SYNACT PHARMA

2021
Interim Report
2021-01-01 – 2021-09-30
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.

Interim report Q3 2021

July - September

- Net sales during the period amounted to 0 (0) TSEK.
- Loss before tax amounted to -20,676 (-9,195) TSEK.
- Earnings per share amounted to -0.70 (-0.87) SEK.
- Cash flow from operating activities amounted to -18,250 (-8,882) TSEK.
- Cash flow from financing activities amounted to 0 (30,806) TSEK.

January - September

- Net sales amounted to 0 (0) TSEK.
- Loss before tax amounted to -50,601 (-21,519) TSEK.
- Earnings per share amounted to -1.67 (-0.87) SEK.
- Cash flow from operating activities amounted to -44,740 (-22,101) TSEK.
- Cash flow from financing activities amounted to 74,400 (44,722) TSEK.
- Cash and cash equivalents at the end of the period amounted to 44,402 (26,151) 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.

Financial Overview

	2021	2020	2021	2020	2020
TSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	-	-	-	-	-
Operating income	-20,885	-9,091	-50,546	-21,470	-31,285
Profit before tax for period	-20,676	-9,195	-50,602	-21,519	-31,304
Profit after tax for period	-18,222	-7,716	-43,094	-17,971	-26,551
Earnings per share (SEK)	-0,70	-0,87	-1,67	-0,87	-1,23
Equity/Asset ratio	79%	77%	79%	77%	73%
Cash flow from operating activities	-18,250	-8,882	-44,740	-22,101	-33,239
Cash and cash equivalents at end of period	44,402	26,151	44,402	26,151	14,548
Research and Development expenses/operating expenses, %	78%	76%	80%	79%	73%

Definitions

- Earnings per share basic and diluted: Profit for the period divided by the average number of shares outstanding in the period.
- Equity/assets ratio: Equity divided by total assets.

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 third quarter 2021

- July 7 − SynAct announced additional data from the Phase 2a trial of AP1189 in Covid-19 infected patients.
- July 7 – The appointment of Anders Dyhr Toft, MD PhD MBA, as Chief Medical Officer (CMO) was announced.
- August 6 – SynAct strengthened its organization further by the hiring of Patrik Renblad as VP Finance and Lise Agersted as Director of Operational R&D.
- August 20 – SynAct communicated that the American College of Rheumatology Convergence (ACR) has invited the company to present an abstract on AP1189 at ACR Convergence 2021 conference in November.
- August 25 – SynAct communicated that a European patent was granted covering the company's leading drug candidate AP1189 in methods of treating kidney disease.
- August 27 – SynAct Pharma provided an update on the recruitment status on the BEGIN study, a phase 2a study testing AP1189 in RA. The company has recruited 98 of the planned 105 subjects and expects to complete recruitments by mid-September which would enable top-line data to be presented early in the fourth quarter 2021.
- September 24 – SynAct Pharma announced the completion of recruitment to the BEGIN study and updated the expected timeline for reporting of top-line data to end of November.

Significant events after the end of the period

- 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.

Planning for success with AP1189

The third quarter was another productive period for SynAct Pharma, both from an R&D perspective but also in terms of preparing the company for the intense work ahead and ensuring SynAct is set to take advantage of future opportunities.

I would like to start by focusing on what we have worked on since the summer from an R&D perspective.

Following the encouraging topline results in part 1 of the Phase 2a clinical study, BEGIN for AP1189 in early rheumatoid arthritis (RA), we made the strategic decision to expand the study size to demonstrate statistical significance in the trial. Like many peers in the sector, the COVID-19 pandemic posed significant challenges to patient recruitment for part 2 of the BEGIN study. We were happy to be able to communicate that the last patient was dosed toward the end of October.

SynAct is preparing to close the study and report results once we have the full data in line with earlier communications. This is a massive moment for the company, and we are eager to see the data further establish the potential of AP1189 in the treatment of RA. Following positive results, we intend to engage regulators, first and foremost FDA, to define the path forward.

