



PILA PHARMA AB

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PILA PHARMA announces the outcome of its oversubscribed rights issue and resolves on a directed issue for over-allotment

PILA PHARMA AB (publ) ("PILA PHARMA" or the "Company") announces the final outcome of the Company's rights issue of up to 9,994,019 units, each consisting of one (1) share and one (1) warrant of series TO2 in the Company (the "Rights Issue"). The Company has received the final outcome of the Rights Issue, which concludes that 7,890,774 units, corresponding to approximately 78.95 percent of the Rights Issue, have been subscribed for with the support of unit rights. Additionally, applications for subscription of 21,441,385 units, corresponding to approximately 214.54 percent of the Rights Issue, have been received for subscription of units without the support of unit rights. In aggregate, the subscriptions with the support of unit rights and the applications for subscription without the support of unit rights correspond to approximately 293.49 percent of the Rights Issue. Thus, the Rights Issue is oversubscribed and no guarantee commitments will need to be utilized. The Rights Issue will provide the Company with proceeds of approximately SEK 20 million before deduction of costs related to the Rights Issue. Upon full exercise of all the warrants of series TO2 the Company is expected to raise up to an additional approximately SEK 60 million before deduction of cost related to the exercise of the warrants. Due to the oversubscription of the Rights Issue, the board of directors has decided to utilize the option for over-allotment through a supplementary directed issue of up to 4,476,273 units, corresponding to additional proceeds of approximately SEK 8.95 million, before deduction of issuance costs of approximately SEK 0.5 million, and upon full exercise of all the warrants of series TO2 to the highest price, the Company is expected to raise up to an additional approximately SEK 26.85 million before deduction of cost related to the exercise of the warrants (the "Over-allotment Issue"). If the warrants in the Rights Issue and the Over-allotment Issue are exercised the issuances together will provide the Company with proceeds of approximately SEK 115.81 million, before deduction of issuance costs and costs related to the exercise of the warrants.

On 19 June 2025, PILA PHARMA announced that the board of directors of the Company, subject to the annual general meeting's authorization, had resolved on the Rights Issue. The subscription price in the Rights Issue was SEK 2 per unit, corresponding to SEK 2 per share.

Final outcome



The Rights Issue is comprised of 9,994,019 units, of which 7,890,774 units, corresponding to approximately 78.95 percent of the Rights Issue, have been subscribed for with the support of unit rights. Additionally, applications for subscription of 21,441,385 units without the support of unit rights have been received, corresponding to approximately 214.54 percent of the Rights Issue. Consequently, the Rights Issue is subscribed to approximately 293.49 percent with and without the support of unit rights. Thus, the Rights Issue is oversubscribed and no guarantee commitments will need to be utilized. The Rights Issue will provide the Company with proceeds of approximately SEK 20 million before deduction of costs related to the Rights Issue. Upon full exercise of all the warrants of series TO2, at the highest price, the Company is expected to raise up to an additional approximately SEK 60 million before deduction of cost related to the exercise of the warrants.

Trading in paid subscribed units (Sw. BTU)

The last day of trading in paid subscribed units (Sw. BTU) is expected to be on 6 August 2025. The new shares subscribed for with and without the support of unit rights are expected to be traded on Nasdaq First North Growth Market as from 12 August 2025.

Board resolution on Over-allotment Issue

On 19 June 2025, the Company announced that the board intended to resolve on an over-allotment issue in the event of oversubscription of the Rights Issue. This decision was made to meet a greater demand than initially anticipated and to provide the Company with additional capital. Today, the board, under the authorization granted by the annual general meeting, has resolved to carry out the Over-allotment Issue without preferential rights for existing shareholders, comprising up to 4,476,273 units on the same terms and conditions as the Rights Issue. After a comprehensive assessment and careful consideration of whether grounds for deviation from preferential rights exist, the Company's board believes that a new issue deviating from shareholders' preferential rights is a better option for the Company and its shareholders than another rights issue in the near future. It is objectively in the interest of both the Company and its shareholders to proceed with the Over-allotment Issue. The board's overall assessment is that the reasons for conducting the issue outweigh the reasons supporting the main rule that new issues should be carried out with preferential rights for shareholders.

The subscription price in the Over-allotment Issue will correspond to the subscription price in the Rights Issue, namely SEK 2.00 per unit, corresponding to SEK 2 per share. The warrants are issued free of charge. Through the Over-allotment Issue, the Company may receive maximum additional proceeds of approximately SEK 8.95 million, before deduction of issuance costs, and an additional maximum amount of approximately SEK 26.85 million upon full exercise of all warrants of series TO2 covered by the Over-allotment, if exercised at the highest price.

Notice of allotment

Those who have subscribed for units without the support of unit rights will be allocated units in accordance with the principles set out in the prospectus published by the Company on 25 June 2025. Notice of allotment to the persons who subscribed for units without the support of unit rights is expected to be distributed on 22 July 2025. Subscribed and allotted units shall be paid in cash in accordance with the instructions on the settlement note sent to the subscriber. Subscribers who have subscribed through a nominee will receive notification of



allocation in accordance with their respective nominee's procedures. Only those who have been allotted units will be notified.

Number of shares and share capital

Through the Rights Issue, the number of shares in PILA PHARMA will increase by 9,994,019, from 27,126,623 to 37,120,642 and the share capital will increase by SEK 427,305.650550, from SEK 1,159,829.622921 to SEK 1,587,135.273471. Shareholders that have not participated in the Rights Issue will be diluted by approximately 26.92 percent. Upon full exercise of the warrants of series TO2 issued in the Rights Issue, the number of shares will increase by 19,988,038 and the share capital will increase by SEK 854,611.301100, resulting in an additional dilution effect of approximately 35.00 percent.

After registration of the Rights Issue with the Swedish Companies Registration Office and provided that the Over-allotment Issue is fully subscribed, the number of shares in the Company will increase by 4,476,273, from 37,120,642 to 41,596,915 and the share capital will increase by a maximum of SEK 191,388.143879 from SEK 1,587,135.273471 to SEK 1,778,523.417350. Upon exercise of all warrants of series TO2 covered by the Over-allotment Issue, the number of shares will increase by 8,952,546 and the share capital will increase by SEK 382,776.287758, corresponding to a total additional dilution effect of approximately 19.04 percent of the total number of shares and votes in the Company (based on full allotment and exercise of the warrants in the Over-allotment Issue and full exercise of the warrants in the Rights Issue).

Warrants of series TO2

One (1) warrant of series TO2 entitles the holder to subscribe for two (2) new shares in the Company during the period from and including 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 will correspond 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 warrants of series TO2 will not be submitted for trading on Nasdaq First North Growth Market.

The complete terms and conditions of the warrants of series TO2 is available on the Company's website, www.pilapharma.com.

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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This information is such insider information that PILA PHARMA AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted, through the agency of the contact person above, for publication on 21 July 2025, 13:45 CEST.

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, it is 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 ‘ballooning’ 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.

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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 have been prepared and published by the Company before the subscription period in the Rights Issue began.

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.