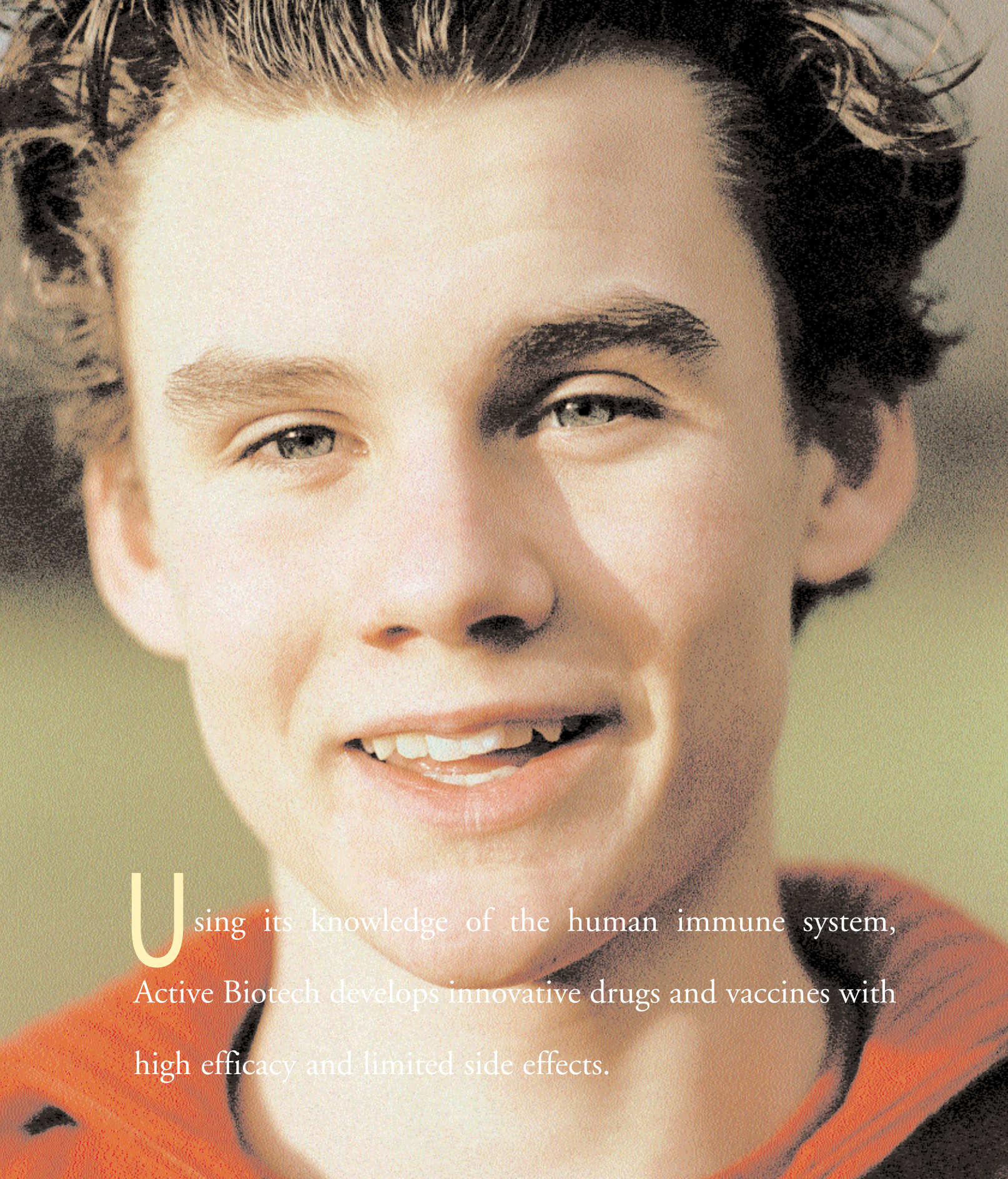


A N N U A L R E P O R T

20  
00





Using its knowledge of the human immune system, Active Biotech develops innovative drugs and vaccines with high efficacy and limited side effects.

