
Synairgen plc

('Synairgen' or the 'Company')

Interim results for the six months ended 30 June 2022

Southampton, UK – 29 September 2022: Synairgen plc (LSE: SNG), the respiratory company developing SNG001, an investigational formulation for inhalation containing the broad-spectrum antiviral protein interferon beta, today announces its unaudited interim results for the six months ended 30 June 2022.

Highlights (including post period-end)

Synairgen continues to explore the potential of SNG001 in three settings:

1. For use as a broad-spectrum antiviral for people hospitalised with severe viral lung infections caused by a range of common seasonal viruses;
2. In people hospitalised with COVID-19, including in high-risk sub-populations such as those with compromised respiratory function; and,
3. As a possible future pandemic preparedness option for government agencies.

Operational

- Released results from the Phase 3 SPRINTER trial in hospitalised COVID-19 patients. The trial did not meet the primary or key secondary endpoints, however, there was an encouraging signal in reduction in the relative risk (RRR) of progression from requiring low flow oxygen to more severe disease or death within 35 days (26% reduction in the Intention-to-Treat (ITT) population and 36% reduction in the Per Protocol (PP) population).
- Conducted a *post hoc* analysis of the Phase 3 SPRINTER trial which showed stronger treatment effects with SNG001 in high-risk patient sub-groups, with the strongest effect observed in those who had clinical signs of compromised respiratory function. In these patients, who represented approximately one-third of the SPRINTER trial population, SNG001 significantly reduced the risk of progression to severe disease and death compared to placebo by 70% in the PP population (Odds Ratio (95% Confidence Interval) 0.23 (0.06, 0.98); p=0.046).
- Presented results from the Phase 3 SPRINTER trial at two major respiratory congresses: the American Thoracic Society (ATS) International Conference in May and the European Respiratory Society (ERS) International Congress in September.
- Released positive findings from the 60- and 90-day follow-up visits in the SPRINTER trial showing reductions in the relative risk of recognised Long COVID symptoms, with an abstract accepted for presentation at IDWeek to be held in Washington, DC in October.

- Presented an overview of positive accelerated viral clearance data from patients in COPD (SG015) study at the Disease Prevention and Control Summit in September in National Harbor, Maryland, USA.
- Entered into a collaboration on the UNIVERSAL study, an observational study being led by the Clinical Trials Unit of the University of Southampton, UK and funded by Janssen, a Johnson & Johnson company.
- Reported potent antiviral activity of SNG001 in *in vitro* studies against SARS-CoV-2 Delta and Omicron variants.
- Presented positive results of a sub-group analysis from the Phase 2 SG016 trial at the 32nd European Congress of Clinical Microbiology & Infectious Diseases held in April.
- Announced that patient recruitment halted in the US Government's Phase 2/3 ACTIV-2 trial in people with COVID-19 at home, prior to hospitalisation. Synairgen continues to await data from the ACTIV-2 team.

Financial

- Loss before tax for the six months ended 30 June 2022 was £14.0 million (30 June 2021: £38.9 million loss).
 - Research and development expenditure for the six months ended 30 June 2022 was £11.1 million (30 June 2021: £36.9 million) as expenditure on the Phase 3 SPRINTER trial and manufacturing activities reduced.
 - Administrative expenses for the six months ended 30 June 2022 were £2.9 million (30 June 2021: £2.0 million) on account of pre-commercialisation activities.
- Research and development tax credit decreased from £6.0 million in H1 2021 to £1.6 million in H1 2022 with reduced qualifying expenditure.
- Cash balances of £18.0 million at 30 June 2022 (30 June 2021: £46.2 million, 31 December 2021: £33.8 million).
- Post period-end receipt of FY 2021 research and development tax credit of £9.1 million.

