

## SynAct Pharma to make strategic acquisition of Swiss biotech company TXP Pharma

**SynAct Pharma AB (publ) ("SynAct" or the "Company") today announced that the Company has entered into a conditional agreement on acquisition of TXP Pharma AG ("TXP"), a privately owned Swiss-incorporated biotech company researching and developing pharmaceutical drugs for the treatment of autoimmune and inflammatory diseases. The purchase price consists of a fixed purchase price of SEK 136 million and a potential additional purchase price of SEK 55 million, where the fixed purchase price is paid through 2,172,523 newly issued shares in SynAct. In connection with the acquisition, SynAct has also resolved to execute a directed cash new issue of shares of SEK 80 million which is announced through a separate press release.**

Among the sellers of TXP are, directly and indirectly, Torbjørn Bjerke, chairman of the board of directors of SynAct, Jeppe Øvlesen, CEO of SynAct, Thomas Jonassen, board member and CSO of SynAct, Thomas Boesen, COO of SynAct and Jim Knight, CBO of SynAct. The completion of the acquisition of TXP is conditional on that the acquisition and the issue of the consideration shares are approved at an extraordinary general meeting in SynAct.

The transaction process has been handled by a committee composed of the four non-conflicted members of the board of directors, chaired by Uli Hacksell. In its work, the committee has been supported by legal and financial advisors and has also obtained a third-party valuation of TXP's assets as well as a so-called fairness opinion issued by Ernst & Young AB.

"By combining the pipeline and scientific capabilities of SynAct and TXP, we strengthen SynAct's leading position within therapies for resolution treatment through melanocortin biology, and boosts its growing development portfolio. Also, we can now tackle the full range of inflammatory and autoimmune diseases with two complementary platforms, which underscores SynAct's place in the forefront of developing pharmaceuticals to treat these severe and debilitating diseases where there is a great unmet medical need", commented Uli Hacksell, board member of SynAct.

### **The acquisition of TXP**

TXP is a privately held, Swiss-incorporated biotech company researching and developing pharmaceutical drugs which are planned to be used for treatment of autoimmune and inflammatory diseases by stimulation (agonist) of melanocortin receptors. TXP has created a platform of more than 70 unique analogs of the naturally occurring melanocyte stimulation hormone (MSH) with a range of selectivity when binding to the melanocortin receptors. By using a propriety platform, TXP has developed peptides which are both stable and selective in stimulation of the different receptors.

TXP-11 is TXP's most developed project, which is in preclinical phase and has completed regulatory toxicology studies required to initiate Phase 1 studies in humans. TXP-11 is a peptide which is administered intravenously and whose primary indication is the prevention of organ failure and damage in connection with surgical operations. The project is expected to advance into Phase 1 in 2023. TXP's development portfolio also includes TXP-35 and TXP-59, both very potent melanocortin receptor agonists, identified as candidates for slow-release formulation. This gives the potential to further development within the wide range of inflammatory and autoimmune diseases where stimulation of melanocortin receptors has proved successful.

Through the acquisition of TXP, SynAct's position as a leader within therapies for resolution treatment through melanocortin biology is strengthened. The acquisition of TXP gives SynAct two platforms that complement each other and create a versatility to develop therapies to address the full range of inflammatory and autoimmune diseases. The development portfolio is strengthened, and the aim is that SynAct, as a result of the acquisition, will shortly have two projects in clinical development and another two in a relatively advanced preclinical phase. A direct advantage of this is that the possibilities of a strong, continuous and value-creating news flow increase.

Further information about TXP and the acquisition can be found in an investor presentation published on SynAct's website today.

### **Related party transaction**

Among the sellers of TXP are GoodWind Holding GmbH ("GoodWind") which owns approximately 53.48 per cent of the shares in TXP. The shareholders of GoodWind include TJ Biotech Holding ApS, a company controlled by Thomas Jonassen, board member and CSO of the Company; Quantass ApS, a company controlled by Jeppe Øvlesen, CEO of the Company; GL Capital AB, a company controlled by Torbjørn Bjerke, chairman of the board of the Company; and Boesen Biotech ApS, a company controlled by Thomas Boesen, COO of the Company. Thereto, Boesen Biotech ApS, GL Capital AB, TJ Biotech Holding ApS and Quantass ApS, as well as James Knight, CBO of the Company, own shares directly in TXP.

