Active Biotech

YEAR-END REPORT 2020 | ACTIVE BIOTECH AB

New Strategic R&D Plan Implemented and Financed

FOURTH QUARTER IN BRIEF

Tasquinimod

- The clinical study in multiple myeloma was presented at an oral poster session at the virtual American Society of Hematology (ASH) 2020 meeting in December
- Patent granted in China in October regarding treatment of multiple myeloma
- Patent granted in Europe in November regarding use of tasquinimod in combination with immunotherapy

Laquinimod

- Development continued according to plan

Naptumomab

- Active Biotech received a milestone payment from NeoTX in December

Corporate

- Board of Directors proposed in November a rights issue to fund ongoing and planned development programs
- A Capital Markets Day was held on November 24
- The clinical strategy and projected development milestones presented to the market in November

SIGNIFICANT EVENTS DURING THE JANUARY-DECEMBER PERIOD

- Active Biotech announced a new strategic direction for the company in February
- Three new board members with extensive topic expertise were appointed at the Annual General Meeting on May 19
- Preclinical data on tasquinimods effects in experimental models for multiple myeloma were presented at the Virtual Edition of the 25th European Hematology Association (EHA) Annual Congress Meeting in June
- Data on the effects of laquinimod in experimental uveitis published in the Journal of Immunology in May
- First patient dosed in the phase Ib/IIa study of tasquinimod to treat multiple myeloma in August
- A topical ophthalmic formulation of laquinimod to be used to treat inflammatory eye disorders developed in August in collaboration with Leukocare AG

EVENTS AFTER THE END OF THE PERIOD

- Rights issue prospectus published on January 5, 2021
- Rights issue oversubscribed by 175% and added 76.2 MSEK to liquidity before issue expenses
- Active Biotech signed an agreement for manufacturing of a topical ophthalmic formulation of laquinimod for clinical use

FINANCIAL SUMMARY

	Oct-Dec		Jan-Dec	
SEK M	2020	2019	2020	2019
Net sales	6.2	0.9	6.7	8.4
Operating profit/loss	-4.1	-11.2	-32.3	-32.3
Profit/loss after tax	-4.1	-11.2	-32.2	-34.1
Earnings per share (SEK)	-0.03	-0.08	-0.22	-0.24
Cash and cash equivalents (at close of period)			26.2	59.7

The report is also available at www.activebiotech.com

Active Biotech is obligated to make public the information contained in this interim report pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This information was provided to the media, through the agency of the contact person set out below, for publication on February 11 2021, at 8:30 a.m. CET.

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Helén Tuvesson
CEO

In 2020, we built the strategy that will make 2021 an exciting year

COMMENTS FROM THE CEO

Over the past 12 months, we framed a new strategy and thereby completed a major change of our R&D activities. We are now fully focused on advancing our projects in carefully selected, well defined niche indications with high medical need and commercial potential. In the fourth quarter, we continued to make progress in all our development programs: tasquinimod in multiple myeloma, laquinimod in uveitis, and finally naptumomab in advanced solid tumors together with our partner NeoTX.

For 2021, we expect to continue this course, with the first clinical readout in the tasquinimod study in multiple myeloma, the start of clinical development of laquinimod in uveitis, and the review of safety results of naptumomab in combination with durvalumab, as well as start additional trials in patients with advanced cancer.

To be able to carry out and secure the financing of these programs, a rights issue with pre-emptive rights for current shareholders was proposed by the Board and decided by a general meeting in November. It was well received in the market, oversubscribed by 175% and added 76.2 MSEK to liquidity before issue expenses.

Tasquinimod – a potential new product class to treat multiple myeloma

The clinical phase Ib/IIa study in relapsed refractory multiple myeloma is ongoing at Abramson Cancer Center in Philadelphia, US. The study evaluates two treatment regimens: tasquinimod as monotherapy, and in combination with a standard myeloma regimen of oral treatments. The first patient in the monotherapy part of the study was dosed in August, and we project to present the first safety data, and potentially also preliminary effect data, in H2 2021. The study was presented by Principal Investigator Dan Vogl in an oral poster session at the virtual ASH annual meeting 2020 in December.

In June, new preclinical data demonstrating potent anti-myeloma effects of tasquinimod alone and in combination with standard myeloma treatment, were presented at the Virtual Edition of the EHA Meeting by our collaboration partners from the Wistar institute in Philadelphia. The data suggest complementary effects of tasquinimod to standard myeloma treatments, supporting the potential of tasquinimod being a novel product class for use in multiple myeloma.