Richard Marsden, CEO of Synairgen, said: "Over the course of the pandemic we generated a significant amount of clinical and non-clinical data which supports the development of SNG001 as a broad-spectrum antiviral to treat or prevent a wide range of severe lung infections. We have been scrutinising the requirements, feasibility and timing of several clinical development options, including company-sponsored studies focussing on certain high need populations, government-funded trials, as well as investigator-led studies. We continue to be excited about the potential of SNG001."

For further enquiries, please contact:

Synairgen plc

Brooke Clarke, Head of Communications

Media@synairgen.com

Tel: + 44 (0) 23 8051 2800

finnCap (NOMAD and Joint Broker)

Geoff Nash, Charlie Beeson (Corporate Finance)

Alice Lane, Sunil de Silva (ECM)

Tel: + 44 (0) 20 7220 0500

Numis Securities Limited (Joint Broker)

James Black, Freddie Barnfield, Duncan Monteith

Tel: + 44 (0) 20 7260 1000

Consilium Strategic Communications (Financial Media and Investor Relations)

Mary-Jane Elliott, Namrata Taak, Lucy Featherstone

cscsynairgen@consilium-comms.com

Tel: +44 (0) 20 3709 5700

MKC STRATEGIES, LLC (US Media Relations)

Mary Conway

MConway@MKCStrategies.com

Tel: +1 516-606-6545

Notes for Editors**About Synairgen**

Synairgen is a UK-based respiratory company focused on drug discovery, development and commercialisation. Synairgen's primary focus is developing SNG001 (inhaled interferon beta) for the treatment and prevention of severe viral lung infections, including COVID-19, as potentially the first host-targeted, broad-spectrum antiviral treatment delivered directly into the lungs. SNG001 has been granted Fast Track status from the US Food and Drug Administration (FDA). Founded by University of Southampton Professors Sir Stephen Holgate, Donna Davies and Ratko Djukanovic in 2003, Synairgen is quoted on AIM (LSE: SNG). For more information about Synairgen, please see www.synairgen.com.

OPERATING REVIEW

Summary

Respiratory viral infections, including COVID-19, continue to pose a significant threat to global public health and are a major cause of mortality worldwide. Prior to the COVID-19 pandemic, annual deaths from viral respiratory infections were estimated to be around 2.7 million worldwide.¹ In the US, seasonal influenza alone contributes an estimated economic burden of approximately \$11 billion a year.² The recent pandemic has highlighted the urgent need for broad-spectrum antivirals for severe viral lung infections caused by seasonal viruses and other emerging respiratory viral threats.³

Following the Phase 3 SPRINTER trial result, Synairgen has been consulting with experts and has, as a result, brought the clinical opportunity and Synairgen's priority into clear focus: to unlock the full potential of SNG001 to the benefit of patients by further investigating its efficacy in patients hospitalised due to a range of viruses including SARS-CoV-2, influenza, respiratory syncytial virus (RSV), adenovirus, parainfluenza and rhinoviruses.

The clinical need for broad-spectrum antivirals to treat respiratory viral infections

Respiratory viral infections, particularly in the winter months, have a significant impact on the public, healthcare systems and the economy, particularly for those with COPD, asthma and the immunocompromised. With COVID-19 now also included within the seasonal illnesses being treated, the winter of 2022 could be even more challenging than usual.⁴ Annual influenza epidemics alone (which represent only about 1/5 of all respiratory virus hospitalisations⁵) are estimated to result in about 3 to 5 million cases of severe illness and about 290,000 to 650,000 respiratory deaths worldwide according to the World Health Organisation.⁶

Our consultations with scientists, academics and clinicians have reinforced the significant clinical opportunity for SNG001 as a potential treatment for a broad range of respiratory viruses, including SARS-CoV-2, influenza, RSV, adenovirus, parainfluenza and rhinoviruses. The scientific rationale of delivering IFN-beta directly to the lungs to restore antiviral defences, paired with our growing body of clinical, non-clinical and safety data,

