Annual report

SynAct Pharma AB conducts research and development in inflammatory diseases

This English version of Synact Pharma's 2020 Annual Report has been prepared by the company as an inhouse computer aided translation of the original Swedish Report which, in case of differences, prevails.

SYNACT PHARMA

www.synactpharma.se

SYNACT PHARMA

RESEARCH AND DEVELOPMENT IN INFLAMMATORY DISEASES

SYNACT PHARMA AB IN BRIEF

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

AP1189 has the potential to become a "frontrunner" for a new treatment method, called resolution therapy, for inflammatory and autoimmune diseases, which, unlike most of today's drugs, do not inhibit the body's immune system but instead stimulate the healing mechanisms of the immune system.

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The Board of Directors and the CEO hereby submit the annual report for the Parent Company and consolidated financial statements for the financial year 2020-01-01 - 2020-12-31.

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

SynAct Pharma AB

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Business

SynAct Pharma AB's business model 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 several Phase II studies, and then to sign commercial agreements with one or more major pharmaceutical companies.

SIGNIFICANT EVENTS IN 2020

- **On February** 7, SynAct updated its development plans.
- **On March 31,** SynAct announced that the company is exploring the possibility of testing AP1189 as adjunct therapy in hospitalized patients with COVID-19.
- **On March 31,** SynAct submitted an application for a clinical trial for AP1189 in nephrotic syndrome.
- **On April** 3, SynAct applied for a patent for AP1189 in COVID-19.
- **On May** 5, SynAct updated phase THE II study with AP1189 in rheumatoid arthritis.
- **On 25** May, SynAct filed an international patent application under the Patent Coordination Treaty (PCT) to cover combination treatment with the drug candidate AP1189 and Methotrexate (MTX) for the treatment of rheumatoid arthritis and other diseases of arthritis.
- **On 2** June, the FAII application was approved bythe Danish Authority.
- **On June 29,** SynAct initiated a phase II clinical trial with a 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 SEK 32.4 million in warrants of series TO 2.
- **On28 August,** 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 investigative 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 to Part 1 of the phase II clinical study with AP1189 in rheumatoid arthritis is ready.
- **On September 23,** SynAct initiated a Phase II study with AP1189 to treat ARDS in COVID-19 patients in clinical wards in Brazil in a collaboration between SynAct, Queen Mary University, London, Uk, and Universidade Federal de Minas Gerais, Belo Horizonte, Brazil.
- **On October 12,** SynAct successfully completed the second cohort (100 mg dose level) in Part 1 of the Phase II clinical study with AP1189 against rheumatoid arthritis.
- **6 November** Dr Uli Hacksell were chosen as member of the board.
- **On November 9,** SynAct announced Pharma positive interim data from phase 2 study with AP1189 in rheumatoid arthritis.

- **On January 11, 2021,** board member and CSO Thomas Jonassen and CEO Jeppe Øvlesen carried out a company law restructuring in which the respective holdings of shares in SynAct transferred to the newly formed company BioInvest ApS.
- **26 January 2021** appointed SynAct Pharma Thomas Boesen to Chief Operating Officer
- **4 February 2021** it was announced that SynAct is preparing to move to Nasdaq Stockholm
- **On February 5, 2021**, it was announced that SynAct carried out a directed share issue of 80 Msek
- **On February 11, 2021,** SynAct Pharma appointed James Knight Chief Business Officer
- **On March 18, 2021,** SynAct started dosing in Part 2 of the Phase II clinical study with AP1189 on Covid-19 infected Patients.
- **April 13, 2021** strengthens SynAct IP portfolio and receives "Intention to Grant" from the European Patent Office for a patent covering AP1189

MANAGEMENT COMMENTS

A year of many changes

Last year was a transformation period for SynAct Pharma as 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 the treatment of inflammation and autoimmune diseases now that we are entering 2021.

SynAct is developing rapidly. Despite the ongoing Covid-19 pandemic, our project portfolio has developed well and the leadership team has expanded, giving us important new skills to develop the company, and after the fourth quarter we successfullyraised SEK 80 million 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 drugcedar 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 efficacyand no serious side effects. Recruitment for Part 2 of the study, called BEGIN, was started shortly after, and we are currently recruiting at clinics in several countries. Despite the Covid-19 pandemic, we are doing our utmost to keepthe study on track according to the planned recruitment and reporting of top line results at the end of the second quarter of2021.

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 the treatment of acutely aggravated disease activity in RA patients. Indeed, the results of this study were very positive after 10 key opinion leaders in the US and five in Europe were interviewed. This gives us a good strategic way forward both when we talk to potential partners and plan future clinical trials. We see potential great 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 untreated 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 in which fluid accumulates in the small air sacs in the lungs and prevents oxygen from reaching the bloodstream.

Patients will be registered at medical centres in Brazil in a collaboration between SynAct Pharma, Queen Mary University, London, UK and the Universidade Federal de Minas Gerais, Belo Horizonte, Brazil. This is an investigator-led study that should be completed by the end of the second quarter of 2021. As SynAct's project portfolio develops, it is important to:

have the best talents 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 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 specialty indications to nine marketed indications in five specialty areas, including rheumatology. Questcor's successful expansion of Acthar's use led to Mallinckrodt's $5.6 billion acquisition of the company.

SynAct also had the privilege of having 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 experiencewill be important for the future success of the company.

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 financialposition by successfully carrying out a directed share issue and raising SEK 80 million to reach future study milestones. The issue was oversubscribed several times by a number of professional biotech investors, including specialty investors. We benefitedfrom these new investors and are spurred 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 theCovid-19 pandemic, to place SynAct where it is today.

In summary, the priorities for 2021 are to continue the development of our interesting project portfolio and discussions with potential partnersthrough increased business development work, as well as plan for the move to NASDAQ's main list in Sweden.

SynAct Pharma AB

Jeppe Øvlesen	**Henrik Stage**
Managing Director	Chief Financial Officer

TECHNOLOGY, MARKET AND PATENTS

Technology

SynAct Pharma's technology is based on agonists directed against the melanocortin system, which is activated during inflammatory conditions and contributes anti-inflammatory effects and stimulates important components of the healing process and for recovery to normal tissue function. SynAct'sdrug candidate AP1189 can be dosed orally once daily as a first in class therapy aimed at the melanocortin system.

Treatment of inflammatory diseases

SynAct Pharma's drug candidate AP1189 focuses primarily on the large group of patients with inflammatory joint disease, i.e. rheumatoid arthritis (RA, rheumatoid arthritis) and psoriatic arthritis (PsA), which affects about 30% of all patients with psoriasis, as well as nephrotic syndrome (NS). In addition, the possibility of using AP1189 as adjunct therapy in hospitalized solitaireswith COVID-19 infection is being investigatedto prevent acute respiratory distress syndrome (ARDS). ARDS is the leading cause of death among patients who have fallen ill with COVID-19 (SARS-CoV-2).

Ap1189 drug candidate

AP1189 is a so-called "biased" agonist on type 1 and 3 melanocortin receptors and has been shown in preclinical studies to both slow down inflammation development and contribute to faster healing of inflammation.

AP1189 has a unique dual mechanism of action that activatesand strengthens the body's own cells, thereby both inhibiting the development of the disease and stimulating the healing process in inflammatory diseases.

Today, inflammatory joint diseases are treated with several different drugs, including everything from simplerant-i-inflammatory drugs to expensive antibodies that only eliminate part of the inflammation. Often, combinations of immunosuppressive treatments are used that knock out the immune system, which risks causing significant side effects. The most commonly usedtypes of drugs are NSAIDs (non-steroidal anti-inflammatory drugs, which counteract the emergence of substances in the body that can induce inflammation and pain) and DMARD (Disease Modifying AntiRheumatic Drugs, which inhibit the inflammatory processso thatpain, swelling and joint stiffness are relieved or disappear). Furthermore, so-called biological drugs such as TNF-α blockers and immunosuppressive drugs are used. These drugs work by inhibiting the activity of the immune system. Until recently, it has been considered that the healing process itself in case of an inflammation is a passive process and most anti-inflammatory treatments, including biological drugs, target the inflammatory factors that cause the inflammation. Despite treatment with these drugs, acute worsening occurs in the disease – "flares" or "relapses". These relapses can take a long time to heal and sometimes the damage caused during the shoe causes the patient's symptoms to become chronic. SynAct's goal is to develop a drug that both slows down the development of inflammation itself and thus reduces the acute symptoms (pain, swelling and stiffness), but also contribute to faster healing of inflammation. The latter is also very important for the chronic inflammation not to worsen with the risk of residual but. AP1189 helps the body's own cells fight inflammation. This is a new unique method to influence the inflammatory process, with great therapeuticpotential in many different chronic inflammatory diseases.

Current mode

The company is currently testing its drug candidate AP1189 in several phase II clinical studies in RA, NS and COVID-19.

Both RA, NS and COVID-19 are indicativewith a large unsatisfied medical need and an attractive market where SynAct's drug candidate has the potential to become a new and improved method of treatment. Positive data from the ongoing Phase IIa programs 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 Situation - Rheumatoid Artritis

SynAct's drug candidate AP1189 has, following positive Phase I results, advanced to the kliniso-called Phase II study entitled "A double-blind, multi-center, two-part, randomized, placebo-controlled study of the safety, tolerability, and efficacy of 4 weeks of treatment with AP1189 in early rheumatoid arthritis (RA) patients with active joint disease".

Although COVID-19 has affected our recruitment opportunities, we were able to maintain positive momentum for our RA study, where we completed Part 1 of the study - both the first cohort (50mg dose level) and the second cohort (100mg dose level) - with positive and promising results. The continuing serious pandemic situation in several of the countries where vi conducting our clinical studies makes both the recruitment and treatment of patients clearly more difficult than expected and we do our utmost to keep our plans.

In its interim analysis, the Data Safety Monitoring Board (DSMB) observed good safety and promising activity with AP1189 in patients in Part 1 of the study, designed as aplacebo-controlled, double-blind multicenter tudie with a randomization ratio of 2:1 of dosing once daily with AP1189 compared to placebo in RA patients referred to rheumatological departments due to uncontrolled disease activity defined according to clinical disease activity(CDAI) over 22. In the study, AP1189 or placebo is given once daily for 4 weeks in parallel with treatment with the disease modulating anti-rheumatic drug methotrexate (MTX). In total, up to 90 patients will be included in both parts of the study, and analyses of data from the first 26 patients who have completed treatment confirm that AP1189 dosed is safe and well tolerated.

1. Global Data

The median CDAI in patients included in the interim analysis was 34 (low: 23; high: 49). The proportion of patients who had a reduction in CDAI to 22 or lower over a 4-week treatment period, i.e. from severe to moderate or low disease activity, was as follows:

Placebo + MTX	AP1189 50 mg + MTX	AP1189 100 mg + MTX
44%	67%	75%

Based on these results, DSMB drew the following conclusions: "The efficacy data indicated an effect of AP1189 on rheumatoid arthritis greater than placebo (may also be dose dependence), and the number of patients who went from severe to moderate CDAI was higher in both treatment groups than in the placebo group. The small number of patients excludes statistical evaluation of significant differences.' Furthermore, DSMB recommended to continue part 2 of the study with 50 mg, 100 mg and placebo, plus MTX in a 1:1:1 randomization according to the protocol. This study – with name BEGIN – in progressand we expect top line results in end of the second quarter of 2021.

Current Situation - Nephrotic Syndrome

In light of our promising preclinical studies in NS, in which AP1189 significantly reduced the rate of proteinuria, in 2020 we initiated clinical phase IIdevelopment of AP1189 in nephrotic syndrome. In the Phase IIa study, AP1189 was tested in a double-blind, placebo-controlled multicenter study as adjunctive therapy to ACE inhibitors or angiotensin 2 receptor antagonists in a dose regimen once daily for four weeks, with the primary aim of demonstrating the effect of treatment on urinary protein excretion in relation to pre-treatment levels and placebo. Up to 24 patients will receive either 100 mg of AP1189 or placebo in a 2:1 randomization, and top line resultat is expected by the end of 2021.

Covid-19 Current Situation

SynAct Pharma is exploring the possibility of developing AP1189 as adjunct therapy in hospitalized patients with COVID-19 infection, to prevent acute respiratory stress disorder(ARDS). ARDS is the leading cause of death among patients who have fallen ill with COVID-19 (SARS-CoV-2).

We have thus made important progress in our initial work to promote inflammatory resolution as a new method of controlling viralinductions. Many patients suffering from devastating viral diseases today have few or no treatment options, as the COVID-19 pandemic has shown more than ever. There is a clear need for treatments aimed at controlling unwanted hyper-inflammatory reactions associated with viral infections. We have therefore established an exciting and important scientific collaboration, RESOVIR, with Queen Mary University of London and the Universidade Federal de Minas Gerais, Belo Horizonte, Brazil. Thefirst step in the RESOVIR collaboration is to investigate the potential benefits of AP1189 in COVID-19 patients with hyperinflammation. The study is designed as an investigative double-blind placebo-controlled study with daily dosing of AP1189 in COVID-19 patients with symptoms of lung disease, and it has now been initiated with the approval of the local authorities in Brazil.

The first part of the study is an open-label study of 6 patients to evaluate the safety of the compound in a specific clinical setting. The second part of the study will evaluate the safety and efficacy of a two-week dosing in patients with moderate manifestations of COVID-19, compared to standard of care. Approximately 54 patients will be randomized in a 2:1 ratio to receive 100 mg of AP1189 once daily, in addition to standard of care. The aim of the study is to characterize the association's ability to promote inflammatory resolution in COVID-19 infected patients. The primary clinical goal of the study is to demonstrate reductionin the dose torespiratory recovery (i.e. time to normalize oxygen saturation in ambient air), and top line results are expected by the end of the second quarter of 2021.

The RESOVIR collaboration has also been expanded to explore the potential to promote inflammatory resolution in other viral diseases, with a primary focus on dengue and influenza viruses.

