

# Exercise of warrant of series TO 2 – SynAct Pharma AB

Exercise period: July 1st – 22th, 2020

**“A new class of drugs for  
inflammatory diseases”**

**Important information** – This teaser is a marketing brochure prepared by SynAct Pharma AB (“SynAct Pharma”) and does not constitute a prospectus that has been approved and registered by the Swedish Financial Supervisory Authority (sw. Finansinspektionen). For a description of the risks associated with an investment in the company, readers are advised to read the prospectus published by SynAct Pharma in November, 2019.

# Research and development within 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.

AP1189 has the potential to become a "front runner" for a new treatment method, called resolution therapy, for inflammatory and autoimmune diseases. Unlike most of today's drugs, AP1189 does not inhibit the body's immune system but instead stimulates the immune system's healing mechanisms.

## The development of the research portfolio

### Rheumatoid arthritis (RA) phase IIa:

- The first of the two doses studied (50 mg) was identified as safe and well tolerated.
- Review of blinded data from the phase II study shows that patients form two groups based on changes in their clinical disease activity index (CDAI).
- Based on the safe and well tolerated first dose (50 mg), SynAct Pharma has initiated the next dose level (100 mg).

### Nefrotisk syndrom (NS) fas IIa:

- With the approval of the Danish Medicines Agency and the ethical committee, SynAct Pharma has initiate the Phase IIa study in NS during summer 2020.

SynAct Pharma will update the market with its progression and timelines for the clinical trials as more clarity in the COVID-19 pandemic situation and its impact on reopening of clinics becomes available. The company estimates that

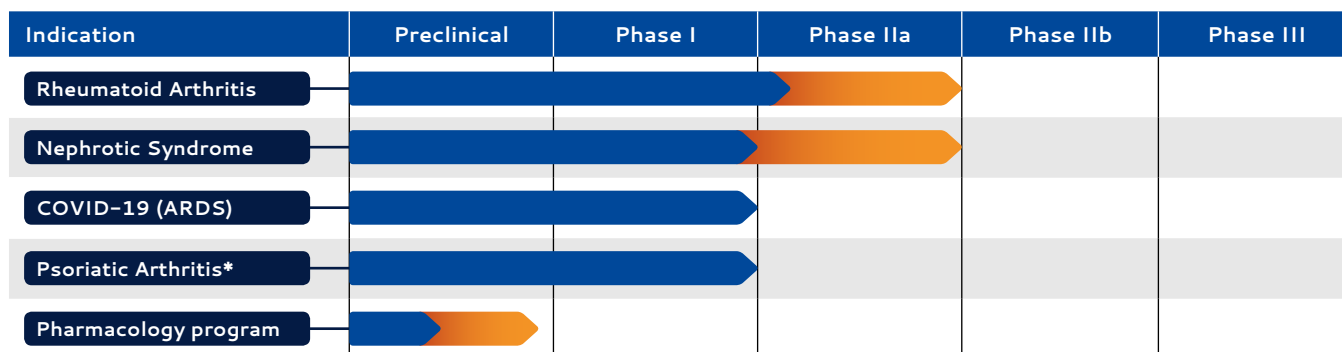
the current cash and expected cash from the exercise of warrants of series TO 2 will fund SynAct Pharma's important milestones, such as Proof-of-Concept for the Phase II studies with AP1189 within RA and NS.

### COVID-19 Phase IIa:

- SynAct Pharma intends to submit a definitive protocol and enter into agreements with hospitals and investigators for the clinical Phase II study.
- The company estimates that the cost for a clinical trial with AP1189 in COVID-19 patients is not to exceed SEK 15-20 million. The funding of the possible clinical activities will be made separately and will not affect SynAct Pharma's ongoing activities for existing projects.
- The COVID-19 project is exploratory and conditional on funding and permission to start the clinical studies.

## Pipeline overview

After positive Phase I results, SynAct Pharma's drug candidate AP1189 has advanced to a Phase II clinical trial entitled "A doubleblind, multi-center, two-part, randomized, placebo-controlled study of the safety, tolerability, and efficacy of 4 weeks of treatment with AP1189 in early rheumatoid arthritis (RA) patients with active joint disease". Formerly methotrexate naïve patients with active RA are randomized into the study, with a daily oral intake of AP1189 or placebo, as a supplement to methotrexate therapy over a period of four weeks.