# C o n t e n t s

The year in brief	1
President & CEO Sven Andréasson	2
Business concept, goals and strategies	6
Active Biotech's project portfolio	8
Operations	10
SAIK	12
TTS	14
Diarrhoea vaccines	16
Drug Discovery	18
Business units	20
Intellectual capital	24
Quality, environment and ethics	28
Financial information	
Directors' report	30
Five-year summary	32
Profit and loss accounts	33
Balance sheets	34
Cash flow analysis	36
Profit and loss accounts, with comments	37
Operating costs and profit/loss	39
Consolidated balance sheet, with comments	40
Cash flow analysis in brief	41
Other financial information	42
Definitions	42
Accounting principles	43
Notes	45
Appropriation of profits	56
Auditor's report	57
Shares	58
Board of directors, President & CEO and Auditor	60
Senior executives	62

# Annual General Meeting

The Annual General Meeting will be held on Thursday, 29 March 2001 at 5.00 p.m. at the Star Hotel in Lund.

## Right to participate at the Annual General Meeting

In order to be able to participate in the Annual General Meeting, shareholders

*must* be registered in the Securities Register maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Centre) no later than Monday 19 March,

*must* inform the company of their intention to participate in the Annual General Meeting no later than Friday 23 March.

Notification may be made in writing to: Active Biotech AB, P.O. Box 724, SE-220 07 Lund, Sweden or by telephone on +46 (0)46 19 20 00, fax on +46 (0)46 19 20 50 or e-mail at [info@activebiotech.com](mailto:info@activebiotech.com)

The notification must include the name of the shareholder, their address, telephone number, personal identification number/ corporate registration number, type and number of shares held as well as any assistants (maximum of two).

## Shares in trust

In order to be able to participate in the Annual General Meeting, shareholders whose shares are managed through bank trusts or independent securities dealers must temporarily re-register the shares in their own name with VPC. Re-registration must be completed no later than Monday 19 March.

## Notice

Notice to attend the Annual General Meeting will be issued at the earliest six weeks and no later than four weeks before the meeting through advertisements in the Post- och Inrikes Tidningar, Sydsvenska Dagbladet and Svenska Dagbladet or other daily papers with nation-wide coverage.

## Financial information

Annual General Meeting	29 March 2001
Interim report, three months	9 May 2001
Interim report, six months	8 August 2001
Interim report, nine months	6 November 2001
Unaudited annual accounts for 2001	14 February 2002
Annual Report for 2001	March 2002

Financial information can be ordered from Active Biotech AB, P.O. Box 724, SE-220 07 Lund, Sweden or by telephone on +46 (0)46 19 20 00, fax on +46 (0)46 19 20 50 or e-mail at [info@activebiotech.com](mailto:info@activebiotech.com)

Information can also be obtained from our homepage [www.activebiotech.com](http://www.activebiotech.com).

## **THE YEAR IN BRIEF**

### **FROM HEALTHY VOLUNTEERS TO MS PATIENTS**

The phase I test of Active Biotech's SAIK-MS preparation to fight multiple sclerosis now also includes MS patients. Discussions with potential business partners have begun.

### **PHASE I CANCER STUDY CONCLUDED**

TTS phase I study on patients with advanced non small-cell lung cancer has been concluded. The final results report is being compiled.

### **NEW CO-OPERATION AGREEMENT**

Active Biotech has signed an agreement with Aventis Pasteur within the field of diarrhoea vaccines. At the same time, co-operation with SmithKline Beecham was ended and Active Biotech regained all rights to the ETEC and cholera vaccines.

### **CONTINUED STRONG SALES GROWTH FOR SBL CHOLERA VACCINE AND DUKORAL**

The international launch of Active Biotech's cholera vaccine has recorded strong growth during the year, increasing by 176 per cent. During the year, sales of Dukoral, the company's travel vaccine against tourist diarrhoea, continued to grow, by 59 per cent compared with the previous year.

