

# Notice of Issuance of New Shares Under the Restricted Stock Unit (RSU) Plan and Determination of Payment Amount and Other Matters of Issuance of New Shares Under Previous Years' RSU Plan

**Tokyo, Japan and Cambridge, UK, 17 April 2024** – Nxera Pharma Co. Ltd (“Nxera” or “the Company; TSE 4565) – formerly known as Sosei Group or Sosei Heptares – announces that it has decided to issue new shares (“the Share Issuance”) under the 19th to 22nd Restricted Stock Unit (“RSU”) Plan and determined the payment amount and other matters of issuance of new shares under the 12nd RSU and 14th RSU as follows.

## 1. Issuance of new shares under the RSU Plan

The resolution on the Share Issuance under the RSU Plan was adopted at the Board of Directors meeting held today as follows.

### (1) Details of Issuance under 19th RSU to 22nd RSU

(i) Payment date	19th RSU 15 May 2025 20th RSU 18 May 2026 21st RSU 18 May 2027 22nd RSU 16 May 2028
(ii) Type and number of shares to be issued	1,967,073 shares of the Company’s common stock (20th to 22nd RSU are planned number of shares)  (Breakdown) 19th RSU 112,650 shares 20th RSU 834,110 shares (planned) 21st RSU 834,110 shares (planned) 22nd RSU 186,203 shares (planned)
(iii) Payment amount	19th RSU: 1,456 Yen per share 20th to 22nd RSU: the Representative Executive Officer will decide the payment amount hereafter
(iv) Total issue value	19th RSU: 164,018,400 Yen 20th to 22nd RSU: the Representative Executive Officer will decide the total issue value hereafter
(v) Planned Allottees	19th RSU 112,650 shares will be allotted among 8 Directors of the Company (excluding Directors who serve as Executive Officers concurrently)  20th RSU 8 Executive Officers of the Company 367 Directors of subsidiaries of the Company and Employees of the

	<p>Company and its subsidiaries 834,110 shares to be allotted (planned)</p> <p>21st RSU 8 Executive Officers of the Company 367 Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries 834,110 shares to be allotted (planned)</p> <p>22nd RSU 1 Executive Officers of the Company 186,203 shares to be allotted (planned)</p>
(vi) Other details	<p>The Share Issuance shall be subject to the condition that the Securities Registration Statement filed becomes effective in accordance with the Financial Instruments and Exchange Act.</p> <p>The number of shares planned to be allotted for the 20th to 22nd RSU is subject to change by the decision of the Representative Executive Officer.</p>

**(2) Objectives of and Rationale for the Issuance**

In FY2019, the Company introduced the RSU Plan with the intention to increase the motivation of the Directors, the Executive Officers and the Eligible Employees of the Company and its wholly owned subsidiaries (“Executives and Employees”) to realize the Company’s vision and strategy. The RSU Plan has also been designed to share the benefits and risks of share price fluctuations with shareholders, and further encourage the Executives and Employees of the Company and its wholly owned subsidiaries to actively contribute to the increase of the share price and enhance the Company’s corporate value.

Following the acquisitions of Idorsia Pharmaceuticals Japan Ltd – currently Nxera Pharma Japan Co., Ltd. (“NPJ”) – and Idorsia Pharmaceuticals Korea Co., Ltd – currently Nxera Pharma Korea Co., Ltd. (“NPK”) – in July 2023, the RSU Plan has been expanded in FY2024 and the Directors, the Executive Officers and the Employees of NPJ and NPK are now eligible to the RSU Plan.

The Share Issuance is to be executed under the resolution by the Board of Directors meeting of the Company held on 17 April 2024 as part of the compensation for FY2024 under the RSU Plan, on the condition that the Executives and Employees hold the position of Executive or Employee, there has been no notice of resignation, dismissal, or the like, and they are not subject to any disciplinary proceedings during the specified period (“Relevant Performance Period”) relating to the 19th to 22nd RSU listed in the table below.

