SynAct Pharma strengthens financial position and strategic flexibility to advance partnering discussions and Phase III readiness

SynAct Pharma AB ("SynAct" or the “Company”) (Nasdaq Stockholm: SYNACT), a clinical-stage biotechnology company developing resolution therapies for inflammatory diseases, today announced that it has secured access to a strategic financing facility of up to SEK 100 million (the "Facility"), and that the Board of Directors of the Company has made a drawdown under the Facility of SEK 50 million by resolving to issue convertible loans pursuant to the authorization from the Annual General Meeting on 11 June 2026.

The Facility significantly strengthens the Company's financial position, enhances its financial and strategic flexibility and further reinforces SynAct's position as the Company continues its business development activities and ongoing partnering discussions and preparations for Phase III development. By broadening the Company's financing alternatives, the Facility provides increased optionality and enables SynAct to pursue strategic opportunities from a position of greater financial strength.

In parallel with its business development activities, SynAct is advancing preparations for Phase III development. The objective is to provide potential partners or acquirers with a well-prepared and execution-ready development program, reduce transition time, facilitate partner onboarding and enable a rapid initiation of Phase III development following a strategic transaction.

The Facility will only be further utilized if and when considered strategically beneficial by the Company.

Comment from CEO, Jeppe Øvlesen

“The positive momentum generated through our recent clinical progress and business development activities has created significant strategic opportunities for SynAct. We believe it is important to further strengthen the Company’s financial position and strategic flexibility at this stage, enabling us to pursue these opportunities from a position of strength.

In parallel with our ongoing partnering discussions, we are advancing preparations for Phase III development with the objective of presenting potential partners or acquirers with a well-prepared and execution-ready development program. By completing key preparatory activities in advance, we aim to reduce transition time, simplify execution for a future partner and provide a more seamless path into Phase III.

The Facility broadens our financing alternatives, provides additional optionality and strengthens our ability to advance these preparations while maintaining full discretion over if and when the Facility is utilized. This allows us to remain disciplined in our capital allocation and focused on maximizing long-term shareholder value.”

Background and motives for the Facility

Following the increased business development activity previously communicated after BIO International 2026, the Board of Directors has decided to further strengthen the Company's financial position and strategic flexibility through the establishment of the Facility.

The Facility significantly strengthens the Company's financial position, enhances its strategic flexibility and further reinforces SynAct's position in its ongoing partnering discussions. By broadening the Company's financing alternatives, the Facility provides increased strategic optionality and enables SynAct to pursue strategic opportunities from a position of greater financial strength.

SynAct is advancing preparations for Phase III development in parallel with its ongoing business development and partnering activities. The objective is to further prepare the program for its next stage of development and provide potential partners or acquirers with a well-prepared and execution-ready program that can be advanced efficiently following a strategic transaction.

By completing key Phase III preparatory activities in advance, the Company aims to reduce transition time, facilitate partner onboarding and create a more streamlined path toward Phase III initiation. The Facility provides SynAct with additional financial flexibility to advance these preparations while continuing to evaluate strategic opportunities from a position of greater strength.

The Facility will only be further utilized if and when considered strategically beneficial by the Company. Any decision to further utilize the Facility will be based on the Company's assessment of the financing alternative that best supports its strategic objectives at the relevant time, including its business development activities and Phase III preparations, with the objective of preserving financial flexibility and minimizing unnecessary shareholder dilution.

The Company believes that the Facility represents an important addition to SynAct's strategic toolbox during a period of increased business development activity. It provides greater flexibility to evaluate and pursue strategic opportunities while maintaining a disciplined approach to capital allocation and long-term shareholder value creation.

Replacement of previous financing facility

As a result of entering into the Facility with Fenja Capital II A/S (the "**Lender**"), the previously announced credit facility with Hunter Capital will no longer be utilized and will therefore be terminated.

The Board of Directors believes that the Facility with the Lender better supports the Company's current financing strategy by providing enhanced financial flexibility, broader financing alternatives and increased strategic optionality during the Company's ongoing business development and Phase III preparatory activities.

Main terms of the Facility

The Board of Directors has assessed the Facility as being on market-based terms.

The Facility provides SynAct with access to up to SEK 100 million of strategic financing, of which SEK 50 million has been drawn upon in connection with signing of the Facility. One additional drawdown is allowed under the Facility and may be called upon during Q4 2026 at the Company's discretion. Total drawdown under the Facility is subject to a cap of 10.0 percent of the Company’s market capitalization at the time of drawdown. The Facility is designed to provide maximum financial flexibility, enabling SynAct to access capital only when required while supporting its ongoing partnering activities and Phase III preparations.