### **NEW ORGANISATION - NEW OWNERS - NEW BOARD MEMBERS**



## *An intense and exciting year*

After an intense and exciting year, Active Biotech is well-positioned for the future. We are working hard to focus on and accelerate the development of research projects. Our sales have also increased strongly. We are now facing an important 2001 where the platform for continued development will be further strengthened.



### **Important events in 2000**

We have analysed and evaluated all the business operations and worked out both a short and a long-term business strategy plan.

### **SAIK-MS**

There is currently no treatment which cures MS, and injections of existing beta interferons have only a limited effect. The first oral therapeutic drug is therefore expected to have a major impact. The total world market for modern drugs to fight MS was calculated in 2000 to amount to SEK 15-20 billion per year, with considerable potential for further growth. This is the target market for SAIK-MS.

In the autumn, we began a process to identify an ideal business partner for SAIK-MS. Despite the fact that the project is only in clinical phase I, we intend to look for a partner at this early stage, partly to enable us to further advance the clinical development in phase II and phase III quickly and effectively and reach the market in the shortest possible time, partly to provide income for the company in this early development phase, as well as for a new powerful partner to take part in the development and to share the costs for the SAIK platform.

## TTS

Active Biotech has taken over the TTS cancer project from Pharmacia. The phase I study on patients with advanced non small-cell lung cancer will soon be ready for reporting. The continued clinical plan is currently being prepared, and we expect to be able to begin the phase II study in the autumn. Another TTS product is also expected to enter phase I clinical study at the end of 2001.

There is a great medical need relating to the primary indications that we selected for our studies – renal cancer and non small-cell lung cancer – as there is no satisfactory treatment. Active Biotech is working with Pharmacia on the project.

## Diarrhoea vaccines

Active Biotech continues to be a leading player in the field of diarrhoea vaccines. In 2000, great focus has been placed on the vaccine we have developed against ETEC diarrhoea and on commercially exploiting our entire product portfolio in this field.

The portfolio comprises first-generation products against cholera and ETEC infection, i.e. *SBL Cholera Vaccine* and *Dukoral*. Further development is taking place on several levels including the development of a specific ETEC vaccine and a new formulation of the cholera vaccine, in powder form. There are also preliminary development projects against other diarrhoea indications.

In August 2000, we were able to report the initiation of a co-operation with Aventis Pasteur, one of the world's leading vaccine companies. At the same time, we ended our earlier co-operation with SmithKline Beecham and regained all rights to the ETEC and cholera vaccines.

In March 2000, we reported on delays in our new ETEC vaccine. Expectations, both internally and externally, were great that this vaccine would quickly reach the market and delays affected us very negatively.

Since Active Biotech is one of the world's leaders in the field of diarrhoea vaccines, it is Active Biotech who works with leading specialists for the future development of definitions, terminology and study plans. We have been able to show that the vaccine prevents pronounced diarrhoea of the type which can ruin a business trip or holiday, after detailed analysis of the results from the first study in March.

We have now submitted our findings to the US Food and Drug Administration to confirm our conclusions, and thus gain permission to revise the clinical end point for the ongoing phase III study in Guatemala and Mexico. As soon as we receive a formal response to our application, we will be able to plan the project more precisely.



*The ETEC vaccine prevents pronounced diarrhoea of the type which may ruin a business trip or holiday.*

The international launch of our cholera vaccine, *SBL Cholera Vaccine*, has shown major growth in 2000. The launch is now proceeding within the framework of the co-operation agreement with Aventis Pasteur on markets outside the USA and Europe. This is where Aventis has major advantages to offer, both on the registration and marketing side.

