

Notice of annual general meeting in SynAct Pharma AB

The shareholders in SynAct Pharma AB, Reg. No. 559058-4826, are hereby invited to the annual general meeting to be held at the premises of Setterwalls Advokatbyrå AB at Stortorget 23 in Malmö, Sweden, Thursday 25 May 2023, at 13.00 CEST.

Right to participate and notification

Shareholders wishing to attend the annual general meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB as of Tuesday 16 May 2023, and
- have notified their participation no later than Friday 19 May 2023, by mail to SynAct Pharma AB, Scheelevägen 2, SE-223 63 Lund, Sweden. Notice can also be given by e-mail legal@synactpharma.com. The notification should specify the shareholder's complete name, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

Trustee-registered shares

Shareholders whose shares are trustee-registered in the name of a bank or other trustee must, to be able to exercise their voting rights at the annual general meeting, request the trustee to register their shares in their own name with Euroclear Sweden AB (so called "voting rights registration"). Such voting rights registration must be implemented by the trustee no later than as of Friday 19 May 2023. Accordingly, shareholders must well in advance before this date notify their trustee of their request of such voting rights registration.

Proxy etc.

If the shareholder should be represented by a proxy, the proxy must bring a written power of attorney, which is dated and duly signed by the shareholder, to the meeting. The validity term of the power of attorney may not be more than one year, unless a longer validity term is specifically stated in the power of attorney (however at the longest five years). If the power of attorney is issued by a legal entity, the representing proxy must also present an up-to-date registration certificate or equivalent document for the legal entity. In order to facilitate the entrance at the meeting, a copy of the power of attorney and other authorization documents should preferably be attached to the shareholder's notification to participate in the meeting. A template power of attorney is available at the company's website (www.synactpharma.com), and will be sent to shareholders who request it and state their address.

Proposed agenda:

0. Opening of the meeting.
1. Election of Chairman of the meeting.
2. Preparation and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to confirm the minutes.
5. Determination as to whether the meeting has been duly convened.
6. Presentation by the CEO.

7. Submission of the annual report and the audit report as well as the consolidated annual report and consolidated audit report, and the auditor's statement on the compliance of the applicable guidelines for remuneration to senior executives.
8. Resolutions
 - a. regarding adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet;
 - b. regarding allocation of the company's profits in accordance with the adopted balance sheet; and
 - c. regarding discharge of the members of the board of directors and the CEO from liability.
9. Determination of the number of members of the board of directors and deputy members, and the number of auditors and deputy auditors.
10. Determination of remuneration for the members of the board of directors and the auditors.
11. Election of members of the board of directors and Chairman of the board of directors as well as auditor.
12. Resolution on approval of remuneration report.
13. Resolution on amendment of the Articles of Association.
14. Resolution on authorization for the board of directors regarding issues.
15. Resolution on (A) employee option program; and (B) directed issue of warrants and approval of transfer of warrants.
16. Closing of the meeting.

Proposed resolutions

Item 1: Election of Chairman of the meeting

The Nomination Committee, that has consisted of Jens Bager (Chairman), appointed by GL Capital AB, Niels Ankerstjerne Sloth, appointed by BioInvest ApS, Per Colleen, appointed by TomEnterprise Public Capital AB, and the Chairman of the board of directors, Torbjørn Bjerke, proposes that attorney Ola Grahn is elected as Chairman of the annual general meeting.

Item 8 b: Resolution regarding allocation of the company's profits in accordance with the adopted balance sheet

The board of directors proposes that no dividends are paid and that the available funds are carried forward.

Item 9: Determination of the number of members of the board of directors and deputy members, and the number of auditors and deputy auditors

The Nomination Committee proposes that the board of directors shall be composed of six ordinary board members without deputy board members.

Furthermore, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered accounting firm is appointed as auditor.

Item 10: Determination of remuneration for the members of the board of directors and the auditors

The Nomination Committee proposes that board remuneration shall be paid with SEK 400,000 to the Chairman of the board of directors (unchanged since previous year) and with SEK 200,000 to each of the other board members who are not employed by the company (unchanged since previous year). It is further proposed that remuneration for committee work shall be paid with SEK 100,000 to the Chairman of the Audit Committee (unchanged since previous year), with SEK 50,000 to each of the other members of the Audit Committee (unchanged since previous year), with SEK 50,000 to the Chairman of the Remuneration Committee (unchanged since previous year), with SEK 25,000 to each of the other members of the Remuneration Committee (unchanged since previous year), with SEK 50,000 to the Chairman of the R&D Committee (new committee) and with SEK 25,000 to each of the other members of the R&D Committee.

