SynAct Pharma

Approaching a catalyst-rich period

Q325 results

Pharma and biotech

31 October 2025

SynAct Pharma's Q325 results underscored the company's steady progress on its clinical strategy, led by the ongoing Phase IIb ADVANCE trial evaluating resomelagon as a first-line treatment for rheumatoid arthritis (RA). The study remains on track to complete enrolment by end-FY25, with top-line data anticipated in Q126. Operating performance reflected this acceleration, with operating expenses increasing 45.5% y-o-y (16.6% q-o-q) to SEK35.4m, reflecting higher R&D spend (+44.3% y-o-y; +18.6% q-o-q to SEK28.1m) as development activities ramp up. We anticipate a similar cost trajectory in Q425, followed by a moderation in 2026 after the Phase IIb readout. The SEK34.4m cash injection from warrant conversions in Q3 has strengthened the balance sheet with headroom to complete the ongoing Phase II studies, with further flexibility from the SEK30m credit facility to potentially initiate scoping exercises in other indications, such as RA-flares and virus-driven acute inflammatory conditions. Following our recent initiation, we reiterate our valuation of SEK1.97bn or SEK36.9/share.

Year end	Revenue (SEKm)	PBT (SEKm)	EPS (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/23	0.0	(149.7)	(4.34)	0.00	N/A	N/A
12/24	0.0	(90.8)	(2.08)	0.00	N/A	N/A
12/25e	0.0	(122.8)	(2.24)	0.00	N/A	N/A
12/26e	0.0	(56.4)	(0.91)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Near-term readouts to define strategy

As the ADVANCE trial (n=240) approaches completion, we expect the most important near-term inflection point for SynAct to be the top-line readout in Q126, allowing the company to kickstart partnering discussion for resomelagon. We also believe that with infection-driven acute inflammation becoming increasingly central to the company strategy, data from the Phase II RESOVIR-2 study in dengue (patient recruitment to initiate in Brazil in Q126 with results in Q226) will play a crucial role in further establishing resomelagon's value proposition as a potential treatment for both chronic and acute inflammation and defining SynAct's positioning with potential partners. We continue to see polymyalgia rheumatica (PMR) as an additional upside driver for the programme (Phase II to initiate in Q425 in Denmark).

Cash position strengthened

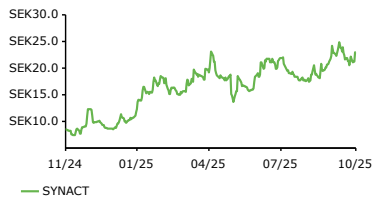
SynAct ended Q325 with a net cash balance of SEK77.9m, supported by SEK34.4m cash inflows from two separate TO2 warrant conversions by Heights Capital Management (HCM) in July and August, respectively. The company also holds a SEK30m bridge facility with Hunter Capital (undrawn to date), providing incremental flexibility if required. Based on SynAct's announced clinical activities and our projected burn rates, we estimate the company to be funded into 2027, well past the near-term catalysts expected in 2026.

Valuation: Maintain at SEK1.97bn or SEK36.9/share

We recently initiated coverage on SynAct and reiterate our valuation of SEK1.97bn or SEK36.9 per share following the Q325 results.

Price	**SEK23.05**
Market cap	**SEK1,136m**
	SEK9.42/$
Net cash/(debt) at 30 September 2025	SEK77.9m
Shares in issue	53.3m
Code	SYNACT
Primary exchange	OMX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(2.7)	(3.0)	138.0
52-week high/low		SEK25.3	SEK7.3

Business description

SynAct Pharma is a clinical-stage biotechnology company focused on the development of treatments to resolve, rather than inhibit, ongoing inflammatory processes in acute and chronic diseases.

