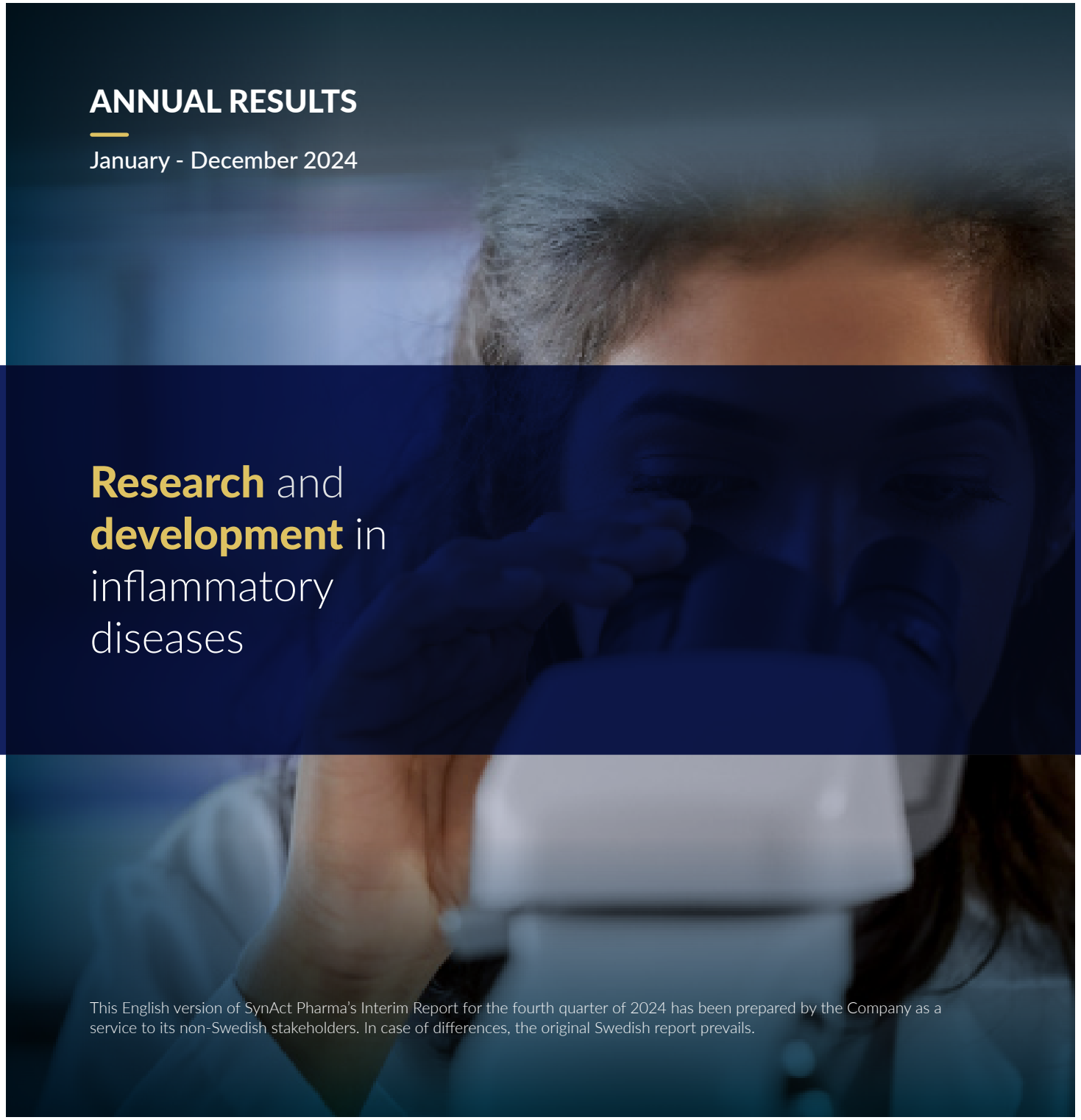

ANNUAL RESULTS

January - December 2024

SYNACT PHARMA

Research and **development** in inflammatory diseases

Q4

This English version of SynAct Pharma's Interim Report for the fourth quarter of 2024 has been prepared by the Company as a service to its non-Swedish stakeholders. In case of differences, the original Swedish report prevails.

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CONTENT

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CEO Jeppe Øvlesen comments on the fourth quarter

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SynAct Pharma is a clinical stage biotechnology company focused on resolving inflammation with melanocortin biology

www.synactpharma.com

Interim report for the fourth quarter and annual results 2024

Quarter 4 (October - December)

- The Group's net sales amounted to SEK 0 (0) thousand.
- Operating expenses amounted to SEK 20,797 (91,062) thousand, a decrease of 77%.
- The Group's loss after tax amounted to SEK 18,379 (90,543) thousand.
- The Group's earnings per share before and after dilution amounted to SEK -0.44 (-2.58).
- Cash flow from operating activities amounted to SEK -17,779 (-20,395) thousand.
- Cash flow from financing activities amounted to SEK 40,199 (54,561) thousand.
- Cash flow for the period amounted to SEK 22,420 (34,166) thousand.
- Cash and cash equivalents at the end of the period amounted to SEK 61,209 (62,395) thousand.

Twelve months (January – December)

- The Group's net sales amounted to SEK 0 (0) thousand.
- Operating expenses amounted to SEK 89,980 (224,496) thousand, a decrease of 60%.
- The Group's loss after tax amounted to SEK 82,401 (215,810) thousand.
- The Group's earnings per share before and after dilution amounted to SEK -2.08 (-6.64).
- Cash flow from operating activities amounted to SEK -89,197 (-100,177) thousand.
- Cash flow from financing activities amounted to SEK 87,405 (53,984) thousand.
- Cash flow for the period amounted to SEK -1,792 (-45,823) thousand.

The Group's financial performance per quarter

(SEK thousand)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Net sales	-	-	-	-	-	-	-	-
Operating income	-20,797	-24,309	-19,167	-25,706	-91,062	-31,692	-43,495	-58,248
Profit before tax	-20,318	-24,687	-19,771	-26,049	-90,542	-31,988	-43,601	-48,146
Profit for the period	-18,379	-20,489	-18,628	-24,906	-90,543	-31,878	-43,511	-49,878
Total assets	270,520	217,131	241,053	213,354	228,019	275,925	298,472	320,999
Equity / asset ratio (%)[1]	79%	78%	78%	71%	77%	76%	81%	84%
Earnings per share (SEK)	-0.44	-0,50	-0.47	-0.70	-2.58	-1.00	-1.37	-1.59
Research & development cost / operating expenses (%)[1]	70%	80%	38%	31%	12%	68%	67%	75%

1) Alternative performance measures - APM, ref. p. 23 for definitions

Significant events during the fourth quarter of 2024 and after the end of the reporting period

14 NOV SynAct Pharma presents positive clinical data on resomelagon (AP1189) supporting development for the treatment of RA at ACR Convergence.

20 NOV SynAct Pharma intends to carry out directed issues totaling approximately 45 MSEK and a fully guaranteed rights issue totaling approximately 20 MSEK, and gives notice of extraordinary general meeting on December 13, 2024.

27 NOV SynAct Pharma receives EU trial approval for the Phase 2b ADVANCE study with resomelagon (AP1189).

17 DEC SynAct Pharma AB publishes prospectus in connection with admission to trading of new shares on Nasdaq Stockholm and announces the outcome of the directed share issues, on approximately 45 MSEK.

30 DEC Change in number of shares and votes in SynAct Pharma AB. As of December 30, 2024, the total number of shares and votes in SynAct Pharma AB amounts to 46,487,467.

9 JAN Synact Pharma AB announces the outcome of the rights issue on approximately 20 MSEK.

31 JAN Change in number of shares and votes in SynAct Pharma AB. As of January 31, 2025, the total number of shares and votes in SynAct Pharma AB amounts to 49,008,918.

The CEO, Jeppe Øvlesen comments on the fourth quarter 2024

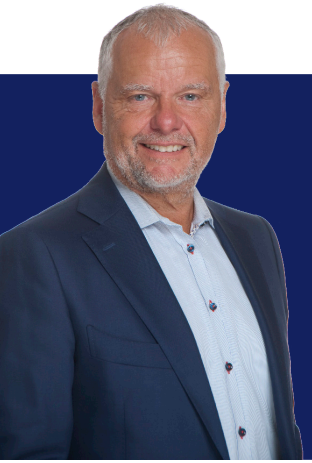
SynAct Pharma was running at full speed during the fourth quarter. The team has done a fantastic job ensuring our Phase 2b ADVANCE study in patients with newly diagnosed severe rheumatoid arthritis (RA) was ready to start recruiting patients, while we also worked with investors to bring in new funding and build relationships for the company's future growth.