Laquinimod – start of clinical development program in uveitis

In 2020, we focused on preparing the documentation to start clinical studies in non-infectious non-anterior uveitis, which is an orphan disease and a serious, sight-threatening condition. We are planning to start two studies in 2021, a proof-of-principle study with oral laquinimod in uveitis patients, and a safety study of a newly developed eyedrop formulation. We recently signed an agreement with Famar Health Care Services Madrid SAU to manufacture this formulation for clinical use.

In May , compelling data on laquinimod in experimental uveitis were presented by Dr. Rachel Caspi and her team at the National Eye Institute (NEI), National Institutes of Health (NIH), US. We will continue to collaborate during 2021 to expand our knowledge around laquinimod.

Naptumomab – clinical results and start of new studies during 2021

The dose escalation in the phase Ib/II study with naptumomab in combination with the checkpoint inhibitor durvalumab was expanded to also include assessment of pre-treatment with obinutuzumab (Gazyva®) for elimination of anti-drug antibodies (ADAs) to naptumomab. If safety and successful elimination of ADAs is confirmed, pre-treatment with obinutuzumab will be tested further in the MTD expansion cohort.

We expect the results from the extended dose escalation phase of this trial early in 2021. In December, we received a contractual milestone payment of USD 750,000 from our partner NeoTX. In 2021, NeoTX plans to extend the clinical program and start phase II studies in combination with durvalumab in patients with tumor types known to respond poorly to checkpoint inhibition alone (cold tumors), as well as a phase II study in non-small cell lung cancer in combination with docetaxel.

Financing of activities

Active Biotech's investments in preclinical and clinical studies the coming years will require additional financing. The Board's proposed rights issue of SEK 76.2 million was approved at a general meeting in November 2020. The rights issue with pre-emptive rights for Active Biotech's shareholders was oversubscribed by 175% and approximately SEK 76.2 million was added to the company's liquidity before the deduction of issue costs. The proceeds from the issue together with existing cash will finance development programs through 2022. Following launch of a new direction for the company, we have worked actively to increase our visibility for current and new investors. The concluded rights issue was a success and I am pleased to note that we now also have the specialist fund Gladiator among our largest shareholders.

We, like everyone else, were affected by the covid-19 pandemic during 2020. To limit the spread of the virus and a potential negative impact to our business, we have minimized our travel and changed our way of working. I am pleased to say that substantial progress has been achieved across all projects despite the prevailing situation, and we have been able to continue operating without significant delays during 2020. However, despite the vaccines now coming broadly into use, it is still uncertain how the global measures against COVID-19, and prioritization of health care resources, may affect timelines, specifically of the clinical studies in the coming months. We will continue to monitor the clinical trials and provide updates as needed.

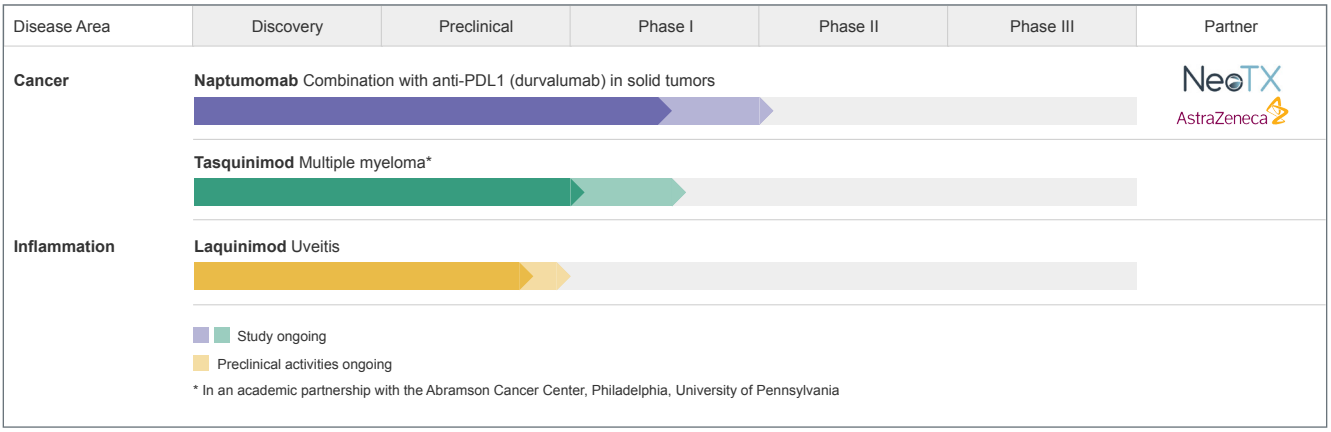
Looking back on 2020, this was a year of intensive work to lay the foundation for the refocused development in our projects. Consequently, 2021 will be an exciting year where we expect to report several important development milestones in our projects. I'm looking forward to updating you as we progress.

