PILA PHARMA AB

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PILA PHARMA PUBLISHES PROSPECTUS IN CONNECTION WITH THE ANNOUNCED RIGHTS ISSUE OF UNITS

On 19 June 2025 PILA PHARMA AB (publ) ("PILA PHARMA" or the "Company") announced that the Board of Directors resolved on, with authorization from the annual general meeting held 29 April 2025, a rights issue of units, consisting of new shares and warrants, of approximately SEK 20 million (the "Rights Issue"). Today, PILA PHARMA announces that the prospectus relating to the Rights Issue (the "Prospectus") has been approved and registered by the Swedish Financial Supervisory Authority (the "SFSA") and has been made available on PILA PHARMA's webpage, www.pilapharma.com/rights-issue, together with other information related to the Rights Issue. The Prospectus will also be made available at the SFSA's webpage, www.fi.se/en/our-registers/prospektregistret.

Publication of the Prospectus
Complete information regarding the Rights Issue is included in the Prospectus that has been prepared by the Board of Directors of the Company, and which today was approved and registered by the SFSA.

The Prospectus has been prepared as an EU Growth Prospectus in accordance with Article 15 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The SFSA, as the Swedish national competent authority, has approved the Prospectus in accordance with Article 20 of the Prospectus Regulation. The SFSA approves the Prospectus only the extent it meets the standards of completeness, comprehensibility, and consistency as stated in the Prospectus Regulation. The approval should not be considered as any kind of endorsement of the Company or of the securities described in the Prospectus. The SFSA does not guarantee the accuracy or completeness of the factual information contained in the Prospectus. Each investor is advised to make its own assessment of whether it is appropriate to invest in the Company.

Summary of the Rights Issue
- Those who on the record date 27 June 2025 are registered as shareholders in PILA PHARMA will receive one (1) unit right for each share held.
- Nineteen (19) unit rights entitle to subscription for seven (7) units.
- Each unit consists of one (1) newly issued share and one (1) warrant of series TO2.

- The subscription price is SEK 2.00 per unit, corresponding to SEK 2.00 per share. The warrants are issued free of charge.
- Each warrant of series TO2 entitles the holder to subscribe for two (2) new shares in the Company during the period 5 February 2026 up to and including 15 February 2026. The subscription price for subscription of shares with the support of warrants of series TO2 corresponds to 70 per cent of the volume-weighted average price paid for the Company's share on Nasdaq First North Growth Market during the ten (10) days preceding 5 February 2026, however, not less than the SEK 1.50 per share and not more than SEK 3.00 per share.
- The subscription period in the Rights Issue runs from and including 1 July 2025 up to and including 15 July 2025.
- The subscription undertakings from existing shareholders and members of senior management amount to approximately SEK 10.22 million, corresponding to approximately 51.12 percent of the Rights Issue. In addition, the Company has received guarantee commitments amounting to SEK 9.75 million, which corresponds to 48.75 percent of the Rights Issue. Consequently, the Rights Issue is covered by way of subscription undertakings and guarantee commitments to a total of approximately SEK 19.97 million, corresponding to approximately 99.87 percent of the Rights Issue.
- If the Rights Issue is oversubscribed, the Board of Directors of the Company may carry out an Over-allotment Issue of a maximum of 4,963,773 units, consisting of one (1) newly issued share and one (1) new warrant of series TO2, corresponding to approximately SEK 9.9 million before issue costs.

Use of Proceeds

The Company has adjusted the use of proceeds from the Rights Issue since the Company’s press release dated 19 June 2025.

If the Rights Issue is fully subscribed, the Company will receive a maximum of approximately SEK 20 million before deduction of transaction costs. Given the Company's current business plan and against the above background, the Company intends to distribute the expected net proceeds in accordance with the below order of priority:

1. Preclinical trials of the Company's clinical drug candidate XEN-D0501 in obesity: approximately 80%.
2. Working capital including ongoing costs for marketing activities over a one-year period: approximately 20%.

The net proceeds from the warrants covered by the Rights Issue (up to approximately SEK 60 million if exercised at the highest price) are intended to be distributed in the below order of priority:

1. Clinical trials of the Company's clinical drug candidate XEN-D0501 in obesity: approximately 80%.
2. Working capital including ongoing costs for marketing activities over a one-year period: approximately 20%.

Indicative time plan
The following time plan for the Rights Issue is preliminary and subject to change.

Last day of trading in shares including right to receive unit rights	25 June 2025
First day of trading in shares excluding right to receive unit rights	26 June 2025
Record date for the Rights Issue	27 June 2025
Trading in unit rights	1 July 2025 – 10 July 2025
Subscription period	1 July 2025 – 15 July 2025
Trading in paid subscribed unit (BTU)	1 July 2025 – 4 August 2025
Expected announcement of the preliminary outcome in the Rights Issue	17 July 2025
Expected first day of trading in shares	6 August 2025
Subscription period for warrants of series TO2	5 February 2026 – 15 February 2026

Advisors
MAQS Advokatbyrå is the legal advisor and Nordic Issuing is issuing agent to the Company in connection with the Rights Issue.

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PILA PHARMA's share ticker PILA is subject to trade on Nasdaq First North Growth Market, Sweden with Aqurat Fondkommission AB as Certified Adviser.
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About PILA PHARMA AB (Publ)
PILA PHARMA is a Swedish biotech company based in Malmö, Sweden. The aim of the company is to develop TRPV1 antagonists as a novel treatment of obesity and type 2 diabetes.

