SYNACT PHARMA

2020 Year-end report 2020-01-01 - 2020-12-31 SynAct Pharma AB

DISCLAIMER

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Summary of year-end report

2020-10-01 - 2020-12-31 (fourth quarter)

- Consolidated net sales amounted to TSEK 0 (0).
- The Group's profit before tax amounted to TSEK -9 786 (-11 203).
- The Group's earnings per share amounted to SEK -0,35 (-0,68).
- The average number of shares for the period was 24 406 295.

2020-01-01 - 2020-12-31 (twelve months)

- Consolidated net sales amounted to TSEK 0 (0).
- The Group's profit before tax amounted to TSEK -31 304 (-27 637).
- The Group's earnings per share amounted to SEK -1,23 (-1,63).
- The equity ratio was 73% (47%).
- The average number of shares for the period was 21 549 984.

"SynAct Pharma AB" means the parent company SynAct Pharma AB with corporate identity number 559058–4826. "The Company" or "SynAct" means the Group, i.e. SynAct Pharma AB and its wholly owned subsidiary SynAct Pharma ApS.

Definitions

- Earnings per share: Profit for the period divided by the average number of outstanding shares in the period.
- Equity ratio: Equity divided by total capital.

Significant events in Q4 2020

- On October 12, SynAct successfully completed the second cohort (100 mg dose level) in Part 1 of the Phase II clinical study with AP1189 for rheumatoid arthritis.
- On November 6, Dr. Uli Hacksellwas elected as the new boardmember.
- On November 9, SynAct Pharma announced positive interim data from the Phase 2 study with AP1189 in Rheumatoid Arthritis.

Significant events in Q1-Q3 2020

- On February 7, SynAct updated its development plans.
- On March 31, SynAct announced that the company is investigating the possibility of testing AP1189 as an adjunct therapy in hospitalized patients with COVID-19.
- On March 31, SynAct submitted a clinical trial application for AP1189 in nephronic syndrome.
- On April 3, SynAct applied for a patent for AP1189 in COVID-19.
- On May 5, synact updated phase II study with AP1189 in rheumatoid arthritis.
- On May 25, SynAct filed an international patent application under the Patent Coordination Treaty (PCT) to cover combination therapy with drug candidate AP1189 and Methotrexate (MTX) for the treatment of rheumatoid arthritis and other diseases in arthritis.
- On 2 June, the Phase II application was approved by the Danish Authority.
- On June 29, SynAct initiated a phase II clinical study with drug candidate AP1189 in idiopathic membranous nephropathy patients with nephrotic syndrome.
- On July 15, SynAct announced progress in the second dose level (100 mg) in Part 1 of the Phase II clinical study with AP1189 in patients with rheumatoid arthritis and high disease activity in clinics in Denmark and Sweden.
- On July 27, SynAct received approximately MSEK 32,4 in the option exercise of series TO 2 warrants.
- On August 28, SynAct initiated the scientific and clinical collaboration RESOVIR to explore AP1189 in viral infections. The first step in the collaboration will be to conduct an exploratory clinical study on COVID-19 infected patients aimed at investigating repeated dosing of the company's clinical drug candidate AP1189.
- On September 3, the company announced that the recruitment for Part 1 of the Phase II clinical study with AP1189 in rheumatoid arthritis is complete.
- On September 23, SynAct initiated a Phase II study with AP1189 for the treatment of ARDS in COVID-19 patients in clinical departments in Brazil in a collaboration between SynAct, Queen MaryUniversity, London, United Kingdom, and Universidade Federal de Minas Gerais, Belo Horizonte, Brazil

Significant events after the end of the period

- On January 11, 2021, board member and CSO Thomas Jonassen and CEO Jeppe Øvlesen undertook a corporate restructuring in which the respective holdings of shares in SynAct have been transferred to the newly formed company BioInvest ApS.
- January 26, 2021, SynAct Pharma named Thomas Boesen as Chief Operating Officer
- February 4, 2021 SynAct announced that it is preparing to move to Nasdaq Stockholm
- On February 5, 2021, SynAct announced a directed share issue of MSEK 80.
- February 11, 2021, SynAct Pharma appointed James Knight Chief Business Officer

CEO Jeppe Øvlesen summarizes

A year of many changes

Last year was a transformation period for SynAct Pharma when we made significant progress in all our projects and put the company in a unique position to be a leader in resolution therapy, a new method for treating inflammation and autoimmune diseases, as we enter 2021.

SynAct is evolving rapidly. Despite the ongoing Covid-19 pandemic, our project portfolio has developed well and the leadership team has expanded, giving us new important skills to develop the company, and after the fourth quarter we successfully raised MSEK 80 to help us drive our projects forward. SynAct is in a strong position for the hectic quarters ahead of us.



The positive interim data we received in the fourth quarter from the Phase 2 study with AP1189, our drug candidate aimed at reducing clinical disease activity in patients suffering from severe rheumatoid arthritis (RA), are very encouraging. The results were based on the first 26 patients who discontinued treatment and showed good safety, promising efficacy signals and no serious adverse reactions. Recruitment for Part 2 of the study, called BEGIN, was started soon after, and we are currently recruiting at clinics in several countries. Despite the Covid-19 pandemic, we are doing our utmost to keep the study on track according to the planned recruitment and reporting of top line results at the end of the second quarter of 2021.

The ongoing RA study is designed to test AP1189 as a potential primary treatment in newly diagnosed patients to take them from high disease activity to low activity. We also tested the potential profile of AP1189 in a market research study to see if the drug candidate would be interesting in treating acute worsening disease activity in RA patients. The results of this study were indeed very positive after 10 key opinion leaders in the US and 5 in Europe were interviewed. This gives us a good strategic way forward both when we talk to potential partners and plan upcoming clinical trials. We see potential major opportunities in both acute and chronic treatment with AP1189 in RA.

During the year, SynAct also started the phase 2a clinical study with AP1189 in idiopathic membranous nephropathy patients with nephrotic syndrome, a relatively rare condition characterized by loss of protein in the urine that untreated is associated with the development of edema, hypoalbuminemia, in many cases elevated plasma lipids and which can further develop into chronic kidney disease. We believe that AP1189 could potentially have a significant beneficial treatment effect in these patients. We expect top line data by the end of 2021.

