

Presented and adopted at the Annual General Meeting
22 May 2024

Henrik Laursen
Chair of the meeting

Annual Report 2023

We envision a world where patients with chronic viral infections can live a full life again

Our purpose

Live life again

Synklino's first-in-class drug candidate SYN002 aims to change the current antiviral treatment paradigm by providing radically different therapeutic opportunities and a path for transplant recipients to live a full life again.

Vision

A world where patients with chronic viral infections can live a full life again.

Mission

Develop transformative therapies for the elimination of the risk for chronic viral diseases. Initially, by developing a safe and efficacious drug for the elimination of cytomegalovirus in high-risk immunocompromised patients and transplant recipients.

1

OUR AMBITION

Establish a market leader

Fuel a pipeline with innovative, differentia
chronic viral infections, based on our core

Become a preferred partner for discovery
chronic infectious diseases space.

2

OUR WORKING PHILOSOPHY

Advancing scientific excel
therapies utilising an exclu

- Our science – focused, balanced & with
- Our therapies – addressing unmet med
  attractive markets
- Our partners – ambitious, excellent & c

3

OUR VALUE PROPOSITION

Improving the life of trans

Transplantation is intended to give patient
cytomegalovirus (CMV) triggered by the t
devastating to patient outcomes. SYN002
patients and ensure their ability to enjoy a
inating the risk of CMV infection, either by
transplantation or by treating the recipien

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LETTER FROM THE CHAIR AND CEO

Preparing for clinical development

The aim with SYN002 is to develop a first-in-class breakthrough treatment and with the final pre-clinical studies ongoing, we are on track to take the next major step.



2024 will be a transformative year for Synklino and we are very excited about what's ahead of us. We aim at becoming a clinical stage company following expected submission of clinical trial applications for SYN002 in both *in vivo* and *ex vivo* clinical trials. First-in-human dosing is a milestone for any biotechnology company, and with the challenging 2023 behind us, we look into the future with confidence and excitement.

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We were encouraged by the impressive efficacy data for single-dosed SYN002 in living human kidneys that supplemented the already obtained positive efficacy data in human lungs.

This is only possible due to the dedication, professionalism and hard work provided by all in our organisation. We sincerely thank all of you for your continued engagement and extend our gratitude to our collaboration partners and investors.

We entered 2023 with the ambition to become a clinical stage company in 2024, and we remained true to that commitment throughout the year despite uncertainties and setbacks in the first half-year. We were encouraged by the impressive efficacy data for single-dosed SYN002 in living human kidneys that supplemented the already obtained positive efficacy data in human lungs.

Importantly, the understanding of the toxicology profile developed over the year has allowed us to define a clinical development plan for SYN002 starting with an *in vivo* phase 1 study in patients at the risk of CMV activation and including an *ex vivo* phase 1 study. The pivotal GLP toxicology study in cynomolgus monkey is ongoing, and all dosing of monkeys has been successfully completed, whereas the analytical results are awaiting. Another GLP study in rats is planned for later in 2024.

We also achieved major milestones in our CMC as we successfully manufactured the first GMP drug product batch of SYN002, which means that we have secured sufficient supply of drug product for the planned phase 1 studies in patients.

We plan to submit a CTA for SYN002 in the second half of 2024 subject to obtaining sufficient funding and completion of the GLP toxicology studies with positive outcomes.

With an organisation competent of advancing Synklino into becoming a clinical state company, we plan to further scale our capabilities to execute our clinical development plans during 2024. This means certain additional staffing and further interactions with key opinion leaders and partners.

Synklino's discovery platform holds the potential to support a pipeline of novel drug candidates. While we are currently focusing all our efforts on advancing SYN002 into clinical development, we remain committed to utilizing our technology and knowledge to address indications with no approved therapeutics or inadequate treatment options, especially within chronic viral infections where persistent presence of the virus as seen with latency constitutes a medical challenge.

In 2023, we have also been working diligently with our sustainability efforts. Synklino is still a small company, but responsibility is not related to size, and we are dedicated to make a difference where we can within the areas of patient outcomes, business ethics, human rights and people as well as climate and the environment. Notably, we have integrated a detailed list of sustainability measures into our vendor selection process, calculated our carbon footprint for all relevant categories in the Greenhouse Gas Protocol and an employee survey revealed a high level of employee satisfaction. As of year-end 2023, women accounted for 60% of our workforce and 20% of our management positions. In our Board of Directors, 25% are women. As Synklino strives for gender diversity at all levels of the organization, we will work to obtain a more balanced gender split at leadership levels.

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Thon
CEO &

At a glance

Synklino is a Danish biotech company developing drugs to cure chronic viral infections with immediate focus on ground-breaking therapies against cytomegalovirus (CMV), a devastating viral infection in immunocompromised patients.

Synklino's first-in-class drug candidate SYN002 is expected to enter first-in-human trials in 2024, and targets both lytic and latent CMV infection in transplant patients. Thus, it aims at providing radically different therapeutic opportunities and a path for transplant recipients to live a full life again. Our platform technology holds the potential for expansion into treatment of other chronic viral infectious diseases. Synklino is a privately held company with a solid shareholder base including renowned life science investors, such as PKA, Vækstfonden and Eir Ventures.

100 years

Management's life science experience

94 mDKK

Cash and bonds as of 31 December 2023

100,000

CMV at-risk transplant patients annually

SY

Our groun

First-in-class market opportunity

Two-pronged product strategy

90%

Share of organisation with master/Ph.D. degree or highe

Our business model

Our focus is on discovery and early clinical development of treatments for well-defined patient populations suggesting relevant commercial opportunities. We aim to retain ownership of product candidates through to proof of concept after which we expect to partner with established pharma companies for late-stage development and commercialisation.

Resources

- Key competencies within early drug development
- Strong board and executive leadership
- Financial resources and supportive ownership
- Established relationships with top academic centers

How we create value

Pipeline with innovative, highly differentiated, and valuable drug candi
viral infections based on core technology platform

Our Science
Novel therapeutic paradigm to cure chronic viral infections

Our Technology
Building a broad and valuable portfolio of novel and proprietary drug candidates

Early C
Clear de
plan wit
to proof

Value realised

Partner with established pharma companies for late-stage development and commercialisation

Patients
Patients enabled to live a full life again

Clinicians
Reduced morbidity and improved outcomes

Payers
Fewer readmissions and lower treatment costs

Investors
Attractive investment opportunity

Achievements in 2023 and 2024 key priorities

BUSINESS ACTIVITY

Research and Development	Business Development	Capital Structure	Organisation
KEY ACHIEVEMENTS 2023			
Efficacy data generated for SYN002 from studies in living human kidneys Preclinical safety and pharmacology studies performed to enable GLP toxicology studies for SYN002 early 2024 GMP production of the SYN002 drug product released and ready for use in clinical trials	Relationships with potential partners for Synklino has been nurtured with ongoing dialogues	Initiated dialogue on upcoming financing with current key investors and potential new investors	Strengthened the organisatio to prepare for clinical trials in 2024 e.g., CMO
KEY PRIORITIES 2024			
Conduct GLP toxicology studies for SYN002 to enable Clinical Trails Applications for SYN002 Submit Clinical Trails Application for SYN002 in *in vivo*	Identify, create, and execute opportunities for partner-ships and collaborations to support Synklino's strategic development	Secure funding for Clinical Trial Applications and planned clinical studies to be initiated in 2024 and conducted during subsequent years	Scale organisation to execute clinical development plan

Business and strategy



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CMV

the disease and target groups

Human cytomegalovirus (CMV) is a -herpes-virus. Like all herpesvirus, CMV establishes life-long, latent infection and there is currently no cure for CMV. Throughout life, CMV can reactivate from latency and cause an active lytic infection. Normally, a healthy person's immune system keeps the virus from causing illness and most people will never know they have CMV. If the immune system is weakened or suppressed, as is the case with solid organ, stem cell or bone marrow transplantation, CMV is a major cause for concern and can be fatal if not controlled. CMV reactivation from latency is a major health risk in transplant recipients due to the need for concomitant immunosuppressive therapy.

When patients have an active infection with CMV, the symptoms can include, high fever, swollen lymph nodes, rash, fatigue, and a sore throat.

Patients with a normal functioning immune system can control CMV infection and drive it back to latency. Immunocompromised patients are less able to do this and are at much higher risk of significant morbidity and mortality. Active CMV infection in immunosuppressed patients, including transplant patients, can lead to various CMV disease manifestations including graft organ rejection and death. For transplant patients, CMV results in doubling rates of rehos-pitalisation, incurring 50% increase in transplant costs and tripling the risk of death after trans-plantation of vital organs.

The transplantation market

Around 100,000 solid organ and stem cell trans-plants are performed annually, and the number is growing by 3-5 % annually.

100,000 at risk transplant patients every year. High-risk patients are recipients of solid organs from CM (D+/R- profile) and CMV-positive r transplants (R+) irrespective of the

CMV is a serious disease in immunoc

Very common
human pathogen

DNA virus
of the herpesvirus family

60% of all humans
have a life-long persistent CMV infection

Immunosuppression
leads to virus reactivation from latency

CMV lifecycle chang

Initial Infection

(R

Late
drive
reac

Solid organ transplants[1]



Hematopoietic stem cell transplants (allogenic)



1. 2022, http://www.transplant-observatory.org;
2. 2022, https://www.ebmt.org
3. 2022, https://cibmtr.org

Head of discovery Mads G. Jeppesen and chief scientist Mette Rosenkilde



SYN002

First-in-class drug candidate

With the limited efficacy of currently available CMV drugs, around 30% of treated transplant patients experience clinically significant CMV breakthrough infection. SYN002 has the potential to become a functional cure for CMV, as it targets both lytic and latent CMV infection. Currently approved standard of care antiviral treatments only targets the lytic infected cells and have not shown any impact on the latently infected cell reservoirs.

SYN002 is expected to be highly efficacious and potent on the lytic infected cells, also compared with standard of care antiviral therapeutics, and given the compound's unique mechanism of action, SYN002 has the potential to eliminate the risk of CMV infection and reactivation in immunocompromised transplant recipients.