Furthermore, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that remuneration to the auditor shall be paid in accordance with customary norms and approved invoice.

Item 11: Election of members of the board of directors and Chairman of the board of directors as well as auditor

The Nomination Committee proposes that Thomas Jonassen, Terje Kalland, Uli Hacksell, Marina Bozilenko and Kerstin Hasselgren are re-elected as board members, that Thomas von Koch is elected as new board member, and that Uli Hacksell is elected as new Chairman of the board of directors. The existing Chairman of the board of directors Torbjørn Bjerke will assume the role as CEO effective from the annual general meeting and is therefore not available for re-election.

Thomas von Koch, born 1966, has extensive financial and leadership experience spanning over 30 years. Thomas von Koch is currently Chairman of the board at Swedish medical device company Bactiguard, a company he co-founded, and of which he remains principal owner. Following two years at Investor AB, where he worked with corporate finance and mergers and acquisitions, he joined the global investment giant EQT as one of its initial team members. Thomas von Koch was CEO and Managing Partner of EQT from 2014 to 2019 and remains Deputy Managing Partner in EQT Partners AB.

Thomas von Koch has a Master of Science in Business Administration from the Stockholm School of Economics and extensive board, partnering and merger and acquisition experience.

Shareholding in SynAct: Thomas von Koch holds 1,118,210 shares in SynAct and furthermore also owns 50 per cent of the shares in a company which owns additionally 159,744 shares in SynAct. Thomas von Koch's aggregate direct and indirect holdings in SynAct hence amount to 1,198,082 shares.

Other ongoing assignments: Chairman in Bactiguard Holding AB and Swibvi AB, board member in TomEnterprise AB, SWIB Holding AB, SmartCella Holding AB, TomEqT AB, Bark Partners AB, TomBact AB, TomEnterprise Public Capital AB, TomEnterprise Private AB, TomEqT Public AB and TomEqT Private AB and deputy board member in Kochcompany AB, KinKon AB, Swib Sololutions AB, KinKon Private AB, KinKon Public AB and Smartcella Sololutions AB.

Information on the board members proposed for re-election can be found at the company's website (www.synactpharma.com) and in the annual report.

Furthermore, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that KPMG AB is re-elected as accounting firm. KPMG AB has informed that the authorized public accountant Linda Bengtsson will continue to be the auditor in charge.

Item 12: Resolution on approval of remuneration report

The board of directors proposes that the annual general meeting resolves to approve the board of directors' remuneration report for the financial year 2022.

Item 13: Resolution on amendment of the Articles of Association

The board of directors proposes that the annual general meeting resolves to amend the company's Articles of Association in accordance with the following:

§ 4 Share capital

Current wording

The share capital shall be at least SEK 1,800,000 and not more than SEK 7,200,000.

Proposed wording

The share capital shall be at least SEK 3,750,000 and not more than SEK 15,000,000.

§ 5 Number of shares

Current wording

The number of shares shall be no less than 14,400,000 and no more than 57,600,000.

Proposed wording

The number of shares shall be no less than 30,000,000 and no more than 120,000,000.

§ 6 The board

Current wording

The board shall comprise a minimum of four and a maximum of eight members, with a maximum of three deputies.

Proposed wording

The board shall comprise a minimum of three and a maximum of eight members.

§ 10 Annual General Meeting

Current wording

The Annual General Meeting shall be held annually within six (6) months of the end of the financial year.

The following matters shall be subject to the Annual General Meeting:

1. Election of Chairman of the meeting.
 2. Preparation and approval of the voting list.
 3. Approval of the agenda.
 4. Election of one or two persons to verify the minutes.
 5. Determination of whether the meeting has been duly convened.
 6. Presentation of the annual report and auditor's report and, where applicable, the consolidated annual report and consolidated auditor's report.
 7. Decision on
 - a. adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
 - b. allocation of the company's profit or loss according to the adopted balance sheet;
 - c. discharge from liability of the members of the board of directors and the managing director.
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1. Determination of the number of members of the board of directors, deputy members of the board of directors and the number of auditors and deputy auditors.
 2. Determination of remuneration for the board of directors and the auditors.
 3. Election of the board of directors and any deputy members of the board of directors as well as auditors or audit firms and any deputy auditors.
 4. Other items, which are subject to the meeting in accordance with the Swedish Companies Act or the Articles of association.