SynAct also initiated a phase 2 clinical study to evaluate the safety and efficacy of AP1189 in adults diagnosed with Covid-19 and with early signs of acute respiratory distress syndrome (ARDS), a condition when fluid accumulates in the small air sacs of the lungs and prevents oxygen from reaching the blood. Patients will be registered at medical centers in Brazil in a collaboration between SynAct Pharma, Queen Mary University, London, UK and Universidade Federal de Minas Gerais, Belo Horizonte, Brazil. This is a investigator-led study to be completed by the end of the second quarter of 2021.

As SynAct's project portfolio evolves, it is important that we have the best talent to implement on our ambitious business plans. In January 2021, we recruited Thomas Boesen, PhD, as our Chief Operating Officer. Thomas has extensive experience in managing development projects both in biotechnology companies and in large pharmaceutical companies. An important area for him will be to prepare a new tablet formulation to be tested in humans in the third quarter of 2021. Recently, we also announced that James Knight will join as Chief Business Officer to lead the business development and management of the project portfolio. James was responsible for the portfolio strategy at Questcor Pharmaceuticals where he focused on the expansion of Acthar Gel from two marketed special indications to nine marketed indications in five specialty areas, including rheumatology. Questcor's successful expansion of Acthar's scope led to Mallinckrodt's BUSD 5,6 acquisition of the company.

SynAct also had the privilege of getting Dr. Uli Hacksell as a new board member. Uli has more than 25 years of experience from leading positions in both large pharmaceutical and biotechnology companies, as well as more than 10 years of experience as CEO of public companies. His experience will be important for the company's future success.

With the development of our project portfolio and a strong year 2020 behind us, we took the opportunity to announce our planned move to Nasdaq's main list later in 2021 and secure our financial position by successfully implementing a directed rights issue and raising MSEK 80 to reach future study milestones. The issue was oversubscribed several times by a number of professional biotechnology investors, including specialist biotech investors. We welcome these new investors and are encouraged by their confidence in SynAct's future potential.

SynAct made fantastic progress in 2020. I would like to thank our shareholders for their support and for everyone around us who worked so hard, especially during the Covid-19 pandemic, for placing SynAct where it is today. 2021 promises to be another busy year.

In conclusion, the priorities for 2021 are to continue the development of our interesting project portfolio and discussions with potential partners through increased business development work, as well as plan for the move to NASDAQs main list in Sweden.

Jeppe Øvlesen, CEO

SynAct Pharma Ab

SynAct Pharma AB is a biotechnology company in clinical phase listed on spotlight stock market. The company's leading drug candidate AP1189 is a "First-in-Class" melanocortin receptor agonist focused on active inflammatory and autoimmune diseases. The company's research and patents are based on the body's own 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. Melanocortin is a body's own hormone that works by activating specific melanocortin receptors on the cell surface of certain white blood cells. When these receptors are activated, processes in the body that lead to reduced release of pro-inflammatory mediators (slowed inflammation) and stimulation of healing processes (dead cells and cell residues are cleaned away and the tissue heals).

Business

SynAct's business strategy is to drive projects into clinical development in order to secure proof-of-concept, i.e. support for clinical relevance. The company's ambition is to conduct phase II clinical studies, and then sign commercial agreements with one or more major pharmaceutical companies.

Group relationship and shareholding

SynAct Pharma AB is the parent company of a group comprising the wholly owned subsidiary SynAct Pharma ApS. In addition to the above, SynAct has no additional shareholdings in other companies.

Activity-related risks and uncertainties

In conclusion, the risks and uncertainties to which SynAct's operations are exposed are related to, among other things, drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies and interest rates. During the current period, no material changes in risk or uncertainty factors have occurred. For more detailed accounting of risks and uncertainties, please refer to the prospectus published in 2019 and the Annual Report for 2019.

Share

The share in SynAct Pharma AB was listed on spotlight stock market ("Spotlight") on July 11, 2016. Spotlight is a subsidiary of ATS Finans AB, which is an investment company under the supervision of The Swedish Financial Supervisory Authority and a subsidiary of Spotlight Group AB, which as of September 15, 2020 is listed on the Spotlight Stock Market. Spotlight operates a trading platform (MTF). During the year, the Company carried out an option redemption of 4 839 860 series TO 2 warrants, which increased the share capital to a total of SEK 3 050 786,88 and the number of shares to 24 406 295. After completion of warrant redemption, the Company has not completed any instruments that may lead to dilution. In February 2021, a limited issue was carried out to increase the number of shares and votes in the Company by SEK 1 600 000 from 24 406 295 to 26 006 295, and the share capital increased by SEK 200 000 from SEK 3 050 786,875 to SEK 3 250 786,875.

List of ownership

For SynAct's ownership list as of December 31, 2020, please refer to Spotlight's website or click here.

Principles for the preparation of the year-end report

The year-end report is prepared in accordance with IAS 34 Interim Report. The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

The parent applies the Annual Accounts Act and the Financial Reporting Council "RFR2" Accounting for legal entities. This financial year is the first year in which the group and the parent company apply the said accounting principles. The transition has taken place as of January 1, 2018. The accounting policies applied are described in Note 1 and the transition effects are described in Note 4.

Review of the Company's auditor

The year-end report has been the subject of a review by the Company's auditor.

Proposal for disposition of SynAct Pharma AB's results

The Board of Directors and the CEO propose that no dividend be paid for the financial year 2020-01-01 – 2020- 12-31.

Annual General Meeting and availability of the Annual Report

The Annual General Meeting will be held on May 21, 2021. The Annual Report will be available for download on the Company's website no later than three weeks before the Annual General Meeting.

Financial calendar

SynAct prepares and publishes a financial report at each quarter of the year. Future reports are planned as follows:

- Q1 2021 5 May 2021
- Q2 2021 27 August 2021
- Q3 2021 12 November 2021
- Q4 20211February 2022

Reporting of interim report Lund, February 12, 2021 SynAct Pharma AB *Board*

For further information

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Comments on the Group's and parent company's financial development for the fourth quarter and full year

Turnover

Net sales for the fourth quarter of 2020 amounted to TSEK 0 (0). The company is not expected to generate any revenue until at least after closing the planned Phase II study for the drug candidate AP1189. The parent company's turnover is from services delivered to the Danish subsidiary.

