Invitation to subscribe for shares in SynAct Pharma AB

Please note that the subscription rights are expected to have an economic value.

In order not to lose the value of the subscription rights, the holder must either:

- Exercise the received subscription rights and subscribe for new shares no later than 22 April 2022, or according to instructions from the respective nominee, or
- By 19 April 2022 at the latest, sell the received subscription rights that have not been exercised.

Note that shareholders with nominee-registered holdings subscribe for new shares through each nominee. The distribution of this EU Growth prospectus and the subscription of new shares are subject to restrictions in certain jurisdictions, see section "*Important information*".

The prospectus was approved by the Swedish Financial Supervisory Authority on 1 April 2022. The Prospectus is valid for up to twelve months from the date of approval provided that SynAct Pharma AB fulfills its obligation according to regulation (EU) 2017/1129 The Prospectus Regulation, if applicable, to provide supplements to the prospectus in the event of new significant factors, material factual errors or other material inaccuracies that might affect the assessment of the company's securities. The obligation to prepare a supplement to the prospectus applies from the time of approval of the prospectus up to the end of the subscription period. The company has no obligation to provide supplements to the prospectus after the end of the subscription period.

IMPORTANT INFORMATION

Certain definitions
"**SynAct**", the **"Company**" or the **"Group**" refers to, in this EU Growth prospectus (the "**Prospectus**"), depending on the context, SynAct Pharma AB, corporate identity number 559058-4826, the group in which SynAct Pharma AB is the parent company or a subsidiary in the group. The "**Rights Issue**" or the "**Offering**" refers to the offering to subscribe for new shares according to the terms and conditions of this Prospectus. The "**Over-allotment Issue**" refers to the board of directors' mandate to resolve on a directed issue of up to 395,000 shares in order to meet any oversubscription in the Rights Issue and to provide the Company with additional financing. "**ABGSC**" refers to ABG Sundal Collier AB and "**Kempen & Co**" refers to Van Lanschot Kempen N.V. (together the "**Joint Global Coordinators**"). "**Euroclear**" refers to Euroclear Sweden AB, corporate identity number 556112-8074. Reference to "**SEK**" refers to Swedish kronor, reference to "**EUR**" refers to euros and reference to "**USD**" refers to US dollars. "**K**" means thousand and "**M**" means millions.

Preparation and registration of the Prospectus
The Prospectus has been prepared in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") and Commission Delegated Regulation (EU) 2019/980. The prospectus is an EU Growth prospectus and has been approved and registered by the Swedish Financial Supervisory Authority (*Sw*. Finansinspektionen) in accordance with Article 15 of the Prospectus Regulation. The Swedish Financial Supervisory Authority has approved this Prospectus in the sense that it complies with the requirement of completion, comprehensibility and consistency stated in the Prospectus Regulation and the approval of the Prospectus should not be considered as support for the issuer stated in this Prospectus. The Swedish Financial Supervisory Authority's approval and registration of the Prospectus does not mean that the Swedish Financial Supervisory Authority guarantees that the factual information in the Prospectus is complete or correct. The Prospectus has after approval been passported to Denmark. The Prospectus has been prepared in both a Swedish and English version. In case of any discrepancies between the two versions, the Swedish version shall prevail.

Important information to investors
The Prospectus and the Offering are governed by Swedish law. Disputes arising from the Prospectus, the Rights Issue and any related legal matters shall be settled exclusively by the Swedish courts. The Offering is not made, directly or indirectly, to persons whose participation would require additional prospectuses or registration or other measures than those imposed by Swedish law. The Prospectus will not be distributed and may not be posted or otherwise distributed or sent to or in any country where this would require that any such measures are taken or where this could be in conflict with the applicable regulation of each such jurisdiction. The subscription rights, paid-up subscribed shares ("**BTA**") or the new shares included in the Offering according to this Prospectus has not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") as amended, or any equivalent law of any state in the United States. The Offering does not include persons resident or with a registered address in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea or any other country where the Offering or distribution of the Prospectus is in conflict with applicable laws or regulations or requires additional prospectuses, registrations or any other measures than those imposed by Swedish law. Consequently, subscription rights, BTA or new shares may not, directly or indirectly, be offered, resold or delivered in or into countries where actions set out above are required or to persons domiciled according to the above.

An investment in securities is associated with certain risks and investors are encouraged to read the section "*Risk factors*". When investors make an investment decision, they must rely on their own assessment of the Company and the Offering, including the present facts and risks. Before making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in this Prospectus and any additions to this Prospectus. No person is authorized to provide any other information or make any statements other than those contained in this Prospectus. Should this nevertheless occur, such information or such statements shall not be deemed to have been approved by the Company or by the Joint Global Coordinators, and the Company and the Joint Global Coordinators are not responsible for such information or such statements.

Information for investors in the United States
No subscription rights, BTA or shares issued by SynAct have been registered or will be registered under the Securities Act or securities laws in any state or jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or transferred, directly or indirectly, in or into the United States, except in accordance with any applicable exception to, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. The securities are offered outside the United States in reliance of Regulation S under the Securities Act. No offer will be made to the public in the United States.

Market information and certain forward-looking statements
This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which the Group operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus, SynAct has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately and, as far as the Company's board of directors is aware and can ascertain from information that has been published by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company's business is conducted are not based on published statistics or information from independent third parties, but rather reflect the Company´s best estimates based on information obtained from industry and business organizations and other contacts. Although SynAct is of the view that its internal analyses are reliable, these have not been verified by any independent source. Information in the Prospectus relating to future conditions, such as statements and assumptions regarding the Company's future development and market conditions, is based on current conditions at the time of publication of the Prospectus. Forward-looking information is always associated with uncertainty since it refers to and is dependent on circumstances beyond the Company's control. Assurance that any of the assessments made in the Prospectus regarding future conditions will be realized is therefore not made, either explicitly or implicitly. The Company also does not undertake to publish updates or revisions of statements regarding future conditions as a result of new information that appear after the time of publication of the Prospectus, in addition to what follows from the Prospectus Regulation.

Spotlight Stock Market
SynAct's shares are admitted to trading on Spotlight Stock Market. Spotlight Stock Market is a business line within ATS Finans AB, an investment firm under the supervision of the Swedish Financial Supervisory Authority. Spotlight Stock Market conducts a so-called MTF platform. A large number of the rules that apply to companies listed on a regulated market do not apply to shares of companies listed on trading platforms. Companies listed on Spotlight Stock Market has committed to comply with Spotlight Stock Market's listing agreement which, among other things, aims to secure that shareholders and other actors on the market receives correct, immediate and simultaneous information regarding all circumstances that may affect the companies' share price. Trading on Spotlight Stock Market takes place on an electronic trading platform available to banks and issuing agents connected to Nordic Growth Market. This means that those that want to buy or sell shares listed on Spotlight Stock Market use their normal bank or issuing agent.

The subscription rights may have an economic value
In order not to lose the value of the subscription rights, the holder must either exercise the received subscription rights and subscribe for shares no later than 22 April 2022, or no later than 19 April 2022 sell the received subscription rights that are not intended to be used for subscription of shares. Please note that it is also possible to register for subscription of shares without subscription rights and that shareholders with nominee-registered holdings with a depository at a bank or other nominee must contact their bank or nominee for instructions on how to subscribe and pay.

Presentation of financial information
Certain financial and other information presented in the Prospectus has been rounded off to make the information easily accessible to the reader. Consequently, the figures in some columns do not correspond exactly to the stated total. This is the case when amounts are stated in thousands, millions or billions and appear, among other things, in the annual reports and interim reports that have been incorporated by reference in the Prospectus. Except when expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

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DOCUMENTS INCORPORATED BY REFERENCE

Investors should take notice of the information incorporated in the Prospectus by reference, and information to which reference is made should be read as a part of the Prospectus. Pages listed below in the following documents are incorporated in the Prospectus by reference. The parts of the documents that are not incorporated in the Prospectus by reference are either not relevant to investors or the corresponding information is reproduced elsewhere in the Prospectus. Copies of the Prospectus and documents incorporated by reference can be obtained from SynAct electronically at the Company's website, www.synactpharma.com, or be obtained from the Company in paper format at SynAct's office with address: SynAct Pharma AB, c/o Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden.

Note that information on SynAct's or any third party's websites is not part of the Prospectus unless this information has been incorporated in the Prospectus by reference. Information on SynAct's or any third party's websites has not been reviewed or approved by the Swedish Financial Supervisory Authority.

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SUMMARY

INTRODUCTIONS AND WARNINGS

The securities

The Offering refers to shares in SynAct Pharma AB with ISIN code SE0008241491. The share's short name (ticker) is SYNACT.

Identity and contact details of the issuer

Registered company: SynAct Pharma AB
Corporate identity number: 559058-4826
LEI code: 549300RRYIEFEQ72N546
Address: c/o Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden
Telephone number: +45 28 44 75 67
Website: www.synactpharma.com

Competent authority

The Swedish Financial Supervisory Authority
Box 7821, SE-103 97 Stockholm
+46 (0)8 408 980 00
www.fi.se

Date of approval of the Prospectus

1 April 2022

Warnings

This summary should be read as an introduction to the EU Growth prospectus and any decision to invest in the securities should be based on a consideration of the EU Growth prospectus as a whole by the investor. Investors could lose all or part of the invested capital.

Where a claim relating to the information contained in the EU Growth prospectus is brought before a court, the plaintiff investor may, under the nation law of the member states, have to bear the costs of translating the EU Growth prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth prospectus, or where it does not provide, when read together with the other parts of the EU Growth prospectus, key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ON THE ISSUER

Information on the issuer

The issuer's domicile, legal form and legislation

SynAct is a Swedish public limited company and has its registered office in the municipality of Lund, Sweden. Its operations are conducted in accordance with the Swedish Companies Act (*Sw.* aktiebolagslagen (2005:551)). The CEO of the Company is Jeppe Øvlesen.

The issuer's principal activities

SynAct is a Swedish public clinical stage pharmaceutical company focused on resolving inflammation with melanocortin biology. Selective activation of the melanocortin system can help the immune system resolve excessive inflammation in parallel with the stimulation of self-healing processes, a concept known as resolution therapy. SynAct's therapeutics are designed to selectively provide anti-inflammatory and pro-resolution effects without suppressing the immune system, so that patients can achieve immune balance.

The issuer's major shareholders

The table below shows the Company's shareholders with holdings of at least the equivalent of five per cent of the total number of shares and votes in SynAct as of 31 December 2021, and subsequent known changes up until the date of the Prospectus. There is no direct or indirect ownership that leads to control of the Company.

Name	Number of shares and votes	Percentage of share capital and votes (%)
BioInvest ApS[1)]	3,752,914	14.43
Försäkringsaktiebolaget Avanza Pension	1,661,842	6.39
Nordnet Pensionsförsäkring AB	1,488,620	5.72
Shareholders with holdings of at least five per cent	**6,903,376**	**26.54**
Other shareholders	19,102,919	73.46

Total	**26,006,295**	**100.00**

[1)] BioInvest ApS is controlled by the Company's CEO Jeppe Øvlesen and the board member and Chief Scientific Officer Thomas Jonassen.

Key financial information regarding the issuer

The Group's income statement

	1 January – 31 December		
	Unaudited	Audited	Unaudited*
KSEK	**2021**	**2020**	**2019**
Net revenue	-	-	-
Operating income	-76,699	-31,285	-25,335
Profit for the period	-69,304	-26,551	24,491
Earnings per share (SEK)	-2.68	-1.23	-1.63

The Group's statement of financial position

	1 January – 31 December		
	Unaudited	Audited	Unaudited*
KSEK	**2021**	**2020**	**2019**
Total assets	38,369	21,593	25,913
Total equity	20,869	15,868	12,188

The Group's cash flow statement

	1 January – 31 December		
	Unaudited	Audited	Unaudited*
KSEK	**2021**	**2020**	**2019**
Cash flow from operating activities	-64,997	-33,239	-16,627
Cash flow from investing activities	-6	-93	-
Cash flow from financing activities	74,323	44,722	13,000

The Group's performance measures

	1 January – 31 December		
KSEK	**2021**	**2020**	**2019**
Equity/Asset ratio (%)**	54%	73%	47%
R&D/Operating Expenses (%)**	79%	73%	60%

* In connection with the preparation of the Company's year-end report for the financial year ending 31 December 2020, the Company changed accounting principles from BFNAR 2012:1 (K3) to IFRS. Historical financial information presented regarding the financial year ending 31 December 2019 refers to unaudited comparative figures gathered from the Company's annual report for the financial year ending 31 December 2020, which are included as comparative figures in the annual report for this year, in order to enable comparison.

** Alternative performance measures, not defined under IFRS and not audited or reviewed by the Company's auditor.

Remark from the Company's auditor

In the auditor's report in the annual report for the financial year 2019, the Company's auditor left the following comment under the headline "Information of specific importance": "*The below information does not affect our statements above. As described on page 19 in the annual report under section Prospects and capital needs for 2020, the company estimates that subscription of options series TO2 will be an attractive investment opportunity which is why these are believed to be subscribed for. At full subscription, this entails a cash consideration of MSEK 32.8 before transaction costs. This financing, which is not yet secured, is together with the current working capital, according to the board of directors' assessment, sufficient to fund the operations up until the planned reporting of the RA and NS study in 2021. If TO2 is not fully subscribed, the company will evaluate alternative financing options, and if necessary prioritize the operations according to available financing.*"

Key risks that are specific to the issuer

- Before a drug candidate can be launched on the market, the Company or its partners must conduct pre-clinical and clinical studies to document and demonstrate that the drug candidate has a significant treatment effect and an acceptable safety profile. The clinical processes are usually extensive, costly and time consuming, and the outcome is inherently uncertain. There is a risk that the Company's studies will not indicate sufficient safety and/or effect for the Company's drug candidates to be launched on the market, which may lead to revenues being delayed or prevented.
- The Company is dependent on the recruitment of new patients who are willing to participate in its clinical studies. If the recruitment of patients to the Company's clinical studies cannot take place to

the extent required or if patient recruitment becomes more time consuming than the Company has planned, the Company may have to temporarily pause its patient recruitment, which may lead to delays in the Company's clinical studies.

- The Company is largely dependent on future commercialization to generate revenue. There is a risk that the Company lacks the necessary expertise, personnel and resources to successfully commercialize its products on its own or together with partners. There is also a risk that future commercialization of the Company's drug candidates will be more costly than the Company expected. Even in the event that the Company obtains relevant regulatory approvals regarding its drug candidates, there is a risk that the sales will not meet the Company's expectations.
- There is a risk that the Company is subject to a cyberattack, which could result in the theft or destruction of intellectual property, data, or other misappropriation of assets, or otherwise compromise the Company's confidential or proprietary information and disrupt its operations. Faults, interruptions or breaches in the Company's IT security, including possible errors in back-up systems or faults in handling the security of the Company's confidential information, could also harm the Company's reputation, business relationships and trust, which may result in loss of business partners, increased scrutiny by supervisory authorities and a greater risk of legal action and financial liability.
- The pharmaceutical industry is characterized by high and global competition, rapid technological advances and extensive investment needs. The Company's competitiveness depends on different factors, such as the Company's ability to implement its strategies in a profitable manner, hire and retain competent professional staff and develop and enter into collaborations. If the Company fails to adapt to technological development or regulatory expectations, there is a risk that a future commercialization of the Company's products will be less successful or will not take place at all.
- Macroeconomic effects can negatively affect the Company's earnings capacity, growth opportunities and operating profit. The general demand for medicines is affected by various macroeconomic factors and trends, such as inflation, deflation, recession, trade barriers and currency fluctuations. An economic downturn can also affect healthcare payers, such as patients, hospitals, authorities and insurance companies, and for this reason result in a reduced willingness to pay for medicines. In addition, uncertain market conditions, for example as a result of the spread and consequences of Covid-19, may have a negative impact on the Company's opportunities to enter into collaborations with third parties or suppliers.
- There is a risk that current, or future, suppliers, manufacturers or partners choose to terminate their partnerships with the Company before the Company has received full benefit of the partnership, do not fulfill their obligations, or cannot continue the collaboration on terms favorable to the Company. There is also a risk that the Company will not succeed in entering into collaborations at all or will not succeed in entering into collaborations on terms favorable to the Company when needed, which could have a negative impact on the Company's operations in the form of delayed commercialization, additional costs for the Company and possibly lead to limited or lost revenue.
- Obtaining relevant marketing approvals and registrations in order to carry out clinical studies and market and/or sell drugs is costly and time consuming and inherently uncertain as to its outcome, which may delay, prevent, or make the development of the Company's drug candidates more costly. In the event the Company fails to obtain the necessary permits and registrations from authorities, the Company may be adversely affected by clinical studies being delayed or, in the worst case, not initiated. Furthermore, current rules and interpretations of these may change, which may affect the Company's possibilities to meet regulatory requirements in the future.
- The Company is dependent on its ability to protect its drug candidates and innovations through intellectual property rights and other types of protection such as data exclusivity. Patents and other intellectual property rights have a limited life, and there is a risk that granted patents will not provide sufficient commercial protection. There is also a risk that the Company may infringe, or allegedly infringes, a patent held by a third party. Furthermore, there is a risk that any of the Company's current or former employees, consultants or partners makes a claim of inventorship of inventions made by that person who regards it as its own.
- There is a risk that the Company will be sued by patients who suffer from potential side effects, both by patients that participate in the Company's clinical studies and by other persons who may use the Company's products in the future, in which case the Company may be liable for damages. Any claims

made against the Company may also have a negative impact on the Company's reputation and business relations, and the Company's insurance coverage may be insufficient to cover any costs associated with side effects or other product liability claims.

- There is a risk that the Company will not be able to raise capital when needed, or that capital cannot be raised on conditions favorable to the Company, which may affect is operations and financial position adversely. If SynAct cannot obtain sufficient financing, the Company may be forced to stop its planned development projects, carry out restructuring of all or parts of the business, or be forced to run the business at a slower pace than planned, which may lead to delayed or prevented commercialization of the Company's drug candidates as well as delayed or prevented license and sales revenues.

KEY INFORMATION ON THE SECURITIES

Main features of the securities

The Offering refers to subscription of new shares in SynAct Pharma AB, with ISIN code SE0008241491. The share's short name (ticker) is SYNACT. The shares are denominated in Swedish kronor (SEK). As of the date of publication of the Prospectus, the Company's share capital amounts to SEK 3,250,786.875 divided into 26,006,295 shares, implying a quota value per share of SEK 0.125. All shares are fully paid up. Through the Offering, a maximum of 2,364,208 new share may be issued.

Rights attached to the securities

Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at the general meeting. All shares in the Company give an equal right to dividends, share in the Company's profit and in the Company's assets as well as any surplus in the event of liquidation. Those registered as holders of shares in the share register kept by Euroclear on the dividend record day as determined by the general meeting are entitled to receive dividend. The Company's shares have been issued in accordance with Swedish law and the rights associated with the Company's shares may only be amended through a change of the articles of association in accordance with the rules set out in Swedish Companies Act. The Company has one share class and all shares have the same priority in the event of insolvency. There are no restrictions on the right to freely transfer shares in the Company.

The Company has so far not paid any dividend and there are no guarantees that any dividend will be proposed or resolved upon in the Company for any specific year. The Company does not plan to pay any dividend in the near future. Any proposal on future dividends will be decided upon by the board of directors in SynAct and thereafter be submitted for resolution at the annual general meeting. The Company has not adopted any dividend policy.

Trading place

The Company's shares are traded on Spotlight Stock Market. The new shares issued in the Rights Issue will also be admitted to trading on Spotlight Stock Market.

Guarantees covering the securitites

The Securities are not covered by any guarantee.

Key risks that are specific to the securities

- The volatility risk is particularly high in companies that, like SynAct, have not launched any drugs on the market, which means that the share price is largely based on expectations of the Company's future performances. The share price may be affected by supply and demand, variations in actual or expected results, inability to meet analysts' earnings expectations, changes in general economic or regulatory conditions and other factors, which could have an adverse effect on the market price of the shares and the opportunity for investors to recover the invested capital.
- To enable continued development of the Company's drug candidates, the Company needs further financing. If additional financing is arranged through share capital, additional issues of new shares or other securities in the Company will, for existing shareholders, unless they participate in such new issues, lead to a dilution of their shareholding in the Company. Depending on the conditions of any further new issues, such issues may have a negative impact on the market price of the Company's shares.
- In connection with the Rights Issue, the Company has received subscription undertakings from existing shareholders and has entered into guarantee commitments with a number of external investors. These subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledges, or similar arrangement. Thus, if all or part of these commitments are not fulfilled, there may be a risk that the Offering is not subscribed for as

planned, which could lead to the Company being provided with less capital than calculated to finance its business.

- In connection with the Offering, all board members and senior executives holding shares in the Company have undertaken (with certain customary exceptions) not to sell or otherwise transfer their shares in the Company during a certain period of time after the date of the publication of the outcome of the Offering. Once the respective lock-up period has expired, the shareholders covered by the lock-up period are free to sell their shares. Significant sales of shares carried out by major shareholders, as well as a general market expectation that sales may be carried out, may lead to a decrease of the price of the Company's shares.

KEY INFORMATION ON THE RIGHTS ISSUE

Conditions and time plan for investing in the securities

General terms

Those who on the record date on 4 April 2022 are registered as shareholders in the share register kept by Euroclear on behalf of the Company have the preferential right to subscribe for new shares in relation to the number of shares held on the record date.

For each existing share held on the record date, one (1) subscription right is received. The subscription rights entitle the holder to subscribe for new shares with preferential rights, whereby eleven (11) subscription rights give the right to subscribe for one (1) new share. The subscription price is SEK 63 per share. Brokerage commission will not be charged.

Expected timetable

The record date at Euroclear for determining which shareholders are entitled to receive subscription rights is 4 April 2022. The last day for trading in the Company's shares, including the right to receive subscription rights, is 31 March 2022. Subscription of new shares with subscription rights shall take place through simultaneous cash payment during the period from and including 6 April 2022 up to and including 22 April 2022.