In conclusion, I would also like to thank the entire Active Biotech team and shareholders for your loyal support over the past year.

Helén Tuvesson, CEO

PROJECTS

Active Biotech's project portfolio includes projects for the development of drugs for the treatment of cancer and inflammatory diseases.



Naptumomab estafenatox

Naptumomab estafenatox (naptumomab) is a tumor targeting immunotherapy that enhances the ability of the immune system to recognize and kill the tumor. Since October 2016, Active Biotech has a licensing agreement with NeoTX Therapeutics Ltd (NeoTX) for the worldwide development and commercialization of naptumomab for cancer therapy.

Naptumomab increases the immune system's ability to recognize and attack the tumor, and preclinical data from various experimental models show synergistic anti-tumor effects and prolonged overall survival when naptumomab is combined with checkpoint inhibitors. Checkpoint inhibitors are a new group of cancer drugs, which function by unleashing the immune system to attack the tumor. Despite the successes of recent years with these immunotherapies, it remains a challenge for the immune system to recognize tumor cells, and there is a need to optimize the therapeutic effect of checkpoint inhibitors. Previous clinical trials have found naptumomab to be well-tolerated and demonstrated preliminary signals of efficacy.

Ongoing clinical development of naptumomab

An open-label, multicenter, dose-finding clinical phase Ib/II study with naptumomab in combination with durvalumab, a checkpoint inhibitor, is ongoing. The clinical trial enrolls patients with previously treated advanced or metastatic, 5T4-positive solid tumors and aims to establish the maximum tolerated dose in the phase Ib study before advancing to phase II cohort expansion studies. The trial was initiated in H2 2019 and is performed under an agreement with AstraZeneca. More information about the study design is available at clinicaltrials.gov (NCT03983954). Results from the phase Ib dose escalation part is expected early 2021. Phase II studies in combination with durvalumab in selected tumor indications, so called cold tumors, with poor response to checkpoint inhibition alone, and a phase II study in combination with docetaxel in non-small cell lung cancer, are expected to start in H2 2021.

EVENTS DURING THE FOURTH QUARTER

- Active Biotech received milestone payment from NeoTX

Tasquinimod

Tasquinimod is a once-daily, oral immunomodulatory compound that affects the tumor's ability to grow and spread.

Tasquinimod has been studied in both healthy subjects and cancer patients. Clinical effects and an overall good tolerability have been demonstrated in 1,500 patients, representing more than 650 patient years of exposure to tasquinimod.

Today the development program for tasquinimod is directed towards hematological malignancies with a specific focus on treatment of multiple myeloma, a rare form of blood cancer with a high medical need. Tasquinimod's mode of action is novel and different to that of the four main classes of standard therapy used today in multiple myeloma. There is an urgent need of efficacious and safe combination regimens including drugs with novel mode of actions to mitigate drug resistance.

Preclinical data from experimental models of multiple myeloma demonstrating effect of tasquinimod as a monotherapy and in combination with standard multiple myeloma treatment were presented at the Virtual Edition of the 25th European Hematology Association Annual Congress Meeting, in June 2020.

Patents in key markets have been allowed or granted, including China, providing protection for the use of tasquinimod in multiple myeloma, until 2035. A patent regarding use of tasquinimod in combination with immunotherapy, i e PD-1 and PD-L1 checkpoint inhibitors, was granted in Europe in November. Furthermore, the US Food and Drug Administration (FDA) has granted orphan drug designation (ODD) for tasquinimod for the treatment of multiple myeloma, which provides for seven years of market exclusivity in the event of future registration.

Ongoing clinical development of tasquinimod

Based on the preclinical data and the previous clinical experience with tasquinimod, a clinical study was initiated, and the first patient was dosed in August 2020. The study recruits relapsed refractory patients after at least one prior anti-myeloma therapy and is conducted in two parts: the first part (A) assessing monotherapy effect of tasquinimod, and the second part (B) a combination of tasquinimod and an oral standard anti-myeloma regimen (IRd; Ixazomib, Revlimid, Dexamethasone). Primary endpoint in both parts is safety and tolerability, and key secondary endpoint is preliminary efficacy by overall response rate. The study is carried out in an academic partnership with Abramson Cancer Center in Philadelphia, PA, US, with Dr. Dan Vogl as principal investigator. The clinical study design with tasquinimod in multiple myeloma was presented at an oral poster session at the virtual ASH 2020 meeting.