	Persons Eligible for Allotment	Allotment number	Payment amount	Relevant Performance Period
19th RSU	8 Directors of the Company (excluding Directors who serve as Executive Officers concurrently)	112,650 shares	164,018,400 Yen	For the length of service between 1 April 2024 to 31 March 2025
20th RSU	8 Executive Officers of the Company 367 Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries	834,110 shares (Planned)	1,214,464,160 Yen (Note)	For the length of service between 1 April 2024 to 31 March 2026
21st RSU	8 Executive Officers of the Company 367 Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries	834,110 shares (Planned)	1,214,464,160 Yen (Note)	For the length of service between 1 April 2024 to 31 March 2027
22nd RSU	1 Executive Officer of the Company	186,203 shares (Planned)	271,111,568 Yen (Note)	For the length of service between 1 April 2024 to 31 March 2028

(Note) Payment amount for 20th RSU to 22nd RSU is estimated amount at the time of submission of this Press Release “Notice of Issuance of New Shares Under the Restricted Stock Unit (RSU) Plan and Determination of Payment Amount and Other Matters of Issuance of New Shares Under Previous Years’ RSU Plan.” Actual payment amount is an amount obtained by multiplying the allotted number of shares by the payment amount per share, which is determined by the Representative Executive Officer as of the Date of Determination as stated (ii) below.

The Company’s Board of Directors determined the number of shares to be allotted and the payment amount per share relating to the 19th RSU as follows and entrusted the Representative Executive Officer with the determination of the number of shares to be allotted and the payment amount per share relating to the 19th to 22nd RSU.

(i) 19th RSU

The number of shares to be allotted has been determined by the resolution at the Company’s Board of Directors meeting held on 17 April 2024.

The payment amount per share has been determined by the resolution of the Company’s Board of Directors meeting as at the closing price of the Company’s shares on the Tokyo Stock Exchange as of the business day immediately preceding the date of the resolution (16 April 2024).

The payment amount is at the market share price immediately preceding the date of the resolution of the Company’s Board of Directors, so that the Company considers that it is issuing shares at a fair value.

(ii) 20th to 22nd RSU

Allotment relating to the 20th, 21st and 22nd RSU will be executed in 2026, 2027 and 2028, and the determination of the number of shares to be allotted and the payment amount per share has been entrusted with the Representative Executive Officer by the resolution of the Company's Board of Directors meeting held on 17 April 2024.

The number of shares to be allotted will be determined by a decision made by the Representative Executive Officer as of the day determined by the Board of Directors for each RSU (the "Date of Determination\*") pursuant to the aforementioned entrustment. Accordingly, the aforementioned total allotment of 1,854,423 shares relating to the 20th to 22nd RSU may be changed as a result of a decision made by Representative Executive Officer. The payment amount per share will be determined by the Representative Executive Officer pursuant to the aforementioned entrustment on the Date of Determination as at the closing price of the Company's shares on the Tokyo Stock Exchange on the day immediately prior to the Date of Determination (if no closing price is quoted, the closing price of the immediately preceding trading date to such business day).

The payment amount per share is at the market share price immediately preceding the Date of the Determination by Representative Executive Officer, so the Company considers that it is issuing shares at a fair value.

(\*) The Date of Determination for each of the 20th to 22nd RSU is as follows.

20th RSU: 15 April 2026

21st RSU: 15 April 2027

22nd RSU: 18 April 2028

The contents of the RSU Plan are as stated below.

(1) Conditions of Allotment

The Company will allot shares of the Company according to the predefined method to the Executives and Employees on the condition that they hold the position of Executive or Employee, there has been no notice of resignation, dismissal, or the like, and they are not subject to any disciplinary proceedings during the predefined Relevant Performance Period.

(2) Maximum number of our Shares to be issued under the RSU Plan

The number of Shares to be issued under the RSU Plan including the number of Shares to be issued under the 23rd RSU and thereafter as well as other stock-based compensation plan of the Company will not exceed 10% of our total number of outstanding shares.

(3) Method to deliver the Company's shares

Under the RSU Plan, the Company will deliver the Company's common shares to Executives and Employees following the end of the predefined Relevant Performance Period, and the share issuance will be made in return for provision as contribution in kind of monetary compensation claims against the Company granted to the Executives and Employees of the Company and its wholly owned subsidiaries as the Planned Allottees.

The amount of monetary compensation claims granted to each person eligible for allotment will be the amount obtained by multiplying the aforementioned payment amount per share by the predefined number of allotted shares which is determined by taking into account the degree of contribution to the Company, etc., of each person eligible for allotment.

#### (4) Grounds for Forfeiture

If during their Relevant Performance Period, an Executive or Employee falls under certain specified circumstances, such as being subject to criminal punishment equivalent to or more severe than imprisonment or being subject to a filing for the commencement of insolvency proceedings or civil rehabilitation proceedings, etc., that Executive or Employee will not obtain any right to be allotted Company shares under the RSU Plan and their rights to receive Company Shares will be extinguished at the time such circumstances in question occurs.

