SYNACT PHARMA

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INVITATION TO SUBSCRIBE FOR UNITS

SUBSCRIPTION PERIOD: 18 NOV – 2 DEC 2019

A new class of drugs for inflammatory diseases

IMPORTANT INFORMATION

The following summary is not an offer but should be viewed as an introduction to SynAct Pharma AB's ("SynAct") prospectus and does not necessarily contain all the information needed for an investment decision. Finansinspektionen's (Sweden's financial supervisory authority) approval of the prospectus should not be interpreted as an approval of the securities offered. The investor is advised to consult the prospectus, which is available on SynAct's website: www.synactpharma.com before making an investment decision, in order to understand the potential risks associated with the decision to invest in the securities. SynAct Pharma AB, reg.no. 559058-4826.

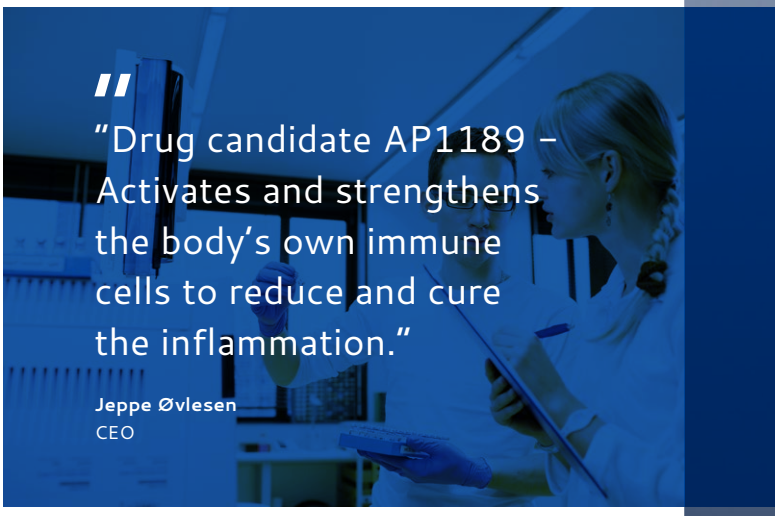
www.synactpharma.com

SEDERMERA FONDKOMMISSION

RESEARCH AND DEVELOPMENT IN INFLAMMATORY DISEASES

SynAct Pharma AB is a Phase II clinical company focused on drugs that stimulate and strengthen the body's own immune system in order to fight inflammatory diseases.

The company's research and patents are based on the endogenous hormone melanocortin, which is activated in inflammatory conditions and contributes with anti-inflammatory effects, which are important components of the healing process and for recovery to normal tissue function. SynAct's drug candidate AP1189 stimulates, in a more selective way, the relevant receptors in the immune system, thereby avoiding unwanted side effects.



INVESTMENT HIGHLIGHTS

Recently initiated phase II study in active joint disease: SynAct's first phase II clinical trial with the leading compound AP1189 for treatment of rheumatoid arthritis (RA) has recently been initiated at clinics in Denmark. The study is being conducted on patients with active arthritis who have been referred to a specialized department for treatment with antirheumatic drugs where first-line treatment is the drug methotrexate. In the study, the drug candidate AP1189 is given as a supplement to methotrexate and is expected to be reported during Q1 2021. Interim analysis from the first part of the study is scheduled to be reported during Q1 2020.

Extended objective of conducting two phase II clinical trials: After the company obtained positive results in a preclinical study in nephrotic syndrome (NS), where dosing with the drug candidate AP1189 resulted in a significant reduction in proteinuria (protein loss via the kidneys), the board and management of SynAct see great potential in conducting another phase II study in NS. Nephrotic syndrome is a serious kidney disease which, if left untreated, gradually turns into chronic kidney disease with an increased risk of cardiovascular disease including myocardial infarction and stroke. Up to one third of all NS patients do not respond adequately to current treatments and most patients suffer from treatment-related side effects. As previously reported, AP1189 has shown potential to significantly reduce renal protein losses in a predictive animal model of NS with the same amount as after treatment with the active substance in Acthar® Gel (ACTH) from Mallinckrodt Pharmaceuticals.

