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TERM SHEET

Issuer	Cinclus Pharma AB (publ) ("Cinclus" or the "Company")
Business description	<ul style="list-style-type: none"> Cinclus Pharma is a clinical stage pharma company developing small molecules for the treatment of gastric acid related diseases, where its lead candidate, linaprazan glurate, has successfully completed phase I and phase II clinical trials. The active metabolite linaprazan was originally developed by AstraZeneca, and has since been further improved into the prodrug linaprazan glurate by Cinclus Pharma. Linaprazan glurate has the potential to become the only acid control drug that can achieve 24-hour acid control. As such, it has a superior clinical efficacy potential for healing of severe eGERD patients. The candidate has the potential to achieve blockbuster sales, with a market potential of approximately USD 20bn annually in Europe and the US. In total, c. 28m patients actively seek treatment for eGERD in the US and EU, where standard of care is not effective enough, with c. 10m of these patients suffering from severe eGERD (LA Grade C-D) – Cinclus Pharma's target population.
Offering type	Initial Public Offering ("IPO")
Securities offered	Ordinary shares
Listing venue	Nasdaq Stockholm
Ticker / ISIN	CINPHA SS / SE0020388577
Main shareholders	Existing shareholders include Trill Impact Ventures, Fjärde AP-fonden, Linc, EIR Ventures and founders, all of which continue to be supportive of Cinclus and the contemplated IPO
Price	SEK 42 per share
Implied pre-money equity value	<ul style="list-style-type: none"> Approx. SEK 1,102m based on the current number of shares outstanding A bridge loan of SEK 138m from existing shareholders will be converted at the IPO price at IPO (corresponding to 3,286,939 ordinary shares). Pre-money valuation post conversion of bridge loan corresponds to SEK 1,240m
Implied market cap	Approx. SEK 2bn / USD 192m
Offering structure	100% primary shares
Base offer size	Base offering size of 17,023,810 shares / SEK 715m / c. USD 68m
Over-allotment option	1,702,381 shares / c. SEK 71.5m / c. USD 7m, corresponding to 10% of the base offer size
Total deal size	18,726,191 shares / c. SEK 787m / c. USD 75m, corresponding to up to 39% of the total number of shares in the Company after the Offering, over-allotment and bridge loan conversion
Expected free float	39% (assuming full exercise of the over-allotment option)
Use of proceeds	<p>In 2023, Cinclus Pharma completed a Phase II study on patients with eGERD with positive results and intends to complete preparations for the Phase III studies in 2024. The Phase III study program for eGERD consists of two study pairs ("Study 1a and 1b eGERD" and "Study 2a and 2b eGERD", respectively), where each pair consists of a healing study and a maintenance treatment study. Cinclus Pharma intends to use the net issue proceeds from the Offering to:</p> <ul style="list-style-type: none"> continue the preparation, initiation and conduct of Study 1a and 1b eGERD and finance regulatory activities (interaction with authorities and external consultants) and the ongoing operations of the Company up to and including the conduct of Study 1a and 1b eGERD, and conduct ongoing preclinical studies necessary for registration of the eGERD indication. <p>Depending on the exercise of the Over-allotment Option, Cinclus Pharma intends to use any additional net proceeds from the exercise of the Over-allotment Option to initiate and complete additional Phase I studies needed for registration of the eGERD indication.</p>
Subscription undertakings	Trill Impact Ventures, Fjärde AP-fonden, Linc, Regulus shareholders ¹⁾ , Irrus Investments and EIR Ventures (the "Cornerstone Investors") have, together with certain other existing shareholders and new investors, subject to certain conditions, undertaken to subscribe for shares in the IPO for an amount of c. SEK 295m
Lock-up	Company, Management and Board of Directors: 360 days Certain existing shareholders: 180 days
Selling restrictions	<ul style="list-style-type: none"> The shares will be offered to institutional investors in Sweden and internationally, and to the general public in Sweden International offering to institutions outside the U.S. in compliance with Reg S U.S. offering to qualified institutional buyers (QIBs) as defined in and in reliance on Rule 144A under the US Securities Act
Carnegie analyst	Arvid Necander (arvid.necander@carnegie.se) / +46 73 417 88 46 Jesper Ilsoe (jesper.ilsoe@carnegie.dk) / +45 29 74 99 65)
Syndicate	<ul style="list-style-type: none"> Carnegie and Bryan Garnier are acting as Joint Global Coordinators and Joint Bookrunners ABG Sundal Collier is acting as Joint Bookrunner
Expected Timetable	<ul style="list-style-type: none"> 10 June 2024: Publication of prospectus 11-18 June 2024: Application period for the general public in Sweden 11-19 June 2024: Application period for institutional investors 20 June 2024: First day of trading in the Company's Ordinary Shares (T) 25 June 2024: Expected settlement date (T+2)

Note 1) A number of investors that are shareholders in Regulus Pharma Fas I AB, who are shareholders in Cinclus Pharma as of the date of the Offering

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