It's worth taking a moment to remind the market what RA is and just how many suffer globally each year from this disease. RA is a chronic disease of the joints with active phases called flares, characterized by immune cell invasion, pain and reduced joint function. The inflammation that occurs is the immune system's way of responding to infections and injuries. While the immune system typically deactivates after the invading pathogen is removed or an injury heals, in some cases the inflammation can be excessive or chronic, overwhelming the body's ability to turn off the response. This can lead to pain, tissue destruction and loss of function.

When the immune system is overwhelmed, therapies like resomelagon (AP1189) may help resolve inflammation by providing both anti-inflammatory activity and by triggering the immune system's natural inflammatory resolution mechanisms. There are more than 400,000 newly diagnosed patients each year in the Western world and many of these sufferers could benefit from treatment with resomelagon as a new effective and safe treatment.

We are confident resomelagon can make a difference for many of these RA patients, and that pushed us to start the ongoing Phase 2b ADVANCE study during the quarter. The ADVANCE trial is on track, and we still expect to have all 240 patients enrolled in Q4 2025.

The goal of the ADVANCE study is to confirm the treatment potential of the compound, previously reported in the BEGIN study and in the subset of newly diagnosed patients with signs of systemic inflammation in the EXPAND study, and to identify optimal doses for Phase 3 development in patients with newly diagnosed RA.



"We are very grateful to those helping with the ADVANCE trial and to all of our shareholders who continue to give us their support."

Jeppe Øvlesen
Chief Executive Officer and Board Member

Continued trust from shareholders and continued business development

To support the continued development of resomelagon in the ADVANCE study, SynAct raised SEK 65 million from current and new shareholders. Raising this type of funding during such difficult times for the life science sector highlights the trust many have for our science and our efforts to execute on our strategy.

Most of this new funding will be used to finance the ADVANCE study and the TXP program, while a portion will also be used to explore development in other indications where we see great potential for resomelagon. Ensuring the RA trial stays on track is key, but there are other diseases where activating the melanocortin system can potentially make a big impact.

In November, SynAct presented clinical data from the Phase 2b EXPAND study at the American College of Rheumatology (ACR) Convergence 2024 in Washington DC, USA and in November we joined BIO-Europe in Stockholm. We also traveled to the US in January to have meetings during the large J.P. Morgan Healthcare conference. We are encouraged by the interest in resomelagon and will keep working at building these key relationships.

The SynAct team has kept busy, and we plan on keeping a fast pace in 2025. We are very grateful to those helping with the ADVANCE trial and to all of our shareholders who continue to give us their support.

Many thanks for showing interest in SynAct.

Jeppe Øvlesen
Chief Executive Office and Board Member

SynAct Pharma in Brief

About SynAct Pharma AB
SynAct Pharma AB is a clinical stage biotechnology company focused on the resolution of inflammation through the selective activation of the melanocortin system. The company has a broad portfolio of oral and injectable selective melanocortin agonists aimed at inducing anti-inflammatory and inflammation resolution activity in autoimmune and inflammatory diseases to help patients achieve immune balance and overcome their inflammation.

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 (with corporate registration number 559058-4826) is the parent company of a group that includes the wholly owned subsidiaries SynAct Pharma ApS and TXP Pharma AG, where the latter is consolidated into the group from January 16, 2023. The "Company" or "SynAct" means the Group i.e., SynAct Pharma AB and its wholly owned subsidiaries. In addition to the above, SynAct has no additional shareholdings.

Review by the Company's Auditor
This interim report has not been reviewed by the Company's Auditor, KPMG.

Forward looking statements
This financial report contains statements that are forward-looking. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Research and development

Inflammation resolution
Inflammation is the immune system's way of responding to infections or injuries. Normally an inflammatory response is self-limiting. The immune system will "deactivate" itself and the inflammation will be resolved after the invading pathogen has been removed or the injury has begun to heal.

However, in some cases, the inflammation can be excessive or even chronic, overwhelming the immune system's ability to resolve the inflammation and resetting homeostasis (normal balance of immune system). This condition can lead to pain, tissue destruction, and loss of function.

When the immune system is overwhelmed (out of balance), therapies like SynAct Pharma's lead compound, resomelagon (AP1189) may help resolve inflammation and resetting homeostasis by providing both anti-inflammatory activity and by triggering the immune system's natural inflammatory resolution mechanisms.

Most currently available medicines to treat inflammation are immunosuppressive, meaning that the immune system is weakened. With a weakened immune system, the patient might have an increased risk of serious infections and other significant side effects and safety issues.

The anti-inflammatory medicines available to patients today therefore apply a risk for the patient and they only treat the symptoms. The current medicines do not treat the underlying cause of inflammation, namely that the immune system is out of balance and therefore cannot resolve the underlying uncontrolled inflammation.

Resomelagon from SynAct Pharma stimulates the body's natural resolution mechanisms and resolves excessive inflammation without suppressing and weakening the immune system.

This means that the safety profile of resomelagon will therefore be a safer choice for patients with chronic and overwhelming inflammation compared to the immunosuppressive medicine used today.

Melanocortin biology
Resomelagon activates receptors, which are part of the melanocortin system. The melanocortin system is an ancient modulatory system comprising a family of 5 melanocortin receptors and a set of naturally occurring melanocortin peptides that bind to and activate these receptors. The melanocortin receptors (MC1R - MC5R) are located on many cell types and organs in the body.

MC1R and MC3R are believed to be the key receptors involved in direct effects on the immune system. These receptors are located on immune cells and associated structural and supportive cells. When activated, MC1R and MC3R provide both direct anti-inflammatory effects, such as causing immune cells to produce fewer pro-inflammatory molecules and stimulating pro-resolution effects resetting the homeostasis of the immune system, which is out of balance.

Research and Development (continued)

Through these dual effects, targeted melanocortin therapies such as resomelagon can help the immune system resolve excessive and chronic inflammation and restoring the balance of the immune system – while at the same time having a favorable safety profile.

Resomelagon (AP1189) - leading compound

SynAct Pharma is developing selective melanocortin therapeutics to address inflammatory and autoimmune diseases.

Resomelagon (AP1189), which is the leading drug candidate, is an oral available biased MC1R and MC3R agonist mediating its pharmacological effects through the pERK signaling pathway - in contrast to the cAMP pathway which is activated by most melanocortin agonists. It is an advantage that resomelagon does not activate the MC1R cAMP pathway, as this activation is known to be responsible for certain unwanted off-target activity such as skin hyperpigmentation. However, this is avoided with resomelagon.

Resomelagon is primarily being developed for treatment of Rheumatoid Arthritis (RA). Our phase II studies focus on helping newly diagnosed rheumatoid arthritis patients, who have a high disease activity including signs of systemic inflammation and where treatment with disease modulating antirheumatic drugs (DMARD) not yet has been initiated.

Rheumatoid arthritis patients are today treated based on international clinical guidelines. The newly diagnosed rheumatoid arthritis patients are initially treated, with the conventional DMARD methotrexate (MTX). However, often these patients need co-treatment with other medicines like glucocorticoids (GCs) and in many cases biologic DMARDs, typically a TNF-blocker, to get rheumatoid arthritis under control. Both GCs and biologic DMARDs are associated with unwanted side effects.

By combining MTX-treatment with resomelagon in these newly diagnosed RA-patients, the treatment is in line with the international clinical guidelines. Once resomelagon is on the market, more patients than today will have the possibility to obtain control of their RA-symptoms, compared to patients who only receive MTX. That would have a very positive impact both on the newly diagnosed RA-patients and their relatives. As resomelagon seems to have a favorable safety profile, this will also ease the burden from the patients, as the likelihood of receiving glucocorticoids (GCs) and switching to biologic treatment decreases.

We therefore see resomelagon as an attractive new treatment option for newly diagnosed RA-patients by increasing their efficacy of RA-treatment, reducing the need of GCs and delay or even reduce the need for biologic treatment.

Experimental studies show that resomelagon also has the potential to reduce loss of protein in the urine in conditions with severe proteinuria. The potential to reduce proteinuria in patients with idiopathic membranous nephropathy, an autoimmune disease associated with development of proteinuria/nephrotic syndrome is examined in a small Phase IIa proof of concept study. However, the recruitment rate is lower than expected.

