

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Proposal for resolution on:

- A. approval of acquisition of TXP Pharma AG (related party transaction); and**
- B. issue of new shares in kind**

Background

SynAct Pharma AB, Reg. No. 559058-4826 (the "**Company**" or "**SynAct**"), has entered into a share purchase agreement regarding acquisition of all shares in TXP Pharma AG ("**TXP**").

TXP is a privately held, Swiss-incorporated biotech company researching and developing pharmaceutical drugs which by stimulation (agonist) of melanocortin receptors are planned to be used for treatment of autoimmune and inflammatory diseases. 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 proprietary platform, TXP has developed peptides which are both stable and selective in stimulation of the different receptors.

TXP-11 is the most developed project of TXP. The project 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. TXP-11 is expected to advance into Phase 1 during 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.

Among the sellers of TXP are GoodWind Holding GmbH ("**GoodWind**") which owns approximately 53.48 per cent of the shares in TXP. TJ Biotech Holding ApS, a company controlled by Thomas Jonassen, board member and CSO of the Company, owns approximately 26.67 per cent of the shares in GoodWind, Quantass ApS, a company controlled by Jeppe Øvlesen, CEO of the Company, owns approximately 26.67 per cent of the shares in GoodWind, GL Capital AB, a company controlled by Torbjørn Bjerke, chairman of the board of the Company, owns approximately 23.00 per cent of the shares in GoodWind and Boesen Biotech ApS, a company controlled by Thomas Boesen, COO of the Company, owns approximately 18.67 per cent of the shares in GoodWind. Thereto, Boesen Biotech ApS directly owns approximately 1.52 per cent of the shares in TXP, Capital AB directly owns approximately 0.71 per cent of the shares in TXP, TJ Biotech Holding ApS directly owns approximately 0.71 per cent of the shares in TXP and Quantass ApS directly owns approximately 0.64 per cent of the shares in TXP. Finally, James Knight, CBO of the Company, owns approximately 3.57 per cent of the shares 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

transactions which, together with other transactions carried out with the same related parties during the past year, refers to a value of at least one million SEK and corresponds 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 therefore shall 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. In relation to Torbjørn Bjerke it is also noted that he, via UST Leadership AB, carries out consultancy services for the Company since August 2022, for which a monthly remuneration of SEK 105,000 is paid.

Since the purchase price for TXP shall be paid in the form of contribution in kind, the issue in kind must also be approved by the general meeting.

Torbjørn Bjerke and Thomas Jonassen have not participated in the board of directors' preparation of these proposals.

With reference to the above, the board of directors submits the following proposal regarding approval of acquisition of TXP and issue in kind. The proposal under item A below also constitutes the board of directors' report according to Chapter 16 a, Section 7 of the Swedish Companies Act.

A. Resolution on approval of acquisition of TXP Pharma AG (related party transaction)

The Company has on 12 December 2022 entered into a share purchase agreement with all current shareholders of TXP regarding transfer of all of the shares in TXP (the "**Share Purchase Agreement**"). According to the Share Purchase Agreement, the Company shall issue an initial fixed purchase price of SEK 135,999,939.80 to be paid on the closing date. The fixed purchase price shall be payable through the issuance of 2,172,523 new issued shares to the sellers (the purchase price and the new issued shares will be allocated among the sellers pro rata in relation to their shareholding in TXP). The number of consideration shares to be issued to settle the fixed purchase price has been determined based on a settlement price of SEK 62.60 per share, which corresponds to the volume-weighted average price for the Company's shares during 30 trading days up to and including the last trading day prior to the date of signing of the Share Purchase Agreement.

In addition to the fixed purchase price, the Company may also come to issue an additional purchase price in the form of a one-time amount of SEK 55,000,000 under the Share Purchase Agreement. The additional purchase price shall be payable if (i) the Company'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 are filed; (ii) TXP divests or licenses one of TXP's compounds; or (iii) the Company divests the shares in TXP. The additional purchase price shall only be payable once and upon the first fulfilment of any of the events entitling to the additional purchase price. If an additional purchase price is payable, the Company 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 the Company). Any additional purchase price shall be allocated among the sellers' pro rata in relation to their shareholding in TXP. To the extent the Company resolves to settle the additional purchase price in new issued shares, the number of shares to be issued shall be calculated based on a settle price which is based on the volume-weighted average price for the Company's shares during 30 trading days prior to the Company's notification to the sellers that the Company chooses to settle the additional purchase price in shares.

The agreed purchase price for TXP has been determined based on negotiations with the sellers. Prior to the negotiations, the board of directors obtained a valuation of TXP's development portfolio from an independent third party. The board of directors' basis for the valuation included the result of a so-called due diligence examination of TXP. The board of directors has also obtained a so-called fairness opinion from Ernst & Young AB.