Next events

PMR Phase II trial launch	Q425
ADVANCE Phase IIb RA trial results	Q126
RESOVIR-2 Phase II dengue trial completion	Q226

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Financials and valuation

Operating performance: No surprises in Q325

SynAct's Q325 results were broadly in line with expectations and reflected the company's ongoing efforts in advancing resomelagon through proof-of-concept studies in multiple indications. The immediate focus for the company remains the Phase IIb ADVANCE study (double blinded, placebo-controlled study evaluating resomelagon as a first-line treatment in newly diagnosed RA patients, in combination with standard-of-care methotrexate), which is nearing completion of patients enrolment (n=240) in Q425 (top-line results expected in Q126).

In Q325, SynAct reported an operating loss of SEK35.4m, up 45.5% y-o-y and 16.6% q-o-q. This was primarily driven by increased R&D expenses related to the ADVANCE trial (which had commenced in September 2024), which we believe may be due to accelerated patient enrolment for the study. Given that both the RESOVIR-2 study and the upcoming Phase II study in PMR are investigator sponsored, with patient enrolment in RESOVIR-2 expected to commence only in Q126 (dengue season in Brazil), we expect limited R&D spend on these by SynAct in Q325. As expected, R&D expenses during the quarter made up the bulk of the operating expenses (c 80%) coming in at SEK28.1m (up 44.3% y-o-y and 18.6% q-o-q). We expect this trend to continue in Q425. G&A expenses have normalised over the past few quarters with SEK7.8m recorded in Q325 (+16.1% q-o-q). Operating cash outflow for the period was SEK25.8m, benefiting from a favourable working capital position.

Following the Q325 results, we keep our estimates for SynAct unchanged except for the FY25 R&D expense estimate, which we raise modestly to SEK94.9m, from SEK90.4m previously. We now estimate an operating loss of SEK121.5m in FY25 for SynAct (SEK117.0m previously). We maintain our FY26 forecasts and long-term assumptions.

Balance sheet: Healthier following the SEK34.4m cash injection

Given the front-end loaded nature of clinical development and long lead times to the market, capital adequacy is a key consideration for development-stage biotech companies. We note that SynAct has been successful in the past in raising capital at favourable terms, allowing it to maintain sufficient runway to progress its plans in a timely and efficient manner. The company ended Q325 with net cash of SEK77.9m (no debt on books), supported by warrant conversions by HCM during the quarter (1m warrants converted each in July and August 2025 for total proceeds of SEK34.4m). SynAct also holds a SEK30m credit line with Hunter Capital, which can be drawn down up to 31 December 2026. Given the current visibility on the company's near-term plans, we believe a drawdown may not be required although, should the company decide to self-undertake further scoping exercises or clinical work in RA flares or other virus-induced acute conditions in 2026, these funds may provide the required initial support. We note, however, that further funding will be required to advance and complete any such additional study. Based on current visibility, we estimate SynAct to have a cash runway into 2027.

Valuation: Reiterated at SEK1.97bn or SEK36.9 per share

We recently initiated coverage on SynAct and keep our valuation unchanged at SEK1.97bn or SEK36.9 per share following the Q325 results (Exhibit 1). We direct readers to our initiation note for details on the assumptions and drivers for our valuation. We expect the next significant inflection point for SynAct to be the top-line results from the ADVANCE trial in Q126.

Exhibit 1: SynAct rNPV valuation

Product	Indication	Expected launch	Peak sales ($m)	NPV (SEKm)	Probability	rNPV (SEKm)	rNPV/share (SEK)
Resomelagon	Rheumatoid arthritis – newly diagnosed patients	2031	2,300	5,532.0	30%	1,593.9	29.9
	Rheumatoid arthritis – flares	2032	1,000	2,189.3	15%	301.2	5.6
	Respiratory viral-infections	2031	250	678.6	15%	101.8	1.9
	Polymyalgia rheumatica	2032	180	377.1	10%	29.0	0.5
Direct costs to 2035 less tax				(137.8)		(137.8)	(2.6)
Net cash at end-September 2025				77.9		77.9	1.5
Valuation				**8,717.1**		**1,966.1**	**36.9**