Finally, the RESOVIR-1 study in COVID-19 patients showed that resomelagon has the potential to modulate hyperinflammatory states in severe viral infections and thereby accelerate recovery and reduce the length of hospitalization. The possibility of using resomelagon in various viral disorders is currently being evaluated.

Rheumatoid arthritis (RA)

Rheumatoid arthritis (RA) is an autoimmune disorder, a disease where the immune system mistakenly attacks the body's own t issues, and the patient develops chronic inflammation. RA affects the lining of the joints, causing painful swelling, that can result in cartilage and bone erosion and joint deformity. RA is also often associated with symptoms involving other parts of the body including the skin, eyes, lungs, heart and blood vessels.

The current international treatment guidelines for RA-treatment emphasize the importance of early intervention (medicine) with the aim to obtain disease control as fast as possible.

Early intervention (medicine) has an immediate impact on the pain and swelling of the joints. However, early intervention also has a more long-term effect, as it reduces the risk of irreversible loss of function in affected joints and tissues.

Currently, first line treatment for patients with moderate and severe disease activity is the conventional disease-modifying anti rheumatic drug (cDMARD) methotrexate (MTX). MTX is given once weekly in a dose titration approach aiming to get the patients treated with the highest tolerable dose. As the onset of action of MTX (time it takes before working) takes weeks, it is conditionally recommended to co-treat with glucocorticoids (GCs) for faster control of symptoms.

The aim of the initial RA-treatment (first line treatment) is to obtain a significant reduction in disease activity within 3 months and symptom control within 6 months. Generally, only half of the patients achieve this treatment goal - and many only achieve it due to co-treatment with GCs.

The wide use of GCs is controversial, as the GCs are associated with several severe unwanted side effects and might be difficult to tamper with once introduced to the patient. Both the US and European treatment guidelines strongly recommend restricting the use of GCs as much as possible and never exceeding dosing for more than 3 months. However, it has been reported that up to half of all RA patients are treated with GCs in more chronic dose regiment, which due to the side effect profiles of the compounds is highly unwanted.

An alternative to the use of GCs is to introduce second line RA-treatment at an earlier stage, in many cases already after 3 months of treatment with MTX. In more severe cases of RA, second line treatment is applied by adding a biologic-DMARD (bDMARD), in most cases as TNF-blocker to the MTX dose regiment. The bDMARDs are very effective but associated with several severe adverse events including immunosuppression and thereby increase the risk of infections among others. In fact, the side effect profile of the bDMARDs restricts them from being used as first line treatment as highlighted in the current US treatment guide. bDMARDs are also relatively expensive drugs, which make them a burden to society – even if biosimilars have been introduced as somewhat lower costs.

Research and Development (continued)

Resomelagon has the potential of fulfilling the unmet medical need, that only about half of the newly diagnosed RA-patients obtain significant reduction in their disease activity within 3 months and symptom control within 6 months. By treating newly diagnosed RA-patients with high disease activity and active inflammation with MTX plus resomelagon as first line RA treatment, it is anticipated that many more RA-patients will obtain symptom control, improving their symptoms and decreasing the damage to their joints. This will have a positive impact on the lives of the patients and their relatives, increasing also the likelihood of staying in the job market and having an active lifestyle. This will on the other hand also decrease the costs for society.

The advantage of resomelagon is an advantageous safety profile. Compared to GCs, dDMARDs and JAK-inhibitors, resomelagon does not show any signs of immunosuppression.

Resomelagon is a convenient treatment to be taken orally once daily. Therefore, resomelagon provides a unique opportunity for a novel patient friendly first line RA treatment together with MTX to facilitate disease control and at the same time reduce the need for GCs and potentially delay and reduce the need for second line treatment options including the TNF-blockers.

Clinical development of resomelagon in RA

Several phase II studies have been conducted in RA to gain knowledge about resomelagon in these patients.

BEGIN - Phase IIa in early severe RA together with MTX

The BEGIN study in early severe RA was completed in 2021. The study was a randomized, double-blind, placebo controlled multicenter study in previous treatment naïve RA patients where either 50 mg or 100 mg of resomelagon or placebo were given in addition to MTX treatment.

Resomelagon given once daily for four weeks was safe and well tolerated. Based on the primary read out, changes in clinical disease activity index (CDAI), the data showed a clear dose response for 50 and 100 mg resomelagon relative to placebo, with 100 mg of resomelagon demonstrating a statistically significant 65% higher mean reduction in CDAI during the treatment period compared to placebo-treated control group (mean reduction in CDAI: resomelagon 100 mg (n=33): 15.5 points compared with placebo (n=30): 9.3 points, p = 0.0394). The 100 mg resomelagon group also demonstrated a significantly higher fraction of patients achieving ACR20 than placebo treated patients (ACR20: resomelagon (n=33) 100 mg: 60.6%; Placebo (n=30): 33.3%, P=0.0437) within the 4 weeks treatment period.

EXPAND – Phase IIb in MTX-naïve RA patients with severe disease activity

In continuation of the BEGIN study, the EXPAND study was designed to investigate the safety and disease activity (measured by the ACR20 response rate and other RA disease measures) following 12-weeks of treatment with a once daily 100 mg resomelagon tablet plus MTX compared to placebo plus MTX.

Resomelagon was safe and well tolerated. Similar incidence rates of treatment-emergent adverse events (TEAEs) were seen across treatment groups (44.4% and 42.2%). TEAEs were seen in 11.1% and 6.3% in the resomelagon vs placebo groups, respectively and included upper respiratory tract infections (6.3% vs 6.3%), abdominal pain upper (6.3% vs 3.1%), nausea (6.3% vs 3.1%), and headache (0% vs 9.4%), resomelagon vs placebo respectively. Two serious TEAEs were reported; one in the resomelagon group and one in the placebo group but both were unrelated to study drug. Six subjects reported TEAEs leading to discontinuation; five in the resomelagon group (3 subjects with drug-related gastrointestinal disorders); and one in the placebo group (unrelated to study drug).

No statistically significant difference was obtained between resomelagon and placebo in the ACR20 response rate at week 12 (54.7% and 55.7% in the resomelagon and placebo groups, respectively) - meaning that the primary endpoint of the study was not met.

However, of the patient population in the EXPAND study around 40% did not show signs of systemic inflammation, as high-sensitive C-reactive protein (hsCRP) were in the normal range (ie hsCRP <3 mg/L). Further, a fraction of the patients was not considered newly diagnosed with some being without adequate treatment for years before entering into the study. Therefore, these patients should probably not have been included in the study.

When focusing of the segment of patients, that were considered newly diagnosed (defined as having been diagnosed with RA within 6 months of inclusion into the study) and who showed signs of systemic inflammation (hsCRP>3 mg/L at introduction to the study), ACR20 actually reached 82% in the resomelagon group (n=28) vs 52% in the placebo group (n=27), p<0.5 using Fisher's exact test.

The treatment effect in this very relevant patient segment, mimicking the patients in the BEGIN study, i.e. to be considered the target population for resomelagon in RA was further supported by significantly larger reduction in disease activity measures: CDAI: resomelagon (n=28): 24.6 points vs placebo (n=27): 14.7 points, p<0.01; DAS28-CRP: resomelagon (n=28): 1.9 points vs placebo (n=27): 14.7 points, p<0.01. Also, the improvement in health assessment questionnaire HAQ), a measure of the patient's ability to handle daily living was significantly larger in the resomelagon group: change in HAQ: resomelagon (n=28): 0.69 points vs placebo (n=27): 0.31 points, p<0.05.

Together these above post-hoc analyses strongly support further development of resomelagon in newly diagnosed RA patients with high disease activity including signs of systemic inflammation treated together with MTX.

RESOLVE – Phase IIb in RA patients with an inadequate response to methotrexate

Only the first part of the study was conducted, providing results about the efficacy and safety of multiple doses of resomelagon combined with MTX over 4 weeks. Also, in this study resomelagon was safe and well tolerated. Similar incidence rates of TEAEs were observed across treatment groups (range: 21.4% to 34.4% across treatment groups). Treatment related TEAEs were reported in 10%, 10.7%, 12.5%, and 5.7% in the resomelagon 60 mg, 80 mg, and 100 mg vs placebo groups, respectively. Gastrointestinal disorders were the most common treatment related SOC category (3.3%,

Research and Development (continued)

7.1%, 9.4%, and 5.7% in the resomelagon 60 mg, 80 mg, and 100 mg vs placebo groups, respectively). No statistically significant difference was observed between resomelagon and placebo in the primary efficacy endpoint (ACR20 response rate at week 4) and most secondary variable analyses.