Financial development

The Group's profit for the fourth quarter of 2020 amounted to TSEK -8 581 (-10 306) and for the full year to TSEK -26 551 (-24 490). The costs are mainly related to the clinical development program for AP1189.

Liquidity and balance sheet

The Group's cash and cash equivalents as of December 31, 2020 amounted to TSEK 14 548 (3 505). The company's other receivables amounted to TSEK 1 902 (18 854) and included the proceeds from the issue that was paid during the year. Tax credit stems from the Danish subsidiary. Where research and development expenditure is incurred in the Danish company, a tax credit scheme, known as the 'Tax Credit Scheme' in Denmark, may be obtained. According to this, SynAct Pharma ApS will receive current tax revenue of TSEK 4 559 (3 099) for part of the expenses attributable to research and development. SynAct's credit under the "Tax Credit Scheme" will be paid in November 2021.

Cash flow in the fourth quarter amounted to TSEK -11 211 (2 667) and for the full year to TSEK 11 391 (-3 627). In the financing activities, MSEK 13,9 relates to the proposed issue from the previous year and is paid during this financial year.

In July 2020, we raised approximately MSEK 32,4 before expenses when shareholders exercised their warrants and in February 2021 a directed rights issue of MSEK 80 was completed. The company's existing working capital together with the proceeds from the directed issue is, in the Board's opinion, sufficient to finance the company up to the planned reporting of the milestones of the Company's Phase IIa studies against rheumatoid arthritis (RA), nephrotic syndrome and covid-19 (ARDS) and to prepare and perform a Phase IIb study against RA. As a first step towards listing on Nasdaq Stockholm's main market, we have decided to change the company's accounting policy to IFRS.

Parent company

The parent company's revenue relates to services to the subsidiary and in the fourth quarter amounted to TSEK 420 (425) and for the full year to TSEK 1 697 (1 287). Operating profit for the quarter was TSEK -3 401 (-5 204), and for the full year 2020 it was TSEK -6 643 (-8 185). The costs are mainly related to administration and activities that support the Danish subsidiary's operations and the provision of accrued VAT costs for previous years.

Net financial items for the fourth quarter amounted to TSEK -66 093 (-787), and for the full year to TSEK -65 624 (-1 814). This includes write-downs of shareholders' contributions made in the quarter of TSEK -66 159 (0), which is also consistent with the amounts for the full year. *(see below)*

In this regard, net income was heavily impacted for the fourth quarter of 2020, amounting to TSEK -69 494 (-5 991) and for the full year 2020 to TSEK -72 267 (-9 999).

As of January 1, 2020, the parent company's shareholder contribution slated to subsidiaries intended to cover the subsidiary's research costs. The cost is recognised in the income statement in net financial items. The accounting management in the parent company thus reflects the management in the Group where all costs for research are charged to the result. The opening carrying amount remains unchanged as the company's assessment is that there is no need for impairment.

Summary of the Group's consolidated accounts

	2020	2019	2020	2019	2018
TSEK	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
Net sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Research and development costs	-5.833	-3.818	-22.788	-15.174	-21.814
Administration and sales costs	-4.297	-4.966	-8.811	-10.161	-6.274
Other operating income / expenses	314	-	314	-	-
Total operating expenses	-9.816	-8.784	-31.285	-25.335	-28.088
Operating profit	-9.816	-8.784	-31.285	-25.335	-28.088
Net financial items	30	-2.418	-19	-2.302	147
Profit before tax	-9.786	-11.203	-31.304	-27.637	-27.941
Income tax	1.205	897	4.753	3.147	4.799
The result of the period	-8.581	-10.306	-26.551	-24.490	-23.142
Earnings per share before and after dilution (SEK)	-0,35	-0,68	-1,23	-1,63	-1,68

Summary of the Group's statement of comprehensive income

	2020	2019	2020	2019	2018
TSEK	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
The result of the period	-8.581	-10.306	-26.551	-24.490	-23.142
Items that will be reclassified to profit or loss					
Exchange rate differences when translating foreign operatior	ns -469	858	-574	224	46
Total profit for the period after tax	-469	858	-574	224	46
Total result for the period	-9.050	-9.448	-27.125	-24.266	-23.096

Summary of the Consolidated Financial Position Report

TSEK	31.12.2020	31.12.2019	31.12.2018	01.01.2018
Assets				
Fixed assets				
Financial assets	264	179	174	170
Total fixed assets	264	179	174	170
Current assets				
Current tax claim	4.559	3.099	4.798	2.674
Other receivables	1.902	18.854	1.220	1.196
Prepaid expenses	320	275		
Cash and cash equivalents	14.548	3.505	7.067	10.156
Total current assets	21.329	25.734	13.085	14.026
Total assets	21.593	25.913	13.259	14.196
Equity and liabilities				
Share capital	3.051	2.096	1.834	1.552
Other contributed capital	119.402	89.550	62.901	42.427
Retained earnings including profit for the period	-106.584	-79.459	-55.192	-32.096
Total equity	15.868	12.188	9.543	11.883
Current liabilities				
Accounts payable	2.775	5.461	3.232	1.779
Other current liabilities	194	0	37	0
Accrued expenses	2.756	8.264	447	534
Total short-term liabilities	5.725	13.725	3.716	2.313
Total equity and liabilities	21.593	25.913	13.259	14.196

Condensed Consolidated Capital Change in Equity

	2020 2019		2020 2019 2020 2019		2018
TSEK	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
Opening equity	24.918	-5.276	12.187	9.543	11.883
The result of the period	-8.581	-10.306	-26.551	-24.490	-23.142
Other comprehensive income	-469	858	-574	224	46
Total result for the period	-9.050	-9.448	-27.125	-24.266	-23.096
Transactions with owners					
Rights issue	-	30.326	32.427	30.326	22.351
Costs for new issue	-	-3.414	-1.622	-3.414	-1.595
Total transactions with owners	0	26.912	30.806	26.912	20.756
Outgoing equity	15.868	12.188	15.868	12.188	9.543