Market

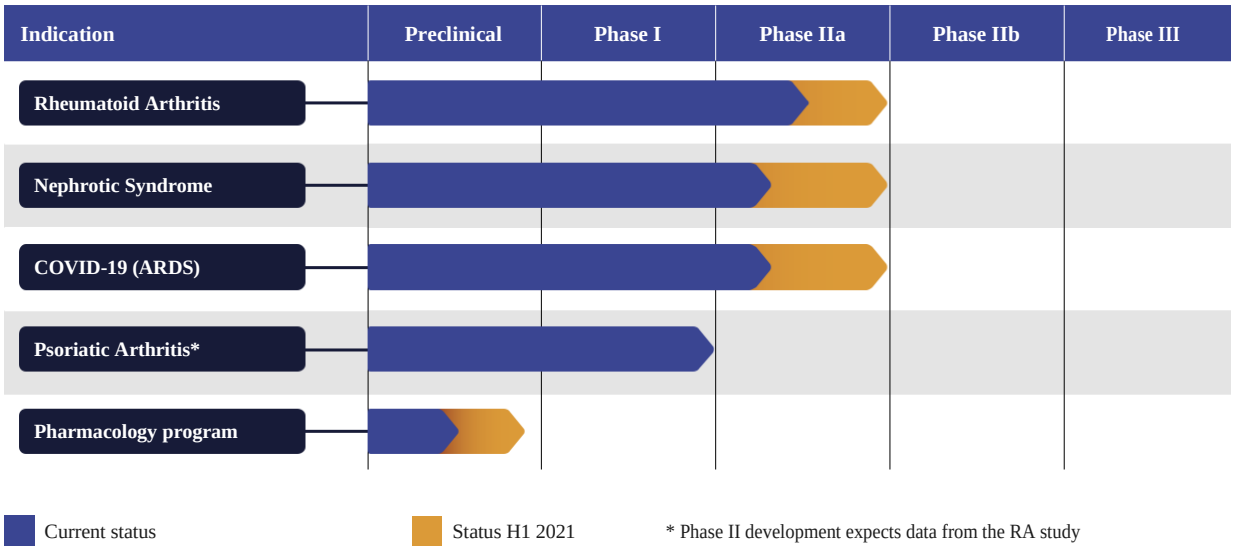
With the establishment of three phase II clinical programs in three different indications, RA, NS and COVID-19, we believe we can create significant value for the company and also increase the opportunity for successful results.

Both RA, NS and COVID-19 are indications with a great medical need and an attractive market where SynAct's drug candidate has the potential to become both a new and better treatment method.

The global market for medicines for RA amounted in 2017 to approximately $23.3 billion, sales of medicines for the treatment of psoriatic arthritis to over $4.5 billion. The market for NS is slightly smaller, but provides the opportunity to gain orphan drugstatus and benefit from fast-track development and exclusivity after market launch. To describe the potential for melanocortin-derived therapy, parallels can be drawn to the drug Acthar® Gel, which also acts via melanocortin receptors, and whichida g is used as a treatment forintractable cases of rheumatological diseases as well as the indications systemic lupus (SLE), multiple sclerosis (MS) and NS. The current market for ACTK medicine is annual sales of approximately USD 1.25 billion1. The useof Acthar® Gel is limited to intractable cases because the compound has a number of undesirable side effects. The reason why the use of ACTH treatments is limited to intractable cases is the presence of a range of side effects which, basedon current knowledge, are not expected to occur when treated with AP1189, even though this drug candidate has the potential to provide the same treatment effect.

In addition, AP1189 is developed for oral administration once a day, while Achtar® Gel is given as injectionswith only limited possibilities for self-administration.

Pipeline overview



Patent

The company holds patent protection regarding composition, production and use until 2027 (except the US where patent protection extends until 2028), with the possibility of a five-year extension regarding AP1189. SynAct Pharma's patent portfolio was originally applied forby Action Pharma A/S. In connection with the liquidation of Action Pharma A/S, the patent portfolio was transferred to SynAct Pharma ApS.

Region/Country	Status	Patent/application valid until
Australia	Ownership transfer registered	2027-06-11
Canada	Ownership transfer registered	2027-06-11
China	Ownership transfer registered	2027-06-11
Europe	Ownership transfer registered	2027-06-11
Hong Kong	Ownership transfer registered	2027-06-11
India	Ownership transfer registered	2027-06-11
Japan	Ownership transfer registered	2027-06-11
Mexico	Ownership transfer registered	2027-06-11
New Zealand	Ownership transfer registered	2027-06-11
South Africa	Ownership transfer registered	2027-06-11
United States	Ownership transfer registered	2028-03-20

Since patents imply an approved exclusive right for a period, SynAct Pharma is dependent on the patents from a commercial point of view, as it is of great importance for the commercial potential. Patents are generally valid for 20 years from the date of application.

History

Below is an overview of SynAct Pharma's history in brief. SynAct Pharma ApS was formed in 2012. SynAct Pharma AB, the Group's parent company, was formed in April 2016.

2012

- SynAct Pharma ApS is formed and starts operations based on acquired intellectual property rights and assets from Action Pharma A/S after Action Pharma A/S's largest asset AP214 was sold to Abbvie Inc. On November 8, the Extraordinary General Meeting will be held in SynAct. The MEETING approves the Board of Directors' resolution regarding a directed and rights issue.

2015

- SynAct Pharma concludes toxicological, safety pharmacological and metabolism studies.
- Scientific article regarding "Mode of Action" for AP1189 is published.
- Patents are approved in Europe (patents in the US were approved in 2011).

2016

- SynAct Pharma AB is formed.
- SynAct Pharma will receive approximately SEK 12.7 million through a private placem before issue costs.
- SynAct Pharma will receive approximately SEK 32.3 million before issue costs through a new share issue prior to listing on AktieTorget.
- SynAct Pharma's share is listed on AktieTorget.
- SynAct Pharma finalises commitments to funder Seed Fund CapNova through one-off payment.
- Dr. Thierry Duvauchelle is recruited as Chief Medical Officer (CMO) in charge of the clinical development of the drug candidate AP1189.
- SynAct Pharma submits the application for the start of a phase I clinical trial to the French Medicines Agency.

2017

- Start of phase I clinical study with AP1189.
- Start of preparation for phase IIa clinical study with AP1189.
- Initiates pre-clinical studies in other indications.

2018

- Rights issue of SEK 22.4 million for expanded development program for AP1189.

2019

- Recruitment and dosing of patients in phase IIa clinical study with the drug candidate AP1189 in patients with active arthritis begins.
- The issue of approximately SEK 30 million is carried out.

2020

- SynAct Pharma investigates AP1189 in patients with COVID-19 and nephrotic syndrome.
- SynAct Pharma received approximately SEK 32.4 million in warrants of series TO 2.
- SynAct Pharma publishes positive interim data from the Phase 2 study with AP1189 in rheumatoid arthritis.

2021

- SynAct Pharma carries out a directed share issue of SEK 80 million

Partners

SynAct Pharma has entered into agreements with suppliers of services and products regarding the production of medicines and the completion of planned studies.

Employees

SynAct Pharma currently has no employees but has engaged Jeppe Øvlesen, Thomas Jonassen, Henrik Stage, Thomas Boesen, James Knight and Thierry Duvauchelle on market terms regarding their commitment as CEO, CSO, CFO, COO, CBO and Medical Director of SynAct Pharma.

SHARE, SHARE CAPITAL AND OWNERSH

Share

The share in SynAct Pharma AB was listed on Spotlight Stock Market ("Spotlight") on July 11, 2016. Spotlight operates a trading platform (MTF). During the year 2020, the Company has completed an option redemption of 4,839,860 warrants of series TO 2, which increased the share capital to a total of SEK 3,050,786.88 and the number of shares to 24,406,295. After completing the option redemption, the Company has not implemented any instruments that may lead to dilution. In February 2021, a directed share issue was carried out that increasedthe number of shares and votes in the Company by1,600,000 from SEK 24,406,295 to 26,006,295, and the share capital was increased by SEK 200,000 from SEK 3,050,786,875 to SEK 3,250,786,875.

List of shareholders with the largest shareholders

Below is a table of owners in the Company as of December 31, 2020 from Spotlight via the following link:

https://spotlightstockmarket.com/sv/bolag/irabout?InstrumentId=XSAT01001597

Shareholders	Capital %	Votes %	By Date
Bioinvest ApS (Thomas Jonassen and Jeppe Øvlesen)	15,38	15,38	2021-01-06
Avanza Pension	8,40	8,40	2020-12-31
Nordnet Pension Insurance	6,33	6,33	2020-12-31
GLCapital AB (Torbjørn Bjerke)	3,37	3,37	2020-12-31
Next Stage Venture (Henrik Stage)	2,34	2,34	2020-12-31
Robert Sahlin	1,79	1,79	2020-12-31
Cihan Punar	1,30	1,30	2020-12-31
Peter Nordvall	1,23	1,23	2020-12-31
Peyman Pournouri	1,04	1,04	2020-12-31
Patrik Strempl	1,02	1,02	2020-12-31

Compiled and processed data from, among others, Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

The ownership of a total of 15.38% of the capital and votes was previously held in the companies TJ Biotech ApS and Quantass ApS, which were owned by Thomas Jonassen and Jeppe and Ghita Øvlesen. BioInvest ApS was founded during a company law restructuring in which thecompany's holding of shares in SynAct was transferred to the newly formed company.

Board of Directors shareholders Lock-up agreement

Thomas Jonassen, Jeppe Øvlesen, Henrik Stage, Thomas Boesen, John Haurum, Terje Kalland, Uli Hacksell and Torbjørn Bjerke (through companies) signed a lock-up agreement until August 2021.

Development of the share capital

Years	Event	Quota value	Price per Share	Increase in number of shares	Increase in share Capital	Total Number Shares	Total share Capital
2016	Formation of companies[1]	0,125	-	4 800 000	600 000,00	4 800 000	600 000
2016	Directed share issue	0,125	5,25	2 410 021	301 252,625	7 210 021	901 253
2016	Issue	0,125	6,40	5 050 000	631 250,00	12 260 021	1 532 503
2017	Warrants	0,125	6,40	157 428	19 678,505	12 417 449	1 552 181
2018	Issue	0,125	9,90	2 257 720	282 215	14 675 167	1 834 396
2019	Issue	0,125	6,20	2 096 000	262 000	16 771 167	2 096 396
2020	Issue	0,125	6,20	2 795 268	349 409	19 566 435	2 445 804
2020	Warrants	0,125	6,70	4 839 860	604 982	24 406 295	3,050,786
2021	Issue	0,125	50,00	1 600 000	200 000	26 006 295	3 250 786

1. The formation of SynAct Pharma AB took place through a cash issue of the shares in the Danish subsidiary SynAct Pharma ApS. Further information about SynAct Pharma AB's formation can be found on p. 52 in the Company's prospectus.

BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Torbjørn Bjerke
Chairman of the board

Torbjørn Bjerke, MD, has more than 25 years of experience in drug development and business development. Bjerke has broad experience in leading and developing early research-based companies as well as listed companies such as Karolinska Development AB. Bjerke has a background as CEO at Karolinska Development AB, President and CEO of Orexo AB and CEO of Biolipox AB. Bjerke has also been Head of Pharmacology at AstraZeneca AB and Head of Research and Development at ALK-Abello AS. Bjerke is the founder of Action Pharma A/S and TXP Pharma GmbH, through which Bjerke, Thomas Jonassen and Jeppe Øvlesen have conducted successful business. Action Pharma A/S, whose lead candidate was sold to AbbVie Inc. for USD 110 million and TXP Pharma GmbH where Questcor Pharmaceuticals, Inc. acquired the rights to TXP Pharma GmbH's assets for USD 100 million in milestone payments. In addition to the above, Bjerke has experience from a number of board assignments in biotechnology and life science such as DBV Technologies SA, NeuroSearch AS, TopoTarget AS, Axelar AB, Aprea AB and Pergamum AB.

John Haurum
Director of the board

John Haurum, MD and Ph.D. is a board member of several European biotechnology companies, including Synklino Aps. Haurum was for several years ceo of the English company F-star, which under his leadership initiated two clinical studies in oncology and generated more than EUR 200 million in revenue. Haurum was previously VP Research at ImClone Systems in New York and also has a background as founder andChief Scientific Officer ofSymphogen A/S. Haurum was elected to the Board of Directors at the Extraordinary General Meeting on March 21, 2019.

Thomas Jonassen
Director of the board and CSO

Thomas Jonassen is associate professor at the University of Copenhagen and visiting professor at WHRI, Barts and London School of Medicine. Jonassen has published more than 50 scientific articles and produced six granted patents in the US and Europe. Previous experience includes assignments as founder and CSO in Action Pharma A/S and TXP Pharma GmbH, through which Bjerke, Jonassen and Øvlesen have conducted successful business. Action Pharma A/S, whose lead candidate was sold to AbbVie Inc. 110 MUSD and TXP Pharma GmbH where Questcor Pharmaceuticals, Inc. acquired the rights to TXP Pharma GmbH's assets for USD 100 million in milestone payments. Jonassen is co-inventing SynAct's drug candidate AP1189.

Terje Kalland
Director of the board

Terje Kalland, MD and Ph.D., has 30 years of international experience from leading positions in the medicalindustry, including as Senior Vice President at Novo Nordisk AS, Head of Research and Development at Biovitrum AB (now SOBI AB) and various positions within Pharmacia AB, including as Global Head of Oncology Research. Kalland has experiencefrom investment activities as research manager and vice president at Karolinska Development AB. Kalland also has a background as professor of tumor immunology at Lund University. Kalland also has experience as a board member and chairman ofseveral listed andunlisted companies in Sweden and abroad. Kalland was elected to the Board of Directors at the Extraordinary General Meeting on March 21, 2019.

Uli Hacksell
Director of the board

Uli Hacksell, Ph.D., Senior positions in major pharmaceutical and biotechnology companies for over 25 years and more than ten years of experience as CEO of publicly owned companies. As CEO of ACADIA Pharmaceuticals from 2000 to 2015, he led the development from a private start-up to a multibillion-dollar public company. In the 1990s he held senior positions at Astra AB, before being professor of organic chemistry at Uppsala University. Hacksell is a member of the boards of Active Biotech, Medivir AB, InDex Pharmaceuticals AB and Beactica AB.

Jeppe Øvlesen
CEO

Jeppe Øvlesen holds an MBA with a focus on leadership and funding at the University of Hartford. Øvlesen has experience in business development and has been involved in more than 20 successful start-ups in medical technology, biotechnology and IT, including CLC Bio A/S, Cetrea A/S and Monsenso ApS. Øvlesen has previously been CEO of ChemoMetec A/S and PNN Medical A/S. Previous experience also includes founders of TXP Pharma GmbH and CFO and Vice President of Business Development at Action Pharma A/S, through which Bjerke, Jonassen and Øvlesen have conducted successful business. Action Pharma A/S, whose lead candidate was sold to AbbVie Inc. for $110 million and TXP Pharma GmbH, where Questcor Pharmaceuticals, Inc. acquired the rights to TXP Pharma GmbH's assets for $100 million in milestone payments.