New - ADVANCE - Phase IIb 12-week study in early DMARD-naïve RA-participants with high disease activity and active inflammation in combination with MTX
Based on the above knowledge of resomelaon in RA, the new ADVANCE study is a phase 2b proof of concept study in the target population for resomelagon, i.e. newly diagnosed RA-patients with high disease activity including signs of systemic inflammation where there is unmet medical need for a safe and effective convenient oral treatment with the potential in combination with the first line compound MTX to increase the likelihood of disease control with reduced use of glucocorticoid and when the potential to postpone the use of second treatments as the TNF-blockers.

The ADVANCE study is a randomized, double blind, placebo-controlled, dose response, phase IIb, multicentre trial to evaluate the efficacy and safety of once daily oral resomelagon (AP1189) administered at the doses of 40, 70, or 100 mg for 12 weeks in combination with MTX, in DMARD-naïve newly diagnosed RA-patients with high disease activity and signs of systemic inflammation. The aim is to recruit a total of 240 patients with a reduction in DAS28- CRP as the primary efficacy readout and will be conducted as an international study under the current US-IND (FDA) for development of resomelagon (AP1189) in RA.

ADVANCE is ongoing in several European countries and the USA. The recruitment is according to plan and patients are being treated without specific challenges. The study has been initiated with active recruitment at sites in the US. Study initiation visits have been performed in Moldova where the application has been approved and the centralized EU application submitted in the EMA CTIS centralized application portal covering 5 EU countries including Denmark is currently under evaluation with the expectation to have application approved and sites initiated during Q1 2025.

It is planned to have all patients enrolled and treated in H2 2025.

Idiopathic Membranous Nephropathy (iMN) - Nephrotic Syndrome (NS)

Nephrotic Syndrome (NS) is a condition associated with increased loss of protein into the urine resulting in tissue swelling and eventually development of edemas.

Untreated or insufficiently treated NS will in many cases be associated with hypercholesterolemia, increased risk for blood clots, increased risk for infections and can develop into chronic kidney disease that is associated with increased risk of development of cardiovascular disease and risk of development of end stage kidney disease and thereby need for renal replacement therapy (dialysis or transplant).

Clinical development of resomelagon in Idiopathic Membranous nephropathy
Resomelagon is currently tested in Idiopathic Membranous nephropathy (iMN), one of more common causes of primary NS, in an exploratory, randomized, double-blind, multicenter, placebo-controlled Phase IIa study with repeated once-daily 100 mg dosing to assess the safety, tolerability, pharmacokinetics, and efficacy of resomelagon.

The study population consists of patients with iMN who are on an ACE inhibitor or angiotensin II receptor blocker treatment. The main efficacy read-out is the effect on urinary protein excretion. The recruitment has been lower than expected due to a lack of eligible patients. Currently twelve patients are in treatment in the study, in Denmark and Sweden. The company currently assesses the opportunities to increase the recruitment rate, alternatively close the study preterm.

Virus Induced hyperinflammation including virus-induced Respiratory Insufficiency

Clinical development of resomelagon in virus infections

Severe COVID-19 infection
Resomelagon was also tested in the RESOVIR-1 study, a 60-patient placebo-controlled Phase IIa clinical trial of treatment of hospitalized COVID-19 infected patients who required supplemental oxygen. The study was a part of the RESOVIR (resolution in viral infection) collaboration, 100 mg resomelagon or placebo was administered orally once daily for 2 weeks.

All resomelagon treated patients (including the first 6 open-label safety patients) achieved respiratory recovery on average 4.0 days (40%) quicker than placebo treated patients (5.9 days and 9.9 days on average respectively). Resomelagon patients were discharged on average 3.3 days earlier than placebo and by day 4, 41% of resomelagon patients had been discharged vs 0% for placebo.

The clinical study has been followed by testing the compound in a preclinical model of COVID-19 infection as well as in an ex vivo study with human monocytes incubated with the virus with both studies supporting profound effect of the compound on COVID-19 induced hyperinflammation.

Currently the compound is tested in preclinical models as well as ex vivo settings using human monocytes incubated with highly clinically relevant viral. Data from these studies will be used to evaluate the continued clinical development of resomelagon as a novel treatment approach to modulate viral-induced hyperinflammation for the benefit of the patients.

Severe arboviral infections
Arboviral infections are caused by a group of viruses spread to people by the bite of infected arthropods (insects) such as mosquitoes and ticks. Arboviral infections are no longer exclusive to the Global South but are going to become more common also in the Global North.

The most prevalent arboviral disease is dengue fever. Other arboviral disorders include chikungunya virus, Zika virus, yellow fever, Japanese encephalitis, and West Nile virus.

Serious complications post-infections may occur and are due to a deregulated immune response (hyper inflammation), which can lead to internal bleedings and other damage.

Infections with Dengue virus have already been reported in Italy, France, Spain and Greece. Severe infections bring serious morbidity in a proportion of patients and can be lethal on re-infection.

Research and Development (continued)

Preclinical evaluation of resomelagon ability to modulate the inflammatory response and restoring the balance (hemostasis) of the immune system to arbo-virus, including Dengue virus supports the possibility to apply resomelagon in a clinical setting. This is currently evaluated as a possibility through the RESOVIR strategic collaboration initiated under the pandemic as a collaboration sponsored by SynAct Pharma between the company, the William Harvey Research Institute at Queen Mary University of London, UK lead by Professor, Mauro Perretti PhD and Department of Biochemistry and Immunology at the Universidade Federal de Minas Gerais (UFMG) Belo Horizonte, Brazil lead by Professor Mauro Teixeira, MD, PhD.

Peptide Agonists - pipeline

SynAct Pharma' portfolio of peptide based melanocortin receptor agonists, consists of a variety of compounds, that differs in pharmacological profile and selectivity towards the melanocortin receptors. The analogues are optimized to have increased stability and enhanced receptor binding and stimulation over naturally occurring melanocyte stimulating hormone. The most advanced compound, TXP-11, is being developed for the prevention of organ failure and damage in connection with major surgeries and has completed regulatory toxicology studies required to initiate Phase 1 studies in humans. Ongoing pharmacology studies aimed at supporting a clinical trial application are ongoing with the expectation that the program could be PhI ready during 2026.

Pipeline Overview

ASSET	INDICATION	PRECLINICAL	PHASE 1	PHASE 2A	PHASE 2B	PHASE 3	STATUS AND NEXT MILESTONE
Resomelagon (AP1189)	Rheumatoid arthritis (RA) - 1st line treatment						• ADVANCE Ph2b study initiated
	Idiopathic Membranous Nephropathy (iMN)						• Ph-2A study - low reqruitment rate due to lack of patients
	Virus-induced hyperinflammation						• Pharmacology program to support Ph-2 • Ph-2 in target population ongoing
TXP-11	Prevent organ failure in surgery						• Preclinical pharmacology to support Ph-1 CTA ongoing - to be Ph-1 ready in 2026.
Next generation molecules	Auto-immune and inflammatory diseases						• Discovery phase

Completed Ongoing Complementary study required

The SynAct Pharma Share

Share information

SynAct Pharma's share has been listed on Nasdaq Stockholm since July 12, 2022. The stock is traded with the ticker or short name SYNACT. From the initial public offering in 2016 until July 11, 2022, the company's stock was traded on Spotlight.

The closing price of the SynAct share on the last trading day in December 2024 was SEK 8.97.

April 24, 2024, the extraordinary general meeting resolved to approve the Board of director's resolution on March 26, 2024 on a directed share issue of SEK 49,2 million before issue costs. Through the directed share issue, the number of shares increased by 5,725,484 to 41,296,464 shares.

On December 13, 2024, the extraordinary general meeting resolved to approve the Board of director's resolution on November 20, 2024, on three directed share issues of SEK 44,9 million before issue costs. Through these directed share issues, the number of shares increased by 5,191,003 to 46,487,467 shares.

Ownership (December 31, 2024)

Shareholder	Capital and votes(%)
NBCD A/S	11.41%
Avanza Pension	9.77%
Thomas Jonassen	5.55%
Thomas Ringberg	5.53%
Nordnet Pensionsförsäkring	4.00%
Thomas von Koch	2.41%
Oliver Aleksov	1.89%
Kenneth Bjerg-Nielsen	1.60%
Torbjörn Bjerke	1.57%
OR invest	0.97%
Total (top-10)	**44.7%**
Others (~14,000)	**55.3%**

Compiled and processed data from the share register of SynAct Pharma AB kept by Euroclear AB. Share of capital and votes is based on the number of shares outstanding at the time, 46,487,467.

