2021
Annual Results
2021-01-01 – 2021-12-31
SynAct Pharma AB

This English version of SynAct Pharma's Interim Report has been prepared by the Company as a service to its non-Swedish stakeholders. In case of differences, the original Swedish report prevails.

Annual Results 2021

Fourth Quarter (October – December)

- Net sales during the period amounted to 0 (0) TSEK.
- Loss before tax amounted to -26,207 (-9,786) TSEK.
- Earnings per share amounted to -1.01 (-0.35) SEK.
- Cash flow from operating activities amounted to -20,257 (-11,137) TSEK.
- Cash flow from financing activities amounted to -77 (0) TSEK.

Full Year (January – December)

- Net sales amounted to 0 (0) TSEK.
- Loss before tax amounted to -76,809 (-31,304) TSEK.
- Earnings per share amounted to -2.68 (-1.23) SEK.
- Cash flow from operating activities amounted to -64,997 (-33,239) TSEK.
- Cash flow from financing activities amounted to 74,323 (44,722) TSEK.
- Cash and cash equivalents at the end of the period amounted to 23,997 (14,548) TSEK.

Numbers in parenthesis refer to prior year period. "SynAct Pharma AB" means the parent company SynAct Pharma AB with corporate registration number 559058-4826. The "Company" or "SynAct" means the Group i.e., SynAct Pharma AB and its wholly owned affiliate SynAct Pharma ApS. Numbers in this report are, with a few explicit exceptions, presented rounded to thousand SEK. Due to rounding, deviations (<1 TSEK) may occur in row totals.

Financial Overview

	2021	2020	2021	2020
TSEK	oct-dec	oct-dec	jan-dec	jan-dec
Net sales	-	-	-	-
Operating income	-26 153	-9 816	-76 699	-31 285
Profit before tax for period	-26 207	-9 786	-76 809	-31 304
Profit after tax for period	-26 210	-8 581	-69 304	-26 551
Earnings per share basic and diluted (SEK)	-1,01	-0,35	-2,68	-1,23
Equity/Asset ratio[1] (%)	54%	73%	54%	73%
Cash flow from operating activities	-20 257	-11 137	-64 997	-33 239
Cash and cash equivalents at end of period	23 997	14 548	23 997	14 548
Research and Development expenses/operating expenses[1] (%)	77%	59%	79%	73%

1) Alternative Performance Measures (APM). Please refer to note 7 on page 17 for definitions.

Cover page: AP1189 is a selective agonist for melanocortin receptors type 1 and 3. The graphic is for illustration purposes only and does not represent the exact shape of receptors or AP1189.

Significant events during the fourth quarter 2021

- October 15 – SynAct Pharma dosed the first healthy volunteer in the company's clinical pharmacokinetics study where new tablets are being tested.
- October 22 – Final dosing of patients in the BEGIN study is announced and the company confirms the timeline for reporting of top-line results to before end of November this year.
- November 5 – The company announces completion of the three month's toxicology program in two species, enabling the dosing of AP1189 for duration of up to three months in future clinical trials.
- November 11 – SynAct Pharma announces a revision of the design of the clinical study of AP1189 in Nephrotic Syndrome.
- November 19 – SynAct Pharma announces Nomination Committee for the Annual General Meeting 2022.
- November 23 – SynAct Pharma reports positive pharmacokinetic data on AP1189 tablets.
- November 30 – SynAct Pharma's AP1189 achieves primary endpoint and favorable safety profile in patients with Rheumatoid Arthritis with ongoing active joint disease in the Phase 2a study BEGIN.
- December 1 – SynAct Pharma strengthens the patent portfolio for AP1889 after an Intention to Grant was issued by the European Patent Office.
- December 2 – SynAct Pharma announces additional data from the BEGIN study.
- December 7 – SynAct Pharma's Board of Directors and Management extend lock-up agreements.

Significant events after the end of the period

- January 7, 2022 – SynAct Pharma appoints Patrik Renblad as CFO.