¹ GBD 2015 LRI Collaborators Estimates of the global, regional, and national morbidity, mortality, and aetiologies of lower respiratory tract infections in 195 countries: a systematic analysis for the Global Burden of Disease Study 2015. *Lancet Infect Dis.* 2017;17:1133-1161

² Economic burden of seasonal influenza in the United States; Putri, WCWS, et al. *Vaccine*, 2018-06-22, Vol.36 (27), p.3960-3966

³ Chitalia, V.C., Munawar, A.H. A painful lesson from the COVID-19 pandemic: the need for broad-spectrum, host-directed antivirals. *J Transl Med* 18, 390 (2020). <https://doi.org/10.1186/s12967-020-02476-9>

⁴ <https://www.hsj.co.uk/coronavirus/the-importance-of-prevention-in-managing-winter-respiratory-viruses/7031473.article>

⁵ <https://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1003550#:~:text=Data%20from%2063%20sources%20showed,significant%20differences%20by%20age%20group.>

⁶ [https://www.who.int/news-room/fact-sheets/detail/influenza-\(seasonal\)](https://www.who.int/news-room/fact-sheets/detail/influenza-(seasonal))

also support the further investigation of SNG001 as a broad-spectrum antiviral for severe lung infections.

Inhaled IFN-beta/SNG001

Interferon beta ('IFN-beta') is a naturally occurring protein with a novel mechanism of action that boosts the body's antiviral responses. Synairgen's SNG001 is a formulation containing the fully glycosylated form of IFN-beta (IFN-beta-1a) for direct delivery to the lungs via specific nebulisers. It is near to neutral pH, and is free of mannitol, arginine and human serum albumin (which may be pharmacologically active in the airways).

There is strong evidence that a deficiency in IFN-beta production in the lung could explain the enhanced susceptibility in higher-risk patient groups to developing severe lower respiratory tract (lung) disease during respiratory viral infections.⁷

Compounding this, viruses have evolved mechanisms to suppress IFN-beta production, helping them to evade the innate immune system. The addition of IFN-beta before or during viral infection of lung cells *in vitro* either prevents or greatly reduces viral replication.⁸ Synairgen has conducted *in vitro* testing against multiple viruses including RSV, rhinovirus, various influenza strains including H5N1, MERS-CoV and SARS-CoV-2 including Alpha, Beta, Gamma, Delta and Omicron variants of concern (VOC), and shown potent antiviral activity at concentrations that are readily achievable following inhaled delivery of SNG001.

Delivery via the inhaled route results in a high local concentration in the lungs, the site of the infection. We have shown that antiviral pathways are activated up to 24 hours after administration of SNG001.⁹ We believe these concentrations could not be accomplished at the lining of the lungs via the injected route, and indeed systemic use of IFN-beta through injection did not reduce mortality, initiation of ventilation or hospitalisation duration in hospitalised patients with COVID-19 in the WHO Solidarity Trial conducted early in the pandemic.¹⁰

SNG001 clinical data

Phase 3 SPRINTER (NCT04732949)

The topline data from the Phase 3 SPRINTER trial, announced in February and presented at the ATS International Conference in May and at the ERS International Congress in September showed that the primary endpoints of earlier hospital discharge and recovery were not met, likely due to improvements in standard of care such as vaccination programmes, new therapeutic options such as dexamethasone and remdesivir, and

⁷ Zheng Y, Zhuang MW, Han L, et al. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) membrane (M) protein inhibits type I and III interferon production by targeting RIG-I/MDA-5 signaling. *Signal Transduct Target Ther.* 2020;5:299.

⁸ Synairgen data on file.