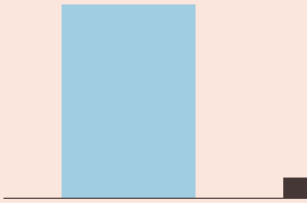
Currently approved antiviral therapeutics have proven efficacious in supressing active infection only after administration for an extended period of 100–200 days. The extended treatment schedules, combined with limited efficacy, increases the risk of resistance development. SYN002, on the contrary, is fast acting with full efficacy anticipated within hours or days. It targets the latent virus (which is not replicating), why short-term treatment with SYN002 is expected to result in a lower risk of resistance development compared with standard of care. Furthermore, SYN002 has been shown to have full efficacy on CMV strains resistant to standard of care.

"The key feature of SYN002 is its potential to eradicate both latent and lytic CMV."

Christina Hjæresen,
CMC Project Director



SYN002 is efficient in reducing reacti



Latent CMV infection is **reduc**
after single dose treatment w
and high dose respectively

SYN002 addresses all unmet medical needs

SYN002

HIGH
Efficacy

Potent cell killing characteristics are expected to translate into higher efficacy in CMV infection control

FASTER
Treatment

Treating for days/weeks instead of months leading to improved compliance

CURATIVE
Potential

Targets all infected cell reservoirs, thus preventing reactivation

Standard of care

POOR
Efficacy

~30% of transplant patients develop clinically significant CMV infection

LONG
Treatment

Dosing for a period of 100–200 days, leading to suboptimal patient compliance

NO CURATIVE
Potential

No activity against latent virus and therefore no potential to functionally cure CMV, since reactivation is a continuous risk

Recent progress and the way forward for SYN002

SYN002 is considered a candidate for future standard of care in post-transplant prophylaxis of CMV reactivation based on its first-in-class potential to target latently CMV infected cells

SYN002 development
Our SYN002 drug candidate has the potential to be developed for use in different ways in the treatment of patients at risk of CMV reactivation. Patients can be treated after organ transplantation (*in vivo*), or alternatively the organ itself can be treated before transplantation (*ex vivo*).

SYN002 is considered a candidate for future standard of care in post-transplant prophylaxis of CMV reactivation based on its first-in-class potential to target and significantly reduce the number of latently infected cells, when used as an *in vivo* treatment of the patient. This will address the risk to the patient posed by the patient's own latent infection with CMV as well as the potential CMV being carried to the patient through the transplanted organ. The latent CMV infection in combination with the needed immunosuppression therapy following transplantation is a challenge as the immunosuppression inhibits the patient's natural immune response

SYN002

Our groundbreaking CMV drug candidate



Project director Fredrika Carlsson and principal scientist Christoffer Søndergaard

and compromises the control of reactivation from latency. SYN002 uniquely targets the latent infection and hence the risk itself.

Ex vivo treatment of organs by SYN002 is a unique way of targeting CMV before it is carried to the patient. By removing latent infection from the organ prior to transplantation, we will significantly reduce the risk of viral reactivation in the patient receiving the organ. This is especially a risk for patients who do not already have a latent infection, and therefore have a weak immune response to CMV coming from a transplanted organ.

Current standard of care options is administered *in vivo* after the transplantation procedure and only address CMV infection once it is reactivated. But at this stage, the infection has already affected the receiving patient. The unique opportunity to treat latent CMV prior to activation, and to treat organs with SYN002 prior to transplantation, are factors significantly reducing the risk of CMV reactivation in the patient, which is a highly differentiating factor for SYN002.

Pharmacology studies

In 2023, the efficacy of SYN002 has been shown in human kidneys. These positive findings complement the data we already have from treatment in human lungs. The studies in human kidneys have demonstrated SYN002's ability to significantly reduce latent CMV load, without any signs of adverse effects. We are continuously conducting *ex vivo* studies in different organs, exploring the relevant dosing regimen, efficacy, and potential toxicological effects. All the organs that we use in these preclinical studies are donated to science, as they are not fit for transplantation to patients. We are very grateful for these organs, as they constitute a unique translational model to build the understanding of SYN002 efficacy, toxicology and optimal dosing, and they help us develop the clinical protocols for the benefit of patients to be enrolled in the first clinical trials.

Toxicology studies

Over the last year we have done extensive toxicology studies to understand the toxicology profile of SYN002, and the optimal way of dosing the drug candidate for maximum tolerance. We have gained a good understanding, which has allowed us to define the regulatory GLP toxicology programme for SYN002. The GLP toxicology programme is a combination of a large study in Cynomolgus monkey and a study in rats, where doses and design are based on the dose range finding studies conducted in 2023. The pivotal toxicology study in Cynomolgus monkey is ongoing, and all dosing of monkeys has been successfully completed, whereas the analytical results are awaiting. The study in rats is planned for later in 2024.

The understanding of the toxicology profile that we have developed over the year has also allowed us to adjust the clinical development plan, and we anticipate starting phase 1 studies in patients at risk of CMV reactivation.

CMC activities

In 2023, we successfully completed the development of a process to manufacture the SYN002 product for use in phase 1 / phase 2 studies. This allowed us to produce the first GMP batch of, SYN002 bulk (drug substance), as well as the initial batch of filled vials to be used for clinical studies (the Drug Product). We now have 2,000 vials ready for clinical studies and expect it to provide sufficient supply for the planned phase In 2023, we successfully completed the development of a process to manufacture the SYN002 product for use in phase 1 / phase 2 studies. This allowed us to produce the first GMP batch of, SYN002 bulk (drug substance), as well as the initial batch of filled vials to be used for clinical studies (the Drug Product). We now have 2,000 vials ready for clinical studies and expect it to provide sufficient supply for the planned phase 1 studies.





Interview with CMO Ian McGowan

With Ian's global experience in conducting Phase 1 through Phase 3 drug development and his in-depth knowledge of translational immunology and virology research, Ian will lead the clinical strategy and project activities for SYN002. In this interview, Ian gives his thoughts on joining Synklino and working on SYN002.

Can you give us an overview of your professional journey prior to joining Synklino?
Basically, I'm a physician. After Medical School, I did a PhD at Oxford in immunology and a postdoc at UCLA. I started my journey in the industry working in antiviral drug development at GSK in London, and was then recruited to Gilead Sciences in San Francisco, where I led the clinical team developing Viread™, a drug that became the first of a new generation of safer and more effective HIV drugs. I then went back to academia working as a professor, first at UCLA and then Pittsburgh University. After that, we relocated back from America to Europe, where I've since held several CMO positions at different biotechnology companies.

What are your thoughts on SYN002 as a first-in-class drug candidate?
It has the potential to be transformative. Current strategies don't target the latent CMV viral reservoir, which is what makes SYN002 so exciting. After I left Gilead, they developed one of the first treatments to eradicate hepatitis C. Not treat it or supress it, but actually to eradicate the infection. It was a huge gamechanger because before that, patients only had very unpleasant and ineffective treatment strategies. I hope Synklino, and specifically SYN002, will have the same effect on the CMV reservoir.

What are your thoughts on SYN002's way into clinic?
First in-man studies are always very exciting, challenging because you never know quite what will happen. But I think with SYN002 we are generating a very solid foundation of pre-clinical data, to guide us to towards the clinic.

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Our science

SYN002 can identify and selectively bind to US28, a protein exclusively expressed on CMV infected cells and involved in the regulation of viral latency and reactivation. SYN002 is internalised into infected cells, which are then killed.

By efficiently taking away latently infected cells after just 4–6 hours of *ex vivo* therapy in living human lungs and kidneys, SYN002 holds the potential to eliminate the risk for CMV infection in solid organ transplant patients.

Patent protection

SYN002 is protected at least until 2040, and we own the IP protecting SYN002. We have a granted US patent, an active patent application covering composition of matter of central improvements of the technology, and we have an active application covering the use of the drug candidate in organ perfusion systems broadly.

"A drug that hits the lytic and latent virus would be extremely exciting if it wipes out CMV and also prevents late reactivation."

Key opinion leader

US28 is a novel CMV-specific target

Chemokine



US28

Innov

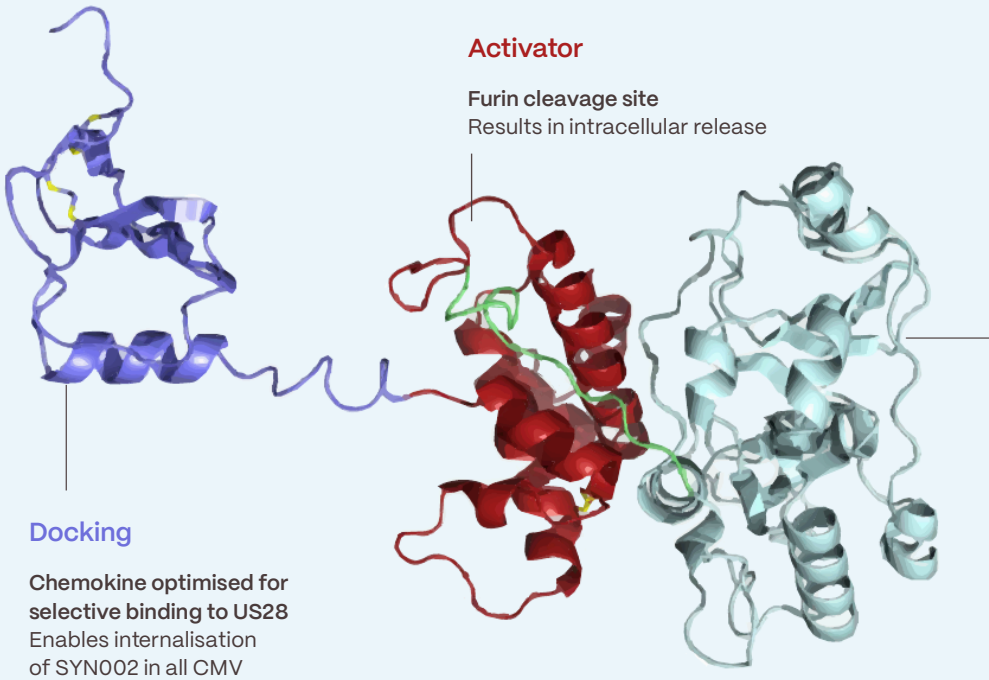
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Our patented SYN002 drug candidate