With the establishment of two Phase II clinical programs for two different indications, RA and NS, SynAct will significantly increase the possibility of a successful result while also increasing the commercial value for AP1189. Both RA and NS are indications with a large unmet medical need and an attractive market where SynAct's drug candidate has the potential to become a new and improved method for treatment. Positive data from the ongoing phase IIa program in RA and from the planned phase IIa study in NS could mean that AP1189 could become a "game changer" in the melanocortin market, which currently amounts to over USD 1 billion, which would benefit a large patient group.

Current market and competition: In 2017, the global market for drugs for rheumatoid arthritis amounted to approximately USD 23.3 billion, while sales of drugs for the treatment of psoriatic arthritis amounted to over USD 4.5 billion[1]. The market for NS is somewhat smaller but offers the opportunity to obtain orphan drug status and benefit from fast-track development and exclusivity after market launch. In order to describe the potential of melanocortin-derived therapy, parallels can be drawn to the drug Acthar® Gel, which currently has annual sales of approximately $ 1.25 billion. The use of Acthar® Gel is limited to severe cases since the compound has a number of undesirable side effects. Similar to Acthar® Gel, AP1189 is a melanocortin receptor agonists, but the profile of SynAct's compounds does not stimulate type 2 melanocortin receptors, which means that unwanted and in some cases treatment-limiting side effects observed after treatment with Acthar® Gel, do not exist for the company's compound. AP1189 is also being developed for once-daily oral administration, while Achtar® Gel is given as injections with only limited self-administration options.

AP1189 paves the way for a new method of treatment: AP1189 has the potential to become a "front-runner" for resolution therapy, a new method for treatment of inflammatory and autoimmune diseases, which stimulates the immune system's healing mechanisms, unlike most of today's drugs which inhibit the body's immune system. This is done by activating the body's immune cells, unlike biological and immunosuppressive drugs, which act by inhibiting the activity of the immune system.

1. GlobalData Plc

OBJECTIVES

2019

AP1189
- Conduct the first part of the phase II study in RA with the aim of identifying the doses for the second part of the phase II study.
- Preparatory activities to initiate phase II study with AP1189 within NS.

The Company
- Continue the business development in SynAct with out-licensing and partnership dialogues.

2020

AP1189
- Complete dosing of the Phase II study (second part) in RA and obtain interim data, Q1 2020.
- Initiate phase II study in NS, Q1 2020.

The Company
- Continued business development.
- In-depth out-licensing and partnership dialogues.

2021

AP1189
- Final Report of Phase II study in RA, Q1 2021.
- Conducting meeting regarding the Phase II study in RA with the FDA and EMA, Q1 2021.
- Implement and obtain top line results for the phase II study in NS, Q1 2021.

The Company
- Continued business development.
- In-depth and concluding out-licensing and partnership dialogues.

OFFER IN BRIEF

Subscription period: 18 November 2019 – 2 December 2019.

Record date and preferential rights: The record date was 13 November 2019. Anyone who held shares in SynAct on the record date has a preferential right in the issue. For each existing share, one (1) unit right will be received. Holdings of twenty-one (21) unit rights entitles the holder to subscribe for one (1) unit. One (1) unit consists of four (4) shares and four (4) warrants of series TO 2.

Valuation of the current offer (pre-money): Approx. SEK 91 million.

Subscription price: SEK 24.80 per unit corresponding to SEK 6.20 per share. Warrants of series TO 2 are received free of charge.

Issue volume: The offer comprises of a maximum of 2,795,268 shares and a maximum of 2,795,268 warrants of series TO 2, corresponding to approximately SEK 17.3 million and SEK 18.7 million, respectively. If the issue is fully subscribed and all associated warrants are exercised, SynAct will receive an injection totaling approximately SEK 36.1 million before issuance costs.

Subscription commitments and guarantee subscriptions: SynAct agreed in writing prior to the planned rights issue on subscription commitments for a total of approximately SEK 6.4 million and guarantee commitments for a total of approximately SEK 10.9 million. Hence, approximately SEK 17.3 million, corresponding to 100 percent of the initial amount, has been agreed in advance in writing.

CONDITIONS FOR WARRANTS OF SERIES TO 2 IN BRIEF

Exercise period: 1 – 22 July 2020.

Exercise price: Holding of one (1) warrant entitles to the subscription of one (1) share in SynAct at a rate of SEK 6.70 per share.

Issue volume: If the issue of units is fully subscribed, 2,795,268 warrants of series TO 2 will be issued. If all warrants are exercised, SynAct will receive an injection totaling approximately SEK 18.7 million.

