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Press release  
5 February 2021, 08:00

## **SynAct carries out a directed share issue and raises proceeds of SEK 80 million**

**SynAct Pharma AB (publ) ("SynAct" or "the Company") has, in accordance with the announcement made in a press release yesterday, successfully completed a directed share issue of 1,600,000 shares at a price of SEK 50 per share (the "Directed Share Issue"). Due to the Directed Share Issue being multiple times over-subscribed by a large number of professional investors, the gross proceeds in the Directed Share Issue were increased from the SEK 55 million indicated in the Company's press release yesterday. Through the Directed Share Issue, the Company will receive gross proceeds of SEK 80 million. The subscription price in the Directed Share Issue has been determined through an accelerated book building procedure performed by ABG Sundal Collier AB. The Directed Share Issue was multiple times over-subscribed and was directed to a number of new professional investors.**

The Directed Share Issue of 1,600,000 shares was carried out with deviation from the existing shareholders' preferential right after a resolution by the board of directors based on the authorisation granted by the annual general meeting held on 13 May 2020.

The subscription price in the Directed Share Issue was determined through an accelerated book building procedure lead by ABG Sundal Collier AB. The subscription price corresponds to a discount of 5.5 percent versus the latest 30-day volume weighted average share price until 4 February 2021. Through the Directed Share Issue, the Company will receive gross proceeds of SEK 80 million.

The board of directors' assessment, based on the accelerated book building procedure executed by the Manager, is that the Directed Share Issue was carried out on market conditions. The reason for the deviation from the shareholders' preferential rights is to in a time and cost-effective manner raise capital at favorable conditions for the Company's continued expansion, as well as to diversify the shareholder base with Swedish and international institutional investors. SynAct intends to use the proceeds from the Directed Share Issue to reach the already announced milestones for its phase IIa studies in Rheumatoid Arthritis (RA), Nephrotic Syndrome and Covid-19 (ARDS), and be able to prepare for and complete a phase IIb study in RA.

Through the Directed Share Issue, the number of shares and votes in the Company will increase by 1,600,000 from 24,406,295 to 26,006,295 and the share capital will increase by SEK 200,000 from SEK 3,050,786.875 to SEK 3,250,786.875. The Directed Share Issue entails a dilution of approximately 6 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.

In connection with the Directed Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 90 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 180 calendar days after closing of the Directed Share Issue, with customary exceptions. During the lock-up period, the Company's management and board may also sell shares to cover individual tax liabilities.

### **Advisors**

ABG Sundal Collier AB acted as Sole Global Coordinator and Bookrunner in connection with the Directed Share Issue. Setterwalls Advokatbyrå AB acts as legal counsel to SynAct. Baker McKenzie Advokatbyrå KB acts as legal counsel to ABG Sundal Collier AB.

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SynAct Pharma AB 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. SynAct Pharma is listed on the Spotlight Stock Market (ticker: SYNACT). For more information, please visit <https://synactpharma.com>.

This information is such information as SynAct Pharma AB (publ) is obliged to disclose under the EU Market Abuse Regulation 596/2014. The information was provided by the contact persons above for publication 5 February 2021, 08:00 CET.

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This announcement 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 to acquire or subscribe for shares in connection with the Directed Share Issue must 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 ABG Sundal Collier AB (the "**Manager**"). The Manager is acting for the Company in connection with the transaction and no one else and 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.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business

and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

#### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, 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 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. Although 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 as 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 and 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 that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake 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 it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU 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 "**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 is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible 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 (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.