

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (THE "UNITED STATES"), AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SINGAPORE, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES. PLEASE REFER TO IMPORTANT INFORMATION AT THE END OF THE PRESS RELEASE.

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.

### **For additional information, please contact:**

Jeppe Øvlesen, VD, +45 28 44 75 67, [joo@synactpharma.com](mailto:joo@synactpharma.com)

Thomas Jonassen, CSO, +45 40 15 66 69, [tj@synactpharma.com](mailto:tj@synactpharma.com)

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.

### Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions by law. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer to sell or an offer, or the solicitation of an offer, to acquire or subscribe for shares issued by the Company in any jurisdiction where such offer or invitation would be illegal prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. This press release is not a prospectus for the purposes of the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Synact has not authorized any offer to the public of shares or rights in any Member State of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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.

The information in this press release may not be forwarded or distributed to any other person and may not be reproduced at all. Any forwarding, distribution, reproduction or disclosure of this information in its entirety or in any part is prohibited. Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.

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.