PILA PHARMA AB

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Malmö, 29 November 2023

THE ONGOING RIGHTS ISSUE IN PILA PHARMA HAS ENTERED ITS LAST SUBSCRIPTION WEEK AND WILL END MONDAY 4 DECEMBER. THE LAST DAY OF TRADING SUBSCRIPTION RIGHTS IS WEDNESDAY 29 NOVEMBER

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Pila Pharma AB (publ) ("Pila Pharma" or the "Company") hereby informs that the subscription period in Company's rights issue of shares that was initiated on 20 November 2023 has entered its second subscription week and and will run until Monday 4 December 2023. The last day of trading subscription rights is today, Wednesday 29 November 2023. The rights issue seeks to raise approximately SEK 26.2 million before transaction costs (the "Rights Issue") to sponsor 2 clinical phase 2a trials within pain, diabetes and obesity.

Pila Pharma on 16 November 2023 published an information memorandum regarding the Company's ongoing Rights Issue and it available on the Company's website (https://pilapharma.com/rights-issue-2023/) and on Nordic Issuing's website (https://nordic-issuing.se/en/ongoing-transactions/pila-pharma-ab-2/) wherefrom online subscription is now also possible until and including 4 December 2023.

Summary of the terms and conditions for the Rights Issue

- In the event of full subscription in the Rights Issue, the Company is provided approximately SEK 26.2 million before transaction costs, which are estimated to amount to approximately SEK 1 million.
- Anyone who is registered as a shareholder in Pila Pharma in the shareholders' register on the record date 16 November 2023 will receive one (1) subscription right for each share owned in the Company and twenty (20) subscription rights entitle the holder to subscribe for nineteen (19) new shares.
- The subscription price is SEK 1.50 per share.
- The subscription period for subscription of shares will take place from and including 20 November 2023 until and including 4 December 2023. After the end of the subscription period, unexercised subscription rights become invalid and lose their value. Unexercised subscription rights will be deleted from each shareholder's securities account without special notification from Euroclear.
- The Board of Directors of the Company reserves the right to extend the subscription period. A possible extension will be announced by the Company through a press release no later than 4 December 2023.
- Received subscription rights must either be used for subscription no later than 4 December 2023 or be sold no later than 29 November 2023 in order not to expire worthless.
- For the full terms and conditions and instructions for the Rights Issue, please refer to the information memorandum.

Advisors
MAQS Advokatbyrå KB is the legal advisor to the Company in connection with the Rights Issue. Nordic Issuing AB is the issuing agent 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 novel treatments of e.g. type 2 diabetes or of the painful rare disease erythromelalgia. 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 as well as back-up candidates. The FDA in USA in July 2022 granted Orphan Drug Designation for XEN-D0501 as treatment of erythromelalgia. The company was listed at Nasdaq First North GM in Stockholm, Sweden in July 2021.

About XEN-D0501 and TRPV1 antagonists
XEN-D0501 is a selective, synthetic potent small molecule TRPV1 antagonist that was inlicensed in 2016 and, previously, developed by Bayer Healthcare, Germany and Xention/Ario Pharma, UK. The TRPV1 target (also called the "chili-receptor") and TRPV1 antagonists that down-regulate neurogenic inflammation, has demonstrated applications across pain and inflammatory diseases and potentially plays a role in diabetes as well. Prior to in-licensing, XEN-D0501 had been found to have a good safety profile in other (non-diabetic) patient groups. Pila Pharma has to date completed two phase 2a clinical trials (PP-CT01 and PPCT02), that both demonstrated that XEN-D0501 is well tolerated by type 2 diabetic patients. Further, PP-CT02, demonstrated that XEN-D0501 (administered as 4 mg BID for 28 days) – with statistical significance versus placebo – enhance the endogenous insulin response to oral glucose. Final results from recently completed preclinical 13-week safety studies show that XEN-D0501 is well tolerated in both "*rodents*" and "*non-rodents*" and the molecule can thus advance to clinical studies of up to 3 months duration.

About Diabetes and Obesity
Diabetes is a world-wide pandemic with a staggering prevalence of 537 million people with diabetes 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. Despite recent therapeutic advances, large and growing unmet needs exist both from an efficacy, safety, affordability, and accessibility exists for treatment of people with type 2 diabetes. Obesity is most often preceding the development of type 2 diabetes and a serious risk-factor for not only developing type 2 diabetes but also all the co-morbidities resulting in "whole body dysfunction" and subsequent development of several diseased. The accumulated effect is a year-long reduction in of quality of life for obese persons 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 with obesity. Even long-term public health costs are expected to be reduced if the clinical negative effects of the obesity pandemic can be limited. This has sparked a general interest in

future potential oral treatments that can meet the accessibility/ affordability criteria and several deals have recently been done in the obesity segment.

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.

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, both expensive and with complications. Currently no preventive treatment is available.

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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 the regulations of the Nasdaq First North Growth Market for issuers.