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SynAct Pharma carries out a directed share issue of SEK 80 million in connection with the acquisition of TXP Pharma

In conjunction with the acquisition of TXP Pharma AG ("TXP") announced in a separate press release earlier today, the board of directors of SynAct Pharma AB ("SynAct" or the "Company") has today decided to carry out a directed share issue of 1,277,954 shares at a subscription price of SEK 62.60 per share (the "Directed Share Issue") to companies controlled by Thomas von Koch and Christian Kinch (the "Investors"). The Directed Share Issue will provide the Company with SEK 80 million before transaction costs relating to the Directed Share Issue. The investment from Thomas von Koch and Christian Kinch and the completion of the Directed Share Issue is not conditional on completion of the acquisition of TXP.

The Directed Share Issue of 1,277,954 shares is carried out with deviation from the existing shareholders' preferential rights after a resolution by the board of directors based on the authorisation granted by the annual general meeting held on 20 May 2022. The subscription price in the Directed Share Issue has been determined by the board of directors after negotiations with the Investors. The subscription price, which is the same as applied for the consideration shares in the acquisition of TXP, corresponds to the volume-weighted average price ("VWAP") of the Company's share on Nasdaq Stockholm during the last 30 trading days preceding the board of directors' resolution on the Directed Share Issue. The board of directors considers the subscription price to be fair and to reflect the market price of the Company's shares. Through the Directed Share Issue, SynAct will receive gross proceeds of SEK 80 million before transaction costs relating to the Directed Share Issue. In the Directed Share Issue, Thomas von Koch (via a company) invests SEK 70 million and a company jointly controlled by Thomas von Koch and Christian Kinch invests SEK 10 million. The Company intends to use the issue proceeds to finance (i) the development of assets acquired from TXP, (ii) further strengthening the development activities related to AP1189, and (iii) general corporate purposes, extending the runway through to mid-2024.

"I am very pleased to welcome Thomas Von Koch and Christian Kinch as new shareholders in SynAct Pharma. Their knowledge within the industry and extensive network will be important for the company", says Torbjørn Bjerke, chairman of the board of directors of SynAct.

"We are genuinely impressed by SynAct Pharma. Their lead molecule AP1189 has the potential to become a gamechanger in how inflammatory diseases are being treated, and we also fully support the acquisition of TXP Pharma. We believe that the combination will establish SynAct Pharma as the leader within the field of inflammation resolution targeting more disease indications", says Thomas von Koch.

Through the Directed Share Issue, the number of shares and votes in the Company will increase by 1,277,954 from 28,370,503 to 29,648,457 and the share capital will increase by SEK 159,744.25 from SEK 3,546,312.875 to SEK 3,706,057.125. The Directed Share Issue entails a dilution of approximately 4.3 percent of the total number of shares and votes for existing shareholders, based on the total number of shares in the Company after the Directed Share Issue. Through issue of the consideration shares to be issued in connection with the acquisition of TXP, the number of shares and votes in the Company will increase further by 2,172,523 from 29,648,457 to 31,820,980 and the share capital will increase further by SEK 271,565.375 from SEK 3,706,057.125 to SEK 3,977,622.50.

The board of directors is of the opinion that the issue proceeds contribute to a good balance of different financing sources and that the Directed Share Issue is positive for SynAct's capital structure and general risk level. Prior to the Directed Share Issue, the board of directors has carefully considered the possibility to raise the required equity through a rights issue. The board of directors has thereby concluded that a rights issue would be significantly more time-consuming, which could risk the Company missing out on potential development opportunities, and entail significantly higher costs, mainly due to procurement of a guarantee consortium, and an increased exposure to potential market volatility compared to the Directed Share Issue. Unlike a rights issue, the Directed Share Issue has also provided the Company with new reputable owners, which the board of directors considers to be of benefit to SynAct and the general liquidity of the share. In light of the above, the board of directors has made the assessment that a Directed Share Issue with deviation from the shareholders' preferential rights is the most favourable alternative for SynAct and in the best interest of the Company's shareholders.

In connection with the Directed Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 180 calendar days after closing of the Directed Share Issue. Board members and persons of the management holding shares and/or warrants have undertaken not to sell any shares in the Company for a period of 90 calendar days after closing of the Directed Share Issue, with customary exceptions. During the lock-up period, the Company's management and board of directors may however sell shares to cover individual tax liabilities.

Advisors

ABG Sundal Collier AB and Van Lanschot Kempen N.V. acted as Joint Global Coordinators and Joint Bookrunners in connection with the Directed Share Issue. Setterwalls Advokatbyrå AB acted as legal advisor to SynAct and Baker McKenzie Advokatbyrå KB acted as legal advisor to the Joint Global Coordinators and Joint Bookrunners.

Important information

Publication, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions by law and persons in the jurisdictions where this press release has been published or distributed should inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from anyone else.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue shall only be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Global Coordinators and Joint Bookrunners. The information contained in this announcement is for background purposes only and does not purport to be complete. Thus, an investor should not place undue reliance on the information contained in this press release or its accuracy or completeness. The Joint Global Coordinators and Joint Bookrunners are acting for the Company in connection with the transaction and no one else. The Joint Global Coordinators and Joint Bookrunners will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's decision with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and in all publicly available information. The price and value of the securities can decrease as well as increase. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or invitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), and may not be offered or sold within the United States absent registration subject to an exemption from, or a transaction not subject to the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdiction where the announcement, publication or distribution of the information would be contrary to the applicable laws and regulations or would require prospectuses, registration or any other measures than those required by Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. SynAct has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA member state, this press release is only addressed to and is only directed at “qualified investors” in that member state within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials regarding the securities described herein is only being distributed and directed to, and any investment or investment activity to which this document relates is available only to, and can only be used by, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments and who fall within the definition of “investment professionals” in Article 19(5) of the British Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth individuals falling within Article 49(2) (a)-(d) of the Order (all such persons together being referred to as “**Relevant Persons**”). An investment or an investment measure, as this notice refers to, is in the United Kingdom only available to and will only be carried out with Relevant Persons. Persons who are not Relevant Persons should not take any action based on this press release nor act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, development, 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 the fact that they contain 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. Even if 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, which are 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 nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. 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 contained in this press release speak only as of its date and are subject to change without notice. Neither the Company nor anyone else does undertake any

obligation 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 required by law or Nasdaq Stockholm's Rulebook for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) Directive 2014/65/EU of the European Parliament and the Council 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 in SynAct 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in SynAct may decline and investors could lose all or part of their investment; the shares in SynAct offer no guaranteed income and no capital protection; and an investment in the shares in SynAct 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 Directed Share Issue. Furthermore, it should be noted that regardless the Target Market Assessment, the Joint Global Coordinators and Joint Bookrunners will only provide to investors who comply the criteria for professional clients and acceptable counterparties.

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 UK MiFIR; 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 SynAct. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in SynAct and determining appropriate distribution channels.

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SynAct Pharma AB (publ) (Nasdaq Stockholm: SYNACT) conducts research and development in inflammatory diseases. The company has a platform technology based on a new class of drug candidates aimed at acute deterioration in chronic inflammatory diseases with the primary purpose of stimulating natural healing mechanisms. For more information: www.synactpharma.com.

This information is information that SynAct Pharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-12-12 07:30 CET.

Attachments

[SynAct Pharma carries out a directed share issue of SEK 80 million in connection with the acquisition of TXP Pharma](#)