Safe and targeted

SELECTIVELY kills infected cells, without impacting organ function



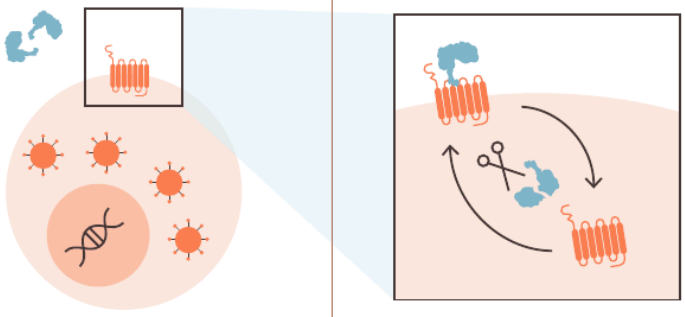
Activator

Furin cleavage site
Results in intracellular release

Docking

Chemokine optimised for selective binding to US28
Enables internalisation of SYN002 in all CMV infected cells

Unique mode of action targeting both lytic and latent infection



Docking

SYN002 **binds** to CMV infected cells

Activator

SYN002 internalisation and **intracellular activation**

Toxic payload

CMV infected cells **killed by SYN002 payload**

Competitive

- The two major stand
  small molecules. The
  tions, resistance dev
  and compliance cha
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  upon completed trea
- Small molecule inhib
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- Cellular based immu
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Building a pipeline of innovative therapies

Synklino is based on a discovery platform for identification of novel viral targets and holds the potential to support a pipeline of novel and differentiated preclinical and clinical programs. The current scope is within indications with no approved therapeutics or inadequate treatment options, especially within chronic viral infections where persistent presence of the virus as seen with latency constitutes a medical challenge. Our focus is on discovery and early clinical development of treatments for well-defined patient populations and with relevant commercial opportunities. We aim to retain ownership of product candidates through to clinical proof of concept after which we expect to partner with established pharma companies for late-stage development and commercialisation.

Synklino's discovery platform holds the potential to support a pipeline of novel drug candidates

Platform and research

Synklino's innovative bioinformatic platform allows for fast identification of relevant viral targets. Combined with our unique scout technology, we can quickly screen and confirm compatibility between the mode of action (MoA) of Synklino's technology and the drug targets. This approach reduces the time and resources required to advance a potential drug target from discovery to a new drug in development. Additionally, it brings new targets into Synklino's discovery that would otherwise be difficult to single out using more traditional target screening approaches.

Our discov

Aim

- Utilise our platfo
  relevant targets
- Mature lead can
  collaboration wit
- Develop therapie
  reservoirs of chr

Target identificat

- Viruses within tra
- Chronic viral infe

Lead generation

- Extended use of
  lead generation a
- Partner with scie
  disease indicatio

Lead selection

- Target and virus
  collaboration wit

Understanding Synklino

Small encyclopedia of CMV and Synklino

Preclinical development

Preclinical studies are conducted to understand the effect and potency of the drug candidate and to determine a safe starting dose for first-in-human studies. The potential toxicity is assessed before moving into clinical trials in humans. Toxicity, safety, and efficacy is investigated by using cell cultures and/or laboratory animals. In addition, a manufacturing process for the candidate drug is developed.

GLP

Good Laboratory Practice (GLP) refers to a quality standard covering the processes and conditions under which nonclinical laboratory studies are planned, performed, monitored, recorded, reported, and archived. GLP ensures the quality and integrity of safety data submitted to the relevant authorities. Toxicology studies are some of the studies conducted under the GLP standard. The toxicology studies are performed to understand the onset, degree of severity, and time length up to which a particular dose of a drug demonstrates any toxic effects.

GMP

The drug is manufactured under GMP regulations to ensure the safety of patients that will receive the drug in clinical development.

Good Manufacturing Practices (GMP) refers to a quality standard ensuring that patients receive medicinal products of high quality. Compliance with these quality standards is imperative during the manufacture, processing, packaging, and storage of medicinal products. The goal is to have safe and effective drug to provide to patients in clinical trials and on the market.

CMC

Chemistry, manufacturing, and controls (CMC) is the set of manufacturing practices and product specifications that must be followed and met to ensure continued product safety and consistency. CMC development also covers studies to show the stability during storage and use. A CMC manufacturing process for the active ingredient as well as the formulated and filled product must be established before testing a medicinal product in humans, and before filing a clinical trial application. CMC development begins after a drug candidate is identified and continues through all remaining stages of drug development.

Clinical trial application (CTA) and Investigational New Drug Application (IND)

A Clinical Trial Application (CTA) in, e.g., EU and Canada or an Investigational New Drug Application (IND) in USA, is a submission to a designated national regulatory authority for obtaining authorisation to conduct a clinical trial in a specific country. It contains all necessary information on a potential new drug for the health authorities to provide clearance for testing the investigational medicinal product in human clinical trials, including for the assessment of the benefit/ risk ratio of the study. The CTA contains information about the nonclinical studies, CMC and the clinical protocol



describing how the drug will be tested in humans, and how safety and efficacy will be determined and monitored.

Therapeutic window

The dose range of a drug that provides a safe and effective therapy. Generally, at low concentrations, a drug runs the risk of being ineffective, and at high concentrations, the risk of adverse effects is increased. Dosing regimens are designed to maintain drug concentrations within therapeutic windows, maximising efficacy, and minimising side effects. Both the amount of drug dosed, and the frequency of dosing play a role in determining the optimal therapeutic window.

organ perfusion

Ex vivo organ treatment has been initially introduced to preserve donor organs until transplantation into the recipient (simple storage on ice). *Ex vivo* organ tre
sion of the donor organ
organ function and acc
uous perfusion of donor
sion allows improved st
of critical organ functio
improvements of organ
temperature) perfusion
ucts or perfusion soluti
and even therapeutics,
function and its longevi
vivo machine perfusion
planted organs via impr
acceptance for transpla
for a positive outcome

Head of discovery Mads G. Jeppesen and chief scientist Mette Rosenkilde



Functional cure

The goal of a functional
body to a level where it
and disease. The virus is
ment, but the remaining
activities are controlled
system without requirin
cation. In CMV it means
producing cells and red
makes it impossible for
disease. This would resu
with standard virus dete

Sustainability and ESG

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ESG highlights 2023

62%

Waste recycling rate

0

Occupational accidents

90%

The fraction of our employees' commute that is travelled via public transport or bike

Gender ratio

In the workplace:



60% Female

40% Male

In management:



20% Female

80% Male



100%

Renewable Energy Certificate (REC) covering 100% of electricity consumption

5 to

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1,9

CO_2e Scop

91

per emplo

Sustainability and ESG

Synklino is developing transformative therapies with the mission to ensure that patients with chronic viral infections can live a full life again.

We aspire to exert a positive effect on health that extends beyond our products. Recognising that our operational footprint influences the well-being of future generations, we are committed to upholding Environmental, Social, and Governance (ESG) principles.

To ensure that our sustainability efforts have the greatest impact on the environment as well as on our business we conducted a double materiality assessment in 2022, identifying four key sustainability topics: patient outcomes and ethics; business ethics; human rights and people; and climate and environment. Centring our efforts on these areas supports us in effectively creating meaningful impact on patients' lives, upholding high ethical business practices, supporting human rights, and minimising our carbon footprint.

Consequent to the materiality assessment, we established six goals for 2023 across the sustainability topics, all of which we have successfully attained. Notably, the calculation of our carbon footprint stands out as a significant achievement. The calculations mark the beginning of Synklino's journey towards data supported climate action.

In the following sections we describe our ambitions, efforts, and goals within each of the four sustainability areas.

Synklino's four key sustainability topics:

- Patient outcomes and ethics
- Business ethics
- Human rights and people
- Climate and environment

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Patient outcomes and ethics

At Synklino we envision a world where patients with chronic viral infections can live a full life again. With expected high efficacy, shorter treatment period and a curative potential, our drug candidate SYN002 addresses all unmet medical needs for the CMV at-risk transplant patients while reducing costs associated with rehospitalisation and graft organ rejection. Synklino therefore has the prospect of greatly reducing the suffering, life-long health challenges and mortality risk of thousands of patients annually.

At Synklino, our commitment to sustainability extends beyond internal practices, promoting sustainable practices along our value chain. In 2023 we integrated a detailed list of sustainability measures into our vendor selection process, reaching our goal of establishing a procedure for evaluating vendors' ESG performance. The list serves as an assessment tool on ESG maturity and outlines precise expectations to vendors' environmental efforts, workplace conditions and management practices. For 2024 we plan to communicate our expectations to existing vendors and business partners, ensuring our ethical values align with all our collaborators.

In 2023, Synklino accomplished the establishment of a Quality Management System (QMS), further enhancing our operational integrity. This system includes the development and maintenance of Standard Operating Procedures across critical functions as well as a system to document training for non-QMS procedures.



Synklino contributes to healthy lives and may allow patients to live life again.

Our goal fo

1 Expand sustai
cover existing
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sustainability

Business ethics

We are committed to upholding the highest ethical standards throughout our operations and expect the same standards along our value chain. This is now clearly reflected in our updated vendor selection process aligned with sustainability expectations.

Our goals for 2023 were to introduce policies and training programmes to ensure the security and confidentiality of sensitive information, all of which were achieved. Firstly, we devised comprehensive policies encompassing GDPR compliance, trade secret protection and confidentiality guidelines, which were accompanied by staff training. This initiative has reinforced our data security measures, ensuring robust protection for sensitive information intrusted to us. Secondly, we introduced a training program dedicated to intellectual property and patent rights for our research and development team. This has equipped our staff with insights into safeguarding our innovative ideas, fostering a culture of preserving and respecting intellectual property rights within Synklino.

In 2023, we updated our employee handbook to address sideline occupation, information on Health Insurance Program, as well as serious breaches of the law and serious offences, including our new whistleblower system.

For 2024 we are building upon our code of ethics regarding gifts, so that it also includes hospitality and clearly delineates when gift-giving is perceived as bribery.



Synklino aims at contributing to a business environment with high ethical standards along with refraining from bribery and corruption.

Our goals f

1 Enhance proc
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Human rights and people

At Synklino, we maintain a commitment to create a workplace environment that supports human rights and upholds equal opportunities for all. We believe that promoting a diverse, inclusive, and safe workspace is foundational for our success.

