



PILA PHARMA AB

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pilapharma.com

Malmö, 17 November 2023

PILA PHARMA PUBLISHES INFORMATION MEMORANDUM

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Pila Pharma AB (publ) ("Pila Pharma" or the "Company") hereby informs that an information memorandum regarding the Company's forthcoming rights issue of shares of not more than approximately SEK 26.2 million before transaction costs (the "Rights Issue") was published yesterday night, 16 November 2023.

Pila Pharma hereby informs that an information memorandum regarding the Company's forthcoming Rights Issue was published yesterday night, 16 November 2023. The information memorandum is 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 possible from 20 November to 4 December 2023, both days included.

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.

For more information:



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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 diseases. The accumulated effect is a year-long reduction in 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.

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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



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