Condensed Consolidated Group's Cash flow analysis

	2020	2019	2020	2019	2018
TSEK	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
The day-to-day operations					
Operating profit	-9.816	-8.784	-31.285	-25.335	-28.088
Adjustment for items that are not included in cash flow	-	-	-	-	-
Interest received	6	0	7	0	0
Interest paid	26	-1.417	-2.359	-2.458	0
Income tax received	-0	4.946	3.168	4.946	2.802
Cash flow from operating activities before changes in working capital	-9.784	-5.255	-30.470	-22.847	-25.286
Changes in working capital	-1.353	4.922	-2.768	6.220	1.071
Cash flow from operating activities	-11.137	-333	-33.238	-16.627	-24.215
Cash flow from investing activities	-74	-	-93	-	-
Cash flow from financing activities *) Cash flow for the period	- -11.211	3.000	44.722	13.000	20.756
cash now for the period	-11.211	2.667	11.391	-3.627	-3.459
Cash and cash equivalents at the beginning of the period	26.151	883	3.505	7.067	10.156
Change in cash and cash equivalents	-11.211	2.667	11.391	-3.627	-3.459
Exchange rate liquidity	-393	-45	-348	65	370
Cash and cash equivalents at the end of the period	14.548	3.505	14.548	3.505	7.067

*) MSEK 13,9 refers to the decided issue in the previous year and paid in during this financial year $% \left({{{\rm{MSEK}}}} \right) = \left({{{\rm{MSEK}}} \right) = \left({{{\rm{$



Summary of the parent company's income statement

	2020 2019 20		2020	2020 2019	
TSEK	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
Net sales	420	425	1.697	1.287	-
Gross profit	420	425	1.697	1.287	0
Administration costs	-3.776	-5.629	-8.294	-9.472	-4.591
Other operating income / expenses	-46	-	-46	-	-
Total operating expenses	-3.821	-5.629	-8.340	-9.472	-4.591
Operating profit	-3.401	-5.204	-6.643	-8.185	-4.591
	66.000				
Net financial items	-66.093	-787	-65.624	-1.814	201
Profit before tax	-69.494	-5.991	-72.267	-9.999	-4.390
Income tax	-	-	-	-	-
The result of the period	-69.494	-5.991	-72.267	-9.999	-4.390

Summary of consolidated comprehensive income report

	2020	2019	2020	2019	2018
тѕек	okt-dec	okt-dec	jan-dec	jan-dec	jan-dec
The result of the period	-69.494	-5.991	-72.267	-9.999	-4.390
Other comprehensive income					
Other comprehensive income for the period after tax	-	-	-	-	-
Total result for the period	-69.494	-5.991	-72.267	-9.999	-4.390

Summary of the parent company's report on financial position

TSEK	31.12.2020	31.12.2019	31.12.2018	01.01.2018
Assets				
Fixed assets				
Financial assets	24.469	60.428	47.469	24.469
Total fixed assets	24.469	60.428	47.469	24.469
Constant and the				
Current assets	75.0	10 717	4 770	10 576
Other receivables	756	19.717	1.770	10.576
Cash and bank balances	5.843	262	3.319	955
Total current assets	6.599	19.979	5.089	11.531
Total assets	31.068	80.407	52.558	36.000
Equity and liabilities <i>Restricted equity</i> Share capital Unregistered share capital	3.051 -	2.096 349	1.834	1.552
Unrestricted equity				
Share premium fund	96.187	75.985	54.074	38.211
Retained earnings including profit for the period	-72.267	-9.999	-4.390	-4.610
Total equity	26.971	68.431	51.519	35.153
Current liabilities				
Accounts payable	1.198	3.883	603	451
Other current liabilities	231	0	37	0
Accrued expenses	2.669	8.092	399	396
Total short-term liabilities	4.097	11.975	1.039	847
Total equity and liabilities	31.068	80.407	52.558	36.000

Accounting and valuation principles, as well as disclosures

Notes

NOTE 1 Summary of Key Accounting Policies

General information

This interim report includes the Swedish parent company SynAct Pharma AB (publ) ("SynAct" or the "Parent Company"), corporate identity number 559058–4826 and its subsidiaries (collectively, the "Group"). The Group's main business is to develop pharmaceuticals. The parent company is listed on the Spotlight Stock Market, with ticker SYNACT.

The parent company is a limited liability company registered in Lund, Sweden. The address of the head office is Scheelevägen 2, 223 81 Lund, Sweden. The year-end report 2020 has been approved for publication on February 12, 2021.

Applied regulations

The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the IFRS Interpretation Committee, as adopted by the EU for application in the EU.

Segment reporting

SynAct Pharma's CEO, as chief decision maker, monitors and analyzes the results and financial position of the Group as a whole. The CEO does not track earnings at a disaggregated level lower than consolidation. Thus, the CEO also decides on the allocation of resources and makes strategic decisions based on the consolidation as a whole. Based on the above analysis based on IFRS 8, it is concluded that SynAct Pharma – the Group consists of only one segment.

Since the Group does not hold any tangible or intangible fixed assets for reported periods and does not recognise any income, there is no disclosure in accordance with the requirements of IFRS Segment 8 reporting.

Functional currency and reporting currency

The parent company's functional currency is Swedish kronor, which is also the reporting currency for the parent company and for the Group. This means that the financial statements are presented in Swedish kronor. All amounts are, unless otherwise stated, rounded to the nearest thousands of kronor (TSEK).

Valuation bases and classification

The consolidated financial statements have been prepared in accordance with the cost method.

Fixed assets and long-term liabilities consist essentially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date. Current assets and current liabilities consist substantially of amounts expected to be recovered or paid within 12 months of the balance sheet date.

Consolidation

The consolidated financial statements include the parent company and all companies under control from the parent company. Controlling influence means that the parent company has influence over the investee, that the parent company is exposed to, or entitled to, variable returns from its involvement in the investee and can use its influence over the investee to influence its return, which normally means that the parent company owns more than half of the voting rights for all shares and shares. Subsidiaries' financial statements are included in the consolidated financial statements from the date of acquisition to the date on which control ceases.

Intra-group transactions, balance sheet items, income, expenses and unrealised gains and losses on transactions between group companies are eliminated.