We are working hard to help AP1189 reach its fullest potential in RA. Our CSO, Thomas Jonassen recently presented results from our Phase 1 and Phase 2a part 1 in a virtual poster at The American College of Rheumatology Convergence (ACR). It is encouraging to see international interest grow for our work.

Following this summer's full and very encouraging results of the Phase 2a clinical trial of AP1189 in COVID-19, we are progressing with designing a confirmatory trial within this indication as well as exploring paths towards Emergency Use Approval where relevant.

It is also worth mentioning two other items from our R&D efforts that provide significant opportunities for the future of the company's clinical trials. The first is that we have now formulated AP1189 as a tablet, which is naturally more convenient for patients compared to the liquid suspension. SynAct has started a clinical trial to demonstrate comparable pharmacokinetics of tablet and suspension.

The second point to mention is that all prior and ongoing trials have been limited by the fact that our preclinical development, i.e. toxicology studies only supported up to 4 weeks dosing. It is therefore a critical milestone that we have now completed and reported preclinical development supporting dosing for up to three months in patients.

The advantages mentioned above with a new tablet formulation and extended preclinical documentation, gives us new development opportunities for our clinical development programs. For the RA project, we can now continue into Phase 2b with a tablet in a study design in line with the current regulatory guidelines. For our nephrology program, it opens a number of new opportunities that we currently exploit.

From a business development perspective, SynAct is actively engaged and experience good interest from key companies in the RA and autoimmune/inflammatory space with regards to potential strategic collaborations to amplify and accelerate our AP1189 development efforts. Recently we have participated in the annual Bio-Europe meeting. This year conducted as a virtual conference and we plan to participate in other key industry meetings, including JP Morgan Healthcare Conference and BIO International. We will also attend medical congresses as the recent ACR Rheumatology Convergence to further these discussions and to introduce additional companies and investors to SynAct and AP1189.

To prepare our company for future opportunities, we continued to strengthen our team with three key positions:

- Anders Dyhr Toft was appointed Chief Medical Officer (CMO) to head up clinical development and medical affairs in close collaboration with SynAct's CSO Dr. Thomas Jonassen. Anders brings critical experience to SynAct from his 18 years in R&D, Medical Affairs, Operations and Commercial in Novo Nordisk.

- Patrik Renblad was appointed VP Finance. Patrik brings experience to SynAct from 19 years in finance leadership roles at LEO Pharma and Astra Zeneca.

- Lise Agersted was appointed Director Operational R&D. She brings experience from three years as an independent consultant for biotech startups and before that from eight years at Novo Nordisk in both scientific and project management roles.

The work aimed to prepare for an uplift to Nasdaq Stockholm's Main market is ongoing. We have completed major parts of the preparations (conversion to IFRS, strengthening of the Board of Directors, implementing Corporate Governance at a level required by Nasdaq, launch of a new web site compliant with Nasdaq's requirement, etc.). However, compared to the previously announced target to complete the listing late in 2021, the company has decided to postpone the formal application to Nasdaq to 2022, as it would be more logic from a company perspective to do it on the back of completing and reporting the company´s main development program in RA. We thus expect to finalize the listing process within the first half of 2022.

The fourth quarter continues to be exiting. Our focus is on completing the RA trial and reporting the results by the end of November. As I mentioned above, this is a huge moment for the company. Following the results, the company will prepare for an interaction with the FDA early in 2022, continue to progress our COVID-19 program, evaluate the best path forward for demonstrating efficacy and safety in NS, given the new opportunities as described and initiate the final stage of the up-listing to Nasdaq.

On behalf of the entire SynAct team, we want to take a moment to share our appreciation to all those investors who see our long-term potential and support us.

Jeppe Øvlesen, CEO

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 September 30, 2021, please refer to Spotlight's website or by clicking here.

Financial calendar

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

Date:	Report:
February 11, 2022	Interim Report Q4 2021 and Annual Results 2021
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 third quarter and nine months

Sales

Net sales for the third quarter of 2021 and nine months 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 third quarter was 16,259 (6,902) TSEK. For the first nine months, R&D expenses amounted to 40,284 (16,955) 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.