DIRECTED ISSUE OF UNITS

In order to strengthen SynAct's ownership base, the company also conducts a directed issue comprising a total of 524,000 units, which are subscribed to under the same conditions as in the forthcoming rights issue. The directed issue initially provides the company with approximately SEK 13 million before issue costs. If all warrants are excercised, SynAct can be allocated an additional SEK 14 million before issuance costs.

COMMENTS FROM THE CEO, JEPPE ØVLESEN

Our phase II clinical study in active rheumatoid arthritis with AP1189 is now ongoing at clinics around Denmark. This after very successful development work, where we have laid a solid scientific foundation that paves the way for producing good results in ongoing and future studies. AP1189 has great potential to become a leader within resolution therapy, a new method of treatment for inflammatory and autoimmune diseases, which stimulates the immune system's healing mechanisms, unlike most drugs today which inhibit the body's immune system.

"The market and the need for new treatment methods for the inflammatory and autoimmune diseases that the drug candidate AP1189 targets, are significant."

After receiving promising preclinical results in nephrotic syndrome (NS) with the drug candidate AP1189, SynAct also has great potential to advance within NS. In order to increase the value creation for AP1189, we plan to conduct another phase II clinical trial in NS. Based on our promising results in both indications, we find this new strategy of conducting another clinical study extremely appropriate and a fantastic opportunity to create value for SynAct. In addition, the indication NS has the opportunity to obtain orphan drug status and benefit from fast-track development and exclusivity after market launch.

In order to describe the treatment potential of melanocortin receptor agonists in inflammatory and autoimmune diseases, including RA and NS, parallels can be drawn to the drug Acthar® Gel, a drug approved in the United States with annual sales of more than $ 1.25 billion. Acthar® Gel generates its therapeutic effects by stimulating the same receptors as AP1189, but in addition also stimulates other receptors with unwanted side effects as a result. Since the use of Acthar® Gel often leads to unwanted serious side effects, the use is limited to severe cases. Similar to Acthar® Gel, AP1189 is a melanocortin receptor agonist, but unlike Acthar® Gel, our compound does not stimulate type 2 melanocortin receptors. These receptors sometimes have treatment-limited side effects, which are seen after treatment with Acthar® Gel. These side effects are not associated with AP1189. In addition, the drug candidate AP1189 is developed for once-daily oral administration, while Achtar® Gel is given as injections with limited self-administration possibilities. Worth mentioning is that Mallinckrodt Pharmaceuticals, which controls Acthar® Gel, recently reported (via press release on June 13, 2019) that all primary and secondary outcome targets were met in a Phase 4 clinical trial with the market-launched drug Acthar® Gel in otherwise treatment resistant patients with RA. The study, presented at the European Congress of Rheumatology 2019 (EULAR) in Madrid (June 12-15), shows that Acthar® Gel in patients who have previously shown treatment-resistant symptoms, even after treatment with glucocorticoids, may benefit from Acthar® Gel treatment. It is important to emphasize that AP1189 has the potential to reach a much larger patient population than Acthar® Gel. The total market for inflammatory joint diseases exceeds USD 23 billion and is expected to reach USD 27.8 billion in 2027.

As a result of the above, positive data from the ongoing Phase II program for RA and continued progress with AP1189 for NS could mean that AP1189 has the opportunity to become a "game changer" in the melanocortin market which would benefit a very large patient group. We are now carrying out a fully collateralized capitalization consisting of a directed issue and a preferential rights issue of approximately SEK 58.1 million to finance the completion of the ongoing Phase II clinical trial with AP1189 in RA and conducting the clinical Phase II study with AP1189 in NS as well as repayment of previous bridge loans. As the studies progress, SynAct will continuously explore the possibilities for further business development. Our overall objective is firm regarding the drug candidate AP1189, where SynAct's ambition is, based on the results of the Phase II clinical studies, to sign commercial agreements with one or several major pharmaceutical companies. The Board and management estimate that there are good opportunities for commercial agreements, provided that positive results are obtained when the planned Phase II studies for AP1189 have been completed.

I hereby welcome you to participate in SynAct's continued development and journey.

Jeppe Øvlesen - CEO

N.B. The below is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish original and the English translation the Swedish text shall prevail.