Business combinations

Business combinations are reported according to the acquisition method. The method means that the acquisition of a business is regarded as a transaction in which the group indirectly acquires the assets of a business and assumes its liabilities. The acquisition analysis determines the fair value on the date of acquisition of identifiable assets and liabilities assumed and any non-controlling interests. Transaction expenses, with the exception of transaction expenses attributable to the issue ofequityinstruments or debt instruments, that are attributable to the acquisition are recognised as an expense in profit or loss for the year. In the case of business combinations where transferred consideration exceeds the fair value of the acquired company's net assets, the difference is recognised as goodwill.

Revenue from contracts with customers

The Group does not currently report any revenue from the sale of goods as market approval has not yet been obtained for the Group's products.

Financial income

Financial income consists of interest income and foreign exchange gains. Interest income is recognised in accordance with the effective interest method. The effective interest rate is the interest rate that discountthe estimated future receipts and payments over the expected maturity of a financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other premiums and discounts. Dividends received are recognised when the right to receive dividends is established. Foreign exchange gains and losses are reported net.

Financial expenses

Financial expenses consist mainly of interest expenses on loans and foreign exchange losses. Interest expenses on loans are reported according to the effective interest method. Foreign exchange gains and losses are reported net.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income and in equity respectively.

Current tax is tax payable or received in respect of the current year, applying the tax rates that are decided or in practice decided at the balance sheet date. Current tax also includes adjustment of current tax attributable to previous periods.

Deferred tax is recognised on all temporary differences that arise between the tax base of assets and liabilities and its carrying amounts. Temporary differences attributable to shares in subsidiaries that are not expected to be reversed in the foreseeable future are not taken into account.

Deferred tax is recognised on all temporary differences that arise between the tax base of assets and liabilities and its carrying amounts. Temporary differences attributable to shares in subsidiaries that are not expected to be reversed in the foreseeable future are not taken into account. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and rules that are decided or announced at the balance sheet date and which are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled. Deferred tax liabilities and deferred tax assets are offset as far as possible within the framework of local tax laws and regulations.

Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only to the extent that they are likely to be used. The value of deferred tax assets is reduced when it is no longer considered likely that they can be used.

Lease

At the time of the conclusion of the contract, the Group assesses whether it is a lease, i.e. whether the contract includes the right to control the use of an identified asset for a specified period of time in exchange for compensation. With the exception of short-term leases and low-value leases, the Group recognises lease liabilities for future remaining lease payments and usufruct assets representing the right to use underlying assets.

Usufruct assets

The Group recognises usufruct assets at the start date of the lease, at the time the underlying asset is available for use. Usufruct assets are valued at cost less accumulated depreciation and any impairment losses and are adjusted for any revaluation of lease liabilities. The cost of utility assets includes the amount of recognised lease liabilities, initial direct expenses and lease payments paid at or before the start date, less any benefits received in connection with the subscription of the lease. Usufruct assets are amortized on a straight-line basis over the asset's estimated lease period. At present, there are no leasing agreements in the Group that are classified as usufruct assets.

Short-term leases and low-value leases

The Group applies the exemption for leases with a lease term of less than 12 months (short-term leases) and for low-value leases. Short-term leases in the Group consist of office premises with a lease period of 3-6 months. Short-term leases and low-value leases are recognised as an expense on a straight-line basis over the lease period.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and any impairment losses. Intangible assets are systematically amortised over the estimated useful life of the asset. The useful life is reviewed at each closing date and adjusted as necessary. When determining the depreciable amount of the assets, the residual value of the asset is taken into account where appropriate.

Capital expenditure on development work

Development expenses are capitalized when they meet the activation criteria. The most important criteria for activation are that the end product of development work has a devisable future earnings or cost savings and that there are technical and financial prerequisites to complete the development work. In other respects, development

expenses and research expenses are expensed as operating expenses. Market approval for the Group's products has not yet been obtained, and the Group has therefore assessed that the conditions for capitalization of development expenses do not exist.

Impairment of non-financial assets

Assets that have an indeterminable useful life are tested at least annually for any impairment loss and when there is an indication of impairment. Assets that are depreciated are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

An impairment loss is made with the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset reduced by selling costs and its value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

Previously recognised impairment loss is reversed if the recoverable amount is deemed to exceed the carrying amount. However, reversal is not made with an amount greater than the carrying amount of what it would have been if impairment loss had not been recognised in previous periods. However, impairment of any goodwill is never reversed.

Financial assets and liabilities

Financial instruments are any form of contract that gives rise to a financial asset in one entity and a financial liability or equityinstrument fancther entity. Financial instruments are classified at initial recognition, including the purpose for which the instrument was acquired and managed. This classification determines the valuation of the instruments.

Classification and valuation of financial assets

The Group's financial assets consist of long-term receivables, other short-term receivables and cash and cash equivalents, all of which are classified at amortised cost.

Financial assets classified at amortised cost are initially measured at fair value with the addition of transaction costs. After initial recognition, the assets are valued at amortised cost less a loss provision of expected loan losses. Assets classified at amortised cost are held according to the business model of collecting contractual cash flows that are only payments of principal and interest on the outstanding principal amount.

Classification and valuation of financial liabilities

Financial liabilities are classified at amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value, net of transaction costs. After initial recognition, they are valued at amortised cost according to the effective interest method.

All of the Group's financial liabilities (trade payables and other short-term liabilities) are classified at amortised cost. During the financial year or the comparative year, the Group did not hold any financial instruments that are measured at fair value, either through profit or loss or other comprehensive income.

Accounting and deletion

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party under the contractual terms of the instrument. Liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, mature or the group loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise extinguished. The same applies to part of a financial liability. Gains and losses from derecognition are recognised in profit or loss.

A financial asset and financial liability are offset and recognised with a net amount in the balance sheet only when there is a legal right to set off the amounts and that there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

Impairment of financial assets

The Group's impairment model is based on expected credit losses and takes into account forward-looking information. A loss provision is made when there is an exposure to credit risk. Expected credit losses have been deemed immaterial, as the company's financial assets consist essentially of bank balances with banks with high credit ratings.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and corresponding institutions.

Equity

Ordinary shares, other contributed capital and balanced earnings are classified as equity. Financial instruments deemed to meet the criteria for classification as equity are recognised as equity even if the financial instrument is legally designed as a liability. Transaction costs directly attributable to the issue of new shares are reported net of tax in equity as a deduction from the issue proceeds. Exchange differences arising from the translation of financial statements from foreign operations are classified as reserves in equity.