A strong 2021 and prospects for an even stronger 2022

In this reflection of 2021, I would like to start where I usually end; by thanking you, my fellow shareholders and investors, for your continued long-term support of SynAct Pharma. Together we made incredible progress during 2021, setting the stage for what could be a transformative 2022.

I want to begin with the major development milestone we reached during the fourth quarter with our leading candidate drug AP1189 as a novel potentially new treatment for patients suffering from Rheumatoid Arthritis (RA). We were pleased to report on November 30th that the Phase 2a trial (BEGIN) met its primary endpoint of decreasing disease activity. This is the second positive Phase 2a assessment, along with the study in COVID-induced respiratory distress (patients needing supplemental oxygen) study we read-out in 2021. While we are encouraged by the good response seen in the trial particularly in the higher dose group, we are pleased that the safety and tolerability of AP1189 appears to remain high. The emerging profile of AP1189 as a safe and efficacious once-daily oral medication is very exciting.

While the completion of the BEGIN study was the most important moment during 2021, there are other key events that will also be vital for the future development of AP1189.

We made significant progress in the development of an oral tablet that remains on track to be used in the next clinical trials replacing the current suspension formulation. The first dosing of the new AP1189 tablets occurred in a pharmacokinetics (PK) study in healthy volunteers and data showed that the PK profile of the new tablet is very comparable to that of the oral suspension. This implies that the new tablets can be used in future clinical trials increasing patient convenience.

SynAct also completed further toxicological assessment of AP1189 which supports 3-months dosing in humans. Using the newly developed tablet formulation allows us to design future studies with longer treatment periods, which is in line with current guidelines.

Earlier in the year as previously mentioned, we also had positive results from the COVID-19 study conducted with AP1189 in Brazil, the RESOVIR study. The results were the first positive proof of concept that AP1189 may be able to help patients recover respiratory function and be discharged from the hospital faster.

In November, we announced that the COVID-19 pandemic had impacted recruitment in Phase 2a development program using AP1189 in the Nephrotic Syndrome (NS). Given the progress made with the new oral tablet and the 3-month dosing duration that the new toxicology studies support, we announced that we decided to take the opportunity to strategically re-design that program to potentially incorporate these advancements.

On the business side, SynAct made large strides during the year. The company significantly strengthened the patent protection of and around AP1189. In June, the company filed patents related to the API and our new tablet formulation, and in August, the European Patent Office (EPO) granted a patent covering AP1189 for the treatment of kidney diseases. Furthermore, EPO issued an intention to grant our patent for AP1189 in arthritis diseases in November.

We also recruited very competent and strong leaders and colleagues, making SynAct today a much stronger and more capable organization than it was a year ago. We recently appointed Patrik Renblad to Chief Financial Officer. Patrik joined in August and has shown during these few months that he has the experience, leadership ability and dedication that will help drive SynAct to the next level.

In February, we completed a directed share issue which brought proceeds of 80 MSEK to the company. The conversion to International Financial Reporting Standards (IFRS) for our financial reporting occurred in January for the Annual Results of 2020. During the year, the Board of Directors has been expanded and strengthened with the appointment of Marina Bozilenko.

With that I would like to share SynAct's priorities and objectives for 2022.

Strategic priorities for 2022.

The exciting data from the BEGIN study strongly supports further development of AP1189 as a candidate for the treatment of RA and other autoimmune and inflammatory diseases. Therefore, our number one strategic priority for 2022 is to plan for and initiate the Phase 2b program in RA with AP1189. We have prepared protocols for both first line treatment as well as treatment in patients that achieve inadequate response to traditional DMARD[1] therapies (DMARD-IR) and will discuss the study designs, including dimension, dose selection and endpoints with regulatory authorities prior to filing for an IND in the US and parallel Clinical Trial Applications in Europe. We expect to have this process, including scientific advice meeting with FDA finalized during the first half of this year.