During 2000, *Dukoral*, our travel vaccine for preventing tourist diarrhoea, continued to set new sales records on the Swedish and Norwegian markets. As travel to exotic countries continues to increase, we expect sales to continue rising dramatically. We are discussing the possibility of increasing co-operation with Aventis Pasteur MSD for marketing in Europe, provided that the product is approved by the registration authorities.

## Organisation

During the year, we closed our subsidiary in Cambridge, Actinova Ltd. This included spinning off the Covalent Display Technology project into a new company called Isogenica Ltd, of which Active Biotech owns 20 per cent. Our subsidiary Actigen Ltd, which is involved in the field of affinity proteins, has also been sold. By co-ordinating the former organisations in Solna and Lund, three organisations have now become one.

We have also strengthened the management team. At the beginning of the year, Börje Haag became Vice President Production. In August, Hans Kolam took up the position of Chief Financial Officer (CFO). Both came from Pharmacia where they have held leading positions for many years in their respective fields.

The management team has broad international experience of the pharmaceutical industry and a solid track record. This in-depth expertise in pharmaceuticals within the organisation, both from our historical background and experience, gives us a good foundation on which to build, and great opportunities to link up with powerful business partners.

During the year, the ownership situation of Active Biotech has changed. MGA Holding and Pharmacia are now both the principal owners. The composition of the Board also changed in 2000. The new Board members are Mats Arnhög, the owner of MGA Holding; Maria Borelius, scientific journalist and one of the founders of the e-learning company K-World; Peter Sjöstrand, former vice president of Astra; and Håkan Åström, Senior Vice President Pharmacia Corporation. The specialist expertise present among the Board enables us to discuss specific issues in detail in informal working committees. This ensures continued high quality in decisions on key company issues.

## Operations

It is a challenge to clearly communicate the company's business affairs and projects as well as describing Active Biotech's activities, results and potential for success.

However, after refinement and concentration, the image of a 'Medical Biotech' company, focusing on immunomodulation, has become increasingly clear for the market.

As our business takes shape and develops during 2001, we will continue to work on clarifying our profile for our owners and the market.

## Results

The result before extraordinary items amounted in 2000 to SEK -149 million, i.e. as forecast. In accordance with what we reported at the end of the year, the Board decided to write-off intangible assets amounting to SEK 270 million in the accounts, principally equivalent to the research costs previously set up as an asset for the projects in Solna.

As a result of this one-off write off, which does not affect the company's liquidity, we now have a common accounting method for research costs within the Group with all costs posted during the year. The reported result after this one-off write off amounted to SEK -419 million.

## An exacting year

The year has been an exacting one for all employees. The concerted joint effort has been very impressive, and I would like to thank all employees, the Board, business partners and external research colleagues