Subscription for new shares can also be made without subscription rights. Such subscription shall take place within the same time period that applies to subscription with subscription rights, whereby payment shall be made in accordance with instructions received in connection with notification of allotment.

Trading in subscription rights will take place on Spotlight Stock Market during the period from and including 6 April 2022 up to and including 19 April 2022. In order not to lose the value of the subscription rights, the holder must either use these to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised during the period for trading in subscription rights.

The board of directors reserves the right to extend the subscription period and the time for payment. Any extension will be announced by the Company through a press release no later than the last day of the subscription period.

Trading in paid-up subscribed shares ("**BTA**") will take place on Spotlight Stock Market during the period from and including 6 April 2022 up until the Rights Issue is registered with the Swedish Companies Registration Office, which is expected to take place around week 18, 2022.

Over-allotment Issue

In order to meet any oversubscription in the Rights Issue and the opportunity to provide the Company with additional financing, the board of directors may resolve on a so-called over-allotment issue (the "**Over-allotment Issue**") of a maximum of 395,000 shares. The share price in the Over-allotment Issue shall be SEK 63 per share, corresponding to the share price in the Rights Issue. The reason for the deviation from the shareholders' preferential rights is to meet a higher demand than initially estimated in the event of oversubscription in the Rights Issue.

Dilution as a result of the Offering

Upon full subscription, the Offering increases the number of shares in the Company with 2,364,208 shares from 26,006,295 shares to 28,370,503 shares, which corresponds to a dilution of approximately 8.3 per cent of the total number of shares and votes in the Company after the Rights Issue. Upon full subscription of the Over-allotment Issue, the number of shares in the Company will increase with an additional of 395,000 shares. The dilution from the Over-allotment Issue alone amounts to 1.4 per cent of the number of shares and votes in the Company. The total dilution in the event the Rights Issue is fully subscribed and the Over-allotment Issue is exercised in full amounts to 9.6 per cent of the number of shares and votes in the Company after the Rights Issue and the Over-allotment Issue.

Proceeds and costs regarding the Offering
If the Rights Issue is fully subscribed, SynAct will receive approximately MSEK 150 before issue costs, which are expected to MSEK 24.

Reasons for the Offering and use of proceeds

Reasons and use of proceeds
It is the board of directors' assessment that the existing working capital is not sufficient to fund the Company's plans during the coming twelve-month period from the date of the Prospectus. To enable further development and for the Company to be able to intensify its clinical development program with its primary drug candidate AP1189, the board of directors in SynAct resolved on 28 March 2022, based on the authorization from the annual general meeting held on 21 May 2021, to carry out the Offering.

The net proceeds from the Rights Issue upon full subscription is approximately MSEK 126 and is planned to be used for the following purposes in order of priority:

- Conducting additional phase 2 development with AP1189 in RA, approximately 51 per cent.
- Continued development of AP1189 for kidney disease in a re-designed study set-up, approximately 7 per cent.
- Other research and development activities related to AP1189 and new chemical molecules, approximately 22 per cent.
- General administration costs, approximately 20 per cent.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or, until additional capital can be raised, operating the business at a slower pace than planned. There is no guarantee that the Company will be successful in procuring alternative financing or that budget cuts will have the desired effect. There is a risk that a lack of financing or failed attempts will result in reconstruction or bankruptcy of the Company.

If the Over-allotment Issue is utilized in its entirety, the Company receives additional proceeds of approximately MSEK 25 before transaction costs, which are expected to approximately MSEK 2. The potential net proceeds of approximately MSEK 23 from the Over-allotment Issue are intended to be used for the following purposes in order of priority:

- The Company's CMC process and capabilities, approximately 70 per cent.
- Funding of research and development activities further strengthening the early pipeline, approximately 30 per cent.

Conflicts of interest
The Joint Global Coordinators provide financial advice and other services to the Company in connection with the Rights Issue and the Over-allotment Issue. The Joint Global Coordinators have provided, and may in the future provide, various financial, investment, commercial and other services to the Company, for which they have received, and may come to receive, compensation. The Joint Global Coordinators receive a pre-agreed compensation for services provided in connection with the Rights Issue and the Over-allotment Issue and Setterwalls Advokatbyrå AB receives compensation for services provided on an ongoing basis. Other than that, the Joint Global Coordinators or Setterwalls Advokatbyrå AB have no financial or other interests in the Rights Issue or the Over-allotment Issue.

In connection with the Rights Issue, the Company has received subscription undertakings amounting to approximately MSEK 2, corresponding to approximately 1.3 per cent of the Rights Issue. The Company has also entered into agreements on guarantee commitments with a number of external investors, amounting to approximately MSEK 147, corresponding to approximately 98.7 per cent of the Rights Issue. In total, subscription undertakings and guarantee commitments amount to approximately MSEK 150, corresponding to 100 per cent of the Rights Issue.

In addition to the abovementioned parties' interest in the Offering and the Over-allotment Issue being successful, and with regard to guarantee commitments that the agreed compensation is paid in cash in accordance with the guarantee commitments entered into, there are no financial or other interests or conflicts of interest between the parties who have financial or other interests in the Offering or the Over-allotment Issue according to the above.

RESPONSIBLE PERSONS, THIRD PARTY INFORMATION AND APPROVAL

RESPONSIBLE PERSONS

The board of directors of SynAct is responsible for the content of the Prospectus. According to the board of directors' knowledge, the information provided in the Prospectus corresponds to the facts and no information that could possibly affect its meaning has been omitted. As of the date of the Prospectus, the Company's board of directors consists of the chairman of the board Torbjørn Bjerke and the board members Marina Bozilenko, Uli Hacksell, John Haurum, Thomas Jonassen, Terje Kalland and Kerstin Hasselgren, who are presented in more detail in the section "*Board of directors and senior executives*".

APPROVAL FROM THE COMPETENT AUTHORITY

The Prospectus has been approved by the Swedish Financial Supervisory Authority as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority has approved the Prospectus only insofar it meets the standards of completeness, comprehensibility and consistency set out in Regulation (EU) 2017/1129. The approval of the Prospectus should not be taken as any form of endorsement of the Company referred to in this Prospectus or of the quality of the securities referred to in the Prospectus. Investors should make their own assessment on whether it is appropriate to invest in the securities covered by the Offering. The Prospectus has been prepared as an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

INFORMATION FROM THIRD PARTIES

The Prospectus contains information from third parties. The Company has reproduced third party information correctly and, as far as the Company's board of directors is aware and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information incorrect or misleading.

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BACKGROUND AND REASONS

REASONS FOR THE RIGHTS ISSUE

SynAct is a Swedish public clinical stage pharmaceutical company focused on resolving autoimmune and inflammatory diseases through stimulation of resolution effects of the inflammation. In the fourth quarter 2021, the Company reported statistically significant and clinically relevant treatment effects of the Company's drug candidate AP1189, following four weeks treatment in patients with severe rheumatoid arthritis ("**RA**") in the Company's BEGIN study. The data from the study strongly supports further development of AP1189, a potential first-in-class selective melanocortin type 1 and 3 receptor drug in RA.

In parallel with the clinical development of the BEGIN study, the Company has conducted additional pre-clinical development to support longer treatment in humans than the four weeks treatment applied in the BEGIN study. Moreover, the Company has conducted a combined bioequivalence and pharmacokinetic study of a new tablet formulation to be used for further development and potential commercialization. This study has identified the tablet as having a very beneficial exposure profile that makes is possible to continue development of the AP1189 project in RA using this new and IP-protected tablet formulation.

The Company intends to initiate two additional phase 2 clinical RA studies with AP1189 in 2022.

The Company is also conducting a clinical phase 2a study with AP1189 for Nephrotic Syndrome ("**NS**") and announced in November 2021 that the current phase 2a study would undergo a larger design change to benefit from the Company's newly developed tablet and the possibility of treatment for up to three months. The work to have the study setup in a re-designed setup is ongoing and data from the optimized study is expected to be reported during 2023.

In addition, the Company recently completed a phase 2a study on patients with Covid-19 with the purpose of evaluating if AP1189 could shorten the recovery from breathing difficulties and prevent acute respiratory distress syndrome ("**ARDS**"). Following positive data from this study, the Company has evaluated the possibility to conduct additional clinical development in Covid-19 patients. However, as the Omicron variant of the virus has been dominating, the symptoms of the disease has changed, and it was decided to postpone further clinical development within Covid-19 until further. The Company is currently evaluating potential opportunities for AP1189 for treatment of non-Covid-19 induced respiratory insufficiency. Further development of AP1189 for treatment of virus induced respiratory insufficiency will be based on this ongoing pharmacology program and will be communicated when more data is available.

It is the board of directors' assessment that the existing working capital is not sufficient to fund the Company's plans during the coming twelve-month period from the date of the Prospectus. In order to support the Company's general goals and strategy, including the abovementioned development plans, the board of directors of SynAct resolved on 28 March 2022, based on the authorization from the annual general meeting held on 21 May 2021, to carry out the Rights Issue.

USE OF PROCEEDS

If the Rights Issue is fully subscribed, SynAct will receive approximately MSEK 150 before issue costs, which are expected to MSEK 24. The net proceeds from the Rights Issue upon full subscription is approximately MSEK 126 and is planned to be used for the following purposes in order of priority:

- Conducting additional phase 2 development with AP1189 in RA, approximately 51 per cent.
- Continued development of AP1189 for kidney disease in a re-designed study set-up, approximately 7 per cent.

- Other research and development activities related to AP1189 and new chemical molecules, approximately 22 per cent.
- General administration costs, approximately 20 per cent.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or, until additional capital can be raised, operating the business at a slower pace than planned. There is no guarantee that the Company will be successful in procuring alternative financing or that budget cuts will have the desired effect. There is a risk that a lack of financing or failed attempts will result in reconstruction or bankruptcy of the Company.

OVER-ALLOTMENT ISSUE

In order to meet any oversubscription in the Rights Issue and the opportunity to provide the Company with additional financing, the board of directors may, based on the authorization from the annual general meeting on 21 May 2021, resolve on a directed issue of a maximum of 395,000 additional shares at the same share price as in the Rights Issue (the Over-allotment Issue). The Over-allotment Issue may be exercised, in part or in full, if the Rights Issue is oversubscribed. The reason for the deviation from the shareholders' preferential rights is to meet a higher demand than initially estimated in the event of oversubscription in the Rights Issue. If the Over-allotment Issue is utilized in its entirety, the Company receives additional proceeds of approximately MSEK 25 before transaction costs, which are expected to approximately MSEK 2. The potential net proceeds of approximately MSEK 23 from the Over-allotment Issue are intended to be used for the following purposes in order of priority:

- The Company's CMC process and capabilities, approximately 70 per cent.
- Funding of research and development activities further strengthening the early pipeline, approximately 30 per cent.

ADVISERS

ABGSC and Kempen & Co, together the Joint Global Coordinators, are financial advisers to the Company in connection with the Rights Issue and the Over-allotment Issue. The Joint Global Coordinators thereby provide financial advice and other services to SynAct. Nordic Issuing is the issuer agent in connection with the Rights Issue and the Over-allotment Issue. Setterwalls Advokatbyrå AB is legal adviser to the Company in connection with the Rights Issue and the Over-allotment Issue.

CONFLICTS OF INTEREST

The Joint Global Coordinators provide financial advice and other services to the Company in connection with the Rights Issue and the Over-allotment Issue. The Joint Global Coordinators have provided, and may in the future provide, various financial, investment, commercial and other services to the Company, for which they have received, and may come to receive, compensation.

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undertakings and guarantee commitments amount to approximately MSEK 150, corresponding to 100 per cent of the Rights Issue.

In addition to the abovementioned parties' interest in the Offering and the Over-allotment Issue being successful, and with regard to guarantee commitments that the agreed compensation is paid in cash in accordance with the guarantee commitments entered into, there are no financial or other interests or conflicts of interest between the parties who have financial or other interests in the Offering or the Over-allotment Issue according to the above.

BUSINESS AND MARKET OVERVIEW

GENERAL INFORMATION ABOUT SYNACT

SynAct Pharma AB, corporate identity number 559058-4826, is a Swedish public limited liability company with its registered office in Lund, formed on 23 March 2016 and registered with the Swedish Companies Registration Office on 12 April 2016. The Company's LEI code is 549300RRYIEFEQ72N546. The Company's legal form is regulated by, and the shareholders' rights can only be amended in accordance with, the Swedish Companies Act (*Sw*. aktiebolagslagen (2005:551)). SynAct is the parent company of a group that also comprises the wholly owned subsidiary SynAct Pharma ApS with registered office in Holte, Denmark. The Company's address is c/o Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden. The Company's website is www.synactpharma.com. Please note that the information on the Company's website is not part of the Prospectus unless the information is incorporated in the Prospectus by reference.

BUSINESS DESCRIPTION

SYNACT IN BRIEF

SynAct is a Swedish public clinical stage pharmaceutical company whose shares are listed on Spotlight Stock Market with ticker SYNACT. SynAct focuses on resolving inflammation with melanocortin biology. Melanocortin is a group of peptide hormones derived from the proopiomelanocortin (POMC) of the pituitary gland. Melanocortin works by binding to and activating so-called melanocortin receptors. Selective activation of the melanocortin system can help the immune system resolve excessive or chronic inflammation, so-called resolution therapy. SynAct's therapeutics are designed to selectively provide anti-inflammatory and pro-resolution effects without suppressing the immune system, so that patients can achieve immune balance.

The Company's primary drug candidate, AP1189, selectively stimulates the melanocortin receptors involved in anti-inflammatory and pro-resolution effects without causing immunosuppression, unlike most anti-inflammatory drugs that suppress the body's immune system by inhibiting key immune-signaling molecules. These traditional immunosuppressive approaches can lead to opportunistic infections and other serious side effects. AP1189 is undergoing clinical phase 2 development and is being tested in various indications, of which rheumatoid arthritis ("**RA**") is the primary indication on which the Company reported positive phase 2a data during the fourth quarter 2021. The drug substance is also tested in patients with nephrotic syndrome ("**NS**") and has undergone a phase 2a study in treatment of Covid-19 patients with respiratory stress syndrome. While the Company is investigating the opportunities to enter into partnerships with larger pharmaceutical companies, it is also planning for further clinical development in RA.

The Company's management comprises several experienced employees with detailed knowledge in pharmaceutical development, business development and financing of innovative biotechnology companies. The Company's CEO, Jeppe Øvlesen, is a seasoned executive and biotech entrepreneur with a strong commercial background and a solid deal-making track record. Jeppe Øvlesen has more than 20 years of experience at the executive level and has been involved in a string of successful start-up companies, including Action Pharma, Biostrip, CLC Bio, Cercare, ChemoMetec, Monsenso, PNN Medical, Mindway, and TXP Pharma. The Company's board of directors is comprised of people with deep knowledge of developing early-stage research into public development companies, including extensive expertise in the negotiation of licensing and collaboration agreements as well as experience from management work in pharmaceutical companies from most of the countries within the EU and North America.

TECHNOLOGY

SynAct's technology is based on so-called agonists, which work by selectively stimulating the type 1 and type 3 melanocortin receptors and thereby reduces the inflammatory activity and induces important components of the healing process for recovery to normal tissue function. SynAct's drug candidate AP1189 can be dosed orally once-daily as a so-called first-in-class therapy aimed at the melanocortin system.

Most available treatments used to treat inflammation are immunosuppressive. They suppress the immune system by removing key signaling molecules or by depleting certain immune cells. Both strategies can lead to a heightened risk of serious infections and other significant side effects and safety issues. These therapies are anti-inflammatory, but they do not resolve the underlying uncontrolled inflammation.

VISION

SynAct's business model is to drive projects into clinical development in order to secure proof-of-concept, i.e. support for clinical relevance. The Company's ambition is to conduct several phase 2 studies, and then enter into commercial agreements with one or more major pharmaceutical companies.

OBJECTIVE

SynActs goal is to harness the melanocortin biology to help the body resolve excessive or chronic inflammation. Inflammation is the immune system's way of responding to infections or injuries. Normally an inflammatory response is self-limiting. The immune system will "deactivate" itself and the inflammation will be resolved after the invading pathogen has been removed or the injury has begun to heal. SynAct seeks to stimulate the body's natural resolution mechanisms and resolve excessive inflammation without suppressing the immune system's ability to respond to new infections or injuries.

PIPELINE

The figure below provides an overview of the Company's pipeline.

Asset	Indication	Preclinical	Phase 1	Phase 2a	Phase 2b	Phase 3	Next milestone
AP1189	Rheumatoid Arthritis – First line treatment						Filing CTA - Q2 2022 High level data - Q3 2023
	Rheumatoid Arthritis – DMARD-IR						Pre-IND meeting - Q2 2022 IND filing - H2 2022
	Nephrotic syndrome						Re-designed of ongoing phase 2a
	Virus- induced respiratory insufficiency						Data from pre-clinical program H2 2022
Next generation of compounds	Inflammatory diseases						

SCIENTIFIC ADVISORY BOARD

In order to gain access to further scientific and clinical expertise for the continued development of AP1189, SynAct Parma has established a scientific advisory board. The scientific advisory board represents significant pharmacological and clinical expertise within the field of melanocortin receptors and the pharmacological aspects of inflammation healing, as well as leading clinical expertise in the field of rheumatology, with particular focus on RA.

Mauro Perretti, Professor

Mauro Perretti is Professor of immunopharmacology and Dean of Science (Dean of Research) at Barts and London School of Medicine. Prior to being appointed Scientific Dean, Professor Perretti was the co-director of the William Harvey Research Institute, one of the world's leading pharmacological research institutions focusing on basic and translational pharmacology.

Professor Perretti has published more than 300 scientific articles and has been cited over 17,000 times. Professor Perretti is a Fellow of the British Pharmacological Society and is a pioneer in understanding the role of specialized pro-resolution mediators in inflammatory processes. His laboratory is a leader in understanding the anti-inflammatory effects of the melanocortin system and has identified the melanocortin type 3 receptor as a potential target for novel innovative drug development.

Since 2012, SynAct has had a collaboration agreement with Professor Perretti's laboratory and through this collaboration essential parts of the understanding of the mechanism of action of SynAct's AP1189 molecule have been created.

Mauro Teixeira, Professor

Mauro Teixeira is Professor of Immunology and Head of the Center for Advanced and Innovative Therapies of the Federal University of Minas Gerais (UFMG) in Brazil. UFMG is one of the leading Universities of Latin America with a long-standing tradition of work in Tropical medicine and other infectious diseases.

Professor Teixeira has published more than 680 scientific articles and has been cited over 39,000 times. Professor Teixeira is a member of the Brazilian Academy of Sciences and the World Academy of Sciences (TWAS) and a Fellow of the British Pharmacological Society. He is currently Secretary of the Immunopharmacology committee of the International Union of Basic and Clinical Pharmacology (IUPHAR), Head of the Immunotherapy committee of the International Union of Immunological Societies (IUIS) and Secretary of the International Association of Inflammation Societies (IAIS).

Professor Teixeira has conducted pioneering work in defining the relevance of specialized pro-resolution mediators in models of inflammation within living cells (*in vivo*) and defining the relevance of these molecules in the context of infectious diseases. His laboratory has described several mediators with defined pro-resolving activity, including angiotensin 1-7, plasmin/plasminogen and short-chain fatty acids.

Since 2020, SynAct has had a collaboration agreement with Professor Teixeira's laboratory to investigate the effects of SynAct's AP1189 molecule in the context of Covid-19.

MELANCORTIN AGAINST INFLAMMATORY DISEASES

Inflammatory disease

In inflammatory disease the regulation of the immune response is not functioning properly, resulting in damage to healthy tissue. In general, inflammatory diseases can be divided into two distinct categories. The first category consists of chronic inflammatory diseases, like RA, where the inflammatory response is not resolved and festers. The second category consists of those diseases where the magnitude of the inflammatory response is too strong, leading to a hyper-inflammatory state in the short term, as seen with Covid-19 associated ARDS (acute respiratory stress syndrome). Traditionally, these diseases are treated with drugs that target the onset of and magnitude of the inflammatory response. However, strategies that stimulate pro-

resolving and thereby keep the immune response in check may provide complementary, if not superior, therapy.

Current treatment

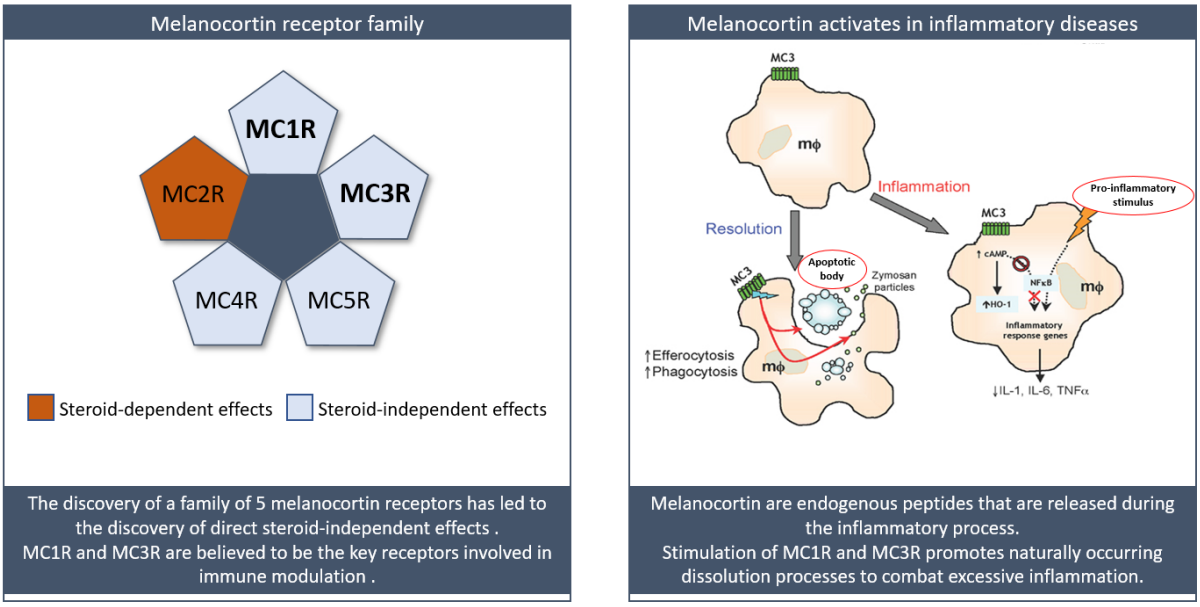
The development of SynAct's drug candidate AP1189 is primarily focused on the large group of patients with inflammatory joint diseases, mainly RA, but with a possibility to initiate additional development projects in other inflammatory joint diseases, such as psoriatic arthritis and ankylosing spondylitis. A number of primary and secondary kidney diseases are also obvious indications with an unmet medical need where melanocortin-derived therapy should be able to be used. Therefore, a parallel development project is carried out in patients with idiopathic membranous neuropathy ("**iMN**"), a relatively rare autoimmune disease, which untreated can lead to nephrotic syndrome (NS). This line of development should later be able to be extended to other kidney diseases, such as systematic lupus. Furthermore, the opportunity to use AP1189 as adjunct therapy for hospitalized patient with virus-induced respiratory insufficiency, with the aim to prevent the disease to develop into ARDS.