⁹ <https://pubmed.ncbi.nlm.nih.gov/24937476/>

¹⁰ WHO Solidarity Trial Consortium. Repurposed Antiviral Drugs for Covid-19 — Interim WHO Solidarity Trial Results. *N Engl J Med.* 2021;384:497–511.

changes in hospital practices since the beginning of the pandemic. Synairgen did observe an encouraging signal with respect to a reduction in the relative risk of patients on low flow oxygen progressing to more severe disease or death.¹¹ A *post hoc* analysis of this endpoint suggested that SNG001 may have larger effects in preventing disease progression in patient groups with recognised risk factors, such as older age, the existence of certain co-morbidities and compromised respiratory function. For example, in patients with compromised respiratory function (high respiratory rate and low oxygen saturations) despite being on supplemental oxygen, SNG001, reduced the risk of progression compared to placebo (44% in the Intention-to-Treat population and 70% in the Per Protocol population) in this *post hoc* analysis. This group represented approximately one-third of the patients in the trial. The data further confirmed the favourable safety profile of SNG001.

60- and 90-day analysis/Long COVID

Analysis of 60- and 90-day data from the SPRINTER trial showed SNG001 reduced the relative risk of recognised symptoms of Long COVID at day 60 and/or day 90. The full analysis of the Day 60 and Day 90 data, including several patient-reported outcome (PRO) measures is ongoing, and will be presented in October at IDWeek 2022 in Washington and submitted for publication in a peer-reviewed journal.

Phase 2 SG015 (NCT03570359)

In early 2020, due to the emergence of SARS-CoV-2, Synairgen's SG015 trial in COPD patients was paused with 109 out of the targeted 120 patients recruited. An interim analysis of the data was reported in September 2020 which demonstrated that SNG001 boosted lung antiviral responses as assessed using sputum biomarkers and led to a significant difference in the lung function recovery in exacerbating COPD patients.

In September 2022, Synairgen announced additional findings from this Phase 2 COPD study suggesting, in a *post hoc* analysis, that SNG001 had accelerated viral clearance from the lung (significantly lower proportion of patients on SNG001 had detectable virus on Day 7; $p=0.014$), building on existing data supporting SNG001's mechanism of action.

UNIVERSAL study

The COVID-19 pandemic highlighted the important link between research and clinical care, and its impact on the timely development of much-needed broad-spectrum antivirals for severe lung viral infections caused by seasonal viruses and emerging respiratory viral threats. In September 2022, Synairgen announced a collaboration with the Clinical Trials Unit of the University of Southampton, UK, and Janssen, a Johnson & Johnson company, on the UNIVERSAL study, an observational study designed to provide a better understanding of what drives clinical outcomes in patients hospitalised due to

¹¹ The main reason patients were excluded from the Per Protocol population was failure to receive two full doses in the first three days of treatment.

an infection with any one of a range of respiratory viruses. Results from the trial will help to further inform the development programme of SNG001.

Other *in vitro* and clinical progress – COVID-19

In vitro studies

In vitro studies conducted at Viroclinics-DDL in the Netherlands in Spring 2022 showed that SNG001 has potent antiviral activity against SARS-CoV-2 Delta and Omicron variants at concentrations that are achievable following inhaled delivery of interferon beta¹², building upon previous *in vitro* studies demonstrating antiviral activity against RSV, rhinovirus, various influenza strains including H5N1, MERS-CoV and SARS-CoV-2 including Alpha, Beta, Gamma, Delta and Omicron variants of concern (VOC).

ACTIV-2

We continue to await the Phase 2 data from the ACTIV-2 team, which when received, will be assessed and used as appropriate to inform the SNG001 clinical development plan as Synairgen builds the case that SNG001 may have an important role in combatting COVID-19 and future emerging virus threats.

Platform Trials Update

Over the course of 2022, as the burden on hospitals from COVID-19 has receded, large platform trials likewise have wound down due to low infection rates and changes in funding or have evolved to focus on more specific aspects of COVID-19. We have engaged and continue to engage with many of these platform trial sponsors in the US, Europe and the UK, and remain ready to participate in suitable platform trials. While we explore multiple options, our approach is to build upon the SPRINTER results and determine the quickest and most effective pathway to explore efficacy of SNG001 across a broad range of respiratory viruses for those hospitalised with severe lung infections.