Since announcing the revision of our Nephrology study, we have communicated with our team of clinical investigators and together with them plan to make a major revision of the study, aimed not only to take advantage of the possibility to use our new tablet, dose for longer treatment periods, but broaden the patient population outside idiopathic membranous nephropathy (iMN) for which the study was originally designed. Proteinuria is major unsolved clinical problem, not only associated to iMN and other primary kidney diseases associated with Nephrology, but also found in systemic inflammatory disease as Lupus and secondary to large lifestyle diseases such as diabetes and hypertension. We therefore expect that the strategic redesign will give us the possibility to demonstrate effectiveness.

COVID-19 still is a pandemic that impacts the world and humanity. SynAct believes that AP1189 could potentially benefit patients suffering from respiratory insufficiency caused by this horrible virus. During the autumn of 2021, we therefore planned to setup a follow up study to our RESOVIR study dimensioned to show statistically significant treatment effects in a larger study in Phase 2b. The study was planned to be conducted in Europe, South Africa and Brazil and we discussed the study design as well as the potential possibility to reach early market assess on a scientific call with the Brazilian health Authorities. However, it has become clear to us that the patient population as we targeted in the RESOVIR-1 study where the average time for recovery in the placebo treated patients were more than 9 days for is not an average COVID patient referred to hospital today. The omicron variant has been as game changes in that respect, still larger fraction of hospitalized patients is discarded within a few days and a still smaller proportion of patients suffers from virus induced pneumonia with need for avid supplementary oxygen support. Consequently, to set up a study in the current patient population would require large samples sizes and a logistic setup that would be to challenging for SynAct Pharma in the current stage.

However, virus induced hyper-inflammation with pulmonary affection as present in COVID- 19 as well as in Influenza will be a continued focus area moving forward. We have initiated pharmacological studies in influenza to further build the understanding of and support for the role of melanocortin receptor agonists in treatment of this disease. These results are expected in 2H 2022 and we will incorporate these findings into our planning for our viral-induced respiratory insufficiency program which we will update on later this year.

Parallel to the development of AP1189 in and by SynAct Pharma, business development activities are continuing with a high level of activity and will remain an important part for us moving forward. Following the positive data from BEGIN, we have had good interactions with several potential partners during and after the virtual JP Morgan conference in January. These discussions will continue and SynAct is now in a favorable position thanks to the strong BEGIN data.

SynAct's listing on Nasdaq Main Market is still very important for the company's ability to attract investors and it remains a priority. The preparations for an application to list the share at Nasdaq Main Market, as announced in February 2021, has been ongoing for the entire year. We plan to submit the formal application to the Nasdaq in Q1 and obtain listing before the end of the first half of this year.

All of us at SynAct want to thank you again for your interest and support. I am not going to promise that the share price is going to triple in 2022, but together with the entire management team, I promise that we will do our utmost to deliver continued shareholder and future patient value.

Jeppe Øvlesen, CEO

[1] Disease-modifying antirheumatic drugs, e.g., methotrexate.

About SynAct

SynAct Pharma AB is a biotech company in clinical phase listed on Spotlight Stock Market. The company's leading drug candidate AP1189 is a "First-in-Class" melanocortin receptor agonist focused on active inflammatory and autoimmune diseases. The company's research and patents are based on the endogenous hormone, melanocortin, which is activated in inflammatory conditions and contributes anti-inflammatory effects, which are important components of the healing process and for recovery to normal tissue function. Melanocortin is a body-specific hormone that acts by activating specific melanocortin receptors on the cell surface of certain white blood cells. When these receptors are activated, processes start in the body that lead to reduced release of pro-inflammatory mediators (slowed inflammation) and stimulation of healing processes (deceased cells and cell residues are cleaned away and the tissue heals).

Business model

SynAct's business strategy is to drive projects into clinical development in order to secure proof-of-concept, i.e. support for clinical relevance. The company's ambition is to conduct phase 2 clinical studies, and then to sign commercial agreements with one or more major pharmaceutical companies.