TERMS AND CONDITIONS FOR SYNACT PHARMA AB

The offer

The Extraordinary General Meeting of SynAct Pharma AB, decided on the 8th of November 2019, to approve the Board of Directors decision from the 21st of October 2019, of a rights issue to the existing shareholders and the general public. The Company's share capital will increase with a maximum of SEK 349,408.50 through the issuance of a maximum of 2,795,268 new shares, each with a nominal value of SEK 0.12500 at the subscription price of SEK 6.20 per share. The rights issue is conducted with preferential subscription right for existing shareholders. The total issue proceeds amount to a maximum of SEK 17,330,661.60.

The maximum amount of units issued will be 698,817. Each unit consists of four (4) new shares and four (4) warrants of series TO 2. One (1) existing share entitles to one (1) unit right. Twenty-one (21) such unit rights entitles to subscription of one (1) unit.

The price per share will be 6.20 SEK, which gives a price of 24.80 SEK per unit. The warrants are issued free of payment. Each unit consists of four (4) warrants which means a maximum of 2,795,268 warrants of series TO 2 will be issued in the rights issue.

Each warrant of series TO 2 entitles to subscription of one new share in the company. If all of the warrants of series TO 2 issued through the rights issue and the directed issue described in this document will be exercised, the share capital will be increased with a total of 611,408.50 SEK.

Preferential unit rights

Parties who on the record date November 13th 2019 were shareholders of SynAct Pharma AB, have preferential right to subscribe for units in the rights issue in relation to their previous shareholdings, whereby one (1) existing share entitles to one (1) unit right. Twenty-one (21) such unit rights entitle to subscription of one (1) unit. Each unit consists of four (4) new shares and four (4) warrants of series TO 2. The warrants are issued free of payment.

Unit rights ("UR")

Shareholders preferential right to subscribe for units will be performed through exercising of unit rights. One (1) existing share will entitle to one (1) unit right. Twenty-one (21) unit rights entitles to subscription of one (1) unit. Each unit consists of four (4) new shares and four (4) warrants of series TO 2, which will be issued free of payment.

Subscription price

The subscription price is SEK 24.80 per unit. No brokerage fee will be charged.

Record date

Record date at Euroclear Sweden AB ("Euroclear") for participation with preferential rights was on November 13th, 2019. The last day of trading with shares in SynAct Pharma AB including preferential rights was on November 11th, 2019. The first day of trading with shares in SynAct Pharma AB without preferential rights was on November 12th, 2019.

Subscription period

The subscription period starts on November 18th, 2019, and ends on December 2nd, 2019, at 3 p.m. After the subscription period, all unexercised unit rights will be void and lose their value. Unexercised unit rights are removed from the respective shareholder's securities depository account, without specific notification from Euroclear.

Trading with unit rights

Trading in unit rights will take place on Spotlight Stock Market from the 18th of November 2019, until the 28th of November 2019. Shareholders shall contact their bank or other nominee with the necessary authority to carry out the purchase and sale of unit rights directly. Unit rights that are acquired during the above-mentioned trading period provide the same right to subscribe for new units as shareholders with unit rights based on their shareholdings in SynAct Pharma AB on the record date. Unit rights must be exercised no later than on the 2nd of December 2019 or sold no later than the 28th of November 2019, in order to not become void or lose their value.

Preprinted paying slips and subscription forms

Shareholders with preferential unit rights directly registered in Euroclear

Shareholders or representatives of shareholders, who on the record date November 13th, 2019, were registered in the Euroclear system, receives a preprinted paying slip (account statement), the subscription form "Subscription with unit rights", the subscription form "Subscription without unit rights" and a folder containing the terms and conditions for the rights issue with referral to the prospectus and a money laundry form. The information can be downloaded at Sedermera Fondkommission's web page (www.sedermera.se) or at the web page of SynAct Pharma AB (www.synactpharma.com). Shareholders who are included in the separate list of pledgees and others in relation to the Euroclear system do not receive information and will be notified separately. An account notice, which declares the delivery of unit rights on the shareholders' book-entry account, are not distributed.

Shareholders with nominee registered unit rights

Shareholders whose holdings of shares in SynAct Pharma AB are nominee registered with a bank or other trustee do not receive a preprinted paying slip or subscription form but will receive a folder containing a summary of the rights issue and reference to the full prospectus. Subscription and payment should instead be in accordance with instructions from the respective bank or trustee. Please note that in the event that the use of unit rights takes place via a bank and a trustee, this should be done early in the subscription period, as the respective bank/ trustee may set different deadlines for the last subscription date.