The phase Ib/IIa study is ongoing according to plan, and Active Biotech currently expects the first safety readout in H2 2021. Following established safety, a maximum tolerated dose (MTD) expansion cohort will be started as well as the dose escalation of Part B, combination part of the study. The final readout of mono therapy tasquinimod is expected in H2 2022. Important corelative analysis of study bio-samples will be performed at the Wistar Institute in Philadelphia. These analyses aim at supporting further understanding of tasquinimod biological effects in the disease.

EVENTS DURING THE FOURTH QUARTER

- The clinical study with tasquinimod in multiple myeloma was presented at an oral poster session at the virtual ASH 2020 meeting
- A notice of allowance was issued for patent application regarding treatment of multiple myeloma in China
- Patent regarding use of tasquinimod in combination with immunotherapy granted in Europe

Laquinimod

Laquinimod in non-infectious non-anterior uveitis

Laquinimod is a first-in-class immunomodulator with a novel mode of action that distinguishes it from the uveitis treatments available today. It has been shown in experimental models of autoimmune/inflammatory diseases that laquinimod targets the aryl hydrocarbon receptor (AhR) that is present in antigen presenting cells and involved in the regulation of these cells. By targeting the AhR, antigen presenting cells are re-programmed to become tolerogenic, meaning that instead of activating pro-inflammatory T-cells, regulatory T-cells with anti-inflammatory properties are activated leading to dampening of the inflammation in the eye.

Extensive data support that laquinimod is a potent inhibitor of uveitis in preclinical uveitis models. Some of these studies have been performed in collaboration with Dr. Rachel Caspi's team at the National Eye Institute (NEI) at The National Institutes of Health (NIH). Dr. Caspi and her team are world leading within this field, and they recently published an abstract in The Journal of Immunology in which they described a pronounced effect of orally administered laquinimod on the clinical manifestation of the disease in an experimental autoimmune uveitis model. Results from further preclinical studies show that experimental uveitis also can effectively be treated with laquinimod when given topically directly onto the eye.

Clinical development of laquinimod

Given that full regulatory documentation with comprehensive safety data from earlier clinical studies is available, the clinical program of laquinimod will be advanced directly to a clinical phase II proof-of-principle study of oral laquinimod in non-infectious non-anterior uveitis.

Furthermore, a topical ophthalmic formulation of laquinimod has been developed in collaboration with Leukocare AG, and an agreement with a provider for manufacturing of this formulation for clinical use, has been signed.

Following preclinical tolerance testing, a clinical phase I safety study of the topical ophthalmic formulation will be conducted.

The clinical studies are planned to start during H2 2021. The results from the phase I study are estimated to be available during H2 2022. For the phase II proof-of-principle study, which the company intends to perform in an academic partnership, the read-out is estimated to 2023.

EVENTS AFTER THE FOURTH QUARTER

- In January 2021, Active Biotech signed an agreement with a provider for manufacturing of a topical ophthalmic formulation of laquinimod for clinical use

FINANCIAL INFORMATION

Comments on the Group's results for the period January – December, 2020
Net sales amounted to SEK 6.7 M (8.4) which includes a milestone payment of SEK 6.2 M from the license agreement with NeoTX Therapeutics, the remained relates to real estate service provided during the first quarter of 2020. The facility services ceased at the beginning of April, 2020.

The total operational costs for the period amounted to SEK 39.0 M (40.7) whereof research and development expenses totaled SEK 25.5 M (28.5), an 11-percent cost reduction.

The company's research efforts during the period have been focused on complementing existing and new pre-clinical results for tasquinimod and laquinimod and establishing clinical partnerships for further development of the programs.

- A phase Ib/IIa clinical study with tasquinimod for treatment of multiple myeloma was initiated in August, 2020 in collaboration with Penn University, USA
- Laquinimod is being developed as a new product class for treatment of inflammatory eye diseases. A topical ophthalmic formulation has been developed. A phase I safety clinical study for topical treatment and a phase II clinical proof of principle study with oral laquinimod are in preparation for non-infectious non-anterior uveitis
- Naptumomab partnered with NeoTX is in phase Ib/II development for solid tumors and progresses according to plan

Administrative expenses amounted to SEK 13.5 M (12.2).

The operating loss for the period amounted to SEK 32.3 M (loss: 32.3), the net financial income for the period amounted to SEK 0.1 M (expense: 1.8) and the loss after tax to SEK 32.2 M (loss: 34.1).

Comments on the Group's results for the period October - December, 2020
Net sales amounted to SEK 6,2 M (0.9) which includes a milestone payment of SEK 6.2 M from the license agreement with NeoTX Therapeutics.