In 2023, we realised our goal of constructing an occupational health and safety policy. The policy was devised based on a thorough workplace assessment, addressing both physical and mental well-being at Synklino. The survey results revealed a high level of employee satisfaction, aligning closely with the national average (NOA-L 2021), and reported zero incidents of discrimination or occupational accidents. While celebrating these successes, we remain committed to constant enhancement. Looking ahead to 2024, our focus is on introducing an annual employee satisfaction survey, reinforcing our dedication to continuous improvement and a thriving work environment.

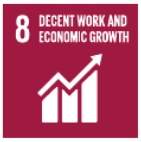
As of year-end 2023, women accounted for 60% of our workforce, 20% of our management positions, and 25% serving on our board of directors are women. We are committed to fostering diversity within our organisation and recognise the importance of continued efforts to address gender representation across all level.

Our goal fo

1 Develop and i
employee sati



Synklino strives for gender diversity at all levels of the organisation.



Synklino is committed to promoting a safe and healthy work environment, as well as respecting human rights and labor standards.

Climate and environment

2023 marked a significant environmental milestone for us as we realised our goal of calculating and reporting our greenhouse gas (GHG) emissions. We managed to calculate our carbon footprint for all relevant categories of the Greenhouse Gas Protocol, including Scope 2 as well as six Scope 3 categories: purchased goods and services, capital goods, other fuel and energy-related activities, upstream transportation and distribution, waste, business travel, employee commuting, and upstream leased assets. This achievement established the foundation for taking tangible steps towards reducing our climate impact. Our carbon footprint analysis revealed insights aligning us with companies of similar stature, underscoring our commitment to benchmarking against industry standards.

Looking ahead to 2024 our focus turns to action. We aim for implementing carbon reduction initiatives, specifically in transportation and procurement, and will inspire our employees to adopt sustainable behaviours that extend beyond the workplace. Furthermore, Synklino remains resolute in exploring opportunities to embed ESG principles into our operations. A key element of this involves updating our chart of accounts, ensuring it fully supports GHG data collection.

What is Scope 1, 2 and 3?

Scope 1: Direct greenhouse gas emissions from a company's own sources, such as factories and vehicles.

Scope 2: Indirect greenhouse gas emissions from externally purchased electricity, steam, or heat consumed by the company.

Scope 3: Other indirect greenhouse gas emissions arising from a company's activities but outside its direct control, like supplier emissions, waste disposal, and employee commuting.

Our goals f

1. Develop initiat footprint base GHG-report.
2. Cultivate emp sustainability eco-conscio



Synklino aims at continuously reducing our impact on the environment while openly communicating our progress.



Synklino i report, ar gas (GHG

Figures of ESG performance 2023

Environmental performance

	Unit	2023
Total emissions		
Scope 1 emissions	Tonnes CO_2e	0
Scope 2 emissions (location-based)	Tonnes CO_2e	5
Scope 3 emissions	Tonnes CO_2e	1,998
Total CO_2e emissions (Scope 2 + 3)	Tonnes CO_2e	2,003
Total CO_2e emissions per employee	Tonnes CO_2e	91
Emissions by Scope 3 category		
Category 1 (purchased goods and services) emissions	Tonnes CO_2e	1,958
Category 2 (capital goods) emissions	Tonnes CO_2e	11
Category 3 (other fuel and energy-related activities) emissions	Tonnes CO_2e	3
Category 4 (upstream transportation and distribution) emissions	Tonnes CO_2e	0
Category 5 (waste) emissions	Tonnes CO_2e	1
Category 6 (business travel) emissions	Tonnes CO_2e	12
Category 7 (employee commuting) emissions	Tonnes CO_2e	12
Category 8 (upstream leased assets) emissions	Tonnes CO_2e	2
Electricity emissions		
Electricity emissions (location-based)	Tonnes CO_2e	1
Electricity emissions (market-based)	Tonnes CO_2e	0
Waste		
Waste production	Tonnes	1
Recycling rate	%	62
Resources		
Total energy consumption	Gj	435
Renewable energy share	%	100
Water consumption	m^3	59

Social and governance performance

	Unit
Gender diversity	
Total headcount at year-end	number
Gender split, total headcount	% f/m
Gender split, management	% f/m
Governance	
CEO pay ratio	times
Gender split, Board of directors	% f/m
Workforce age	
20-29 years	%
30-39 years	%
40-49 years	%
50-59 years	%
60-69 years	%
Academic or educational degrees	
Ph.D.	number
M.Sc.	number
Professional degree	number
Total	number

ESG performance

E

Environmental performance

In 2023, Scope 2 emissions amounted to 5.2 tonnes CO_2e, while for Scope 3 the number was 1,998. Thus, approximately 98% of our carbon footprint is associated with indirect emissions across our value chain (Scope 3) and is largely linked to our outsourced research and development operations. Since these emissions are estimated using a spend-based approach, emissions are linked to the financial value of the outsourced activities rather than the activities' actual carbon intensity. Consequently, the combination of an outsourcing business model and low data availability from our value chain have resulted in a high level of uncertainty and possibly skewed results with regards to the emissions in Scope 3. Moving forward, we aim to enhance the reliability of our emission estimations by gaining insights into our supply chain emissions, seeking better data transparency from our suppliers, and striving to incorporate more direct activity-based measurements into our assessments.

Regarding the internally manageable carbon footprint, in 2023 all our electricity was sourced from 100% renewable energy. The waste recycling rate was at 62%, positioning us favourably compared to other Danish pharmaceutical companies, and a great starting point for future recycling initiatives. 76% of the distance covered in the commutes of our staff was travelled using train transportation, while only 10% was travelled by car, demonstrating a significant environmentally friendly commuting behaviour that greatly surpasses the national average (Center for Transport Analytics, 2022).

S G

Social and governance performance

In 2023, our workforce increased with 25% and was characterised by an equal gender distribution and high educational level. The age distribution within the workforce exhibited a broader range and a more balanced spread compared to the previous year, that signals a diverse and inclusive age composition within the organisation. The CEO-to-worker pay ratio at 2.7 did not change significantly from last year, underscoring our commitment to fair compensation practices.

While our workforce maintains an equal gender distribution, there's a disparity at the board level, where male representation persists. Additionally, there's been a decline in female representation in management, altering the gender split as per regulatory standards. As a smaller company,

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Reporting principles

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Reporting principles for environmental performance

Synklino determines its carbon footprint based on the GHG protocol guidelines and include the greenhouse gasses addressed by the Kyoto Protocol (CO_2, CH4, N2O, HFCs, PFCs, SF6 and NF3) expressed collectively as CO_2 equivalents (CO_2e).

CO_2e emissions are calculated for Scope 2 and all relevant Scope 3 categories including purchased goods and services, capital goods, other fuel and energy-related activities, upstream transportation and distribution, waste, business travel, employee commuting and upstream leased assets. As of 2023 Synklino has no Scope 1 (direct) emissions, and no downstream Scope 3 emissions. Calculations primarily utilise emission factors from the "Klimakompasset" tool by the Danish Business Authority, unless otherwise stated.

The disclosures cover only Synklino HQ. Data on the environmental performance of our laboratory are not available since it is leased on an all-inclusive basis.

Total CO_2e emissions and total CO_2e emissions per employee

Total CO_2e emissions is the sum of Scope 2 and Scope 3, and CO_2e emissions per employee refers to total CO_2e emissions divided by the number of employees in Synklino at year-end.

Scope 2 – (externally purchased energy) and Scope 3 category 3 (other fuel and energy-related activities)

Scope 2 comprises of CO_2e emissions from purchased energy, specifically heat and electricity.

The disclosure on Scope 2 emissions is calculated as the total sum of emissions from electricity and heat. The supplier-provided emission factor for heat is 42,5 gCO_2e/kWh (Hofor 2022). The emission factor for electricity is 68,1gCO_2e/kWh and is based on the 2022 environmental declaration for Eastern Denmark (Energinet, 2022). The electricity emission factor used in the Scope 2 disclosure is determined using the location-based approach which reflects actual emissions based on local consumption. A disclosure on electricity emissions determined using the market-based approach is also reported, reflecting the purchase of energy attribute certificates. For Synklino, the market-based emission factor is 0 gCO_2e/kWh, since 100% of our electricity usage is sourced through Renewable Electricity Certificates (REC).

Scope 3 category 3 comprises of CO_2e emissions from the infrastructure and supply chain linked to the purchase of energy (such as the extraction, production, and transportation of fuels consumed in the generation of electricity and heat).

The disclosure on total energy consumption is measured as the total sum of electricity and heat expressed in kWh and is based on meter readings.

Scope 3 – (indirect emissions)

Scope 3 refers to Synklino's indirect CO_2e emissions, involving our value chain. Total Scope 3 emissions is calculated as the sum of the CO_2e emissions from seven categories relevant to Synklino: purchased goods and services, capital goods, other fuel and energy-related activities, upstream transportation and distribution, waste, busin
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on the size of Synklino's office space. CO_2e emissions are deduced using the waste-type specific method and covers Synklino HQ. The recycling rate is determined by aggregating the recycling rates for the individual waste types produced, excluding wastewater, based on information provided by the supplier (Marius Pedersen, 2024).

Category 6 – (business travel)
Business travel includes CO_2e emissions from business flights and taxis and is calculated using the distance-based method expressed in CO_2e emitted per person.km. Taxi use where no data on distance exists is excluded. Car rentals and parking are excluded as well.

Category 7 – (employee commuting)
Employee commuting includes CO_2e emissions associated with commuting by employees including closely associated consultants from their home to either Synklino HQ or Panum laboratory. Only employees who are physically present at least once a week at either work sites are included. Emissions are calculated using the distance-based method.

Category 8 – (upstream leased assets)
Upstream leased assets encompass CO_2e emissions associated with the utilisation of our leased freezer spaces. Emissions are estimated based on the financial expenditure related to the rented space.

Water consumption
Water consumption is estimated as 18% of the total water consumption of all tenants in the building, based on the size of Synklino's office space.

S G

Reporting principles for social and governance performance

Total headcount
Number of full-time employees and closely associated consultants calculated at year-end.