According to the Share Purchase Agreements, the sellers have provided customary guarantees regarding TXP and its business. Closing is according to the Share Purchase Agreement subject to the approval of the general meeting of the Company. Provided that the general meeting approves the acquisition, closing is expected to take place in close relation to the general meeting.

Through the purchase 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.

According to the board of directors' assessment, the terms and conditions of the transaction are market-based. The board of directors' view is supported by the independent value statement, so-called fairness opinion, that has been prepared by Ernst & Young AB on behalf of the board of directors and confirms that the consideration that SynAct pays is fair from a financial perspective for the shareholders of the Company.

In light of the above, the board of directors proposes that the extraordinary general meeting on 12 January 2022 resolves to approve the acquisition of TXP.

The resolution under this item A is conditional upon the general meeting also resolving on an issue in kind according to item B below. For a valid resolution, the proposal has to be supported by a majority of the votes cast at the general meeting. Shares and votes held by Good-Wind, GL Capital AB, TJ Biotech Holding ApS and Quantass ApS and/or shares that are held by another company within the same group or corresponding company group as any of them shall not be taken into account in the general meeting's resolution under this item A.

B. Resolution on issue in kind

The board of directors proposes that the extraordinary general meeting on 12 January 2023 resolves to increase the Company's share capital with not more than SEK 271,565.375 through new issue of not more than 2,172,523 shares and on the following terms and conditions:

1. The new shares shall only be subscribed for by the shareholders in TXP, whereby payment for the subscribed shares shall be made by contribution of shares in TXP. The number of shares in the Company that each shareholder in TXP shall be able to subscribe for as well as the number of shares in TXP that each respective subscriber shall contribute with are set out in **Schedule 1**.
2. Payment for subscribed shares shall be made by way of assets contributed in kind, consisting of all shares in TXP. Payment for the subscribed shares in the form of contribution of the assets to be contributed in kind shall be made simultaneously with the subscription. The value of the assets to be contributed in kind, which is stated in the board of directors' report in accordance with Chapter 13, Section 7 of the Swedish Companies Act (2005:551) corresponds to a subscription price per share of SEK 75. The final value at which the in kind-assets will be entered in the Company's balance sheet as well as the subscription price will, however, in accordance with applicable accounting rules, be determined based on the share price for the Company's shares at the so-called transaction date and may therefore deviate from the estimated value in the board of directors' report.
3. Subscription shall be made on a separate subscription list simultaneously with the closing of the acquisition of the shares in TXP, however on 31 January 2023 at the latest. The board of directors shall be entitled to prolong the last day of subscription.
4. Over-subscription cannot occur.
5. The new shares convey right to dividends as from the first record date for dividends occurring after the issue resolution.
6. The Company's board of directors, or the person appointed by the board of directors, is authorized to make such minor formal adjustments to this resolution, which may be required for registration with the Swedish Companies Registration Office or Euroclear Sweden AB.
7. Documents pursuant to Chapter 13, Section 6 – 8 of the Swedish Companies Act have been prepared.

The resolution under this item B is conditional upon the extraordinary general meeting also resolving to approve the acquisition of TXP according to item A above. For a valid resolution, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the extraordinary general meeting.

Lund in December 2022
SynAct Pharma AB (publ)
The Board of Directors¹

¹ As stated above, Torbjørn Bjerke and Thomas Jonassen have not participated in the board of directors' preparation of the proposals.

Schedule 1

Subscriber	Number of shares in TXP transferred	Number of shares in the Company subscribed
GoodWind Holding GmbH	6 000 000	1 161 777
James Anthony Knight, Penfield	400 000	77 452
Stephen La Hue Cartt	530 000	102 624
Icon Image AB	330 000	63 898
Quantum Leben AG	2 080 000	402 749
Karl Egon Niclas Henriksson	220 000	42 598
Dr. Saeid AB	220 000	42 598
Modelio Equity AB	160 000	30 981
Gerhard Dal	160 000	30 981
Gryningskust Holding AB	110 000	21 299
Iraj Arastoupour	110 000	21 299
David Charles Cartt	100 000	19 363
Gunvald Magnus Svante Berger	80 000	15 490
OMT Invest A/S	60 000	11 618
OR Invest A/S	60 000	11 618
Thomas Ringberg	60 000	11 618
Per Anders Torsten Nilsson	50 000	9 681
Quantass ApS	71 400	13 825
TJ Biotech Holding ApS	79 300	15 355
Boesen Biotech ApS	170 000	32 917
GL Capital AB	79 300	15 355
Viking Bio I GmbH	90 000	17 427
Total:	11 220 000	2 172 523