SYNACT PHARMA

ADVERTISEMENT

INVITATION TO SUBSCRIBE FOR UNITS

SUBSCRIPTION PERIOD: 18 NOV – 2 DEC 2019

A new class of drugs for inflammatory diseases

IMPORTANT INFORMATION

The following summary is not an offer but should be viewed as an introduction to SynAct Pharma AB's ("SynAct") prospectus and does not necessarily contain all the information needed for an investment decision. Finansinspektionen's (Sweden's financial supervisory authority) approval of the prospectus should not be interpreted as an approval of the securities offered. The investor is advised to consult the prospectus, which is available on SynAct's website: www.synactpharma.com before making an investment decision, in order to understand the potential risks associated with the decision to invest in the securities. SynAct Pharma AB, reg.no. 559058-4826.

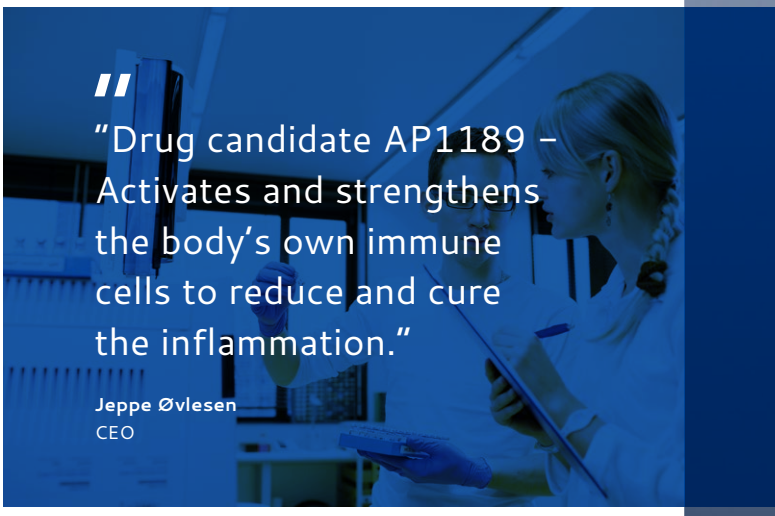
www.synactpharma.com

SEDERMERA FONDKOMMISSION

RESEARCH AND DEVELOPMENT IN INFLAMMATORY DISEASES

SynAct Pharma AB is a Phase II clinical company focused on drugs that stimulate and strengthen the body's own immune system in order to fight inflammatory diseases.

The company's research and patents are based on the endogenous hormone melanocortin, which is activated in inflammatory conditions and contributes with anti-inflammatory effects, which are important components of the healing process and for recovery to normal tissue function. SynAct's drug candidate AP1189 stimulates, in a more selective way, the relevant receptors in the immune system, thereby avoiding unwanted side effects.



INVESTMENT HIGHLIGHTS

Recently initiated phase II study in active joint disease: SynAct's first phase II clinical trial with the leading compound AP1189 for treatment of rheumatoid arthritis (RA) has recently been initiated at clinics in Denmark. The study is being conducted on patients with active arthritis who have been referred to a specialized department for treatment with antirheumatic drugs where first-line treatment is the drug methotrexate. In the study, the drug candidate AP1189 is given as a supplement to methotrexate and is expected to be reported during Q1 2021. Interim analysis from the first part of the study is scheduled to be reported during Q1 2020.

Extended objective of conducting two phase II clinical trials: After the company obtained positive results in a preclinical study in nephrotic syndrome (NS), where dosing with the drug candidate AP1189 resulted in a significant reduction in proteinuria (protein loss via the kidneys), the board and management of SynAct see great potential in conducting another phase II study in NS. Nephrotic syndrome is a serious kidney disease which, if left untreated, gradually turns into chronic kidney disease with an increased risk of cardiovascular disease including myocardial infarction and stroke. Up to one third of all NS patients do not respond adequately to current treatments and most patients suffer from treatment-related side effects. As previously reported, AP1189 has shown potential to significantly reduce renal protein losses in a predictive animal model of NS with the same amount as after treatment with the active substance in Acthar® Gel (ACTH) from Mallinckrodt Pharmaceuticals.