General & administration costs

General and administration costs amounted to 4,654 (2,188) TSEK in the third quarter and 10,308 (4,515) TSEK in the first nine 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 209 (-104) TSEK in the quarter and -56 (-49) in the first three quarters arising from exchange rate difference on inter-company dealings and negative interest rates on cash held at the Danish bank.

Loss for the period

The Group’s profit for the third quarter 2021 amounted to -18,222 TSEK (-7,716) and for the first nine months to -43,094 (-17,971) TSEK. The main cost driver is related to the development program for SynAct’s drug candidate AP1189.

Cash flow and balance sheet

The Group’s cash and cash equivalents on September 30, 2021, amounted to 44,402 TSEK (26,151). The company's other receivables amounted to 2,656 TSEK (1,792). If research and development expenses arise in the Danish company, a tax credit may be obtained, called the "Tax Credit Scheme". SynAct Pharma ApS credit related to fiscal year 2020 under this "Tax Credit Scheme" will be paid in November 2021, for specific amounts, please refer to the Annual Report for 2020.

Cash flow for the third quarter amounted to -18,255 TSEK (21,924) and for nine months 29,652 TSEK (22,601). In the cash flow from financing activities, 74.4 million relates to the issue amount from the directed share issue carried out in February.

Parent company

The revenue of the parent company relates to services provided to the subsidiary and amounted to 411 TSEK (419) and 1,229 TSEK (1,277) for the first nine months. Operating profit for the quarter was -2,639 TSEK (-1,747) and -7,108 TSEK (-3,242) year-to-date.

Employees

The organization expanded to three permanently employed full-time equivalent in the period. The total number of employees is 3 (0). Most 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 third quarter.

Condensed Consolidated Income Statement

TSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net sales	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Research and development costs	-16,259	-6,902	-40,284	-16,955	-22,788
Sales, general and administration	-4,654	-2,188	-10,308	-4,515	-8,811
Other operating income/expenses	29	-	46	-	314
Total operating expenses	**-20,885**	**-9,091**	**-50,546**	**-21,470**	**-31,285**
Operating income	**-20,885**	**-9,091**	**-50,546**	**-21,470**	**-31,285**
Net financial items	209	-104	-56	-49	-19
Profit after financial items	**-20,676**	**-9,195**	**-50,601**	**-21,519**	**-31,304**
Tax on profit/loss for the period	2,454	1,479	7,508	3,548	4,753
Profit for the period	**-18,222**	**-7,716**	**-43,094**	**-17,971**	**-26,551**
Earnings per share (SEK)	-0.70	-0.87	-1.67	-0.87	-1.23

Condensed Consolidated Statement of Comprehensive Income

TSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Profit for the period	**-18,222**	**-7,716**	**-43,094**	**-17,971**	**-26,551**
Items reclassifiable to profit or loss					
Exchange rate differences from conversion of foreign operations	-82	-18	44	-105	-574
Comprehensive income after tax for the period	**-18,304**	**-7,734**	**-43,050**	**-18,075**	**-27,125**
Comprehensive income for the period	**-18,304**	**-7,734**	**-43,050**	**-18,075**	**-27,125**

Condensed Consolidated Statement of Financial Position

TSEK	9/30/2021	9/30/2020	12/31/2020
Assets			
Non-current assets			
Financial assets	277	200	264
Total non-current assets	**277**	**200**	**264**
Current assets			
Tax Credit	12,180	3,549	4,559
Other current receivables	2,656	1,792	1,902
Prepaid expenses	322	852	320
Cash and cash equivalents	44,402	26,151	14,548
Total current assets	**59,560**	**32,344**	**21,329**
Total assets	**59,836**	**32,544**	**21,593**
Equity and liabilities			
Share capital	3,251	3,051	3,051
Other paid-in capital	193,602	119,401	119,401
Reserves	-260	165	-304
Retained earnings/losses including net profit	-149,376	-97,700	-106,280
Total equity	**47,217**	**24,918**	**15,868**
Current liabilities			
Accounts payable	7,445	4,669	2,775
Other current liabilities	224	0	194
Accrued expenses	4,950	2,957	2,756
Total current liabilities	**12,619**	**7,626**	**5,725**
Total equity and liabilities	**59,836**	**32,544**	**21,593**