Subscription of units with preferential right

Subscription with preferential unit rights shall be made by simultaneous cash payment no later than December 2nd, 2019, at 3 p.m. Subscription by payment must be made either with the prepaid payment slip attached to the issuance statement or by payment instructions on the special subscription form in accordance with the following two options:

1) Preprinted paying slip (account statement).

If all unit rights allotted on the record date are exercised, only the preprinted paying slip shall be used as documentation for subscription by way of cash payment. The subscription form "Subscription with unit rights" shall not be used in this case.

2) Subscription form – "Subscription with unit rights"

In the event a different number of unit rights than what is stated on the pre-printed paying slip shall be exercised, for example, if unit rights are acquired or sold, the subscription form "Subscription with unit rights" is to be used for subscription by means of cash payment. The Shareholders must state on the Subscription Form the number of unit rights being exercised, the number of units they are subscribing for, and the amount that is being paid. If the payment is made in any way other than with the attached payment slip, the securities account must be indicated as a reference. Incomplete or incorrectly filled in subscription forms may be disregarded. The subscription form "Subscription with unit rights" can be downloaded at Sedermera Fondkommission's web page (www.sedermera.se). A completed subscription form must, in connection with cash payment, be sent or faxed to, and received by Sedermera Fondkommission no later than the 2nd of December 2019, at 3 p.m. on the contact details stated below. The subscription is binding.

Subject: SynAct Pharma AB
Sedermera Fondkommission
Norra Vallgatan 64
211 22 Malmö, Sweden
Fax: +46 (0) 40-615 14 11
Phone: +46 (0) 40-615 14 10
E-mail: issuingservices@sedermera.se (scanned subscription form)

Subscription above 15,000 EUR with preferential right

If the subscription amounts to, or exceeds, 15,000,00 EUR a money laundering form shall be completed and sent to Sedermera Fondkommission in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Sedermera Fondkommission cannot distribute any BTU, even if payment have been received, before the money laundering form has been received by Sedermera Fondkommission.

Subscription without preferential right

An application for subscription for units without preferential rights is to be made on the form "Subscription without Unit Rights" available for downloading from Sedermera Fondkommission's website (www.sedermera.se), at the website of SynAct Pharma AB (www.synactpharma.com) or at Spotlight Stock Market's website (www.spotlightstockmarket.com).

Nominee-registered shareholders, requesting subscription of units without preferential right, must coordinate such a subscription with the account-holding bank or broker in accordance with instructions from the respective account-holding bank or broker, or if shares

are registered at several different nominee-registered accounts, from each of these account-holding banks or brokers. Note that shareholders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Swedish: Investeringssparkonto) or endowment account (Swedish: Kapitalförsäkring), must check with the account-holding bank or broker, whether, and if so, the subscription of units in the rights issue is possible. The subscription shall in that case be made in accordance with instructions received from the account-holding bank or broker.

Incomplete or incorrectly filled in subscription forms may be disregarded. It is only permissible to submit one (1) subscription form "Subscription without Unit Rights." In the event that more than one such subscription form is submitted, only the one last received will be considered, and other such subscription forms will thus be disregarded. The subscription form must be Sedermera Fondkommission at hand no later than December 2nd, 2019, at 3 p.m. The subscription is binding.

Allocation of units subscribed for without preferential right

In the event that not all units in the rights issue are subscribed for with preferential right, the Board of Directors shall decide on allocation of units within the limits of the maximum amount of the rights issue to shareholders or other investors that have subscribed for units without preferential right.

a) allocation of units which are subscribed for without preferential right shall be done to shareholders or other investors who have also subscribed for units by exercising unit rights, regardless if the subscriber was a registered shareholder on the record date or not. In case that allocation of units cannot fully be provided in accordance to subscriptions without unit rights, allocation shall be made in relation (pro rata) to the quantity of unit rights exercised for subscription of units in the rights issue, and to the extent this is not possible, by drawing of lots.

b) allocation of units which are subscribed for without preferential right shall be done to other investors than the above mentioned, who have subscribed for units without unit rights. In case that allocation of units cannot fully be provided in accordance to subscriptions without unit rights, allocation shall be made in relation (pro rata) to the amount of subscribed for units without unit rights in the rights issue, and to the extent this is not possible, by drawing of lots.

c) the allocation of units shall be made to the guarantors in proportion to the size of the guarantee commitments made.