Today, inflammatory joint diseases are treated with several different drugs, including everything from inflammatory drugs to expensive antibodies that only eliminate part of the inflammation. Combinations of immunosuppressive treatments are often used that knock out the immune system, which risks causing significant side effects. The most commonly used types of drugs are so-called NSAIDs (Non-Steroidal Anti-Inflammatory Drugs), which counteract the emergence of substances in the body that can induce inflammation and pain, and so-called Disease Modifying Anti Rheumatic Drugs ("**DMARD**"), which inhibit the inflammatory process so that pain, swelling and joint stiffness are relieved or disappear. Furthermore, so-called biological drugs such as TNF-α blockers and immunosuppressive drugs are used. These drugs work by inhibiting the activity of the immune system. Until recently, the prevailing view has been that the healing process itself in case of an inflammation is a passive process and most anti-inflammatory treatments, including biological drugs, target the inflammatory factors that cause the inflammation. Despite treatment with these drugs, acute worsening occurs in the disease, a so-called "flare" or "relapse". These relapses can take a long time to heal and sometimes the damage causes the patient's symptoms to become chronic. SynAct's goal is to develop a drug that both slows down the development of inflammation itself and thus reduces the acute symptoms (pain, swelling and stiffness), but also contributes to faster healing of inflammation. This is a new unique method to influence the inflammatory process, with great therapeutic potential in many different chronic inflammatory diseases.

THE MELANOCORTIN SYSTEM

The melanocortin system is an ancient modulatory system comprising a family of five melanocortin receptors and a set of naturally occurring melanocortin peptides that bind to and activate these receptors. The melanocortin receptors (MC1R-MC5R) are located on many cell types and are spread throughout most body systems. The figure below provides an overview of the melanocortin system and its effects on inflammation.

The melanocortin system and its role in inflammation



MC1R and MC3R are believed to be the key receptors involved in direct effects on the immune system. These receptors are located on immune cells and associated structural and supportive cells. When activated, MC1R and MC3R provide direct anti-inflammatory effects, such as causing immune cells to produce fewer pro-inflammatory molecules, and stimulating pro-resolution effects, such as switching cells to perform inflammation "clean-up" or regulatory functions. Through these dual effects, targeted melanocortin therapies can help the immune system resolve excessive inflammation.

MC2R also exerts anti-inflammatory effects but these effects are indirect. MC2R is predominantly located in the adrenal glands. Their stimulation causes the adrenals to release cortisol, the body's "natural" steroid – a powerful anti-inflammatory and immunosuppressive molecule. Some melanocortin peptides like the adrenocorticotropic hormone ("**ACTH**") are potent MC2R activators and can cause significant safety, side effect and tolerability issues that are common with steroid therapies like prednisone. SynAct's selective melanocortin agonists do not activate MC2R and do not cause cortisol release.

MELANOCORTIN-TARGETED DRUGS HAVE A FAVORABLE SAFETY PROFILE

In the last decade, there have been other melanocortin-selective drugs approved for non-inflammatory indications. Scenesse (afamelanotide) is approved to induce skin pigmentation in patients with erythropoietic protoporphyria to better tolerate exposure to sunlight and acts via MC1R,[1] Vyleesi (bremelanotide) is approved by the American Food and Drug Administration (the "**FDA**") for treating hypoactive sexual desire disorder in premenopausal women and is primarily considered to function through MC3R and MC4R[2] and Imcivree (setmelanotide) is approved for the treatment of monogenic obesities and solely acts via MC4R by regulating hunger in the brain.[3] In these clinical trials, the abovementioned drugs have proved to be safe and tolerable for a prolonged period of time without inducing any immunosuppressive side effects.

[1] Langendonk, J.G., Treatment for erythropoietic protoporphyria, 2015.
[2] Simon, J.A., et al., Long-Term Safety and Efficacy of Bremelanotide for Hypoactive Sexual Desire Disorder, 2019.
[3] Markham, A, Setmelanotide: First Approval, 2021.

AP1189 IS DESIGNED TO TRIGGER STEORID-INDEPENDENT PRO-RESOLVING EFFECTS

SynAct is developing selective melanocortin therapeutics to address inflammatory and autoimmune diseases characterized by excessive or chronic inflammation. SynAct's primary drug candidate, AP1189, is an oral selective melanocortin agonist that has been designed to stimulate MC1R and MC3R, but not MC2R, to help resolve excessive inflammation without steroid side effects and safety issues. AP1189 is a biased agonist that stimulates the MC1R and MC3R through the activation of the pERK signaling pathway rather than the cAMP pathway which is the classical approach. The cAMP pathway is believed to be responsible for certain off-target activity such as skin hyperpigmentation which is avoided with AP1189.

AP1189 FOR THE TREATMENT OF RHEUMATOID ARTHRITIS

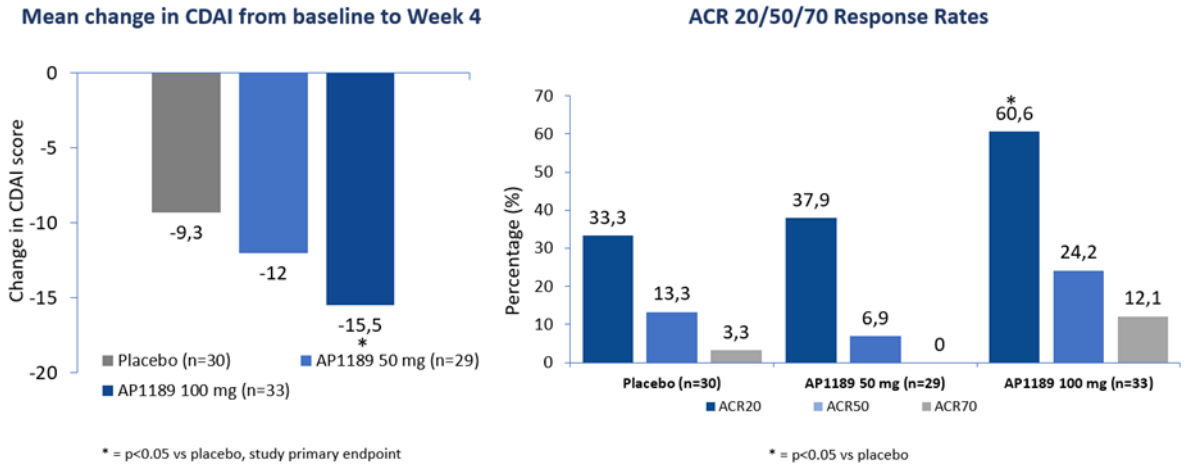
RA is the most common inflammatory arthritis and is estimated to affect up to 1 per cent of the world population. The disease is characterized by autoimmunity against the inner lining of the joint capsules, or the synovium, resulting in progressive bone erosion and degraded cartilage. RA patients are affected by increased stiffness and pain of the joints that in the long-term lower the quality of life and can result in physical disability, with up to 25 per cent of RA patients estimated to undergo joint replacement surgery within 20 years after disease onset.[4]

Stage of development

The lead indication for AP1189 is RA, in which the oral drug differentiates from current therapeutics by i) harnessing the pro-resolving benefits of ACTH, and ii) circumventing unwanted steroid-dependent or immunosuppressive side effects of current treatment options. On 30 November 2021, SynAct announced top-line results from the phase 2a study of AP1189 in newly diagnosed and previously untreated RA patients with severe disease activity. The study, called BEGIN, was a randomized, double-blind, placebo controlled multicenter study in previous treatment naïve RA patients where either 50 mg or 100mg of AP1189 or placebo was administered in addition to methotrexate ("**MTX**"). 100 mg of AP1189 demonstrated a statistically significant mean reduction in the clinical disease activity index[5] ("**CDAI**"), the primary study endpoint, from baseline to four weeks that was more than 65 per cent higher than the effect seen in the placebo-treated control group (mean reduction in CDAI: AP1189 100 mg (n[6]=33): 15.5 points compared with placebo (n=30): 9.3%, p[7] = 0.0394).

The group treated with 100 mg AP1189 also demonstrated a significantly higher fraction of patients achieving ACR20[8] than placebo treated patients (ACR20: AP1189 (n=33) 100 mg: 60.6%; Placebo (n=30): 33.3%, P=0.0437) within the four weeks. The figure below present key data from the Company's BEGIN study.

[4] Smolen, J.S., et al., Rheumatoid arthritis, 2018.
[5] Clinical Disease Activity Index (CDAI) is a composite index (without acute-phase reactant) for assessing disease activity. CDAI is based on the simple summation of the count of swollen/tender joint count of 28 joints along with patient and physician global assessment on VAS (0–10 cm) Scale for estimating disease activity. The CDAI has a range from 0 to 76.
[6] Number of subjects (in group).
[7] Probability value, a measure on statistical significance.
[8] ACR score is a scale to measure change in RA symptoms. Different degrees of improvement are referred to as ACR20, ACR50, ACR70. ACR20 was initially proposed with ACR scoring, measuring a 20 per cent improvement on a scale of 28 intervals.



Evaluation of safety showed that AP1189 given at dose of 100 mg once-daily was safe and well tolerated in the applied patient population.

Continued development

The Company intends to advance the development of AP1189 as a potential treatment of RA and has planned to initiate two additional phase 2 clinical studies with AP1189 in 2022.

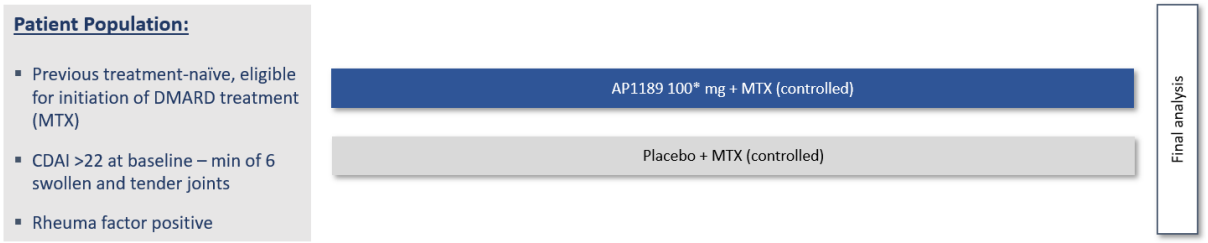
12 weeks study of daily treatment with AP1189 in MTX-naïve patients with severe disease activity

In the completed BEGIN study, AP1189 was provided together with MTX to patients with relatively newly diagnosed and previously untreated disease. The identified effect following four weeks treatment is comparable to what was been reported in clinical studies with the JAK-inhibitors, but with a more attractive safety profile. A next logic step in development of AP1189 in RA is therefore to conduct a 12-week study testing the 100 mg dose compared with placebo to obtain data on full efficacy as a well as on safety following prolonged dosing in the same target population as the BEGIN study.

The Company is therefore in the process of setting up a randomized, double-blind, placebo-controlled phase 2 study in which treatment-naïve RA patients are treated with AP1189 tablets of 100 mg once-daily or placebo, both in combination with standardized MTX treatment for 12 weeks. The working name of the study is EXPAND.

The purpose of the EXPAND study is to identify the maximal treatment effect on disease activity evaluated by the portion of patients qualifying for ACR20, as well as by evaluating the treatment effect on CDAI, DAS-28 and other relevant disease indicating readouts and then in parallel confirm the safety profile of the molecule. The Company plans to conduct the study at clinics in Europe in a cost-efficient approach with the aim to report key data during the third quarter 2023. The study is designed to show statistical significance on the primary readout with the assumption that the response rate in the placebo group reaches 50 per cent (which according to the Company is a reasonable assumption in RA patients if glucocorticoid treatment is not applied) and a response rate of 75 per cent in the AP1189-treated group (under the assumption that 75-80 per cent of the treatment effect was identified in the BEGIN study), resulting in an effect of 80 per cent. The figure below provides an overview of the design of the phase 2 study, subject to review and input from regulatory authorities.

AP1189 - EXPAND – Phase 2 study in treatment-naïve RA patients



Key Proposed Study Parameters	
Dosing and Duration	▪ 12 weeks of once-daily dosing of solid tablet AP1189 or placebo plus MTX.
Study Size and Sites	▪ 60 patients per group. Total of 120 subjects across European clinics.
Primary Endpoints	▪ ACR20 response rate at 12 weeks as compared to placebo.
Secondary Endpoints	▪ CDAI score, DAS28 score, FACIT-Fatigue, HAQ/RAQol.

*) Free base – corresponds to 125 mg acetate salt used in the BEGIN study.

Adaptive design phase 2 study on DMARD-IR patients

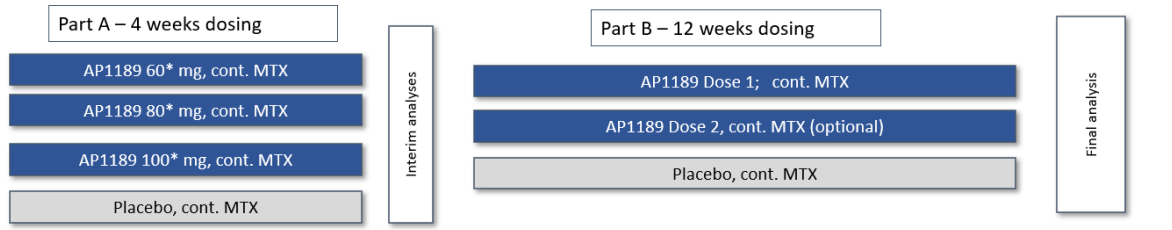
MTX belongs to a group of medicines called DMARD. A large part of patients treated with DMARD never achieve the desired effect, have a diminishing treatment effect or suffer from side effects that prevent further treatment. These patients who receive an inadequate response to DMARD are referred to as DMARD-IR (Inadequate Responder).

The Company believes that AP1189 has good opportunities to become a potential new drug for treatment of patients who do not achieve the desired effect after initial treatment with DMARD. It is a market segment with high commercial attractiveness and SynAct considers further clinical development in DMARD-IR to be both relevant and necessary.

The intention is to develop AP1189 in DMARD-IR patients under an IND (Investigational New Drug) application following scientific and regulatory interaction with FDA on a pre-IND meeting planned for the second quarter 2022. Consequently, the final design of the development program is therefore pending. However, a development program in phase 2 with an adaptive study protocol consisting of a part A testing 3 doses of AP1189 compared with placebo in a 4-6 weeks dose regiment following by a part B where one or two doses should be tested in a larger study population with 12 weeks dosing would, with reference to AP1189's profile, be very attractive. The Company therefore plans, as part of the overall development program for AP1189 in RA, to initiate the dose range part of the study following filing of an IND application during the third quarter 2022. This will make it possible to run the DMARD-IR study in parallel with the study in treatment naïve patients with the possibility to report key data from the dose range study during the third quarter 2023.

The figure below provides an overview of the design for the study to be proposed to the FDA, and the final design is thus subject to review and input from regulatory authorities. Importantly, part A of the study will be designed to find eligible dose(s) to be brought into part B of the study, but will not be dimensioned to show statistically significant treatment effects on individual doses of AP1189 compared with placebo.

AP1189- Proposed adaptive Phase 2 trial design in DMARD-IR patients



Patient Population:

- >3 months MTX treatment with moderate to severe disease activity
- Documented incomplete response , loss of response or intolerance to MTX
- Min of 6 swollen and 6 tender joints , increased CRP

Key Proposed Study Parameters	
Dosing	▪ Once-daily dosing of solid tablet AP1189 or placebo
Study Size and Sites	▪ Part A: 30 pts per group ▪ Part B: 75 patients per group
Primary Endpoints	▪ ACR20 response rate at 4 Weeks (part A) and 12 weeks as compared to placebo
Secondary Endpoints	▪ CDAI score; DAS28 score; FACIT-Fatigue; HAQ/RAQol

*) Free base – correspond to 75, 100 and 125 mg acetate salt used in the BEGIN study

While this is an important activity for the further development of AP1189 in RA, it represents a significant investment for the Company. Therefore, SynAct currently plans for conducting part A of the intended DMARD-IR study by using the net proceeds described in this Prospectus, leaving alternative options for financing of the second part of the study open, pending positive key data from the first part, including potential partnerships.

AP1189 FOR THE TREATMENT OF NEPHROTIC SYNDROME

Untreated proteinuria, caused by inflammation of the renal capillary network (glomerulus), may develop into nephrotic syndrome (NS). An example of a primary kidney disease that can lead to NS if untreated is idiopathic membranous nephropathy (iMN). iMN is an autoimmune disease in which autoantibodies damage podocytes that wrap around the capillaries in the glomerulus, resulting in progressive dysfunction of the kidneys. Membrane nephrotic damage leads to kidney damage. iMN is an autoimmune disease in which the membranes of the glomerulus are attacked by generated autoantibodies, resulting in progressive deterioration of renal function. The disorder is primarily diagnosed in middle-aged individuals and iMN has an estimated incidence of 12 per million adults in the United States.[9] Approximately 80 per cent of patients with iMN develop NS, leading to high blood pressure, elevated albumin levels in the urine, significant swelling of the joints and an increased risk of developing life-threatening complications such as thrombotic disease, infections and acute renal failure. There are currently no treatment options that are specifically approved for iMN.

Stage of development

Given the role of MCRs for maintaining podocyte integrity in NS and the beneficial effects demonstrated by other MC1R agonists, SynAct is developing its drug candidate AP1189 as a first-line agent along with supportive therapies to increase the number of responding patients and prevent patients from requiring immunosuppressant treatment. In pre-clinical environment, AP1189 has been able to reduce proteinuria compared to placebo treatment and in another trial the effect of AP1189 was better than ACTH treatment.

On 11 November 2021, SynAct announced its intention to redesign the phase 2 development program with the drug candidate AP1189 in NS. The aim of this is to take advantage of longer treatment periods now possible following new pre-clinical documentation published on 5 November 2021. In addition, the redesigned study will take advantage of the Company´s newly developed tablet, which was published on 15 October 2021. The major

[9] McGrogan, A., et al., The incidence of primary glomerulonephritis worldwide: a systematic review of the literature, 2011.

aim of the redesign will be to increase dosing from four weeks of the initial trial design (presented in the figure below) to three months and change from dosing with the AP1189 suspension and instead dose with tablets. The benefit of this redesign is that it increases the likelihood to show significant treatment effect on urinary protein excretion, the main efficacy read-out in the study, and increase patient compliance as a once-daily dosing with a tablet is much more convenient than daily intake of an oral suspension.

SynAct's phase 2 study in NS is conducted in patients with iMN and is ongoing at several sites in Denmark, Norway and Sweden. In the current study, an exploratory, randomized, double-blind, multicenter, placebo-controlled study is conducted, where AP1189 is compared with placebo which is given once-daily as add-on to ACE-inhibitor treatment in patients with NS due to iMN. As for most other clinical studies, recruitment has suffered from the effects associated with the Covid-19 pandemic. Consequently, recruitment to the current study is therefore not completed. The re-design of the study will be completed during 2023.

AP1189 AND VIRUS-INDUCED RESPIRATORY INSUFFICIENCY

Virus-infected patients can develop a variety of symptoms, but lung involvement is very common and in some virus diseases, such as Covid-19, it is the main cause of death. The patients may develop respiratory insufficiency when they are unable to provide enough oxygen to the body. These patients often require oxygen supplementation in order to maintain adequate levels. As respiratory insufficiency continues, it can cause severe pneumonia. It can also develop into ARDS, a very serious condition where patients often require mechanical ventilation to breathe adequately.

It has been shown that infections caused by the Covid-19 virus can cause significant respiratory issues. In order to prevent the inflammation-associated damage that a Covid-19 infection can cause, it is important to resolve the excessive inflammation without suppressing the immune system's ability to fight the viral infection. The goal of the therapy would be to stop the excessive inflammation and prevent severe disease which can quickly consume available hospital resources.

Stage of development

Working on its RESOVIR collaboration, SynAct has designed and executed a 60-patient phase 2a clinical trial in Brazil. Patients who were enrolled in the study experienced respiratory insufficiency and therefore required supplemental oxygen. These patients were hospitalized and all received steroids (dexamethasone) at an average dose of 6mg/day. After an initial open-label safety run-in of 6 patients, the blinded placebo-controlled portion of the trial began. An additional 36 patients were dosed with 100 mg of AP1189 and 18 patients with placebo. Both AP1189 and placebo were given orally once-daily for up to two weeks.

The trial was completed in June 2021 and top-line data has been published. Patients treated with 100 mg AP1189 orally once-daily for two weeks achieved respiratory recovery (i.e. no longer requiring oxygen therapy) on average 3.5 days (35 per cent) quicker than placebo-treated patients (6.4 days and 9.9 days on average respectively).

After the completed study, SynAct has explored various opportunities for further development of AP1189 for use in patients suffering from Covid-19. The Company has had an advisory meeting with the Brazilian health authority ANVISA (Agência Nacional de Vigilância Sanitária) and prepared an application for clinical trial authorization for a confirmatory study. In the meantime, however, the Covid-19 pandemic has developed and with the rapid spread of the Omicron variant, the patient base has changed. The Company has therefore informed that the further development within virus-induced respiratory insufficiency will be focused more broadly on virus-induced hyperinflammation, including respiratory insufficiency. SynAct has started and is conducting pharmacological trials in virus models with the aim of providing a basis for further clinical development. The Company will resolve on further development when the pre-clinical trials are completed during the second half of 2022.