Total operational costs amounted to SEK 10.4 M (12.0), of which research and development expenses totaled SEK 7.0 M (8.8). Focus has been on:

- increased efforts to the ongoing clinical phase Ib/IIa study with tasquinimod in treatment of multiple myeloma
- increased efforts to the development of a new topical formulation of laquinimod and preparations of a phase I clinical safety study for topical treatment and a clinical phase II proof of principle study with oral laquinimod for non-infectious non-anterior uveitis.
- Support to the ongoing phase 1b/2 development of naptumomab in solid tumors

Administrative expenses during the period amounted to SEK 3.4 M (3.2).

The operating loss for the period amounted to SEK 4.1 M (loss: 11.2), the net financial income for the period amounted to SEK 0.0 M (loss: 0.1) and the loss after tax to SEK 4.1 M (loss: 11.2).

Cash flow, liquidity and financial position, Group, for the period January – December, 2020
Cash and cash equivalents at the end of the period amounted to SEK 26.2 M, compared with SEK 59.7 M at the end of 2019. Cash flow for the period amounted to a negative SEK 33.5 M (positive: 34.1). The cash flow from operating activities amounted to a negative SEK 32.2 M (neg: 35.8). Cash flow from investments amounted to SEK 0 M (positive: 275.0) and cash flow from financing activities amounted to a negative SEK 1.3 M (neg: 205.1).

The cash flow for 2019 from investment and financing activities refers to the sale of real estate that generated an appr. SEK 70 M cash injection.

Investments
Investments in tangible fixed assets amounted to SEK 0.0 M (0.0).

Comments on the Parent Company's results and financial position for the period January – December, 2020
Net sales for the period amounted to SEK 6.7 M (8.3) and operating expenses to SEK 39.0 M (41.0). The Parent Company's operating loss for the period was SEK 32.3 M (loss: 32.7). Net financial income amounted to SEK 0.1 M (0.1) and the loss after financial items was SEK 32.1 M (loss: 32.6). Cash and cash equivalents including short-term investments totaled SEK 26.1 M at the end of the period, compared with SEK 59.4 M on January 1, 2020.

Comments on the Parent Company's results and financial position for the period October – December, 2020
Net sales for the period amounted to SEK 6.2 M (0.9) and operating expenses to SEK 10.3 M (12.0). The Parent Company's operating loss for the period was SEK 4.1 M (loss: 11.2). Net financial income amounted to SEK 0.0 M (0.0) and the loss after financial items was SEK 4.0 M (loss: 11.2).

Shareholders' equity
Consolidated shareholders' equity at the end of the period amounted to SEK 22.1 M, compared with SEK 53.8 M at year-end 2019.

The number of shares outstanding at the end of the period totaled 145,236,480. At the end of the period, the equity/assets ratio for the Group was 68.8 percent, compared with 80.3 percent at year-end 2019. The corresponding figures for the Parent Company, Active Biotech AB, were 1.2 percent and 31.4 percent, respectively.

Long Term Incentive Programs
The Annual General Meeting on May 19, 2020 resolved to adopt two Long Term Incentive Programs (LTIPs), Plan 2020/2024 to include the employees within the Active Biotech Group and the Board Plan 2020/2023 to include all Board members of Active Biotech.

Employees and Board members acquired in total 361,756 shares in the market during the applicable time period in the respective incentive programs. Total costs, including social contributions, as of December 31, 2020 YTD, amounted to SEK 713 K.

Detailed terms and conditions for each of the programs are available on the company homepage.

Organization
The average number of employees during the reporting period was 10 (12), of which the number of employees in the research and development organization accounted for 5 (5). At the end of the period the number of employees related to the company's new direction amounted to 8 whereof 5 in research and development.

Outlook, including significant risks and uncertainties
Active Biotech's ability to develop pharmaceutical projects to the point at which partnership agreements can be secured, and the partner assumes responsibility for the future development and commercialization of the project, is decisive for the company's long-term financial strength and stability.

Following a portfolio refocus during 2020, Active Biotech currently holds three projects in its portfolio:

- naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX, is in phase Ib/II clinical development in patients with advanced solid tumors
- tasquinimod, targeted towards hematological malignancies is in clinical phase Ib/IIa treatment of multiple myeloma
- laquinimod, targeted towards inflammatory eye disorders is advancing to a clinical phase I trial with a topical ophthalmic formulation and a phase II study with oral laquinimod for treatment of non-infectious uveitis. The studies are planned to start H2 2021

The partnership agreement entered with NeoTX in 2016 will have an impact on the company's future revenues and financial position if naptumomab progress in development. NeoTX initiated the clinical development of naptumomab in combination with a checkpoint inhibitor during 2019. A phase Ib/II study is ongoing and results from the phase Ib part are expected during the first half of 2021.