Provisions

A provision differs from other liabilities in that there is uncertainty as to the date of payment or the amount of the payment in order to settle the provision. A provision is recognised in the balance sheet when there is an existing legal or constructive obligation as a result of a past event, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are made with the amount that is the best estimate of what is required to settle the existing obligation at the balance sheet date. Where the effect of when payment is made is material, provisions are calculated by discounting the expected future cash flow.

Contingent liabilities

A contingent liability is recognized when there is a possible commitment arising from past events, the occurrence of which is confirmed by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will occur.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are converted into the functional currency at the exchange rate that exists on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate available at the balance sheet date. Exchange differences arising from the translation are recognised in profit or loss for the year. Exchange gains and losses on operating receivables and liabilities are reported as financial items.

Translation of foreign operations

Assets and liabilities in foreign operations are converted from the functional currency of the foreign operation into the Group's reporting currency, Swedish kronor, at the exchange rate prevailing at the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average price that is an approximation of the exchange rates that existed at each transaction date. Translation differences arising from currency translation of foreign operations are recognised in other comprehensive income and accumulate di a separate component of equity, called translation reserve. On the disposal of a foreign operation, the accumulated translation differences attributable to the business are realized, reclassifying them from other comprehensive income to profit or loss for the year.

Earnings per share

The calculation of earnings per share is based on the group's earnings attributable to the parent company's shareholders and on the weighted average number of ordinary shares outstanding during the year.

Cash flow

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that have generated cash inpayments or payments, broken down by operating, investing and financing activities. Cash flows from cash and cash payments are recognised gross, excluding transactions consisting of the cash-inflow and disbursement flarge amounts relating to items that are traded quickly and have a short maturity.

Parent company's accounting policies

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Financial Reporting Council Recommendation RFR 2 "Accounting for Legal Entities".

The differences between the Group's and the parent company's accounting policies are set out below. The accounting policies set out below for the parent company have been applied consistently to all periods presented in the parent company's financial statements, unless otherwise stated.

Changes in accounting policies

The Parent Company has previously applied BFNAR 2012:1 Annual Report and Consolidated Accounts (K3) when preparing the annual report. As of this year as a result of the Group's transition to IFRS, the parent company ÅRL and RFR 2 apply. This mainly means that disclosure requirements have increased and that the parent company must also submit all financial statements. In connection with the transition to RFR 2, a number of adjustments have been made, see Note 3 Transition to RFR 2 and correction of errors.

Subsidiary

Shares in subsidiaries are reported in the parent company according to the cost method. Meaning that they are recognised at cost less any write-downs. Transaction expenses are included in the carrying amount of holdings in subsidiaries.

Financial assets and liabilities

Due to the relationship between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 in the parent company are not applied as legal entities, but the parent company applies in accordance with arl

cost method. Thus, in the Parent Company, financial fixed assets are valued at cost less any impairment loss and financial current assets according to the principle of the lowest value.

Leasing

The parent applies the exemption contained in RFR 2 to legal entities and recognises all leases as a straight-line cost over the lease term.

Group contributions and shareholder contributions

Both received and group contributions are reported as closing appropriations in accordance with the alternative rule. Shareholder contributions are carried directly into the equity of the recipient and are capitalized in shares and units of the donor, to the extent that no impairment is required.

Presentation of the profit and loss account and balance sheet The profit and loss account and balance sheet follow ÅRL:S layout.

NOTE 2 Financial instruments

The Group's financial instruments consist of the following:

Financial assets	2020-12-31	2019-12-31	31.12.2018
Financial assets	264	179	174
Other current receivables	-	17.331	_
Cash and cash equivalents	14.548	3.505	7.067
Total financial assets	14.812	21.015	7.241
Financial liabilities	2020-12-31	2019-12-31	31.12.2018
Accounts payable	2.775	5.461	3.232
Other current liabilities	_	_	_
Other current liabilities Accrued expenses	- 1.018	- 4.096	_ 178

SynAct Pharma has no financial instruments that are valued and reported at fair value. For all financial assets and liabilities, the carrying amount as described above is considered to be a reasonable approximation of fair value. There has been no change in the classification of financial assets for reported periods.

NOTE 3 Remuneration to related parties

In addition to transactions with senior executives, there have been no transactions with related parties during the period. Below are all remuneration to senior executives during the year.

Compensation					
Name	Business	Basic salary / board fee Fee for positi	ion Other.comp	ensation	in total
Chairman of the Board					
Torbjörn Bjerke	UST Leadership	60		700	760
Board members					
John Haurum	JSH BIOTECH ApS	60		405	465
Terje Kalland		60			60
Ulli Hacksell		30			30
Thomas Jonassen	TJ Biotech ApS		1.729		1.729
CEO (Jeppe)	Corprate Culture ApS		1.695		1.695
Other senior executives (3)		0	1.544	205	1.749
Henrik Stage	Next Stage Ventures ApS		1.512	205	1.717
Thierry Duvauchelle	Phaster1		32		32
varav dotterföretag			2.090		2.090
Tota		210	4.968	1.310	6.488

NOTE 4 Transition to IFRS and correction of errors

These financial statements for the Group are the first prepared using IFRS. SynAct Pharma has previously prepared consolidated financial statements in accordance with BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). In connection with the Group's transition from K3 to IFRS, a number of errors in previous financial statements have been identified. The corrections to errors made in the Group relate to capitalized patent costs and the classification of issue-related items.

The accounting policies set out in Note 1 have been applied when the interimreport was drawn up at 31 December 2020 and for the comparative information presented as at 31 December 2019 and 2018 and when preparing the report on the opening financial position of the period as at 1 January 2018. The estimates made under IFRS as of January 1, 2018 are consistent with those made under previously applied accounting principles.

When switching to IFRS, the exception applies to the total translation deviations amounting to zero. In addition, voluntary and mandatory exemptions from retroactive application of IFRS have not been applied by the Group.