Source: Edison Investment Research

Exhibit 2: Financial summary

SEKm	2022	2023	2024	2025e	2026e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue	0.00	0.00	0.00	0.00	0.00
Licensing income	0.00	0.00	0.00	0.00	0.00
Royalties	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
Cost of Sales	0.00	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00	0.00
R&D expenses	(70.07)	(105.06)	(49.31)	(94.87)	(27.59)
G&A expenses	(35.61)	(44.83)	(40.49)	(26.64)	(27.17)
EBITDA	(104.64)	(149.18)	(89.36)	(120.86)	(54.08)
Operating Profit (before amort. and except.)	(105.71)	(149.94)	(89.98)	(121.51)	(54.76)
Intangible Amortisation/impairment	0.00	(74.56)	0.00	0.00	0.00
Exceptionals	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00
Operating Profit	(105.71)	(224.50)	(89.98)	(121.51)	(54.76)
Net Interest	(1.36)	0.22	(0.85)	(1.32)	(1.65)
Profit Before Tax (norm)	(107.07)	(149.72)	(90.82)	(122.82)	(56.41)
Profit Before Tax (reported)	(107.07)	(224.28)	(90.82)	(122.82)	(56.41)
Tax	7.86	8.47	8.42	8.14	8.14
Profit After Tax (norm)	(99.21)	(141.25)	(82.40)	(114.68)	(48.27)
Profit After Tax (reported)	(99.21)	(215.81)	(82.40)	(114.68)	(48.27)
Average Number of Shares Outstanding (m)	27.59	32.52	39.53	51.17	53.33
Basic EPS - normalised (SEK)	(3.60)	(4.34)	(2.08)	(2.24)	(0.91)
Basic EPS - reported (SEK)	(3.60)	(6.64)	(2.08)	(2.24)	(0.91)
BALANCE SHEET					
Fixed Assets	2.37	152.96	156.67	156.03	155.35
Intangible Assets	0.00	152.16	154.59	154.59	154.59
Tangible Assets	2.10	0.66	1.94	1.29	0.61
Investments	0.27	0.14	0.14	0.14	0.14
Current Assets	140.23	75.06	94.00	60.09	12.50
Stocks	0.00	0.00	0.00	0.00	0.00
Debtors and prepaid expenses	23.76	4.48	24.32	2.50	2.50
Cash	108.25	62.40	61.21	49.12	1.52
Other	8.23	8.19	8.47	8.47	8.47
Current Liabilities	15.01	24.94	28.46	16.53	16.53
Creditors and accrued expenses	9.63	19.48	27.44	15.51	15.51
Short-term borrowings	0.00	0.00	0.00	0.00	0.00
Lease liabilities and others	5.38	5.45	1.02	1.02	1.02
Long-Term Liabilities	1.06	26.90	27.89	27.56	27.56
Long-term borrowings	0.00	0.00	0.00	0.00	0.00
Other long-term liabilities	1.06	26.90	27.89	27.56	27.56
Net Assets	126.52	176.19	194.32	172.03	123.75
CASH FLOW					
Operating Cash Flow	(117.56)	(100.18)	(89.20)	(103.12)	(47.59)
Net interest	0.00	0.00	0.00	0.00	0.00
Tax	0.00	0.00	0.00	0.00	0.00
Capex	0.00	0.00	0.00	0.00	0.00
Acquisitions/disposals	0.03	0.37	0.00	0.00	0.00
Financing	200.71	53.98	87.41	91.03	0.00
Dividends	0.00	0.00	0.00	0.00	0.00
Net Cash Flow	83.18	(45.82)	(1.79)	(12.09)	(47.59)
Opening net debt/(cash)	(24.00)	(108.25)	(62.40)	(61.21)	(49.12)
Other	1.06	(0.03)	0.61	0.00	0.00
Closing net debt/(cash)	(108.25)	(62.40)	(61.21)	(49.12)	(1.52)

Source: SynAct, Edison Investment Research

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