In 2020, Active Biotech entered into an academic collaboration with Penn University for the development of tasquinimod in multiple myeloma, a phase Ib/IIa study was initiated in August 2020, and the first safety readout is expected in H2 2021.

Active Biotech focuses its activities to secure value growth and conduct commercial activities aimed at entering new partnerships for tasquinimod in multiple myeloma and laquinimod in uveitis.

To secure financing of the above programs a rights issue was successfully concluded in January 2021 when SEK 76.2 M before issue costs was secured. The rights issue aimed at providing Active Biotech with the financial stability required to await the outcome of the ongoing clinical studies and to conduct negotiations with partners.

The existing liquidity, the proceeds from the rights issue together with revenues from existing and anticipated partnership agreements, are expected to finance operations in accordance with existing plans.

A research company such as Active Biotech is characterized by high operational and financial risk, since the projects in which the company is involved have both development, regulatory and commercialization risks. In addition, the ability of the company to attract and retain key people with both insights to the field of research, and relevant product development experiences is a significant risk.

In brief, the operation is associated with risks related to such factors as pharmaceutical development, competition, advances in technology, patents, regulatory requirements, capital requirements, currencies and interest rates. A detailed account of these risks and uncertainties is presented in the Directors' Report in the Annual Report 2019. With regards to the prevailing situation for COVID-19, it is uncertain how global measures against COVID-19, and prioritization of health care resources, may affect timelines of project and the ongoing and planned preclinical and clinical activities might be delayed with possible implications on the financing risks. The Group's operations are primarily conducted in the Parent Company, which is why risks and uncertainties refer to both the Group and the Parent Company.

Events after the end of the period

- Active Biotech made the pre-emptive rights issue prospectus public in January 2021
- In January 2021, Active Biotech announced the outcome of the concluded pre-emptive rights issue. 95,6% of the shares offered were subscribed for with subscription rights. In addition, applications for 127,4 million shares without subscription rights were received, corresponding to a 175% oversubscription. Through the rights issue Active Biotech receives proceeds of approximately SEK 76,2 M, before issue expenses. No issue guarantees were utilized
- Active Biotech signed an agreement in January 2021 for manufacturing of a topical ophthalmic formulation of laquinimod for clinical use

CONDENSED CONSOLIDATED PROFIT AND LOSS

SEK M	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net sales	**6.2**	**0.9**	**6.7**	**8.4**
Administrative expenses	-3.4	-3.2	-13.5	-12.2
Research and development costs	-7.0	-8.8	-25.5	-28.5
Operating profit/loss	**-4.1**	**-11.2**	**-32.3**	**-32.3**
Net financial items	0.0	-0.1	0.1	-1.8
Profit/loss before tax	**-4.1**	**-11.2**	**-32.2**	**-34.1**
Tax	–	–	–	–
Net profit/loss for the period	**-4.1**	**-11.2**	**-32.2**	**-34.1**
Comprehensive profit/loss attributable to:				
Parent Company shareholders	-4.1	-11.2	-32.2	-34.1
Non-controlling interest	–	–	–	–
Net profit/loss for the period	**-4.1**	**-11.2**	**-32.2**	**-34.1**
Comprehensive profit/loss per share before dilution (SEK)	-0.03	-0.08	-0.22	-0.24
Comprehensive profit/loss per share after dilution (SEK)	-0.03	-0.08	-0.22	-0.24

CONDENSED STATEMENT OF PROFIT AND LOSS AND CONSOLIDATED COMPREHENSIVE INCOME

SEK M	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net profit/loss for the period	-4.1	-11.2	-32.2	-34.1
Other comprehensive income	–	–	–	–
Total comprehensive profit/loss for the period	**-4.1**	**-11.2**	**-32.2**	**-34.1**
Total other comprehensive profit/loss for the period attributable to:				
Parent Company shareholders	-4.1	-11.2	-32.2	-34.1
Non-controlling interest	–	–	–	–
Total comprehensive profit/loss for the period	**-4.1**	**-11.2**	**-32.2**	**-34.1**
Depreciation/amortization included in the amount of	0.3	0.3	1.3	0.9
Investments in tangible fixed assets	–	–	–	–
Weighted number of outstanding common shares before dilution (000s)	145,236	145,236	145,236	145,236
Weighted number of outstanding common shares after dilution (000s)	145,236	145,236	145,236	145,236
Number of shares at close of the period (000s)	145,236	145,236	145,236	145,236