FINANCIAL REVIEW

Statement of Comprehensive Income

The loss from operations for the six months ended 30 June 2022 (H1 2022) was £14.0 million (six months ended 30 June 2021 (H1 2021): £38.9 million loss; year ended 31 December 2021 (FY 2021): £57.9 million loss) with research and development expenditure amounting to £11.1 million (H1 2021: £36.9 million; FY 2021: £52.9 million) and other administrative expenses £2.9 million (H1 2021: £2.0 million; FY 2021: £5.0 million).

¹² Synairgen data on file

The reduction in research and development expenditure from £36.9 million to £11.1 million is attributable to the lower expenditure on (i) manufacturing activities (including procurement of long lead time items) and (ii) the Phase 3 SPRINTER trial.

Other administrative expenditure has increased from £2.0 million in H1 2021 to £2.9 million in H1 2022 on account of pre-commercialisation activities, including the establishment of a corporate communications function.

The research and development tax credit decreased from £6.0 million in H1 2021 to £1.6 million in H1 2022 on account of the reduced qualifying expenditure.

The loss after tax for H1 2022 was £12.4 million (H1 2021: £32.9 million; FY 2021: £48.7 million) and the basic loss per share was 6.16p (H1 2021: 16.47p loss; FY 2021: 24.28p loss).

Statement of Financial Position and Cash Flows

At 30 June 2022, net assets amounted to £24.9 million (30 June 2021: £52.4 million, 31 December 2021: £37.0 million), including cash balances of £18.0 million (30 June 2021: £46.2 million, 31 December 2021: £33.8 million). Post period-end, in August 2022, the tax credit of £9.1 million in respect of FY 2021 was received.

The principal elements for the £15.8 million reduction in cash balances during H1 2022 (H1 2021: £28.8 million reduction, FY 2021: £41.1 million reduction) were:

- Cash used in operations £15.8 million (H1 2021: £28.7 million outflow, FY 2021: £44.9 million outflow); and,
- Research and development tax credits received of £nil (H1 2021: £nil, FY 2021: £3.9 million).

The other significant changes in the statement of financial position were:

- Current tax receivable: 30 June 2022: £10.6 million, 30 June 2021 £9.7 million, 31 December 2021: £9.1 million. As noted above, the 2021 tax credit was received in August 2022.
- Trade and other receivables: 30 June 2022: £0.7 million, 30 June 2021: £1.1 million, 31 December 2021: £1.5 million.
- Trade and other payables: 30 June 2022: £4.6 million, 30 June 2021: £4.9 million, 31 December 2021: £7.6 million.

With the ongoing reduction in our committed research and development cash burn, Synairgen has adequate cash resources, reaching into Q4 2023, to enable it to determine and pursue its strategic pathway for SNG001, including if necessary the exploration of all

options to provide the necessary funds to allow it to continue its clinical development programme.

OUTLOOK

Data from our trials and subsequent analyses continues to support the potential of SNG001 to provide clinically important benefits in the treatment of severe viral lung infections. Synairgen now has data from its Phase 3 SPRINTER trial in patients hospitalised with COVID-19, subsequent analyses of different high-risk patient groups within the trial, the 60- and 90-day follow-up Long COVID data, as well as the data from the COPD trial conducted before the pandemic. The SPRINTER data were well-received at two major respiratory congresses: the ATS International Conference in San Francisco in May 2022 and the ERS International Congress in September 2022 and have been accepted for presentation at IDWeek in October 2022 in Washington, DC.

With input from clinical advisers, a review of data across our clinical development programmes further supports our approach to investigate SNG001 as a broad-spectrum antiviral for a range of respiratory viral infections.

While prudently managing costs, we are actively pursuing and refining multiple clinical approaches including company- and investigator-sponsored studies and possibly platform studies (as and when appropriate), to confirm the most expeditious clinical development path for SNG001 in patients hospitalised due to a severe viral lung infection including SARS-CoV-2, influenza, RSV, adenovirus, parainfluenza and rhinoviruses.