Proposed wording

The following matters shall be covered at the Annual General Meeting:

1. Election of Chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes.
5. Determination of whether the meeting has been duly convened.
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated annual report and consolidated auditor's report.
7. Decision on
 - a. adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;

- b. allocation of the company's profit or loss according to the adopted balance sheet;
 - c. discharge from liability of the members of the board of directors and the managing director.
1. Determination of the number of members of the board of directors and the number of auditors and deputy auditors.
 2. Determination of remuneration for the board of directors and the auditors.
 3. Election of the board of directors and auditors or audit firms and any deputy auditors.
 4. Other items, which are subject to the meeting in accordance with the Swedish Companies Act or the Articles of association.

§ 12 Record day provision

Current wording

The shareholder or trustee who is entered in the register of shareholders on the record date and recorded in the record book, according to section 4 (1998:1479) of the on the Accounting of Financial Instruments Act or the person recorded on the control account according to section 4. 18 § first paragraphs (6) to (8) of that law, is presumed to have the authority to exercise the rights set out in chap. 4 39 § Swedish Companies Act (2005:551).

Proposed wording

The company's shares shall be registered in a record day register pursuant to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

Item 14: Resolution on authorization for the board of directors regarding issues

The board of directors proposes that the annual general meeting resolves to authorize the board of directors, at one or several occasions, during the time up until the next annual general meeting, with or without deviation from the shareholders' preferential rights, and with or without provisions regarding payment in kind or through set-off or other provisions, to resolve to issue new shares, convertibles and/or warrants. The reason for that deviation from the shareholders' preferential rights shall be permitted is to enable the company to raise working capital, to execute acquisitions of companies or operating assets, to be able to expand the ownership base with owners of strategic importance as well as to enable issues to industrial partners within the framework of partnerships and alliances. The total number of shares that that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 7,955,245, which corresponds to a dilution of 20 per cent calculated on the number of outstanding shares in the company. To the extent an issue is made with deviation from the shareholders' preferential rights, the issue should be made on market terms.

Item 15: Resolution on (A) employee option program; and (B) directed issue of warrants and approval of transfer of warrants

Background

The board of directors proposes that the annual general meeting resolves to adopt an employee option program for senior executives and employees in accordance with what is set out under A below.

The purpose of the proposed employee option program (the “**Employee Option Program 2023 II**”) is to secure a long-term commitment for the employees in the company through a compensation system which is linked to the company's future value growth. Through the implementation of a share-based incentive program, the future value growth in the company is encouraged, which implies common interests and goals for the shareholders of the company and employees. Such share-based incentive program is also expected to increase the company's possibilities to retain competent persons. Further details of the Employee Option Program 2023 II are set out under Section A below.

In order to secure the company's undertakings under the Employee Option Program 2023 II, the board of directors also proposes that the annual general meeting resolves on a directed issue of warrants and an approval of transfer of warrants in accordance with Section B below.

The employee option program is intended to be annual, wherefore the board of directors, after having evaluated the program, intends to present new proposals for corresponding or adjusted programs ahead of the forthcoming annual general meetings.

A. The board of directors' proposal on implementation of Employee Option Program 2023 II

The board of directors proposes that the annual general meeting resolves to implement the Employee Option Program 2023 II in accordance with the following substantial guidelines:

1. The Employee Option Program 2023 II shall comprise a maximum of 469,000 options.
2. Employee options can be granted by the company or a subsidiary in the company's group (the “**Group**”).
3. Each option entitles the holders a right to acquire one new share in the company against cash consideration at an exercise price amounting to 150 per cent of the volume weighted average share price of the company's share on Nasdaq Stockholm during 10 trading days immediately prior to the day when a participant is allotted options (however, the exercise price cannot be less than the quota value of the share). The thus calculated exercise price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards. The exercise price and the number of shares that each option entitles right to may be subject to recalculation in the event of a bonus issue, split, rights issue etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied.
4. The Employee Option Program 2023 II shall comprise the CEO, senior executives and one other employee. The board determines within the framework of the annual general meeting's decision the number of employee options that each participant receives according to the following principles:

Participant category	Number of employee options
CEO	Up to 200,000 employee options
Other members of the management team (up to 4 persons)	Up to 65,000 employee options per participant
Other employee	Up to 9,000 employee options