Gender split
Gender split expresses the ratio of women to men calculated at year-end.

Gender split management
Gender split expresses the ratio of women to men calculated at year-end. It includes all managers that have at least one direct report within their organisational structure.

CEO pay ratio
The CEO pay ratio is the ratio of the CEO's expensed total remuneration in a calendar year compared to the expensed average total remuneration for all employees in the company.

Workforce age
Age split is presented in 10-year increments based on total headcounts and year-end age.

Academic and educational degrees
Academic and educational achievements are based on the Danish Qualifications Framework (DQF) reference levels. If a person had more than one degree, the highest achieved academic or educational level according to DQF was given priority.



Corporate matters

35 Financial review
36 Governance and risk management
39 Management team
40 Board of directors



Financial review

Income statement

The Company recognised operating expenses of DKK 69.3 million (DKK 60.3 million) for the full year 2023. Operating expenses comprise staff costs of DKK 19.1 million (DKK 17.5 million) and other external expenses, primarily covering research and preclinical development costs, of DKK 49.2 million (DKK 42.4 million). The cost increase was due to the progression in preclinical activities, CMC activities and new hires.

The operating loss (EBIT) for the full year 2023 was DKK 69.3 million (DKK 60.3 million). Net financial items amounted to DKK 1.7 million (DKK –2.8 million), deriving mainly from change in fair value on embedded derivatives and interest on bank accounts and bonds.

The Company recognised a tax credit for 2023 of DKK 5.5 million (DKK 5.5 million). The tax credit has a positive effect on liquidity in 2024 in accordance with the R&D tax incentive, adopted by the Danish Parliament.

The net loss for the full year 2023 was DKK 62.1 million (DKK 57.5 million), which is in line with the Company's plans and expectations.

Cash flow

Operating cash flow for the full year 2023 was an outflow of DKK 64.4million (outflow of DKK 49.4 million). Total net cash flow for the full year 2023 was an inflow of DKK 5.0 million (outflow of DKK 41.9million).

The operating cash flow in 2023 is mainly explained by the loss for the year. Total cash flow is further explained by proceeds from maturity of bonds of DKK 70.4 million. In 2022 the total cash flow was further explained by an inflow from finance activities through the issue of shares of DKK 108.9 million which was partly offset by a cash outflow to investments in bonds DKK 100 million.

Investment in Danish mortgage bonds of DKK 100 million was performed in 2022 to mitigate risk of fluctuation in interest rates and maturity of bonds corresponds to planed use of cash i.e. maturity for the remaining bonds is primarily April 2024.

With the current cash position, Synklino has liquidity to fund the planned activities until mid-2024. Management is working to secure additional funding for activities preparing for Clinical Trials Applications expected later in 2024.

Management is in close dialogue with current key investors about a bridge financing comprising at least DKK 40 million with expected closing in April 2024, which will secure funding of the planned activities until February 2025.

Following the closing of the bridge financing, Management plans to secure further funding in Q4 2024 through private placements from new or existing shareholders, through non-dilutive grants or associated means, or a combination hereof.

Management has reasonable expectations to close the bridge financing in April 2024. In the event that the bridge financing is not closed, Management has prepared alternative budgets and activity plans that show that it is possible for the Company to reduce the activity level and reduce the need for liquidity to a lower level so that the current liquidity

Financial position

Total assets were DKK 1
December 2023. Cash a
million (DKK 58.7 million
(DKK 100.2 million). Tax
(DKK 5.5 million) and oth
to DKK 8.0 million (DKK
and prepayments on R&

Capital resources amou
million) consisting of ca
63.7 million (DKK 58.7 m
million (DKK 100.2 millio

The equity ratio was 80
equity was DKK 86.8 mi

Events after the bala

No events have occurre
materially affect Synkli

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Cash and marketable
ties as of 31 Decembe

Governance and risk management

Synklino conducts a strong risk management process that includes risk mapping, assessment of probabilities and impact, as well as mitigating actions.

Synklino A/S is a Danish, limited liability, privately owned company headquartered in Copenhagen, Denmark. We aim to maintain a well-balanced division of responsibility between the Board of Directors and Management and act with transparency towards investors, employees, and society. The Board of Directors has established an Audit Committee and a Remuneration and Nomination Committee, which work according to procedures established by the Board of Directors. The Board of Directors will establish additional specific board working groups when appropriate to assist the Board of Directors in discharging its duties.

Risk management

Various risk factors may have an adverse impact on Synklino's operations and therefore our results and financial position. Our strategy for risk management is to act proactively to limit undesirable impact on our result and financial position, to the extent possible.

Continuous evaluation of Synklino's risk profile, mitigating options and contingency plans facilitates a proactive risk management process, including identification and handling of risks. Key risks are first identified through a bottom-up process including description of the risks and mitigating actions taken to reduce either the likelihood of occurrence or the potential impact. Management team members are assigned risk owners with responsibility for monitoring and mitigating each of the risks.

Financing needs

Synklino has reported significant losses according to plan since we began operations and for the financial year 2023, we reported a loss of 67.6 MDKK (2022: DKK 63.0 million) before tax. Synklino's research and development efforts require significant investments, and we are thus dependent on our ability to raise capital in the future to finance our planned activities. Any delays in clinical trials or product development could negatively affect the cash flow. There is a risk that we will be unable to raise additional capital or other financing. This may lead to a temporary halt or otherwise have impact on the clinical development activities or result in Synklino operating at a slower rate than desired, which may affect the company's operations.

Synklino mitigates finan
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appropriate levels to ma
have strong relations wi
other players in the fina

With the current cash p
ised to fund the planned
for additional funding d
compound SYN002 tow
other activities.

Manufacturing of the

Synklino is manufacturi
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organisation Northway
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delay and/or increase in
product. During 2023, t
has been released and t
associated with the ma
and shelf life of the pro
standing of shelf life de
initial GMP batch. To mi
and drug product share
frozen, until we have ob
native storage conditio

Preclinical developm

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and/or increase in costs

Mitigation of the preclinical development risks is based on multiple measures. Synklino seeks to engage highly qualified scientific staff, consultants, and clinical research organisations (CRO). Synklino maintains close dialogue with relevant authorities to secure optimal path to approval of trial applications and compliance with GLP regulations etc. Synklino's quality management system also supports compliance with standards, rules and regulations.

Clinical trials

Clinical trials are associated with great uncertainty and risks regarding delays and the outcome of the studies. There is a risk that Synklino's planned future clinical trials will not indicate sufficient safety and efficacy in order for the Company's drug candidate SYN002 to be approved or in order for the Company to be able to out-license or sell the pharmaceutical projects at a later stage. Thus, there is a risk that this leads to a reduced or a lack of funds in the Company.

IT security

Synklino is a data-driven business depending on secure IT systems. Disruption or compromise of IT security due to cyber-attacks and cyber fraud could affect all parts of Synklino's operations. Failure to adequately protect the IT infrastructure and key systems against the risk of security incidents could potentially impact critical business processes.

Synklino mitigates IT security risks with appropriate protection from viruses and malware, and sensitive data is subject to restricted use. Synklino works with an external IT service provider on IT operations and cyber security. Synklino has implemented adequate data backup procedures including off-site data backup.



Key individuals and employees

Synklino is a young organisation with limited human resources. The success of Synklino depends on the ability to attract and retain qualified staff or key employees both nationally and internationally. Failure to do so could have a material adverse effect on our business processes.

Synklino mitigates risks by building a stronger organisation with more overlapping competencies. We also strive for a good working environment ar
market conditions.

Registration and lice

Synklino has not yet rec
for commercial sale and
generated any revenue.
tical drugs, authorisatio
take place at the approp



COO Jette W. Sen and
CMO Ian McGowan

such as the Food and Drug Administration (FDA) in the U.S. and the European Medicines Agency (EMA) in Europe. In the event Synklino, directly or via collaborative partners, fails to obtain or maintain the requisite permits, approvals and registrations from the governmental authorities, there is a risk that the company's ability to generate revenue will be inhibited. There is also a risk that applicable rules and regulations, and the interpretation of applicable rules and regulations, may change and these changes may be material. There is a risk that this will affect the company's prerequisites for meeting regulatory requirements.

Patents and other intellectual property rights

Synklino has applied for patents on the drug candidate SYN002 in Europe, USA, Canada and a number of other countries. Since patents and intellectual property rights have a limited- service life, there is a risk, that the existing and/or future patent portfolio and other intellectual property rights held by the company may not provide adequate commercial protection. Third parties could also challenge the validity of key patents for Synklino. Any invalidation of key patents would be detrimental to Synklino's ability to develop and commercialise SYN002. In order to develop and commercialise SYN002, Synklino may have to in-license further patents and intellectual property rights from third parties. Any license would come at a cost for Synklino and could negatively impact the business case for SYN002.

Synklino works closely w
the risk of patent infring
any potential patent infr

Sustainability and En
Governance (ESG)

Synklino, like any other
with sustainability and E
(ESG) factors. The key r
such as unintended lack
ronmental impact or saf
SYN002. The risks may
reputation, and ethical c
can lead to reputational
communication with sta
and mistrust. Thus, ther
Company's ability to att

Synklino mitigates the r
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Additional financial r

Please see note 15 for a



Manag

Romain Lalandes
PharmD, M.Sc.
Head of Business Development

Joined Synklino in 2021 as consultant. French nationality.

10+ years of experience in Business Development & Strategy in private and listed biotech companies. Consultant for several biotech companies and VC firms in Europe.

Carit Jacques Andersen
M.Sc. BA
Chief Financial Officer

Joined Synklino in 2021. Danish nationality.

20+ years of pharmaceutical and biotech experience as a financial leader with several CFO positions. Experienced in taking companies public on the Nordic stock exchanges and managing listed companies.

Ian McGowan
Ph.D.
Chief Medical Officer

Joined Synklino in 2023 as consultant. British nationality.

+15 years of global experience conducting phase 1 through phase 3 drug development across multiple therapeutic areas. Ian brings a wealth of knowledge and experience within translational immunology and virology research.

Jette Wagtberg Sen
Ph.D.
Chief Operating Officer

Joined Synklino in 2019. Danish nationality.