Effects on results and position

The following summary shows the effects of the above applications on the Group's income statement for 2018 and 2019 and the Group's statement of financial position as of January 1, 2018, December 31, 2018 and December 31, 2019. The transition from previous accounting principles has also meant a different structure and that the company has moved to present costs in the income statement based on function instead of on the basis of cost types, compared to before. The transition to IFRS has had no effect on the Group's cash flow, other than the transfer of escrow bank funds. The adjustments made below relate to the corrections to errors identified in previous financial statements and the effect of the transition to IFRS.

The Group's report on financial position as of January 1, 2018	According to previous principles	IFRS adjustments	Corrections of errors	According to IFRS
Assets				
Intangible fixed assets ¹	1.029	-	-1.029	-
Finansiella anläggningstillgångar ³ Tötai fixed assets	120 1.149	50 50	-1.029	170 170
Other current assets	3.870	-	_	3.870
Cash and cash equivalents ³	10.206	-50	_	10.156
Totalcurrent assets	14.076	-50	-	14.026
TOTAL ASSETS	15.225	-	-1.029	14.196
2 6	43.040		4-220	44-000-

Current liabilities	2 212			2.212
-Tatalliahilitaa				
TOTAL EQUITY AND LIABILITIES	15.225	-	-1.029	14.196

	Accordingto				
The consolidated income statement and	previous principles	Function		Corrections	According
report on comprehensive income 2018	(cost division)	division I	IFRS adjustments	oferrors	to IFRS
Research and development costs	-	-22.118	-	304	-21.814
Selling and administrative expenses	-	-6.274	-	-	-6.274
Other external expenses	-27.838	27.838	-	-	_
Personnel costs	-250	250	-	-	_
Denreciation	-3.0.4	307			
Operating profit	-28.392	-	-	304	-28.088
Interest income and interest expenses	147	-	-	-	147
Profit after financial items	-28.245	-	-	304	-27.941
	4.700				4.300
Results for the year	-23.446	-	-	304	-23.142
Earnings per share before and after dilution	-1,70				-1,68
Other comprehensive income					
Items that will be reclassified to profit or loss					
This year's translation difference	90		-	-44	46
Uther comprehensive income for the year after ta	IX 90	-	-	-44	46
וסנמודפגעונדוטי נוופ year	-23.330		_	200	-23.090

The Group's report on financial position as of 31 December 2018	Accordingto previous principles IFR	S adjustments	Corrections of errors	According to IFRS
Assets				
Intangible fixed assets ¹	769	-	-769	-
Financial fixed assets ³	124	50	-	174
Total fixed assets	893	50	-769	174
Other current assets	6.018	-	-	6.018
"Cash and cash equivalents ³	7.117	-50	_	7.067
Total current assets	13.135	-50	-	13.085
TOTAL ASSETS	14.028	-	-769	13.259
Share capital and other contributed capital	64.735	-	_	64.735
Reserves ⁴	-	90	-44	46
Retained earnings including profit for the year	-54.423	-90	-725	-55.238
Total equity	10.312	-	-769	9.543
Current liabilities	3.716	_	_	3.716
TOTAL EQUITT AND EIABILITIES	3.716 14.028	_	 -709	3.716 13.2 <i>39</i>

	According to				
The consolidated income statement and	previous principles	Function		Corrections	According
report on comprehensive income 2019	(cost division)	division	IFRS adjustments	oferrors	to IFRS
Research and development costs	_	-14.641	-	-533	-15.174
Selling and administrative expenses	-	-10.161	-	-	-10.161
Other external expenses	-24.230	24.230	-	-	-
Personnel costs	-233	233	-	-	_
Denreciation	-330	330	-		_
Operating profit	-24.802	-	-	-533	-25.335
Interest income and interest expenses	-2.303	-	-	-	-2.303
Profit after financial items	-27.105	-	-	-533	-27.638
Tay an arafit for the war	2.1.17				
Results for the year	-23.958	-	-	-533	-24.491
Earnings per share before and after dilution	-1,62				-1,63
Other comprehensive income					
Items that will be reclassified to profit or loss					
This year's translation difference	237	-	-	-13	224
Other comprehensive income for the year after ta	X 237	-	-	-13	224
างเล่ายรมเป็นเป็นเหตุ year	-23.721		_	-540	-24.207
·					

The Group's report on financial position as of December 31, 2019	According to previous principles IFRS ac	ljustments	Corrections of errors	According to IFRS
Assets				
Subscribed but unpaid capital ²	13.916	-	-13.916	-
Intangible fixed assets ¹	1.316	-	-1.316	-
Financial fixed accets ³	120	50		170
Total fixed assets	1.445	50	-1.316	179
Other current assets	3.375	-	-	3.375
Other current receivables ²	1.523	-	17.331	18.854
Cash and cash equivalents ³	3.555	-50	_	3.505
lotal current assets	8.453	-50	17.331	25.734
TOTAL ASSETS	23.814	-	2.098	25.913
	04 647			01 647
Share capital and other contributed capital	91.647	-	-	91.647
Reserve ⁴	-	327	-57	270
Retained earnings including profit for the year	-78.143	-327	-1.259	-79.729
rotarequity	13.504		-1.310	12.188
	F 461			E 4C1
Other current liabilities	5.461	-	-	5.461
Accrued expenses ²	4.850	-	3.414	8.264
Totaldeot	10.311		3.414	13.725
TOTAL LOOTT AND LIABILITIES	23.013		2.098	23.913

Corrections of errors

1) Activation of intangible assets

Patent fees have previously been incorrectly activated as intangible assets. Equity has been adjusted in the opening balance and reversal of additional capitalizations and amortization in the income statement.

2) Classification of issue-related items

The claim on the issue proceeds in 2019, has previously been wrongly classified as Subscribed but not paid up capital net with accrued issue costs. Subscribed but unpaid capital has been reclassified as a other short-term receivable and that unpaid issue costs are classified as accrued costs.

IFRS adjustments

3) Reclassification of cash and cash equivalents

Blocked bank funds have previously been classified as cash and cash equivalents, but according to IFRS, these perform a financial fixed asset.

4) Reserves for translation deviations within equity

Exchange differences arising from the translation of financial statements from foreign operations have not previously been reported in a separate way from retained earnings. According to IFRS, these translation deviations are reported separately as reserves within equity.

The sum of the net effects of the adjustments on the Group's equity is summarised in the table below.