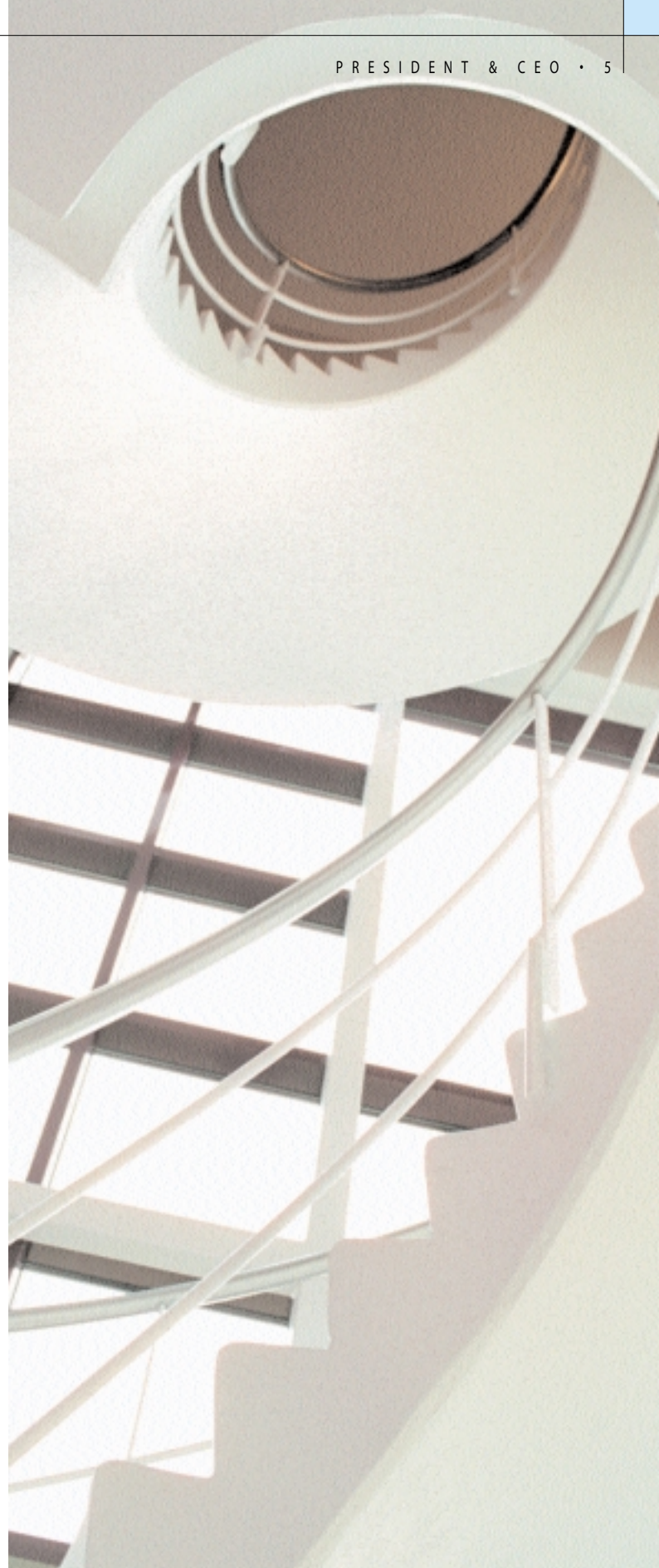
*The concerted joint effort has been very impressive.*



for their work in 2000. I would like to thank the shareholders for the confidence you have shown in our long-term growth potential – this has helped us to focus on achieving the goals that will build values in Active Biotech.

Lund, February 2001

SVEN ANDRÉASSON



# *Business concept, goals and strategies*

## **Operations**

The basis for Active Biotech's business can be summarised with the term immunomodulation. Active Biotech carries out research and development within medical fields where the immune system is of central importance.

Active Biotech's operations can be divided into four areas:

- main projects (currently SAIK-MS, TTS and ETEC)
- preliminary development projects and exploratory research
- sales and commercial operations
- business development

## **Areas of disease**

Active Biotech's operations are based on its knowledge of the human immune system and are focused on three areas of disease:

- autoimmunity/inflammation
- cancer
- infection, including vaccines

## **Business concept**

Using its knowledge of the human immune system, Active Biotech develops innovative drugs and vaccines with high efficacy and limited side effects.

## **Goals**

Active Biotech's goals are to

- create a pharmaceutical company with expertise in all segments relating to the development and

commercialisation of drugs, based on a clear partner strategy

- be a leading player in selected niche areas, through global co-operation agreements and organic growth on selected markets
- create long-term value for the shareholders with cutting-edge expertise within selected niche areas in a global sector
- be attractive as an employer by providing an atmosphere permeated by creativity and the constant opportunity for individual development

## **Business strategy**

Active Biotech's business strategy is to

- strive for growth, both organically and through acquisitions and alliances
- finance operations primarily with equity
- create economic sustainability and a strong financial position through successful licensing and its own sales of products