Group relationship and shareholding

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

Operational risks and uncertainties

In summary, the risks, and uncertainties to which SynAct's business is exposed are related to, among other things, drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies and interest rates. During the current period, the company has been affected by the Covid-19 situation, but in addition, no significant changes regarding risk or uncertainties have occurred. For more detailed accounting of risks and uncertainties, please refer to the Annual Report for 2020.

Forward looking statements

This financial report contains statements that are forward-looking and actual future results may differ materially from those stated. In addition to the factors discussed, factors that may affect the results are development in research programs.

Shares

The share in SynAct Pharma AB was listed on Spotlight Stock Market ("Spotlight") on July 11, 2016. Spotlight is a subsidiary of ATS Finans AB, which is a securities company under the supervision of the Swedish Financial Supervisory Authority and a subsidiary of Spotlight Group AB, which as of September 15, 2020, is listed on Spotlight Stock Market. Spotlight operates a Trading Platform (MTF). In February 2021, a directed share issue was completed that increased the number of shares and votes in the Company by 1,600,000 from 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.

Shareholders

For SynAct's list of shareholders as of December 31, 2021, please refer to Spotlight's website or by clicking here.

Review by the Company’s Auditor

This report has not been reviewed by the Company’s Auditor.

Proposed dividend

The Board of Director proposes that no dividend is distributed related to the fiscal year 2021.

Annual General Meeting and Release of the Annual Report

The Annual General Meeting (AGM) will be held Friday May 20, 2022. Due to the ongoing COVID-19 pandemic, location

and/or format for the general meeting cannot be announced at this point but will be made public in the invitation to the general assembly. The Annual Report will be made available at the Company's web site no later than three weeks prior to the AGM.

Financial calendar

SynAct prepares and publishes a quarterly financial report. Upcoming reports are planned as follows:

Date:	Report:
April 29, 2022	Annual Report 2021
May 6, 2022	Interim Report Q1 2022
August 5, 2022	Interim Report Q2 2022
November 4, 2022	Interim Report Q3 2022

Comment on the Group's and the Parent Company's financial performance for the fourth quarter and twelve months

Sales

Net sales for the fourth quarter of 2021 and full year amounted to 0 TSEK (0). 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 is from services delivered to the Danish subsidiary.

Research and development (R&D) costs

Total expenditure for R&D for the fourth quarter was 20,205 (5,833) TSEK. For the full year, R&D expenses amounted to 60,490 (22,788) TSEK. The main drivers behind the cost increase are higher clinical study activity, investments in the Clinical Manufacturing and Control (CMC) and pre-clinical toxicology programs for the lead candidate, AP1189. The Company does not activate R&D expenditure on AP1189 as assessment shows that the activities and the project does not meet requirement for capitalization according to IAS 38 Intangible Assets. For further information, please refer to note 3, page 27 of the SynAct Pharma AB Annual Report for 2020.

General & administration costs

General and administration costs amounted to 5,917 (4,297) TSEK in the third quarter and 16,225 (8,811) TSEK for twelve months. The increase is mainly driven by activities related to preparations for the planned application to list the company's shares at Nasdaq Stockholm.

Other operating income/expense & financial items

The Company has reported small and insignificant other operating income arising from sub-leasing of office space at its Danish affiliate. Net financial items amounted to -54 (30) TSEK in the quarter and -110 (-19) full year arising from exchange rate difference on inter-company dealings and negative interest rates on cash held at the Danish bank.

Tax on profit/loss for the period

The groups reported tax for the quarter was -3 TSEK (1,205) and 7,505 TSEK (4,753) for the full year. According to Danish Tax Law (*"Skattekreditordningen"*), the subsidiary SynAct Pharma ApS is entitled to a tax credit for part of the expenses categorized as Research & Development up to a cap of 25 MDKK, which with a corporate tax rate of 22% implies a maximum annual tax credit of 5.5 MDKK.

Loss for the period

The Group's loss for the fourth quarter 2021 amounted to -26,210 TSEK (-8,581) and for the twelve months -69,304 (-26,551) TSEK.