PRE-CLINCIAL RESEARCH

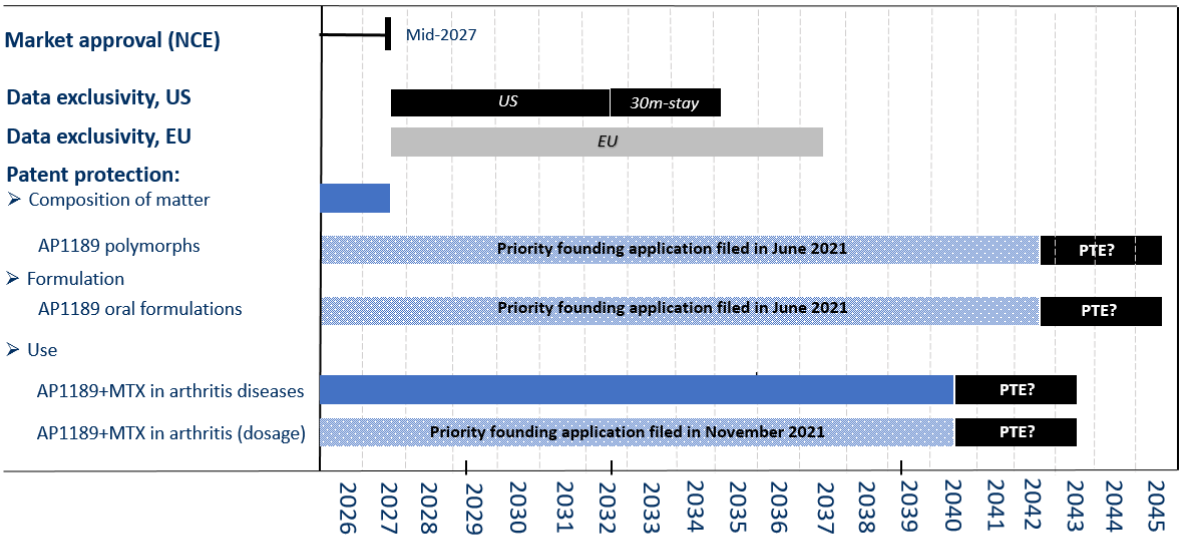
SynAct has recently expanded its efforts in pre-clinical research. Besides running internal discovery and research activities within the field of melanocortin, SynAct has established a strong collaboration with William Harvey Research Institute, Barts and London School of Medicine, Queen Mary University of London. This includes investigation of the pharmacogenetic aspects of AP1189 and the melanocortin receptors in RA, and, in the RESOVIR collaboration with Universidade Federal de Minas, Belo Horizonte, Brazil, investigation into the utility of resolution therapy to resolve the cytokine storm inflammation associated with significant viral virus infections. Additionally, SynAct has partnered with Örebro University, Sweden, to study cardiovascular diseases and potentially target the melanocortin system to reduce inflammation during vascular disease. For the benefit of these collaborations and internal research, SynAct has entered a material transfer agreement with TXP Pharma AG, on access to TXP Pharma's proprietary technology, including melanocortin agonists.

PATENT PROTECTION

The Company strives to obtain and maintain an efficient patent protection and other types of exclusive rights in order to protect its clinical project portfolio. As per the date of the Prospectus, the Company has patent protection within eight different patent families, and has, among other things, patent protection regarding the active substance in AP1189 up until 2027 in Australia, Canada, China, India, Japan, Mexico, New Zealand, South Africa and most of the countries in Europe, and until 2028 in the United States. Furthermore, the Company has patent protection for the use of AP1189 for treatment of arthritis diseases in combination with MTX up until 2040 in most countries in the EU and in Hong Kong, as well as several patent applications in various countries globally. The Company also has patent protection regarding AP1189 for treatment of kidney disease up until 2039 in the EU and Hong Kong, including several global patent applications, as well as additional applications which can provide protection up until 2042. The critical composition of matter coverage is directed toward the AP1189 patent family and patent applications are directed toward the AP1189 salt forms to provide extended coverage of AP1189 as proposed marketed product.

SynAct's patent portfolio was originally applied for by Action Pharma A/S. In connection with the liquidation of Action Pharma A/S, the patent portfolio was transferred to SynAct Pharma ApS. The figure below shows an example of an exclusivity scenario for AP1189 for treatment of RA.

Example of exclusivity if AP1189 is approved in RA as first indication



- *Data exclusivity: US 5 years for new chemical entities (NCE), EU 8+2 years (8 years data protection, 10 years market protection).*
- *PTE = Patent Term Extension (=SPC in EU, 'Supplementary Protection Certificate') – applicable for one patent only.*
- *US: 6m pediatric exclusivity (PE) may be available for all exclusivities covering AP1189 as existing at the time of the pediatric exclusivity approval (if the FDA's written request is received and complied with).*
- *EU: 6m pediatric exclusivity may be added to SPC in EU (if not 2 years PE on ODE).*

FINANCING OF THE COMPANY'S OPERATIONS

SynAct has not yet launched any drug on the market and has thus not generated positive cash flow. Historically, the Company has primarily financed its operations through shareholder contributions in the form of new issues. Going forward, SynAct intends to finance the business with existing funds, proceeds from the Rights Issue and, if necessary, additional new issues. In addition, SynAct is constantly investigating the possibility of new partnerships or licensing agreements with strategic partners and in this way fully or partially finance future development work, clinical studies and commercialization. As of the date of the Prospectus, SynAct is in a dialog with several pharmaceutical partners regarding AP1189 against RA.

INVESTMENTS

After 31 December 2021 up until the date of the Prospectus, SynAct has not made any significant investments. The Company also has no fixed commitments regarding future significant investments.

TRENDS

As of the date of the Prospectus, SynAct has no production, inventory or sales, and as such does not have any assumptions with regards to development trends regarding costs and sales prices.

SIGNIFICANT CHANGES IN THE COMPANY'S LOAN AND FINANCING STRUCTURE SINCE THE END OF THE MOST RECENT FINANCIAL PERIOD

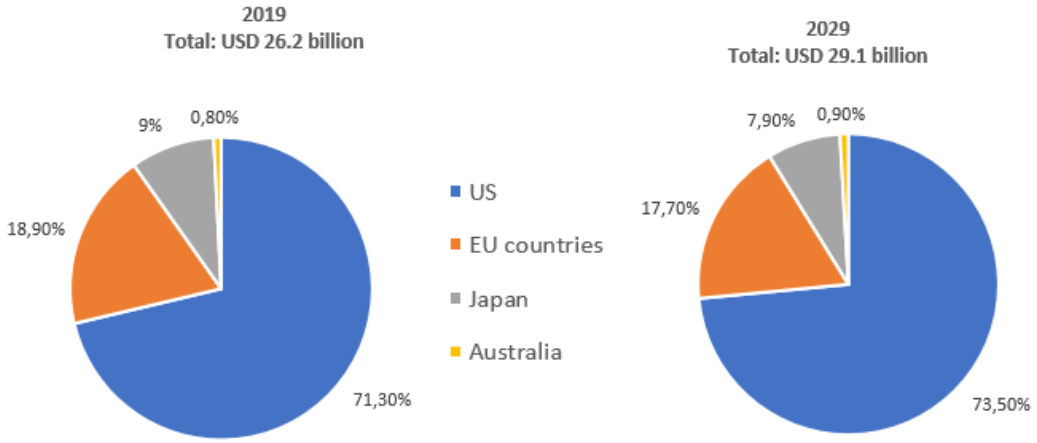
There have been no significant changes regarding the Company's loan and financing structure since 31 December 2021 up until the date of the Prospectus.

MARKET OVERVIEW

The following section presents information on market growth and market share as well as SynAct's market position in relation to its competitors. This information is based on SynAct's overall assessment, which is based on both internal and external sources. The sources that SynAct has based its assessment on are continuously stated in the text. In addition, SynAct has made several statements in the Prospectus regarding its industry and its competitive position in the industry. These statements are based on SynAct's experience and its own investigation of the market conditions. SynAct cannot guarantee that any of these assumptions are correct or that they correctly reflect the Company's market position in the industry and none of the Company's internal investigations or information have been subject to independent verification. Market and business information may contain estimates regarding future market development and other forward-looking information. Forward-looking information does not imply any guarantee regarding future results or development and actual results may differ materially from the statements made in the forward-looking information.

THE GLOBAL MARKET FOR RHEUMATOID ARTHRITIS

In 2019, 4.6 million people globally were diagnosed with RA, of which 3.9 million received treatment. The number of diagnosed patients is expected to increase to 5.1 million and the number of treated patients is expected to increase to 4.3 million in 2029. Thereto, the market for RA is expected to increase from USD 26.2 billion in 2019 to USD 29.1 billion in 2029 in the eight major markets; United States, France, Germany, Italy, Spain, Great Britain, Japan and Australia, at a compound annual growth rate (CAGR) of 1 per cent. The diagrams below present the global sales forecast in the abovementioned markets for RA in 2019 and 2029, respectively.[10]



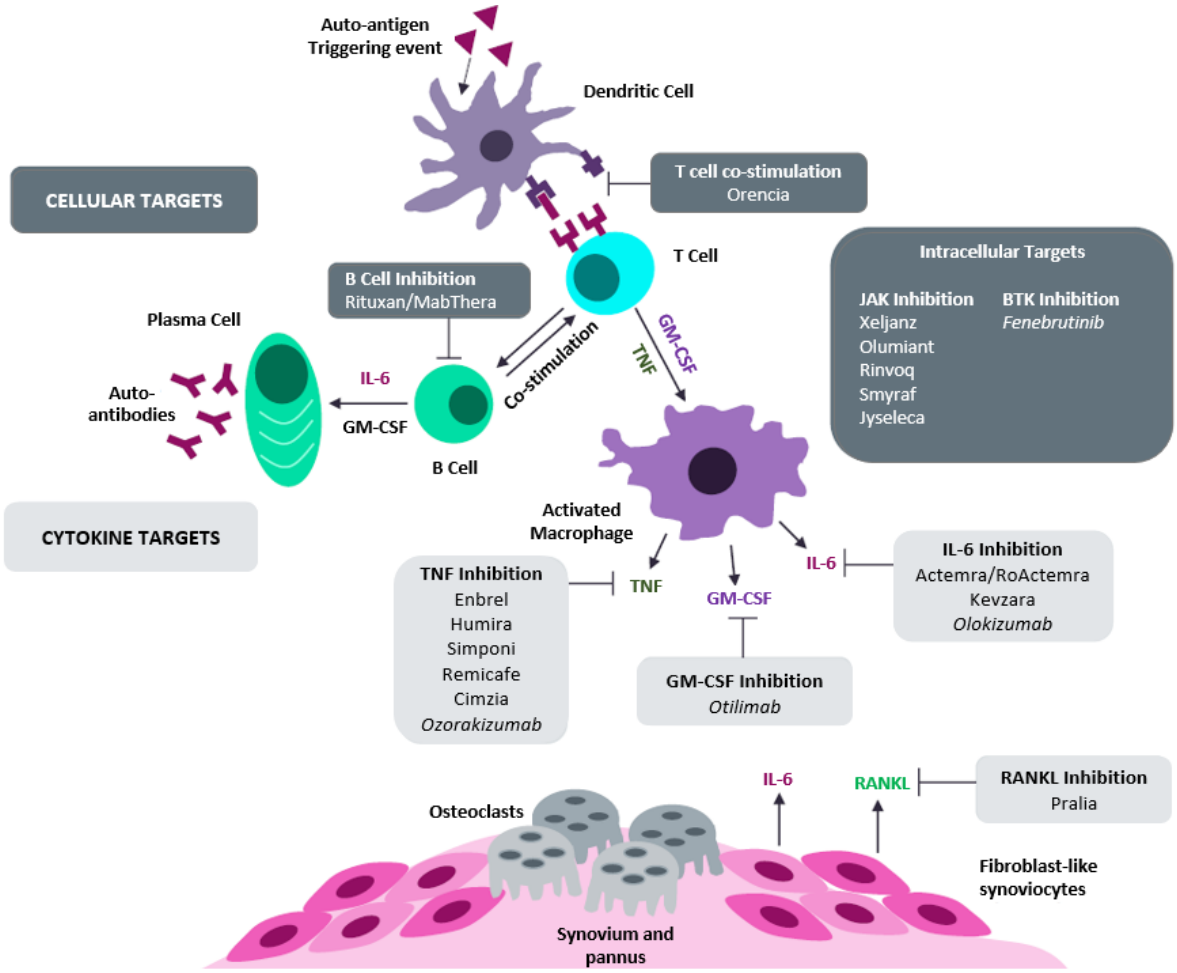
Globally, the market for RA is increasing rapidly and the major factors that drive this growth is the increasing aging population. Furthermore, some evidence suggests that people who smoke are at an increased risk of developing RA.

The DMARD segment is expected to hold a significant share in the RA market due to the increasing prevalence of RA incidences across the globe, the launch of medicine and the favorable reimbursement policies for the high-cost treatment products. These are the major factors propelling the growth of the market.[11]

[10] GlobalData, Rheumatoid Arthritis – Global Drug Forecast and Market Analysis to 2029, 2020.
[11] GlobalData, Rheumatoid Arthritis – Global Drug Forecast and Market Analysis to 2029, 2020.

AP1189 OFFERS DIFFERENTIATION OF THE PIPELINE FOR RHEUMATOID ARTHRITIS

Although RA is incurable, there are a wide range of therapeutic options to control the disease. DMARDs are used which interfere with RA symptoms, improve physical function and inhibit the progression of joint symptoms with chronic treatment. Without intervention from DMARDs, RA-infected joints will be subject to chronic inflammation that can cause pannus formation, the erosion of cartilage and bone and eventually joint destruction. The mechanisms of action used to treat RA can be broken down into two general categories – drugs that inhibit the activity of pro-inflammatory cytokines, most notably tumour necrosis factor (TNF) and interleukin-6 (IL-6), and drugs that work via intracellular targets to inhibit inflammatory signaling, such as JAK inhibitors, which is illustrated in the figure below.[12]



To be able to compete with other pharmaceuticals, the Company should strive to develop AP1189 so that the drug candidate either differentiates on efficacy or safety with longer treatment periods than currently investigated. Due to the apparent benign toxicity profile of AP1189 (and other similar melanocortin stimulating hormones that are studied), AP1189 could, based on safety, be developed to one of the safest oral add-on options in RA among selective agonists.

[12] GlobalData, Rheumatoid Arthritis – Global Drug Forecast and Market Analysis to 2029, 2020.

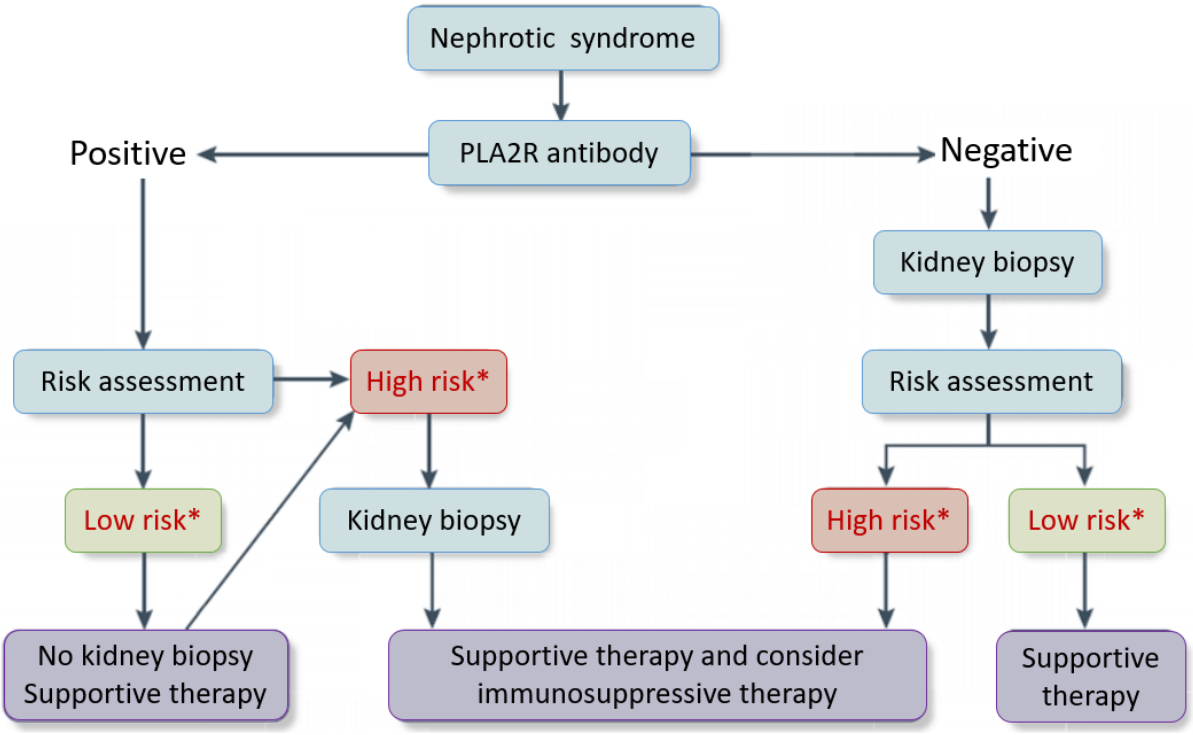
The table below provides an overview of selected companies manufacturing pharmaceuticals for treatment of RA.[13]

Drug/Company	Method of action	Dosage	Status	Comments
Rinvoq Abbvie	JAK1 inhibitor	15 mg, oral, daily	Market	Launch: 2019 Sales 2020: USD 732 million
Enbrel Pfizer	TNFα inhibitor	50 mg, injection, weekly	Market	Launch: 1998 Sales 2020: USD 3.7 billion
Actemra Roche	IL6 mAb	162 mg, injection, biweekly	Market	Launch: 2008 Sales 2020: USD 2.7 billion
Olumiant Eli Lilly	JAK inhibitor	2 mg, oral, daily	Market	Launch: 2009 Sales 2020: USD 599 million
Humira Abbvie	TNFα mAb	40 mg, injection, biweekly	Market	Launch: 2003 Sales 2020: USD 6.3 billion
Xeljanz Pfizer	JAK inhibitor	5 mg, oral, 2 times daily	Market	Launch: 2012 Sales 2020: USD 1.9 billion
Orencia BMS	T-cell inhibitor	125 mg, injection, weekly	Market	Launch: 2006 Sales 2020: USD 3.2 billion
Cimzia UCB	TNFα mAb	125 mg, injection, weekly	Market	Sales 2020: USD 1.4 billion
Jyseleca Galapagos	JAK inhibitor	200 mg, oral, daily	Market	Sales 2020: USD 2 million
Olokizumab R-Pharm	IL6 mAb	64 mg, injection, 2 times a month	Market	Launched in Russia
Otilimab GSK	GM-CSF mAb	180 mg, injection, biweekly	Phase 2	Phase 3 ongoing, Primary completion in September 2023
Fenebrutinib Roche	BTK inhibitor	200 mg, oral, 2 times daily	Phase 2	Discontinued
PF-06650833 Pfizer	IRAK4 inhibitor	400 mg, oral daily	Phase 2	Phase 2 completed in 2020
Evobrutinib Merck	BTK inhibitor	75 mg, oral, 2 times daily	Phase 2	Failed primary endpoint
ATI-450 Aclaris	MAPK2	50 mg, oral, 2 times daily	Phase 2a	Phase 2b planned
ABX464 Abivax	miR-124 induction	50/100 mg, oral, daily	Phase 2a	Primary completion in September 2021
AP1189 SynAct	MC1R/MC3R agonist	50/100 mg, oral, daily	Phase 2a	Top-line data in Q3 2021
ABBV-154 Abbvie	TNFα mAb	2 doses, injection, biweekly	Phase 2	Primary completion in November 2022

[13] The information in the table is gathered from the FDA's database FDA Online Label Repository as well as the US government National Center for Biotechnology Information (NCBI) database. For further information, please see section "*Sources*".

THE MARKET FOR NEPHROTIC SYNDROME

Current treatment options for iMN are limited. Treatment of iMN is aimed at preserving kidney function and achieving proteinuria remission. All patients receive supportive therapy to control their blood pressure and minimize protein loss with ACE-inhibitors and angiotensin 2-receptor blockers. A number of patients also undergo treatment to lower the blood lipid levels, so-called anticoagulation. Patients who are at high risk of disease progression will be put on immunosuppressive drugs consisting of rituximab for those patients that have stable kidney function or glucocorticoids and a cytotoxic drug for those that have decreased kidney function. The figure below shows an example of method of diagnosis of iMN.[14]



The market for NS is primarily driven by the presence of a large patient pool suffering from NS. The disorder is primarily diagnosed in middle-aged individuals and iMN has an estimated incidence of 12 per million adults in the United States.[15] According to the WHO, more than 1.4 million people worldwide undergo renal replacement therapy every year, with the rate of incidence of chronic kidney disease (CKD) rising by approximately 8 per cent annually.[16]

[14] Floege, J., Management and treatment of glomerular diseases (part 1): conclusions from a Kidney Disease: Improving Global Outcomes (KDIGO) Controversies Conference, 2019.
[15] McGrogan, A., et al., The incidence of primary glomerulonephritis worldwide: a systematic review of the literature, 2011.
[16] Zimmerman, A.M., Peritoneal dialysis: increasing global utilization as an option for renal replacement therapy, 2019.