Consolidated Statement of Comprehensive Income for the 6 months ended 30 June 2022

	Notes	Unaudited Six months ended 30 June 2022 £000	Unaudited Six months ended 30 June 2021 £000	Audited Year ended 31 December 2021 £000
Research and development expenditure		(11,106)	(36,906)	(52,857)
Other administrative expenses		(2,903)	(1,991)	(5,009)
Total administrative expenses and loss from operations		(14,009)	(38,897)	(57,866)
Finance income		24	9	11
Finance expense		-	(2)	(2)
Loss before tax		(13,985)	(38,890)	(57,857)
Tax credit	2	1,579	5,971	9,194
Loss and total comprehensive loss for the period		(12,406)	(32,919)	(48,663)
Loss per ordinary share	3			
Basic and diluted loss per ordinary share (pence)		(6.16)p	(16.47)p	(24.28)p

Consolidated Statement of Changes in Equity for the 6 months ended 30 June 2022

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total £000
At 1 January 2021	1,999	125,245	483	(42,586)	85,141
Recognition of share-based payments	-	-	-	148	148
Total comprehensive loss for the period	-	-	-	(32,919)	(32,919)
At 30 June 2021	1,999	125,245	483	(75,357)	52,370
Issue of ordinary shares	14	-	-	-	14
Recognition of share-based payments	-	-	-	360	360
Total comprehensive loss for the period	-	-	-	(15,744)	(15,744)
At 31 December 2021	2,013	125,245	483	(90,741)	37,000
Issue of ordinary shares	1	-	-	-	1
Recognition of share-based payments	-	-	-	323	323
Total comprehensive loss for the period	-	-	-	(12,406)	(12,406)
At 30 June 2022	2,014	125,245	483	(102,824)	24,918

Consolidated Statement of Financial Position as at 30 June 2022

	Unaudited 30 June 2022 £000	Unaudited 30 June 2021 £000	Audited 31 December 2021 £000
Assets			
Non-current assets			
Intangible assets	48	46	53
Property, plant and equipment	130	212	173
Right-of-use assets	-	13	-
	178	271	226
Current assets			
Current tax receivable	10,634	9,742	9,055
Trade and other receivables	710	1,137	1,530
Cash and cash equivalents	18,022	46,214	33,827
	29,366	57,093	44,412
Total assets	29,544	57,364	44,638
Liabilities			
Current liabilities			
Trade and other payables	(4,626)	(4,948)	(7,638)
Lease liabilities	-	(46)	-
Total liabilities	(4,626)	(4,994)	(7,638)
Total net assets	24,918	52,370	37,000
Equity			
Capital and reserves attributable to equity holders of the parent			
Share capital	2,014	1,999	2,013
Share premium	125,245	125,245	125,245
Merger reserve	483	483	483
Retained deficit	(102,824)	(75,357)	(90,741)
Total equity	24,918	52,370	37,000

Consolidated Statement of Cash Flows for the 6 months ended 30 June 2022

	Unaudited Six months ended 30 June 2022 £000	Unaudited Six months ended 30 June 2021 £000	Audited Year ended 31 December 2021 £000
Cash flows from operating activities			
Loss before tax	(13,985)	(38,890)	(57,857)
Adjustments for:			
Finance income	(24)	(9)	(11)
Finance expense	-	2	2
Lease adjustment	-	-	(4)
Depreciation of property, plant & equipment	47	45	92
Depreciation of right-of-use assets	-	81	94
Amortisation	5	5	9
Share-based payment charge	323	148	508
Cash flows from operations before changes in working capital	(13,634)	(38,618)	(57,167)
Decrease in inventories	-	41	41
Decrease in trade and other receivables	825	8,235	7,841
(Decrease)/Increase in trade and other payables	(3,012)	1,669	4,359
Cash used in operations	(15,821)	(28,673)	(44,926)
Tax credit received	-	-	3,910
Net cash used in operating activities	(15,821)	(28,673)	(41,016)
Cash flows from investing activities			
Interest received	19	10	12
Purchase of intangible assets	-	(7)	(18)
Purchase of property, plant and equipment	(4)	(7)	(15)
Net cash generated from/(used in) investing activities	15	(4)	(21)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	1	-	14
Principal paid on lease liabilities	-	(83)	(124)
Interest paid on lease liabilities	-	(2)	(2)
Net cash generated from/(used in) financing activities	1	(85)	(112)
Decrease in cash and cash equivalents	(15,805)	(28,762)	(41,149)
Cash and cash equivalents at beginning of period	33,827	74,976	74,976
Cash and cash equivalents at end of period	18,022	46,214	33,827