With the establishment of two Phase II clinical programs for two different indications, RA and NS, SynAct will significantly increase the possibility of a successful result while also increasing the commercial value for AP1189. Both RA and NS are indications with a large unmet medical need and an attractive market where SynAct's drug candidate has the potential to become a new and improved method for treatment. Positive data from the ongoing phase IIa program in RA and from the planned phase IIa study in NS could mean that AP1189 could become a "game changer" in the melanocortin market, which currently amounts to over USD 1 billion, which would benefit a large patient group.

Current market and competition: In 2017, the global market for drugs for rheumatoid arthritis amounted to approximately USD 23.3 billion, while sales of drugs for the treatment of psoriatic arthritis amounted to over USD 4.5 billion[1]. The market for NS is somewhat smaller but offers the opportunity to obtain orphan drug status and benefit from fast-track development and exclusivity after market launch. In order to describe the potential of melanocortin-derived therapy, parallels can be drawn to the drug Acthar® Gel, which currently has annual sales of approximately $ 1.25 billion. The use of Acthar® Gel is limited to severe cases since the compound has a number of undesirable side effects. Similar to Acthar® Gel, AP1189 is a melanocortin receptor agonists, but the profile of SynAct's compounds does not stimulate type 2 melanocortin receptors, which means that unwanted and in some cases treatment-limiting side effects observed after treatment with Acthar® Gel, do not exist for the company's compound. AP1189 is also being developed for once-daily oral administration, while Achtar® Gel is given as injections with only limited self-administration options.

AP1189 paves the way for a new method of treatment: AP1189 has the potential to become a "front-runner" for resolution therapy, a new method for treatment of inflammatory and autoimmune diseases, which stimulates the immune system's healing mechanisms, unlike most of today's drugs which inhibit the body's immune system. This is done by activating the body's immune cells, unlike biological and immunosuppressive drugs, which act by inhibiting the activity of the immune system.

1. GlobalData Plc

OBJECTIVES

2019

AP1189
- Conduct the first part of the phase II study in RA with the aim of identifying the doses for the second part of the phase II study.
- Preparatory activities to initiate phase II study with AP1189 within NS.

The Company
- Continue the business development in SynAct with out-licensing and partnership dialogues.

2020

AP1189
- Complete dosing of the Phase II study (second part) in RA and obtain interim data, Q1 2020.
- Initiate phase II study in NS, Q1 2020.

The Company
- Continued business development.
- In-depth out-licensing and partnership dialogues.

2021

AP1189
- Final Report of Phase II study in RA, Q1 2021.
- Conducting meeting regarding the Phase II study in RA with the FDA and EMA, Q1 2021.
- Implement and obtain top line results for the phase II study in NS, Q1 2021.

The Company
- Continued business development.
- In-depth and concluding out-licensing and partnership dialogues.

OFFER IN BRIEF

Subscription period: 18 November 2019 – 2 December 2019.

Record date and preferential rights: The record date was 13 November 2019. Anyone who held shares in SynAct on the record date has a preferential right in the issue. For each existing share, one (1) unit right will be received. Holdings of twenty-one (21) unit rights entitles the holder to subscribe for one (1) unit. One (1) unit consists of four (4) shares and four (4) warrants of series TO 2.

Valuation of the current offer (pre-money): Approx. SEK 91 million.

Subscription price: SEK 24.80 per unit corresponding to SEK 6.20 per share. Warrants of series TO 2 are received free of charge.

Issue volume: The offer comprises of a maximum of 2,795,268 shares and a maximum of 2,795,268 warrants of series TO 2, corresponding to approximately SEK 17.3 million and SEK 18.7 million, respectively. If the issue is fully subscribed and all associated warrants are exercised, SynAct will receive an injection totaling approximately SEK 36.1 million before issuance costs.

Subscription commitments and guarantee subscriptions: SynAct agreed in writing prior to the planned rights issue on subscription commitments for a total of approximately SEK 6.4 million and guarantee commitments for a total of approximately SEK 10.9 million. Hence, approximately SEK 17.3 million, corresponding to 100 percent of the initial amount, has been agreed in advance in writing.

CONDITIONS FOR WARRANTS OF SERIES TO 2 IN BRIEF

Exercise period: 1 – 22 July 2020.

Exercise price: Holding of one (1) warrant entitles to the subscription of one (1) share in SynAct at a rate of SEK 6.70 per share.

Issue volume: If the issue of units is fully subscribed, 2,795,268 warrants of series TO 2 will be issued. If all warrants are exercised, SynAct will receive an injection totaling approximately SEK 18.7 million.

DIRECTED ISSUE OF UNITS

In order to strengthen SynAct's ownership base, the company also conducts a directed issue comprising a total of 524,000 units, which are subscribed to under the same conditions as in the forthcoming rights issue. The directed issue initially provides the company with approximately SEK 13 million before issue costs. If all warrants are excercised, SynAct can be allocated an additional SEK 14 million before issuance costs.

COMMENTS FROM THE CEO, JEPPE ØVLESEN

Our phase II clinical study in active rheumatoid arthritis with AP1189 is now ongoing at clinics around Denmark. This after very successful development work, where we have laid a solid scientific foundation that paves the way for producing good results in ongoing and future studies. AP1189 has great potential to become a leader within resolution therapy, a new method of treatment for inflammatory and autoimmune diseases, which stimulates the immune system's healing mechanisms, unlike most drugs today which inhibit the body's immune system.

"The market and the need for new treatment methods for the inflammatory and autoimmune diseases that the drug candidate AP1189 targets, are significant."

After receiving promising preclinical results in nephrotic syndrome (NS) with the drug candidate AP1189, SynAct also has great potential to advance within NS. In order to increase the value creation for AP1189, we plan to conduct another phase II clinical trial in NS. Based on our promising results in both indications, we find this new strategy of conducting another clinical study extremely appropriate and a fantastic opportunity to create value for SynAct. In addition, the indication NS has the opportunity to obtain orphan drug status and benefit from fast-track development and exclusivity after market launch.

In order to describe the treatment potential of melanocortin receptor agonists in inflammatory and autoimmune diseases, including RA and NS, parallels can be drawn to the drug Acthar® Gel, a drug approved in the United States with annual sales of more than $ 1.25 billion. Acthar® Gel generates its therapeutic effects by stimulating the same receptors as AP1189, but in addition also stimulates other receptors with unwanted side effects as a result. Since the use of Acthar® Gel often leads to unwanted serious side effects, the use is limited to severe cases. Similar to Acthar® Gel, AP1189 is a melanocortin receptor agonist, but unlike Acthar® Gel, our compound does not stimulate type 2 melanocortin receptors. These receptors sometimes have treatment-limited side effects, which are seen after treatment with Acthar® Gel. These side effects are not associated with AP1189. In addition, the drug candidate AP1189 is developed for once-daily oral administration, while Achtar® Gel is given as injections with limited self-administration possibilities. Worth mentioning is that Mallinckrodt Pharmaceuticals, which controls Acthar® Gel, recently reported (via press release on June 13, 2019) that all primary and secondary outcome targets were met in a Phase 4 clinical trial with the market-launched drug Acthar® Gel in otherwise treatment resistant patients with RA. The study, presented at the European Congress of Rheumatology 2019 (EULAR) in Madrid (June 12-15), shows that Acthar® Gel in patients who have previously shown treatment-resistant symptoms, even after treatment with glucocorticoids, may benefit from Acthar® Gel treatment. It is important to emphasize that AP1189 has the potential to reach a much larger patient population than Acthar® Gel. The total market for inflammatory joint diseases exceeds USD 23 billion and is expected to reach USD 27.8 billion in 2027.

As a result of the above, positive data from the ongoing Phase II program for RA and continued progress with AP1189 for NS could mean that AP1189 has the opportunity to become a "game changer" in the melanocortin market which would benefit a very large patient group. We are now carrying out a fully collateralized capitalization consisting of a directed issue and a preferential rights issue of approximately SEK 58.1 million to finance the completion of the ongoing Phase II clinical trial with AP1189 in RA and conducting the clinical Phase II study with AP1189 in NS as well as repayment of previous bridge loans. As the studies progress, SynAct will continuously explore the possibilities for further business development. Our overall objective is firm regarding the drug candidate AP1189, where SynAct's ambition is, based on the results of the Phase II clinical studies, to sign commercial agreements with one or several major pharmaceutical companies. The Board and management estimate that there are good opportunities for commercial agreements, provided that positive results are obtained when the planned Phase II studies for AP1189 have been completed.

I hereby welcome you to participate in SynAct's continued development and journey.

Jeppe Øvlesen - CEO

SYNACT PHARMA

SEDERMERA FONDKOMMISSION

Subscription form – for subscription of units without unit rights in Synact Pharma AB (publ)

Subscription period:	18th of November – 2nd of December 2019, at 3 p.m.
Subscription price:	SEK 24.80
Allocation:	Any allotment of units will be notified via a settlement note.
Payment:	To be made in accordance with instructions on the settlement note.

In an assessment of Synact Pharma AB (publ) future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The prospectus is available for download at www.sedermera.se, www.synactpharma.com or www.spotlightstockmarket.com. Payment is not to be made in conjunction with the application for subscription. Any allotment is notified via a settlement note.

Subscription can also be made electronically with BankID and Nem ID on www.sedermera.se

Please also note that the subscriber who has a custody account or account with specific rules, such as an ISK/KF account, the subscription must be made in agreement with the bank/ trustee that holds the account.

1. The undersigned hereby applies for subscription of the following number of units in Synact Pharma AB (publ) at a subscription price of SEK 24.80 per unit, where each unit consists of four (4) shares and four (4) warrants of series TO 2:

Number of units

2. Fill in where the allotted and paid for units are to be delivered, owner-registered securities account (Swedish: VP-account) or custody account (state only one alternative)

Owner-registered securities account/ Service account O O O	Bank/Nominee
Custody account	Bank/Nominee

Do you have an account at Nordnet or Avanza? Please, contact your respective bank to make your subscription directly via Nordnet or Avanza.

The undersigned claims preferential right in the event that the offer is oversubscribed. In the event that the offer is oversubscribed, priority in allocation of units subscribed for without subscription rights will be given to investors who have also subscribed for units with subscription rights in the rights issue, in relation to the number of subscription rights being exercised. Invoke this preferential right by filling in the number of units you have subscribed for with subscription rights in this rights issue, and indicate the bank/nominee via which such subscription was made:

Number of units	Bank/Nominee	Owner-registered securities account/Custody account (Swedish: VP-account)

3. Have you, through Sedermera, invested ten (10) times during the last twelve (12) months, or invested through Sedermera six (6) times each year for the last five (5) years? Yes ☐ No ☐

4. Subscription over 15 000 EURO?
If the subscription is over 15 000 EURO, or if the answer on question **3** is **Yes**, the following shall be made:
1) A money laundering form be fulfilled which can be found on the following link: www.sedermera.se.
2) A verified copy of your valid ID (Passport) must be sent to Sedermera Fondkommission by **post** to the below stated address, during the subscription period.

Notice, the documents shall be sent to Sedermera Fondkommission **via post**, see the address below.

5. Fill in your name and address information (PLEASE WRITE CLEARLY)

Last name/company		First name	National ID number/Corp.ID.no.
Street address (or PO Box or equivalent)		Daytime telephone/mobile phone	NID-number/LEI*
Postal code	City	Country (if other than Sweden)	E-mail (mandatory!)
Place and date		Signature (authorized company signature, or guardian, if applicable)	

***NID -number** is a national ID for physical persons, required when subscribing for, trading, buying, selling and moving securities. NID is related to your citizenship. If you have only a Swedish or Danish citizenship, your NID is the same as your ID no/CPR together with the country code (SE/DK). Persons with more than one citizenship are advised to contact their local bank for support.

LEI is a global ID-code for legal persons, required when subscribing for, trading, buying, selling and moving securities. Application for LEI-code can be made with support from your bank, but is also possible to conduct directly through institutions providing LEI-codes. These are to be found at Global Legal Entity Identifier Foundation (GLEIF).

6. By signing this subscription form I confirm the following:
- That I have read the prospectus (Swedish use) and understand the risks associated with investing in this particular financial instrument;
- That I have read and understand the information stated in the section "Terms and Conditions" in the prospectus;
- That I have read and accepted the information stated on the subscription form;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Swedish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act.
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of units pursuant to the Terms and Conditions stated in the prospectus issued by the board of Synact Pharma AB (publ) in November 2019;
- That no amendments or additions may be made to the printed text in this subscription form;
- That the allocation of units in accordance with the subscription cannot be guaranteed;
- That an incomplete or incorrect subscription form may be disregarded;
- That the subscription is binding;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That personal data will be stored and processed in accordance with the General Data Protection Regulation (GDPR).