Henrik Stage
CFO

Henrik Stage has an MSc in finance and has over25 years of experience from leading positions in the biotech and financial sector. Stage has been CFO and CEO of Santaris Pharma A/S and has for this company completed more than 10 partner agreements with Big Pharma companies, including Pfizer Inc., BMS (Bristol-Myers Squibbs), Roche, GlaxoSmithKline and Shire. In addition, Stage has raised capital of more than USD 200 million and secured a successful exit of Santaris Pharma A/S, which was sold to Roche for USD 450 million in 2014. Stage owns Next Stage Ventures (which owns shares in SynAct Pharma AB and ADCendo ApS). In addition, Stage is CFO of RhoVac AB, board member of Resother and CEO of ADCendo ApS.

Thomas Boesen
COO

Thomas Boesen has more than 20 years of experience in biotechnology and pharmaceuticalindustry. He holds a PhD in bioorganic chemistry from the University of Copenhagen, with studies at Cambridge University and an MA in technology management with studies at Roskilde and Edinburgh University. Boesen's achievements include being an inventor of 35patents and holding several senior positions. Thus, Boesen was part of the success of Action Pharma and Epitherapeutics, and he was the co-founder of MedChem and TXP Pharma. He provides insight into drug development through the clinical phases, especiallywith a focus on CMC and external collaboration. Prior to joining SynAct Pharma, Dr. Boesen has been with Novo Nordisk for 5 years. Boesen is the inventor of branched amino acid probes (BAP) for modification of peptides.

James Knight
CBO

James Knight has 25 yearsof experience in biotechnology, ranging from R&D to commercial strategy and BD. Previously, he was VP of Portfolio Strategy at Questcor Pharmaceuticals.

Thierry Duvauchelle
Medical Director

Dr. Duvauchelle, MD, has more than 25 years of experience in early clinical development. Duvauchelle is one of Europe's most experienced experts in clinical pharmacology and has for many years been head of Paris' largest Phase 1 clinic, Aster Cephac SA, and held a position as Corporate VP at SGS, responsible for the company's phase 1 clinical clinics in France and Belgium.

Other information about the Board of Directors and senior executives
All members are elected to the next Annual General Meeting. A board member has the right to resign at any time. The Work of the Board follows the Board's established rules of procedure. The CEO's work is regulated by instructions for the CEO. Both rules of procedure and instructions are adopted annually by the Company's Board of Directors. Matters relating to audit and remuneration issues are decided by the Company's Board of Directors. The Company is not obliged to comply with the Swedish Code of Corporate Governance and has not voluntarily undertaken to comply with it. There are no family ties between board members and senior executives.

ANNUAL REPORT

The Board of Directors and ceo of SynAct Pharma AB (publ), organisation number 559058-4826, hereby issue the annual report and consolidated accounts for the financial year 2020-01-01 – 2020-12-31. The company is registered in Sweden and has its registered office in Lund Municipality, Skåne County.

Activities

SynAct Pharma AB develops medicines for inflammatory Diseases. The company's goal is to develop a drug which slows down the development of inflammation itself and thus reduces acute symptoms (pain, swelling and stiffness), but also contributes to faster healing of the inflammation.
This year's successes are further described in Management team's comments.

The company's ambition is to conduct a phase II study, in order to then sign commercial agreements with one or more major Pharmaceutical companies. The company's liquidity will cover company's mitigation milestones and last for at least 12 months ahead

Group

The Group consists of the parent company SynAct Pharma AB (publ) with its registered office in Lund and the wholly owned subsidiary SynAct Pharma ApS with its registered office and operations in Holte,
Denmark. The Group conducts research and development within inflammatory diseases. Subsidiary SynAct Pharma ApS started operations in 2012. Activities
SynAct Pharma AB, the Group's parent company, registrieson 12 April 2016, which took place through issue of the shares in the Danish subsidiary SynAct Pharma ApS. In this way, at that time, a group relationship. In addition to the above, SynAct Pharma has
AB no additional shareholdings inother companies.

Conversion to IFRS

In 2020, the company's accounts were converted to IFRS, previously established in accordance with K3. Accounts 2019 and 2018 have been recalculated, see differences in translation into IFRS in the Group is set out in Note 25.

MULTI-YEAR COMPARISON

Development of operations, position and results

(TSEK) MULTI-YEAR OVERVIEW GROUP	IFRS 2020	IFRS 2019	IFRS 2018	K3 2017	K3 2016
Net sales	–	–	–	–	–
Operating income	-31 285	-25 335	-28 088	-18 192	-16 973
Profit after financial items	-31 304	-27 638	-27 941	-18 036	-16 992
Profit for the year	-26 551	-24 491	-23,142	-15 395	-15 456
Balance sheet total (TSEK)	21 593	25 913	13 259	15 225	30 570
Equity/assets ratio (%)	73%	47%	72%	85%	89%
Earnings per share (SEK)	-1,23	-1,63	-1,68	-1,24	-1,46
Research and development costs/operating expenses, %	73%	60%	78%	65%	66%

Comparative figures for 2017 and previous years have not been translated into IFRS in the concenren and to RFR 2 in the Parent Company.

Definitions

Equity/assets ratio, % - Calculated by dividing total equity by total assets.
Research and development costs/operating expenses, % - Total costs related to research and development, divided by total operating expenses.

(TSEK) MULTI-YEAR OVERVIEW PARENT COMPANY	RFR 2 2020	RFR 2 2019	RFR 2 2018	K3 2017	K3 2016
Net sales	1.697	1 287	–	–	–
Profit after financial items	-72 267	-9 999	-4 390	-4 610	-4 216
Balance sheet total	31 068	80 407	52 558	36 000	39 372
Equity/assets ratio (%)	87%	85%	98%	98%	99%

SIGNIFICANT EVENTS IN 2020

- **On February** 7, SynAct updated its development plans.
- **On March 31,** SynAct announced that the company is exploring the possibility of testing AP1189 as adjunct therapy in hospitalized patients with COVID-19.
- **On March 31,** SynAct submitted an application for a clinical trial for AP1189 in nephrotic syndrome.
- **On April** 3, SynAct applied for a patent for AP1189 in COVID-19.
- **On May** 5, SynAct updated phase THE II study with AP1189 in rheumatoid arthritis.
- **On 25** May, SynAct filed an international patent application under the Patent Coordination Treaty (PCT) to cover combination treatment with the drug candidate AP1189 and Methotrexate (MTX) for the treatment of rheumatoid arthritis and other diseases of arthritis.
- **On 2** June, the FAII application was approved bythe Danish Authority.
- **On June 29,** SynAct initiated a phase II clinical trial with a 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 SEK 32.4 million in warrants of series TO 2.
- **On28 August,** 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 investigative 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 to Part 1 of the phase II clinical study with AP1189 in rheumatoid arthritis is ready.
- **On September 23,** SynAct initiated a Phase II study with AP1189 to treat ARDS in COVID-19 patients in clinical wards in Brazil in a collaboration between SynAct, Queen Mary University, London, Uk, and Universidade Federal de Minas Gerais, Belo Horizonte, Brazil.
- **On October 12,** SynAct successfully completed the second cohort (100 mg dose level) in Part 1 of the Phase II clinical study with AP1189 against rheumatoid arthritis.
- **6 November** Dr Uli Hacksell were chosen as member of the board.
- **On November 9,** SynAct announced Pharma positive interim data from phase 2 study with AP1189 in rheumatoid arthritis.

- **On January 11, 2021,** board member and CSO Thomas Jonassen and CEO Jeppe Øvlesen carried out a company law restructuring in which the respective holdings of shares in SynAct transferred to the newly formed company BioInvest ApS.
- **26 January 2021** appointed SynAct Pharma Thomas Boesen to Chief Operating Officer
- **4 February 2021** it was announced that SynAct is preparing to move to Nasdaq Stockholm
- **On February 5, 2021**, it was announced that SynAct carried out a directed share issue of 80 Msek
- **On February 11, 2021,** SynAct Pharma appointed James Knight Chief Business Officer
- **On March 18, 2021,** SynAct started dosing in Part 2 of the Phase II clinical study with AP1189 on Covid-19 infected Patients.
- **April 13, 2021** strengthens SynAct IP portfolio and receives "Intention to Grant" from the European Patent Office for a patent covering AP1189

FINANCIAL DEVELOPMENTS

Turnover

Net sales for the Group in 2020 amounted to SEK 0 (0) thousand. The company is not expected to generate any revenue until at the earliest after the completion of the planned Phase II study regarding the drug candidate AP1189. The Parent Company's turnover of SEK 1,697 (1,287) thousand is from service services delivered to the Danish subsidiary.

Financial development

The Group's profit for 2020 amounted to SEK -26,551 thousand (-24,491). The main costs are mainly related to the ap1189 clinical development program.

Liquidity and balance sheet

The Group's cash and cash equivalents at December 31, 2020 amounted to SEK 14,548 thousand (3,505). The company's other receivables amounted toSEK 1,9,02 thousand (18,854) and included the previous year's share proceeds from an issue that was paid during the year. Tax credit touching the Danish subsidiary. In the event that research and development expenses arise in the Danish company, acredit of tax maybe obtained, called the "Tax Credit Scheme" in Denmark. According to this, SynAct Pharma ApS will receive an up-to-date tax revenue of SEK 4,753 thousand (3,099) for some of the expenses attributable to research and development. SynAct'scredit under the "Tax Credit Scheme" will be paid in November 2021.

Cash flow for the year amounted to SEK 11,391 thousand (- 3,627). In the financing operations, SEK 13.9 million constitutes a decided issue from the previous year and is paid during this financial year.

InJ uli 2020, the company raised approximately SEK 32.4 million before issue costs when shareholders exercised their warrants and in February 2021 a directed share issue of SEK 80 million was carried out. According to the Board's assessment, the company's existing working capital together with the proceeds from the directede-mission is sufficient to finance the company until the planned reporting of the milestones for the company's Phase IIa studies against rheumatoid arthritis (RA), nephrotic syndrome (NS) and COVID-19 (ARDS) and to prepareand perform a phaseIIb study against RA. As a first step towards listing on Nasdaq Stockholm's main market, it has been decided to change the company's accounting policy to IFRS.

Parent company

The Parent Company's revenue relates to service services to the subsidiary and amounted to SEK 1,697 thousand (1,287). Operating profit for 2020 amounted to SEK -6,643 thousand (-8,185). The costs are mainly related to administration and activities that support the danish subsidiary's operations. Net financial items are upto SEK-65,624 thousand (-1,814). Net profit amounted to SEK -72,267 thousand (-9,999). As of January 1, 2020, the Parent Company will expense shareholder contributions to subsidiaries that intend to cover the subsidiary's research costs. Expenseone is recognized in the income statement in net financial items. The accounting management in the Parent Company thus reflects the management in the Group where all the costs of research are charged to the result. The carrying amount remains unchanged as the company'scondition is that there is no impairment requirement.

Risks

A number of risk factors can have a negative impact on the operations of SynAct. The main risk factors without order and without the need to be comprehensive are described below.

Company-related risks

Short history

SynAct Pharma ApS was formed in 2012. SynAct Pharma AB was formed in april 2016. The company's contacts with both customers and suppliers are relatively newly established. For this reason, there is a risk that the relationships are more difficult to evaluate and affect the Company's prospects. There is a risk that long-term and stable customer and supplier relationships will not be established.

No drugs launched

The company has so far not launched any drugs, either individually or through partners, and has therefore not conducted sales or generated any revenue. There is a risk that revenues will not be fully or partially missed and that SynAct's targets will not be achieved within the timeframe set and that it will take longer than planned to reach the milestones set by the Board of Directors of the Company.

Financing needs and capital

SynAct's future plans entail increased costs for the Company. A delay in market breakthroughs entails a risk of loss of earnings for SynAct and that the Company will need to raise additional capital in the future and there is a risk that any additional cashcan not beraised. There is therefore a risk that the development will be temporarily halted or that SynAct will be forced to operate at a lower pace than desired, which also entails the risk of delayed or non-commercialization and revenue.

Clinical studyier

Before medicinal products can be placed on the market, safety and efficacy in the treatment of humans must be ensured, as is done through clinical studies. There is a risk that the results of the planned studies will not be satisfactory and thereis a risk that the Company's drug candidates for safety and efficacy reasons are not good enough to be launched. Notable is that outcomes from preclinical studies do not always correlate with results achieved in clinical studies in humans. Results from smaller clinical studies are also not always consistent with results in more extensive studies, after which there are several risks on the way to the launch of drugs. Unless SynAct can demonstrate that the Company's drug candidates are safeand effectiveenough, there is a risk that the Company will be adversely affected by deteriorating revenues and earnings.

Patents and intellectual property rights

SynAct has patents regarding the composition, production and use of the drug candidate AP1189 until 2027 in Australia, Canada, China, Europe, Hong Kong, India, Japan, Mexico, New Zealand and South Africa. In the US, the Company holds patents until 2028. There is a risk that the Company's possible future patent applications will not be approved/approved inother countries. There is also a risk that granted patents do not provide long-term protection, as objections or other invalidity claims against issued patents may be made after the granting of patents. In addition, there is a risk that operators with competing companieswill patent adjacent areas toSynAct's existing patents, resulting in competitors' treatment options achieving the same effect as the Company's alternatives. This would potentially make market conditions more difficult for the Company, due to an increased competitive situation.

Development costs

SynAct will continue to develop and further develop products in its field of operations. Time and cost aspects of product development can be difficult to determine in advance with accuracy. This entails a risk that planned product development will be more costly than planned.

Key people and employees

SynAct's key employees have great expertise and long experiencein the Company's business area. A loss of one or more key employees entails a risk of negative consequences for the Company's operations and results. Difficulties in recruiting new key personnel also entail the risk of negative consequences for SynAct.

Suppliers/manufacturers

SynAct has collaborations with suppliers and manufacturers. There is a risk that one or more of these will choose to break their cooperation with the Company, which entails a risk of negative impact on the business. There is also a risk that SynAct's suppliers and manufacturers do not fully meet the quality requirements set by the Company. Similarly, there is a risk that the establishment of new suppliers or manufacturers will be more costly and/or take longer than the Company calculates.

Competitors

Some of SynAct's competitors are multinational companies with large financial resources. Extensive investment and product development from a competitor entails risks in the form of reduced sales. Furthermore, there is a risk that companies with global operationscurrently working in related areas will decide to establish themselves in SynAct's business area. There is a risk that increased competition will result in negative sales and earnings effects for the Company in the future.

Financial risks

Throughits operations, the company is exposed to different types of financial risks; credit risk, market risks (currency risk, interest rate risk and other price risk) and liquidity risk. The overall objective of financial risks is to provide cost-effective financing and settlement management and to ensure that all payment commitments are managed in a timely manner. See Note 16.

Securities-related risks

Course variations

SynAct Pharma AB is listed on Spotlight. There is a risk that price fluctuations arise from major changes in purchase and sales volumes and do not necessarily have to be related to the Company's underlying value. There is a risk that the price variations will negatively affect the Company's share price.

OUTLOOK AND CAPITAL NEEDS FOR 2021

In July 2020, we raised approximately SEK 32.4 million before issue costs when shareholders exercised their warrants and in February 2021 a directed share issue of SEK 80 million was carried out. The company's existing working capital together with the proceeds from the directed share issue is, according to the Board's assessment, sufficient to finance the company up to the planned reporting of milestones for thecompany's Phase IIa studies against rheumatoid arthritis (RA), nephrotic syndrome and COVID-19 (ARDS) and to prepare and conduct a Phase IIb study against RA.

PROPOSAL FOR PERFORMANCE ALLOCATION (SEK)

Premium fund	96 186 529
Balanced result	0
Profit for the year	-72 266 523
Sum	**23 920 007**

The Board of Directors proposes that SEK 23,920,007 be carried forward.

CONSOLIDATED INCOME STATEMENT

(TSEK)	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Net sales		–	–	–
Gross profit		**–**	**–**	**–**
Research and development costs	9	-22 788	-15 174	-21 814
Administration and sales costs	6,8,9	-8 811	-10 161	-6 274
Other operating income	5	360	–	–
Other operating expenses		-46	–	–
Operating income	**7**	**-31 285**	**-25 335**	**-28 088**
Financial income	10	30	155	147
Financial costs	11	-49	-2 458	-
Profit after financial items		**-31 304**	**-27 638**	**-27 941**
Tax on profit for the year	12	4 753	3 147	4 799
Profit for the year attributable to shareholders of the parent company		**-26 551**	**-24 491**	**-23 142**
Basic and diluted earnings per share (SEK)	13	-1,23	-1,63	-1,68

GROUP STATEMENT OF COMPREHENSIVE INCOME

(TSEK)	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Profit for the year		-26 551	-24 491	-23 142
Other comprehensive income				
Items that can later be returned to the income statement				
Translation difference of the year	21	-574	224	46
Other comprehensive income after tax for the year		**-574**	**224**	**46**
Comprehensive income attributable to shareholders of the parent		**-27 125**	**-24 267**	**-23 096**

GROUP'S STATEMENT OF FINANCIAL POSITION

Assets

	Note	2020-12-31	2019-12-31	2018-12-31	2018-01-01
Fixed assets					
Financial fixed assets	14,15, 24	264	179	174	170
Total fixed assets		**264**	**179**	**174**	**170**
CURRENT ASSETS					
Current tax asset		4 559	3 099	4 798	2 674
Other current receivables	17	1 902	18 854	1 008	1 028
Prepayments	18	320	276	212	168
Cash and cash equivalents	19	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**

GROUP'S STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

	Note	2020-12-31	2019-12-31	2018-12-31	2018-01-01
Equity	21				
Share capital		3 051	2 096	1 834	1 552
Other capital contributed		119 401	89 550	62 901	42 427
Reserves		-304	270	46	–
Retained earnings including profit for the year		-106 280	-79 729	-55 238	-32 096
Total equity attributable to the parent shareholders of the company		**15 868**	**12 188**	**9 543**	**11 883**
CURRENT LIABILITIES					
Accounts payable	15,16	2 775	5 461	3 232	1 779
Other current liabilities		194	–	37	–
Accruals	22	2 756	8 264	447	534
Total current liabilities		**5 725**	**13 725**	**3 716**	**2 313**
TOTAL EQUITY AND LIABILITIES		**21 593**	**25 913**	**13 259**	**14 196**

GROUP'S REPORT ON CHANGES IN EQUITY

(TSEK)	Note	Share capital	Other Contributed Capital	Recalculation Reserve	Balanced Earnings Including profit for the year	Total
Opening equity 2018-01-01		**1 552**	**42 427**	**–**	**-32 096**	**11 883**
Profit for the year		–	–	–	-23 142	-23 142
Other comprehensive income for the year		–	–	46	–	46
Comprehensive income for the year		**–**	**–**	**46**	**-23 142**	**-23 096**
Transactions with owners:						
New share issue		282	22 069	–	–	22 351
Issue costs		-	-1 595	–	–	-1 595
Total transactions with owners		**282**	**20 474**	**–**	**–**	**20 756**
Closing equity 2018-12-31		**1 834**	**62 901**	**46**	**-55 238**	**9 543**
Opening equity 2019-01-01		**1 834**	**62 901**	**46**	**-55 238**	**9 543**
Profit for the year		–	–	–	-24 491	-24 491
Other comprehensive income for the year		–	–	224	–	224
Comprehensive income for the year		**–**	**–**	**224**	**-24 491**	**-24 267**
Transactions with owners:						
New share issue		262	30 064	–	–	30 326
Issue costs		-	-3 414	–	–	-3 414
Total transactions with owners		**262**	**26 650**	**–**	**–**	**26 912**
Closing equity 2019-12-31		**2 096**	**89 550**	**270**	**-79 729**	**12 188**
Opening equity 2020-01-01		**2 096**	**89 550**	**270**	**-79 729**	**12 188**
Profit for the year		–	–	–	-26 551	-26 551
Other comprehensive income for the year		–	–	-574	–	-574
Comprehensive income for the year		**–**	**–**	**-574**	**-26 551**	**-27 125**
Transactions with owners:						
New share issue		955	31 473	–	–	32,427
Issue costs		–	-1 622	–	–	-1 622
Total transactions with owners		**955**	**29 851**	**–**	**–**	**30 806**
Closing equity 2020-12-31	**21**	**3 051**	**119 401**	**-304**	**-106 280**	**15 868**

Equity as a whole is attributable to the parent's shareholders.

GROUP CASH FLOW STATEMENT

(TSEK)	Note	2020-01-01 2020-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Day-to-day operations				
Operating income		-31 285	-25 335	-28 088
Interest paid		6	–	–
Interest paid		-2 359	-2 458	–
Income tax obtained		3 168	4 946	2 802
Cash flow from operating activities before changes in working capital		**-30 470**	**-22 847**	**-25 286**
Cash flow from changes in working capital				
Change in operating receivables		-530	-579	-32
Change in accounts payable		-329	2 192	1 400
Change in operating liabilities		-1 910	4 607	-297
Cash flow from operating activities		**-33 239**	**-16 627**	**-24 215**
Investment				
Investments in financial fixed assets	14	-93	–	–
Cash flow from investment activities		**-93**	**–**	**–**
Financing activities				
New share issue		49 758	–	22 351
Issue costs		-5 036	–	-1 595
Borrowings from shareholders	19	–	13 000	–
Cash flow from financing activities		**44 722**	**13 000**	**20 756**
Cash flow for the year		**11 391**	**-3 627**	**-3 459**
Cash and cash equivalents at the beginning of the year		**3 505**	**7 067**	**10 156**
Exchange rate difference in cash and cash equivalents		-348	65	370
Cash and cash equivalents at year-end	**19**	**14 548**	**3 505**	**7 067**

Note 1 - General information

This annual report and consolidated financial statements include the Swedish parent company SynAct Pharma AB (publ) ("SynAct" or the "Parent Company"), corporate registration number 559058-4826 and its subsidiaries (collectively, the "Group"). The Group's main business is to conduct the development of pharmaceuticals. The parent company has been listed on Spotlight Stock Market, with ticker SYNACT, since 2016.

The Parent Company is a limited liability company registered with its registered office in Lund, Sweden. The address of the head office is Scheelevägen 2, 223 81 Lund, Sweden.

On April 16, 2021, the Board of Directors approved this annual report and consolidated accounts, which will be submittedfor adoption at the Annual General Meeting on May 21, 2021.

Note 2 - Summary of key accounting policies for the Group

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) as established by the European Union (EU). In addition, the consolidated financial statements follow the recommendation of the Swedish Financial Reporting Council RFR 1 "Supplementary accounting rules for groups".

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the Group's financial statements. The Group's accounting policies have been applied consistently by the Group's companies.

This is the Group's first financial report in accordance with IFRS with the date of transition on January 1, 2018. The Group previously applied BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). The transition to IFRS has taken place in accordance with IFRS 1 The first time theFRS is applied. The transition to IFRS is described in more detail in Note 25 Transition to IFRS.

Functional currency and reporting currency

The functional currency of the Parent Company is SEK, which also constitutes the reporting currency for the Parent Company and forthe Group. All amounts are, unless otherwise stated, rounded to the nearest thousands of SEK (TSEK).

Valuation basis 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 essentially 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 that are 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 is 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 acquisition perioduntil the date on which control ceases.

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

Business combinations

Business combinations are recognized according to the acquisition method. The method implies that the acquisition of a business is considered a transaction in which the Group indirectly acquires the assets of an operating group and assumes its liabilities. The acquisition analysis determines the fair value on the acquisition date of acquirede-identifiable assets and liabilities and any non-controlling interests. Transaction expenses, with the exception of transaction expenses attributable to the issuance of equity instruments or debt instruments, attributableto the acquisition arerecognized as an expense in profit or loss for the year. In the case of business combinations where transferred remuneration exceeds the fair value of the acquired company's net assets, the difference is recognized as goodwill.

New or changed accounting standards during the financial year

None of the changes published are deemed to have a material effect on the Group's or the Parent Company's financial statements.

Other new or amended standards or interpretations published by the IASB are not expected to have a material impact on the Group's or the parent's financial statements.

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.

Financialincome

Financial income consists of interest income and foreign exchange gains. Interest income is recognized in accordance with the effective interest method. The effective interest rate is the interest rate that discounts the estimated future deposits and disbursements over theexpected 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

and sub-courses. Dividends received are recognized when the right to receive dividends is established. Foreign exchange gains and losses are recognized net.

Financial costs

Financial costs consist mainly of interest expense on loans and foreign exchange losses. Interest expense on loans is recognized according to the effective interest method. Foreign exchange gains and losses are recognized net.

Taxes

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

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

Deferred tax is recognized on all temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts. Temporaryso-called illnader attributable to shares in subsidiaries that are not expected to be returned 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 regulated. 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 concerned is realised or the deferred tax liability settlesp. 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 carryforwards are accounted foronly 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 agreement, the Group assesses whether it is a leaseagreement, i.e. whether the agreement includes the right to control the use of an identified asset for a specified period of time in exchange for remuneration. With the exception of short-term leases and low-value leases, the Group recognises leasesfor future remaining lease payments and right-of-use assets representing the right to use underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the opening date of the lease, at the time the underlying asset is available for use. Right-of-use assets are valued at cost less accumulated depreciation and any impairment losses and adjusted for eventuell revaluation of lease liabilities. The cost of new rights includes the amount of recognized lease liabilities, initial direct expenses and lease payments paid at or beforethe opening date, less any benefit received in connection with the subscription of thelease. Right-of-use assets are depreciated on a straight-line basis over the estimated lease period of the asset.

At present, there are no leases in the Group that are classified as right-of-use assets.

Short-term leases and low value leases

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

Intangible assets

Intangible assets acquired separatelyare recognized at cost reduced by accumulated depreciation and any impairment losses. Intangible assets are systematically depreciated over the assessed useful life of the asset.
The useful life is reassessed at each closing date and adjustsas necessary. When determining the depreciable amount of the assets, the residual value of the asset is taken into account where appropriate.

Balanced expenditure on development work

Development expenditure is activated when they meet the activation criteria. The most important criteriafor activation are that thefinal product of the development work has a demonstrable future earnings or cost savings and that there are technical and financial conditions to complete the development work. In addition, 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 conditions for activation of development expenses do not exist.

Impairment of non-financial assets

Assets that have an indefinite useful life are tested at least annually for any impairment requirement and when there is an indication of impairment. Assets depreciating are assessed for impairment whenever events orchanges in conditions indicate that the carrying amount is not recoverable.

An impairment loss is made at 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 the 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 reported impairment is reversed if the recoverable amount is deemed to exceed the carrying amount. However, reversal does not take place with an amount greater than the carrying amount.

The value amounts to what it would have been if impairment 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 agreement that gives rise to a financial asset in one entity and a financial liability or equity instrument of another entity. Financial instruments are classified at initial recognition, including on the basis of the purpose for which the asset 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 current receivables and equivalents, all of which are classified at amortised cost.

Financial assets classified at amortized cost are initially valued at fair value with the addition of transaction costs. After initial recognition, the assets are valuedat amortized cost less a loss provision of expected credit 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 principal amount outstanding.

Classification and measurement of financial liabilities

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

All financial liabilities of the Group (accounts payable and othercurrent liabilities) are classified at amortised cost.

During the financial year or comparison year, the Group has not held any financial instruments that are measured at fair value, either through profit or loss or other totalsales.

Accounting and removal

A financial asset or financial liability is included 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 hasnot yet been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realized, 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 dereco of the balance sheet are recognized in profit or loss.

A financialasset 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 realisethe asset and settle theliability.

Impairment of financial assets

The Group's impairment model is based on expected credit losses, and takes forward-looking statements into account. A loss provision is made when there is an exposure to creditrisk. 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 cash equivalents and immediately available balances with banks and equivalent institutions.

Equity

Ordinary shares, other contributed capital and balanced income are classified as equity. Financial instruments that are 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 recognized net of tax in equity as a deduction from the issue proceeds. Exchange rate 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 about the time of payment or the amount of the amount to settle the provision. A provision is recognised in the balance sheet when there is an existing legal or informal obligation as a result of an event occurring, and it is likely that aflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can bemade. Provisions are made with the amount that is the best estimate of what is required to settle the existing settlementat the balance sheetdate. 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 recognised when there is a possible commitmentarising from events occurring and the existence of which is confirmed by one or more uncertain future events or when there is an obligation that is not recognised as 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 available on the day of the transaction. Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate at the balance sheet date. Exchange differences arising from the translation are recognized in profit or loss for the year. Exchange gains and losses on operating receivables and operating liabilities are recognized in operating profit, while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Recalculatementof foreign operations

Assets and liabilities in foreign operations are converted from the functional currency of the foreign operation to the Group's reporting currency, SEK, at the exchange rate prevailing on the balance sheet date. Revenues and costs in a foreign operation are converted into SEK at an average rate that constitutes an approximation of the exchange rates that existed at the respective transaction time. Translation differences arising from foreign exchange translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity, called translation reserve. On disposal

the accumulated translation differences attributable to the business are realised by a foreign operation, reclassifying them from comprehensiveincome to profit or loss for the year.

Earnings per share

The calculation of earnings per share is based on profit for the period in the Group attributable to the parent company's shareholders and on the weighted average number of ordinary shares outstanding during the year. When calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of diluting potential ordinary shares. To the extent that dilution would result in diluted earnings per share being higher than earnings per share before dilution, or the loss per share being lower than the loss per share before dilution, earnings are not adjusted for this.

Cash flow

The cash flow statement is prepared according to the indirect method. The reported cashflow covers only transactions that have resulted in cash or cash payments, broken down by operating, investment and financing activities. Cash flows from receipts and payments are recognised gross, with the exception of transactions consisting of large amounts of deposits and payments relating to items that are traded rapidly and have a short maturity.

Note 3 - Assessments and estimates

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates and make assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates.

The estimates and assumptions are evaluated on an ongoing basis. Changes in estimates are recognized in the period in which the change is made if the change only affected that period, or in the period in which the change is made and future periods if the change affects both currentand future periods.

Time of activation of intangible assets

The Group activates expenditure on the development of medicines to the extent that they are deemed to meet the criteria for activation under IAS 38 p. 57. The company's expenses for the development of medicines are deemed not to meet the criteria for activation and have thus been expensed. Activation of expenditure on the development of medicinal products takes place at a late stage of phase III, or at the start of registration studies, depending on when the criteriaareassessed. The reason for this is that it is previously too uncertain whether the expenditure will generate future economic benefits and that the financing of the completion of the asset is not secured.

Loss carryforwards

Thecompany's loss carryforwards have not been valued and are not recognized as deferred tax assets. These loss carryforwards are only valued when the Group has established a level of profit that management with is likely to consider will lead to taxoverhauls. See also Note 12 Tax on profit for the year.

The principle of survival

Since the company does not have approved products on the market, the business requires capital injections from the owners.

The Company’s liquidity will cover the company's development milestones and last for at least 12 months. In July 2020, we raised approximately SEK 32.4 million before issue costs when shareholders exercised their warrants and in February 2021 a directed share issue of SEK 80 million was carried out. Accordingto the Board's assessment, the company's existing proceeds together with the proceeds from the directed share issue are sufficient to finance the company until the planned reporting of the milestones for the company's Phase IIa studies against rheumatoid arthritis (RA), nephritiskt syndrome and COVID-19 (ARDS) and to prepare and conduct a phase IIb study against RA.

Note 4 - Operating segment

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. Identification of reportable segments is based on internal reporting to the chief executive decision-maker, which for the Group is the CEO. In this reporting,the Group is a segment.

Note 5 - Other operating income

	Group 2020	Group 2019	Group 2018
Re-invoicing of rental costs	219	–	–
Public appropriations	141	–	–
Sum	**360**	**–**	**–**

Note 6 - Fees to auditors

	Group 2020	Group 2019	Group 2018
Mazars			
Audit assignment	313	349	208
Other audit activities	60	50	–
Tax advice	–	–	–
Other services	67	–	–
Sum	**440**	**399**	**208**

Audit assignments refer to statutory audits of the annual accounts and accounts, as well as the management of the Board of Directors and the CEO, as well as audits carried out in accordance with agreement or agreement. This includes other duties that it is up to the company's auditor to perform as well as advice or other assistance arising from observations during such review or the performance of such other duties.

Other audit activities are those services under specific agreement on financial statements.
Other services refer to advice on accounting issues as well as advice on processes and internal control.

Note 7 - Costs per cost type

	Group 2020	Group 2019	Group 2018
Other external costs	31 387	25 102	27 838
Personnel costs	213	233	250
Other operating expenses	46	–	–
Sum	**31 645**	**25 335**	**28 088**

Note 8 - Leases

This year's lease consists of rented premises. The leases are short-term contracts between 3-6 months and can be extended unless one of the parties terminates the rental agreement at least 1-3 months before. SynAct Pharma cannot reasonably determine whether the extension will take place in view of the company's development, thus not anticipated utilization after the contract period. Future lease payments, are linked to the development in the index, however, there is a minimum level with a 2% increase per year.

	Group 2020	Group 2019	Group 2018
Maturity analysis, future lease payments			
<12 Months	314	149	173
1-2 years	–	–	–
Sum	**314**	**149**	**173**

	Group 2020	Group 2019	Group 2018
Costs attributable to short-term leases	681	614	535
Payments for lease payments in the Group for the year	608	606	535

Note 9 - Employees and personnel costs

The Group has no employees

Salaries and other remuneration, pension costs and social costs to the Board of Directors and senior executives and other employees

Salaries and other allowances	2020	2019	2018
Parent			
Board of Directors and senior executives	210	180	190
Total	**210**	**180**	**190**

Social and pension costs	2020	2019	2018
Parent			
Social costs	66	53	60
Total	**66**	**53**	**60**

Senior executives include the Board of Directors and the CEO and other senior executives

Gender balance among board and senior executives	2020	2019	2018
Share of women on the Board	0%	0%	0%
Share of men on the board	100%	100%	100%
Share of women among other senior executives	0%	0%	0%
Share of men among other senior executives	100%	100%	100%

Disclosures regarding remuneration to the Board of Directors and senior executives

2020	Basic salary, board fees	Pension Cost	Mobile Compensation	Fees for: position in Company	Other Compensation	Total
Chairman						
Torbjørn Bjerke[2]	60	-	-	–	700	760
Board members						
John Haurum[2]	60	-	-	–	405	465
Terje Kalland	60	-	-	–	-	60
Thomas Jonassen	–	-	-	1 729	-	1 729
Uli Hacksell	30	-	-	–	-	30
Senior executives						
CEO[1]	–	–	–	1 695	-	1 695
Other senior executives (3)[1]	–	–	–	1 544	205	1 749
of which subsidiaries	–	–	–	*2 940*	-	-
Total	**210**	**–**	**–**	**4 968**	**1 310**	**6 488**

2019	Basic salary, board fees	Pension Cost	Mobile Compensation	Fees for: position in Company	Other Compensation	Total
Chairman						
Torbjørn Bjerke	60	-	-	-	-	60
Board members						
John Haurum[2]	60	-	-	–	300	360
Terje Kalland	60	-	-	-	-	60
Thomas Jonassen[1]	–	–	–	1 464	–	1 464
Senior executives						
CEO[1]	–	–	–	1 738	-	1 738
Other senior executives (2)[1]	–	–	–	1 778	-	1 778
of which subsidiaries	-	-	-	*709*	-	*709*
Total	**180**	**–**	**–**	**4 980**	**300**	**5 460**

2018	Basic salary, board fees	Pension Cost	Mobile Compensation	Fees for: position in Company	Other Compensation	Total
Chairman						
Torbjørn Bjerke	70	-	-	-	-	70
Board members						
Charlotte Edenius[2]	60	-	-	–	137	197
Lars Adlersson	60	-	-	-	-	60
Thomas Jonassen[1]	–	–	–	1 527	–	1 527
Senior executives						
CEO[1]	–	–	–	1 546	-	1 546
Other senior executives (2)[1]	–	–	–	1 070	-	1 070
of which subsidiaries	-	-	-	*682*	-	-
Total	**190**	**–**	**–**	**4 143**	**137**	**4 470**

Remuneration of senior executives
Remuneration to the CEO and other senior executives consists of remuneration such as consulting fees, see below. Other senior executives refer to the 3 (2) persons/s who, together with the CEO, constituted group management. Other senior executives refer to the Chief Financial Officer, Chief Medical Officer and Chief Scientific Officer.

1) Fees invoiced through own company for senior positions in SynAct Pharma
CEO Jeppe Øvlesen via the company Corporate Culture ApS and CSO Thomas Jonassen via the company TJ Biotech ApS, see feesabove. In addition, to the CFO via the company Next Stage Ventures ApS amounting to SEK 1,717 thousand (1,416 thousand, 1,070 KSEK) of which SEK 774 thousand is invoiced to the subsidiary and SEK 943 thousand invoiced to the Parent Company, of which SEK 205 thousand is other remuneration and CMO through the company Phaster1 ApS amounting to SEK 32 thousand (362 thousand).

2) Other remuneration
Other remuneration constitutes remuneration for other services in the Group. Purchased services from Torbjørn Bjerke via UST Leadership AB amounting to SEK 700 thousand (0 KSEK). Purchased services from John Haurum through the company JSH BioTECH ApS amounting to SEK 405 thousand (300 KSEK). Purchased services from Charlotte Edenius through the company Allmora Life Science AB amounted to SEK 137 thousand in 2018.

Severance
If the termination of employment is made by the CEO, a notice period of 3 months applies. If the termination of employment is made by the company, a notice period of 3 months applies. The CEO is not entitled to special severance pay but is paid during the notice period. Between the company and other senior executives, a mutual notice period of three to twelve months applies during which salary is paid. No severance pay is paid to the members of the Board of Directors.

Note 10 - Financial income

	Group 2020	Group 2019	Group 2018
Course differences	30	155	147
Sum	**30**	**155**	**147**

All financial income is attributable to financial assets valued at amortized cost.

Note 11 - Financial expenses

	Group 2020	Group 2019	Group 2018
Other interest expense	-39	-2 388	–
Course differences	-10	-70	–
Sum	**-49**	**-2 458**	**0**

All financial expenses are attributable to financial liabilities measured at amortized cost.

Note 12 - Tax on profit for the year

	Group 2020	Group 2019	Group 2018
Current tax[1]	4 753	3 147	4 799
Reported tax	**4 753**	**3 147**	**4 799**
Reconciliation of effective tax rate			
Profit before tax	-31 304	-27 638	-27 941
Tax at the current tax rate for the Parent Company 21.4% (21.4%, 22.0%)	6 699	5 915	6 147
Tax effect of:			
Effect of other tax rates for foreign subsidiaries	117	-101	–
Tax on undisclosed deferred tax assets	-2 062	-5 591	-6 146
Non-deductible costs	-2	-223	-1
Reported tax	**4 753**	**3 147**	**4 799**

1) Under Danish tax law (the tax credit scheme), the subsidiary Synat Pharma ApS can obtain up-to-date tax revenue for some of the expenses directly attributable to the company's research and development. Offsetting research and development expenses that result in tax revenue obtained, reduces the company's tax deductionby thecorresponding amount. Synat Pharma ApS can calculate a maximum of tax deficits attributable to research and development up to MDKK 25 per year. This corresponds to MDKK 5.5 as possible tax revenue, as the tax rate in Denmark is 22%.

The Group has tax deductions for issue costs totalling SEK 1,622 thousand (3,414 thousand, SEK 1,596 thousand) that are recognized directly in equity. No deferred tax has been recognised for these.

There are tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounting to SEK 35,043 thousand (27,316 KSEK, SEK 17,641 thousand) in Sweden and deficit deductions in Denmark amounting to SEK 25,831 thousand (16,354 thousand, SEK 14,044 thousand) and they have no time limit. Taxreceivables have not been recognised for these items, as it is unlikely that the Group will use them for offsetting future taxable profits.

Note 13 - Earnings per share

	Group 2020	Group 2019	Group 2018
Basic and diluted earnings per share			
Profit for the year (TSEK) attributable to shareholders of the Parent Company	-26 551	-24 491	-23 142
Average number of ordinary shares outstanding	21 549 984	15 063 788	13 734 967
Basic and diluted earnings per share (SEK)	**-1,23**	**-1,63**	**-1,68**

For the calculation of earnings per share, the weighted average number of ordinary shares outstanding is adjusted. There is no dilution effect for issued warrants, as the result for the years described above has been negative. During 2020, all warrants have been settled in the event of a new issue, see Note 21 Equity.

Note 14 - Financial investment assets

	Group 2020	Group 2019	Group 2018
Opening cost	179	174	170
Deposit left	93	3	–
Currency change	-8	2	4
Closing carrying amount	**264**	**179**	**174**

Financial fixed assets consist of a bank guarantee of SEK 50 thousand and deposits 158 TDKK .

Note 15 - Financial assets and liabilities

Financial assets measured at amortised cost	Group 2020-12-31	Group 2019-12-31	Group 2018-12-31	Group 2018-01-01
Financial assets				
Financial fixed assets	264	179	174	170
Other current receivables	–	17 331	–	-
Cash and cash equivalents	14 548	3 505	7 067	10 156
Sum	**14 812**	**21 015**	**7,241**	**10 326**

Financial liabilities measured at amortized cost	Group 2020-12-31	Group 2019-12-31	Group 2018-12-31	Group 2018-01-01
Financial liabilities				
Accounts payable	2 775	5 461	3 232	1 779
Other current liabilities	–	–	–	–
Accruals	1 018	4 096	178	–
Sum	**3 793**	**9 557**	**3 410**	**1 779**

Financial assets and liabilities measured at amortized cost are materially consistent with fair value.

Note 16 - Financial risks

Through its operations, the Group is exposed to different types of financial risks; credit risk, market risks (currency risk, interest rate risk and other price risk) and liquidity risk. The Group's overall risk management focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the Group's financial results.

The Group's financialoperations and risks are handled centrally by the Parent Company through the Group's CFO and CEO. The overall objective of financial risks is to provide cost-effective financing and settlement management and to ensure that all payment commitments are managed in a timely manner.

The Board of Directors prepares written principles for both overall risk management and for specific areas such as credit risks, currency risks, interest rate risks, refinancing risks, liquidity risks and the use of derivativesand the placement of over-liquidity.

Credit risk
Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligation and thereby cause the Group a financial loss. The Group's exposure to credit risk is relatedto the credit risk in bank balances in banks with credit rating AA.

Market risks
Market risk is that the risk that fair value or future cash flows from a financial instrument will vary due to changes in market prices. The market risk that affects the Group is currency risk. At present, the Group does not have any loans or holdings that expose the Group to interest rate risk or other price risk. In 2019, there was a temporary bridge loan from shareholders, for further information see Note 23 Transactions with related parties.

Currency risk
Currency risk is the risk that fair value or future cash flows from a financial instrument vary due to changes in foreign exchange rates. The mainexposition comes from the Group's purchases in foreign currencies. This exposure is referred to as transaction exposure. Currency risks can also be found in the translation of foreign operations' assets and liabilities to the parent company's functional currency so-called conversionexposure.

Transaction exposure
Transaction exposure from contracted payment flows in foreign currency is limited in the Group. See the table below for exposure in each currency.

Currency exposure 2020 (%)	Operating income	Movement costnader
Eur	-	11%
Dkk	-	68%
Sec	-	19%
Other currencies	-	1%

Currency exposure 2019 (%)	Operating income	Operating expenses
Eur	-	14%
Dkk	-	63%
Sec	-	21%
Other currencies	-	2%

Currency exposure in 2018 (%)	Operating income	Operating expenses
Eur	-	60%
Dkk	-	25%
Sec	-	7%
Other currencies	-	8%

As shown in the table above, the Group's main transaction exposure consists of EUR and DKK. A 10% stronger EUR against SEK would have a negative impact on profit after tax and equity of approximately -339 KSEK (-338 KSEK, -1,668 KSEK). A 10% stronger DKK against SEK would have a negative impact on profit after tax and equity of approximately -2,022 KSEK (-1,483 KSEK, -713 KSEK).

Translation exposure

The Group has a translation exposure that arises from the translation of foreign subsidiaries' income and net assets into SEK. The translation isagainst DKK, where the exposure at the balance sheet date amounts to SEK 15,324 thousand (-30,488 KSEK, -16,522 KSEK).

The Group also hasa translation exposure that arises during the conversion of foreign accounts payable to SEK. This exposure at the balance sheet date amounts to SEK 1,966 thousand (3,754 thousand, 1,136 KSEK) in DKK and SEK 483 thousand (333 KSEK, 2,016 KSEK) in EUR. A 10% stronger DKK gentagainst SEK would have a negative impact on profit after tax and equity by approximately -197 KSEK (-375 KSEK, -116 KSEK). A 10% stronger EUR against SEK would have a negative impact on profit after tax and equity of approximately -48 KSEK (-33 KSEK, -168 KSEK).

Refinancing

Refinancing risk refers to the risk that cash and cash equivalents are not available and that financing can only be partially or not at all available or at an increased cost. The Group is currently financed with equity and is therefore not exposed to risks related to external loan financing. The main risks therefore relate to the risk of not receiving additional contributions and investments from owners.

Liquidity risk

Liquidity risk is the risk that the groupwill have difficulties in fulfilling its obligations related to financial liabilities. The Board manages liquidity risks by continuously monitoring cash flow in order to reduce liquidity risk and ensure payment capacity. Given that the company does not currently have its own earning capacity, the Board conducts long-term work with owners and independent investors to ensure that liquidity is available to the Company when the need arises.

The Group's contractual and undisclosed interest payments and repayments of financial liabilities are shown in the table below. Amounts in foreign currency have been translated into SEK at the balance sheet date rate. Liabilities have been included in the period when re-denomination may be required at the earliest.

			2020-12-31
Maturity analysis	**<6 Months**	**6-12 months**	**>12 months**
Accounts payable	2 775	–	–
Other current liabilities	194	–	–
Accruals	1 018	1 738	–

			2019-12-31
Maturity analysis	**<6 Months**	**6-12 months**	**>12 months**
Accounts payable	5 461	–	–
Accruals	4 079	4 185	–

Maturity analysis	<6 Months	6-12 months	>12 months
			2018-12-31
Accounts payable	3 232	-	-
Other current liabilities	37	-	-
Accruals	178	269	-

Maturity analysis	<6 Months	6-12 months	>12 months
			2018-01-01
Accounts payable	1 779	-	-
Accruals	279	255	-

Capital management
The Group's goal regarding the capital structure is to ensure the Group's ability to continue its operations, so that it can generate returns to shareholders and benefit other stakeholders and keep the costs of capital down. The company's return capacity depends onthe quality and value of generated research results, which are continuously evaluated by company management and the Board of Directors.

Note 17 - Other current receivables

	Group	Group 2020-12-31	Group 2019-12-31	Group 2018-12-31	Group 2018-01-01
Vat claims	1 721	762	366	86
Claim with the Broker for cash obtained issue proceeds	–	17 331	–	–
Other receivables	182	761	642	942
Sum	**1 902**	**18 854**	**1 008**	**1 028**

Note 18 - Deferred costs

	Group	Group 2020-12-31	Group 2019-12-31	Group 2018-12-31	Group 2018-01-01
Prepaid rental costs	103	85	54	40
Other deferred costs	217	191	158	128
Sum	**320**	**276**	**212**	**168**

Note 19 - Cash and cash equivalents

	Group 2020-12-31	Group 2019-12-31	Group 2018-12-31	Group 2018-01-01
Available credits	14 548	3 505	7 067	10 156
Sum	**14,548**	**3 505**	**7 067**	**10 156**

Cash and cash equivalents relate to bank balances and are mainly in SEK.

Reconciliation of liabilities from financing activities

		Cash flow	Non-cash items	
	2019-01-01		Set-off in the event of a new share issue	2019-12-31
Loans from shareholders	–	13 000	-13 000	-
Sum	**–**	**13 000**	**-13 000**	**–**

There have been no liabilities in financing activities in 2020 and 2018.

Note 20 - Group companies

	Main activity	Country	2020	2019	Share 2018
SynAct Pharma AB	Research, development and will be a healing chemical part	Sweden		Parent company	
SynAct Pharma ApS	Research and development of medicinal products	Denmark	100%	100%,	100%

Note 21 - Equity

	Number of shares	Share capital	Other capital contributed
As of January 1, 2018	**12 417 449**	**1 552**	**42 427**
New share issue resolved March 2018	2 257 718	282	20 474
As of December 31, 2018	**14 675 167**	**1 834**	**62 901**
New share issue resolved Oct 2019	2 096 000	262	12 495
Ongoing new share issue resolved Oct 2019			14 154
As of December 31, 2019	**16 771 167**	**2 096**	**89 550**
Registered new share issue decided Oct 2019	2 795 268	349	-349
Exercise of warrants (TO 2)	4 839 860	605	30 200
As of December 31, 2020	**24 406 295**	**3 051**	**119 401**

Share capital
All shares are fully paid and no shares are reserved for transfer. All shares are ordinary shares, give equal rights to capital and carry one vote. The quota value amounts to SEK 0.125. No shares are held by the company itself or its subsidiaries.

Other capital contributed
Other contributed capital consists of capital contributed by the company's owners, a premium on subscription of shares and other financing that is recognized as equity.

Warrants
In November 2019, SynAct Pharma AB ("SynAct") carried out a rights issue of units in which the public was also invited to subscribe for units. Holders had the right to subscribe for one new share in the company for each warrant TO 2 until July 2020 and at a price of SEK 6.70. A total of 4,839,860 TO 2 were used, out of a total of 4,891,268. Through TO 2, SynAct will receive approximately SEK 32.4 million before issue costs. Corresponded to an increase in the share capital amounting to SEK 604,982.50.

	2020-12-31	2019-12-31	2018-01-01
Included at the beginning of the year	2 096 000	–	–
Assigned during the period	2 795 268	2,096,000	–
Redeemed during the period	-4 839 860	–	–
Overdue during the period	-51 408	–	–
Sum	**–**	**2 096 000**	**–**

Translation reserve
Reserves refer in full to conversion reserves. The translation reserve includes all exchange rate differences arising from the translation of financial statements from foreign operations.

Translation reserve	2020-12-31	2019-12-31	2018-01-01
Opening carrying amount	270	46	–
Change of the year	-574	224	46
Closing carrying amount	**-304**	**270**	**46**

Note 22 - Accrued costs and deferred income

	2020-12-31	2019-12-31	2018-12-31	2018-01-01
Accrued board fees	125	432	269	255
Accrued VAT expenses[1]	1 614	3 736	–	–
Accrued research and development costs	–	89	–	–
Accrued issue costs	–	3 414	–	–
Accrued transaction costs	621	–	–	–
Other accrued costs	397	593	178	299
Sum	**2 756**	**8 264**	**447**	**554**

1) The Parent Company has been denied deductions on input VAT for 2018 and previous periods by the Swedish Tax Agency. The company has contested the Tax Agency's decision not to conduct VAT-liable activities and appealed to the Administrative Court. VAT liability and tax surcharges are fully reserved as accrued costs, as the matter has not yet been decided in the Administrative Court. The companyhas been granted a deferral to pay the debt until the matter is settled.

Note 23 - Related party transactions

For information on remuneration to senior executives see Note 9 Employees and personnel costs

During the financial year 2019, loans have been taken up from shareholders totalling SEK 13,000 thousand. Loan interest amounted to 15% and a total of SEK 2,310 thousand in interest costs. They have not provided any collateralon loans from shareholders. The loan has been settled by set-off in connection with issues.

In addition, there are no additional agreements or transactions with related parties, other than those set out in Note 9.

Note 24 - Collateral, contingentliabilities and other liabilities

In the Group, collateral provided amounts to SEK 264 thousand (179 KSEK, SEK 174 thousand), which consists of blocked bank funds and depositio-ner. There are no other commitments in the Group.

Note 25 - Transition to IFRS and correction of errors

These financial statements for the Group are the first to be prepared pursuant to 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 con cernen'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 classification of issue-related items.

The accounting datalisted in Note 1 have been applied when the annual accounts have been prepared as of 31 December 2020 and for the comparative information presented as of 31 December 2019 and 2018 and for the preparation ofthe report on the opening financial statements for the period as at1 January 2018. The ifrs estimates as of January 1, 2018 are consistent with the estimates made in accordance with previously applied accounting policies.

When transitioning to IFRS, the exception is applied to accumulatethe conversion 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 policies has also meant a different trend and that the company has moved to present costs in the income statement based on function instead of costtype, compared to before. The transition to IFRS has had no effect on the Group's cash flow, other than the transfer of dilutedbank funds. The adjustments made below relate to the corrections of errors identified in previous financial statements and effect on the transition to IFRS.

The Group's statement of financial position as of January 1, 2018	According to previous Principles	Ifrs Adjustments	Corrections of errors	Under Ifrs
Assets				
Intangible fixed assets[1]	1 029	-	-1 029	–
Financial fixed assets[3]	120	50	-	170
Total fixed assets	**1 149**	**50**	**-1 029**	**170**
Other current assets	3 870	–	–	3 870
Cash and cash equivalents[3]	10 206	-50	–	10 156
Total current assets	**14 076**	**-50**	**–**	**14 026**
TOTAL ASSETS	**15 225**	**–**	**-1 029**	**14 196**
Equity	12 912	–	-1 029	11 883
Current liabilities	2 313	–	–	2 313
Total liabilities	**2 313**	**-**	**–**	**2 313**
TOTAL EQUITY AND LIABILITIES	**15 225**	**-**	**-1 029**	**14,196**

The Group's income statement and report on comprehensive income 2018	According to previous Principles (cost-classification)	Function Subdivision	Ifrs Adjustments	Corrections of errors	Under Ifrs
Research and development costs	-	-22 118	-	304	-21 814
SG&A expenses	-	-6 274	-	-	-6 274
Other external costs	-27 838	27 838	-	-	–
Personnel costs	-250	250	-	-	–
Depreciation	-304	304	-	-	–
Operating income	**-28 392**	**–**	**–**	**304**	**-28 088**
Interest income and interest expense	147	-	-	-	147
Profit after financial items	**-28 245**	**-**	**-**	**304**	**-27 941**
Tax on profit for the year	4 799	-	-	–	4 799
Profit for the year	**-23 446**	**-**	**-**	**304**	**-23 142**
Basic and diluted earnings per share (SEK)	-1,70				-1,68
Other comprehensive income					
Records that will be reclassified to profit or loss					
Translation difference of the year	90	-	-	-44	46
Other comprehensive income after tax for the year	**90**	**-**	**-**	**-44**	**46**
Comprehensive income for the year	**-23 356**	**-**	**-**	**260**	**-23 096**

The Group's statement of financial position as of December 31, 2018	According to previous Principles	Ifrs Adjustments	Corrections of errors	Under 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 liabilities	**3 716**	**–**	**–**	**3 716**
TOTAL EQUITY AND LIABILITIES	**14 028**	**–**	**-769**	**13 259**

The Group's income statement and report on comprehensive income 2019	According to previous Principles (cost-classification)	Function Subdivision	Ifrs Adjustments	Corrections of errors	Under Ifrs
Research and development costs	–	-14 641	-	-533	-15 174
SG&A expenses	–	-10 161	-	-	-10 161
Other external costs	-24 230	24 230	-	-	–
Personnel costs	-233	233	-	-	–
Depreciation	-339	339	-	-	–
Operating income	**-24 802**	**–**	**–**	**-533**	**-25 335**
Interest income and interest expense	-2 303	-	-	-	-2 303
Profit after financial items	**-27 105**	**-**	**-**	**-533**	**-27 638**
Tax on profit for the year	3 147	-	-	–	3 147
Profit for the year	**-23 958**	**-**	**-**	**-533**	**-24 491**
Basic and diluted earnings per share (SEK)	-1,62				-1,63
Other comprehensive income					
Records that will be reclassified to profit or loss					
Translation difference of the year	237	-	-	-13	224
Other comprehensive income after tax for the year	**237**	**-**	**-**	**-13**	**224**
Comprehensive income for the year	**-23 721**	**-**	**-**	**-546**	**-24 267**

The Group's statement of financial position as of December 31, 2019	According to previous Principles	Ifrs Adjustments	Corrections of errors	Under Ifrs
Assets				
Subscribed but not paid-up capital[2]	13 916	-	-13 916	–
Intangible fixed assets[1]	1 316	-	-1 316	–
Financial fixed assets[3]	129	50	-	179
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
Total current assets	**8 453**	**-50**	**17 331**	**25 734**
TOTAL ASSETS	**23 814**	**–**	**2 098**	**25 913**
Share capital and other contributed capital	91 647	–	–	91 647
Reserves[4]	–	327	-57	270
Retained earnings including profit for the year	-78 143	-327	-1 259	-79 729
Total equity	**13 504**	**–**	**-1 316**	**12 188**
Other current liabilities	5 461	–	–	5 461
Accrued costs[2]	4,850	–	3 414	8 264
Total liabilities	**10 311**	**–**	**3 414**	**13 725**
TOTAL EQUITY AND LIABILITIES	**23 815**	**–**	**2 098**	**25 913**

Corrections to errors

1) Activation of intangible assets

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

2) Classification of issue-related items

The claim for issue proceeds in 2019, has previously been incorrectlyclassified as Subscribed but not paid-up net capital with accrued issue costs. Subscribed but not paid-up capital has reclassified as another short-term claim 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, they carry out a financial fixed asset.

4) Reserves for translation deviations in equity

Exchange differencesarising from the translation of financial statements from foreign operations have not previously been shown separately from retained earnings. According to IFRS, these translation deviations are reported separately as equity reserves.

The sum of the net impact of the adjustmentson equity is summarised in the table below:

	2019-12-31	2018-12-31	2018-01-01
Equity according to previous principles	13 504	10 312	12 912
1) Activation of intangible assets	-1 316	-769	-1 029
Equity under IFRS after correction of errors	**12 188**	**9 543**	**11 883**

Note 26 - Events after the balance sheet date

- **On January 11, 2021,** Board member and CSO Thomas Jonassen and CEO Jeppe Øvlesen carried out a company law restructuring in which the respective holdings of shares in SynAct have transferred to the newly formed company BioInvest ApS.
- **On January 26, 2021,** SynAct Pharma appointed Thomas Boesen Chief Operating Officer
- **February 4, 2021** announced that SynAct is preparing to move to Nasdaq Stockholm
- **On February 5, 2021,** it was announced that SynAct carried out a directed share issue of SEK 80 million
- **On February 11, 2021,** SynAct Pharma appointed James Knight Chief Business Officer
- **On March 18,2021,** SynAct started dosing in Part 2 of the Phase II clinical trial with AP1189 in Covid-19 infected patients.
- **April 13, 2021** strengthens SynAct IP portfolio and receives "Intention to Grant" from the European Patent Office for a patent covering AP1189

PARENT'S INCOME STATEMENT

(TSEK)	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Net sales	18	1 697	1 287	–
Gross profit		**1 697**	**1 287**	**–**
Administrative expenses	2,3,4	-8 294	-9 472	-4 591
Other operating expenses		-46	–	–
Operating income		**-6 643**	**-8 185**	**-4 591**
Profit from financial items				
Results from shares in group companies	5	-66 159	–	–
Other interest income and similar profit items	6	536	608	215
Interest expense and similar profit and loss items	7	-1	-2 422	-14
Profit after financial items		**-72 267**	**-9 999**	**-4,390**
Tax on profit for the year	8	-	-	-
Profit for the year		**-72 267**	**-9 999**	**-4 390**

PARENT'S STATEMENT OF COMPREHENSIVE INCOME

(TSEK)	Note	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Profit for the year		-72 267	-9 999	-4 390
Other comprehensive income		-	-	-
Comprehensive income for the year		**-72 267**	**-9 999**	**-4 390**

PARENT'S STATEMENT OF FINANCIAL POSITION

Assets

	Note	2020-12-31	2019-12-31	2018-12-31	2018-01-01
Fixed assets					
Financial fixed assets					
Shares in group companies	9	24 419	24 419	24 419	24 419
Receivables from group companies	10	–	35 959	23 000	–
Other long-term receivables	11	50	50	50	50
		24 469	**60 428**	**47 469**	**24 469**
Total fixed assets		**24 469**	**60 428**	**47 469**	**24 469**
CURRENT ASSETS					
Receivables from group companies		–	1 287	920	9 705
Other current receivables	12	579	18 285	697	743
Prepayments	13	177	145	153	128
		756	**19 717**	**1 770**	**10 576**
Cash and bank	14	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**

PARENT'S STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

	Note	2020-12-31	2019-12-31	2018-12-31	2018-01-01
Equity	15				
Tied equity					
Share capital		3 051	2 096	1 834	1 552
Ongoing new share issue		–	349	–	–
		3 051	**2 446**	**1 834**	**1,552**
Unrestricted equity					
Premium fund		96 187	75 985	54 074	38 211
Profit for the year		-72 267	-9 999	-4 390	-4 610
		23 920	**65 986**	**49 684**	**33 601**
Total equity		**26 971**	**68 432**	**51 519**	**35 153**
CURRENT LIABILITIES					
Accounts payable		1 198	3 883	603	451
Liabilities to group companies		36	–	–	–
Other current liabilities		194	–	37	–
Accruals	16	2 669	8 092	399	396
Total current liabilities		**4 097**	**11 975**	**1 039**	**847**
TOTAL EQUITY AND LIABILITIES		**31,068**	**80 407**	**52 558**	**36 000**

PARENT'S REPORT ON CHANGES IN EQUITY

	TIED-UP EQUITY		UNRESTRICTED EQUITY			
	Share capital	Ongoing new share issue	Premium Fund	Balanced Results	Year Results	Total
Opening equity 2018-01-01	**1 552**	**–**	**38 211**	**–**	**-4 610**	**35 153**
Reversal results previous year			-4 610		4 610	-
Profit for the year					-4 390	-4 390
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	**-**	**-**	**-**	**-**	**-4 390**	**-4 390**
Transactions with owners:						
New share issue	282	-	22 069	-		22 351
Issue costs	-	-	-1 595	-		-1 595
Total transactions with owners	**282**	**-**	**20 474**	**–**		**20 756**
Closing equity 2018-12-31	**1 834**	**–**	**54 074**	**–**	**-4 390**	**51 519**

	TIED-UP EQUITY		UNRESTRICTED EQUITY			
	Share capital	Ongoing new share issue	Premium Fund	Balanced Results	Year Results	Total
Opening equity 2019-01-01	**1 834**	**–**	**54 074**	**–**	**-4 390**	**51 519**
Reversal results previous year			-4 390		4 390	-
Profit for the year					-9 999	-9 999
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	**-**	**-**	**-**	**-**	**-9 999**	**-9 999**
Transactions with owners:						
New share issue	262	349	29 714	–		30 326
Issue costs	-	-	-3 414	–		-3 414
Total transactions with owners	**262**	**349**	**26 300**	**–**		**26 912**
Closing equity 2019-12-31	**2 096**	**349**	**75 985**	**–**	**-9 999**	**68 432**

	TIED-UP EQUITY		UNRESTRICTED EQUITY			
	Share capital	Ongoing new share issue	Premium Fund	Balanced Results	Year Results	Total
Opening equity 2020-01-01	**2 096**	**349**	**75 985**	**–**	**-9 999**	**68 432**
Reversal results previous year			-9 999		9 999	-
Profit for the year					-72 267	-72 267
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	**-**	**-**	**-**	**-**	**-72 267**	**-72 267**
Transactions with owners:						
New share issue	954	-349	31 823	–		32 428
Issue costs	–	–	-1 622	–		-1 622
Total transactions with owners	**954**	**-349**	**30 201**	**–**		**30 806**
Closing equity 2018-12-31	**3 051**	**–**	**96 187**	**–**	**-72 267**	**26 971**

PARENT'S CASH FLOW STATEMENT

(TSEK)	Note	2020-01-01 2020-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Day-to-day operations				
Operating income		-6 643	-8 185	-4 591
Interest paid		1	–	–
Interest paid		-2 311	-2 422	-14
Cash flow from operating activities before changes in working capital		**-8 952**	**-10 607**	**-4 605**
Changes in working capital				
Change in operating receivables		1 630	-616	22
Change in accounts payable		-376	3 280	151
Change in operating liabilities		-1 778	4 236	40
Cash flow from operating activities		**-9 475**	**-3 707**	**-4 392**
Investment				
Contributions and loans made to subsidiaries		-29 666	-12 350	-14 000
Cash flow from investment activities		**-29 666**	**-12 350**	**-14 000**
Financing activities				
New share issue		49 758	–	22 351
Issue costs		-5 036	–	-1 595
Borrowings from shareholders		–	13 000	–
Cash flow from financing activities		**44 722**	**13 000**	**20 756**
Cash flow for the year		**5 581**	**-3 057**	**2 364**
Cash and cash equivalents at the beginning of the year		**262**	**3 319**	**955**
Cash and cash equivalents at year-end	**14**	**5 843**	**262**	**3 319**

Note 1 - Accounting Policies

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

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.

Changed accountingpolicies
The Parent Company has previously applied BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3) to the preparation of the Annual Report. As of this year as a result of the Group's transition to IFRS, the parent company applies ÅRL and RFR 2. This meansthat the disclosure requirements has increased and that the Parent Company shall also submit all financial statements. In connection with the transition to RFR 2, a number of adjustments have been made, see Note 19 Transition to RFR 2 and correction of errors.

Subsidiary
Shares in subsidiariesare recognized in the Parent Company according to the cost method. Implying that they are recognized at cost less any impairment losses. Transaction expenses are included in the carrying amount of investments in subsidiaries.

Financial assets and liabilities
Due to the link between accounting and taxation, the rules on financial instruments under IFRS 9 in the Parent Company as a legal entity, without the Parent Company applying in accordance with the ÅRLapproach. In the Parent Company, financial fixed assets are thus 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 cost on a straight-line basis over the lease term.

Group contributions and shareholder contributions
Both received and submitted group contributions are reported as allocation for the financial statements in accordance with the alternativerule. Shareholder contributions are transferred directly to the recipient's equity and are activated in shares and units with the donor, to the extent that impairment is not required. As of January 1, 2020,the Parent Company will expense shareholder contributions to subsidiaries intended to cover thesubsidiary's research costs. The cost is recognized in the income statement in net financial items. The accounting management in the Parent Company thus reflects the management in the Group where all the costs of research are burdenedwith the result. The carrying amount remains unchanged as the company's assessment is that there is no impairment requirement.

Presentation form for income statement and balance sheet
Income statement and balance sheet follows ÅRL's form of presentation.

None of the changes published in RFR 2 are considered to have any material effect on the Parent Company's financial statements.

Note 2 - Fees to auditors

	Parent company 2020	Parent company 2019	Parent company 2018
Mazars			
Audit assignment	199	209	106
Other audit activities	60	50	–
Tax advice	–	–	–
Other services	67	–	–
Sum	**325**	**259**	**106**

Audit assignments refer to statutory audits of the annual accounts and accounts, as well as the management of the Board of Directors and the CEO, as well as audits carried out in accordance with agreement or agreement. This includes other duties that it is up to the company's auditor to perform as well as advice or other assistance arising from observations during such review orthe performance of such otherduties.

Other audit activities are those services under specific agreement on financial statements.

Other services refer to advice on accounting issues as well as advice on processes and internal control.

Note 3 - Leases

Leasing costs for leases for the year amount to SEK 36 thousand (36 KSEK, SEK 36 thousand). Future payment commitments as of December 31 for leases will be distributed as follows:

Future minimum lease fees	Parent company 2020	Parent company 2019	Parent company 2018
Within 1 year	18	18	18
Sum	**18**	**18**	**18**

Note 4 - Employees and personnel costs

For salaries and remuneration to employees and senior executives and information on the number of employees, see Note 9 for the Group.

Note 5 - Results from shares in group companies

	Parent Company 2020	Parent Company 2019	Parent Company 2018
Write-downs of shares in group companies	-66 159	-	-
Sum	**-66 159**	**–**	**–**

write-down of shareholder contributions made to subsidiaries intended to cover the subsidiary's research costs in accordance with the accounting principle for shareholder contributions;

Note 6 - Other interest income and similar profit items

	Parent company 2020	Parent company 2019	Parent company 2018
Interest income from group companies	534	608	215
Other interest income	–	–	–
Course differences	1	–	–
Sum	**536**	**608**	**215**

All financial income is attributable to financial assets valued at amortized cost.

Note 7 - Interest expense and similar profit and loss items

	Parent company 2020	Parent company 2019	Parent company 2018
Interest expenses	-1	-2 388	–
Course differences	–	-34	-14
Sum	**-1**	**-2 422**	**-14**

All financial expenses are attributable to financial liabilities measured at amortized cost.

Note 8 - Tax on profit for the year

	Parent company 2020	Parent company 2019	Parent company 2018
Current tax	-	-	-
Reported tax	**-**	**-**	**-**
Reconciliation of effective tax rate			
Profit before tax	-72 267	-9 999	-4 390
Tax at the current tax rate for the Parent Company 21.4% (21.4%, 22.0%)	15 465	2 140	966
Tax effect of:			
Tax on undisclosed deferred tax assets	-1 307	-2 021	-965
Non-deductible costs	-14 158	-119	-1
Non-taxable income	–	–	–
Reported tax	**–**	**–**	**–**
Effective tax rate	0%	0%	0%

The Parent Company has tax deductions for issue costs totalling SEK 1,622 thousand (3,414 thousand, SEK 1,596 thousand) that are recognized directly in equity. No deferred tax has been recognised for these.

There are tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amounting to SEK 35,043thousand (27,316 KSEK, SEK 17,641 thousand) and they have no time limit. Deferred tax assets have not been recognised for these items, as it is unlikely that the Group will use them for offsetting future taxable profits.

Note 9 - Shares in group companies

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Opening cost	24 419	24 419	24 419	24 419
Shareholder contribution	66 159	–	–	–
Closing accumulated acquisition values	**90 578**	**24 419**	**24 419**	**24 419**
In-depth write-downs	–	–	–	–
Write-downs for the year	-66 159	–	–	–
Closing accumulated write-downs	**-66 159**	**–**	**–**	**–**
Closing carrying amount	**24 419**	**24 419**	**24 419**	**24 419**

Company / corporate registration number / registered office SynAct Pharma ApS, 344 599 75, Holte, Denmark	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Equity share	100%	100%	100%	100%
Voting share	100%	100%	100%	100%
Number of shares	1 000 000	1 000 000	1 000 000	1 000 000
Carrying amount	24 419	24 419	24 419	24 419

Note 10 - Receivables from group companies

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Opening cost	35 959	23 000	–	–
Additional receivables	30 200	12 959	14 215	–
Set-off against shareholder contributions submitted	-66 159	–	–	–
Reclassification from short-term receivables	–	–	8 785	–
Closing carrying amount	**–**	**35 959**	**23 000**	**–**

Interest on SEK loans to group companies amounts to 2.0%, left without any collateral. In 2020, the loan has been settled by set-off in the event of a shareholder contribution.

Note 11 - Other long-term receivables

	Parent Company 2020-12-31	Parent Company 2019-12-31	Parent Company 2018-12-31	Parent Company 2018-01-01
Opening cost	50	50	50	50
Closing carrying amount	**50**	**50**	**50**	**50**

Note 12 - Other current receivables

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Vat claims	547	762	366	86
Claim to the Broker for the cash issue proceeds	–	17 331	–	–
Other receivables	32	192	331	657
Sum	**579**	**18 285**	**697**	**743**

Note 13 - Deferred costs

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Prepaid rental costs	9	–	9	–
Other deferred costs	168	145	144	128
Sum	**177**	**145**	**153**	**128**

Note 14 - Cash and bank

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Available credits	5 843	262	3 319	955
Sum	**5 843**	**262**	**3 319**	**955**

	2019-01-01	Cash flow	Non-cash items Set-off in the event of a new share issue	2019-12-31
Loans from shareholders	–	13 000	-13 000	–
Sum	**–**	**13 000**		**–**

There have been no liabilities in financing activities in 2020 and 2018.

Note 15 - Equity

As of December 31, 2020

The share capital consists of 24,406,295 (16,771,167, 14,675,167) of shares with a quota value of SEK 0.125 (SEK 0.125, 0.125). All shares have an equal right to the company's profit. See also information in the Group's Note 21 Equity.

The premium fund refers to capital from new issues that have been issued at a price that exceeds the quota value and less new share issue costs.

Proposal for performance allocation	**2020-12-31**
At the disposal of the Annual General Meeting are the following earnings (TSEK),	
Premium fund	96 187
Balanced result	–
Profit for the year	**-72 267**
	23 920
Available so that:	
In new accounts, the	**23 920**

Note 16 - Accrued costs and deferred income

	Parent company 2020-12-31	Parent company 2019-12-31	Parent company 2018-12-31	Parent company 2018-01-01
Accrued salaries and board fees	125	432	269	255
Accrued VAT costs	1 614	3 736	–	–
Accrued issue costs	–	3 414	–	–
Accrued transaction costs	621			
Other accrued costs	309	510	130	141
Sum	**2 669**	**8 092**	**399**	**396**

Accrued VAT costs, see Note 22 Group.

Note 17 - Collateral and contingent liabilities

For information about collateral and contingent liabilities in the Parent Company, please refer to the Group's Note 24 Pledged Securities, Contingent Liabilities and other commitments. In the Parent Company, blocked bank funds amount to SEK 50 thousand (50 KSEK, SEK 50 thousand) as collateral provided.

Note 18 - Transactiodown with related parties

	Sale of goods/ services	Purchase of goods/ services	Other	Claim on Balance sheet date	Debt on Balance sheet date
Subsidiaries					
2020	1 697	–	–	–	36
2019	1 287	–	–	37 246	–
2018	–	–	–	23 920	–

For information on remuneration to senior executives see the Group's Note 9 Employees and personnel costs.

Note 19 - Transition to RFR 2 and correction of errors

These financial statements for the Parent Company are the first to be prepared pursuant to RFR 2. Previously prepared annual reports for the Parent Company have been reported in accordance with BFNAR 2012:1 Annual Report and Consolidated Financial Statements. In connection with the Parent Company's transition from K3 to RFR 2, an error in previous financial statements has been identified regarding issue-related items, see also Note 25 for the Group.

Effects on results and position

The following summary shows the effects of the above applications on the Parent Company's income statement for 2018 and 2019 and the balance sheet as of January 1, 2018, December 31, 2018 and December 31, 2019. The transition from previous accounting policies has also meant a different structureand that the company has moved to presenting costs in the income statement based on function instead of based on costtypes, compared to before. The transition to RFR 2 has had no effect on the parent company's cash flow beyond the transfer of dilutedbank funds.

Parent Company's financial position report as of January 1, 2018	According to previous Principles	RFR 2 adjustments	According to RFR 2
Assets			
Other fixed assets	24 419	–	24 419
Other long-term receivables	–	50	50
Total fixed assets	**24 419**	**50**	**24 469**
Other current assets	10 576	-	10 576
Cash and bank	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
Total liabilities	**847**	**–**	**847**
TOTAL EQUITY AND LIABILITIES	**36 000**	**–**	**36 000**

Parent Company Income Statement 2018	According to previous principles (cost classification)	Function Subdivision	RFR 2 Adjustments	Under RFR 2
Administrative expenses	-	-4 591	-	-4 591
Other external costs	-4 341	4 341	-	–
Personnel costs	-250	250	-	–
Depreciation	–	–	-	–
Operating income	**-4 591**	**–**	**–**	**-4 591**
Interest income and interest expense	201	-	-	201
Profit after financial items	**-4 390**	**-**	**-**	**-4 390**
Tax on profit for the year	–	-	-	–
Profit for the year	**-4 390**	**-**	**-**	**-4 390**

Parent Company's financial position report as of December 31, 2018	According to previous Principles	RFR 2 adjustments	According to RFR 2
Assets			
Other fixed assets	47 419	–	47 419
Other long-term receivables	–	50	50
Total fixed assets	**47 419**	**50**	**47 469**
Other current assets	1 770	-	1 770
Cash and bank	3 369	-50	3 319
Total current assets	**5 139**	**-50**	**5 089**
TOTAL ASSETS	**52 558**	**–**	**52 558**
Equity	51 519	–	51 519
Current liabilities	1 039	–	1 039
Total liabilities	**1 039**	**–**	**1 039**
TOTAL EQUITY AND LIABILITIES	**52 558**	**–**	**52 558**

Parent Company Income Statement 2018	According to previous principles (cost classification)	Function Subdivision	RFR 2 Adjustments	Under RFR 2
Net sales	1 287	–	–	1 287
Administrative expenses	-	-9 472	-	-9 472
Other external costs	-9 239	9 239	-	–
Personnel costs	-233	233	-	–
Operating income	**-8 185**	**–**	**–**	**-8 185**
Interest income and interest expense	-1 814	-	-	-1 814
Profit after financial items	**-9 999**	**-**	**-**	**-9,999**
Tax on profit for the year	–	-	-	–
Profit for the year	**-9 999**	**-**	**-**	**-9 999**

The Parent Company's report on financial position as of December 31, 2019	According to previous Principles	RFR 2 Adjustments	Corrections of errors	According to RFR 2
Assets				
Subscribed but not paid-up capital	13 916	-	-13 916	–
Other fixed assets	60 378	–	–	60 378
Other long-term receivables	–	50	–	50
Total fixed assets	**60 378**	**50**	**–**	**60 428**
Other current assets	1 432	-	-	1 432
Other current receivables	954	–	17 331	18 285
Cash and bank	312	-50	–	262
Total current assets	**2 698**	**-50**	**17 331**	**19 979**
TOTAL ASSETS	**76 992**	**–**	**3 414**	**80 407**
Equity	68 432	–	–	68 432
Other current liabilities	3 883	–	–	3 883
Accruals	4 677	–	3 414	8 092
Total liabilities	**8 560**	**–**	**3 414**	**11 975**
TOTAL EQUITY AND LIABILITIES	**76 992**	**–**	**3 414**	**80 407**

Note 20 - Events after the balance sheet date

See Note 26 for the Group.

OTHER INFORMATION

Definition of key figures

Equity/assets ratio:	Adjusted equity divided by balance sheet total.
Earnings per share:	Calculated on average number of shares during the period.

Auditor

The auditor of SynAct Pharma AB is Mazars AB (Terminalgatan 1, 252 78 Helsingborg), with auditor-in-charge Bengt Ekenberg. Ekenberg is a certified public accountant and a member of FAR, the trade association for auditors advisors. As of 2016, Mazars DK (Midtermolen 1, 2.tv, 2100 Copenhagen Ø, Denmark), with the main responsibility isauditor Kurt Christensen, the subsidiary's auditor in connection with the parent company and the group's formation. Christensen is a certified public accountant (state auditor).

SIGNATURE OF THE BOARD OF DIRECTORS

The signatories declare that the annual accounts have been prepared in accordance with GAAP in Sweden and the consolidated accounts have been prepared in accordance with international accounting standards IFRS, as adopted by the EU. The annual accounts and consolidated accounts give atrue and fair view of the parent company's and theGroup's position and results. The management report for the Parent Company and the Group gives a true and fair view of the development 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, April 16, 2021

Torbjørn Bjerke
Chairman

John Haurum
Director

Terje Kalland
Director

Thomas Jonassen
Director

Uli Hacksell
Director

Jeppe Øvlesen
Managing Director

Our audit report was submitted on 16 April 2021
Mazars AB

Bengt Ekenberg
Certified public accountant

AUDITOR'S REPORT

To the Annual General Meeting of
SynAct Pharma AB Org. no. 559058-4826

Report on the annual accounts and consolidated accounts

Statements
We have carried out an audit of the annual report and consolidated accounts of SynAct Pharma AB for the year 2020. The company's annual report and consolidated financial statements are included on pages 14-60 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the parent company's financial position as of 31 December 2020 and of its financial statementsand cash flow for the year in accordance with the Annual AccountsAct. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the Group's financial position as of 31 December 2020 and of thefinancial results and cash flow for the year in accordance withinternational financial reporting standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The annual report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore endorse that the General Meeting adopts the income statement and balance sheet for the Parent Company and the Group.

Basis for statements
We have carried out the audit in accordance with International Standards on Auditing (ISA) and good auditing practice in Sweden. Ourliability under these standards is described in more detail in the Auditor's Liability section. We are independent in relation to the Parent Company and the Group in accordance with good accounting practice in Sweden and have otherwise fulfilled our professional ethics responsibilities in accordance with these requirements.

We believethat the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Information other than the annual accounts and consolidated accounts
It is the Board of Directors and the CEO who are responsible for the second information. The second information is included in the document called The Annual Report for 2020, and can be found on pages 2-13 but does not include the annual report and our auditor's report regarding it. Our statement regarding the annual accounts and consolidatedfinancial statements does not include this information and we do not make any statementattesting to this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the informationidentified above and to consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. During this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work carried out on this information, we conclude that the other information material inaccuracies, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the CEO
It is the Responsibility of the Board of Directors and the CEO for the preparation of the annual accounts and consolidated accounts and for providing a true and fair view according to the annual accountsand, in the case of consolidated financial statements, in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary to prepare an annual report and consolidated accounts that do not contain any material misstatement, whether due to irregularities or mistakes.

When preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue operations. They inform, where applicable, of conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation does not apply if styrelsone and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

Auditor's responsibility
Our objectives are to obtain a reasonable degree of assurance as to whether the annual accounts and consolidated accounts as a whole do not contain any material misstatement, whether due to irregularities or mistakes, and to provide an audit report containing our statements. Reasonable assurance is a high degree of assurance, but is no guarantee that an audit carried out in accordance with ISA and good audit practice in Sweden will always detect a material inaccuracy if one exists. Inaccuracies may arise as a result of irregularities or mistakes and are considered material if they can reasonably be expected to influence the financial decisions made by users on the basis of the annual accounts and consolidated accounts.

As part of an ISA audit, we use professional judgment and have a professionally skepticalattitude throughout the audit. In addition:

- we identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to irregularities or mistakes, design and perform audit actionsbased, among other things, on these risks and obtain audit evidence that is sufficient and appropriate to form the basis for our statements. The risk of not detecting a material irregularity as a result of irregularities is higher than that of a materialerror due tomistakes, since irregularities may include acts of collusion, falsification, intentional omissions, misinformation or breach of internal control.
- we gain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit measures that are appropriate with regard to circumstances, but not to comment on the effectiveness of internal control.
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the board of directors' and ceo's estimates in the accounts and related disclosures.

- we conclude on the appropriateness of the Board of Directors and the CEO using the assumption of continued operation in the preparation of the annual accounts and consolidated accounts. We also conclude, based on the audit evidence obtained, whether there is any material uncertainty regarding such events or circumstances that may lead to significant doubts about the company's and the Group's ability to continue operations. If we concludethat there is a material uncertainty factor, we must draw attention in the auditor's report to the disclosures in the annual accounts and consolidated financial statements on: the material uncertainty factor or, if such disclosures are insufficient, modify the statement on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may prevent a company and a group fromcontinuingoperations.
- we evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.
- we obtain sufficient and appropriate audit evidence regarding the financial information for the entities or business activities within the Group to make a statement ofthe consolidated financial statements. We are responsible for the governance, monitoring and execution of the group audit. We are solely responsible for our statements.

We must inform the Board of Directors of, among other things, the planned scope and direction of the audit and the timingof it. We must also provide information on significant observations during the audit, including any significant deficiencies in internal control that we have identified.

Report on other requirements under laws, regulations and administrative provisions

Statements
In addition to ourvision of the annual report and consolidated accounts, we have also carried out an audit of the management of SynAct Pharma AB for 2020 by the Board of Directors and ceo and of the proposed appropriation of the company's profit or loss.
Wedo not support the fact that the General Meeting disposes of the profits in accordance with the proposal in the annual report and discharges the members of the Board of Directors and the CEO from liability for the financial year.

Basis for statements
We have carried out the audit in accordance with good audit practice in Sweden. Our liability according to this is described in more detail in the Auditor's Liability section. We are independent in relation to the Parent Company and the Group in accordance with good accounting practice in Sweden and have otherwise fulfilled our professional ethics responsibilities under thesestandards.
We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Responsibility of the Board of Directors and the CEO It is the Board of Directors that is responsible for the proposal for appropriation regarding the company's profit or loss. When proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable in view of the requirements of the company's and the Group's type of operations, the extent and risks are high inthe parent company's and the Group's equity, consolidation needs, liquidity and other position.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing thecompany's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, the financial management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO shall manage the day-to-day management in accordance with the Board's guidelines and instructions and, among other things, take the necessary measures to ensure that the company's accounts are carried out in accordance with the law and for the managementof funds to be carried out in a safe way.

Auditor's responsibility
Our objective regarding the audit of the administration, and therefore our statement of discharge, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any board member or the CEO in any material respect:

- any action or omission that may give rise to liability to the company;
- otherwise acted in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposal for appropriation of the company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act.

Reasonable assuranceis a high degree of security, but no guarantee that an audit carried out in accordance with good audit practice in Sweden will always detect actions or omissions that may give rise to liability to the company, or that a proposal for dispositions of the company's profit or loss is not compatible with the Swedish Companies Act.

As part of an audit in accordance with good audit practice in Sweden, we use professional judgment and have a professionally sceptical attitude throughout the audit. The audit of the management and the proposal for appropriation of the company's profit or loss are mainly based on the audit of the accounts. What additional audit measures are carried out is based on our professional assessment based on risk andphysicality. This means that we focus the review on such measures, areas and conditions that are essential for the business and where deviations and violations would have a particular impact on the company's situation. We review and examine the decisions taken, the basis for decisionstaken, the measures taken and other circumstances relevant to our discharge statement.
As a basis for our statement on the Board's proposal for appropriation regarding the company's profit or loss, we have examined whether the proposalis compatible with the Swedish Companies Act.

Helsingborg, April 16, 2021
Mazars AB

Bengt Ekenberg
Certified public accountant

FINANCIAL CALENDAR AND CONTACT

Interim report 1, 2021	5 May 2021
Annual General Meeting 2021	21 May 2021
Half-year report, 2021	27 August 2021
Interim report 3, 2021	12 November 2021
Year-end report, 2021	11 February 2022

Questions regarding the annual report can be addressed to CFO Henrik Stage by e-mail henrik.stage@synactpharma.com.

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 Stock Market.
ISIN code	The share's ISIN code is SE0008241491.
Registered office and domicile	Skåne county, Lund Municipality, Sweden
Company registration number	559058-4826
Date of formation of the company	2016-04-12
Date when companies started their operations	2016-04-12
Country for company formation	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-charge Bengt Ekenberg.

SynAct Pharma ApS - Subsidiary

Country for company formation	Denmark
Country from where subsidiaries operate	Denmark
CVR number (Company registration number)	34459975
Registered office and domicile	100 per cent

SYNACT PHARMA

SynAct Pharma AB

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