Notes to the Interim Financial Information

for the six months ended 30 June 2022

1. Basis of preparation

Basis of accounting

The interim financial information, which is unaudited, has been prepared on the basis of the accounting policies expected to apply for the financial year to 31 December 2022 and in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies applied in the preparation of this interim financial information are consistent with those used in the financial statements for the year ended 31 December 2021.

The interim financial information does not include all of the information required for full annual financial statements and does not comply with all the disclosure requirements in IAS 34 'Interim Financial Reporting'.

Financial information

The financial information for the year ended 31 December 2021 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 31 December 2021 have been filed with the Registrar of Companies. The Independent Auditor's Report on the Annual Report and Financial Statements for the year ended 31 December 2021 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Financial information is published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial information, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial information contained therein.

Going Concern

The directors have prepared financial forecasts to estimate the likely cash requirements of the Group over the period to 30 September 2023, given its stage of development and lack of recurring revenues. In preparing these financial forecasts, the directors have made certain assumptions with regards to the timing and amount of future expenditure over which they have control. The directors have taken a prudent view in preparing these forecasts and will not commit to expenditure which the Group can't meet out of existing resources.

The Group's available resources at the date of this report are sufficient to cover the Group's committed activities of interacting with platform and other investigator-led studies, designing a broad-spectrum antiviral clinical trial, engaging with pharmaceutical companies regarding collaboration/licensing opportunities for that broad indication and, if required, engaging with providers of any other type of funding (details of these activities, current operating expense levels to 30 June 2022 and working capital at 30 June 2022 can be found in the Operating and Financial Reviews). Regardless of the outcome of these activities, which are uncertain, the Group's available resources are sufficient to cover existing committed costs and the costs of these activities until at least 30 September 2023.

After due consideration of these forecasts and current cash resources, the directors consider that the Group has adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least twelve months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis.

Notes to the Interim Financial Information

for the six months ended 30 June 2022 (continued)

1. Basis of preparation (continued)

Approval of financial information

The 30 June 2022 interim financial information was approved by a committee of the Board of Directors on 28 September 2022.

2. Tax credit

The tax credit of £1,579,000 (six months ended 30 June 2021: £5,971,000; year ended 31 December 2021: £9,194,000) comprises an estimate of the research and development tax credit receivable in respect of the current period.

3. Loss per ordinary share

	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
Loss attributable to equity holders of the Company (£000)	(12,406)	(32,919)	(48,663)
Weighted average number of ordinary shares in issue 000s	201,345	199,914	200,442

The loss attributable to shareholders and the weighted average number of ordinary shares for the purposes of calculating the diluted loss per ordinary share are identical to those used for basic loss per share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore antidilutive. At 30 June 2022 there were 8,477,640 options outstanding (30 June 2021: 9,503,004 options outstanding; 31 December 2021: 8,517,282 options outstanding).

INDEPENDENT REVIEW REPORT TO SYNAIRGEN PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with the London Stock Exchange AIM Rules for Companies.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes 1 to 3.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report is not prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with

the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants

Reading, UK

Date: 28 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).