Notification of allotment of units without preferential rights will be made via a settlement note containing payment instructions for allotted units. Settlement notes are expected to be sent out as soon as possible after the subscription period, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within four Swedish business days from the date the settlement note was distributed. Note that payment for any allotted units will not be drawn from the specified book-entry account. If payment is not received in due time, the subscribed for units may be assigned to another party. Should the price by such an assignment be lower than the subscription price of the rights issue, the subscriber who initially was allocated these units may vouch for all or a part of the difference. Shareholders or other investors that are not allotted any units will not receive any notification.

Shareholders residing outside of Sweden

Shareholders who reside outside of Sweden (with the exception of shareholders residing in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation in the rights issue requires supplementary prospectus, further registration or other measurements than those which are required by Swedish legislation) who have preferential right in the rights issue can contact Sedermera Fondkommission for further information about subscription and payment. Due to restrictions in the legislation regarding securities in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation requires supplementary prospectus, further registration or other measurements than those which are required by Swedish legislation, unit rights through Euroclear will not be issued to shareholders with registered addresses in any of these countries. Accordingly, no offer is made to subscribe for units in SynAct Pharma to shareholders residing in these countries.

BTU's – Paid and subscribed for units

Subscription via payment is registered with Euroclear AB as soon as feasible, which normally means a few banking days after payment is made. Thereafter, the subscriber will receive a securities depository account notification confirming that the registration of Paid Subscribed Units has occurred in the subscriber's securities depository account. Subscribed for units are entered as BTUs in the securities account until the preferential rights issue has been registered with the Swedish Companies Registration Office.

Shareholders who have their holdings in a custodian account at a bank or brokerage firm will receive information from their respective custodian.

Trading in BTU's

Trading in BTU's will take place on Spotlight Stock Market from the 18th of November 2019 until the rights issue is registered at the Swedish Companies Registration Office. Subscribed for units are entered as BTU in the securities depository account until the preferential rights issue has been registered with the Companies Registration Office, which is expected to take place at the end of December 2019.

Delivery of shares and warrants

As soon as the rights issue has been registered with the Swedish Companies Registration Office, BTU is rebooked to shares and warrants without special notification from Euroclear.

Publication of the result of the rights issue

Publication of the outcome in the rights issue is planned to the 5th of December 2019, or as soon as possible after the subscription period ends. SynAct Pharma AB will publish the result of the rights issue through a press release.

Register of shareholders

SynAct Pharma AB is a Euroclear reconciliation company. The company's share register with information about shareholders is handled and accounted by Euroclear with address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

Trading in the share

The shares of SynAct Pharma AB are listed on Spotlight Stock Market. The shares are traded under the short name "SYNACT" and have the ISIN-code SE0008241491.

Issuing Agent and Financial adviser

Sedermera Fondkommission is acting as issuing agent and financial adviser to SynAct Pharma AB.

Warrant of series TO 2

One (1) warrant of series TO 2 entitles to one (1) new share in SynAct Pharma AB. The price for exercising the warrant will be SEK 6.70. Subscription of shares in SynAct Pharma AB by exercising warrants of series TO 2 will be possible from the 1st of July 2020 until the 22nd of July 2020.

The warrant will be traded from the day that the BTU has been converted into shares and warrants in the Euroclear system, until the 20th of July 2020 and will be traded in Swedish kronor (SEK). The ISIN code of the warrants is SE 0013409620.

You will find terms for the warrant of series TO 2 in the prospectus.

Possible recalculation of subscription price and entitlement to subscribe

The subscription price and the amount of shares in the company to which the warrants entitle to subscribe for, may be recalculated due to, for example, a new issue or a dividend. In case of recalculation as described, the company will publish information regarding this through a press release on their website and on the website of Spotlight Stock Market (www.synactpharma.com and www.spotlightstockmarket.com).

Other

The Board of Directors in SynAct Pharma AB reserves the right to extend the subscription period and the payment deadline in the rights issue. The subscription of new units with or without preferential right are binding.

In the case an excess amount has been paid by a subscriber for the new units, the excess amount will be repaid to the subscriber. Excess amounts less than 100 SEK will not be refunded.

The Board of Directors is not entitled the right to withdraw the offer.