Cash flow and balance sheet

The Group's cash and cash equivalents on December 31, 2021, amounted to 23,997 TSEK (14,548). The receivable for the Danish Tax authorities, because of the Danish *"Skattekreditordning"* (refer to Tax on profit/loss for the period and Annual Report 2020, note 12, page 33 for more information), amounts to 7,564 TSEK (4,559). It is expected that tax credit related to 2021 will be paid by the authorities in November 2022.

From December 2021, the Company has reassessed its setup for lease of offices and apply IFRS 16 – Leasing for all its leased premised. As an impact of this, a right-of-use asset of 3,179 TSEK has been recognized as well as corresponding short- and long-term leasing liabilities.

Cash flow for the third quarter amounted to -20,332 TSEK (-11,211) and for twelve months 9,319 TSEK (11,319). In the cash flow from financing activities, 74.4 million relates to the issue amount from the directed share issue carried out in February.

VAT

As reported in the Annual Report for 2020 in note 22 on page 39, the Company has previously been denied deduction for inbound VAT, for the years up to and including 2018, by the Swedish Tax Authorities. SynAct did not accept this decision and appealed to the first instance ("*Förvaltningsrätten"*). In December 2021, the court ruled in favor of SynAct and approved the VAT deductions. However, this ruling has been appealed to second instance ("*Kammarrätten"*) by the Swedish Tax Authorities where SynAct Pharma will continue to defend its position. SynAct continues to recognize the inbound VAT for the years up to and including 2018 as a liability on the balance sheet until the case is finally settled.

Parent company

The revenue of the parent company relates to services provided to the subsidiary and amounted to 408 TSEK (420) in the fourth quarter, and 1,637 TSEK (1,697) for the full year. Operating profit for the quarter was -3,853 TSEK (-69,494) and -60,966 TSEK (-72,267) full year.

Employees

The total number of employees is 3 (0). Most of the Company's senior executives are currently employed on Consultancy agreements.

Corporate Governance

The Board of Directors has established Audit and Remuneration Committees that started to assist the Board in monitoring and remuneration activities in the period.

Condensed Consolidated Income Statement

TSEK	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Net sales	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Research and development costs	-20 205	-5 833	-60 490	-22 788
Sales, general and administration	-5 917	-4 297	-16 225	-8 811
Other operating income/expenses	-30	314	16	314
Total operating expenses	**-26 153**	**-9 816**	**-76 699**	**-31 285**
Operating income	**-26 153**	**-9 816**	**-76 699**	**-31 285**
Net financial items	-54	30	-110	-19
Profit after financial items	**-26 207**	**-9 786**	**-76 809**	**-31 304**
Tax on profit/loss for the period	-3	1 205	7 505	4 753
Profit for the period	**-26 210**	**-8 581**	**-69 304**	**-26 551**
Attributable to the shareholders of SynAct Pharma AB	-26 210	-8 581	-69 304	-26 551
Earnings per share, basic and diluted (SEK)	**-1,01**	**-0,35**	**-2,68**	**-1,23**
Average number of shares outstanding	**26 006 295**	**24 406 295**	**25 848 487**	**21 549 984**

There have been no incentive, or similar, programs with theoretic dilutive impact to the company's earnings per share during the period or any of the comparing periods.

Condensed Consolidated Statement of Comprehensive Income

TSEK	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Profit for the period	**-26 210**	**-8 581**	**-69 304**	**-26 551**
Items reclassifiable to profit or loss				
Exchange rate differences from conversion of foreign operations	-139	-469	-94	-574
Comprehensive income after tax for the period	**-26 348**	**-9 050**	**-69 398**	**-27 125**
Comprehensive income for the period	**-26 348**	**-9 050**	**-69 398**	**-27 125**

The comprehensive income is in its entirity attributable to the shareholders of the parent company.