15+ years experience within drug development, operations and CMC. Former Senior Director at Symphogen A/S. Experienced in directing biopharma companies' transition from discovery to development as well as building and leading successful teams

Board of Directors



John Haurum

M.D., D. Phil

Chair of the Board, independent

First elected to the Board in 2019, Danish nationality

Profile and special competencies
Previously CEO of F-star, VP Research at ImClone Systems (a whollyowned Eli Lilly subsidiary), CSO and co-founder of Symphogen.

Current positions
ADCendo (C), AgomAb (C), CatalYm (C), Neophore (B), Solid Therapeutics (C), Storm (B), MC2 Therapeutics (B).



Morten Schrøder

B.Sc. Business Administration

Board member, independent

First elected to the Board in 2021, Danish nationality

Profile and special competencies
An experienced investor, business angel and board member in a range of mainly life science and medtech companies.

Current positions
Holdingselskabet J.S.R af 1.11.83 (C), VICH-M5320 (C), Winther Schrøder Holding ApS (CEO), MS Invest 2013 (CEO).



Thomas Feldthus

M. Sc., MBA, HD(A)

Board member, independent

First elected to the Board in 2021, Danish nationality

Profile and special competencies
Entrepreneur with extensive strategic financial and general management experience within the life science industry. CEO and co-founder of Saniona. Co-founder of Scandion Oncology, Initiator Pharma, Symphogen, and Ataxion. Previous roles include CFO of Saniona, CFO of Symphogen and Investment Associate at Novo A/S.

Current positions
Saniona (CEO), Rehaler (C), ResoTher Pharma (B), Fertilizer Invest (CEO).



Mette Rosenkilde

Ph.D., M.D

Board member and co-founder, independent

First elected to the Board in 2019, Danish nationality

Profile and special competencies
+20 years of research within molecular and translational pharmacology at Copenhagen University Faculty of Health and Medicinal Sciences, co-founder of several biotech companies.

Current positions
Bainan Biotech (C), Women in LifeScience Denmark (B). Professor in Basic and Translational Pharmacology, University of Copenhagen.

(C) = Chair of the Board; (B) = Board member; (CEO) = Chief Executive Officer

Board of Directors



Mads Aage Laustsen

Board member, independent

First elected to the Board in 2018,
Danish nationality

Profile and special competencies
+30 years' experience in biologics development and manufacturing. Co-founder and former CEO of CMC Biologics (now AGC Biologics), former CMO of Symphogen and co-founder of Bactolife.

Current positions
Mr Bioinvest (CEO), Nanoform Finland Oyj (B), VenomAid Diagnostics ApS (B), Bactolife (B), Bioneer (B).



Christine Flarup Møller-Jensen

M.Sc. in Chemical Engineering
Board member, independent

First elected to the Board in 2022,
Danish nationality

Profile and special competencies
End-to-end understanding of the biotech and medtech value chain and broad knowledge of pharmaceutical and business ethics regulations. Member of DTU Advisory board and subsequently Board of Representatives from 2008 to 2014.

Current positions
Senior Vice President at Novo Nordisk.



Mads Lacoppidan

M.Sc. in Marketing and Economics
Board member, independent

First elected to the Board in 2022,
Danish nationality

Profile and special competencies
Specialised in medtech companies. An experienced Digital Health Investor leading some of the Nordics largest capital rounds (amongst other in Corti and Dawn Health).

Current positions
Partner at Danmarks Eksport- og Investeringsfond, Lenus eHealth (B), Dawn Health A/S (B), Corti ApS (B), Reform Group Holding (B).

(C) = Chair of the Board; (B) = Board member; (CEO) = Chief Executive Officer

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Income statement

T.DKK	Notes	2023	2022
Employee costs	4, 5, 22	(19,119)	(17,467)
Depreciation of property, plant and equipment and right of use assets	10, 13	(1,027)	(362)
Other external expenses	5	(49,199)	(42,421)
Operating profit/loss		**(69,345)**	**(60,250)**
Financial income	6	2,305	258
Financial expenses	7	(578)	(3,057)
Profit/loss before tax		**(67,618)**	**(63,049)**
Income tax	8, 11	5,500	5,500
Profit/loss for the year		**(62,118)**	**(57,549)**

Statement of comp income

T.DKK
Profit/loss for the year
Total comprehensive income for the year

Balance sheet

Assets

T.DKK	Notes	31 December 2023	31 December 2022
Property, plant and equipment	10	1,038	1,076
Right of use asset	13	434	1,086
Deposit		361	346
Total non-current assets		**1,833**	**2,508**
Income tax receivables	8	5,500	5,500
Prepayments		4,878	3,200
Other receivables		3,122	1,611
Bonds	9	30,167	100,235
Cash and cash equivalents		63,654	58,658
Total current assets		**107,321**	**169,204**
Total assets		**109,154**	**171,712**

Liabilities

T.DKK
Share capital
Reserves
Total equity
Borrowings
Lease liability
Total non-current liabilities
Lease liability
Trade payables
Other payables
Total current liabilities
Total liabilities
Total equity and liabilities

Statement of changes in equity

T.DKK	Notes	Share capital	Reserves	Total equity
Equity at 1 January 2023		**680**	**145,066**	**145,746**
Total comprehensive income		0	(62,118)	(62,118)
Share-based payments	22	0	3,207	3,207
Equity at 31 December 2023		**680**	**86,155**	**86,835**
Equity at 1 January 2022		**400**	**88,443**	**88,843**
Total comprehensive income		0	(57,549)	(57,549)
Cash contribution	14	280	115,251	115,531
Cost directly related to cash contribution		0	(6,618)	(6,618)
Share-based payments	22	0	5,539	5,539
Equity at 31 December 2022		**680**	**145,066**	**145,746**

Cash flow statement

T.DKK	Notes	2023	2022
Loss for the year		(62,118)	(57,549)
Changes in net working capital	21	(6,135)	3,622
Adjustments	21	(1,645)	2,699
Income taxes received		5,500	1,861
Net cash flow from operating activities		**(64,398)**	**(49,367)**
Purchase of property, plant and equipment	10	(337)	(1,196)
Proceeds from bonds, net	9	70,426	0
Purchase of bonds	9	0	(100,000)
Net cash flow from investing activities		**70,089**	**(101,196)**
Proceeds from share issues, net	14	0	108,913
Installments on lease liabilities		(695)	(231)
Cash flow from financing activities		**(695)**	**108,682**
Net cash flow for the year		**4,996**	**(41,881)**
Cash and cash equivalents, beginning of the year		58,658	100,539
Cash and cash equivalents at end of the year		**63,654**	**58,658**

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Note 1 – Accounting policies

The financial statements of the Company have been prepared in accordance with IFRS accounting standards as adopted by the EU as well as additional Danish disclosure requirements applying to entities of reporting class B for small enterprises with optional inclusion of some requirements in class C.

The annual report has been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value.

Foreign currency translation

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's functional currency is DKK. The presentation currency is also DKK and amounts are presented in thousands DKK (T.DKK), except when otherwise stated.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the income statement.

Employee costs
Employee costs comprise salaries and wages, including holiday pay and pensions and other costs for social security, etc. for the Company's employees.

Other external expenses
Other external expenses consist of cost to consultants, advisors and office related expenses etc.

Reseach and development cost
Research and development expenses include wages and salaries, external research and development expenses, expenses relating to obtaining and maintaining patents etc.

The research and development activities are comprised of clinical-enabling activities for product candidates. In line with industry practice, internal and subcontracted development costs are expensed as they are incurred. Due to significant regulatory uncertainties and other uncertainties inherent in the development of new products, development expenses do not qualify for capitalisation as intangible assets until marketing approval by a regulatory authority is obtained or considered highly probable.

Financial income and expenses
Financial income and expenses are recognised in the income stater
year. Net financials include interest income and expenses, changes

Income tax
The income tax expense or credit for the period is the tax payable o
applicable income tax rate for each jurisdiction adjusted by change
to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns w
regulation is subject to interpretation. It establishes provisions, whe
to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, or
bases of assets and liabilities and their carrying amounts in the fina

Deferred tax assets are recognised only if it is probable that future t
temporary differences and losses.

Current and deferred tax is recognised in the income statement, ex
nised in other comprehensive income or directly in equity. In this ca
sive income or directly in equity, respectively.

Research and development tax credit related to the tax value of ce
considerd part of income taxes.

Share-based payments
Share-based payments are provided to the participants of the Com
this plan is set out in note 22.

The employee costs of the warrants granted under the program is r
sponding increase in equity. The total amount to be expensed is det
warrants granted.

Notes

Note 1 – Accounting policies (continued)

The total cost is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The warrants vest in portions (or tranches), which results in the recognition of a higher proportion of the costs in the early years of the overall program.

Because all unvested warrants will become fully vested upon the occurrence of an exit event (IPO excluded in the definition), the Company revises its estimate of the length of the expected vesting period until the actual outcome is known. Upon a change in estimate, the Company adjusts the recognised share-based payment cost on a cumulative basis in the period in which the estimate is revised.

Property, plant and equipment
Property, plant and equipment is measured at historical cost less accumulated depreciation. The cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciations are calculated using the straight-line method, net of their residual values over their estimated useful lives, as follows:

Other plant, fixtures and equipment	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement as other operating income/expenses.

Leases
Leases include office rent and laboratory benches.

Right-of-use assets are initially measured at cost, which comprises
lease payments made at or before the commencement date, plus a
costs to dismantle and remove the underlying asset or to restore th
less any lease incentives.

Subsequently, the right-of-use asset is depreciated using the straig
to the end of the lease term. Depreciation is recognised in profit or l
property, plant and equipment.

Lease liabilities are recognised at the present value of future payme
and include the present value of future payments relating to reason
liabilities is calculated using Synklino's incremental borrowing rate a
expenses. The lease liabilities are reduced by any instalments paid t

Synklino uses the same incremental borrowing rate for lease agreer

Changes to lease agreements after initial recognition are accounte
agreement, a separate agreement or a partial disposal depending c
changes to both the lease liability and the right-of-use asset.

Short-term leases are recognised on a straight-line basis as an expe
external expenses. Short-term leases are leases with a lease term o
low-value assets.