The Facility is subject to an arrangement fee of 3.5 percent of the Facility. Any withdrawals from the Facility carry an annual interest rate of STIBOR 3M (with a minimum of 2.0 percent) plus 8.0 percent and will mature on 31 December 2027. Further, an interest rate of STIBOR 3M (with a minimum of 2.0 percent) plus 2.0 percent will accrue on any undrawn Facility amount until 31 December 2026.

Any amount drawn under the Facility is structured as convertibles (the “**Convertibles**”). The Convertibles issued under the Facility are issued by resolution of the Board of Directors pursuant to the authorization from the Annual General Meeting on 11 June 2026 (the “ **Authorization**”) and are subject to a conversion price of SEK 24.60 per new share in the Company (the “**Conversion Price**”) and further subject to recalculations upon certain adjustment events. In connection with the initial drawdown of the Facility, the Board of Directors has issued Convertibles to a nominal amount of SEK 50 million (the “**Initial Convertibles**”).

Upon full drawdown of the Facility (SEK 100 million) and full conversion at the Conversion Price, a maximum of 4,065,040 new shares would be issued in the Company, entailing a total dilution effect of approximately 6.74 percent.

In addition to the Initial Convertibles, the Company’s Board of Directors has resolved, pursuant to the Authorization, to issue 2,038,848 warrants of series 2026/2031 (the “**Warrants**”) to Fenja, corresponding to a total dilution of 3.5 percent in relation to the current number of outstanding shares in the Company. The Warrants are issued as part of the consideration for the Facility. One (1) Warrant gives the holder the right to subscribe for one (1) share in the Company. The Warrants are subject to a strike price of SEK 27.55 and further subject to recalculations upon certain adjustment events. The exercise period of the Warrants is from registration until 31 July 2031.

Lock Up

Under the terms of the Facility, the Lender has entered a Lock Up-undertaking, ensuring that no shares issued as a result of conversion of any Convertibles or as a result of exercise of Warrants, will be sold during six months from today. Further, the terms of the Facility entail that only certain volumes of the Convertibles could be exercised during the period from the end of the Lock Up period until 31 March .

Issue of the Initial Convertibles and reasons for deviating from preferential rights

The Board of Directors has today, pursuant to the Authorization, issued the Initial Convertibles. Based on the Conversion Price, a total of 2,032,520 new shares in the Company may be issued by conversion of the Initial Convertibles. This would correspond to a dilution of 3.49 percent in relation to the currently outstanding shares in the Company. If all Initial Convertibles are converted to the Conversion Price, the Company’s share capital will increase by SEK 254,065.00, from SEK 7,026,746.00 to SEK 7,280,811.00. Further, the total number of shares in the Company will increase from 56,213,968 to 58,246,488.

The Board of Directors believes that the Facility represents a more attractive financing alternative than a traditional equity offering with preferential rights. The Facility provides greater financial flexibility while reducing execution risk, transaction costs and time to completion. In the Board of Directors' assessment, a rights issue would likely have required less favourable terms, higher advisory and underwriting costs, increased market risk and a longer execution period, potentially delaying the Company's strategic initiatives. Thus, the Board of Directors of the Company deems, considering all circumstances, that an issue of the Convertibles and Warrants deviating from the preferential rights of the shareholders is a better alternative for the Company and its shareholders than a rights issue of any share related instruments and that it objectively is in the interest of both the Company and its shareholders to carry out the financing through the Facility and the issue of the Initial Convertibles. The reasons to carry out the financing through the Facility and the issue of the Convertibles and the Warrants outweigh the reasons motivating the main rule that issues of share-based instruments shall be carried out with preferential rights for the shareholders.

For further information, please contact:
Jeppe Øvlesen
CEO, SynAct Pharma AB
Phone: + 45 2844 7567
E-mail: investor.relations@synactpharma.com

About SynAct Pharma AB
SynAct Pharma AB (Nasdaq Stockholm: SYNACT) is a clinical stage biotechnology company focused on the resolution of inflammation through the selective activation of the melanocortin system. The company has a broad portfolio of oral and injectable selective melanocortin agonists aimed at inducing anti-inflammatory and inflammation resolution activity to help patients achieve immune balance and overcome their inflammation. For further information: https://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 2026-07-20 10:12 CEST.

Attachments

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