■ Current status

■ Status H1 2021

\* Phase II development to await data from RA study

## COMMENTS FROM THE CEO, JEPPE ØVLESEN

Our clinical phase II studies on RA and NS are ongoing at clinics in Sweden and Denmark and we recently reported positive preliminary data from the phase II study with the drug candidate AP1189 in patients with RA. The blinded data indicates that AP1189 is safe and well tolerated.

Through the treatment concept called resolution therapy AP1189 activates the body's own immune cells to strengthen the immune system's healing mechanisms. This concept differs from current biological and immunosuppressive drugs that act by inhibiting the immune system. Resolution therapy is a new method to better maintain the function of the immune system so that the patient is more likely to manage the inflammation.

The potential for the dual concept of the treatment method is promising and we see significant benefits of AP1189 in several indications. In addition to our ongoing clinical studies on RA and NS we intend to investigate the potential of AP1189 within COVID-19 infection. Similar to active autoimmune disease such as RA and even to some extent NS, COVID-19 infection can create an overactivation of the immune system, which may lead to uncontrolled inflammation.

In severe COVID-19 infection, the inflammatory response in the lungs is out of control. Uncontrolled, the pneumonia can lead to acute respiratory stress syndrome (ARDS) and we therefore see additional potential for the development of AP1189 as adjunctive therapy in hospitalized patients with COVID-19 infection. The purpose of our treatment, just like in RA, would be to balance the inflammation so that the inflammatory system can fight the virusinfection, without all the devastating effects associated with an overactivation.

We estimate that the cost of a clinical study with AP1189 on COVID-19 patients will not exceed SEK 15 – 20 million. The financing of the potential clinical activities will occur separately and does not affect our ongoing activities for existing projects.

In our interactions with pharmaceutical companies, we have met great interest in our treatment concept. The fact that our melanocortin-based drug candidate can create a balanced immune response through the combination of inhibition of certain unwanted pathways and stimulation of other beneficial pathways is very promising. In addition, we will soon have a pipeline of three clinical studies in very interesting indications (RA, NS and COVID-19). Indications with significant medical needs for new and better treatment methods. With promising results for AP1189 in the Phase II clinical trials, we will increase our opportunities and our negotiating position for attractive agreements for SynAct Pharma, with the goal of signing commercial agreement with one or more major pharmaceutical companies. We hereby invite you all to participate and exercise your warrants of series TO 2, an important investment in SynAct Pharma's continued development.

### Offer 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 Pharma at a rate of SEK 6.70 per share.

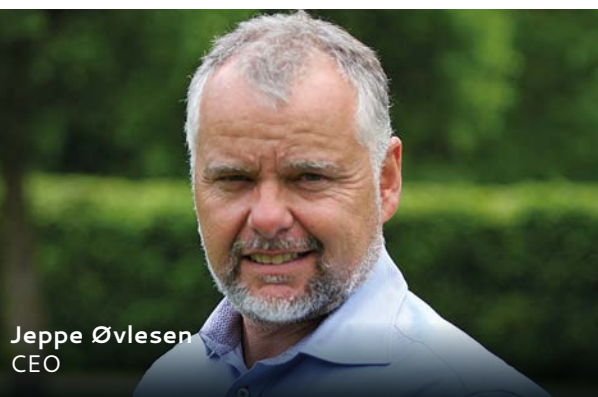
■ **Subscription commitments and Lock up:** SynAct Pharma's Board of Directors and management have entered into subscription commitments and will exercise all their warrants, which amounts to approximately SEK 1.2 million. The Board of Directors and management have entered into agreements for an extension of their lock-up to 19 May 2021. In total, the lock-up agreements correspond to a minimum of 25 percent of the votes and capital in SynAct Pharma before the exercise of warrant of series TO 2.

■ **Issue volume:** There are 4,891,268 outstanding warrants of series TO 2. If all warrants of series TO 2 are exercised SynAct Pharma will receive approximately SEK 32.8 million before transaction costs. Last day of trading with warrants are July 20, 2020.

■ **Number of shares outstanding in SynAct Pharma:** 19,566,435

■ **Valuation (pre-money in the offer):** Approximately SEK 131.1 million.

■ **MCAP:** Approximately SEK 400 million (2020-06-30).



Jeppe Øvlesen  
CEO

## TERMS FOR WARRANTS OF SERIES TO 2 IN BRIEF

There are 4,891,268 outstanding warrants of series TO 2. Holders of warrants of series TO 2 have the right to subscribe for (1) new share in SynAct Pharma at a price of SEK 6.70 per share. Subscription with support of warrants of series TO 2 take place during the period of 1 July to 22 July 2020. Subscription shall be made by immediate cash payment no later than 17:00 CEST on 22 July 2020.

### As warrant holder you need to decide on the offer – Here's how to exercise your warrants of series TO 2

In order for your warrants not to expire worthless, you must subscribe for new shares, with the support of warrants, at 17:00 CEST on July 22, 2020 at the latest, alternatively sell your warrants no later than July 20, 2020.

#### *You can have your warrants registered in two ways:*

1. In a securities custody account with a bank or other nominee (for example, Avanza or Nordnet), in an investment savings account (Sw. Investeringsparkonto) or endowment account (Sw. Kapitalförsäkring). Your warrants are then nominee registered.
2. In a VP-account (a VP-account starts with three zeros). Your warrants are then directly registered.

#### *If your warrants are nominee registered*

Subscription and payment of new shares, by exercise of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with instructions from each such bank or nominee. Usually, the bank/nominee sends out a digital notice to the account holder, otherwise it is enough to log into the securities custody account from the first day in the exercise period in order to get instructions on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your bank or trustee. Please note that banks and other nominees may set different time limits for the last day for subscription,

hence it is recommended to contact the account-holding bank/nominee early in the exercise period. This folder will be sent out to most nominee registered warrant holders. Subscribed and paid for shares may be entered as "interim shares" or "IA" into your securities custody account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in SynAct Pharma.

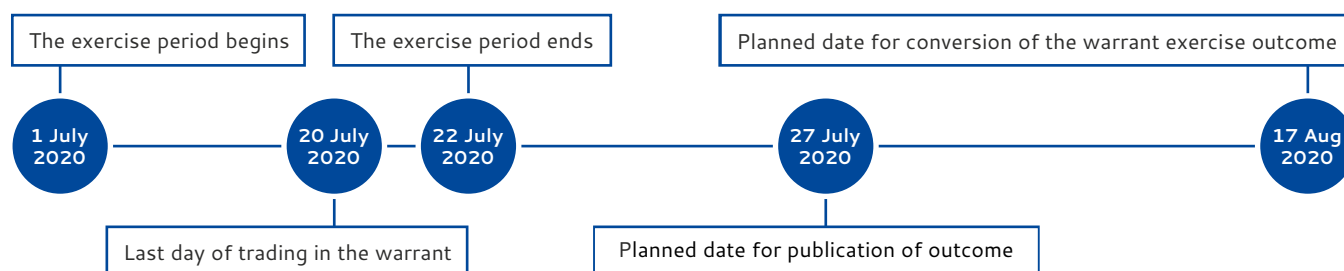
#### *If your warrants are directly registered*

No VP-account statement will be sent out. Subscription of new shares, by exercise of warrants, shall be made by sending a completed subscription form to Sedermera Fondkommission. In conjunction with sending the completed subscription form, payment must be made to Sedermera Fondkommission in accordance to the payment details stated on the subscription form. Subscription form along with this folder will be sent to VP-account holders. The subscription form and folder are also available at the respective websites of SynAct Pharma ([www.synactpharma.com](http://www.synactpharma.com)) and Sedermera Fondkommission ([www.sedermera.se](http://www.sedermera.se)). Completed subscription form and payment must be registered with Sedermera Fondkommission no later than 5:00 p.m. CEST July 22th, 2020. Subscribed and paid for shares will be entered as "interim shares" or "IA" into your VP-account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in SynAct Pharma.

#### *Subscription over EUR 15,000 where applicable*

If the subscription amounts to or exceeds EUR 15,000, money laundering form must be completed on the money laundering form available on [www.sedermera.se](http://www.sedermera.se) and which can be signed with BankID/NemID.

## Important dates for warrants of series TO 2



**NOTE** – In order for your warrants not to expire worthless, you must actively subscribe and pay for shares no later than 5:00 p.m. CEST 22 July, 2020, alternatively sell your warrants no later than 20 July, 2020.

In case of any questions regarding warrants in SynAct Pharma, please contact Sedermera Fondkommission. Sedermera Fondkommission is the financial advisor and issuing agent for SynAct Pharma in connection with the issue.

**Phone:** +46 40-615 14 10, **E-mail:** [issuingervices@sedermera.se](mailto:issuingervices@sedermera.se)