

# Q1 Q2 Q3 Q4

## YEAR END REPORT 2021 | ACTIVE BIOTECH AB

“Continued strong development”

### FOURTH QUARTER IN BRIEF

- In 2021, we made substantial progress in our projects to address unmet medical need in hematological cancers and inflammatory eye disorders. The fourth quarter in particular proved to be a busy period, with continued strong development with all the prioritized projects in our portfolio

#### Tasquinimod

- Clinical development in multiple myeloma advanced into combination therapy following completion of the initial phase of the ongoing trial in the US (Oct 3)
- Preclinical tasquinimod data presented at ASH 2021 (Dec 11-12)

#### Naptumomab

- Active Biotech and NeoTX announced that the first patient had been enrolled in the phase IIa clinical trial of naptumomab estafenatox in combination with docetaxel in patients with advanced non-small cell lung cancer (NSCLC) (Oct 20)
- Data on naptumomab estafenatox enhancing CAR-T cells potency presented by Active Biotech’s partner NeoTX at SITC 2021 (Nov 12)

#### Laquinimod

- First subject dosed in phase I clinical study with eye drop formulation of laquinimod (Dec 10)

### EVENTS AFTER THE END OF THE PERIOD

- Dr. Erik Vahtola appointed Chief Medical Officer (Jan 01)
- First patient dosed in the combination part of the phase Ib/IIa study of tasquinimod in multiple myeloma (Feb 7)
- Active Biotech entered into global patent license agreement with Oncode Institute for tasquinimod in myelofibrosis (Feb 9)

### FINANCIAL SUMMARY

SEK M	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net sales	–	6.2	–	6.7
Operating profit/loss	-14.9	-4.1	-48.5	-32.3
Profit/loss after tax	-14.9	-4.1	-48.6	-32.2
Earnings per share (SEK)	-0.07	-0.02	-0.23	-0.19
Cash and cash equivalents (at close of period)			53.1	26.2

The report is also available at [www.activebiotech.com](http://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 9, 2022 at 22.30 pm CET.



**Helén Tuvešson**  
CEO



*All our projects are  
now in the clinical phase*

## COMMENTS FROM THE CEO

**Since Active Biotech implemented a new direction for the company in 2020 our focus has been to leverage our substantial amount of data, supported by our network of experts, to establish a position for tasquinimod and laquinimod, the company's unpartnered projects within hematological cancers and inflammatory eye disorders. These are disease areas that each have substantial unmet medical needs and presents major commercial opportunities for novel treatments. During 2021, we realized significant progress in our projects, and both tasquinimod and laquinimod advanced into clinical trials, targeting multiple myeloma and uveitis. The new strategic direction for the company is now advancing.**

In the fourth quarter, we reported the first safety results from the study of tasquinimod in multiple myeloma. This was followed up in December, where we reported first subject dosed in the clinical phase I trial to determine the safety of the newly developed eye drop formulation of laquinimod. The already partnered project naptumomab also reported clinical progress, as the first patient was enrolled in the clinical phase IIa study of naptumomab in combination with docetaxel in lung cancer.

With a strong foundation now established, a critical CMC work completed for laquinimod, we are looking ahead to 2022, during which we continue the established focus for the unpartnered projects, as the clinical milestones will be pursued.

### **Tasquinimod – a combination study with oral regimen ongoing**

In the beginning of October, we reported on the safety of tasquinimod in the phase Ib/IIa study in multiple myeloma, ongoing at the Abramson cancer center in Philadelphia. Tasquinimod was well tolerated in myeloma patients, and the safety profile – as well as the dose and dosing schedule – resembled the previous studies in solid tumors. The patients included in this portion of the study were heavily pretreated and refractory to the commonly used treatment with Imids, proteasome inhibitors and anti-CD38 antibodies.

Significant periods of stable disease were achieved in 2 of the 10 patients after documented disease progression, whereas no formal response was confirmed. Based on the good safety and encouraging signals of anti-myeloma activity, the study continues into the combination part where tasquinimod will be combined with oral anti-myeloma agents, i.e. ixazomib, lenalidomide and dexamethasone. The first patient was dosed in early February, and we are excited to follow the progress of the study. For more information of the study, see [www.clinicaltrials.gov](http://www.clinicaltrials.gov): NCT4405167. The use of tasquinimod as a novel type of treatment for multiple myeloma in combination with treatments used for earlier stage patients, is aligned with our current understanding of the mode of action of tasquinimod.

The myeloma market is mainly driven by novel treatments and an elderly population and is expected to continue to grow. The global sales of drugs for the treatment of multiple myeloma is projected at 21,6 BUSD in 2027 (GlobalData March 2019). Although several new treatments have entered the

market, the medical need remains high for a novel and innovative therapy to mitigate disease relapse and overcome resistance to current treatments.

Preclinical data on tasquinimod was presented in two poster presentations at the ASH 2021 meeting. The first poster is from our collaboration with an academic group at Vrije Universiteit Brussel, to further study tasquinimod in the preclinical setting of multiple myeloma. The results established validate the effect of tasquinimod in animal models of the disease and provide a deeper understanding of mechanisms involved.