7. Send the application form by one of the following options:

Mail:
Object: Synact Pharma
Sedermera Fondkommission
Norra Vallgatan 64,
211 22 Malmö

E-mail:
issuingservices@sedermera.se

Fax: 0046 40-615 14 11

Questions, please call:
Phone: 0046 40-615 14 10

☐ By checking this box, the subscriber agrees that information provided on the subscription form may also be used for communication regarding offers in the future.

MONEY LAUNDERING CHECK - NATURAL PERSON/ LEGAL ENTITY

In accordance with the Swedish act (2017:630) on measures against money laundering and terrorist financing

SEDERMERA FONDKOMMISSION

With reference to applicable regulations for the financial markets, including the rules on measures against money laundering and terrorist financing, the Swedish Financial Supervisory Authority (Finansinspektionen) has issued special regulations for supervised investment companies. The rules require investment companies to verify the identity of the parties with whom they transact business or for whom they perform transactions in accordance with a specifically prescribed arrangement.

Note! If you are a natural person and not a company, please proceed to the questions below.

Beneficial owner*			
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)

*** Beneficial owners are:**
- Natural persons who, alone or with related persons, ultimately own more than 25% of the votes in the legal entity.
- Natural persons who, alone or with related persons, has the right to elect or dismiss more than 50% of the legal entity's board members or equal executives.
- Natural persons who, alone or with related persons, as a result of agreement with owners, members, the legal entity, regulations in the articles of association, company agreements and/or comparable agreements can control the company in accordance with the above..

☐ **There are no beneficial owners in accordance with the above.** Sedermera Fondkommission will therefore consider the company's Chairman of the Board, CEO or other equivalent executive as the beneficial owner.

If the ownership structure is complex or comprises a number of ownership levels, or the legal entity is owned by a foundation, Please contact Sedermera Fondkommission

Control questions relating to measures against money laundering and terrorist financing

1. What is the purpose with the transaction?

☐ Savings/investment ☐ Securities trading ☐ Other – please specify: _____

2. Origin of the capital (multiple options are possible)

☐ Old savings/investments/capital income ☐ Salary/pension/bonus ☐ Inheritance/gift

☐ Sale of property/company ☐ Other – please specify: _____

3. What amount are you/ the company planning to invest through Sedermera during the coming year?

☐ 1-50 000 SEK ☐ 50 000-150 000 SEK ☐ 150 000-500 000 SEK ☐ 500 000 SEK or more

4. PEP – Politically exposed persons

Have you/ any of the beneficial owners or any of the company's representatives (such as the CEO, board members, chairman and/or authorized signatories), any of their employees or any of their immediate family members been a politically exposed person (PEP*) in the last 18 months?

☐ Yes ☐ No

If the answer is Yes, please specify:

Function: _____ Country: _____

The person's name and your relationship (if the person who held the function is someone other than yourself): _____

* A PEP is a person in a politically exposed position who holds, or has held, an important public function in a governmental or international organisation. This person's immediate family members and close colleagues should also be treated as PEPs. Examples are heads of state and of government, ministers, judges, ambassadors and members of parliament.

5. Operations in high-risk jurisdictions

Do you/ the company have operations in any of the following high-risk jurisdictions; Afghanistan, Bosnia and Herzegovina, Guyana, Laos, Vanuatu, Syria, Iran, Iraq, Yemen, Ethiopia, Uganda or North Korea?

☐ Yes ☐ No If the answer is yes, please specify Country: _____

SIGNATURES

The form must be signed and then sent, together with an authorization docoument to nyemission@sedermera.se. **A verified copy of an Identity document (such as drivers license or pasport) shall be sent to Sedermera Fondkommission via mail to Norra Vallgatan 42, 211 22 Malmö, Sweden.**

Documents to attach Natural Person:
- A verified copy of an Identity document

Handlingar att bifoga för juridisk person:
- A verified copy of an Identity document of authorized representatives
- A copy of a valid power of attorney or a certificate of incorporation (No more than 1 month old

Signatures	
Place and date	Place and date
Signature of the Party/ Authorized signatory	Sedermera Fondkommission
Print name	Print name
I confirm that all questions have been answered correctly and I will inform Sedermera in the event of any changes.	