Condensed Consolidated Statement of Changes in Equity

TSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Opening equity	**65,522**	**1,846**	**15,868**	**12,188**	**12,188**
Profit/loss for the period	-18,222	-7,716	-43,094	-17,971	-26,551
Other comprehensive income/loss for the period	-82	-18	44	-105	-574
Comprehensive income for the period	**-18,303**	**-7,734**	**-43,050**	**-18,075**	**-27,125**
Transactions with owners					
New share issue	-	32,427	80,000	32,427	32,427
Issue cost	-	-1,622	-5,600	-1,622	-1,622
Total transactions with owners	**0**	**30,806**	**74,400**	**30,806**	**30,806**
Closing equity	**47,217**	**24,918**	**47,217**	**24,918**	**15,868**

Condensed Consolidated Statement of Cash Flows

TSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Cash flow from operations					
Operating income	-20,885	-9,091	-50,546	-21,470	-31,285
Adjustment for non-cash items:					
Interest received	0	-1	0	1	7
Interest paid	-29	-65	-56	-2,385	-2,359
Corporate income tax received	0	0	0	3,168	3,168
Cash flow from operations before change in working capital	**-20,913**	**-9,156**	**-50,602**	**-20,685**	**-30,470**
Change in working capital	2,664	274	5,862	-1,416	-2,768
Cash flow from operating activities	**-18,250**	**-8,882**	**-44,740**	**-22,101**	**-33,239**
Cash flow from investing activities	-5	0	-8	-19	-93
Cash flow from financing activities	0	30,806	74,400	44,722	44,722
Cash flow for the period	**-18,255**	**21,924**	**29,652**	**22,601**	**11,391**
Cash and cash equivalents at beginning of period	62,532	4,197	14,548	3,505	3,505
Decrease/increase in cash and cash equivalents	-18,255	21,924	29,652	22,601	11,391
Exchange rate difference in cash and cash equivalents	124	30	202	45	-348
Cash and cash equivalents at end of period	**44,402**	**26,151**	**44,402**	**26,151**	**14,548**

Condensed Income Statement of Parent Company

TSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net sales	411	419	1,229	1,277	1,697
Gross profit	**411**	**419**	**1,229**	**1,277**	**1,697**
General and administration expenses	-3,042	-2,166	-8,315	-4,519	-8,294
Other operating expenses	-8	-	-23	-	-46
Total operating expenses	**-3,050**	**-2,166**	**-8,338**	**-4,519**	**-8,340**
Operating income	**-2,639**	**-1,747**	**-7,108**	**-3,242**	**-6,643**
Net financial items	-50,002	479	-50,005	469	-65,624
Profit after financial items	**-52,641**	**-1,268**	**-57,113**	**-2,772**	**-72,267**
Tax on profit for the period	-	-	-	-	-
Profit for the period	**-52,641**	**-1,268**	**-57,113**	**-2,772**	**-72,267**

Condensed Statement of Comprehensive Income of Parent Company

TSEK	2021 Jul-Sep	2020 Jul-Sep	2020 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Profit for the period	-52,641	-1,268	-57,113	-2,772	-72,267
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-52,641**	**-1,268**	**-57,113**	**-2,772**	**-72,267**