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Dec 31 2020	Dec 31 2019
Tangible fixed assets	1.9	3.2
Long-term receivables	0.0	0.0
Total fixed assets	**1.9**	**3.2**
Current receivables	4.1	4.1
Cash and cash equivalents	26.2	59.7
Total current assets	**30.3**	**63.8**
Total assets	**32.2**	**67.0**
Shareholders equity	22.1	53.8
Long-term liabilities	0.7	2.0
Current liabilities	9.4	11.2
Total shareholders equity and liabilities	**32.2**	**67.0**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

SEK M	Dec 31 2020	Dec 31 2019
Opening balance	53.8	87.9
Loss for the period	-32.2	-34.1
Other comprehensive income for the period	–	–
Comprehensive profit/loss for the period	*-32.2*	*-34.1*
Transfer from revaluation reserve	–	-88.9
Transfer to profit/loss brought forward	–	88.9
Share-based payments that are settled with equity instruments, IFRS2	0.6	–
Balance at close of period	**22.1**	**53.8**

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Dec 2020	Jan-Dec 2019
Loss after financial items	**-32.2**	**-34.1**
Adjustment for non-cash items, etc.	1.9	0.9
Cash flow from operating activities before changes in working capital	**-30.3**	**-33.3**
Changes in working capital	-1.9	-2.5
Cash flow from operating activities	**-32.2**	**-35.8**
Sale of property, plant and equipment	–	275.0
Cash flow from investments	**–**	**275.0**
Loans raised/amortization of loan liabilities	-1.3	-205.1
Cash flow from financing activities	**-1.3**	**-205.1**
Cash flow for the period	**-33.5**	**34.1**
Opening cash and cash equivalents	**59.7**	**25.6**
Closing cash and cash equivalents	**26.2**	**59.7**

KEY FIGURES

	Dec 31	
	2020	2019
Shareholders equity, SEK M	22.1	53.8
Equity per share, SEK	0.15	0.37
Equity/assets ratio in the Parent Company	1.2%	31.4%
Equity/assets ratio in the Group	68.8%	80.3%
Average number of annual employees	10	12

The equity/assets ratio and equity per share are presented since these are performance measures that Active Biotech considers relevant for investors who wish to assess the company´s capacity to meets its financial commitments. The equity/assets ratio is calculated by dividing recognized shareholders´equity by recognizes total assets. Equity per share is calculated by dividing recognized shareholders´equity by the number of shares.

CONSOLIDATED PROFIT AND LOSS

	2016				2017				2018				2019				2020			
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Sales	**3.9**	**3.9**	**4.1**	**7.1**	**4.7**	**5.1**	**5.1**	**5.4**	**4.8**	**5.7**	**4.7**	**4.8**	**5.5**	**1.1**	**0.9**	**0.9**	**0.5**	**–**	**–**	**6.2**
Administration expenses	-4.4	-4.1	-3.5	-3.9	-4.1	-10.2	-2.5	-3.3	-2.9	-2.6	-2.5	-2.5	-2.8	-3.6	-2.7	-3.2	-3.4	-3.8	-2.9	-3.4
Research and development costs	-15.6	-14.3	-11.7	-16.7	-15.2	-14.6	-9.1	-10.4	-10.5	-10.4	-9.1	-9.4	-9.1	-5.2	-5.3	-8.8	-6.8	-6.3	-5.5	-7.0
Other operating expenses/ income	–	–	–	–	–	-3.3	–	-50.0	–	–	–	–	–	2.2	-2.2	–	–	–	–	–
Operating profit/loss	**-16.1**	**-14.5**	**-11.1**	**-13.5**	**-14.6**	**-23.1**	**-6.5**	**-58.4**	**-8.5**	**-7.3**	**-6.9**	**-7.1**	**-6.4**	**-5.4**	**-9.3**	**-11.2**	**-9.7**	**-10.1**	**-8.3**	**-4.1**
Net financial items	-1.3	-1.6	-1.9	-1.9	-1.8	-1.8	-1.9	-1.8	-1.7	-1.7	-1.8	-1.8	-1.7	0.0	0.0	-0.1	-0.4	0.3	0.1	0.0
Profit/loss before tax	**-17.4**	**-16.1**	**-13.0**	**-15.4**	**-16.4**	**-24.9**	**-8.4**	**-60.1**	**-10.2**	**-9.1**	**-8.7**	**-8.9**	**-8.1**	**-5.5**	**-9.3**	**-11.2**	**-10.1**	**-9.8**	**-8.2**	**-4.1**
Tax	0.6	0.6	0.6	0.6	0.6	0.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Net profit/ loss for the period	**-16.8**	**-15.5**	**-12.4**	**-14.8**	**-15.8**	**-24.4**	**-8.4**	**-60.1**	**-10.2**	**-9.1**	**-8.7**	**-8.9**	**-8.1**	**-5.5**	**-9.3**	**-11.2**	**-10.1**	**-9.8**	**-8.2**	**-4.1**