Condensed Consolidated Statement of Financial Position

TSEK	12/31/2021	12/31/2020
Assets		
Non-current assets		
Right-of-use assets	3 179	0
Financial assets	274	264
Total non-current assets	**3 454**	**264**
Current assets		
Tax credit	7 564	4 559
Other current receivables	3 107	1 902
Prepaid expenses	247	320
Cash and cash equivalents	23 997	14 548
Total current assets	**34 916**	**21 329**
Total assets	**38 369**	**21 593**
Equity and liabilities		
Equity		
Share capital	3 251	3 051
Other paid-in capital	193 602	119 402
Reserves	-399	-304
Retained earnings/losses including net profit	-175 585	-106 280
Total equity	**20 869**	**15 868**
Non-current liabilities		
Leasing liability	2 110	0
Total non-current liabilities	**2 110**	**0**
Current liabilities		
Accounts payable	4 254	2 775
Leasing liability	979	0
Other current liabilities	654	194
Accrued expenses	9 503	2 756
Total current liabilities	**15 390**	**5 725**
Total equity and liabilities	**38 369**	**21 593**

Condensed Consolidated Statement of Changes in Equity

TSEK	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Opening equity	**47 217**	**24 918**	**15 868**	**12 187**
Profit/loss for the period	-26 210	-8 581	-69 304	-26 551
Other comprehensive income/loss for the period	-26 348	-9 050	-69 398	-27 125
Comprehensive income for the period	**-26 348**	**-9 050**	**-69 398**	**-27 125**
Transactions with owners				
New share issue	-	-	80 000	32 427
Issue cost	-	-	-5 600	-1 622
Total transactions with owners	**0**	**0**	**74 400**	**30 806**
Closing equity	**20 869**	**15 868**	**20 869**	**15 868**

Condensed Consolidated Statement of Cash Flows

TSEK	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Cash flow from operations				
Operating income	-26 153	-9 816	-76 699	-31 285
Adjustment for non-cash items:	88	0	88	0
Interest received	0	6	0	6
Interest paid	-54	26	-110	-2 359
Corporate income tax received	4 625	0	4 625	3 168
Cash flow from operations before change in working capital	**-21 494**	**-9 784**	**-72 096**	**-30 470**
Change in working capital	1 237	-1 353	7 099	-2 768
Cash flow from operating activities	**-20 257**	**-11 137**	**-64 997**	**-33 239**
Cash flow from investing activities	2	-74	-6	-93
Cash flow from financing activities	-77	0	74 323	44 722
Cash flow for the period	**-20 332**	**-11 211**	**9 319**	**11 391**
Cash and cash equivalents at beginning of period	44 402	26 151	14 548	3 505
Decrease/increase in cash and cash equivalents	-20 332	-11 211	9 319	11 391
Exchange rate difference in cash and cash equivalents	-73	-393	130	-348
Cash and cash equivalents at end of period	**23 997**	**14 548**	**23 997**	**14 548**

Condensed Income Statement of Parent Company

TSEK	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec
Net sales	408	420	1 637	1 697
Gross profit	**408**	**420**	**1 637**	**1 697**
General and administration expenses	-4 256	-3 776	-12 571	-8 294
Other operating expenses	-5	-46	-27	-46
Total operating expenses	**-4 261**	**-3 821**	**-12 598**	**-8 340**
Operating income	**-3 853**	**-3 401**	**-10 962**	**-6 643**
Net financial items	0	-66 093	-50 005	-65 624
Profit after financial items	**-3 853**	**-69 494**	**-60 966**	**-72 267**
Tax on profit for the period	-	-	-	-
Profit for the period	**-3 853**	**-69 494**	**-60 966**	**-72 267**

Condensed Statement of Comprehensive Income of Parent Company

TSEK	2021 oct-dec	2020 oct-dec	2020 jan-dec	2020 jan-dec
Profit for the period	-3 853	-69 494	-60 966	-72 267
Other comprehensive income	-	-	-	-
Total comprehensive income	**-3 853**	**-69 494**	**-60 966**	**-72 267**

Condensed Statement of Financial Position of Parent Company

TSEK	12/31/21	12/31/2020
Assets		
Non-current assets		
Financial assets	24 419	24 469
Total non-current assets	**24 419**	**24 469**
Current assets		
Other receivables	865	756
Prepaid expenses	202	0
Cash and cash equivalents	19 849	5 843
Total current assets	**20 915**	**6 599**
Total assets	**45 334**	**31 068**
Equity and liabilities		
Restricted equity		
Share capital	3 251	3 051
Non-restricted equity		
Other paid-in capital	170 387	96 187
Accumulated profit/loss	-72 267	
Profit/loss for the period	-60 966	-72 267
Total equity	**40 404**	**26 971**
Current liabilities		
Accounts payable	1 136	1 198
Other liabilities	549	231
Accrued expenses	3 244	2 669
Total current liabilities	**4 930**	**4 097**
Total equity and liabilities	**45 334**	**31 068**

Accounting and valuation principles, as well as disclosures

Note 1 General Information

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

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. The Annual Results of 2021 was approved by the Board of Directors for publishing on February 11, 2022.

Note 2 Accounting Principles

The interim report has been prepared in accordance with IAS 34 Interim Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) with interpretations from the IFRS Interpretation Committee, approved by and implemented in the European Union.

The accounting principles applied in this interim report are aligned with the ones used for the Annual Report 2020, note 2, pages 24-27. No new or changed standards implemented on or after January 1, 2021, have had any significant impact on the company's financial reporting.

Note 3 – Financial Risks

Through its operations, the Company is exposed to different types of financial risks; credit risk, market risks (currency risk, interest rate risk, and other price risks) and liquidity risks. The focus of the Company's overall risk management is on the unpredictability in the clinical development and is aimed at minimizing potential adverse effect of the Group's financial results, which have been described in other places in this interim report and in the Annual Report for 2020. For more details, please refer to the Annual Report 2020, note 16, page 35.

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

The board and management continuously monitor and assess the financial position of the company. The available funds on December 31, 2021, 24 MSEK, is sufficient to fund all the company's currently ongoing activities for the next twelve months. However, initiation of any new clinical studies to maximize the potential of SynAct's lead asset, AP1189, will require additional funding. Therefore, board and management are evaluating various options to obtain additional funding, including equity financing and/or strategic partnerships.

Note 4 – Closely Related Party Transactions

During the period, compensation to the company's senior executives and directors have been paid according to policy, and in line with previous year, refer to SynAct Pharma AB's Annual Report 2020, note 9 pages 31 and 32 for more information. No other closely related party transactions have occurred.

Note 5 – Financial instruments

TSEK	12/31/2021	12/31/2020
Financial assets		
Non-current financial assets	274	264
Other current receivables	–	–
Cash and cash equivalents	23 997	14 548
Total financial assets	**24 271**	**14 812**
Financial liabilities	**12/31/2021**	**12/31/2020**
Accounts payable	4 254	2 775
Other current liabilities	–	–
Accrued expenses	9 503	1 018
Total financial liabilities	**13 757**	**3 793**

Except for the leasing related liabilities (3.1 MSEK), the group does not hold any financial instruments that are valued at fair value. For all financial assets and liabilities, the reported value above is deemed to be an approximation of fair value. No change in classification of financial instruments has occurred over the reported periods.

Note 6 – Key Performance Indicators

	2021 oct-dec	2020 oct-dec	2021 jan-dec	2020 jan-dec	2020 jan-dec
Number of registered and outstanding shares, opening period	26 006 295	19 566 435	24 406 295	19 566 435	19 566 435
Number of registered and outstanding shares, closing period	26 006 295	19 566 435	26 006 295	19 566 435	24 406 295
Share Capital, closing, TSEK	3 251	3 051	3 251	3 051	3 051
Equity, TSEK	20 869	15 868	20 869	15 868	15 868
Equity/Asset ratio[1], %	54%	73%	54%	73%	
Operating profit/loss, TSEK	-26 153	-9 816	-76 699	-31 285	-31 285
Research & Development costs, TSEK	-20 205	-5 833	-60 490	-22 788	-22 788
R&D/Operating Expenses[1], %	77%	59%	79%	73%	73%
Earnings per share, basic and diluted (SEK)	-1,01	-0,35	-2,68	-1,23	-1,23

1) Alternative Performance Measure (APM), refer to note 7, page 17 for definitions.

