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SynAct Pharma AB has successfully completed the bookbuilding procedure - directed issues provide the company with a total of up to 49.2 MSEK.

The board of directors of SynAct Pharma AB ("SynAct Pharma" or the "Company") has, in accordance with the Company's press release yesterday March 26, 2024, subject to the subsequent approval of the general meeting, resolved on a directed issue of 5,399,999 shares at a subscription price of 8.60 SEK per share (the "Directed Issue 1"). The Directed Issue 1 is subscribed by, among others, the existing owner Thomas Ringberg and by Sanos Group, which is deemed to add a new strategically important ownership in SynAct Pharma. The subscription price in the Directed Issue 1 has been determined through an accelerated bookbuilding procedure (the "Bookbuilding procedure") carried out by Sedermera Corporate Finance AB ("Sedermera") and corresponds to a premium of approximately 27 percent compared to closing share price and a premium of approximately 15 percent compared to the 30-day volume weighted average share price at Nasdaq Stockholm, per March 26, 2024. The board of directors has further resolved to convene an extraordinary general meeting in order to enable the general meeting to consider the Company's major shareholders Thomas Ringberg's proposal on a directed issue of 236,742 shares at a subscription price of 8.60 SEK per share to the board members of the Company (the "Directed Issue 2"), and resolved, subject to the subsequent approval by the general meeting, on a directed issue of 88,743 shares at a subscription price of 8.60 SEK per share to the management of the Company (the "Directed Issue 3" and together with Directed Issue 1 and Directed Issue 2 the "Directed Issues"). Through the Directed Issues, the Company will receive approximately 49.2 MSEK before issue costs. The board of directors has proposed that an extraordinary general meeting planned to be held on April 24, 2024 resolves to approve the Directed Issue 1 and the Directed New Share Issue 3, and that the extraordinary general meeting shall at the same time consider the Company's major shareholder Thomas Ringberg's proposal on the Directed Issue 2. Notice of the extraordinary general meeting will be published in a separate press release. Existing shareholders in the Company, who are not board members or management and represent about 6 percent of shares and votes in the Company, have expressed their intention to vote for the Directed Issues at the extraordinary general meeting. The Board has further decided to postpone the annual general meeting and the publication of the interim report for the period January - March 2024 to 31 May 2024.

Background and motive to the Directed Issues

The proceeds from the Directed Issues will enable the Company to continue the development in a Phase 2b study in RA with the Company's lead asset resomelagon. The planned study is a dose-determining proof-of-concept study. The plan is to submit a clinical trial application, as part of the existing US-IND application, during the second quarter of this year. Results from the study are expected to be presented in the second half of 2025.

"We have a clear plan to drive the development of resomelagon forward and the additional funding will allow us to conduct the planned phase 2b study, which we hope will demonstrate the unique properties of resomelagon to resolve inflammation and contribute to improved quality of life for patients with RA", says CEO Jeppe Øvlesen.

"We are grateful for the support and confidence expressed in this capitalization. The fact that the management team and Board of Directors are personally investing at a premium shows the deep commitment and belief we have in SynAct Pharma's potential. We also welcome Sanos Group as a new shareholder in SynAct Pharma. Sanos Group is a strategic investor that has expressed support for our long-term plans to further develop our pipeline of drug candidates", says CEO Jeppe Øvlesen.

The Directed Issue 1 and the Bookbuilding procedure

Subscribers in the Directed Issue 1 consist of, among others, the existing owner Thomas Ringberg, who has undertaken to subscribe for 660,465 shares, and Sanos Group. Sanos Group, which is a Danish holding company that invests in the biotechnology sector and conducts clinical studies as a contract research organization (CRO), is expected to add a new strategically important ownership in SynAct Pharma. Sanos Group's holdings include Eurpraxia Pharma, AKL Therapeutics, Radius Health and Nordic Bioscience.