5. Allotment shall take place no later than prior to the annual general meeting in 2024.
6. The allotted employee options will vest with 1/3 as of the date that falls 12, 24 and 36 months after the date of allotment. If the number of allotted employee options is not evenly divisible with 1/3, the number of vested employee options shall be rounded downwards to the nearest whole number and any excess employee options shall be considered vested on the last vesting date.
7. Vesting is conditional upon that the participant continues to be employed within the Group and has not terminated the employment as of the date when the respective vesting occurs. If the participant ceases to be employed or terminates its employment within the Group before a vesting date, the already vested employee options may be exercised on the ordinary date of exercise in accordance with the below, but further vesting will not occur. However, if the participant's employment is terminated due to dismissal or due to personal reasons/breach of contract, vested employee options shall also lapse.
8. The options shall not constitute securities and shall not be possible to transfer or pledge. However, in the event of death, the rights to vested employee options shall accrue to the beneficiaries of the holder of the options.
9. The employee options shall be allotted without consideration.
10. Allotted and vested options can be exercised from and including the date that falls 3 years after the date of allotment to and including 30 June 2028. The board of directors has the right to limit the number of occasions during the exercise period when the employee options can be exercised.
11. In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting the company, the options will vest in their entirety and be exercisable in connection with the relevant transaction.
12. Participation in Employee Option Program 2023 II is conditional upon that such participation can legally take place, and that such participation in the company's assessment can take place with reasonable administrative costs and financial efforts. The board of directors shall have the right to adapt the terms of Employee Option Program 2023 II to the extent necessary to enable allotment of employee options to persons in other countries, as far as practicable, on terms and conditions corresponding to those that follows from Employee Option Program 2023 II.
13. The employee options shall be governed by a separate agreement with the participant. The board of directors shall be responsible for the preparation and management of Employee Option Program 2023 II in accordance with the above mentioned substantial terms and guidelines.

B. Proposal to resolution on directed issue of warrants and approval of transfer of warrants

In order to enable the company's delivery of shares under the Employee Option Program 2023 II, the board of directors proposes that the annual general meeting resolves on a directed issue of warrants and approval of transfer of warrants. The board of directors thus proposes that the annual general meeting resolves on a directed issue of a warrants in accordance with the following terms and conditions:

1. A maximum of 469,000 warrants shall be issued.
2. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the company or a subsidiary in the Group. The reason for the deviation from the shareholders' preferential rights is that the warrants are issued as part of the implementation of the Employee Option Program 2023 II. In light of what has been stated under the Section Background above, the board of directors considers that it is for the benefit of the company and its shareholders that employees are offered to participate in the Employee Option Program 2023 II.
3. Subscription shall be made no later than 30 June 2023.
4. Over subscription cannot occur.
5. The warrants shall be issued without consideration. The reason hereof is due to that the warrants shall be issued as part of the implementation of the Employee Option Program 2023 II.
6. Each warrant entitles to subscription of one share in the company against cash consideration at a subscription price corresponding to the quota value of the share, currently SEK 0.125.
7. Subscription of shares by virtue of the warrants may be made from registration with the Swedish Companies Registration Office up to and including 30 June 2028.
8. The subscription price and the number of shares that each warrant entitles right to subscribe for are subject to customary recalculation in the event of a bonus issue, split, rights issue etc.
9. A share issued pursuant to subscription confers right to dividends from the first record date for dividends that occurs following effectuation of the subscription to such extent that the share has been recorded as interim share in the company's share ledger.
10. If all warrants are exercised for subscription of new shares, the share capital will increase with SEK 58,625.
11. The company's Chairman of the board of directors shall be entitled to make such minor adjustments of the issue resolution that might be necessary in connection with registration with the Swedish Companies Registration Office.

Further, the board of directors proposes that the annual general meeting shall resolve to approve that the company or another company in the Group may transfer warrants to the participants in the Employee Option Program 2023 II (or to a financial intermediary assisting with the delivery of shares to participants in Employee Option Program 2023 II) without consideration in connection with the exercise of employee options in accordance with the terms and conditions under Section A above.

Other information in relation to Employee Option Program 2023 II

The board of directors estimates that the Employee Option Program 2023 II will incur costs for the company partly from an accounting perspective in accordance with IFRS 2 and partly in form of social security charges for Swedish participants. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. For participants in Sweden, social security charges will be expensed in the income statement during the vesting period.