THE METHOD OF ACTION IN AP1189 OFFERS DIFFERENTIATION TO THE CURRENT FIELD OF IDIOPATHIC MEMBRANOUS NEUROPATHY

Until recently, current treatment options for iMN consisted of supportive care with the optional use of immunosuppressants in the form of corticosteroids. The realization that the disease, at least for some of the patients, is caused by autoantibodies and that the complement system is targeting podocytes led to the development and recent approval of rituximab to deplete the autoantibody-producing B-cells from circulation. Not surprisingly, other B-cell and complement targeting drugs are now being developed for iMN (see table below). As SynAct is positioning AP1189 as an add-on therapy to supportive care, the oral agonist does not directly compete with immunosuppressive drugs that are given to patients with severe disease and could, given its complementary method of action, even be used in combination with these therapies.[17] The table below provides an overview of compounds currently being developed for iMN.[18]

Compound	Target	Method of action	Phase	Result
Rituximab Roche	CD20	B cell depletion	Phase 3	In phase 3, 13 of 35 patients achieved proteinuria remission after 6 months.
Belimumab GSK	BAFF	B cell depletion	Phase 2	Prospective study showed that 8 and 1 patients respectively achieved partial and complete proteinuria remission after more than 16 weeks.
Obinutuzumab Roche	CD20	B cell depletion	Phase 3	Phase 2 demonstrated 50 per cent complete remission and 40 per cent partial remission at 6 months.
VB119 ValenzaBio	CD19	B cell depletion	Phase 1/2	Phase 1 clinical trial demonstrated peripheral B cell depletion.
LNP023 Novartis	Factor B	Inhibition of complement	Phase 2	In C3 glomerulopathy patients, LNP023 showed proteinuria reduction by 49 per cent at 12 weeks.
AP1189 SynAct	MC1/3R	Podocyte recovery	Phase 2	Pre-clinical results demonstrate reduction in proteinuria.

[17] Hodson, E.M., et al., Corticosteroid therapy for nephrotic syndrome in children, 2000; Pasini, A., et al., Best practice guidelines for idiopathic nephrotic syndrome: recommendations versus reality, 2015; Sinha, A., et al., Rituximab therapy in nephrotic syndrome: implications for patients' management, 2013.

[18] The information in the table is gathered from the US government National Center for Biotechnology Information (NCBI) database as well as from Dahan, K., et al., Rituximab for Severe Membranous Nephropathy: A 6-Month Trial with Extended Follow-Up, 2017.

WORKING CAPITAL STATEMENT

The board of directors of the Company assesses that the existing working capital, as of the date of the Prospectus, is insufficient for the Company's needs during the coming twelve-month period. Working capital statement in the Prospectus refers to the Company's ability to access cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment. As of 31 December 2021, the Company's cash and cash equivalents amounted to MSEK 24. Taking into account the current business plan, the Company estimates that the working capital deficit arises in the second quarter of 2022 and the deficit for the coming twelve-month period is estimated at approximately MSEK 100. Upon full subscription in the Rights Issue, the Company will receive MSEK 150 before issue costs, which are estimated to amount to approximately MSEK 24. In connection with the Rights Issue, the Company has received subscription undertakings amounting to approximately MSEK 2, corresponding to approximately 1.3 per cent of the Rights Issue. The Company has also entered into guarantee commitments with a number of external investors of a total of approximately MSEK 147, corresponding to approximately 98.7 per cent of the Rights Issue. In total, the Rights Issue is thus covered by subscription undertakings and guarantee commitments of a total of approximately MSEK 150, corresponding to 100 per cent of the Rights Issue. However, these commitments are not secured by a bank guarantee, blocked funds, pledges or similar arrangements.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have to investigate alternative financing, such as additional raising of capital, or implementing budget cuts or operating the business at a slower pace than planned until additional capital can be raised. There is no guarantee that the Company will be successful in procuring alternative financing or that budget cuts will have the desired effect. There is a risk that a lack of financing or failed attempts will result in reconstruction or bankruptcy of the Company.

RISK FACTORS

An investment in securities is associated with risk. This section describes the risk factors and important circumstances which are considered material for SynAct's business and future development. In accordance with the Prospectus Regulation, the risk factors disclosed in this section are only limited to such risks that are deemed to be specific for SynAct and/or SynAct's shares and that are deemed to be of material importance for an investor to be able to make an informed investment decision. SynAct has assessed the importance of the risks based on the likelihood that the risks will materialize and the expected extent of their adverse effects on the Company's business, results and/or financial position should they materialize, and where quantification has not been possible, the risks have been graded on a qualitative scale with the designations low, medium and high. The risk factors are presented in a limited number of categories which include risks related to SynAct's business and industry, legal and regulatory risks, financial risks and risks related to SynAct's shares and the Rights Issue. The risk factors that are considered most material as per the date of the Prospectus are presented first in each category, while the subsequent risk factors are presented without any particular ranking. The description below is based on the Company's assessment and information that is available as per the date of the Prospectus.

BUSINESS AND INDUSTRY-RELATED RISKS

RISKS RELATED TO PHARMACEUTICAL DEVELOPMENT AND CLINICAL STUDIES

SynAct is a phase 2 clinical company focusing on pharmaceuticals that stimulate and strengthen the body's own immune system in order to fight inflammatory diseases. The Company works exclusively with research and product development and as per the date of the Prospectus, the Company's development portfolio consists of the drug candidate AP1189 which is in clinical phase 2. Before a drug candidate can be launched on the market, the Company or its partners must conduct pre-clinical and clinical studies to document and demonstrate that the drug candidate has a significant treatment effect and an acceptable safety profile. The clinical processes are usually extensive, costly and time consuming, and the outcome is inherently uncertain. Positive results in previously conducted pre-clinical and clinical studies do not guarantee positive results in later development stages and subsequent clinical studies. Moreover, pre-clinical and clinical data is often susceptible to varying interpretations and analyses. Therefore, there is a risk that the Company's studies will not indicate sufficient safety and/or effect in order for the Company's drug candidates to be launched on the market, which may lead to future revenues being delayed or, in whole or in part, prevented. Furthermore, there is a risk that the Company is forced to discontinue its studies or will have to conduct more extensive studies than the Company currently deems necessary, which may delay the development process and result in increased costs, delayed commercialization and, in the long term, reduced or prevented cash flow.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a high negative impact on the Company.

RISKS RELATED TO RECRUITMENT OF PATIENTS

SynAct is dependent on the recruitment of patients who are willing to participate in the Company's clinical studies. The scope of the patient recruitment and the number of available patients has a significant impact on the timetable of the clinical studies. In the event the recruitment of patients to the Company's clinical studies cannot take place to the extent required or if patient recruitment becomes more time consuming than the Company has planned, the Company may have to temporarily pause its patient recruitment, which may lead to delays in the Company's clinical studies. As an example, the ongoing Covid-19 pandemic has resulted in the Company not being able to complete the patient recruitment to its current phase 2 clinical study in NS. Any delays or interruptions of the Company's studies may result in the Company's development work becoming more costly than the Company has planned, and that expected sales revenues are delayed and postponed to the future, which could have a negative impact on the Company's operations and future prospects.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO COMMERCIALIZATION AND MARKET ACCEPTANCE

SynAct's development programs are in clinical phase and to date none of the Company's drug candidates have been commercialized. Thus, the Company is largely dependent on future commercialization to generate revenue. As stated above, the Company's primary drug candidate AP1189 requires continued research and development which is subject to a number of risks that can make it difficult to obtain, or prevent, market approval and any commercialization. There is, among other things, a risk that the Company lacks the necessary expertise, personnel and resources to successfully commercialize its products on its own or together with partners. There is also a risk that future commercialization of the Company's drug candidates will be more costly than the Company expected, as it may be difficult to estimate future commercialization costs in advance. Even in the event that the Company obtains relevant regulatory approvals for marketing and sales of the Company's drug candidates, there is a risk that the sales, locally or globally, will not meet the Company's expectations and that commercial success will not be achieved. Market acceptance and the sale of the Company's drug candidates will depend on a number of factors, such as product characteristics, competing products, opportunities for distribution, marketing, price and availability. The Company's drug candidates may be subject to unfavorable price regulations and reimbursement policies, which may adversely affect the Company's operations and earnings capacity. In addition, the potential market opportunities for the Company's current and future drug candidates are difficult to estimate and may depend on the ability of relevant experts to diagnose and identify patients, as well as the success of competing therapies. Lack of commercial success for several or individual products may adversely affect the Company's ability to generate revenue in the future.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO IT SECURITY AND IT INFRASTRUCTURE

SynAct relies on a well-functioning IT system that the Company or any of its third-party suppliers operate to process, transmit and store electronic information in its day-to-day operations. In connection with the Company's product development work, the Company may collect a variety of sensitive and confidential information, including personal data and clinical trial information. Cyberattacks are currently increasing in their frequency and intensity and have become increasingly difficult to detect. A successful cyberattack could result in the theft or destruction of intellectual property and data or otherwise compromise the Company's confidential or proprietary information and disrupt its operations. Faults, interruptions or breaches in the Company's IT security, including possible errors in back-up systems or faults in handling the security of the Company's confidential information, could also harm the Company's reputation, business relationships and trust, which may result in loss of business partners, increased scrutiny by supervisory authorities and a greater risk of legal action and financial liability. Although SynAct devotes resources to protect its information systems, there can be no assurance that its efforts will prevent information security breaches that would result in business, legal, financial or reputational harm, or would have a material adverse effect on the Company's results of operations and financial position. In addition to the risk of external interruptions and breaches of the Company's IT infrastructure, the Company is also subject to internal risks and system errors. Furthermore, there is a risk that the partners with whom the Company shares confidential or sensitive information lack sufficient IT security or on-site security procedures to protect the information shared by the Company with them or that such partners misuse the shared information.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO COMPETITION AND TECHNOLOGICAL DEVELOPMENT

The pharmaceutical industry is characterized by high and global competition, rapid technological advances and extensive investment needs. The Company's competitors can be both large multinational companies as well as smaller research companies operating in research on inflammatory and autoimmune diseases. Furthermore, companies with global operations that currently work with related areas may decide to establish operations within SynAct's area of activity. Examples of competitors to the Company are other pharmaceutical companies that market so-called "JAK inhibitors", an oral drug that inhibits inflammation. The Company's competitiveness depends on a number of different factors, such as the Company's ability to implement its strategies in a profitable manner, hire and retain competent professional staff and develop and enter into collaborations with partners. If the Company fails to adapt to technological development or regulatory expectations, there is a risk that a future commercialization of the Company's products will be less successful or will not take place at all. In addition, there is a risk that competitors, including those described above, may have greater financial and other resources than the Company and its partners, which can give them advantages in, for example, research and development, contacts with regulatory authorities, marketing and product launching. Therefore, there a risk that the Company's competitors will succeed in commercializing products earlier than SynAct and its partners, or that they will develop products that are more effective, have a better side effect profile and are more affordable than the Company's potential products. Such competing products may limit the Company's ability to commercialize its drug candidates and thereby to generate revenue in the future.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO MACROECONOMIC FACTORS AND COVID-19

Macroeconomic effects, such as the Covid-19 pandemic and other economic factors around the world such as the ongoing situation in Ukraine, can negatively affect the Company's earnings capacity, growth opportunities and operating profit. The general demand for medicines is affected by various macroeconomic factors and trends, such as inflation, deflation, recession, trade barriers and currency fluctuations. An economic downturn can also affect healthcare payers, such as patients, hospitals, authorities and insurance companies, and for this reason result in a reduced willingness to pay for medicines. In addition, uncertain market conditions, for example as a result of the spread and consequences of Covid-19 and the uncertain situation in Ukraine, may have a negative impact on the Company's opportunities to enter into collaborations with third parties or suppliers. The Company continuously monitors the development of the Covid-19 pandemic and the authorities' guidelines closely and evaluates appropriate measures to minimize potential delays that could occur in the Company's business and its ongoing clinical trials as a result of the Covid-19 pandemic. However, there is uncertainty about the impact that the Covid-19 pandemic may have on the Company in the future, for example as a result of new variations, an increase in the spread of infection in society, the issuance of new guidelines/restrictions, shutdowns and similar measures. The situation in Ukraine has furthermore led to significant volatility in the global credit markets and on the global economy. Based on the above, there is a risk that the Company's clinical studies will be delayed or become more expensive than the Company has planned and that the results from the clinical studies will be delayed for this reason, which could have an adverse impact on the Company's operations and future prospects.

The demand for pharmaceutical products is also affected by the political development in relevant markets. Several initiatives to curb rising pharmaceutical costs have been or are being implemented in the United States and in the EU/EEA, as well as in other relevant markets, which could affect future sales for pharmaceutical companies, including SynAct. If any of the above risks would occur, it could lead to the market acceptance and pricing of the Company's drug candidates being negatively affected at any future market launch, which could lead to the Company receiving lower remuneration in the event of a successful commercialization of one or more of the Company's drug candidates. This could in turn have a negative impact on the Company's ability to generate

revenue in the future and result in poorer remuneration opportunities and lower remuneration levels in certain markets.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO PARTNERS AND SUPPLIERS

SynAct is dependent on partnerships with suppliers and manufacturers and has, among other things, entered into agreements with suppliers who provide services and products for drug production as well as implementation of the Company's clinical studies. In addition, the Company is, and will most likely continue to be, dependent on collaborations with various suppliers and contract manufacturers for the manufacture and storage of GMP (Good Manufacturing Practice) material and the substances required for the implementation of the Company's pre-clinical and clinical studies. There is a risk that current, or future, suppliers, manufacturers or partners choose to terminate their partnership with the Company before the Company has received full benefit of the partnership, do not fulfill their obligations, or cannot continue the collaboration on terms favorable to the Company. There is also a risk that potential negative study results may have a negative impact on the Company's ability to attract potential partners. There is no guarantee that the Company's suppliers, manufacturers or partners fully meet the quality requirements set by the Company or relevant authorities. There is also a risk that the Company will not succeed in entering into collaborations at all or will not succeed in entering into collaborations on terms favorable to the Company when needed. In the event that any of the above risks should occur, the Company assesses that it could have a negative impact on the Company's operations in the form of delayed commercialization, additional costs for the Company and possibly also lead to limited or no revenue.

The Company assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO KEY EMPLOYEES AND PERSONNEL

SynAct has established an organization with qualified personnel in order to create the best possible conditions for research, development and commercialization of the Company's drug candidates. SynAct's key employees and personnel have high competence and extensive experience in the Company's business area and the Company's future growth is highly dependent on the knowledge, experience and commitment of the senior executives and other key personnel. The Company may fail to retain its key personnel or employees and to recruit new qualified personnel in the future, which could have a negative impact on the Company's opportunities to commercialize its drug candidates and thereby adversely affect the Company's profitability and future earnings capacity. New recruitments may also take a long time to complete or may not be carried out on financially acceptable terms. If any of the Company's key personnel terminates their employment, this may lead to delays or interruptions in the Company's operations and continued development. Furthermore, the Company's ability to compete in the competitive biotechnology and pharmaceutical industries is dependent on its ability to attract and retain highly qualified personnel and the Company may need to recruit new qualified personnel in order to develop its operations to be able to expand into areas that will require further competencies. If the Company does not succeed in attracting qualified personnel and retaining its key personnel, there is a risk that the Company will not succeed in achieving its goal or implementing its business strategy, which could have a negative impact on the Company's business and future prospects.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

LEGAL AND REGULATORY RISKS

RISKS RELATED TO REGULATORY APPROVALS AND REGISTRATION

In order for the Company to carry out clinical studies and market and/or sell drugs, the Company must obtain marketing approval and registration from relevant authorities on each market, such as the Medical Products Agency in Sweden (*Sw*. Läkemedelsverket), the FDA in the United States and the European Medicines Agency in the EU. The process for obtaining the relevant approvals is cost and time consuming and inherently uncertain, which may delay, prevent, or make the development of the Company's drug candidates more costly. In the event SynAct, directly or through any future partners, fails to obtain the necessary permits and registrations from authorities, the Company may be adversely affected by clinical studies being delayed or, in the worst case, not initiated. Comments on the Company's proposed structure for future clinical studies may also lead to delays and/or increased costs for SynAct, and the Company may have to carry out additional clinical studies, provide additional data and information and meet additional standards for regulatory approval which can be costly and time consuming. Furthermore, current rules and interpretations of these may change, which may affect the Company's possibilities to meet regulatory requirements in the future. In addition, approvals and registrations may be withdrawn after the Company or its partners have been granted these. In the event the Company, on its own or through its partners, does not succeed in obtaining relevant approvals or registrations, or if approvals or registrations are withdrawn, this may lead to increased costs, delays in the development work, that the Company's ability to generate revenues, in whole or in part, is prevented or that the Company is forced to close down all or part of its operations, as well as lead to the Company's market position being deteriorated in relation to the Company's competitors.

Even after market approval, if obtained, the Company and its partners will be required to comply with regulatory requirements, including regulatory reviews and supervision of marketing and safety reporting requirements or policies. In addition, the Company and its partners will be required to comply with rules for pharmaceutical manufacturing, including rules for testing, quality control and documentation of the Company's products. Production facilities must be approved by authority inspection and will be subject to such inspections by the authorities on a regular basis, which may lead to remarks and new demands on production. Furthermore, obtaining and maintaining regulatory approval of the Company's drug candidates in one jurisdiction does not guarantee regulatory approval in any other jurisdiction. If the Company or its partners, including external manufacturers, fail to comply with relevant regulatory requirements or with the specific indications and conditions for which regulatory approval has been granted, the Company may be subject to fines, withdrawals of products, revocation of regulatory permits or approvals, other operational restrictions or criminal sanctions.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a high negative impact on the Company.

RISKS RELATED TO PATENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS

The Company is dependent on its ability to protect its drug candidates and innovations through intellectual property rights, such as patents, as well as through other types of protection such as data exclusivity, which restricts the use of data from clinical studies and gives temporary exclusive rights to the company using such data to apply for market approval. Monitoring and maintaining intellectual property rights is time consuming and costly and the Company estimates that these costs may increase in the future if the Company develops its portfolio of intellectual property rights, for example through additional patents and patent applications. As per the date of the Prospectus, the Company's patent portfolio consists of patent protection for the active substance in AP1189 up until 2027, for use of AP1189 for the treatment of arthritis diseases in combination with MTX up until 2040, in kidney disease up until 2039 as well as additional applications that can provide protection up until 2042. Patents and other intellectual property rights have a limited life, and there is a risk that granted patents will not provide sufficient commercial protection, as objections and other invalidity claims against granted

patents can be made after the patent is granted. If the Company is forced to defend its patent rights against a competitor, or has a patent declared invalid, this may lead to extensive costs for the Company. Additionally, the costs related to a dispute, even in the event of a favorable outcome for the Company, may be significant. There is also a risk that the extent of a granted patent is not sufficient to protect against other market operators developing similar drug candidates. There is furthermore a risk that the Company's ongoing or future patent applications will not be granted or will be delayed, or that the Company will not succeed in registering and completing all necessary patent applications at a reasonable cost.

Other market operators may also have applied for patents regarding drug candidates included by the Company's patent applications, without the Company's knowledge. There is therefore a risk that the Company may infringe, or allegedly infringes, a patent held by a third party. A potential infringement in the patent of a third party may limit the opportunities of the Company or any of its partners to use the Company's drug candidates as planned. Thus, the Company's patent applications may have a lower priority in relation to other patent applications or limit the possibility for the Company to commercialize its drug candidates and obtain necessary patent protection, which would greatly affect SynAct's opportunities to further develop its drug candidates. Furthermore, there is a risk that any of the Company's current or former employees, consultants or partners makes a claim of inventorship of inventions made by that person who regards the intellectual property it as its own. If the risks above would materialize, it would impede or prevent continued development and successful commercialization of the Company's drug candidates, and ultimately the Company's opportunities to generate license and sales revenues in the future.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a high negative impact on the Company.

RISKS RELATED TO PRODUCT LIABILITY, SIDE EFFECTS AND INSURANCE COVER

As SynAct operates in the pharmaceutical industry, the Company is exposed to various liability risks, such as the risk of a potential product liability claim that may arise in connection with the production of drugs, clinical studies or marketing and sales of drugs in the event the Company's drug candidates reach commercialization. For example, patients participating in the Company's current or future clinical studies, or who are otherwise in contact with the Company's drug candidates, may suffer side effects or other related injuries due to undesirable effects in the Company's drug candidates. Even if clinical studies would be carried out by a partner, there is a risk that the Company may be held liable for potential incidents. Potential side effects or product liability claims may delay or stop the Company's development work as well as limit or prevent the commercial use of the Company's drug candidates and thereby lead to increased costs, which could have an adverse effect on the Company's possibilities to generate profitability.

Furthermore, there is a risk that the Company will be sued by patients who suffer from potential side effects, both by patients that participate in the Company's clinical studies, and by other persons who may use the Company's products in the future, in which case the Company may be liable for damages. Any claims made against the Company may also have a negative impact on the Company's reputation and business relations. The Company's insurance coverage may be insufficient to cover any costs associated with side effects or other product liability claims, for example if a product liability claim is outside the scope of the insurance cover or if the claim for damages exceeds the insurance amount. In addition, these types of insurances do usually not cover reputational damage that may occur, regardless of the outcome of any product liability claim. There is therefore a risk that the Company's insurance cover is not sufficient to cover future legal claims directed at the Company, which may lead to significant costs and have a material adverse effect on the Company and its operations, both in terms of reputation and financially.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO REGULATORY COMPLIANCE

As a biopharmaceutical company, SynAct is to a large extent subject to compliance with various laws and regulations. The regulatory environment comprises, among other things, laws and regulations governing clinical trials, the safety and efficacy of drug candidates, as well as environmental laws governing the use, storage and disposal of harmful chemicals and such materials and specified waste products. There is a risk that the Company fails to comply with laws and regulations because its interpretation of the regulations is incorrect or that the Company has not been able to adapt its business to new laws and regulations. The cost of compliance may become significant, and the Company may lack the resources required for compliance. If SynAct does not comply with or violate applicable laws and regulations or if its interpretation of applicable laws and regulations is incorrect, it may result in sanctions or penalties from relevant authorities, exclusion from government funded healthcare programs, additional reporting requirements or reputational harm. Furthermore, local laws, regulations and administrative provisions may differ considerably from jurisdiction to jurisdiction and measures that have been taken to comply with laws in one jurisdiction may be insufficient in terms of compliance in another jurisdiction. In addition, the laws, regulations and administrative provisions that the Company must adhere to are also subject to change over time, and the Company is therefore exposed to risks that arise due to the regulatory uncertainty and the rapidly changing and growing regulatory environment, including the risk that the basic conditions for the Company's operations and business offer could change or that the market access opportunities are adversely affected.