The reason for the deviation from the shareholders' preferential rights is that the board of directors, after an overall assessment, considers that a new share issue carried out with deviation from the shareholders' preferential rights is a better alternative for the Company and the Company's shareholders than a rights issue and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue 1. A rights issue would take longer to implement and thus entail an increased risk of a negative impact on the share price, especially given the current market volatility. With a rights issue comes the risk that the issue would not be fully subscribed, whereby a possible guarantee consortium would have to be procured. A directed issue, on the other hand, is deemed to be able to be carried out at a lower cost and with less complexity, while providing significant capital to the Company, which enables the board of directors and management to focus on the implementation of the Company's new business strategy, which is intended to be implemented as soon as possible. Furthermore, a directed share issue means, unlike a rights issue, that new reputable owners and strategic investors are added to the Company. The inclusion of the existing shareholder Thomas Ringberg in the Directed Issue 1 is motivated by the fact that he has shown a long-term interest in the Company, which the board of directors believes contributes to stability for both the Company and its shareholders. In light of the above, it is the board of directors' overall assessment that the reasons for the Directed Issue 1 outweigh the reasons for a rights issue under the general rule and the Directed Issue 1 is thus deemed to be in the interest of both the Company and all shareholders.

To ensure that the Directed Issue 1 is carried out on market terms, the board of directors engaged Sedermera to carry out the bookbuilding procedure to determine the subscription price. As the subscription price has been determined through an accelerated bookbuilding procedure, it is the board of directors' assessment that the subscription price reflects the prevailing market conditions and demand and is thus on market terms. The subscription price in the Directed Issue 1 is 8.60 SEK which corresponds to a premium of approximately 27 percent compared to the closing price and a premium of approximately 15 percent compared to the 30-day volume weighted average price on Nasdaq Stockholm as of March 26, 2024. The number of shares issued in the Directed Issue 1 amounts to a maximum of 5,399,999.

The Directed Issue 1 requires that an extraordinary general meeting approves the board of directors' decision afterwards. No individual subscriber will be allotted a number of shares that would cause such subscriber's total holding to equal or exceed 10 percent of the total number of votes in the Company.

The Directed Issue 2

As mentioned in the Company's press release yesterday March 26, 2024, the board of directors of SynAct Pharma has received a proposal from the Company's major shareholder Thomas Ringberg regarding the Directed Issue 2. The board of directors has decided to convene an extraordinary general meeting in order for the general meeting to consider the proposal. According to the proposal, the subscription price in the Directed Issue 2 shall correspond to the subscription price in the Directed Issue 1 established in the Bookbuilding process, and thus amount to 8.60 SEK. The number of shares proposed to be issued in the Directed Issue 2 amounts to maximum 236,742 and is directed to the board members Anders Kronborg, Sten Scheibye, Sten Sörensen, through his company Bridge Consulting AB and Jeppe Øvlesen, through his company Quantass ApS. Jeppe Øvlesen is already a shareholder in the Company.

The reason for the deviation from the shareholders' preferential rights is that the proposer, after an overall assessment and careful consideration, considers that a new share issue carried out with deviation from the shareholders' preferential rights is a better alternative for the Company and the Company's shareholders than a rights issue and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue 2. A rights issue would take longer to implement and thus entail an increased risk of a negative impact on the share price, especially considering the current market volatility. With a rights issue comes the risk that the issue would not be fully subscribed, whereby a possible guarantee consortium would have to be procured. A directed issue, on the other hand, is deemed to be possible at a lower cost and with less complexity, which enables the board of directors and management to focus on the implementation of the Company's new business strategy, which is intended to be implemented as soon as possible. A directed share issue to the Company's board of directors is further motivated by aligning the board members' interests in the Company with those of the shareholders and strengthening their commitment to the Company, which is considered to contribute to stability for both the Company and its other shareholders. The proponent's overall assessment is that the reasons for the Directed Issue 2 outweigh the reasons for a rights issue according to the main rule and the Directed Issue 2 is thus considered to be in the interest of both the Company and all shareholders.