The Company owns a TRPV1 asset with data and chemical entities including the development candidate XEN-D0501. Further, the Company owns use-patents covering the use of TRPV1-antagonists as treatment of obesity and diabetes and intends to submit further patents regarding the synthesis, formulation, or use of XEN-D0501 or back-up compounds. In July 2022, the Company was awarded orphan drug designation ("**Orphan drug designation**") for XEN-D0501 as a treatment for erythromelalgia.

About XEN-D0501 and TRPV1 antagonists
XEN-D0501 is a selective, synthetic potent small molecule TRPV1 antagonist that was in-licensed in 2016. TRPV1 antagonists that down-regulate neurogenic inflammation, has demonstrated applications across pain and inflammatory diseases and potentially plays a role in obesity and diabetes. TRPV1 antagonists have been shown to prevent glucose intolerance and body weight gain in spontaneously obese pre-diabetic rats. These results pointed to a new and previously undiscovered role of TRPV1 in regulating both blood glucose and body weight. Prior to in-licensing, XEN-D0501 had been found to have a good safety profile in (non-diabetic) trial participants. PILA PHARMA has to date completed two phase 2a clinical trials (PP-CT01 and PP-CT02), that both demonstrated that XEN-D0501 is well tolerated by people living with obesity and type 2 diabetes. Further, PP-CT02, demonstrated that XEN-D0501 (administered as 4 mg bi-daily for 28 days) – with statistical significance versus placebo – enhanced the endogenous insulin response to oral glucose.

Furthermore, ANP, a heart failure biomarker, was highly statistically significantly reduced. During 2023 we could report a very good tolerability of XEN-D0501 following 13 weeks administration of very high doses in 2 animal species, and XEN-D0501 can thus progress into longer clinical trials.

Currently, the next clinical phase 2a trial, PP-CT03, is being prepared. The objective of the study is to identify the maximal tolerable dose of XEN-D0501 in people living with obesity and type 2 diabetes and to evaluate the safety profile following 3 months chronic treatment. In addition to the safety assessment, PP-CT03 will also include sufficient participants that should allow for efficacy readouts on reduction of body weight.

About Diabetes and Obesity
Obesity is an even larger pandemic with estimates of more than 1 billion people suffering from it in 2025. It is most often preceding the development of type 2 diabetes and is a serious risk-factor for not only developing type 2 diabetes but also co-morbidities resulting in "whole body dysfunction" and subsequent development of several diseases. The accumulated effect is a year-long reduction in quality of life for obese people with or without diabetes. Obesity leads to an increased risk of developing cardiovascular disease that eventually results in premature death and

shortening of life duration. Recent advances by "Big Pharma" in the development of effective anti-obesity drugs, has proven that pharmacological weight management is possible and leads to obvious quality-of-life and longevity benefits for people living with obesity. Even long-term, public health costs are expected to be reduced if the clinically negative effects of the obesity pandemic are limited. This has sparked a general interest in future potential oral treatments that can meet the accessibility criteria needed to stimulate growing demand, and several acquisitions have been done in the obesity segment recently.

Diabetes is a similar spanning pandemic with strong ties to obesity, and with a staggering estimated prevalence of more than 828 million people living with diabetes corresponding to approximately 8-10% of the global adult population. Among these, its estimated that more than approximately 90 % of all diabetics suffer from type-2 diabetes, whilst approximately less than 10% suffers from type-1 diabetes. Despite recent therapeutic advances, large and growing unmet needs exist both from efficacy, safety, and accessibility standpoints.

About Erythromelalgia
Erythromelalgia is a rare disease where neurogenic inflammation plays a role in the development of symptoms. The disease can cause near-constant or episodic pain (ranging from mild tingling to severe burning sensations), and redness to extremities. It most commonly affects the feet but may also occur in the hands, face, or other parts of the body with both nerves and blood vessels involved. Symptoms are frequently managed through avoidance of pain triggers. The disorder can be extremely debilitating, with a significant negative impact on quality of life and with potential to impact mortality rates among young people and the suicide rates among adults. Pila Pharma aims to conduct a small proof of concept study in persons with erythromelalgia to demonstrate an effect of XEN-D0501 on reducing perceived pain during “flare ups”. There are no current treatments available to patients. PILA PHARMA has made a draft clinical development plan for this project and it is available for out-licensing.

About Abdominal Aorta Aneurism
Abdominal Aorta Aneurism is a cardiovascular disease with ‘balooning’ of the lower part of the main artery of the body, aorta. The cause is unknown, but risk factors are atherosclerosis, high blood pressure, cardiovascular inflammation and infection as well as trauma. It affects millions of people globally and accounts for the death of 1% of men over the age of 65. It develops gradually over several years up to a dilatation of more than 3mm in diameter when surgery to insert a stent to prevent rupture is then the only treatment option, which is both expensive and with possibility for complications. Currently no preventive treatment is available. In November 2023 a research collaboration was entered with Uppsala University. In December 2024, PILA PHARMAs TRPV1 antagonist, XEN-D0501, was shown to significantly reduce abdominal aorta aneurysm growth in mice, establishing preclinical proof-of-concept. The project should be able to progress to proof of concept clinical trials and it is available for out-licensing.

Important information
Publication, release, or distribution of this press release may in certain jurisdictions be subject to legal restrictions and persons in the jurisdictions where this press release has been made public or distributed should inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release and the information herein in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of an offer, to acquire or subscribe for any securities in PILA PHARMA in any jurisdiction, neither from PILA PHARMA nor from anyone 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, equivalent to an EU growth prospectus, regarding the Rights Issue referred to in this press release will be prepared and published by the Company before the subscription period in the Rights Issue begins.

This press release does not identify, or purport to identify, risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement is for background purposes for the Rights Issue only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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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. 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 required by law or Nasdaq First North Growth Market rule book for issuers.

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 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.