Note 7 – Alternative Performance Measures

SynAct Pharma uses Alternative Performance Measures (APM) to enhance understandability of the information in the financial reports, both for external analysis, comparison, and internal performance assessment.

Alternative Performance Measures are key figures not defined in financial reports prepared according to IFRS. The following key figures are used:

Equity/Asset ratio
The equity ratio is a financial ratio indicating the relative proportion of equity used to finance a company's assets. The two components are taken from the SynAct Pharma's balance sheet or statement of financial position (so-called book value). Equity divided by total assets.

Consolidated Statement of Financial Position (Balance Sheet)

TSEK	12/31/2021	12/31/2020
Assets		
Total non-current assets	3 454	264
Total current assets	34 916	21 329
Total assets	**38 369**	**21 593**
Equity and liabilities		
Total equity	**20 869**	**15 868**
Total non-current liabilities	*2 110*	*0*
Total current liabilities	*15 390*	*5 725*
Total liabilities	**17 500**	**5 725**
Total equity and liabilities	**38 369**	**21 593**
Equity/Asset ratio (%)	**54%**	**73%**

R&D/Operating Expenses

Total cost of Research and Development as a percentage of total operating expenses. Indicates the share of total investment allocated to R&D. Subsequently, the residual (1 - R&D/Operating Expenses), indicates share of total invested into Sales, General & Administration activities.

	2021	2020	2021	2020
TSEK	oct-dec	oct-dec	jan-dec	jan-dec
Research and development costs	-20 205	-5 833	-60 490	-22 788
Sales, general and administration	-5 917	-4 297	-16 225	-8 811
Other operating income/expenses	-30	314	16	314
Total operating expenses	**-26 153**	**-9 816**	**-76 699**	**-31 285**
R&D/Operating expenses (%)	**77%**	**59%**	**79%**	**73%**

Signature of the Board of Directors

The Board of Directors and the CEO assure that the interim report provides a fair overview of the parent company's and the Group's operations, position and results and describes significant risks and uncertainties facing the Parent Company and the companies that are part of the Group. The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS) adopted by the EU and the interim report has been prepared in accordance with IAS 34 Interim Reporting.

Lund, February 11, 2022

Torbjörn Bjerke
Styrelseordförande

Marina Bozilenko
Styrelseledamot

John Haurum
Styrelseledamot

Terje Kalland
Styrelseledamot

Uli Hacksell
Styrelseledamot

Thomas Jonassen
Styrelseledamot

Jeppe Øvlesen
VD

Other company information

SynAct Pharma AB – Parent company	
Company name	SynAct Pharma AB
Trade name/Ticker	SynAct Pharma/SYNACT. Shares are traded at Spotlight.
ISIN-code	The ISIN-code of the share is SE0008241491.
LEI-code	549300RRYIEFEQ72N546
Registered office and domicile	Skåne County, Lund Municipality, Sweden
Corporate registration number	559058-4826
Date of incorporation	2016-04-12
Date of operation	2016-04-12
Jurisdiction	Sweden
Association form	Public limited liability company
Legislation	Swedish law and Swedish Companies Act
Company address	Scheelevägen 2, 223 81 Lund, Sweden
Phone number	+45 28 44 75 67
Homepage	www.synactpharma.se
Auditor	Mazars SET (Terminalgatan 1, 252 78 Helsingborg), auditor in charge Bengt Ekenberg.

SynAct Pharma ApS – Affiliate	
Country of establishment	Denmark
Country of operations	Denmark
CVR-number (Company registration id)	34459975
Holding	100 percent

SYNACT PHARMA

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