Some related party transactions shall, pursuant to Chapter 16 a of the Swedish Companies Act, be subject to the approval of the general meeting. Transactions that shall be approved are those which, together with other transactions carried out with the same related parties during the past year, refer to a value of at least one million SEK and correspond to at least one per cent of the Company's value (calculated as total market value). Given that GoodWind, and thus also indirectly Torbjørn Bjerke, Thomas Jonassen, Jeppe Øvlesen and Thomas Boesen, will receive a purchase price that exceeds one per cent of the Company's total current market value, the transaction of TXP will be subject to the approval of the general meeting of the Company according to the provisions of Chapter 16 a, Section 7 of the Swedish Companies Act. Torbjørn Bjerke and Thomas Jonassen have not participated in the board of directors' preparation of the proposals on the related party transaction and the issue in kind.

The transaction process has been handled by a committee composed of the four non-conflicted members of the board of directors, chaired by Uli Hacksell. In its work, the committee has been supported by legal and financial advisors and has also obtained a third-party valuation of TXP's assets as well as a so-called fairness opinion issued by Ernst & Young AB.

### **Transaction terms and funding**

The completion of the acquisition of TXP is conditional upon approval at the extraordinary general meeting which is planned to be held on 12 January 2023. Notice of the extraordinary general meeting will be published through a separate press release.

Subject to the extraordinary general meeting resolving to approve the acquisition and the issue of the consideration shares, the acquisition of TXP is expected to be completed around 16 January 2023.

The purchase price for the acquisition is composed of a fixed purchase price of SEK 136 million and a potential additional purchase price of SEK 55 million. The fixed purchase price will be paid through the issuance of in the aggregate 2,172,523 new issued shares in SynAct, corresponding to a dilution of approximately 6.8 per cent (after completion of the directed cash new issue). In determining the number of shares issued, a settlement price of SEK 62.60 per share (corresponding to the volume-weighted average price of the Company's shares on Nasdaq Stockholm during 30 trading days up to and including the trading day prior to the date of signing of the share purchase agreement) has been used.

The additional purchase price is a one-time amount of SEK 55 million which will be payable if (i) SynAct's board of directors, following the completion of the first Phase II study with one of TXP's compounds, resolves to continue the development of said compound for a subsequent Phase IIb or a Phase III study or if an application to commence such studies is filed; (ii) TXP divests or licenses one of TXP's compounds; or (iii) SynAct divests the shares in TXP. The additional purchase price shall only be payable once upon the first fulfilment of any of the events entitling to the additional purchase price. If an additional purchase price is payable, SynAct shall, in its sole discretion, be entitled to resolve on whether it shall be payable in cash or through the issuance of new shares (subject to necessary resolution by the general meeting in SynAct). To the extent SynAct resolves to settle the additional purchase price in new issued shares, the number of shares to be issued shall be calculated based on a settlement price which is based on the volume-weighted average price for SynAct's shares during 30 trading days prior to SynAct's notification to the sellers that SynAct chooses to settle the additional purchase price in shares.

In connection with the acquisition, SynAct has also resolved to execute a directed cash new issue of SEK 80 million which is announced through a separate press release. The completion of the directed cash new issue is not conditional upon the completion of the acquisition of TXP.

### **Lock-up undertakings**

The sellers of TXP have undertaken, with certain customary exceptions, not to sell the newly issued shares received as consideration during a period of 90 days after the closing date.

**Advisors**

Van Lanschot Kempen N.V. is acting as financial advisor to SynAct and Setterwalls Advokatbyrå AB and BGPpartner AG are acting as legal advisors to SynAct in connection with the acquisition.

**Conference Call Details**

SynAct will host an audiocast and telephone conference on 12 December 2022 at 2:00 p.m. CET, with the following participants:

Uli Hacksell, board member

Jeppe Øvlesen, CEO

Thomas Jonassen, CSO

Patrik Renblad, CFO

Web link: <https://financialhearings.com/event/46360>

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**About SynAct Pharma AB**

SynAct Pharma AB (publ) (Nasdaq Stockholm: SYNACT) conducts research and development in inflammatory diseases. The company has a platform technology based on a new class of drug candidates aimed at acute deterioration in chronic inflammatory diseases with the primary purpose of stimulating natural healing mechanisms. For more information: [www.synactpharma.com](http://www.synactpharma.com).

*This information is information that SynAct Pharma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-12-12 07:30 CET.*

**Attachments**

[SynAct Pharma to make strategic acquisition of Swiss biotech company TXP Pharma](#)