The Company assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO PROCESSING OF PERSONAL DATA

In the framework of the Company's operations, SynAct collects and processes personal data related to, for example, patients participating in the Company's clinical studies and the Company's employees. The Company is thus subject to Regulation (EU) 2016/679 of the European Parliament and of the Council ("**GDPR**"). Personal data that the Company possesses could also include data related to health which, among other things, imposes a requirement that the Company must have an appointed data protection officer. The task of the data protection officer includes providing advice and support to the organization regarding the processing of personal data, making recommendations when performing so-called impact assessments related to data protection and overseeing the Company's GDPR compliance. The Company has taken measures to ensure secure personal data processing and expects to continue to allocate resources for GDPR compliance and to evaluate the need for further compliance measures. Such measures could prove to be both costly and time consuming for the Company, which could negatively impact the Company's results. There is a risk that the Company at present, or in the future, will be unable to fulfil the requirements imposed by the GDPR. In addition, there is a risk that an IT or systems disruption or breach could lead to a leak of personal data and other sensitive information. Incorrect or insufficient processing of personal data, shortcomings in the Company's obligations to those whose personal data are processed and other violations under the GDPR could entail sanctions in the form of fines amounting to the higher of EUR 20 million or 4 per cent of the Group's annual sales, which could lead to considerable costs and have a material negative impact on the Company and its business, both in terms of reputation and financially.

Furthermore, the Court of Justice of the European Union issued its judgement on 16 July 2020 in case C-311/18 (the so-called "Schrems II case") regarding the legitimacy of transfer of personal data from providers established within the EU to so-called "third countries" (countries outside the EU). The verdict means that the verification that companies previously could rely on during transfer of personal data to the United States, the so-called "Privacy Shield", was invalidated with immediate effect. The decision also raised questions about whether the European Commission's Standard Contractual Clauses, or SCCs, can lawfully be used for personal data transfers from the EU to the United States or other third countries. On 4 June 2021, the European Commission adopted new SCCs, which impose additional obligations on companies relating to data transfers, including the obligation

to conduct a transfer impact assessment and, depending on a party's role in the transfer, to implement additional security measures and to update internal privacy practices. Although the Company has established internal procedures for transfer impact assessments, it is somewhat uncertain as to what extent different types of security measures and processes will be required to fulfil the GDPR after the verdict in the Schrems II case.

The Company assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO KNOW-HOW, TRADE SECRETS AND CONFIDENTIALITY

The Company is dependent on trade secrets and know-how that is developed in its operations which cannot be protected by registration in the same way as patents and other intellectual property rights. This concerns, for example, information on inventions that have not yet been applied for patents as well as knowledge on concepts, methods, and processes. SynAct uses confidentiality agreements with employees, consultants, advisers, and partners in order to protect trade secrets and know-how, but these agreements may prove insufficient to prevent trade secrets and know-how from being disclosed and spread without the Company's control, which leads to a risk that competitors may take part of or make use of trade secrets and know-how developed by the Company. Such uncontrolled spread of confidential information could negatively affect the development of the Company's drug candidates if the information would, for example, be used to develop potential competing drug candidates or otherwise be used commercially without the Company being compensated for this or otherwise taking part of this. It could also cause the development and commercialization of the Company's drug candidates to be less attractive, which could limit the Company's future earnings capacity.

The Company assesses the probability that the risks will materialize, in whole or in part, as low, and that the risks, if they materialize, would have a low negative impact on the Company.

FINANCIAL RISKS

RISKS RELATED TO FUTURE CAPITAL NEEDS

Research and development of pharmaceuticals is a capital-intensive business. The research and development projects that the Company conducts, together with the fact that the Company does not generate, and has not generated, any sales revenues, leads to significant costs and there is a risk that the Company's research and development projects will become more cost and time consuming than planned. As stated above in this section, the continued development of the Company's drug candidates and the conditions for market launch are associated with risks and great uncertainty that may lead to commercialization delays or no commercialization at all. Therefore, it may take long before the Company's drug candidates reach commercialization and current cash flow can be generated from the Company's operations. Any delays in SynAct's research and development projects may result in that positive cash flow is generated later than expected. The Company may therefore, depending on when a positive cash flow is achieved, also in the future need to raise additional capital in addition to the capital raised through the Rights Issue. There is a risk that the Company will not be able to raise capital when needed, or that capital cannot be raised on conditions favorable to the Company, which may affect the Company's operations and financial position adversely. If SynAct cannot obtain sufficient financing, the Company may be forced to stop its planned development projects, carry out restructuring of all or parts of the business, or be forced to run the business at a slower pace than planned, which may lead to delayed or prevented commercialization of the Company's drug candidates as well as delayed or prevented license and sales revenues.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a high negative impact on the Company.

RISKS RELATED TO TAX

SynAct has its registered seat in Sweden, but a large part of its operations is conducted through the Danish subsidiary SynAct Pharma ApS. The tax considerations that the Company makes are based on interpretations of current tax legislation, tax treaties and other tax regulations as well as requirements from relevant tax authorities in Sweden and Denmark as well as other countries where the Company may conduct its business. There is a risk that the Company's understanding or interpretation of the said laws and regulations is not correct in all respects. Furthermore, tax authorities in relevant jurisdictions may make assessments or decisions that differ from the Company's understanding or interpretation of the said laws and regulations. Particularly in intra-group transactions and transfer pricing that involve several countries, the tax authorities in one country may take a position that differs from the position taken by the Company or tax authorities in other countries regarding the interpretation of laws, treaties or other regulations. In the event that the Company's tax situation should change due to decisions by relevant tax authorities or due to changes in laws, treaties or other provisions, possibly with retroactive effect, it may have a material adverse effect on the Company's operating profit. Contesting such an assessment could be costly and lengthy, and should the Company be unsuccessful in disputing such an assessment, an increased tax expense may be incurred, including fees and interest costs.

The Company assesses the probability that the risks will materialize, in whole or in part, as medium, and that the risks, if they materialize, would have a medium negative impact on the Company.

RISKS RELATED TO CHANGES IN EXCHANGE RATES

The Company has its registered seat in Sweden and reports its financial position and earnings in SEK, which means that transactions in foreign currency will be converted to SEK. A large part of the Company's operations is conducted through the operating subsidiary SynAct Pharma ApS, which has DKK as its reporting currency. Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK give rise to a so-called transaction exposure. The Company is in many cases dependent on international subcontractors to carry out studies and production of materials. The Company is therefore exposed to currency risks through the purchases of services and input materials for research and development that are made in different currencies. The Company's purchases are made predominantly in the currencies SEK, DKK and EUR. Exchange rate fluctuations may therefore have a negative effect on the Company's cash flow, income statement and balance sheet. To illustrate the risk as per 31 December 2020, a simulated exchange rate increase of 10 per cent of EUR against SEK would have a negative impact on the Company's earnings of approximately KSEK -339 and an exchange rate increase of 10 per cent of DKK against SEK would have a negative impact on the Company's earnings of approximately KSEK -2,022. As per the date of the Prospectus, the Company does not hedge its transaction exposure.

RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE

RISKS RELATED TO THE DEVELOPMENT OF THE SHARE PRICE AND VOLATILITY

The volatility risk is particularly high in companies that, like SynAct, have not launched any drugs on the market, which means that the share price is largely based on expectations of the Company's future performances. A smaller company on an unregulated market, such as Spotlight Stock Market, runs a particularly high risk that trading in its securities will not be active and liquid. During the financial year 2021, an average of approximately 103,000 shares were traded per day in SynAct, corresponding to an average turnover of approximately MSEK 9.4. The development of the share price is dependent on various factors, of which some are specific to the Company and its operations while others are related to the stock market as a whole. The share price may be significantly volatile and may for example be affected by supply and demand, variations in actual or expected results, inability to meet analysts' earnings expectations, changes in general economic conditions, for example due to pandemics such as Covid-19 and other disease outbreaks, changes in regulatory conditions and other factors. The price of the Company's share may also be affected by competitors' activities and positions in the

market. If any of these risks were to be realized, it could have a material adverse effect on the market price of the shares and the opportunity for investors to recover the invested capital.

RISKS RELATED TO FUTURE ISSUES AND DILUTION

The Company has not yet launched any products or drugs on the market, and it is uncertain if and when the Company can start generating sales revenue. To enable continued development of the Company's drug candidates, the Company needs further financing. If additional financing is arranged through share capital, additional issues of new shares or other securities in the Company will, for existing shareholders, unless they participate in such possible new issues, lead to a dilution of their shareholding in the Company. As the time and conditions for any future new issues will depend on the Company's situation and the market conditions at that current time, the Company cannot predict or estimate the amount, time, or other conditions for such new issues. Depending on the conditions of any further new issues, such issues may have a negative impact on the market price of the Company's shares.

RISKS RELATED TO THE IMPACT OF MACROECONOMIC FACTORS ON THE RIGHTS ISSUE

Investors' willingness to invest in the Rights Issue may, besides the factors that are directly related to the Company's operations and the Company's shares, also be affected by general macroeconomic factors. The period immediately prior to the publication of the Prospectus has been associated with a highly turbulent and volatile stock market that arose primarily as a result of the ongoing Covid-19 pandemic, which has affected the investment climate and has had a general impact on supply and demand for shares and other securities. These factors have also had a direct impact on the Company's shares by creating fluctuations in the share price. During the twelve-month period which ended 31 December 2021, the Company's share had a highest price of SEK 143.40 and a lowest price of SEK 41.10.

A volatile stock market and a continued uncertainty regarding macroeconomic factors may have a negative impact on investors' willingness to invest in the Company's securities, which may have an adverse effect on the market price of the Company's shares but also lead to the subscription rate in the Rights Issue being lower than would otherwise have been the case. It is not possible to predict future price movements and it is possible that the above factors, individually or combined, may adversely affect the value of an investor's invested capital. The short-term development of the share price may also have an adverse effect on the subscription rate and the outcome of the Rights Issue, which in itself could have a negative impact on an investor's willingness to invest in the Company. An investment in the Company's securities should therefore be subject to a thorough analysis of the Company, its competitors and environment, general information about the industry, the general economic situation and macroeconomic factors as well as other relevant information, as there is a risk that shares in the Company cannot be sold at a price acceptable to the shareholder at any time or at all.

LIMITED TRADING IN SUBSCRIPTION RIGHTS AND BTA

Subscription rights and BTA will be subject to trading on Spotlight Stock Market. There is a risk that an active trade in the subscription rights and BTA does not develop, that there will not be sufficient liquidity or that the subscription rights cannot be sold. If an active trade does not develop, the market price of the subscription rights and BTA will depend on, among other things, the price development of the Company's shares and will be subject to greater volatility than for the said shares. The price of SynAct's shares may be less than the subscription price in the Rights Issue due to reasons attributable to the Company as well as a general decline in the stock market.

SUBSCRIPTION UNDERTAKINGS AND GUARANTEE COMMITMENTS ARE NOT SECURED

In connection with the Offering, the Company has received subscription undertakings amounting to approximately MSEK 2, corresponding to approximately 1.3 per cent of the Rights Issue. The Company has also entered into guarantee commitments with a number of external investors of a total of approximately MSEK 147, corresponding to approximately 98.7 per cent of the Rights Issue. In total, the Rights Issue is thus covered by

subscription undertakings and guarantee commitments of a total of approximately MSEK 150, corresponding to 100 per cent of the Rights Issue. However, these subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledges, or similar arrangement. Thus, if all or part of these commitments are not fulfilled, there would be a risk that the Offering is not subscribed for as planned, which would lead to the Company being provided with less capital than calculated to finance its continued business.

RISKS RELATED TO EXISTING SHAREHOLDERS' SALE OF SHARES

In connection with the Offering, all board members and senior executives holding shares in SynAct have undertaken (with certain customary exceptions) not to sell or otherwise transfer their shares in the Company. The lock-up undertakings apply for a period of 180 days as from the date of the publication of the outcome of the Rights Issue. During the first 90 days after the publication of the outcome of the Rights Issue, the undertaking covers 100 per cent of each person's holding of shares and the remaining part of the lock-up period covers 90 per cent of each person's holding of shares. Joint Global Coordinators may, if they deem it appropriate in the individual case, grant exemptions from the relevant undertakings. Once the respective lock-up period has expired, the shareholders covered by the lock-up period are free to sell their shares. Significant sales of shares carried out by major shareholders, as well as a general market expectation that sales may be carried out, may lead to a decrease of the price of the Company's shares. If the price of the Company's shares falls, it may mean that an investor cannot recover the funds invested.

RIGHTS ATTACHED TO THE SHARES

GENERAL INFORMATION

The Company's shares have been issued in accordance with Swedish law, are denominated in SEK and freely transferable. All shares have been fully paid and entail a quota value of SEK 0.125. The Company's articles of association contain a so-called central securities depository provision for electronic registration and the Company's shares are connected to the electronic securities system with Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, as central securities depository. The shares are registered in the name of the shareholder. No share certificates have been issued for the shares. The ISIN code for the Company's shares is SE0008241491. Investors are hereby notified that tax legislation in the investor's member state and in Sweden may affect the income from the shares.

THE RIGHTS ISSUE

The board of directors of the Company resolved on 28 March 2022, based on the authorization from the annual general meeting held on 21 May 2021, to carry out the Rights Issue. The shares in the Rights Issue are issued in accordance with Swedish law and the currency of the Rights Issue is SEK. The Rights Issue is expected to be registered with the Swedish Companies Registration Office (*Sw*. Bolagsverket) around week 18, 2022. The specified week is preliminary and may change.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at the general meeting. All shares in the Company give equal rights to dividends, share in the Company´s profits and the Company´s assets and any surplus in the event of liquidation. Those registered as holders of shares in the share register kept by Euroclear on the dividend record day as determined by the general meeting are entitled to receive dividend. The Company's shares have been issued in accordance with Swedish law and the rights associated with the Company's shares may only be amended through a change of the articles of association in accordance with the rules set out in the Swedish Companies Act. Shareholders normally have preferential rights to subscribe for new shares, warrants and convertibles in accordance with the Swedish Companies Act, unless the general meeting or the board of directors with authorization from the general meeting decides to deviate from the shareholders' preferential rights. The Company's articles of association do not contain any special provisions on redemption or conversion of shares.

The Company has one class of shares and all shares have the same priority in case of insolvency.

DIVIDEND

Any dividends are decided by the general meeting. The right to receive dividends accrues to the person who is registered in the share register and recorded in the record register at the determined record date. The record date for dividends and the payment date for dividends are decided by the general meeting or by the board of directors after authorization from the general meeting. Normally, dividend is paid in cash but may also be paid in other ways.

If a shareholder cannot be reached for receipt of dividend, the shareholder's claim on the Company will remain in force and will only be limited by statutory limitations. In general, the claim matures after ten years. In the event of statutory limitation, the dividend amount will be forfeited to the Company. The Company does not apply any restrictions or special procedures regarding cash dividend for shareholders resident outside Sweden, and subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden.

AUTHORIZATION

The annual general meeting held on 21 May 2021 resolved to authorize the board of directors, up until the next annual general meeting, at one or several occasions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in kind, set-off or other conditions, to resolve to issue new shares, convertibles and/or warrants. The reason why a deviation from the shareholders' preferential rights should be possible is to enable the Company to source working capital, to be able to execute acquisitions of companies or operating assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 6,501,574 shares. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the issue shall be made on market conditions. The board of directors resolved on 28 March 2022, based on the above authorization, to carry out the Rights Issue.

PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

The Company's shares are subject to the takeover rules for certain trading platforms issued by the Swedish Corporate Governance Board (Takeover Rules for certain trading platforms). A public takeover bid may apply to all or part of the shares in a company and can be voluntary or mandatory (so-called mandatory bid). The obligation to make an offer to acquire the remaining shares in a company is triggered for shareholders who, alone or together with a closely related party, have a holding that represents three tenths or more of the total voting rights in a company.

A company may only, after a decision by the general meeting, adopt measures that are intended to impair the conditions for the submission or implementation of a bid, if the board of directors or the managing director of the company has good reason to assume that such a bid is imminent, or if such a bid has been made.

In case of a public takeover bid, a shareholder must decide either to accept or reject the offering during the term of acceptance. A shareholder who accepts a public takeover bid is bound by the acceptance; however, a shareholder may under certain circumstances revoke the acceptance, e.g. if it has been conditional on the fulfilment of certain conditions. If a shareholder chooses to reject, or does not respond to, a public takeover bid, the shareholder's shares may be subject to compulsory redemption in the event that the bidder obtains a holding that represents more than nine tenths of the shares in the limited liability company through the offering.

Compulsory redemption means that a majority shareholder holding more than nine tenths of the shares in a company, regardless of the voting rights of the shares, has a statutory right to redeem the remaining shares in the company that are not already held by the majority shareholder. Correspondingly, shareholders whose shares may be subject to redemption have a right to have their shares redeemed by the majority shareholder. The price of the shares redeemed through compulsory redemption can be determined in two ways. If the majority shareholder has submitted a public takeover bid to other shareholders, which has been accepted by at least nine tenths of the shareholders, the redemption amount shall correspond to the consideration offered for the shares, unless special reasons justify otherwise. In other cases, the redemption amount for the shares shall correspond to the price that can be expected from a sale of the shares under normal circumstances. This process for determining reasonable remuneration for shares redeemed through compulsory redemption forms part of the minority protection under Swedish company law, which aims to create a fair treatment of all shareholders. Any disputes regarding redemption shall be settled by arbitrators.

SynAct's shares are not subject to any offer made as a result of a mandatory bid, redemption rights or redemption obligation. There have not been any public takeover offers regarding SynAct's shares during the current or preceding financial year.

TERMS AND CONDITIONS FOR THE OFFERING

PREFERENTIAL RIGHTS TO SUBSCRIBE

Anyone who, on the record date 4 April 2022, is registered as a shareholder in the share register held by Euroclear on behalf of the Company, is entitled to subscribe for shares in relation to the number of shares held on the record date.

For each existing share held on the record date, one (1) subscription right is received. The subscription rights entitle the holder to subscribe for new shares with preferential rights, where eleven (11) subscription rights entitle to subscription of one (1) new share.

ISSUE VOLUME

The Offering consists of a maximum of 2,364,208 new shares, corresponding to approximately MSEK 150 before issue costs.

OVER-ALLOTMENT ISSUE

In order to meet any oversubscription in the Rights Issue and the opportunity to provide the Company with additional financing the board of directors may, based on the authorization from the annual general meeting on 21 May 2021, resolve on a directed issue of a maximum of 395,000 shares. The share price in the Over-allotment Issue shall be SEK 63 per share, corresponding to the share price of the Rights Issue. The reason for the deviation from the shareholders' preferential rights is to meet a higher demand than initially estimated in the event of oversubscription in the Rights Issue. If the Over-allotment Issue is utilized in its entirety, the Company receives additional proceeds of approximately MSEK 25 before transaction costs, which are expected to approximately MSEK 2. The board of directors may resolve to exercise the Over-allotment Issue, in part or in full, if the Rights Issue is oversubscribed. The right to subscribe for shares in the Over-allotment Issue shall vest in those who subscribe for shares in the Rights Issue without receiving full allotment.

If the Over-allotment Issue is exercised in full, the Company's share capital will increase with an additional SEK 49,375 to SEK 3,595,687.875 and the number of shares with 395,000 to a total of 28,765,503 shares. The dilution of the Over-Allotment alone amounts to 1.4 per cent. In total, upon full subscription in the Rights Issue and if the Over-allotment Issue is exercised in full, the dilution will amount to 9.6 per cent.

SUBSCRIPTION PRICE

The subscription price is SEK 63 per share. Brokerage is not paid.

RECORD DATE

The record date with Euroclear for determining who has the right to receive subscription rights in the Rights Issue is 4 April 2022. The last day of trading in the Company's share with the right to participate in the Rights Issue is 31 March 2022. The first day of trading in the Company's share without the right to participate in the Rights Issue is 1 April 2022.

SUBSCRIPTION PERIOD

Subscription of new shares with subscription rights shall take place through simultaneous cash payment during the period from and including 6 April 2022 up to and including 22 April 2022. During this period, notification of subscription for shares can also be made without subscription rights. The board of directors of the Company reserves the right to extend the subscription period which, if relevant, will be published by the Company via a

press release no later than the last day of the subscription period on 22 April 2022. The press release will be available on SynAct's website, www.synactpharma.com.

SUBSCRIPTION RIGHTS

For each existing share held on the record date, one (1) subscription right is received. The subscription rights entitle the holder to subscribe for new shares with preferential rights, where eleven (11) subscription rights entitle to subscription of one (1) new share.

TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Spotlight Stock Market during the period from and including 6 April 2022 up to and including 19 April 2022 under the ticker SYNACT TR. The ISIN code for the subscription rights is SE0017768955. Shareholders must contact their bank or other nominee directly with the necessary permits to carry out the purchase and sale of subscription rights. Subscription rights which are acquired during the abovementioned trading period give, during the subscription period, the same right to subscribe for new shares as the subscription rights received by shareholders based on their holdings in the Company on the record date.

SUBSCRIPTION RIGHTS NOT EXERCISED

Subscription rights that have not been sold by 19 April 2022 at the latest or are used for subscription of shares by 22 April 2022 at the latest will be booked away from all VP accounts without compensation. No special notification is made upon the cancelation of the subscription rights.

ISSUE STATEMENT AND APPLICATION FORMS

DIRECTLY REGISTERED SHAREHOLDERS

Shareholders or representatives of shareholders who, on the record date 4 April 2022, are registered in the share register held by Euroclear on behalf of the Company, will receive a pre-printed issue statement with an attached payment notice. The complete Prospectus, special application form for subscription of shares with subscription rights as well as the issue statement for subscription without subscription rights will be available for downloading at the Company's website, www.synactpharma.com. Anyone who is included in the list of pledge holders and others, specifically kept in connection with the shareholder register, will not receive information but are notified separately. VP notices, reporting the registration of subscription rights on shareholders' VP accounts, will not be sent out.