ACTIVE BIOTECH PARENT COMPANY – INCOME STATEMENT, CONDENSED

SEK M	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net Sales	**6.2**	**0.9**	**6.7**	**8.3**
Administration expenses	-3.4	-3.2	-13.5	-12.3
Research and development costs	-6.9	-8.8	-25.5	-28.7
Operating profit/loss	**-4.1**	**-11.2**	**-32.3**	**-32.7**
Profit/loss from financial items:				
Interest income and similar income-statement items	0.0	-0.1	0.2	0.0
Interest expense and similar income-statement items	0.0	0.1	-0.1	0.1
Profit/loss after financial items	**-4.0**	**-11.2**	**-32.1**	**-32.6**
Tax	–	–	–	–
Net profit/loss for the period	**-4.0**	**-11.2**	**-32.1**	**-32.6**
Statement of comprehensive income parent company				
Net profit/loss for the period	-4.0	-11.2	-32.1	-32.6
Other comprehensive income	–	–	–	–
Total comprehensive profit/loss for the period	**-4.0**	**-11.2**	**-32.1**	**-32.6**

ACTIVE BIOTECH PARENT COMPANY – BALANCE SHEET, CONDENSED

SEK M	Dec 31	
	2020	2019
Financial fixed assets	40.5	40.5
Total fixed assets	**40.5**	**40.5**
Current receivables	3.9	3.3
Short-term investments	22.8	55.6
Cash and bank balances	3.3	3.8
Total current assets	**30.1**	**62.8**
Total assets	**70.6**	**103.3**
Shareholders equity	0.9	32.4
Current liabilities	69.7	70.8
Total equity and liabilities	**70.6**	**103.3**

Any errors in additions are attributable to rounding of figures.

NOTE 1: ACCOUNTING POLICIES

The interim report of the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act. The interim report of the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. For the Group and the Parent Company, the same accounting policies and accounting estimates and assumptions were applied in this interim report as were used in the preparation of the most recent annual report.

NOT 2: DISTRIBUTION OF SALES

SEK M	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Licence revenues	6.2	–	6.2	–
Rental revenues	–	–	–	4.9
Service revenues	–	0.9	0.5	3.3
Other	–	–	–	0.2
Total	**6.2**	**0.9**	**6.7**	**8.4**

NOT 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

SEK M	Dec 31, 2020 Level 2	Dec 31, 2019 Level 2
Short-term investments	22.8	55.6

LEGAL DISCLAIMER

This financial report includes statements that are forward-looking and actual results may differ materially from those anticipated. In addition to the factors discussed, other factors that can affect results are developments in research programs, including clinical trials, the impact of competing research programs, the effect of economic conditions, the effectiveness of the company's intellectual patent protection, obstacles due to technological development, exchange-rate and interest-rate fluctuations, and political risks.

FINANCIAL CALENDAR

- April 22, 2021, Interim report
- May 19, 2021, Annual General Meeting
- August 5, 2021, Interim report
- November 4, 2021, Interim report

The reports will be available from these dates at www.activebiotech.com

The interim report for the January – December period 2020 provides a true and fair view of the Parent Company´s and the Group's operations, position and results, and describes significant risks and uncertainties that the Parent Company and Group companies face.

Lund February 11, 2021
Active Biotech AB (publ)

Helén Tuvesson
President and CEO

This interim report is unaudited.

Active Biotech AB (publ) (NASDAQ Stockholm: ACTI) is a biotechnology company that deploys its extensive knowledge base and portfolio of compounds to develop first-in-class immunomodulatory treatments for specialist oncology and immunology indications with a high unmet medical need and significant commercial potential. Following a portfolio refocus, the business model of Active Biotech aims to advance projects to the clinical development phase and then further develop the programs internally or pursue in partnership. Active Biotech currently holds three projects in its portfolio: Naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX Therapeutics, is in a phase I/II clinical program in patients with advanced solid tumors. The small molecule immunomodulators, tasquinimod and laquinimod, both having a mode of actions that includes modulation of myeloid immune cell function, are targeted towards hematological malignancies and inflammatory eye disorders, respectively. Tasquinimod, is in clinical phase Ib/IIa for treatment of multiple myeloma. Laquinimod is advancing to phase II for treatment of non-infectious uveitis during second half of 2021. Please visit www.activebiotech.com for more information.