Condensed Statement of Financial Position of Parent Company

TSEK	9/30/2021	9/30/2020	12/31/2020
Assets			
Non-current assets			
Financial assets	24,419	90,753	24,469
Total non-current assets	**24,419**	**90,753**	**24,469**
Current assets			
Other receivables	445	442	756
Prepaid expenses	151	220	0
Cash and cash equivalents	24,101	8,337	5,843
Total current assets	**24,697**	**8,999**	**6,599**
Total assets	**49,116**	**99,752**	**31,068**
Equity and liabilities			
Restricted equity			
Share capital	3,251	3,051	3,051
Non-restricted equity			
Other paid-in capital	170,387	96,187	96,187
Accumulated profit/loss	-57,113	-2,772	-72,267
Total equity	**44,257**	**96,465**	**26,971**
Current liabilities			
Accounts payable	320	340	1,198
Other liabilities	255	0	231
Accrued expenses	4,284	2,946	2,669
Total current liabilities	**4,859**	**3,287**	**4,097**
Total equity and liabilities	**49,116**	**99,752**	**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.

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. 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 Assessments and estimates

Preparing the financial statements in accordance with IFRS requires management to make assessments and estimates and make assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates. The estimates and assumptions are evaluated on an ongoing basis. Changes in estimates are recognized in the period in which the change is made if the change only affected that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

Going concern

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 of Directors has assessed the company's financial position and determined that it is currently well funded and equipped to manage the portfolio of projects with acceptable operational risk.

Note 4 – 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.

Note 5 – Closely Related Party Transactions

During the period, compensation to the company's senior executives and directors have been paid according to policy. No other closely related party transactions have occurred.

Note 6 – Financial instruments

TSEK	09/30/2021	09/30/2020	12/31/2020
Financial assets			
Non-current financial assets	277	200	264
Other current receivables	–	–	–
Cash and cash equivalents	44,402	26,151	14,548
Total financial assets	**44,678**	**26,351**	**14,812**
Financial liabilities	**09/30/2021**	**09/30/2020**	**12/31/2020**
Accounts payable	7,445	4,669	2,775
Other current liabilities	–	–	–
Accruals	4,950	2,957	2,756
Total financial liabilities	**12,395**	**7,626**	**5,531**

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 7 – Key Performance Indicators

	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Registered shares, opening	26,006,295	19,566,435	24,406,295	19,566,435	19,566,435
Registered shares, closing	26,006,295	24,406,295	26,006,295	24,406,295	24,406,295
Share Capital, closing, TSEK	3,251	3,051	3,251	3,051	3,051
Equity, TSEK	47,217	24,918	47,217	15,868	15,868
Earnings per share, SEK	-0,70	-0,87	-1,67	-0,87	-1,23
Operating profit/loss, TSEK	-20,885	-9,091	-50,546	-21,470	-31,285
Research & Development costs, TSEK	-16,259	-6,902	-40,284	-16,955	-22,788
R&D/Operating Expenses, %	78%	76%	80%	79%	73%

Not 8 Shareholder Contribution

The Parent Company provides shareholder contribution to the affiliate with the purpose of covering the affiliates costs for research and development. In Q3 2021, a full-year contribution of 50 MSEK was provided and expensed. The cost is reported in the Income Statement under Net financial items. The accounting treatment in the Parent Company reflects the Group principle, where R&D is expensed. Please refer to the Annual Report 2020 for more information.

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, November 12, 2021

Torbjörn Bjerke
Styrelseordförande

Marina Bozilenko
Styrelseledamot

John Haurum
Styrelseledamot

Terje Kalland
Styrelseledamot

Uli Hacksell
Styrelseledamot

Thomas Jonassen
Styrelseledamot

Jeppe Øvlesen

VD

Report from the Company's Auditor

To the Board of Directors of SynAct Pharma AB
Corporate registration number: 559058-4826

Introduction

We have conducted a summary review of the financial information in summary (interim report) for SynAct Pharma AB as of September 30, 2021, and of the nine-month period ending as of that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The nature and the scope of the review

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

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

Conclusion

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

Helsingborg, November 12, 2021

Mazars AB

Bengt Ekenberg
Certified Public Accountant

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

c/o Medicon Village AB,

Scheelevägen 2, 223 81 Lund, Sverige

www.synactpharma.se