The second poster highlights tasquinimod's potential effect in myelodysplastic syndrome (MDS), which might broaden the potential use of tasquinimod in the hematological field. The experiments are performed in collaboration with an academic group at the University Hospital in Dresden. Both presentations are an important integral part of our preclinical and clinical program around tasquinimod, and we will continue these collaborations to further expand our knowledge, as well as the potential opportunity for tasquinimod in the disease area. MDS represents a sizable market predicted to reach 2.4 BUSD in 2028 (GlobalData May 2020).

Very recently we announced that we have entered into a global patent license agreement with Oncode Institute, acting on behalf of Erasmus MC, for tasquinimod in myelofibrosis. Under the agreement, Oncode Institute grants to Active Biotech a global exclusive license to develop and commercialize tasquinimod in myelofibrosis. Oncode will also fund the initial clinical study in myelofibrosis that we are planning to initiate later this year. Active Biotech will pay to Oncode Institute, contingent of marketing approval, milestones as well as low single-digit royalties on net sales. Licensing of these patent rights is an important step in the potential broadening of the scope for tasquinimod in hematological malignancies. A research team at Erasmus MC lead by Dr Rebekka Schneider published in April 2021 data suggesting that tasquinimod by targeting myeloid cells and inhibiting S100A9 signaling, ameliorated the disease in an experimental myelofibrosis mouse model (Leimkuhler et al., Cell Stem Cell. 2021 Apr 1;28(4):637-652). The data presented in the publication show that treatment with tasquinimod results in normal blood counts, reduction of fibrosis in the bone marrow and normalization of spleen size in this mouse model. The results suggest that tasquinimod could act as a disease modifier in myelofibrosis. We are initiating a research collaboration with Rebekka Schneider and her team to further explore the opportunity of tasquinimod in the disease. Myelofibrosis is a rare form of blood cancer with only limited treatment options available. The market is less developed but projected at over 1.0 BUSD by 2027 (MarketWatch 2021).

### **Naptumomab – first patient enrolled in new combination study**

We announced in October together with our partner NeoTX that the first patient was enrolled in the phase IIa study with naptumomab in combination with docetaxel in patients with advanced non-small cell lung cancer (NSCLC). The study is conducted at several sites in the US and will enroll patients with progressive disease that are previously treated with a checkpoint inhibitor. The primary endpoint is objective response rate, with secondary endpoints including response duration and survival. For detailed information about the study, see [www.clinicaltrials.gov](http://www.clinicaltrials.gov): NCT04880863. NSCLC is one of the deadliest cancers, and there is a high need for an effective treatment. The study is ongoing according to plan, and we follow the trial progress with great interest.

In parallel, we are completing the first part of the phase Ib/II study in combination with the checkpoint inhibitor durvalumab in patients with selected advanced solid tumors. Importantly, results of the initial phase indicate that the concept of pre-treatment with obinutuzumab successfully lowers the levels of anti-drug antibodies (ADA) to naptumomab. When the safety and tolerability has been defined, the study will continue into planned phase II cohort studies. For more information about the study, see [www.clinicaltrials.gov](http://www.clinicaltrials.gov): NCT03983954.

In a comprehensive preclinical program, synergistic effects have been demonstrated when naptumomab is combined with checkpoint inhibitors or chemotherapy. Preclinical data from the combination of naptumomab and CAR-T cells was presented at the SITC meeting in Washington D.C.,

in November 2021. Interestingly, the data presented suggest that naptumomab enhances CAR-T cells potency and can boost CAR-T efficacy against solid tumors. Treatment with CAR-T cell therapy has produced remarkable clinical responses in certain forms of hematological malignancies but so far only limit therapeutic efficacy of CAR-T cells has been demonstrated in solid tumors.

**Laquinimod – clinical safety evaluation of newly developed eye drop formulation**

For laquinimod, which is developed as a new treatment for inflammatory eye disorders, the predominant goal in 2021 was to prepare for clinical development and broaden the regulatory documentation to enable start of the phase I study to test a newly developed eye drop formulation of laquinimod. In December, we reported that the first subject had been successfully dosed in the study. The primary endpoint of the study is to determine the safety and tolerability of laquinimod eye drops following single or repeat doses. Secondary endpoints include eye toxicity and pharmacokinetics. We expect to report data from the study during H2 2022.

Laquinimod has the potential to be used in the treatment of serious and in worst case blinding eye disorders like non-infectious uveitis, which is underscored by preclinical data. In the next step, we will continue the clinical investigation of laquinimod in patients with uveitis. The standard first line treatment for these patients is corticosteroids and there is a significant market opportunity for a novel drug in this orphan disease indication.

We, like everyone else are still being affected by the ongoing Covid-19 pandemic. We continue to carefully monitor the development of the pandemic. We take every precaution to ensure that patients, healthcare staff and our organization and those working on our trials are safe and well, and that our operations continue according to plan.