As the subscription price in the Directed Issue 2 corresponds to the subscription price in the Directed Issue 1 established through an accelerated bookbuilding procedure, it is the Proposer's assessment that the subscription price reflects the prevailing market conditions and demand and is thus market-based.

Anders Kronborg, Sten Scheibye, Sten Sörensen and Jeppe Øvlesen have provided subscription undertakings regarding subscription of shares in the Directed Issue 2. Anders Kronborg has undertaken to subscribe for 34,883 shares, Sten Scheibye has undertaken to subscribe for 132,093 shares, Sten Sörensen has undertaken to subscribe for 11,627 shares and Jeppe Øvlesen has undertaken to subscribe for 58,139 shares. The subscription commitments are conditional upon the extraordinary general meeting resolving on the Directed Issue 2.

The Directed Issue 2 requires that an extraordinary general meeting resolves to approve the shareholder's proposal.

The Directed Issue 3

The board of directors of SynAct Pharma has furthermore resolved, subject to the subsequent approval by the general meeting, on the Directed Issue 3. The subscription price in the Directed Issue 3 amounts to 8.60 SEK, which corresponds to the subscription price in the Directed Issue 1 as determined in the Bookbuilding procedure. The number of shares issued in the Directed Issue 3 amounts to a maximum of 88,743 and is directed to the senior executives Thomas Jonassen (CSO), through his company TJ Biotech Holding ApS, Thomas Boesen (COO), through his company Boesen Biotech ApS and Björn Westberg (CFO), through his company BTB Consult AB. Thomas Jonassen has undertaken to subscribe for 58,139 shares, Thomas Boesen has undertaken to subscribe for 18,604 shares and Björn Westberg has undertaken to subscribe for 12,000 shares. Thomas Jonassen, Thomas Boesen and Björn Westberg are all existing shareholders in the Company.

The reason for the deviation from the shareholders' preferential rights is that the board of directors, after an overall assessment and careful consideration, considers that a new share issue carried out with deviation from the shareholders' preferential rights is a better alternative for the Company and the Company's shareholders than a rights issue and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue 3. A rights issue would take longer to implement and thus entail an increased risk of a negative impact on the share price, especially considering the current market volatility. With a rights issue comes the risk that the issue would not be fully subscribed, whereby a possible guarantee consortium would need to be procured. A directed issue, on the other hand, is deemed to be able to be carried out at a lower cost and with less complexity, which enables the board of directors and management to focus on the implementation of the Company's new business strategy, which is intended to be implemented as soon as possible. A directed share issue to the management is further motivated by further aligning the management's interest with the shareholders' and strengthening the commitment to the Company, which is considered to contribute to stability for both the Company and its other shareholders. The board of directors' overall assessment is that the reasons for the Directed Issue 3 outweigh the reasons for a rights issue according to the main rule and the Directed Issue 3 is thus deemed to be in the interest of both the Company and all shareholders.

As the subscription price in the Directed Issue 3 corresponds to the subscription price in the Directed Issue 1 determined through an accelerated bookbuilding procedure, it is the board of directors' assessment that the subscription price reflects current market conditions and demand and is thus market-based.

The Directed Issue 3 requires that an extraordinary general meeting resolves to approve the board of directors' resolution.

Shares, share capital and dilution

Through the Directed Issue 1, the number of shares and votes will increase by up to 5,399,999 and the share capital by up to 674,999.875 SEK. Through the Directed Issue 2, the number of shares and votes will increase by up to 236,742 and the share capital by up to 29,592.75 SEK. Through the Directed Issue 3, the number of shares and votes will increase by up to 88,743 and the share capital by up to 11,092.875 SEK. Through the Directed Issues, the number of shares and votes in the Company will thus increase by a maximum of 5,725,484 from 35,570,980 to 41,296,464 and the share capital by a maximum of 715,685.50 SEK from 4,446,372.5 SEK to 5,162,058.00 SEK. The Directed Issues entail a maximum dilution of approximately 14 percent based on the number of shares and votes in the Company after the Directed Issues.

