



Spruce Biosciences Announces \$53.6 Million Private Placement Financing

February 9, 2023

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Feb. 9, 2023-- Spruce Biosciences, Inc. (Nasdaq: SPRB), a late-stage biopharmaceutical company focused on developing and commercializing novel therapies for rare endocrine disorders with significant unmet medical need, today announced that it has entered into a definitive securities purchase agreement for a private placement that is expected to result in gross proceeds of approximately \$53.6 million, before deducting offering expenses. The private placement includes participation from new and existing investors, including 5am Ventures, Abingworth, Armistice Capital, HealthCap, Novo Holdings A/S, RiverVest Venture Partners, and Rock Springs Capital.

"We are pleased that this impressive group of healthcare investors came together to support the late-stage development of tildacerfont, which has the potential to transform the treatment of congenital adrenal hyperplasia (CAH) and other endocrine disorders," said Javier Szwarcberg, M.D., M.P.H., Chief Executive Officer of Spruce Biosciences. "This financing is expected to allow us to fund operating and capital expenditures into the first half of 2025, including the completion of CAHmelia-203, with topline results anticipated in the second half of 2023, and topline results for CAHmelia-204 anticipated in the second half of 2024."

Under the securities purchase agreement, the investors have agreed to purchase approximately 16.1 million shares of the company's common stock and accompanying warrants to purchase up to an aggregate of approximately 12.7 million shares of common stock, at a combined purchase price of \$3.17 per share and accompanying warrant. In lieu of shares of common stock, as a portion of its investment, an investor purchased pre-funded warrants at a purchase price of \$3.16, which equals the purchase price per share of common stock and accompanying warrant, less the \$0.01 per share exercise price of each pre-funded warrant. Each accompanying warrant will represent the right to purchase one share of the company's common stock at an exercise price of \$3.96 per share. The pre-funded warrants and accompanying warrants will be exercisable for a period of five years following the date of issuance.

SVB Securities is acting as the placement agent for the financing.

The offer and sale of the foregoing securities are being made in a transaction not involving a public offering and have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws. Accordingly, the securities may not be reoffered or resold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state.

About Spruce Biosciences

Spruce Biosciences is a late-stage biopharmaceutical company focused on developing and commercializing novel therapies for rare endocrine disorders with significant unmet medical need. Spruce is initially developing its wholly-owned product candidate, tildacerfont, as the potential first non-steroidal therapy for patients suffering from classic congenital adrenal hyperplasia (CAH). Spruce is also developing tildacerfont for women suffering from a rare form of polycystic ovary syndrome (PCOS) with primary adrenal androgen excess.

Forward-Looking Statements

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements associated with the timing, size and completion of the private placement, the potential of tildacerfont to transform the treatment of CAH and other endocrine disorders, the Company's expectations regarding funding operating and working capital expenditures, and the timing of topline results. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipate," "expects," "will," "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Spruce's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include, without limitation, risks associated with market conditions. These and other risks are described in additional detail in Spruce's filings with the U.S. Securities and Exchange Commission (SEC). All forward-looking statements contained in this press release speak only as of the date on which they were made. Spruce undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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Source: Spruce Biosciences, Inc.