Over the past year, we have continued to broaden the basis for the development of our projects in diseases with unmet need for novel treatments. With all our projects now in the clinical phase, we have strengthened the clinical organization and the company executive management by recruiting Dr. Erik Vahtola as chief medical officer.

We will continue to execute on the strategic direction implemented in 2020. The past year brought significant progress in our projects and for 2022 we have several planned clinical milestones. I look forward to keep you updated as we advance in our projects.

In closing, I wish to thank the entire Active Biotech team and our shareholders for your loyal support.



Helén Tu vesson, CEO

# PROJECTS

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

Disease Area	Discovery	Preclinical	Phase I	Phase II	Phase III	Partner
Cancer	<b>Naptumomab</b> Combination with anti-PDL1 (durvalumab) in solid tumors 					
	<b>Naptumomab</b> Combination with docetaxel in non-small cell lung cancer 					
	<b>Tasquinimod</b> Multiple myeloma* 					
Inflammation	<b>Laquinimod</b> Uveitis 					
<small>* In an academic partnership with the Abramson Cancer Center, Philadelphia, University of Pennsylvania</small>						

## Naptumomab

Naptumomab estafenatox (naptumomab) is a tumor targeting immunotherapy that enhances the ability of the immune system to recognize and kill the tumor. Naptumomab is developed for treatment of solid tumors by Active Biotech’s partner NeoTX.

### This is naptumomab

Naptumomab, a Tumor Targeting Superantigen (TTS), is a fusion protein containing the Fab-fragment of an antibody that targets the tumor-associated 5T4 antigen which is expressed in a high number of solid tumors.

The antibody part of naptumomab is fused with an engineered bacterial superantigen that activates specific T cells expressing a particular set of T cell receptors. In short, naptumomab functions by activating T cells and re-direct them to 5T4-expressing tumors. This leads to a massive infiltration of effector T cells into the tumor and tumor cell killing.

### Solid tumors

Cancer is a collective name for a large group of diseases characterized by the growth of abnormal cells, which can invade adjacent parts of the body or spread to other organs. Cancer is the second most common cause of death in the world. Solid tumors like lung, prostate, rectal, stomach and liver cancer are the most common types of cancer among men, while breast, rectal, lung, cervical and thyroid cancer are the most common types among women.

### Current treatments

Treatment of solid tumors generally combines several types of therapy, which traditionally may include surgery, chemotherapy, and radiation therapy. Immunotherapy has been of decisive importance for solid tumors treatment in recent years and therapies aimed at targeting immune suppression are dominated by biological drugs classified as checkpoint inhibitors. Several new checkpoint inhibitors have been approved for various types of solid tumors.

### **Naptumomab in solid tumors**

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 group of cancer drugs, which function by unleashing the immune system to attack the tumor. Despite the successes over recent years with these immunotherapies in the treatment of solid tumors,, 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.

### **Ongoing clinical development**

An open-label, multicenter, dose-finding clinical phase Ib/II study is ongoing with naptumomab in combination with the checkpoint inhibitor durvalumab. The clinical trial will enroll 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 a phase II cohort expansion study. The trial was initiated in the second half of 2019 and is performed under an agreement with AstraZeneca. More information about the study is available at [clinicaltrials.gov](https://clinicaltrials.gov) (NCT03983954) and at [neotx.com](https://neotx.com).

An open label clinical phase IIa study, in US, will assess naptumomab in combination with docetaxel in patients who had been previously treated with checkpoint inhibitors and have advanced or metastatic non-small cell lung cancer (NSCLC). On October 20, 2021, it was announced that the first patient was enrolled. The primary endpoint is objective response rate as measured by RECIST 1.1 criteria. The trial will also evaluate safety, duration of response, progression free survival, overall survival, pharmacokinetics, and pharmacodynamics. For more information about the trial, visit [clinicaltrials.gov](https://clinicaltrials.gov) (NCT04880863) and [neotx.com](https://neotx.com).

### **Previous clinical experience with naptumomab**

In clinical phase I trials, naptumomab was studied both as a single agent and in combination with docetaxel in patients with advanced lung cancer, renal cell cancer or pancreatic cancer (Borghaei et al, 2009). The results showed that naptumomab was well tolerated both as monotherapy and in combination with docetaxel. The phase I results also showed proof-of-concept in terms of increased immunologic activity, including systemic increase of inflammatory cytokines, expansion of naptumomab reactive T cells and induction of infiltrating T cells.

Based on the results of the phase I studies, a phase II/III trial was conducted with naptumomab combined with interferon-alpha treatment in renal cell cancer. The study encompassed 513 patients and was designed to evaluate the efficacy of naptumomab in combination with interferon-alpha. The study did not achieve its primary endpoint to show a prolonged overall survival in the intention-to-treat population. However, a retrospective sub-group analysis demonstrated a statistically significant advantage in terms of prolonged OS and length of progression-free survival for 25% of the patient population (Elkord et al, 2015).