#### (5) Treatment in Cases of Reorganization or Change of Control Transactions

If during a Relevant Performance Period a general meeting of shareholders, etc. of the Company approves a transaction involving a reorganization or a change of control, such as a merger agreement in which the Company is the dissolved entity or a share exchange agreement or share transfer agreement under which the Company becomes a wholly owned subsidiary and that transaction becomes effective before the completion of the Relevant Performance Period, the Company will, by resolution of the Board of Directors, allot the maximum number of shares prior to the reorganization transaction coming into effect.

The Relevant Performance Period under the RSU Plan is one year for Directors, and two and three years for Executive Officers of the Company, Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries.

Going forward, the timing of allotment of shares under the RSUs determined so far is as follows, and the number of shares to be allotted and the payment amount per share will be announced separately each time a determination is made by the Representative Executive Officer under the entrustment by the resolution of the Company's Board of Directors meeting.

12th RSU: 16 May 2024

14th RSU: 16 May 2024

15th RSU: 15 May 2025

16th RSU: 16 May 2024

17th RSU: 15 May 2025

18th RSU: 18 May 2026

The number of shares to be issued under the RSU Plan of the Company after the determination of the 19th to 22nd RSU will be 3.62 % of the total number of outstanding shares of the Company as of 31 March 2024.

## 2. Determination of payment amount and other matters of issuance of new shares under RSU Plan

The Company has determined the payment amount and other matters of issuance of new shares under the RSU Plan No. 12 and No. 14 as set forth below as announced by the Company in Press Release “Notice of Issuance of New Shares Under Restricted Stock Unit (RSU) Plan” issued on 21 April 2021 and Press Release “Notice of Issuance of New Shares Under Restricted Stock Unit (RSU) Plan” issued on 20 April 2022.

(i) Payment date	12th RSU 16 May 2024 14th RSU 16 May 2024
(ii) Type and number of shares to be issued	385,534 shares of the Company’s common stock  (Breakdown) 12th RSU 133,812 shares 14th RSU 251,722 shares
(iii) Payment amount	12th RSU 1,456 Yen per share 14th RSU 1,456 Yen per share
(iv) Total amount of payment	12th RSU 194,830,272 Yen 14th RSU 366,507,232 Yen
(v) Allottees	12th RSU 7 Directors and Executive Officers of the Company 52 Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries  14th RSU 6 Directors and Executive Officers of the Company 145 Directors of subsidiaries of the Company and Employees of the Company and its subsidiaries
(vi) Other details	The Securities Registration Statements relating to the issuance of new shares under the 12th RSU and 14th RSU had been filed in accordance with the Financial Instruments and Exchange Act.

(Note)

1. The aforementioned payment amount per share has been determined by the Representative Executive Officer as at the closing price of the Company’s shares on the Tokyo Stock Exchange on the day immediately prior to the Date of Determination (16 April 2024). The payment amount per share is the market share price immediately preceding the Date of the Determination, so the Company considers it is not issuance of shares at a particularly favorable value.
2. The Company will deliver the aforementioned new shares to be issued to the Allottees in exchange for provision as contribution in kind of monetary compensation claims against the Company provided to the Allottees.
3. The Performance Period for the issuance of new shares under the 12th RSU was from 1 April 2021 to 31 March 2024 and the Performance Period for the issuance of new shares under the 14th RSU was from 1 April 2022 to 31 March 2024.

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## **About Nxera Pharma**

Nxera Pharma (formerly Sosei Heptares) is a technology powered biopharma company, in pursuit of new specialty medicines to improve the lives of patients with unmet needs in Japan and globally.

In addition to several products being commercialized in Japan, we are advancing an extensive pipeline of over 30 active programs from discovery through to late clinical stage internally and in partnership with leading pharma and biotech companies. This pipeline is focused on addressing major unmet needs in some of the fastest-growing areas of medicine across neurology, GI and immunology, metabolic disorders and rare diseases, and leverages the power of our unique and industry leading GPCR-targeted structure-based drug discovery “NxWave™” platform to provide a sustainable source of best- or first-in-class candidates.

Nxera employs over 350 talented people at key locations in Tokyo and Osaka (Japan), London and Cambridge (UK), Basel (Switzerland) and Seoul (South Korea) and is listed on the Tokyo Stock Exchange (ticker: 4565).

For more information, please visit [www.nxera.life](http://www.nxera.life)

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### **Forward-looking statements**

This press release contains forward-looking statements, including statements about the discovery, development, and commercialization of products. Various risks may cause Nxera Pharma Group’s actual results to differ materially from those expressed or implied by the forward looking statements, including: adverse results in clinical development programs; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialize products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialization activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.