SUBSCRIPTION WITH PREFERENTIAL RIGHTS

Subscription of shares with subscription rights can be made through simultaneous cash payment during the period from and including 6 April 2022 up to and including 22 April 2022. Please note that it can take up to three banking days for the payment to reach the recipient's account. Subscription and payment shall be made in accordance with one of the following two alternatives:

1. ISSUE STATEMENT – PRE-PRINTED PAYMENT NOTICE FROM EUROCLEAR

   In case all subscription rights received on the record date are used for subscription of shares, the pre-printed payment notice from Euroclear shall be used as a basis for subscription through cash payment. The special application form shall in that case not be used. No additions or changes may be made on the pre-printed payment notice. Please note that the application for subscription is binding.

2. SPECIAL APPLICATION FORM

   In case a different number of subscription rights than what appears in the pre-printed payment notice from Euroclear is used for subscription, the special application form shall be used. Notification of subscription through cash payment shall be made in accordance with the instructions provided in the special application

form. The pre-printed payment notice from Euroclear shall thus not be used. The special application form can be obtained from Nordic Issuing by phone or e-mail as per below. The application form can also be downloaded from the Company's website, www.synactpharma.com. The special application form shall be submitted to Nordic Issuing no later than 17:00 CEST on 22 April 2022. Any application forms sent by mail should therefore be sent well in advance of the subscription date. Only one (1) application form per natural or legal person will be considered. In case more than one application form is submitted, only the last received will be considered. An incomplete or incorrectly completed special application form may be disregarded. Please note that the application for subscription is binding.

The completed application form shall be sent or provided to:

Nordic Issuing AB
Telephone: +46 (0) 40-632 00 20
E-mail: info@nordic-issuing.se (scanned application form)

NOMINEE-REGISTERED SHAREHOLDERS

Shareholders whose holdings of shares in the Company are nominee-registered with a bank or other nominee will not receive an issue statement. Subscription and payment shall be made in accordance with instructions from the respective nominee.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Subscription of shares without preferential rights shall be made during the same period as subscription of shares with preferential rights, that is, from and including 6 April 2022 up to and including 22 April 2022. The board of directors of the Company reserves the right to, under any circumstances, extend the subscription period and the payment period. Such extension shall be announced no later than the last day of the subscription period and be made public by the Company.

Notification of subscription without preferential rights is made by completing, signing and submitting the application form for subscription without preferential rights to Nordic Issuing at their address according to the above. The application form can be ordered from Nordic Issuing by telephone or e-mail according to the above. The application form can also be downloaded from the Company's website, www.synactpharma.com, or Nordic Issuing's website, www.nordic-issuing.se.

The application form shall be received by Nordic Issuing no later than 17:00 CEST on 22 April 2022. An application form that is submitted by mail should therefore be submitted well in advance of the last subscription date. It is only allowed to submit one (1) application form for subscription without preferential rights. In case more than one application form is submitted, only the last received will be considered. An incomplete or incorrectly completed special application form may be disregarded. Please note that the application for subscription is binding.

Please note that shareholders that have their shareholdings nominee-registered shall apply for subscription without preferential rights to their nominee according to their routines.

IMPORTANT INFORMATION

REQUIREMENT FOR NID NUMBER FOR NATURAL PERSONS

National ID (NID number) or National Client Identifier (NCI number) is a global identification code for private individuals. According to directive 2014/65/EU ("**MiFID II**"), all natural persons have, from and including 3 January 2018, a NID number, and this number needs to be entered in order to carry out a securities transaction. If such number is not entered, Nordic Issuing might be unable to perform the transaction for the natural person in question. If you only have a Swedish citizenship, your NID number consists of the designation "SE" followed by your social security number. If you have several citizenships or another citizenship than a Swedish, your NID number may be another type of number. For further information about how to obtain the NID number, contact your bank. Remember to inform yourself on your NID number well in advance as the number needs to be stated on the application form.

REQUIREMENT FOR LEI CODE FOR LEGAL PERSONS

Legal Entity Identifier (LEI) is a global identification code for legal persons. According to MiFID II, legal persons have to, from and including 3 January 2018, have a LEl code in order to carry out a securities transaction. If such a code does not exist, Nordic Issuing may be unable to perform the transaction for the legal person in question.

SUBSCRIPTION FROM ACCOUNTS WHICH ARE SUBJECT TO SPECIFIC RULES

Subscribers with accounts that are subject to specific rules for securities transactions, for example IPS accounts, ISK (Investment Savings Account) or depository/account in endowment insurance have to check with their respective nominees whether and how subscription of shares may be made in the Rights Issue.

ALLOTMENT PRINCIPLES UPON SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; secondly, to those who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for subscription of shares; and thirdly, to those who have provided underwriting commitments with regard to subscription of shares, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

NOTICE OF ALLOTMENT UPON SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Notice of any allotment of shares, subscribed for without preferential rights, is provided by sending an allotment notice in terms of a settlement note. Payment must be made no later than three (3) business days after the issuance of the settlement note. No notice is given to persons who have not received allotment. If payment is not made on time, the shares may be transferred to someone else. Should the sale price in the event of such transfer fall below the price in the Offering, the person who originally received the allotment of these shares may be liable for all or part of the difference.

Those who subscribe for shares without preferential rights through their nominee will receive notice of subscription in accordance with its nominee's routines.

SHAREHOLDERS RESIDING ABROAD

Shareholders residing outside of Sweden and Denmark (however, this does not refer to shareholders resident in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where participation would require additional prospectuses, registration or other regulatory approvals) who are entitled to subscribe for shares in the Rights Issue, may contact Nordic Issuing by telephone according to the above for information on subscription and payment. Due to securities law restrictions in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where participation would require additional prospectuses, registration or other regulatory approvals, no subscription rights will be offered to holders with registered addresses in any of these countries. Accordingly, no offer to subscribe for shares in the Company is made to shareholders in these countries.

PAID-UP SUBSCRIBED SHARES (BTA)

Subscription through payment is registered with Euroclear as soon as possible, which is normally a few business days after payment. Thereafter, the subscriber receives a VP notice with confirmation that paid-up subscribed shares (BTA) have been booked into the subscriber's VP account. The newly subscribed shares are booked as BTA in the VP account until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 18, 2022. The ISIN code for BTA 1 is SE0017768963.

According to the Swedish Companies Act, part of the Rights Issue may, under certain circumstances, be registered with the Swedish Companies Registration Office. If this possibility of partial registration is used in the current issue, several series of BTAs will be issued whereupon the first series will be called "BTA 1" in Euroclear. BTA 1 will be converted into shares as soon as a first partial registration has taken place. A second series of BTA ("BTA 2") will be issued for subscription which took place at such a time that the subscribed shares could not be included in the first partial registration and be converted to shares as soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 18, 2022. The ISIN code for BTA 2 is SE0017768971.

TRADING IN BTA

Trading in BTA will take place on Spotlight Stock Market during the period from and including 6 April 2022 up until the Swedish Companies Registration Office has registered the Rights Issue and BTAs have been converted to shares.

BTA IN THE OVER-ALLOTMENT ISSUE

Subscribers who receive allotment of shares within the framework of the Over-allotment Issue will receive another type of paid-up subscribed shares than the ones subscribed for within the framework of the Rights Issue. These shares will not be admitted to trading on Spotlight Stock Market. The paid-up subscribed shares within the framework of the Over-allotment Issue will be converted to shares at the same time as BTA, i.e. after the Swedish Companies Registration Office has registered the Rights Issue and the Over-allotment Issue. The shares will thereafter be admitted to trading on Spotlight Stock Market.

RIGHT TO DIVIDEND

The new shares entitle to dividends from and including the first record date for dividends that fall after the issue resolution. The new shares entitle to the same right to dividends as the existing shares.

PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE

The outcome of the Rights Issue will be made public around 26 April 2022 by a press release from the Company.

TRADING IN THE SHARE

SynAct is traded on Spotlight Stock Market, a business line within ATS Finans AB, which is a securities company under the supervision of the Swedish Financial Supervisory Authority, which runs a so-called MTF platform. The shares are traded under the ticker SYNACT with ISIN code SE0008241491. The new shares are intended to be admitted to trading in connection with the conversion of BTA to shares, which is expected to take place around week 18, 2022.

DELIVERY OF SHARES

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 18, 2022, BTA are converted to shares without notice from Euroclear. For shareholders with nominee-registered shareholdings, the information will be provided by each nominee.

DILUTION

The Offering, upon full subscription, will result in an increase of the number of shares in the Company by 2,364,208 shares, from 26,006,295 shares to 28,370,503 shares, which corresponds to a dilution of approximately 8.3 per cent of the total number of shares and votes in the Company. Upon full subscription of the Over-Allotment, the number of shares in the Company will increase with an additional of 395,000 shares. The dilution from the Over-allotment Issue alone amounts to 1.4 per cent of the number of shares and votes in the Company. The total dilution in the event the Rights Issue is fully subscribed and the Over-Allotment is exercised in full amounts to 9.6 per cent of the number of shares and votes in the Company.

OTHER

The board of directors of the Company is not entitled to terminate, revoke or temporarily withdraw the offering to subscribe for new shares in the Company in accordance with the terms in the Prospectus.

In the event an excessive amount is paid by a subscriber for subscribed shares, Nordic Issuing will arrange for the excessive amount to be repaid. In such an event, Nordic Issuing will contact the subscriber for information on a bank account to which Nordic Issuing can repay the amount. No interest will be paid for excessive amounts. Subscription of new shares is irrevocable and the subscriber may not cancel or modify a subscription of new shares. An incomplete or incorrectly completed application form may be disregarded. If the payment for subscribed shares is late, insufficient or paid incorrectly, the subscription for shares may be disregarded or the subscription might be made with a lower amount. Payments that are not used will be repaid. If multiple application forms of the same category are submitted, only the application form that was last received by Nordic Issuing will be considered. Late payment of amounts less than SEK 100 will only be repaid on request. Registration of the Rights Issue with the Swedish Companies Registration Office is expected to take place around week 18, 2022.

SUBSCRIPTION UNDERTAKINGS AND GUARANTEE COMMITMENTS

SUBSCRIPTION UNDERTAKINGS

The Company has received subscription undertakings from the board of directors and senior executives, totaling approximately MSEK 2, corresponding to approximately 1.3 per cent of the Rights Issue. The subscription undertakings do not entitle any compensation. The subscription undertakings are not secured by bank guarantee, blocked funds, pledges or similar arrangements, which is why there is a risk that the commitments,

in whole or in part, will not be fulfilled. See section "*Risk factors*" under the headline "*Subscription undertakings and guarantee commitments are not secured*" for further information.

Persons who have entered into subscription undertakings are shown in the table below.

Name	Amount (SEK)	Part of the Offering (%)
Torbørn Bjerke	125,055	0.1%
John Haurum	100,044	0.1%
Terje Kalland	200,025	0.1%
Uli Hacksell	100,044	0.1%
Marina Bozilenko	200,025	0.1%
Jeppe Øvlesen	275,058	0.2%
Thomas Jonassen	275,058	0.2%
Thomas Boesen	150,003	0.1%
Patrik Renblad	575,001	0.4%
Total	**2,000,313**	**1,3 %**

GUARANTEE COMMITMENTS

Through agreements entered into with SynAct, external investors have undertaken to subscribe for shares in the Rights Issue up to a value of approximately MSEK 147, corresponding to approximately 98.7 per cent of the Rights Issue, in the event that the Rights Issue is not fully subscribed. The agreements on guarantee commitments were entered into during March 2022 and compensation for guarantee commitments is paid through cash payment amounting to nine (9) per cent of the guaranteed amount. The guarantee commitments are not secured by bank guarantee, pledges or similar arrangements in order to ensure that the payment covered by the commitment will be provided to the Company, see section "*Risk factors*" under the headline "*Subscription undertakings and guarantee commitments are not secured*".

In total, the Rights Issue is covered by subscription undertakings and guarantee commitments amounting to approximately MSEK 150, corresponding to 100 per cent of the Rights Issue.

Name*	Amount (SEK)	Part of the Offering (%)
Formue Nord Markedsneutral A/S[1]	45,000,000	30.2%
Maven Investment Partners Ltd[2]	35,000,000	23.5%
Modelio Equity AB (publ)[3]	25,000,000	16.8%
Wilhelm Risberg	22,000,000	14.8%
Fredrik Lundgren	11,000,000	7.4%
Exelity AB[4]	8,945,104	6.0%
Total	**146,945,104**	**98.7%**

* Natural persons who have entered into agreements on guarantee commitments can be reached via Nordic Issuing or the Company's address, SynAct Pharma AB, c/o Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden.

[1] Østre Alle 102, 4 fl., DK-9000, Aalborg, Denmark.

[2] 20/F Tai Tung Building, 8 Fleming Road, Wan Chai, Hong Kong, China.

[3] Ingmar Bergmans Gata 2, SE-114 34, Stockholm, Sweden.

[4] c/o Finserve Nordic, Riddargatan 30, SE-114 57, Stockholm, Sweden.

LOCK-UP

In connection with the Rights Issue, the Company has undertaking towards the Joint Global Coordinators, subject to customary exceptions (such as to issue shares or share-related instruments in connection to acquisitions and incentive programs), not to, without the prior written consent, issue additional shares or share-related instruments during a period of 180 days after the date of the publication of the outcome of the Rights Issue.

In addition, the Company's board members and senior executives holding shares in the Company have, subject to customary exceptions (such as a) accepting a general offer made to all shareholders in the Company on terms which treat all such holders alike, b) undertake or commit to accepting a such a general offer, c) transferring securities to related persons and companies or by a personal representative of an individual who dies during the lock-up period, or d) transferring securities where a disposal is required by law, including by any decision or order of a court or competent juridical body or authority) undertaken towards the Joint Global Coordinators not to transfer or otherwise sell their shares for a period of 180 days after the publication of the outcome of the Rights Issue. During the first 90 days after the publication of the outcome of the Rights Issue, the undertaking covers 100 per cent of each person's holding of shares and the remaining part of the lock-up period covers 90 per cent of each person's holding of shares. Persons who hold shares in SynAct through a company considered as a "holding company" for Danish tax purposes resulting in that the undersigned might be subject to certain taxation based on the increase of value of the securities in SynAct during the relevant calendar year, are furthermore subject to an exception, during the period when 100 per cent of such party's shareholding is covered by lock-up, allowing such party to dispose as many securities as reasonably necessary to pay the relevant taxes. Joint Global Coordinators may, if they deem it appropriate in the individual case, grant exemptions from the relevant undertakings and the shares may then be offered for sale.

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

This section contains selected information regarding the board of directors and senior executives. As far as the board of directors is aware, there have been no arrangements or agreements with major shareholders, customers, suppliers or others, pursuant to which a board member, member of the senior executives or auditor have been appointed or elected, other than described in this section.

BOARD OF DIRECTORS

SynAct's board of directors currently consists of seven board members, including the chairman of the board, elected until the annual general meeting 2022.

Name	Position	Born	Board member since	Holdings*
Torbjørn Bjerke	Chairman of the board	1962	2016	823,192
Marina Bozilenko	Board member	1965	2021	-
Uli Hacksell	Board member	1950	2020	-
John Haurum	Board member	1963	2019	53,712
Thomas Jonassen	Board member[1)]	1963	2016	3,752,914[2)]
Terje Kalland	Board member	1951	2019	59,680
Kerstin Hasselgren	Board member	1961	2022	-

* Refers to shares in the Company held in their own name as well as by affiliated natural and legal persons.

1) Thomas Jonassen also serves as Chief Scientific Officer of the Company.

2) Thomas Jonassen holds 61 per cent of the shares in BioInvest ApS, which holds 3,752,914 shares in the Company.

TORBJØRN BJERKE

Chairman of the board since 2016.

Education and experience: Torbjørn Bjerke is a doctor with vast experience from positions such as president and CEO of Karolinska Development AB, Orexo AB and Biolipox AB. Bjerke has also been the Executive Vice President, R&D for ALK Pharmaceuticals and Director of Pharmacology at AstraZeneca. Bjerke is the co-founder of Action Pharma A/S and TXP Pharma as well as a current partner of Arctic Asset Management AS and portfolio manager of Arctic Aurora LifeScience. In addition, Bjerke has experience as board member within several life science companies. Bjerke holds a PhD in medicine from Aarhus University.

Other ongoing assignments: Chairman of the board in TXP Pharma AG and Carelight Ltd. Board member in Biothea Pharma Inc., GLCapital AB and UST Leadership AB.

Holdings: 823,192 shares.

MARINA BOZILENKO

Board member since 2021.

Education and experience: Marina Bozilenko has over 30 years of investment banking and healthcare industry experience, including raising more than USD 30 billion in capital and executing numerous M&A transactions. Bozilenko is currently Strategic Advisor to William Blair & Company, a firm she joined in 2010 as Head of Biotech & Pharma and Managing Director. Prior to that, Bozilenko worked at Bear, Stearns & Co. Inc. as Senior Managing Director in the healthcare group, at Banc of America Securities as Managing Director and Head of Biotechnology, and at Vector Securities International where she was partner. Bozilenko holds a Bachelor of Science in molecular biology and a Master in economic history from the University of Chicago.

Other ongoing assignments: Board member in AcelRx Pharmaceuticals, Inc. and NeuroNetworks Fund, Inc. CEO of Biothea Pharma Inc.

Holdings: -

ULI HACKSELL

Board member since 2020.

Education and experience: Uli Hacksell has more than 25 years of experience in senior positions in major pharmaceutical and biotech companies and more than 10 years of experience as CEO of publicly owned companies. As CEO of ACADIA Pharmaceuticals from 2000 to 2015, Hacksell led the company's development from a private start-up to a public, multibillion dollar company. In the 1990s, Hacksell held senior positions at Astra AB, prior to which he was a professor in organic chemistry at Uppsala University. Hacksell holds a PhD from Uppsala University.

Other ongoing assignments: Chairman of the board in Annexin Pharmaceuticals AB (publ) and Medivir Aktiebolag. Board member in Active Biotech AB (publ) and InDex Pharmaceuticals Holding AB.

Holdings: -

JOHN HAURUM

Board member since 2019.

Education and experience: John Haurum is a doctor and non-executive director in several European biotech companies, such as Adcendo, AgomAb Therapeutics, Catalym, DJS Antibodies, Neophore, Storm and Synklino. Haurum has previously been CEO of F-star in Cambridge, United Kingdom, where he built a successful biotech company that initiated two clinical trials in oncology and generated more than EUR 200 million in nondilutive revenue. Haurum has previously also been Vice President Research of ImClone Systems, New York, as well as Chief Scientific Officer and co-founder of Symphogen A/S, Denmark. Haurum holds a Medical Degree from Aarhus University and a PhD in immunology from the Institute of Molecular Medicine, John Radcliffe Hospital, University of Oxford, England.

Other ongoing assignments: Chairman of the board in ADCendo ApS, Agomab Therapeutics N.V., CatalYm GmbH, SYNLINKO ApS and Warburg Oncology ApS. Board member in DJS Antibodies Ltd., Neophore Ltd. and Storm Therapeutics Ltd. CEO of ARK Invest ApS. Member of the management team (*Dk*. direktion) in JSH Biotech ApS.

Holdings: 53,712 shares.

THOMAS JONASSEN

Board member since 2016.

Education and experience: Thomas Jonassen is a doctor and associate professor in cardiovascular pharmacology at the University of Copenhagen and visiting professor at William Harvey Research Institute, Barts and London School of Medicine. Jonassen has published more than 50 scientific publications and is the inventor of six granted patents in the United States and Europe. Jonassen is the co-founder of SynAct and has co-invented SynAct's drug candidate AP1189. Jonassen is also the co-founder of ResoTher Pharma Aps, Action Pharma A/S and TXP Pharma AG. Jonassen holds a Medical Degree from the University of Copenhagen.

Other ongoing assignments: Board member in Perfusion Tech ApS. Member of the management team (*Dk*. direktion) in BioInvest ApS and TJ Biotech Holding ApS.

Holdings: Thomas Jonassen holds 61 per cent of the shares in BioInvest ApS which holds 3,752,914 shares in the Company.

TERJE KALLAND

Board member since 2019.

Education and experience: Terje Kalland is a doctor and has more than 30 years of international experience from management positions in the life science industry. Kalland has been Senior Vice President at Novo Nordisk A/S, Head of Research and Development at Biovitrum AB (now SOBI AB) and has held various positions within Pharmacia AB. Kalland also has substantial experience with financing and investment activities and as Vice President at Karolinska Development AB. Kalland has previously been professor in tumour immunology at Lund University and has experience as a board member in several listed companies in Sweden and abroad. Kalland has a Medical Degree and a PhD in medicine from the University of Bergen.

Other ongoing assignments: -

Holdings: 59,680 shares.

KERSTIN HASSELGREN

Board member since 2022.

Education and experience: Kerstin Hasselgren has broad experience from working in large public international companies such as VP Corporate Business Control at SSAB, CFO at Alstom Transport Nordic, VP Finance Global Operations at AstraZeneca and VP Finance Global R&D at AstraZeneca. Hasselgren is currently CFO of Xspray Pharma AB listed at Nasdaq Stockholm. Hasselgren holds a Master of Science in Business Administration from Stockholm School of Economics.

Other ongoing assignments: -

Holdings: -

SENIOR EXECUTIVES

Name	Position	Born	Employed since	Holdings*
Jeppe Øvlesen	Chief Executive Officer	1962	2016	3,752,914[1)]
Patrik Renblad	Chief Financial Officer	1970	2021	1,000
Thomas Boesen	Chief Operating Officer	1969	2021	152,946[2)]
Thomas Jonassen	Chief Scientific Officer	1963	2016	3,752,914[3)]
James Knight	Chief Business Officer	1967	2021	-

* Refers to shares in the Company held in their own name as well as by affiliated natural and legal persons.

1) Jeppe Øvlesen and his wife holds 39 per cent of the shares in BioInvest ApS, which holds 3,752,914 shares in the Company.

2) Thomas Boesen holds 87.5 per cent of the shares in Boesen Biotech ApS, which holds 152,946 shares in the Company.