In the statement of cash flows, cash payments for the principal por
payments for the interest portion are classified within the financing
low-value assets, the lease payments are classified within the opera

Notes

Note 1 – Accounting policies (continued)

Impairment of non-current assets
Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Prepayments
Prepayments recognised as an asset comprise prepaid expenses regarding subsequent financial reporting years.

Other receivables
Other receivables consist of VAT etc. and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Bonds
Bonds consist of Danish listed mortgages bonds. Bonds are measured at amortised cost using the effective interest method as the contractual cashflows are solely principal and interest and the objective of the Company's business model is achieved by collecting contractual cash flows.

Cash and cash equivalents
Cash and cash equivalents comprises cash and bank balances.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Premium on issue of shares are recognised as part of reserves.

Borrowings
Loan agreements under which the company does not have an unco
the Company has an obligation to deliver a variable number of its ow
liabilities. Financial liabilities are initially measured at fair value whic
Non closely related embedded derivatives are separated from the h
through the income statement. The difference between the fair valu
of the non closely related embedded derivatives is considered the i
Transaction costs are allocated proportionately between the non cl
liability. The difference between the initial amount allocated to the l
principal is amortised under the effective interest method as part o

The Company has loans with the following non closely related embe
either the return obtained by the equity investors or the proceeds ra

Fair value of the embedded derivatives is determined based on opti
taking place.

Other financial liabilities
Other financial liabilities, including trade and other payables, are on
liabilities are subsequently measured at amortised cost.

Cash flow statement
The cash flow statement shows the Company's cash flows for the y
financing activities, changes for the year in cash and cash equivale
alents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit
capital and non-cash operating items such as depreciation, change
Working capital comprises current assets less short-term debt excl

Cash flows from investing activities comprise cash flows from acqu
ment and bonds.

Notes

Note 1 – Accounting policies (continued)

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payments to and from shareholders.

New and amended standards adopted by the Company
The Company has adopted standards and interpretations effective as of 1 January 2023.The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by Synklino. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2 – Key accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Companys's accounting policies.

The judgements, estimates and the related assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most significant judgements and estimates, including the assumptions, for the individual items are described below.

Key accounting estimates
Key accounting estimates are expectations of the future based on assumptions, that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to market conditions and changes in economic factors etc. The Company bel
outcome of future events.

The borrowings issued by the Company comprise certain non close
ured at fair value. None of the significant inputs applied are observa
ments in the fair value hierarchy.

The assumptions to which the fair value of the embedded derivative

Reasonably possible alternative assumptions could have resulted ir

Warrants are valued at fair value at grant date which subsequently i
a corresponding increase in equity. The fair value measurement is b
the significant inputs applied in the model are not observable, herur

Reasonable alternative assumptions could have resulted in significa

Key accounting judgements
Key accounting judgements are made when applying accounting p
judgements made by the Company that can have a significant impa
statements.

As the company is involved in developing a new drug it incur signific
definitive starting point for capitalising such internal development c
on the facts and circumstances of each project. The release of a ne
to pass a number of clinical trials before it can obtain a marketing ap
tory authority for final approval of the drug it is management's judg
technical feasibility of the product and therefore development cost

Notes

Note 3 – Primary activities

The activities of Synklino are focused on research and development to develop groundbreaking therapies for treatment of patients with chronic viral infections. Synklino's first-in-class drug candidate SYN002 specifically targets cytomegalovirus infection in transplantation patients and aims to change the current antiviral treatment paradigm by providing radically different therapeutic opportunities and a path for transplant recipients to live a full life again. SYN002 is currently in the late state of the preclinical phase of development and SYN002 drug substance have been manufactured according to GMP for use in clinical trials.

Note 4 – Employee costs

T.DKK	2023	2022
Wages and salaries	15,134	11,488
Share-based payment	3,207	5,539
Other social security costs	118	86
Other employee cost	660	354
Total	**19,119**	**17,467**
Average number of employees	14	10

Note 4 – Employee costs (continued)

Key Management Compensation
Key Management consists of the Executive Board, Other Managem
paid or payables to Key Management for employee services is:

T.DKK	
Executive Board:	
Wages and salaries	
Share-based payments	
Total	
Other Management:	
Wages and salaries*	
Share-based payments	
Total	
Board of Directors:	
Board fee	
Share-based payments	
Total	
Total compensation of key management personnel	

* Other Management includes consultants providing similar services as Ke
disclosed as other external costs in the income statement.

Notes

Note 5 – Research and development cost

T.DKK	2023	2022
Research and development cost recognised under other external expenses and employee cost	55,951	44,743

Note 6 – Financial income

T.DKK	2023	2022
Foreign exchange rate gains	65	23
Changes in fair value of embedded derivatives	457	0
Interest on bank accounts	1,425	0
Interest on bonds measured at amortised cost	358	235
	2,305	**258**

Note 7 – Financial expenses

T.DKK	2023	2022
Changes in fair value of embedded derivatives	0	2,143
Interest on financial liabilities measured at amortised cost	437	721
Foreign exchange rate loss	141	189
Other financial expenses	0	4
	578	**3,057**

Note 8 – Tax on profit for the year

T.DKK	
Current tax:	
Current tax on profits for the year	

T.DKK	
Calculated 22.0% tax on loss for the year before income tax	
Tax effects of:	
Research and development tax credit	
Permarnent differences between tax and accounting purpose	
Temporary differences between tax and accounting purposes	
Tax losses carried forward, not capitalised	
Effective tax rate	

Research and development tax credit relates to the tax value of cer
by Synklino A/S that are receivable according to the Danish tax legi

The tax value of loss carry-forward is not recognised as a deferred
highly uncertain.

Notes

Note 9 – Bonds

T.DKK	2023	2022
Cost 1 January	100,235	0
Additions	0	100,000
Disposal	(70,426)	0
Interest	358	235
Cost 31 December	**30,167**	**100,235**
Fair value 31 December	**29,973**	**98,389**

Potential adjustment in fair value of bonds at a given balance sheet date are not expected to have a negative impact on the company's cash position since the bonds are expected to be held to maturity.

Note 10 – Property, plant and equipment

T.DKK	hardwa
Cost:	
At 1 January 2023	**5**
Additions	2
At 31 December 2023	**8**
Accumulated depreciation:	
At 1 January 2023	**1**
Depreciation for the year	2
At 31 December 2023	**3**
Carrying amount 31 December 2023	**4**

T.DKK	hardwa
Cost:	
At 1 January 2022	
Additions	5
At 31 December 2022	**5**
Accumulated depreciation:	
At 1 January 2022	
Depreciation for the year	
At 31 December 2022	**1**
Carrying amount 31 December 2022	**4**

Notes

Note 11 – Deferred tax

At 31 December 2023, the Company had tax loss carry-forwards in Denmark of T.DKK 98,858 (2022: T.DKK 54,942) for income tax purposes, all of which can be carried forward indifinitely according to the Danish Corporate Income Tax Act. The tax loss carry-forward is not recognised as a deferred tax asset as the use of the tax loss carry-forward is highly uncertain.

Note 12 – Borrowings

T.DKK	2023	2022
Borrowings 1 January	15,816	13,309
Interest recognised as financial expense	389	365
Fair value adjustment of embedded derivative recognised as financial expense	0	2,142
Fair value adjustment of embedded derivative recognised as financial income	(457)	0
Borrowings at 31 December	**15,748**	**15,816**

The calculated value of embedded derivatives included in borrowings amount to T.DKK 8,867 (2022: T.DKK 9,324)

Significant loan terms related to Loan 1
The loan was converted in 2021, however the lender is still entiteled to an exit payment under given circumstances.

- Issued in two tranches. One in July 2019 and one in February 2020.
- Original principal amount T.DKK 9,667.
- The lender will be entiled to an exit payment of two times (2x) the loan if the shareholders exit proceeds exceeds 50 million EUR and 2/3 of the loan if the shareholders exit proceeds does not exceed 50 million EUR.
- An exit is defined as one or more events which of lender is dermined altogether or seperately to entail that materialy all of the value of the Company is realiased in consideration of cash, herunder and IPO.

Note 12 – Borrowings (continiued)

Significant loan terms related to Loan 2
- Issued in December 2020.
- Principal amount T.DKK 6,000
- Maturity 1 January 2027 (with quarterly annuity payments starting
- Interest coupon is 5% plus CIBOR p.a. accruing over the term of th
- Loan currency DKK.
- Embedded bonus payment to lender of 6 million DKK if a Founder with the loan agreement) shares in Synklino are sold for a proceed high as the share price in connection with the Investor's original eq

Significant assumptions related to the valuation of the embe	
Probability of exit proceeds exceeding 50 million EUR (Loan 1)	
Probability of no exit due to failure in reaching phase 2 in the development activites (Loan 1)**	
Discount rate (Loan 1)***	

Sensitivity to changes in fair value of the embedded derivati	
Increase in probability of exit proceeds exceeds 50 million EU (Loan 1)	
Increase in probability of no exit due to failure in reaching pha ment activities with 5 % points (Loan 1)	
Increase in discount rate with 1 % points (Loan 1)	

* For calculation purpose it is assumed that exit will take place in 2027 (I
** The failure rate is in accordance with the rates for infection deseases f 2006-2015" prepared by Biotechnology Innovation Organization, Biom
*** Discount rate in accordance with survey of median rate for large biote Pharmaceuical Assets: When to Use NPV vs rNPV" from Alacrita Biote

Notes

Note 13 – Leases

The statement of profit or loss shows the following amounts relating to leases:

T.DKK	2023	2022
Expense relating to short-term leases (included in other operating expenses)	0	196
Depreciation of right-of-use assets	652	217
Interest expenses relating to lease liabilities	48	25
Total	**700**	**438**

T.DKK	2023	2022
Cost at 1 January	1,303	0
Additions	0	1,303
Cost 31 December	**1,303**	**1,303**
Depreciation 1 January	217	0
Depreciation for the year	652	217
Depreciation 31 December	**869**	**217**
Carrying amount at 31 December	**434**	**1,086**

The total cash outflow from recognised lease agreements amounted to T.DKK 693 (T.DKK 426 in 2022) and includes repayment of lease liabilities, interest and payments relating to short term leases.

The maturity analysis of lease liabilities is provided in the table "Maturity analysis" in note 15 Financial Risk Management.