Share-based incentive programs

The company has a new employee option program, Employee Option Program 2024, ESOP (for employees) and BSOP (for the Board of Directors).

With the introduction of the new employee option program, the Board of Directors has decided to terminate the Employee Option Program 2023 I ("ESOP 2023 I") and the Employee Option Program 2023 II ("ESOP 2023 II").

For further information, please refer to Note 5 of the financial statements

Lock-up agreement

There are no ongoing lock-up agreements at the end of the period.

Analyst coverage

SynAct Pharma and its share is covered by two independent analysts:

Alexander Krämer, ABG Sundal Collier AB

Patrik Ling, DNB Markets

Financial calendar

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

Date:	Report:
10/04/2025	Annual Report 2024
27/05/2025	Interim Report Q1 2025
27/05/2025	Annual General meeting 2025
20/08/2025	Interim Report Q2 2025
30/10/2025	Interim Report Q3 2025

Comments on the development for the fourth quarter and to whole year of 2024

Net sales
Net sales for the fourth quarter amounted to SEK 0 (0) thousand. The company is not expected to generate any revenue until after the completion of Phase II program involving the drug candidate resomelagon (AP1189), at the earliest in 2026.

Research and development (R&D) costs
Total R&D costs in the fourth quarter amounted to SEK 14,561 thousand (10,761). For the whole year, R&D costs amounted to SEK 49,312 thousand (105,055). For the fourth quarter, the new study ADVANCE is included, and the period last year included the two clinical phase II studies, EXPAND and RESOLVE.

General and administration (G&A) costs
G&A expenses amounted to SEK 6,292 (5,747) thousand in the fourth quarter and SEK 40,492 (44,826) thousand for the whole year. All costs related to the share option programs are included as a part of G&A, see Note 5 - Share-based payments.

Other operation income/expenses
Last year included a write-off of SEK 74,558 thousand impairment of goodwill related to the TXP acquisition.

Financial items
Net financial items amounted to SEK 479 (520) thousand in the fourth quarter and SEK -846 (220) thousand for the whole year and is attributable to exchange rate adjustments.

Tax for the period
Tax revenues in the fourth quarter amounted to SEK 1,939 (-2) thousand. For the whole year the accrued tax credit amounted to SEK 8,424 (8,466) thousand. See Note 8 - Tax receivables for more information.

Loss for the period
The Group's loss for the fourth quarter amounted to SEK 18,379 (90,543) thousand and for the whole year the reported loss was SEK 82,401 (215,810) thousand

Financial position, cash flow and going concern
Total assets amounted to SEK 270,520 (228,019) thousand, where the reduction in the TXP valuation from 2023 Q4 is offset by an increase in liquid assets and ongoing share issue. The working capital was affected by an increase in pre-paid expenses of SEK 18,108 thousand mainly related to the new ADVANCE study. Equity increased as a result of new share issues in April and in December.

Cash flow from operating activities amounted to SEK -17,779 (-20,395) thousand in the quarter. Year-to-date cash flow for operating activities amounted to SEK -89,197 (-100,177) thousand.

Cash flow from financing activities amounted to SEK 40,199 (54,561) thousand in the fourth quarter and SEK 87,405 (53,984) thousand for the whole year, primarily driven by the directed share issues that was completed in April and December.

Cash flow for the period amounted to SEK 22,420 (34,166) thousand and SEK -1,792 (-45,823) thousand for the whole year.

The Group's cash and cash equivalents as of December 31, 2024, amounted to SEK 61,209 (62,395) thousand.

The Board of Directors continuously evaluates the Company's financial position and has determined that its current cash and cash equivalents, including the recent share issues, are sufficient to finance the operations for the next 12 months.

Employees
The number of employees was 6 (5) of which four employees (2) were employed by the affiliate SynAct Pharma ApS.

Parent Company
The parent company's sales are from services delivered to the subsidiaries and amounted to SEK 1,076 (2,309) thousand in the fourth quarter and SEK 6,969 (8,262) thousand for the whole year.

In the Parent Company, net financial items amounted to SEK -23,298 (-73,297) thousand in the quarter. Year-to-date net financial items were SEK -68,264 (-126,510) thousand.
The group reports no proprietary intangible assets because the criteria according to IAS 38 are not met. To be able to continue the development activities in Denmark, the Swedish parent company provides ongoing capital contributions to the company that conducts the development activities. Under normal circumstances, the parent company would capitalize the contribution as shares in subsidiaries, but since no part of these funds is capitalized in the balance sheet, the contribution is a cost to the parent company and this cost is reported as a financial cost.

General meetings

Extraordinary General Meeting
On March 20, 2024, an Extraordinary General Meeting was held in SynAct Pharma AB. The meeting was convened at the request of shareholders owning more than ten percent of the shares in the company. The EGM resolved, in accordance with the proposal, presented by TJ Biotech Invest ApS, Goodwind Holding GmbH, Thomas Ringberg and some other shareholders in the company where no single shareholder holds more than 0.38 percent (together the "Major Shareholders"), that the company's Board of Directors shall consist of four ordinary Board members with no deputies. The EGM resolved, in accordance with the proposal from the Major Shareholders, to dismiss all current members of the Board of Directors and to elect Anders Kronborg, Sten Scheibye, Sten Sørensen and Jeppe Øvlesen as new members of the Board of Directors for the period until the end of the 2024 Annual General Meeting. The EGM further resolved, in accordance with the proposal from the Major Shareholders, to appoint Anders Kronborg as new Chairman of the Board.

On April 24, 2024, an Extraordinary General Meeting was held in SynAct Pharma AB in Stockholm. The EGM resolved to approve the three directed share issues announced by the Company through a press release on 27 March 2024.

On December 13, 2024, an Extraordinary General Meeting was held in SynAct Pharma AB in Stockholm. The EGM resolved to approve the three directed share issues announced by the Company through a press release on November 20, 2024.

Annual general Meeting
On May 31, 2024, the Annual General Meeting of SynAct Pharma AB was held in Stockholm. The AGM resolved to introduce a new employee option program, ESOP (for employees) and BSOP (for the Board of Directors). For further information, please refer to Note 5 to the financial statements.

Figures in parentheses refer to comparative figures from the same period last year. 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.

Consolidated income statement

SEK (thousand)	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales		-	-	-	-
Gross profit		-	-	-	-
Research and development costs		-14,561	-10,761	-49,312	-105,055
General and administration costs	5, 6	-6,292	-5,747	-40,492	-44,826
Other operating income/expenses		56	-74,553	-175	-74,615
Total operating expenses		**-20,797**	**-91,062**	**-89,980**	**-224,496**
Operating income		**-20,797**	**-91,062**	**-89,980**	**-224,496**
Net financial items		479	520	-846	220
Profit after financial items		**-20,318**	**-90,542**	**-90,825**	**-224,276**
Tax on profit/loss for the period	8	1,939	-2	8,424	8,466
Profit for the period		**-18,379**	**-90,543**	**-82,401**	**-215,810**
Earnings per share (SEK)		-0.44	-2.58	-2.08	-6.64
Diluted earnings per share (SEK)		-0.44	-2.58	-2.08	-6.64
Average number of shares outstanding ('000)	7	41,748	35,082	39,533	32,524

The result for the period is attributable in its entirety to the owners of the parent company

Consolidated statement of comprehensive Income

SEK (thousand)	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit for the period		**-18,379**	**-90,543**	**-82,401**	**-215,810**
Items reclassifiable to profit or loss					
Translation differences from foreign operation		2,418	-844	2,473	13,003
Comprehensive income after tax for the period		**-15,960**	**-91,387**	**-79,928**	**-202,807**
Comprehensive income for the period		**-15,960**	**-91,387**	**-79,928**	**-202,807**

The total comprehensive income for the period is attributable in its entirety to the owners of the parent company

Consolidated statement of financial position

SEK (thousand)	Note	12/31/2024	12/31/2023
Assets			
Subscribed but unpaid capital		19,845	-
Non-current assets			
Intangible assets		154,593	152,159
Right-of-use assets		1,937	660
Financial assets	11	144	139
Total non-current assets		**156,674**	**152,959**
Current assets			
Tax credit	8	8,469	8,188
Other current receivables		5,958	4,220
Prepaid expenses	10	18,366	258
Cash and cash equivalents	11	61,209	62,395
Total current assets		**94,001**	**75,060**
Total assets		**270,520**	**228,019**

SEK (thousand)	Note	12/31/2024	12/31/2023
Equity and liabilities			
Share capital		5,811	4,446
Ongoing share issue		315	-
Other paid-in capital	5	762,803	646,572
Reserves		18,241	15,768
Retained earnings/losses including net profit		-573,002	-490,600
Total equity		**214,169**	**176,186**
Non-current liabilities			
Deferred tax liability		18,304	18,016
Leasing liability		1,286	58
Contingent earnout		7,973	7,248
Other provision	5	331	1,573
Total non-current liabilities		**27,894**	**26,894**
Current liabilities			
Accounts payable	11	17,347	9,670
Leasing liability		595	579
Other current liabilities	9	424	4,876
Accrued expenses	10, 11	10,092	9,815
Total current liabilities		**28,458**	**24,939**
Total equity and liabilities		**270,520**	**228,019**

Consolidated statement of changes in equity

01/01/2023 - 12/31/2023 SEK (thousand)	Share capital	Ongoing new share issue	Other paid-in capital	Reserves	Retained earnings, including profit for the period	Total
Opening equity	**3,706**	**-**	**394,840**	**2,765**	**-274,790**	**126,520**
Profit for the period	-		-	-	-215,810	-215,810
Other comprehensive income	-		-	13,003	-	13,003
Comprehensive income for the period	**-**	**-**	**-**	**13,003**	**-215,810**	**-202,807**
Transactions with owners						
Issue in kind	272		189,607	-	-	189,879
Directed share issue	469		58,991	-	-	59,459
Issue expenses			-4,746	-	-	-4,746
Employee option program	-		7,881	-	-	7,881
Total transaction with owners	**740**	**-**	**251,732**	**-**	**-**	**252,473**
Closing equity	**4,446**	**-**	**646,572**	**15,768**	**-490,600**	**176,186**

01/01/2024 - 12/31/2024 SEK (thousand)	Share capital	Ongoing new share issue	Other paid-in capital	Reserves	Retained earnings, including profit for the period	Total
Opening equity	**4,446**	**-**	**646,572**	**15,768**	**-490,600**	**176,186**
Profit for the period	-		-	-	-82,401	-82,401
Other comprehensive income	-		-	2,473	-	2,473
Comprehensive income for the period	**-**	**-**	**-**	**2,473**	**-82,401**	**-79,928**
Transactions with owners						
Directed share issues	1,365		92,777	-	-	94,141
Issue expenses			-6,140	-	-	-6,140
Ongoing share issue (reg. 14/01/2025)		315	19,530	-	-	19,845
Employee option program	-		10,065	-	-	10,065
Total transaction with owners	**1,365**	**315**	**116,231**	**-**	**-**	**117,911**
Closing equity	**5,811**	**315**	**762,803**	**18,241**	**-573,002**	**214,169**

Condensed consolidated statement of cash flows

SEK (thousand)	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow from operations					
Operating income		-20,797	-91,062	-89,980	-224,496
Adjustment for non-cash items		-3,318	75,563	10,828	85,566
Interest received		30	34	778	34
Interest paid		-119	-76	-978	-123
Corporate income tax received/paid		8,430	8,478	8,430	8,472
Cash flow from operations before change in working capital		**-15,774**	**-7,063**	**-70,922**	**-130,547**
Change in working capital		-2,004	-13,333	-18,275	30,370
Cash flow from operating activities		**-17,779**	**-20,395**	**-89,197**	**-100,177**
Cash flow from investing activities		-	-0	-	370
Cash flow from financing activities		40,199	54,561	87,405	53,984
Cash flow for the period		**22,420**	**34,166**	**-1,792**	**-45,823**
Cash and cash equivalents at beginning of period		38,487	28,876	62,395	108,245
Decrease/increase in cash and cash equivalents		22,420	34,166	-1,792	-45,823
Exchange rate difference in cash and cash equivalents		302	-647	607	-27
Cash and cash equivalents at end of period		**61,209**	**62,395**	**61,209**	**62,395**

Parent company's condensed income statement

SEK (thousand)	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales		1,076	2,309	6,969	8,262
Gross profit		**1,076**	**2,309**	**6,969**	**8,262**
General and administration costs	5, 6	-4,310	-4,929	-29,316	-31,277
Other operating expenses		64	43	-11	-3
Total operating expenses		**-4,246**	**-4,886**	**-29,328**	**-31,280**
Operating income		**-3,171**	**-2,577**	**-22,359**	**-23,018**
Net financial items		-23,298	-70,746	-68,264	-126,510
Profit after financial items		**-26,468**	**-73,324**	**-90,623**	**-149,529**
Tax on profit for the period		-	-	-	-
Profit for the period		**-26,468**	**-73,324**	**-90,623**	**-149,529**

Parent company's statement of comprehensive income

SEK (thousand)	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit for the period		-26,468	-73,324	-90,623	-149,529
Other comprehensive income		-	-	-	-
Total comprehensive income		**-26,468**	**-73,324**	**-90,623**	**-149,529**

Parent company's condensed balance sheet

SEK (thousand)	Note	12/31/2024	12/31/2023
Assets			
Subscribed but unpaid capital		19,845	-
Non-current assets			
Financial assets		181,207	181,207
Total non-current assets		**181,207**	**181,207**
Current assets			
Receivables in group companies		9,065	4,696
Other receivables		553	518
Prepaid expenses		335	215
Cash and cash equivalents		46,752	44,133
Total current assets		**56,705**	**49,561**
Total assets		**257,757**	**230,768**

SEK (thousand)	Note	12/31/2024	12/31/2023
Equity and liabilities			
Restricted equity			
Share capital		5,811	4,446
Ongoing new share issue		315	-
Non-restricted equity			
Other paid-in capital	5	762,803	646,572
Retained earnings/losses		-436,946	-287,418
Profit for the period		-90,623	-149,529
Total equity		**241,360**	**214,072**
Non-current liabilities			
Contingent earnout		7,973	7,248
Other provisions	5	331	1,573
Total non-current liabilities		**8,304**	**8,821**
Current liabilities			
Accounts payable		684	565
Other liabilities	9	288	4,506
Accrued expenses	10	7,121	2,804
Total current liabilities		**8,093**	**7,876**
Total equity and liabilities		**257,757**	**230,768**

Notes and 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 Nasdaq Stockholm, 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 63 Lund, Sweden. This interim report was approved for publishing on February 18, 2025.

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 2023, note 2 pages 35 to 38. No new or changed standards implemented on or after January 1, 2024, have had any significant impact on the company’s financial reporting.

Note 3 - Significant risks and uncertainties

The risks and uncertainties to which SynAct’s operations are exposed are, in summary, related to, among other things, drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies and interest rates.

The Group’s overall risk management focuses on identifying, analyzing and evaluating risks that could affect the business and the Company’s overall goals with the intention of minimizing potential adverse effects. The most significant risks and uncertainties are described below. See the Annual Report for 2023, pages 21-25 for further information on the Group’s general risk management.

As the company does not have approved products on the market that can generate positive cash flow, the business requires additional capital. The Company’s operations require new capital injections in the medium term, which is why this refinancing risk cannot be considered negligible.

The macroeconomic situation with concerning inflation and interest rates did not have a significant impact on SynAct’s operations in the quarter. Our suppliers and partners have been able to produce and deliver according to the plans we work with and without any significant cost increases. However, it cannot be ruled out that increased inflation and rising interest rates may lead to price increases for goods and services that could have a negative impact on the Company’s future financial results and position.

The Group’s operation is exposed to currency risks with its financing in SEK and main operations in DKK and EUR. SynAct took mitigating steps to reduce the risk through placement of liquidity in EUR and DKK accounts. However, the depreciation of the Swedish currency against these major currencies has resulted in cost increases during the quarter.

SynAct Pharma conducts clinical trials at clinics in Eastern Europe in the vicinity of the conflict in Ukraine, including in neighboring Moldova. The risks of this have been considered and action plans in the scenario where the conflict spreads and further affects the neighboring countries have been developed. To-date, SynAct and its collaborating partners have not encountered any difficulties that have not been overcome with only minor cost increases but without delays in the execution of the studies. Minor delays and/or minor impact on the Company’s operating costs cannot be completely ruled out.

Note 4 - Intangible assets

Intangible assets have been subject to customary impairment testing in accordance with IAS 36. Regarding the cash-generating unit TXP, an impairment test in 2024 has been carried out as follows.