The employee options do not have a market value since they are not transferable. However, the board of directors has calculated a theoretical value of the employee options using the "Black Scholes" formula. Assuming that all options are allotted and assuming a share price at the time of allotment of the options of SEK 70, a strike price of SEK 105, a volatility of 69 per cent and that 100 per cent of the employee options are vested, the value of an employee option has been calculated to SEK 34.95 and the total personnel costs for the Employee Option Program 2023 II in accordance with IFRS 2 is estimated to be approximately SEK 16 million before tax during the period 2023-2028. Under the same conditions, but assuming that only 50 per cent of the employee options are vested, the total personnel cost for the Employee Option Program 2023 II in accordance with IFRS 2 is estimated to approximately SEK 8 million before tax during the same period.

Upon exercise of the employee options by Swedish participants, the Employee Option Program 2023 II will also result in costs in the form of social security charges. Total costs for social security charges during the vesting period depend on how many employee options that are exercised by Swedish participants and on the value of the benefit that the participant will ultimately receive, i. e. on the value of the employee options upon exercise. Assuming that the share price will rise 80 per cent upon exercise compared to the volume weighted average share price of the company's share during the measurement period for the establishment of the exercise price, that 274,000 employee options are allotted to Swedish participants, and that 100 per cent of the employee options intended to be allotted to Swedish participants included in the program will be exercised, that the social security charges amount to 18 per cent (blended rate), an assumed volume weighted average share price during the measurement period for the establishment of the exercise price of SEK 70 and an assumed exercise price of SEK 105, the costs for the social security charges amount to approximately SEK 1.8 million. Under the same conditions, but assuming that the share price will rise 110 per cent upon exercise of the employee options, the cost of social security charges is estimated to amount to approximately SEK 3.6 million.

It shall be noted that the calculations are based on preliminary assumptions and are only intended to provide an illustration of the outcome.

As per the date of the notice to the general meeting, the number of shares in the company amounts to 31,820,980.

In case all warrants issued in relation to Employee Option Program 2023 II are exercised for subscription of new shares, a total of 469,000 new shares will be issued, which corresponds to a dilution of approximately 1.45 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full exercise of all warrants issued in relation to Employee Option Program 2023 II. The dilution would only have had a marginal impact on the company's key figure "Result per share" for the full year 2022.

There is currently one share-related incentive program outstanding in the company in the form of an employee option program resolved at an extraordinary general meeting in January 2023. Upon full exercise of all warrants issued in connection with the existing incentive program that can still be exercised by participants, a total of 105,000 new shares will be issued. If all warrants that have been issued in relation to the existing incentive program and can still be exercised or are proposed to be issued in relation to Employee Option Program 2023 II are fully exercised for subscription of shares, in the aggregate 574,000 new shares will be issued, which corresponds to a total dilution of approximately 1.77 per cent of the company's share capital and votes, calculated on the number of shares that will be added upon full exercise of all outstanding and proposed incentive programs.

The above calculations regarding dilution and impact on key ratios are subject to recalculation of the warrants in accordance with the customary recalculation terms set out in the complete terms and conditions for the warrants. This proposal has been prepared by the board of directors and its remuneration committee in consultation with external advisers. The Chairman of the board of directors Torbjørn Bjerke, who will assume the role as CEO on 25 May 2023, and the board member Thomas Jonassen, who is also the CSO of the company, have not participated in the preparation of this proposal.

The resolutions in accordance with Section A and B above shall be resolved upon as one resolution.

Particular majority requirements

For valid resolutions on the proposals pursuant to items 13 and 14, the proposals have to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual general meeting. For valid resolution on the proposal pursuant to item 15, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the annual general meeting.

Information at the annual general meeting

At the annual general meeting, the board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the group.

Meeting documents

Financial statements, the audit report, the board of directors' remuneration report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives, complete proposals for resolutions and other documents for the annual general meeting, will be kept available at the company's office, at Scheelevägen 2, SE-223 63 Lund, Sweden, and at the company's website (www.synactpharma.com) as from no later than three weeks before the annual general meeting. Copies of the documents will be sent to shareholders who request it and provide their address and will be available at the annual general meeting.

Number of shares and votes in the company

As of the date of this notice to attend the annual general meeting, the total number of shares and votes in the company amounts to 31,820,980. The company does not hold any own shares.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Lund in April 2023

SynAct Pharma AB (publ)

The Board of Directors

The information was submitted, through the agency of the contact persons set out below, for publication at 08.00 a.m. CEST on April 13, 2023.

For further information about SynAct Pharma AB, please contact:**Jeppe Øvlesen**

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About SynAct Pharma AB

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.

Attachments

[Notice of annual general meeting in SynAct Pharma AB](#)