### **EVENTS DURING THE FOURTH QUARTER**

- Active Biotech and NeoTX announced that the first patient had been enrolled in the phase IIa clinical trial of naptumomab estafenatox in combination with docetaxel in patients with advanced non-small cell lung cancer (NSCLC) (Oct 20)
- Data on naptumomab estafenatox enhancing CAR-T cells potency presented by Active Biotech's partner NeoTX at SITC 2021 (Nov 12)

## Tasquinimod

Tasquinimod is a small molecule immunomodulator and represents a new drug class with a mode of action that is complementary to current multiple myeloma therapies. Tasquinimod is being developed for treatment of multiple myeloma, which is an incurable blood cancer.

### **This is tasquinimod**

The immunosuppressed tumor microenvironment in the bone marrow is essential for developing multiple myeloma and a contributing factor of disease relapses and development of resistance to the treatment. Tasquinimod affects special immune cells in the tumor microenvironment, specifically immunosuppressive myeloid cells, which makes it easier for the body's immune system to attack the cancer cells. Tasquinimod also disrupts the formation of new blood vessels in the tumor microenvironment, which results in reduced supply of oxygen and nutrients to the tumor.

With this novel mode of action, tasquinimod has the potential as a monotherapy and in combination with other anti-myeloma drugs to overcome resistance and increase survival in patients that have progressed on standard therapy.

### **Multiple myeloma**

Multiple myeloma is an incurable blood cancer in which abnormal plasma cells in the bone marrow grow uncontrollably while other blood forming cells such as white and red blood cells and blood platelets are suppressed. This leads to anemia, infections, destruction of bone tissue and progressive loss of renal function. Despite new treatments having greatly improved survival of multiple myeloma patients, the biological heterogeneity of the disease and the emergence of drug resistance is a major challenge, and the medical need of innovative treatment modalities remains high.

### **Current treatments**

Multiple myeloma patients undergo several lines of treatment. In early as well as relapse treatment, the goal is to stabilize the patient's disease and thereby achieve as long as possible period of effective disease control. To support deeper and durable responses and overcome treatment resistance, patients are as standard treated with combinations of drugs from available product classes. Currently, the market is dominated by drugs that can be divided into four different classes: immunomodulatory imides (IMiDs), proteasome inhibitors (PI), monoclonal antibodies and alkylating agents.

### **Tasquinimod in multiple myeloma**

Tasquinimod will be developed as a new product class with a novel mechanism of action that differs from the others and thus has the potential to overcome the problem of drug resistance. The clinical safety profile of tasquinimod is well known. Given the good tolerability and the possibility to combine with the available product classes, tasquinimod has the potential to expand over time from an initial position as late-stage treatment, like the patient population in the ongoing clinical study, to earlier lines of treatment. There is a significant market opportunity for a novel drug in a new product class in multiple myeloma.

### **Ongoing clinical development**

Based on 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 multiple myeloma patients after at least one prior anti-myeloma therapy and is conducted in two parts:

- First part (A) studying of tasquinimod as a monotherapy
- Second part (B) studying the combination of tasquinimod and an oral standard anti-myeloma regimen (IRd; ixazomib, lenalidomide, dexamethasone)

Primary endpoint in both parts is safety and tolerability, and a key secondary endpoint is preliminary efficacy by objective response rate.



An important milestone was reached in October 2021:

- Ten patients in part A have been treated with increasing doses of tasquinimod and the safety read-out showed that tasquinimod was generally well tolerated
- The optimal dose and schedule of tasquinimod, when used as a single agent in patients with multiple myeloma has been established at 1 mg per day after a one-week run in of 0.5 mg daily. This is similar to the treatment schedule used in previous studies of tasquinimod.

The trial will now advance to a previously planned combination part, in which treatment with tasquinimod will be tested in patients with multiple myeloma together with the orally administered anti-myeloma agents ixazomib, lenalidomide, and dexamethasone (IRd). Once an optimal dose and schedule of tasquinimod for the IRd combination is established, an expansion cohort will be recruited to further document the biological activity of tasquinimod in myeloma patients. Key secondary endpoints will include anti-myeloma activity using the response criteria of the International Myeloma Working Group.

The study is carried out in an academic partnership with Abramson Cancer Center in Philadelphia, US, with Dr. Dan Vogl as principal investigator. More information about the study design is available at [clinicaltrials.gov](https://clinicaltrials.gov) (NCT04405167).

#### **Previous clinical experience of tasquinimod**

Tasquinimod has been in development for the treatment of prostate cancer and has completed a phase I-III clinical development program. Tasquinimod was studied in both healthy volunteers and cancer patients. While the results from the phase III trial in prostate cancer showed that tasquinimod prolonged progression-free survival (PFS) compared to placebo, tasquinimod did not extend overall survival (OS) in this patient population and development for prostate cancer was discontinued. (Sternberg et al, 2016). Clinical effects and a favourable safety profile has been demonstrated in more than 1,500 patients, equivalent to more than 650 patient-years of exposure to tasquinimod. In addition, regulatory package of pre-clinical safety and clinical safety and full commercial scale CMC documentation and pharmaceutical grade drug substance has been generated.

#### **EVENTS DURING THE FOURTH QUARTER**

- Tasquinimod clinical development in multiple myeloma advanced into combination therapy following completion of the initial phase of the ongoing trial in the US (Oct 3)
- Preclinical tasquinimod data presented at ASH 2021 (Dec 11-12)

#### **EVENTS AFTER THE END OF THE PERIOD**

- First patient dosed in the combination part of the phase Ib/IIa study of tasquinimod in multiple myeloma (Feb 7)
- Active Biotech entered into global patent license agreement with Oncode Institute for tasquinimod in myelofibrosis (Feb 9)



## Laquinimod

Laquinimod is a first-in-class immunomodulator with a novel mode of action for the treatment of severe inflammatory eye diseases such as uveitis.

### **This is laquinimod**

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.

### **Uveitis**

Uveitis is the inflammation of the uveal tract (iris, ciliary body, and choroid), but can also lead to inflammation of nearby tissues, such as the retina, the optic nerve and the vitreous humor. The uvea is crucial for the delivery of oxygen and nutrients to the eye tissues, and inflammation of uvea can cause serious tissue damage to the eye with symptoms including general vision problems and a risk of blindness. Furthermore, floater spots in the eye, eye pain and redness, photophobia, headache, small pupil and alteration of iris color are common symptoms. If left untreated, uveitis can lead to severe eye problems, including blindness, cataracts, glaucoma, damage to the optic nerve, and detachment of the retina.

### **Current treatments**

The treatment standards today for patients with non-infectious non-anterior uveitis are high-dose oral corticosteroids or injections of corticosteroid in or around the eye. Immunosuppressants, such as methotrexate or cyclosporin, are used in 2<sup>nd</sup> line of treatment, whereas anti-TNF antibodies (Humira) are used as a 2<sup>nd</sup> or 3<sup>rd</sup> line of treatment.

There is a high unmet medical need for new effective and safe therapies for non-infectious non-anterior uveitis:

- approximately 35 percent of patients suffer from severe visual impairment with risk of blindness
- approximately 40 percent of patients fail on corticosteroids therapy
- long-term treatment of corticosteroid in high doses is associated with severe side effects
- currently no topical treatment options are available

Therefore, there is a need for new treatments with complimentary effects to corticosteroids to limit failures in the 1<sup>st</sup> line of treatment. Furthermore, there is a need for safer therapies that can reduce or replace long-term use of steroids and a treatment that could be administered topically and reach to the back of the eye to minimize systemic adverse effects and to reduce injection-related risks.

### **Laquinimod in uveitis**

Laquinimod will be developed as a new treatment for non-infectious non-anterior uveitis and has the potential to be used in the 1<sup>st</sup> line of treatment as an add on to steroids as well as in the 2<sup>nd</sup> line of treatment for patients that have failed steroid treatment.

### **Clinical development**

An eye drop formulation of laquinimod has been developed and a preclinical safety-bridging program for topical treatment has been completed. A phase I clinical study was initiated to study the eye drop formulation. The study will include up to 42 subjects treated in part 1 with an increasing dose of laquinimod eye drops and in part 2 with repeated doses of laquinimod eye drops.

The primary objective of the study is safety and tolerability to laquinimod eye drops and the secondary readouts include ocular toxicity, pharmacokinetics and exposure.

In parallel, planning is ongoing for a phase II clinical study of oral and eye drop formulations of laquinimod in patients with uveitis.

**Previous clinical experience of laquinimod**

During its years of advanced product development, clinical efficacy and safety data on laquinimod was established in more than 5,000 patients, primarily in multiple sclerosis (MS) patients, representing more than 14,000 patient-years of exposure. In addition, extensive datasets spanning full-scale manufacturing and preclinical safety data, in support of regulatory filings of multiple sclerosis for laquinimod, have also been generated.

**EVENTS DURING THE FOURTH QUARTER**

- First subject dosed in phase I clinical study with eye drop formulation of laquinimod (Dec 10)

# FINANCIAL INFORMATION

## Comments on the Group's results for the period January – December 2021

No sales were recorded during the period, the corresponding period previous year included SEK 6.7 M in net sales, consisting of a milestone payment of SEK 6.2 M from NeoTX Therapeutics and SEK 0.5 M in service income.

The total operational costs for the period amounted to SEK 48.5 M (39.0) whereof research and development expenses totaled SEK 34.5 M (25.5), representing an increased activity level which is reflected in the 35-percent cost increase.

The company's research efforts have been focused on complementing existing and generating new pre-clinical data for tasquinimod and laquinimod, support NeoTX in the development of naptumomab, initiate clinical development of laquinimod and establishing clinical partnerships for continued development of the project portfolio:

- the ongoing phase Ib/IIa clinical study with tasquinimod for treatment of multiple myeloma that was initiated in August 2020 in collaboration with Penn University, USA. The study is progressing according to plan
- laquinimod as a new product class for treatment of inflammatory eye diseases. A topical ophthalmic formulation has been developed and a phase I clinical study was initiated in December 2021

Administrative expenses amounted to SEK 14.0 M (13.5).

The operating loss for the period amounted to SEK 48.5 M (loss: 32.3), the net financial loss for the period amounted to SEK 0.0 M (0.1) and the loss after tax to SEK 48.6 M (loss: 32.2).

## Comments on the Group's results for the period October – December 2021

No sales were recorded for the period. The same period previous year included SEK 6.2 M in net sales, which referred to a milestone payment from NeoTX Therapeutics.

Total operating costs for the period amounted to SEK 14.9 M (10.4) whereof research and development expenses totaled SEK 11.2 M (7.0), which is explained by increased pre-clinical and clinical activities for tasquinimod and laquinimod.

The operating loss for the period amounted to SEK 14.9 M (loss: 4.1), the development refers to increased research spending the current year and a SEK 6.2 milestone the corresponding period previous year. Administrative costs amounted to SEK 3.7 M (3.4), the financial net for the period amounted to SEK 0.0 M (0.0) and the loss after tax to SEK -14.9 M (loss: 4.1).

## Cash flow, liquidity and financial position, Group, for the period January – December 2021

Cash and cash equivalents at the end of the period amounted to SEK 53.1 M, compared with SEK 26.2 M at the end of 2020. Cash flow for the period amounted to SEK 26.9 M (neg: 33.5). The cash flow from operating activities amounted to a negative SEK 46.2 M (neg: 32.2). Cash flow from financing activities amounted to SEK 73.1 M (neg: 1.3) following the rights issue concluded in the period. The share issue added SEK 74.1 M to liquidity after issue costs.

## 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 2021

Net sales for the period amounted to SEK 0.0 M (6.7) and operating expenses to SEK 48.6 M (39.0). The Parent Company's operating loss for the period was SEK 48.6 M (loss: 32.3). Net financial income amounted to SEK 0.0 M (income: 0.1) and the loss after financial items was SEK 48.6 M (loss: 32.1).

Cash and cash equivalents including short-term investments totaled SEK 52.9 M at the end of the period, compared with SEK 26.1 M on January 1, 2021.

### **Comments on the Parent Company's results and financial position for the period October – December 2021**

Net sales for the period amounted to SEK 0.0 M (6.2) and operating expenses to SEK 15.0 M (10.3). The Parent Company's operating loss for the period was SEK 15.0 M (loss: 4.1). Net financial income amounted to SEK 0.0 M (0.0) and the loss after financial items was SEK 15.0 M (loss: 4.0).

### **Shareholders' equity**

Consolidated shareholders' equity at the end of the period amounted to SEK 47.9 M, compared with SEK 22.1 M at year-end 2020.

The number of shares outstanding at the end of the period totaled 217,971,720. At the end of the period, the equity/assets ratio for the Group was 84.4 percent, compared with 68.8 percent at year-end 2020. The corresponding figures for the Parent Company, Active Biotech AB, were 27.7 percent and 1.2 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 (Savings shares) in the market during the applicable time period in the respective incentive programs. Total costs, including social contributions, as of December 31, 2021, amounted to SEK 928 K, whereof 215 KSEK refer to the period January-December, 2021.

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 8 (10), of which the number of employees in the research and development organization accounted for 5 (5). The number of employees at the end of the period amounted to 8 whereof 5 in the research and development organization.

### **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 and in phase IIa development in combination with docetaxel in NSCLC
- tasquinimod, targeted towards hematological malignancies is in clinical phase Ib/IIa treatment of multiple myeloma
- laquinimod, targeted towards inflammatory eye disorders. A clinical phase I trial with a topical ophthalmic formulation was initiated in December 2021

The partnership agreement established 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 2019, a phase Ib/II study is ongoing and an additional phase II study in NSCLC was initiated in October 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. The optimal dose and schedule of tasquinimod, when used as a single agent in patients with multiple myeloma has been established in the initial phase of the study. The trial advanced to a previously planned combination part together with the orally administered antimyeloma agents ixazomib, lenalidomide and dexamethasone.

In the laquinimod project, the first subject was dosed in December 2021 in the phase I clinical study of the newly developed eye drop formulation and the study is planned to be followed by a phase II for the treatment of non-infectious uveitis some time in 2023.

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 eye disorders.

A rights issue was successfully concluded in January 2021 when SEK 74.1 M after 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 potential partners.

The ongoing preclinical and clinical programs are advancing positively. We regularly receive inbound approaches from scientists who wish to explore the potential of laquinimod or tasquinimod in different disease areas. Active Biotech will maintain focus for laquinimod within inflammatory eye disorders and for tasquinimod within myeloid disorders. If scientifically and commercially interesting indications materialize we will consider broadening the scope of the ongoing programs but only within the above mentioned targeted disease areas, and this will be communicated once decisions have been taken.

The Company is on an ongoing basis assessing the best future financing of the operation. This includes business development targeting new partnering agreements as well as other options. The available liquidity together with revenues from existing and anticipated partnership agreements are expected to finance the ongoing operations, including the three ongoing clinical trials described above, through 2022. As a research company, Active Biotech is characterized by high operational and financial risk, since the projects in which the company is involved have 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 2020. 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

- Dr. Erik Vahtola appointed Chief Medical Officer (Jan 01)
- First patient dosed in the combination part of the Phase Ib/IIa study of tasquinimod in multiple myeloma (Feb 07)
- Active Biotech entered into global patent license agreement with Oncode Institute for tasquinimod in myelofibrosis (Feb 9)

## CONSOLIDATED PROFIT AND LOSS

SEK M	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Net sales</b>	-	<b>6.2</b>	-	<b>6.7</b>
Administrative expenses	-3.7	-3.4	-14.0	-13.5
Research and development costs	-11.2	-7.0	-34.5	-25.5
<b>Operating profit/loss</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.5</b>	<b>-32.3</b>
Net financial items	0.0	0.0	0.0	0.1
<b>Profit/loss before tax</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.2</b>
Tax	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.2</b>
Comprehensive profit/loss attributable to:				
Parent Company shareholders	-14.9	-4.1	-48.6	-32.2
Non-controlling interest	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.2</b>
Comprehensive profit/loss per share before dilution (SEK)	-0.07	-0.02	-0.23	-0.19
Comprehensive profit/loss per share after dilution (SEK)	-0.07	-0.02	-0.23	-0.19

## STATEMENT OF PROFIT AND LOSS AND CONSOLIDATED COMPREHENSIVE INCOME

SEK M	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Net profit/loss for the period	-14.9	-4.1	-48.6	-32.2
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit/loss for the period</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.2</b>
Total other comprehensive profit/loss for the period attributable to:				
Parent Company shareholders	-14.9	-4.1	-48.6	-32.2
Non-controlling interest	-	-	-	-
<b>Total comprehensive profit/loss for the period</b>	<b>-14.9</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.2</b>
Depreciation/amortization included in the amount of	0.3	0.3	1.3	1.3
Investments in tangible fixed assets	-	-	-	-
Weighted number of outstanding common shares before dilution (000s)	217,972	168,606	211,901	168,606
Weighted number of outstanding common shares after dilution (000s)	217,972	168,606	211,901	168,606
Number of shares at close of the period (000s)	217,972	145,236	217,972	145,236

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Dec 31	
	2021	2020
Tangible fixed assets	0.9	1.9
Long-term receivables	0.0	0.0
<b>Total fixed assets</b>	<b>0.9</b>	<b>1.9</b>
Current receivables	2.7	4.1
Cash and cash equivalents	53.1	26.2
<b>Total current assets</b>	<b>55.9</b>	<b>30.3</b>
<b>Total assets</b>	<b>56.8</b>	<b>32.2</b>
Shareholders equity	47.9	22.1
Long-term liabilities	0.2	0.7
Current liabilities	8.7	9.4
<b>Total shareholders equity and liabilities</b>	<b>56.8</b>	<b>32.2</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

SEK M	Dec 31	
	2021	2020
Opening balance	22.1	53.8
Loss for the period	-48.6	-32.2
Other comprehensive income for the period	-	-
<i>Comprehensive profit/loss for the period</i>	-48.6	-32.2
Share-based payments that are settled with equity instruments, IFRS2	0.3	0.6
New share issue	74.1	-
<b>Balance at close of period</b>	<b>47.9</b>	<b>22.1</b>

## CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Dec	
	2021	2020
<b>Loss after financial items</b>	<b>-48.6</b>	<b>-32.2</b>
Adjustment for non-cash items, etc.	1.6	1.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>-47.0</b>	<b>-30.3</b>
Changes in working capital	0.8	-1.9
<b>Cash flow from operating activities</b>	<b>-46.2</b>	<b>-32.2</b>
New share issue	74.1	-
Loans raised/amortization of loan liabilities	-1.0	-1.3
<b>Cash flow from financing activities</b>	<b>73.1</b>	<b>-1.3</b>
<b>Cash flow for the period</b>	<b>26.9</b>	<b>-33.5</b>
<b>Opening cash and cash equivalents</b>	<b>26.2</b>	<b>59.7</b>
<b>Closing cash and cash equivalents</b>	<b>53.1</b>	<b>26.2</b>



## KEY FIGURES

	Dec 31	
	2021	2020
Shareholders equity, SEK M	47.9	22.1
Equity per share, SEK	0.22	0.15
Equity/assets ratio in the Parent Company	27.7 %	1.2 %
Equity/assets ratio in the Group	84.4 %	68.8 %
Average number of annual employees	8	10

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 meet its financial commitments. The equity/assets ratio is calculated by dividing recognized shareholders' equity by recognized total assets. Equity per share is calculated by dividing recognized shareholders' equity by the number of shares.

## CONSOLIDATED PROFIT AND LOSS

SEK M	2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net Sales</b>	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	-4.1	-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	-3.3	-3.5	-3.5	-3.7
Research and development costs	-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	-6.4	-9.2	-7.8	-11.2
Other operating expenses/income	-	-3.3	-	-50.0	-	-	-	-	-	2.2	-2.2	-	-	-	-	-	-	-	-	-
<b>Operating profit/loss</b>	<b>-14.6</b>	<b>-23.1</b>	<b>-6.5</b>	<b>-58.4</b>	<b>-8.5</b>	<b>-7.3</b>	<b>-6.9</b>	<b>-7.1</b>	<b>-6.4</b>	<b>-5.4</b>	<b>-9.3</b>	<b>-11.2</b>	<b>-9.7</b>	<b>-10.1</b>	<b>-8.3</b>	<b>-4.1</b>	<b>-9.7</b>	<b>-12.6</b>	<b>-11.3</b>	<b>-14.9</b>
Net financial items	-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	-0.0	-0.0	0.0	-0.0
<b>Profit/loss before tax</b>	<b>-16.4</b>	<b>-24.9</b>	<b>-8.4</b>	<b>-60.1</b>	<b>-10.2</b>	<b>-9.1</b>	<b>-8.7</b>	<b>-8.9</b>	<b>-8.1</b>	<b>-5.5</b>	<b>-9.3</b>	<b>-11.2</b>	<b>-10.1</b>	<b>-9.8</b>	<b>-8.2</b>	<b>-4.1</b>	<b>-9.8</b>	<b>-12.6</b>	<b>-11.2</b>	<b>-14.9</b>
Tax	0.6	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-15.8</b>	<b>-24.4</b>	<b>-8.4</b>	<b>-60.1</b>	<b>-10.2</b>	<b>-9.1</b>	<b>-8.7</b>	<b>-8.9</b>	<b>-8.1</b>	<b>-5.5</b>	<b>-9.3</b>	<b>-11.2</b>	<b>-10.1</b>	<b>-9.8</b>	<b>-8.2</b>	<b>-4.1</b>	<b>-9.8</b>	<b>-12.6</b>	<b>-11.2</b>	<b>-14.9</b>

## ACTIVE BIOTECH PARENT COMPANY – INCOME STATEMENT, CONDENSED

SEK M	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
<b>Net Sales</b>	-	<b>6.2</b>	-	<b>6.7</b>
Administration expenses	-3.7	-3.4	-14.0	-13.5
Research and development costs	-11.2	-6.9	-34.6	-25.5
<b>Operating profit/loss</b>	<b>-15.0</b>	<b>-4.1</b>	<b>-48.6</b>	<b>-32.3</b>
<i>Profit/loss from financial items:</i>				
Interest income and similar income-statement items	0.0	0.0	0.0	0.2
Interest expense and similar income-statement items	0.0	0.0	0.0	-0.1
<b>Profit/loss after financial items</b>	<b>-15.0</b>	<b>-4.0</b>	<b>-48.6</b>	<b>-32.1</b>
Tax	-	-	-	-
<b>Net profit/loss for the period</b>	<b>-15.0</b>	<b>-4.0</b>	<b>-48.6</b>	<b>-32.1</b>
<b>Statement of comprehensive income parent company</b>				
Net profit/loss for the period	-15.0	-4.0	-48.6	-32.1
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit/loss for the period</b>	<b>-15.0</b>	<b>-4.0</b>	<b>-48.6</b>	<b>-32.1</b>

## ACTIVE BIOTECH PARENT COMPANY – BALANCE SHEET, CONDENSED

SEK M	Dec 31	
	2021	2020
Financial fixed assets	40.5	40.5
<b>Total fixed assets</b>	<b>40.5</b>	<b>40.5</b>
Current receivables	2.7	3.9
Short-term investments	50.8	22.8
Cash and bank balances	2.1	3.3
<b>Total current assets</b>	<b>55.7</b>	<b>30.1</b>
<b>Total assets</b>	<b>96.2</b>	<b>70.6</b>
Shareholders equity	26.6	0.9
Current liabilities	69.5	69.7
<b>Total equity and liabilities</b>	<b>96.2</b>	<b>70.6</b>

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.

**NOTE 2: DISTRIBUTION OF SALES**

SEK M	Oct-Dec		Jan-Dec	
	2021	2020	2021	2020
Licence revenues	-	6.2	-	6.2
Service revenues	-	-	-	0.5
<b>Total</b>	-	<b>6.2</b>	-	<b>6.7</b>

**NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS**

SEK M	Dec 31, 2021 Level 2	Dec 31, 2020 Level 2
Short-term investments	50.8	22.8

## 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

- Interim reports 2022: April 21 (Q1), August 4 (Q2), November 3 (Q3)
- Annual General Meeting: May 19, 2022

The reports will be available from these dates at [www.activebiotech.com](http://www.activebiotech.com)

The interim report for the January – December period 2021 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 9, 2022  
Active Biotech AB (publ)

Helén Tuve  
*President and CEO*

This interim report is unaudited

## About Active Biotech

**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 Ib/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 in a clinical phase I study with a topical ophthalmic formulation, to be followed by phase II for treatment of non-infectious uveitis. Please visit [www.activebiotech.com](http://www.activebiotech.com) for more information.