drugs for type 2 diabetes, assuming that the disease is caused by an inflammation that damages the body's insulin production. The company's product candidate is therefore targeted at a receptor in the body, TPVR1, which can cause inflammation. Phase 2a clinical trials in sick patients have shown very promising results. The offer is more aimed at financing the continued development of the drug in phase 2b studies. In the event of positive results from these studies, the Company intends to generate revenue from continued phase 3 studies through licensing to a major global pharmaceutical company. Revenue will then be generated through contractual compensation, milestone compensation and subsequently royalty income from sales.
Prospectus and application forms

This information is such information that PILA PHARMA AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication on June 15, 2021 at 18:30 CET.

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About PILA PHARMA
PILA PHARMA is a Swedish biotech company in the diabetes segment based in Malmö. The aim of the company is to develop a novel and superior tablet based treatment for type 2 diabetes. The company owns both use patents for treating diabetes and obesity with TRPV1 antagonists, and the intellectual property rights for the mid stage clinical development candidate XEN-D0501.

About XEN-D0501 and TRPV1 antagonists
XEN-D0501 is a highly selective and very potent small molecule TRPV1 antagonist, previously in development by Bayer Healthcare and Xention/Ario Pharma. The TRPV1 target (also called the “chili-receptor”) has demonstrated applications across pain and inflammatory diseases and potentially plays a role in diabetes as well. XEN-D0501 was acquired by PILA PHARMA in March 2016, due to its very good safety and tolerability as compared to other clinical TRPV1-antagonist development candidates. TRPV1 antagonists as a drug-class has previously been associated with severe adverse events as fever (hyperthermia). The maximum tolerable dose in non-diabetic individuals has previously been determined to be 4 milligrams twice daily, a dose level with good safety but no effect in non-diabetic patients with either overactive bladder disease or chronic cough. In November 2018, PILA PHARMA reported the completion of its first clinical trial, PP-CT01, demonstrating good safety of XEN-D0501 at single doses up to 8 milligrams when administered to people with type 2 diabetes. The most recent study results were announced in September 2020. The study (PP-CT02) demonstrated that multiple doses of XEN-D0501 (4 mg twice daily for 28 days) were likewise safe and well-tolerated by people with type 2 diabetes and also – with statistical significance versus placebo – that XEN-D0501 enhances the endogenous insulin response to oral glucose, thus demonstrating proof of principle.

About diabetes
Diabetes is a world-wide pandemic with a staggering prevalence of 463 million diabetics corresponding to approximately 8-10% of the population. Approximately 90 % of all diabetics suffer from type 2 diabetes, whilst approximately 10% suffers from type 1 diabetes. The disease can lead to cardiovascular disease resulting in reduction of quality of life for the patient, increased risk of death and high health care expenses. Despite recent therapeutic advances, large and growing unmet needs exist both from an efficacy, safety, adherence, accessibility and affordability perspective.