3) Thomas Jonassen holds 61 per cent of the shares in BioInvest ApS, which holds 3,752,914 shares in the Company.

JEPPE ØVLESEN

Chief Executive Officer since 2016.

Education and experience: Jeppe Øvlesen is a seasoned executive and biotech entrepreneur with a strong commercial background and a solid deal-making track record. Øvlesen has more than 20 years of experience at the executive level and has been involved in a string of successful start-up companies, including Action Pharma, Biostrip, CLC Bio, Cercare, ChemoMetec, Monsenso, PNN Medical, Mindway and TXP Pharma. In these companies, Øvlesen has served as co-founder, CEO, CFO and/or chairman/board member and has overseen the transition from start-up and build-up to successful exits. Øvlesen holds an MBA from the University of Hartford.

Other ongoing assignments: Chairman of the board in Cercare Medical A/S, GO-PEN ApS, HG Energy Group ApS and Neurescue ApS. Board member in Monseno A/S, Perfusion Tech ApS and ResoTher Pharma ApS. CEO of SynAct Pharma ApS. Member of the management team (*Dk*. direktion) in BioInvest ApS, Corporate Culture ApS, Quantass ApS and TXP Pharma AG.

Holdings: Jeppe Øvlesen and his wife holds 39 per cent of the shares in BioInvest ApS, which holds 3,752,914 shares in the Company.

PATRIK RENBLAD

Chief Financial Officer (CFO) since 2022.

Education and experience: Patrik Renblad has a broad experience from the life science industry. With a strong financial background and focus on economics, he has served in various roles across the pharmaceutical value chain and across various geographies for LEO Pharma and AstraZeneca. Prior to joining SynAct, Renblad worked for ten years at LEO Pharma, most recently as head of its Research & Development Finance unit. Prior to that, Renblad was assigned to an affiliate in Shanghai, China, for four years as local CFO. Renblad holds a Master of Science in Business Administration and Economics from Lund University.

Other ongoing assignments: Board member in Bioresund Investeringspartnerskap AB. Deputy board member in Caroline Renblad Expectations AB. Member of the management team (*Dk*. direktion) in SynAct Pharma ApS.

Holdings: 1,000 shares.

THOMAS BOESEN

Chief Operating Officer (COO) since 2021.

Education and experience: Thomas Boesen has more than 20 years of experience in the biotech and pharma industry. Boesen has, among other things, invented 35 granted patents and has been a part of the success of Action Pharma and Epitherapeutics and was co-founder of MedChem and TXP Pharma. Boesen brings insight in drug development throughout the clinical phases, with a focus on CMC (Chemistry Manufacturing and Control) and external collaboration. Prior to joining SynAct, Boesen was with Novo Nordisk A/S for five years. Boesen holds a PhD in bioorganic chemistry from the University of Copenhagen, with studies at Cambridge University, and a Master in technology management from Roskilde University, with studies at Edinburgh University.

Other ongoing assignments: Member of the management team (*Dk*. direktion) in Boesen Biotech ApS, Boesen Consult ApS, Gudter ApS, T.Boesen Holding ApS and Øbro EV-el ApS. Partner of Thomas Boesen Research.

Holdings: Thomas Boesen holds 87.5 per cent of the shares in Boesen Biotech ApS, which holds 152,946 shares in the Company.

THOMAS JONASSEN

Chief Scientific Officer (CSO) since 2016.

See above under section "*Board of directors*" for a description.

JAMES KNIGHT

Chief Business Officer (CBO) since 2021.

Education and experience: James Knight has 25 years of experience in biotech. Knight was previously the Vice President of Portfolio Strategy at Questcor Pharmaceuticals where he was responsible for leading the expansion of Acthar Gel from two to nine promoted indications across five specialty areas including rheumatology. Knight is also serving as Chief Business Officer at TXP Pharma, and has previously been Senior Vice President, Head of Corporate Development at BioTime and held positions of increasing responsibility at Elan Pharmaceuticals, Dura Pharmaceuticals and Biogen. Knight holds a Bachelor of Science in biology from the University of Massachusetts, Amherst, and an MBA in High Technology from Northeastern University in Boston.

Other ongoing assignments: -

Holdings: -

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no family ties between any of the board members or senior executives. Except as set out below, none of the Company's board members or senior executives have during the last five years (i) been convicted in fraud-related offences, (ii) been convicted of a crime and/or been subject to sanctions for a crime by any regulatory or supervisory authority (including approved professional associations), or (iii) been prohibited by a court from being part of an issuer's administrative, management or control body or from having leading or senior functions with an issuer.

The Company's CEO Jeppe Øvlesen has in a decision by the Danish Tax Authority been subject to an administrative fee due to faulty settlement of foreign tax related to the financial year 2015 and 2016. As per the date of this Prospectus, the decision has been appealed, meaning that the decision has not gained legal effect.

All board members and senior executives can be reached via the Company's address: SynAct Pharma AB, c/o Medicon Village, Scheelevägen 2, SE-223 81 Lund, Sweden.

REMUNERATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration for board members elected by the general meeting is resolved by the annual general meeting. At the annual general meeting held on 21 May 2021, it was resolved that remuneration should be paid in an amount of KSEK 400 to the chairman of the board and KSEK 200 to each other board member not employed by the Company. It was further resolved that remuneration for committee work shall be paid in an amount of KSEK 100 to the chairman of the audit committee, KSEK 50 to each other member of the audit committee, KSEK 50 to the chairman of the remuneration committee and KSEK 25 to each other member of the remuneration committee.

The table below sets forth the remuneration that the board members and senior executives have received in relation to the financial year 2021. All amounts are in KSEK.

The Company has not deposited or accrued any amounts for pensions or similar benefits after a board member's or member of senior executive's resignation from position or assignment.

Remuneration during 2021

(KSEK)	Board remuneration	Fixed salary/ Consultancy fee	Variable remuneration	Other remuneration	Pension costs	Total
Board of directors						
Torbjørn Bjerke, chairman of the board	425	654[2]	-	-	-	**1,079**
Marina Bozilenko, board member[1]	250	-	-	-	-	**250**
Uli Hacksell, board member	250	-	-	-	-	**250**
John Haurum, board member	300	167[2]	-	-	-	**467**
Thomas Jonassen, board member	-	1,940	-	-	-	**1,940**
Terje Kalland, board member	225	-	-	-	-	**225**
Senior executives						
Jeppe Øvlesen, CEO	-	1,942	-	-	-	**1,942**
Other senior executives[3]	-	3,659	-	2,167[4]	-	**5,825**
Total	**1,450**	**8,362**	**-**	**2,167**	**-**	**11,978**

[1] Marina Bozilenko was elected as board member at the annual general meeting held on 21 May 2021.

[2] For further description, see section "*Legal considerations, ownership structure and supplementary information – Transactions with related parties*".

[3] Four persons in total during the financial year 2021.

[4] Other remuneration refers to severance pay to the previous CMO Anders Dyrh Toft of KSEK 1,948, as well as remuneration to sub-consultants of KSEK 219. For further information regarding consultancy fees, see section *"Legal considerations, ownership structure and supplementary information – Transactions with related parties*".

FINANCIAL INFORMATION AND PERFORMANCE MEASURES

FINANCIAL REPORTS

Historical financial information for SynAct regarding the financial years ending 31 December 2020 and 2019 with accompanying audit reports and the Company's year-end report for the financial year ending 31 December 2021 are incorporated in the Prospectus by reference and shall be read as a part hereof. The parts of the documents that are not incorporated in the Prospectus by reference are either not relevant to investors or the corresponding information is reproduced elsewhere in the Prospectus. For further information, see section "*Documents incorporated by reference*".

SynAct's annual reports for the financial years ending 31 December 2020 and 2019 have been audited and the audit report is attached to the annual reports. The year-end report for the financial year ending 31 December 2021 has not been subject to review by the Company's auditor. The Company's annual report for the financial year ending 31 December 2019 has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 ("**K3**"). The Company's annual report for the financial year ending 31 December 2020 has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the EU. Furthermore, the consolidated financial statements comply with the recommendation from the Swedish Financial Reporting Board RFR 1 "Supplementary accounting rules for groups". The Company's year-end report for the financial year ending 31 December 2021 is prepared in accordance with IAS 34 Interim financial reporting, and contains consolidated financial statements which have been prepared in accordance with IFRS.

In connection with the preparation of the Company's year-end report for the financial year ending 31 December 2020, the Company changed accounting principles from K3 to IFRS. To enable comparison between the financial year 2019, prepared in accordance with K3, and the latter financial years 2020 and 2021, prepared in accordance with IFRS, the Company has in this section and in the section "*Summary*" decided to, for the financial year 2019, only present unaudited comparative figures gathered from the Company's annual report for the financial year ending 31 December 2020 which are included as comparative figures in the annual report for that financial year. This unaudited financial information has neither been audited nor reviewed by the Company's auditor.

Other than explicitly stated, no other information in the Prospectus has been reviewed or audited by the Company's auditor.

References are made as follows:

- The Company's unaudited year-end report for the financial year ending 31 December 2021, where reference is made to the Group's income statement on page 10, the Group's statement of comprehensive income on page 10, the Group's statement of financial position on page 11, the Group's statement of changes in equity on page 12, the Group's statement of cash flows on page 13 and notes on pages 16 – 18.
- The Company's audited annual report for the financial year ending 31 December 2020, where reference is made to the Group's income statement on page 20, the Group's statement of comprehensive income on page 20, the Group's statement of financial position on page 21, the Group's statement of changes in equity on page 22, the Group's cash flow statement on page 23, notes on pages 24 – 44 and the auditor's report on pages 61 – 62.
- The Company's audited annual report for the financial year ending 31 December 2019, where reference is made to the Group's income statement on page 20, the Group's balance sheet on pages 21 – 22, the

Group's statement of changes in equity on page 23, the Group's statement of cash flows on page 24, notes on pages 30 – 38 and the auditor's report on pages 40 – 42.

PERFORMANCE MEASURES

The Company's performance measures presented below are alternative performance measures that are not defined under IFRS and are thus not necessarily comparable to performance measures with similar names used by other companies. The financial performance measures that are not defined under IFRS are used to facilitate the analysis of the Company for management and other stakeholders. Alternative performance measures are based on information gathered from SynAct's annual report for the financial year ending 31 December 2020 (with comparative figures for the financial year 2019) as well as the Company's year-end report for the financial year ending 31 December 2021, and have not been audited or reviewed by the Company's auditor. See "*Definitions of alternative performance measures*" below for definitions and the purpose of alternative performance measures, as well as "*Reconciliation of alternative performance measures*" for reconciliations of the abovementioned performance measures. The table below presents SynAct's performance measures for the financial years ending 31 December 2020 and 2019 as well as for the period January – December 2021.

	1 January – 31 December		
	2021	**2020**	**2019**
Equity/Asset ratio (%)*	54%	73%	47%
R&D/Operating Expenses (%)*	79%	73%	60%

* Alternative performance measures, not defined under IFRS. The alternative performance measures are neither audited nor reviewed by the Company's auditor.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Definitions of the Company's performance measures, which are not defined under IFRS, are presented in the definitions below (alternative performance measures). Alternative performance measures indicate historical or future financial results, financial position or cash flows, excluding or including amounts that would not be adjusted similarly by the most comparable performance measure that has been defined in accordance with the Group's accounting principles. The Group management uses alternative performance measures to monitor the underlying development of the Company's business and is of the opinion that the alternative performance measures help investors to understand the Company's development from period to period and may facilitate comparisons with similar companies, but are not necessarily comparable to performance measures with similar names that are used by other companies. The Company is of the opinion that the alternative performance measures provide useful and supplementary information to the investors. The alternative performance measures are neither audited nor reviewed. See "*Reconciliation of alternative performance measures*" below for reconciliations of the Company's alternative performance measures.

Performance measure	**Definition**	**Purpose**
Equity/assets ratio (%)	Calculated by dividing total equity with total assets.	Equity/asset ratio is a financial performance measure which shows the share of the Company's total assets that is financed through equity. The two ingoing parameters are gathered from the Group's statement of financial position.

R&D/Operating Expenses (%)	Total costs related to research and development divided by total operating expenses.	Indicates the share of the total operating costs allocated to R&D. Thereafter, the remaining part (1-R&D/operating costs) indicates the share of total costs used for sales and administration activities.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The tables below reflect a reconciliation of the Company's alternative performance measures based on items, subtotals or total amounts included in the Company's annual report for the financial year ending 31 December 2020 (with comparative figures for the financial year 2019) as well as the Company's year-end report for the financial year ending 31 December 2021, which have been incorporated in the Prospectus by reference. The alternative performance measures are neither audited nor reviewed.

Equity/assets ratio (%)	**1 January – 31 December**		
KSEK	**2021**	**2020**	**2019**
Total equity	20,869	15,868	12,188
Balance sheet total	38,369	21,593	25,913
Equity/assets ratio (%)	**54%**	**73%**	**47%**

R&D/Operating Expenses (%)	**1 January – 31 December**		
KSEK	**2021**	**2020**	**2019**
Research and development costs	-60,490	-22,788	-15,174
Administration and sales costs	-16,225	-8,811	-10,161
Other operating income/expenses	16	314	-
Total operating costs	-76,699	-31,285	-25,335
R&D/Operating Expenses (%)	**79%**	**73%**	**60%**

REMARK FROM THE COMPANY'S AUDITOR

The auditor's report in the annual report for the financial year 2019 deviates from the standard wording as it contains information of specific importance. The information of specific importance refers to information on the Company's capital needs during the coming twelve months and shows that there is a risk that conditions for continued operations do not exist unless sufficient financing can be obtained as the Group's available liquid funds do not cover the liquidity needed to conduct the planned operations during the coming twelve months. The information in its entirety is presented below:

"*The below information does not affect our statements above.*

As described on page 19 in the annual report under section Prospects and capital needs for 2020, the company estimates that subscription of options series TO2 will be an attractive investment opportunity which is why these are believed to be subscribed for. At full subscription, this entails a cash consideration of MSEK 32.8 before transaction costs.

This financing, which is not yet secured, is together with the current working capital, according to the board of directors' assessment, sufficient to fund the operations up until the planned reporting of the RA and NS study in 2021. If TO2 is not fully subscribed, the company will evaluate alternative financing options, and if necessary prioritize the operations according to available financing."

DIVIDEND POLICY

The Company has so far not paid any dividend and there are no guarantees that any dividend will be proposed or resolved upon in the Company for any specific year. The Company does not plan to pay any dividend in the near future. Any proposal on future dividends will be decided upon by the board of directors in SynAct and thereafter be submitted for resolution at the annual general meeting. The Company has not adopted any dividend policy.

SIGNIFICANT CHANGES AFTER 31 DECEMBER 2021

There have been no significant changes of the Company's financial position since 31 December 2021.

LEGAL CONSIDERATIONS, OWNERSHIP STRUCTURE AND SUPPLEMENTARY INFORMATION

SHARES AND SHARE CAPITAL

SynAct's shares are denominated in SEK and have been issued in accordance with the Swedish Companies Act. All shares are fully paid up. The Company's articles of association prescribe that the share capital shall be no less than SEK 1,800,000 and no more than SEK 7,200,000 and that the number of shares shall amount to no less than 14,400,000 and no more than 57,600,000. As of 31 December 2021, the Company's registered share capital amounted to SEK 3,250,786.875 divided into 26,006,295 shares, each with a quota value of SEK 0.125. The number of outstanding shares at the beginning of the most recent financial year was 24,406,295 shares and amounted to 26,006,295 shares at the end of the same financial year. As per the date of the Prospectus, the Company's registered share capital amounts to SEK 3,250,786.875 divided into 26,006,295 shares.

OWNERSHIP STRUCTURE

To the board of directors' knowledge, there are no shareholders' agreements or other arrangements between the Company's shareholders intended to exercise joint control of the Company, or which could lead to a change or prevention in the control of the Company. SynAct has not taken any specific measures in order to guarantee that the control of the Company is not misused and there are no provisions in the Company's articles of association which may delay, postpone or prevent a change in the control of the Company. However, the rules for protection of minority shareholders in the Swedish Companies Act constitute a protection against a majority shareholder's potential misuse of its control of a company. The Company is neither owned nor controlled, directly or indirectly, by any part.

MAJOR SHAREHOLDERS

The table below presents, to the best of the Company's knowledge, all shareholders with a shareholding exceeding five per cent of the total number of shares and votes in SynAct as per 31 December 2021, including any known changes thereafter up until the date of the Prospectus. The Company only has one class of shares and all shares have equal voting rights.

Name	Number of shares and votes	Percentage of share capital and votes (%)
BioInvest ApS[1)]	3,752,914	14.43
Försäkringsaktiebolaget Avanza Pension	1,661,842	6.39
Nordnet Pensionsförsäkring AB	1,488,620	5.72
Shareholders with holdings exceeding five per cent	**6,903,376**	**26.54**
Other shareholders	19,102,919	73.46
Total	**26,006,295**	**100.00**

[1)] BioInvest ApS is controlled by the Company's CEO Jeppe Øvlesen and board member and CSO Thomas Jonassen.

SHARE-RELATED INCENTIVE PROGRAMS AND CONVERTIBLES

As of 31 December 2021, SynAct had no outstanding share-related incentive programs or convertibles.

MATERIAL AGREEMENTS

Other than agreements entered into in the ordinary course of business, the Company has not entered into any agreements of major importance for the Group during the one-year period immediately preceding the date of the publication of the Prospectus.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

SynAct has not, in the past twelve months, been a party to any authority proceedings, legal proceedings or arbitration proceedings (including proceedings that are pending or deemed likely by the Company) that are likely considered to have or have had a significant effect on the Company's financial position or profitability. However, the Company has been denied a deduction for incoming VAT for the tax years up to and including 2018 by a total amount of MSEK 3.8 by the Swedish Tax Authority (*Sw*. Skatteverket), which has been reserved as a VAT expense in the Group's and the Company's balance sheets. The Company has appealed the Swedish Tax Authority's decision. In December 2021, the Administrative Court in Malmö upheld the Company's appeal with the consequence that the deductions were granted. However, the Swedish Tax Authority has appealed the decision to the Court of Appeal, which is why the Company, for prudential reasons, continues to reserve the amount as a liability in the Group's and the Company's balance sheets. Nevertheless, the Company assesses that the outcome of the ongoing process will not have a significant effect on the Company's financial position or profitability.

INTERESTS AND CONFLICTS OF INTEREST

There are no conflicts of interest or potential conflicts of interest among the board of directors and senior executives with regard to obligations towards the Company and their private interests and/or assignments. As set out above, some board members and members of the senior executives have economic interests in the Company through holding of shares.

No board member or member of the senior executives have been elected or appointed as a result of arrangements or agreements with major shareholders, customers, suppliers or other parties.

TRANSACTIONS WITH RELATED PARTIES

The related party transactions which have taken place since 1 January 2019 up to the date of the Prospectus, all of which have been made on market terms, are presented below.

In March 2021, the subsidiary SynAct Pharma ApS acquired the rights to a number of innovative chemical molecules from Boesen Biotech ApS, a company controlled by the Company's COO, Thomas Boesen. The transfer was carried out free of charge, but Boesen Biotech ApS is according to the agreement entitled to receive milestone payments and royalties in the future related to any progress in the Company's development and commercialization of products based on these rights.

The Company's CEO, Jeppe Øvlesen, previously performed his assignment as CEO on a consulting basis via the company Corporate Culture ApS. The total compensation for the consulting services related to the assignment as CEO amounted to KSEK 1,738 for the financial year 2019, KSEK 1,695 for the financial year 2020 and KSEK 1,942 for the financial year 2021. Jeppe Øvlesen is since 1 January 2022 employed as CEO of the Company.

The Company's CSO and board member, Thomas Jonassen, previously performed his assignment as CSO on a consulting bases via the company TJ Biotech ApS. The total compensation for the consulting services related to the assignment as CSO amounted to KSEK 1,464 for the financial year 2019, KSEK 1,729 for the financial year 2020 and KSEK 1,940 for the financial year 2021. Thomas Jonassen is since 1 January 2022 employed as CSO of the Company.

The Company's COO, Thomas Boesen, previously performed his assignment as COO on a consulting basis via the company Boesen Consult ApS. The total compensation for the consulting services related to the assignment as COO amounted to KSEK 799 for the financial year 2021 (of which KSEK 7 refers to compensation for sub-consultant). Thomas Boesen is since 1 January 2022 employed as COO of the Company.

The Company's CBO, James Knight, performs his assignment as CBO on a consulting basis via the company James Knight Consulting Inc. The total compensation for the consulting services related to the assignment as CBO amounted to KSEK 573 for the financial year 2021 and KSEK 631 for the period 1 January 2022 up until the date of the Prospectus.

The Company's previous CFO, Henrik Stage, performed his assignment as CFO on a consulting basis via the company Next Stage Ventures ApS. The total compensation for the consulting services related to the assignment as CFO amounted to KSEK 1,416 for the financial year 2019, KSEK 1,717 for the financial year 2020 (of which KSEK 200 refers to compensation for sub-consultant) and KSEK 1,550 for the financial year 2021 (of which KSEK 212 refers to compensation for sub-consultant). For the period 1 January 2022 up until the date of the Prospectus, no compensation has been paid.

The chairman of the board of directors, Torbjørn Bjerke, has in addition to his work on the board received compensation via the company UST Leadership AB for performed consulting services relating to strategy, business development, financing and scientific advice. The total compensation for the consulting services amounted to KSEK 700 for the financial year 2020 and KSEK 654 for the financial year 2021. For the period 1 January 2022 up until the date of the Prospectus, no compensation has been paid.

The board member John Haurum has in addition to his work on the board received compensation via the company JSH BioTECH ApS for performed consulting services relating to clinical development and scientific advice. The total compensation for the consulting services amounted to KSEK 300 for the financial year 2019, KSEK 405 for the financial year 2020 and KSEK 167 for the financial year 2021. For the period 1 January 2022 up until the date of the Prospectus, no compensation has been paid.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available on the Company's website, www.synactpharma.com.

- SynAct's certificate of registration.
- SynAct's articles of association.