The valuation made in February 2024 was based on a probabilistic cash flow model where the most critical assumptions were deemed to be assumptions about the timing of potential commercialization, market size, market share and probability of reaching the market, and the discount rate. Impairment testing of TXP was based on estimated risk-adjusted future cash flows and was calculated at a discount rate of 15 percent. The discount factor was determined by taking into account the risk-free rate and the risk associated with the specific asset.

The company has conducted a review of the model’s detailed assumptions and assesses that no material change in these assumptions exists. Thus, the impairment test did not result in any impairment of the intangible assets. The impairment test has considered the updated strategic plan adopted by the Board of Directors and the value of TXP has not been negatively impacted by delays in the development of the most advanced peptide agonist, TXP-11, as well as other projects in the TXP portfolio.

Impairment testing of intangible assets is a significant estimate and assessment as several assumptions about future conditions and estimates of parameters are made when calculating the recoverable amount of cash-generating units.

Notes and disclosures (continued)

Note 5 - Share-based payments

The purpose of the employee option program is to secure a long-term commitment for the employees in the Company through a compensation system which is linked to the Company's future value growth. Through the implementation of a share-based incentive program, the future value growth in the Company is encouraged, which implies common interests and goals for the shareholders of the Company and employees. Such share-based incentive programs are also expected to increase the Company's possibilities to retain competent persons.

Employee Option Program 2024
At the Annual General Meeting on May 31, 2024, it was resolved to introduce a new employee option program, ESOP (for employees) and BSOP (for the Board of Directors).

This employee option program shall comprise a maximum of 3,097,228 employee stock options, 2,271,301 for ESOP and 825,927 for BSOP. The allotted employee options vest with 1/3 from the date that is 12, 24 and 36 months after the date of allotment. Previous option holders, who have waived the rights to the earlier options programs, will vest 25% directly as a compensation for the waiver. The option holders shall be able to exercise granted and vested employee options during the period starting on the day that falls 3 years after the date of allotment and ending on 30 June 2029. Each employee option entitles the holder to acquire one new share in the company. Exercise price amounting to SEK 12,25, corresponding to 175 percent of the volume-weighted average share price of the company's share on Nasdaq Stockholm during 10 trading days immediately prior to the day on which a participant is granted options. The employee options shall be granted free of charge, shall not constitute securities and shall not be transferable or pledged. The allotment of 3,097,228 of the options included in the program took place on June 1, 2024.

As of December 31, 2024, SynAct had 46,487,467 shares outstanding. If the outstanding options (2,271,301) for ESOP 2024 are vested and exercised in full, it would result in a dilution of 4.9%. If the outstanding options (825,927) for BSOP 2024 are vested and exercised in full, it would result in a dilution of 1.8%.

The costs for the programs ESOP and BSOP 2024 are estimated at SEK 6,216 thousand and refer to both the estimated cost of the value of the employees' services during the entire vesting period, valued at the market value at the time of allocation, and the estimated earned social security contributions related to Swedish participants. In the fourth quarter of 2024, the costs for the employee option program amounted to SEK 908 thousand and the costs for the whole year have amounted to SEK 2,710 thousand.

Change in outstanding incentive programs (number of options)	2024	2023	2024	2023	Total
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	
Alloted instruments					
ESOP 2023 I	-	-	-	195,000	195,000
ESOP 2023 II	-	-	-	404,000	404,000
ESOP 2024	-	-	2,271,301	-	2,271,301
BSOP 2024	-	-	825,927	-	825,927
Recalled/voided instruments					
ESOP 2023 I	-	-	-105,000	-90,000	-195,000
ESOP 2023 II	-	-	-404,000	-	-404,000

Maximum number of shares to which allocated options can entitle	09/30/2024
ESOP 2024	2,271,301
BSOP 2024	825,927
Total Employee Option	**3,097,228**

With the introduction of the new employee option program, the Board of Directors has decided to terminate the Employee Option Program 2023 I ("ESOP 2023 I") and the Employee Option Program 2023 II ("ESOP 2023 II"). All participants in these programs have accepted the termination of the programs. The total costs for ESOP 2023 I and ESOP 2023 II was SEK 0 thousand (3,468) in the fourth quarter and the costs for the whole year amounted to SEK 7,682 thousand (5,657).

Notes and disclosures (continued)

Note 6 - Transactions and agreements with related parties

In addition to salaries and other remuneration (including invoiced) to the Company's management, board remuneration, according to the resolution of the Annual General Meeting, to the board, and intra-group transactions, the following transactions have taken place with related parties in the reporting periods:

SEK (thousand)		2024	2023	2024	2023
Related party	**Service**	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
James Knight Consulting Inc. (Jim Knight, CBO)	Consultancy	381	728	1,837	2,906
UST Leadership AB (Torbjørn Bjerke, former CEO)	Consultancy	-	-	-	525

The Board of Directors resolved on October 7, 2022, to approve an agreement engaging UST Leadership (Torbjørn Bjerke, then chairman of the board of directors) as consultant to perform certain, defined tasks. The contract was discontinued upon Bjerke's appointment as CEO.

On May 25, 2023, Torbjörn Bjerke took over as CEO of Synact in connection with the Annual General Meeting and thus left the position as Chairman of the Board. Jeppe Øvlesen replaced Torbjörn Bjerke as CEO after an Extraordinary General Meeting on March 20, 2024, when a new Board of Directors took office.

The Company has entered into an agreement with Boesen Biotech ApS regarding the transfer of intellectual property rights. The agreement did not involve any financial transactions in reported periods. See Note 12, Contingent liabilities for more information.

Note 7 - Number of registered shares

Thousand	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Number of shares at the beginning of the period	41,296	31,821	35,571	29,648
Number of shares at the end of the period	46,487	35,571	46,487	35,571
Average number of shares outstanding in the period	41,748	35,082	39,533	32,524

All shares are freely traded and the Company does not hold any shares.

Note 8 - Tax receivables

According to Danish tax law (the tax credit scheme), the subsidiary SynAct Pharma ApS is entitled to receive a current tax income for some of the expenses that are directly attributable to the company's research and development (R&D). Settled expenses for R&D that result in tax revenue received reduce the company's tax loss carryforwards with the corresponding amount. SynAct Pharma ApS can settle a maximum of tax deficits attributable to research and development up to DKK 25 million per year. This corresponds to DKK 5.5 million as possible tax revenue, as the tax rate in Denmark is 22%.

The claim on the Danish tax authorities that follows from this scheme amounted to SEK 8,469 thousand (8,188). The balance related to fiscal year 2023 with an amount of SEK 8,188 thousand was received in November 2024. The balance related to fiscal year 2024 is expected to be received in November 2025.

Notes and disclosures (continued)

Note 9 - VAT

SynAct Pharma has previously been denied a deduction for input VAT for the years 2018 and earlier. The Company disputed the Swedish Tax Agency's decision and appealed to the first instance, the Administrative Court. In December 2021, the Administrative Court ruled in the Company's favor in the case, whereby deductions were allowed. The Tax Agency appealed the Administrative Court's judgment to the Court of Appeal, which on 6 September 2022 rejected the appeal. On November 3, 2022, the Tax Agency appealed the Court of Appeal's judgment and applied for leave to appeal in the Supreme Administrative Court (HFD). On April 18, 2023, HFD granted the Tax Agency leave to review, meaning that the case will be tried by the court. On 28 May 2024, HFD announced that the court upholds the Tax Agency's appeal and sets aside the judgments of the Administrative Court and the Administrative Court of Appeal. The company has previously reserved for the full amount of VAT and tax surcharges as an other short-term liability in the financial reporting pending a final judgment.

Note 10 - Prepaid and accrued expenses

SynAct has made initial payments to the CRO handling the new clinical study, ADVANCE. The costs is recognized during the active treatment period and three months before and after. Hence the increase in prepaid expenses by more than SEK 18 million to SEK 18,366 (258) thousand.

The company reports accrued expenses of SEK 10,092 (9,815) thousand. Accrued expenses include costs for personnel (holidays, bonus and pension) and board fees as well as other accrued costs.

Note 11 - Financial assets and liabilities

SEK (thousand)	12/31/2024	12/31/2023
Financial assets		
Non-current financial assets	144	139
Cash and cash equivalents	61,209	62,395
Total financial assets	**61,353**	**62,534**
Financial liabilities		
Accounts payable	17,347	9,670
Accrued expenses	10,092	9,815
Total financial liabilities	**27,439**	**19,484**

SynAct Pharma 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 12 - Contingent liabilities

In March 2021, the subsidiary SynAct Pharma ApS acquired the rights to a number of innovative chemical molecules from Boesen Biotech ApS, a company controlled by COO Thomas Boesen. The transfer took place free of charge, but according to the agreement, Boesen Biotech ApS is entitled to receive milestone payments and royalties in the future related to any progress in the Company's development and commercialization of products based on these rights. Upon successful achievement of defined milestones, Boesen Biotech ApS may receive up to a maximum of DKK 4.5 million in payment. In the event of any future commercialization of a product where these IP rights are used, Boesen Biotech ApS is entitled to royalties amounting to 3% of net sales for 10 years from launch and with a maximum amount of DKK 500 million.