Note 14 – Share capital

DKK	Number of shares
The share capital comprises:	
A shares	68,011,68
Share capital (fully paid)	**68,011,68**

All shares have nominal value of DKK 0.01.

2023: There is no changes in the share capital in 2023.

2022: The share capital has been increased through a cash contribu per share of DKK 0.01 corressponding to T.DKK 115,531. Costs direc 6,618.

DKK	
Changes in share capital:	
Opening balance	
Cash contribution	
Closing balance	

Notes

Note 15 – Financial risk management

The Company is exposed to a variety of financial risks from its operations.

These risks are monitored through a financial forecast that gives management the forward visibility into cash flow expectations relative to obligations. The company primarily have currency exposures in EUR and borrowings with floating interest rates. The Company has not entered into any derivative financial instruments to hedge its exposure from changes in financial risk or interest rate risk.

There has been no change in the Company's financial risk management policies compared to last year.

Interest rate risk
As the Company's bonds have a fixed interest rate, the interest income is not affected by changes in the market interest rates. Instead the fair value of the bonds is affected.

As the Company's borrowings (loan 2) has a variable interest linked to CIBOR the interest expense is affected by the development in the market interest rate. For details related to borrowings, see note 12.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates. As the Company only has significant exposures in DKK and EUR management consider the risk of changes in foreign currency as insignificant.

Credit risk
Credit risk arises from cash and cash equivalents with banks and investments in bonds in mortgages institutions.

To mitigate this risk, it is the Company's policy only to use banks and mortgages institutions of high quality. To assess the credit risk of these banks and mortgages institutions, the company monitors their credit rating made by external credit rating agencies.

Liquidity risk
Management maintains sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management continuously monitors the company's liquidity reserve on the basis of expected cash flows. For further details on the Compar and capital management.

Market risks related to embedded derivatives are disclosed in note

Maturity analysis
The tables below illustrates the terms to maturity of financial assets

The amounts disclosed in the table are the contractual undiscounte

T.DKK	Less th 1 ye
As at 31 December 2023:	
Financial assets at amortised cost	
Cash and cash equivalents	63,6
Bonds	30,1
Other receivables	3,1
	96,9
Financial liabilities at amortised cost:	
Borrowings*	16,1
Lease liability	4
Trade payables	4,3
Other payables	1,8
	22,7

* Borrowings include the potential payments related to embedded derivat

Notes

Note 15 – Financial risk management (continued)

T.DKK	Less than 1 year	Between 1 and 3 year	More than 3 years	Total
As at 31 December 2022:				
Financial assets at amortised cost				
Cash and cash equivalents	58,658	0	0	58,658
Bonds	70,083	30,152	0	100,235
Other receivables	1,611	0	0	1,611
	130,352	**30,152**	**0**	**160,504**
Financial liabilities at amortised cost:				
Borrowings*	16,293	0	0	16,293
Lease liability	693	462	0	1,155
Trade payables	7,925	0	0	7,925
Other payables	1,128	0	0	1,128
	26,039	**462**	**0**	**26,501**

* Borrowings include the potential payments related to embedded derivatives.

Measurement and fair value hierarchy.
As borrowings have a variable interest rate the fair value approximates the carrying amount. For embedded derivatives included in borrowings none of the significant inputs applied in calculating the fair value are observable and consequently represent level 3 measurements in the fair value hierarchy, see note 12. The fair value of bonds is based on listed prices (level 1), see note 9. Due to the short term nature of the Company's other financial instruments, the fair value approximates the carrying amount.

Note 16 – Liquidity and capital management

The Company is up to the present financed through a combination
related to exit payment. The exit payment depending on either the r
proceeds raised.

With the current cash position, Synklino has liquidity to fund the pla
working to secure additional funding for activities preparing for Clir

Management is in close dialogue with current key investors about a
with expected closing in April 2024, which will secure funding of the

Following the closing of the bridge financing, Management plans to
placements from new or existing shareholders, through non-dilutiv
hereof.

Management has reasonable expectations to close the bridge finar
financing is not closed, Management has prepared alternative budg
for the Company to reduce the activity level and reduce the need fo
liquidity is sufficient to fund the activities until the beginning of 202

Note 17 – Commitments and contingent liab

Contingent liabilities
None

Commitments
The Company has one lease contract in relation to office facilities. T
lease period are T. DKK 462 (2022: T.DKK 1,155). The lease contract
with earliest termination with effect 31 August, 2024.

Notes

Note 18 – Fee to auditors appointed at the general meeting

T.DKK	2023	2022
Statutory audit	181	140
Other assurance services	0	0
Tax consultancy	43	110
Other services	112	346
	336	**596**

The fee for other service performed by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab comprises assistance with accounting and other advisory services.

Note 19 – Related parties

The Company does not have any shareholders with a controlling int

Transactions with board and key management personnel
Information about the Board of Directors and Key Management's re
in note 4 and note 22 respectively.

2023: Except for Board of Directors and Key Management's remune
parties in 2023.

2022: In 2022 Other Management subscriped 26,409 shares at a pri
purchase price of T.DKK 109 as part of the capital contribution cf. N

Executive board, number of shares in the Company	
Other Management, number of shares in the Company	
Board of directors, number of shares in the Company	

The following transactions were carried throug with other related

Subscriptions of shares from significant shareholders in DKK	

Notes

Note 20 – Events after the balance sheet date

No significant events have occurred between the reporting date and the publication of this annual report, which have not already been included and adequately disclosed in the annual report, and which materially affect the assessment of the Company's results of operations or financial position.

Note 21 – Cash flow specifications

T.DKK	2023	2022
Changes to net working capital:		
Decrease/(increase) in other receivables/deposit	(1,523)	89
Decrease/(increase) in prepayments	(1,678)	(2,970)
(Decrease)/increase in trade payables	(3,622)	6,575
(Decrease)/increase in other liabilities	688	(72)
	(6,135)	**3,622**

T.DKK	2023	2022
Adjustments:		
Income tax	(5,500)	(5,500)
Depreciations of tangible assets and right-of-use assets	1,027	362
Share-based payment	3,207	5,539
Changes in fair value of embedded derivatives	(457)	2,143
Interest on financial liabilities measured at amortised cost	389	365
Interest on bonds measured at amortised cost	(358)	(235)
Interest on lease liabilities measured at amortised cost	47	25
	(1,645)	**2,699**

Note 22 – Share-based payments

Warrant program
The board of directors is authorised to totally issue warrant to subsc

The established warrant program is designed to provide long-term
board members and full-time employees) to deliver long-term shar
instrumental to retaining the participants in the Company.

A warrant entails the right to subscribe for one ordinary share of nor

Under the program, participants are granted warrants which vest pr
the warrants vest in 4 equally large portions on dates specified by th
vest proportionally each month over the three years (i.e. 1/36 per mo

Vesting of the warrants is conditional on the participants' ongoing e
ceases employment prior to two years of employment, all vested ar

Upon the occurrence of an exit event(IPO excluded in the definition

The participants have the right to exercise vested warrants twice a y
than one third of the total number of granted warrants at a time and

A total of 3,703,111 warrants were granted on 15 March 2022. Warran
members and external consultants providing similar services as key

The total warrant expense recognised in 2023 was T.DKK 3,207 (202

Notes

Note 22 – Share-based payments (continued)

Fair value measurement
The fair value at grant date is determined using a Black-Scholes Model calculation that takes into account the share price at grant date, the exercise price, the risk free interest rate for the term of the warrants, the expected volatility and the expected maturity.

The model inputs for the warrants granted in 2022 included the following:

Share price at grant date	DKK 3.78
Exercise price	DKK 3.78 for 3,585,903 of the granted warrants, and DKK 1.52 for 117,208 of the granted warrants.
Risk free interest rate	0,30%
Expected volatility	87,5%
Expected maturity	5.54 years

The expected price volatility is based on an analysis of the historical volatility of peer-group companies and factors specific to the Company.

The share price is determined by reference to a financing round in November 2021. Management has assessed that no significant developments in the Company took place between November 2021 and 15 March 2022 that could have impacted the value of the Company significantly.

Set out below are summaries of warrants granted under the progra

	Management
Warrants as at 1 January 2023	**2,467,555**
Granted	0
Lapsed	0
Warrants as at 31 December 2023	**2,467,555**
Warrants as at 1 January 2022	**0**
Granted	2,467,555
Lapsed	0
Warrants as at 31 December 2022	**2,467,555**

	Weighted-average exercise prices	Weighted-average fair value per warrant granted
Warrants as at 1 January 2023	**3.71**	
Granted		
Lapsed		
Warrants as at 31 December 2023	**3.71**	
Warrants as at 1 January 2022		
Granted	3.71	2.65
Lapsed	3.78	
Warrants as at 31 December 2022	**3.71**	

Statement by Executive Board and the Board of Directors on the Annual Report

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Synklino A/S for the financial year 1 January – 31 December 2023.

The Financial Statements have been prepared in accordance with IFRS accounting standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations and cash flows for the financial year 1 January – 31 December 2023.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 21 March 2024

Executive Board

Thomas Nitschke Kledal

Board of Directors

John Sørensen Haurum (Chair)

Christine Flarup Møller-Jensen

Gunnar Magnus Sev

Mads Aage Lausten

Mads Lacoppidan

Mette Marie Rosenk

Morten Winther Schrøder

Thomas Feldthus

Independent auditor's report

To the Shareholders of Synklino A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS accounting standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements for the financial year 1 January – 31 December 2023, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of material accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen 21 March 2

PricewaterhouseCoope
Statsautoriseret Revisio
CVR No 33 77 12 31

Torben Jensen
State Authorised
Public Accountant
mne18651

Company information

Synklino A/S

Frederiksborggade 1, second floor to the right
1360 Copenhagen K
Denmark

Central Business Registration No: 38 77 86 76
Registered in Copenhagen

synklino.com
VAT No: 38 77 86 76

Executive Board

Thomas Nitschke Kledal

Board of Directors

John Sørensen Haurum (Chairman)
Christine Flarup Møller-Jensen
Gunnar Magnus Severus Modée Persson
Mads Aage Laustsen
Mads Lacoppidan
Mette Marie Rosenkilde
Morten Winther Schrøder
Thomas Feldthus

Financial year

1 January – 31 December

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup