Remuneration report 2024

Introduction

This report describes how the guidelines for remuneration to senior executives of the company Active Biotech AB, adopted by the Annual General Meeting in 2024, were applied during the year 2024. The report also includes information on remuneration to the CEO and a summary of the company's outstanding share and share price-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on remuneration to senior executives and on incentive programs*.
Further information on remuneration to senior executives can be found in Note 4 (Employees, Personnel Costs, and Benefits to Senior Executives) on pages 75-81 of the 2024 Annual Report.
Information on the work of the Board and the Audit Committee during 2024 can be found in the Corporate Governance Report on pages 44-48 of the 2024 Annual Report.
Board fees and any consultancy fees to board members are not covered by this report. Such fees are decided annually by the Annual General Meeting and are reported in Note 4 on pages 75-81 of the 2024 Annual Report. No comments have been received regarding the 2023 remuneration report.

Key Developments 2024

During 2024, the focus was on preparations for the start of two clinical studies with tasquinimod in myelofibrosis, while completing the ongoing clinical studies with tasquinimod in multiple myeloma and the ocular biodistribution study with laquinimod.
The Phase Ib/II study of tasquinimod in multiple myeloma has completed recruitment for the dose expansion cohort, and study results are expected in the first half of 2025. For laquinimod, the clinical study evaluating the ocular distribution of laquinimod after administration of laquinimod eye drops is nearing completion, with results expected to be reported in the first half of 2025.
A successful rights issue was completed in December 2024, raising SEK 43.4 million before issue costs, enabling continued development of the clinical programs and discussions with potential partners.Overall, significant progress was made in the wholly owned projects laquinimod and tasquinimod during 2024.
The preclinical and clinical development can be summarized as follows:

Tasquinimod – focus on myelofibrosis

The underlying cause of myelofibrosis is unknown. Patients with myelofibrosis have an abnormal production of blood-forming cells, leading to healthy bone marrow being replaced by scar tissue (fibrosis). Due to the lack of normal blood cell production, patients typically exhibit abnormalities in laboratory values such as anemia and changes in the number of white blood cells and differentiation of blood cells. Later symptoms include enlargement of the spleen, increased risk of infections, night sweats, and fever. Myelofibrosis is associated with shortened survival due to, among other things, bone marrow failure and transformation to acute leukemia.
In July 2024, it was announced that an agreement had been reached for clinical trials with MD Anderson Cancer Center, TX, USA, to start a clinical phase II study in patients with myelofibrosis. MD Anderson is a world-leading cancer center conducting advanced clinical and translational science.
An agreement for a clinical trial has also been signed between Active Biotech, Oncode Institute, and HOVON, one of the leading European clinical study groups in hematological malignancies, which will be the legal sponsor of the study. The clinical study is mainly funded by Oncode Institute.
In the multiple myeloma study with tasquinimod in combination with IRd (ixazomib, lenalidomide, and dexamethasone) at the Abramson Cancer Center at the University of Pennsylvania, recruitment has been completed and results are expected in the first half of 2025.

From a safety and efficacy perspective, the data for tasquinimod established in the treatment of patients with multiple myeloma serve as a bridge to the study program in myelofibrosis, thereby contributing to the documentation of tasquinimod's therapeutic potential in hematological cancers.

Laquinimod – commercial activities to establish a partnership
A clinical phase I study of the eye drop formulation with laquinimod was completed in 2023. The eye drop formulation was well tolerated in both single and repeated dosing at expected therapeutic concentrations of laquinimod.
To support the continued development of the eye drop formulation in patients with uveitis, a clinical ocular biodistribution study is being conducted on patients undergoing vitrectomy. The study is being conducted at the Byers Eye Institute at Stanford University in the USA. The study examines the concentration of laquinimod in the anterior and posterior parts of the eye after increasing doses of the laquinimod eye drop formulation. The biodistribution study aims to evaluate whether laquinimod reaches the posterior chamber of the eye to support continued development in patients with uveitis (NA-NIU). The first results were reported in September 2024 and showed that all subjects had significant concentrations of laquinimod in the vitreous body as well as in the anterior chamber when samples were taken during surgery. This supports the distribution of laquinimod from the cornea and sclera into the anterior chamber and further into the posterior parts of the eye. Parallel commercial activities are being carried out to establish a partnership for the continued clinical development of laquinimod in patients with uveitis.

Naptumomab
The results from the phase IIa study with naptumomab in combination with docetaxel, after pretreatment with obinutuzumab, in patients with advanced or metastatic non-small cell lung cancer (NSCLC) previously treated with checkpoint inhibitors, were presented at the ASCO meeting in June 2024. In summary, the combination of naptumomab and docetaxel showed preliminary evidence of activity with acceptable safety in heavily pretreated NSCLC patients.
An open, multicenter, dose-finding clinical phase Ib/II study with naptumomab in combination with the checkpoint inhibitor durvalumab is ongoing. Interim data regarding safety and preliminary efficacy were presented at the American Association for Cancer Research (AACR) in 2023. Data show that naptumomab in combination with durvalumab was well tolerated with limited toxicity at the recommended phase II dose. An expansion cohort of this study with patients suffering from esophageal cancer is planned. The start of this study by NeoTX is conditional on new funding.

Financing of activities
Active Biotech's investments in preclinical and clinical studies will require additional funding in the coming years. A rights issue was successfully completed in December 2024, raising a total of SEK 43.4 million before issue costs, which will finance the development programs during 2025. However, the company will need access to additional growth capital to advance the development of the wholly-owned development programs for laquinimod and tasquinimod. The company continuously evaluates alternative sources of financing, including partnerships for the company's development projects and directed issues to new investors.

The company's remuneration guidelines: scope, purpose and deviations
A prerequisite for the successful implementation of the company's business strategy and the safeguarding of shareholders' long-term interests, including its sustainability, is that the company can recruit and retain qualified employees. For this, the company needs to offer competitive compensation. The company's remuneration guidelines allow senior executives to be offered a

competitive total compensation. According to the remuneration guidelines, the compensation to senior executives should be market-based and may consist of the following components: fixed cash salary, variable cash compensation, pension benefits, and other benefits. The variable cash compensation should be linked to financial or non-financial criteria. These can consist of individual quantitative or qualitative goals. The criteria should be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.
The guidelines are available on pages 57-58 of the 2024 Annual Report. During 2024, the company has followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made, and no deviations have been made from the decision-making process that, according to the guidelines, should be applied to determine the compensation. The auditor's statement on the company's compliance with the guidelines is available at www.activebiotech.com/en/about-us/corporate-governance/. No compensation has been reclaimed. In addition to the compensation covered by the remuneration guidelines, the Annual General Meeting in 2020 decided to introduce a long-term share-related incentive program.

Table 1 – Total remuneration of the CEO in 2022-2024 (SEK thousand)

Name of director	Year	Fixed renumeration		Variable renumeration		Other renumeratons	Pension expense	Total renumeration	Proportion of fixed/varaibale renumeration %
		Base salary	Other benefits	One year	Multi year				
Helen Tuvesson (CEO)	2022	2 610	N/A	693	N/A	128	825	4 256	81/19
Helen Tuvesson (CEO)	2023	2 565	N/A	600	N/A	30	850	4 045	84/16
Helen Tuvesson (CEO)	2024	2 562	N/A	480	N/A	0	841	3 883	88/12

Share based renumeration

PLAN 2020/2024 – Employees within the Active Biotech Group

At the Annual General Meeting on May 19, 2020, it was decided to adopt a long-term performance-based incentive program for employees within Active Biotech ("Plan 2020/2024") for the period 2020 – 2023. To participate in Plan 2020/2024, participants were required to invest in shares in Active Biotech on market terms ("Savings Shares") and received additional shares free of charge ("Performance Shares") provided that predetermined operational goals were met.
Participation in the program required a private investment in the Company through the acquisition of Savings Shares. Such investment could amount to a maximum of 15 percent of each participant's annual gross base salary and was to be made no later than March 31 each year up to and including 2023. For each acquired Savings Share in Plan 2020/2024, the Company granted participants the right to up to two Performance Shares free of charge, provided certain operational conditions were met. These conditions were related to continued employment, continued investment in Savings Shares, and certain goals related to the Company's development.
The share program decided by the Annual General Meeting in 2020 ran for the years 2020 – 2023 with a final allocation of performance shares in 2024 based on the achievement of goals in 2023.

Table 2 – Share award program (CEO) for the years 2020-2023

Name of director	Name of plan	Performance period	Award date	Vesting date	End of retenion period	**Opening balance** Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	**Closing balance** Awarded and unvested at year end	Shares subject to retenion period
Helen Tuvesson (CEO)	LTIP 2020/2024	Jan-Dec 2021	March 31, 2021	Dec. 31, 2021	N/A	0	20,000	20,000	20,000	20,000	N/A
Helen Tuvesson (CEO)	LTIP 2020/2024	Jan-Dec 2022	March 31, 2022	Dec. 31, 2022	N/A	0	40,000	48,640	48,640	48,640	N/A
Helen Tuvesson (CEO)	LTIP 2020/2024	Jan-Dec 2023	March 31, 2023	Dec. 31, 2023	N/A	0	15,000	16,110	16,110	16,110	N/A

Note: the number of vested shares reflects recalculation following the rights issues 2021, 2022 and 2023

Recommendations and deviations from the remuneration guidelines and from the procedure for implementing the guidelines.

The remuneration guidelines presented to and approved by the Annual General Meeting on May 22, 2024 have been applied.

Table 3 – Change of remuneration and company performance over the last five reported financial years

Ksek	2019 vs 2020	2020 vs 2021	2021 vs 2022	2022 vs 2023	2023 vs 2024
CEO renumeration*	-53	1 222	-239	-113	-132
	-2%	39%	-5%	-3%	-3%
Group operating loss	-32 276	-49 866	-57 886	-46 484	-39 841
	0%	-54%	-16%	20%	14%
Average renumeration on a full time equivalent basis of employees of the parent company **	793	910	1 076	1 057	1 144
	10%	15%	18%	-2%	8%

* excl. share based renumeration

**excl. members of the the Executive management group