As the remunerations that may be paid to Boesen Biotech is not considered to be secure or probable commitment for SynAct, they are not reported as a liability (accrual or provision). Based on current plans, a first milestone payment may be charged to the income statement and balance sheet at the earliest in 2025 and have a cash flow effect no earlier than 2026.

Alternative performance measures - APM

The use of Alternative Performance Measures in financial reports is regulated by the European Securities and Markets Authority (ESMA) in guidelines issued in 2015. According to these guidelines, an alternative key ratio refers to a financial measure of historical or future earnings development, financial position, financial result or cash flows. It is such a financial measure that is not defined or specified in the applicable rules for financial reporting.

SynAct Pharma uses alternative key figures to increase the understanding of the information provided in financial reports, both for external analysis, comparison and internal evaluation. The company has chosen equity / assets ratio and research and development costs / operating expenses as alternative key figures in its reporting. Definitions and tables for deriving these are shown below.

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.

#	SEK (thousand)	12/31/2024	12/31/2023
	Assets		
	Subscribed but unpaid capital	19,845	-
	Total non-current assets	156,674	152,959
	Total current assets	94,001	75,060
[1]	**Total assets**	**270,520**	**228,019**
	Equity and liabilities		
[2]	**Total equity**	**214,169**	**176,186**
	Total non-current liabilities	27,894	26,894
	Total current liabilities	28,458	24,939
	Total liabilities	**56,351**	**51,833**
	Total equity and liabilities	**270,520**	**228,019**
[2] / [1]	**Equity / asset ratio (%)**	**79%**	**77%**

Research and development costs / 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 General & Administration activities.

#	SEK (thousand)	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
[1]	Research and development costs	-14,561	-10,761	-49,312	-105,055
	General and administration costs	-6,292	-5,747	-40,492	-44,826
	Other operating income / expense	56	-74,553	-175	-74,615
[2]	**Total operating expenses**	**-20,797**	**-91,062**	**-89,980**	**-224,496**
[1] / [2]	**Research and development costs / operating expenses (%)**	**70%**	**12%**	**55%**	**47%**

The CEO declaration

The CEO assures that this interim report provides a true and fair view of the development and the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainties that the Parent Company and the companies included in the Group face.

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 Financial Reporting. The interim report has been reviewed by the company's auditors.

Lund, February 18 2025

Jeppe Øvlesen
Chief Executive Officer and Board Member

Glossary

ACE inhibitor
A group of drugs that lower blood pressure by inhibiting the angiotensin-converting enzyme (ACE).

Agonist
An agonist is a chemical that activates a receptor to produce a biological response. Receptors are cellular proteins whose activation causes the cell to modify what it is currently doing. In contrast, an antagonist blocks the action of the agonist, while an inverse agonist causes an action opposite to that of the agonist.

Autoimmune disease
An autoimmune disease is a condition arising from an abnormal immune response to a functioning body part.

BAP
Branched Amino Acid Probes (BAP) is a proprietary technology improving the properties of peptides, developed by TXP Pharma for the modification of therapeutic peptides.

cAMP
cAMP, or cyclic adenosine monophosphate, is an adenine-based (nitrogen-based), cyclic nucleotide (molecular building block) that participates in the formation of DNA and RNA, by acting as a secondary messenger for several signaling substances and hormones and their receptors, inside the cells.

Clinical study
Clinical studies are conducted to test the efficacy and safety of new drugs, diagnostic tests, products, or treatments. Before human studies begin tests have already been done in several different ways in laboratory experiments and in animal studies. Clinical studies or trials are carried out both with healthy volunteers and individuals with the disease being studied.

CMC
CMC is an acronym for Chemistry, Manufacturing and Controls which are critical activities in the development of new drug products. In addition to the processes themselves, CMC also refers to practices and specifications that must be followed and met to ensure product safety and batch-to-batch consistency.

DMARD
Disease-modifying anti-rheumatic drugs (DMARD) are a category of otherwise unrelated drugs defined by their use in rheumatoid arthritis and other rheumatic diseases. The term often finds its meaning in contrast to non-steroidal anti-inflammatory drugs and steroids (NSAIDs). The term overlaps with antirheumatics, but the two terms are not synonymous.

FDA
The United States Food and Drug Administration (FDA or USFDA) is the US food and drug authority responsible for food (for humans and animals), dietary supplements, drugs (for humans and animals), cosmetics, medical devices (for humans and animals), radioactive equipment and blood products.

Hypercholesterolemia
Hypercholesterolemia, also called high cholesterol, is the presence of high levels of cholesterol in the blood.

iMN
Idiopathic membranous nephropathy is an autoimmune disease in which the membranes of the glomerulus are attacked by generated autoantibodies, resulting in progressive deterioration of kidney function.

IND (Investigational New Drug) Application
An application to the FDA that must be submitted and approved before a drug can be tested on humans, so-called permit application for drug testing.

Methotrexate (MTX)
Methotrexate is a folic acid antagonist that belongs to the group of cytostatics. Today it is used in rheumatoid arthritis, psoriasis and Crohn's disease as a disease-modifying drug but can also be used as a cancer treatment.

Organ dysfunction/Organ failure
Organ dysfunction is a condition where an organ does not perform its expected function. Organ failure is organ dysfunction to such a degree that normal homeostasis cannot be maintained without external clinical intervention.

Peptide
A peptide is a molecule that consists of a chain of amino acids (also called monopeptides) joined together by peptide bonds to form a short chain. Peptides differ from proteins only in that they are smaller. Peptides occur naturally in the body but can also be produced synthetically.

pERK pathway
The pERK pathway (also known as the MAPK/ERK or RasRaf-MEK-ERK pathway) is a chain of proteins in the cell that communicates a signal from a receptor on the surface of the cell to the DNA in the nucleus of the cell.

RA
Rheumatoid arthritis, is an autoimmune disease characterized by chronic inflammation (arthritis) and pain (arthralgia) in the joints of the body. Inflammation has a strong ability to break down cartilage, adjacent bones, tendons and arteries

Resomelagon (AP1189)
The mechanism of action of SynAct Pharma's lead drug candidate AP1189 is the promotion of inflammation resolution through the selective activation of melanocortin receptors 1 and 3. These receptors are found on all immune cells, including macrophages and neutrophils. Activation of these receptors leads to two direct anti-inflammatory effects: it influences these cells to produce fewer inflammation-driving molecules and also alters them to initiate clearance of the inflammation, also known as efferocytosis (J Immun 2015, 194:3381-3388). This process has been shown to be effective in models of inflammatory and auto-immune diseases and the clinical potential is being tested in clinical programs in patients with rheumatoid arthritis (RA), nephrotic syndrome (NS) and COVID-19.

RESOVIR
RESOVIR (Resolution Therapy for Viral Inflammation Research) is a scientific and clinical collaboration between Professor Mauro Teixeira, MD, PhD, Universidade Federal de Minas, Belo Horizonte, Brazil, Professor Mauro Perretti, PhD William Heavy Research Institute, Barts and London School of Medicine, Queen Mary University, London, UK, and SynAct. The aim of the RESOVIR collaboration is to investigate the utility of resolution therapy to resolve the cytokine storm inflammation associated with significant viral infections.

Other company information

SynAct Pharma AB – parent company

Company name	SynAct Pharma AB
Trade name/Ticker	SynAct Pharma/SYNACT. Shares are traded at Nasdaq Stockholm.
ISIN-kod	The ISIN-code of the share is SE0008241491.
LEI-kod	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 63 Lund, Sweden
Phone number	+46 10 300 10 23
Homepage	www.synactpharma.com
Auditor	KPMG AB (Box 227, 201 22 Malmö), auditor in charge Linda Bengtsson.

SynAct Pharma ApS – affiliate

Country of establishment	Denmark
Country of operations	Denmark
CVR-number (Company registration id)	34459975
Holding	100 percent

TXP Pharma AG – affiliate

Country of establishment	Switzerland
Country of operations	Switzerland
Firmennummer (Company registration id)	CHE-271.053.235
Holding	100 percent

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