		31.12.2019	31.12.2018	01.01.2018
Equity according to previous principles		13.504	10.312	12.912
1) Activation of intangible assets		-1.316	-769	-1.029
Equity according to IFRS after correction of errors		12.188	9.543	11.883
	Accordingto			
The parent company's report on financial	previous	RFR 2		According
position as of 1 January 2018	principles	adjustments		to RFR 2
······	F F			
Assets				
Other fixed assets	24.419	-		24.419
Other long-term receivables ³		50		50
Total fixed assets	24.419	50		24.469
Other current assets	10.576	-		10.576
.Cash and cash equivalents ³	1.005	-50		955
Total current assets	11.581	-50		11,531
TOTAL ASSETS	36.000	-		36.000
.Equity	35.153	_		35.153
Current liabilities	847	_		847
Totamabilities	847	_		847
TOTAL EQUITT AND EIABILITIES	50.000	_		50.000

	Accordingto			***
	previous			
	principles (cost	E contra di trata d	RFR 2	According
Parent company income statement 2018	division)	Function division	adjustments	to RFR 2
Administration costs	-	-4.591	-	-4.591
Other external expenses	-4.341	4.341	-	-
Personnel.costs	-250.		-	_
Operating profit	-4.591	-	-	-4.591
Interest income ad interest expenses	201	-	-	201
Profil arter infanciancems	-4.390	-	-	-4.390
Tax on profit for the year				
Results for the year	-4.390	-	-	-4.390
Moderbolagets rapport över finansiell ställning per 31 december 2018	Enligt tidigare	RFR 2 justeringar		Enligt RFR 2
staining her 21 december 2018	principer	KFK 2 Justeringai		Enligt NFN Z
Assets				
Other fixed assets	47.419	-		47.419
Other long-term receivables ³	_	50		50
Total fixed assets	47.419	50		47.469
Other current assets	1.770	-		1.770
Cash and cash equivalents ³	3.369	-50		3.319
Total current assets	5.139	-50		5.089
TOTAL ASSETS	52.558	-		52.558
Frankter	51 510			F1 F10
Equity	51.519	-		51.519
Current liabilities	1.039	-		1.039
Totaniabilities	1.035	_		1.035
TOTAL EQUITY AND EIABILITIES	32.338	_		32.338

	According to previous principles (cost		RFR 2	According
Parent company income statement 2019	division)	Function division	adjustments	to RFR 2
Net sales	1.287	_	-	1.287
Administration costs	-	-9.472	-	-9.472
Other external expenses	-9.239	9.239	-	-
Personnel costs Operating promo	-233	233	-	– co1:0-
Operating pronc	-8:185	_	_	-8.185
Interest income ad interest expenses	-1 814	-		-1.814
Profit after financial items	-9.999	-	-	-9.999
Tax on profit for the year	_	-	-	_
Results for the year	-9.999	-	-	-9.999
	A			
The parent company's report on financial	According to previous	RFR 2		According
position as of 31 December 2019	principles	adjustments		to RFR 2
Assets				
Subscribed but unpaid capital ²	13.916	-	-13.916	-
Other fixed assets	60.378	_	_	60.378
Other long term receivebles ³		50		50
Total fixed assets	60.378	50	-	60.428
	1 400			1 400
Other current assets	1.432	-	-	1.432 18.285
Other current receivables ² Cash and cash equivalents ³	954 312	- -50	17.331	18.285
lotal current assets	2.698	-50	- 17.331	19.979
TUTAL ASSETS	76.992	-	3.414	80.407
Equity	68.432	-	-	68.432
Current liabilities	3.883	_	_	3.883
Accrued expenses ²	4.677	_	3.414	8.092
Totamabilities	8.560	_	3.414	11.975
TOTAL EQUITT AND EIABLITTES	70.992	_	5.414	80.407

Signature of the Board of Directors The Board of Directors and the Ceo certify that the interim report provides a true and fair overview of the parent company's and the Group's operations, position and results and describes significant risks and uncertainties faced by the parent company and the companies that are part of the Group.

Lund, February 12, 2021

Torbjörn Bjerke Chairman

John Haurum Member of the Board Terje Kalland Member of the Board

Uli Hacksell Member of the Board Thomas Jonassen Member of the Board

Jeppe Øvlesen CĖÒ

Auditor's audit report

To the Board of Directors of SynAct Pharma AB Org No. 559058-4826

Introduction

We have conducted a summary review of the interim financial information in summary (interim report) for SynAct Pharma AB as of December 31, 2020 and the 12-month period ending as of that date. The Board of Directors and the Ceo are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The nature and scope of the review

We have conducted our review in accordance with the Standard for Review ISRE 2410 *Review of interim financial information conducted by the company's elected auditor.* A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, to carry out analytical review and to take other review measures. A review has a different focus and a significantly smaller scope compared to the focus and scope of an audit under international standards on auditing and good auditing practice in general.

The audit measures taken during a review do not enable us to obtain such assurance that we become aware of all the important circumstances that could have been identified if an audit had been carried out. Therefore, the stated conclusion based on a review does not have the certainty of a pronounced conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that gives us reason to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Helsingborg, 12 February 2021,

Mazars AB

Bengt Ekenberg Certified Public Accountant

Other company information

SynAct Pharma AB – parent company	
Company name	SynAct Pharma AB
Trade name/short name	SynAct Pharma/SYNACT. The shares are traded on Spotlight.
ISIN code	The share's ISIN code is SE0008241491.
LEI code	549300RRYIEFEQ72N546
Registered office and residence	Skåne County, Lund Municipality, Sweden
Corporate	559058-4826
Date of formation	2016-04-12
Date when companies started operations	2016-04-12
Company formation country	Sweden
Legal form	Public limited liability company
Legislation	Swedish Law and the Swedish Companies Act
Address	Scheelevägen 2, 223 81 Lund, Sweden
Phone	+45 28 44 75 67
Website	www.synactpharma.se
Auditor	Mazars AB (Terminalgatan 1, 252 78 Helsingborg), auditor in chief Bengt Ekenberg.

SynAct Pharma ApS - subsidiary	
Company formation country	Denmark
Country from where subsidiaries operate	Denmark
CVR number (Corporate Registration Number)	34459975
Holding	100 percent

SYNACT PHARMA

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www.synactpharma.se