Postponement of the annual general meeting and publication of the interim report

As a result of the Directed Issues, the board of directors has decided to postpone the publication of the Company's interim report for the period January - March 2024 and to postpone the Company's annual general meeting to 31 May 2024.

Extraordinary General Meeting

The board of directors has proposed that an extraordinary general meeting planned to be held on 24 April 2024 resolves on the Directed Issues. Notice of the extraordinary general meeting will be published in a separate press release.

Since the Directed Issue 2 and the Directed Issue 3 are directed to persons belonging to the category of related parties covered by Chapter 16 of the Swedish Companies Act (2005:551) (the so-called Leo Act), the completion of the Directed Issue 2 and the Directed Issue 3 requires the approval of the general meeting, whereby the approval of at least nine tenths of both the votes cast and the shares represented at the general meeting is required. Existing shareholders of the Company, who are not board members or senior executives of the Company and represent approximately 6 percent of the shares and votes in the Company, have expressed their intention to vote in favor of the Directed Issues at the extraordinary general meeting. The board of director's decision regarding the Directed Issue 1 is not subject to the approval of the Directed Issue 2 or the Directed Issue 3.

Lock-up commitments

In connection with the Directed Issues, Anders Kronborg, Sten Scheibye, Sten Sörensen, Jeppe Øvlesen, Thomas Jonassen, Thomas Boesen and Björn Westberg have contractually undertaken towards Sedermera, with customary exceptions, not to, directly or indirectly, sell or carry out other transactions with equivalent effect to a sale without, in each case, first obtaining a written consent from Sedermera. The decision to provide such written consent is decided by Sedermera and an assessment is made in each individual case. Granted consent can be based on both individual and business reasons. The lock-up commitments cover the shares held prior to the Directed Issues and shares received in connection with the Directed Issues. The lock-up period lasts for 180 days from this announcement of the Directed Issues.

Advisers

In connection with the Directed Issues, the Company has engaged Sedermera as Sole Bookrunner and Advokatfirma DLA Piper Sweden KB as legal advisor. Nordic Issuing acts as issuing agent.

Lund, Sweden, March 26, 2024

SynAct Pharma AB

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About SynAct Pharma AB

SynAct Pharma AB (publ) (Nasdaq Stockholm: SYNACT) is a clinical stage biotechnology company focused on resolving inflammation through selective activation of the melanocortin system. The company has a broad portfolio of oral and injectable selective melanocortin agonists aimed at inducing anti-inflammatory and anti-inflammatory activity in autoimmune and inflammatory diseases to help patients achieve immune balance and overcome their inflammation. For more information: www.synactpharma.com.

Important information

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This press release is for information purposes only and does not constitute an offer to sell or issue, purchase or subscribe for any of the securities described herein (together the "**Securities**") or any other financial instrument in SynAct Pharma AB. This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issues.

This press release does not constitute an offer to sell or an offer, or a solicitation of an offer, to buy or subscribe for shares issued by the Company in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Actions in violation of the restrictions may constitute a violation of applicable securities laws.

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This press release contains certain information that reflects SynAct Pharma AB's current view of future events and financial and operational development. Words such as "intends", "believes", "expects", "may", "plans", "estimates" and other expressions that imply indications or predictions of future developments or trends, and that are not based on historical facts, constitute forward-looking information and reflect SynAct Pharma AB's beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual events and results to differ materially from any anticipated future events or performance expressed or implied by the forward-looking statement. The information in this press release is subject to change without notice and, except as required by applicable law, SynAct Pharma AB does not undertake any responsibility or obligation to publicly update or revise any of the forward-looking statements contained in it, nor does it intend to do so. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

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 2024-03-27 01:08 CET.

Attachments

[SynAct Pharma AB has successfully completed the bookbuilding procedure - directed issues provide the company with a total of up to 49.2 MSEK.](#)