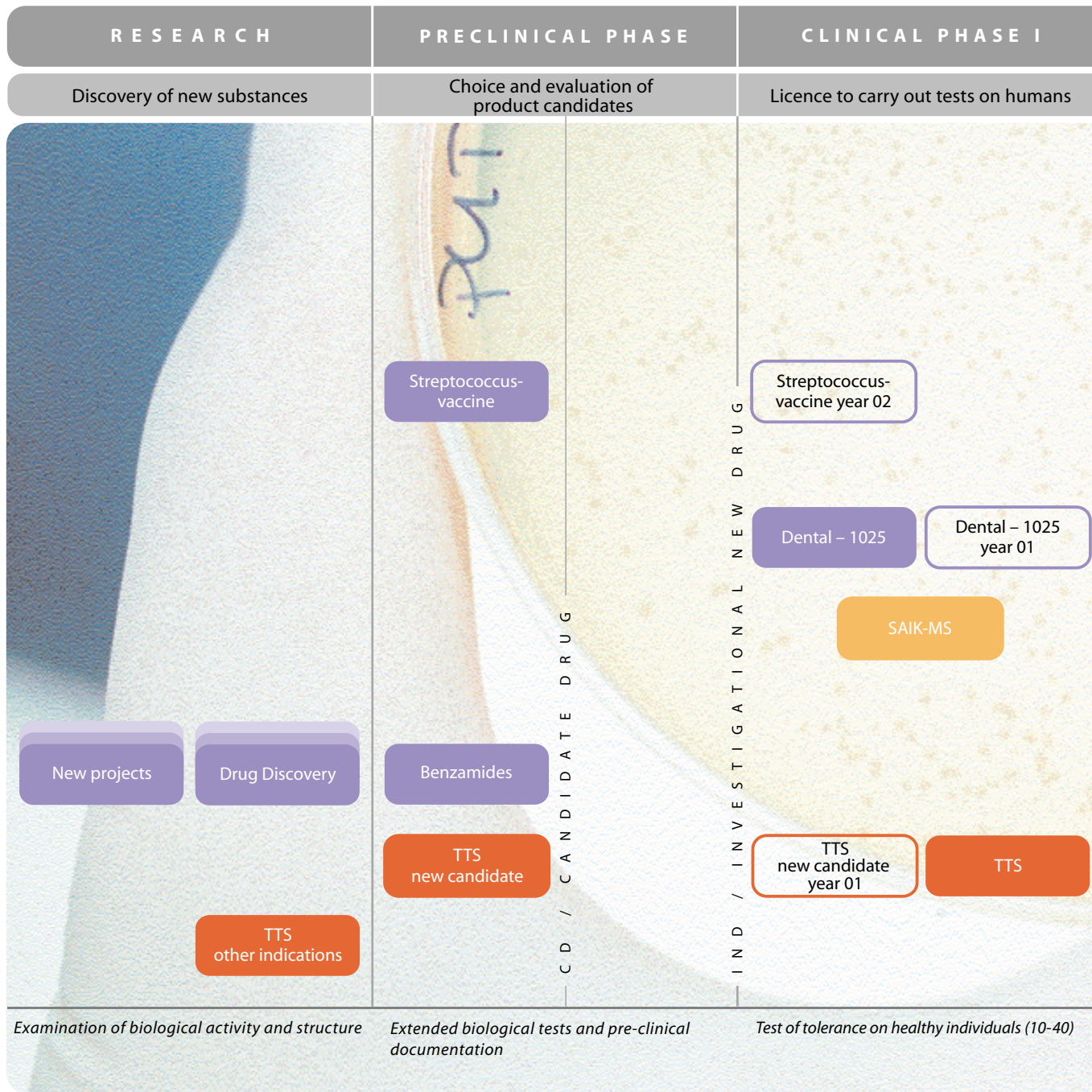
## **Research strategy**

Active Biotech's research strategy is to

- assure and continually improve skills in our core areas
- bridge the gap between academic institutions and major pharmaceutical companies
- achieve the greatest possible growth in value in each project by managing the development of new products ourselves
- seek out co-operation with powerful partners at the right stage of each project

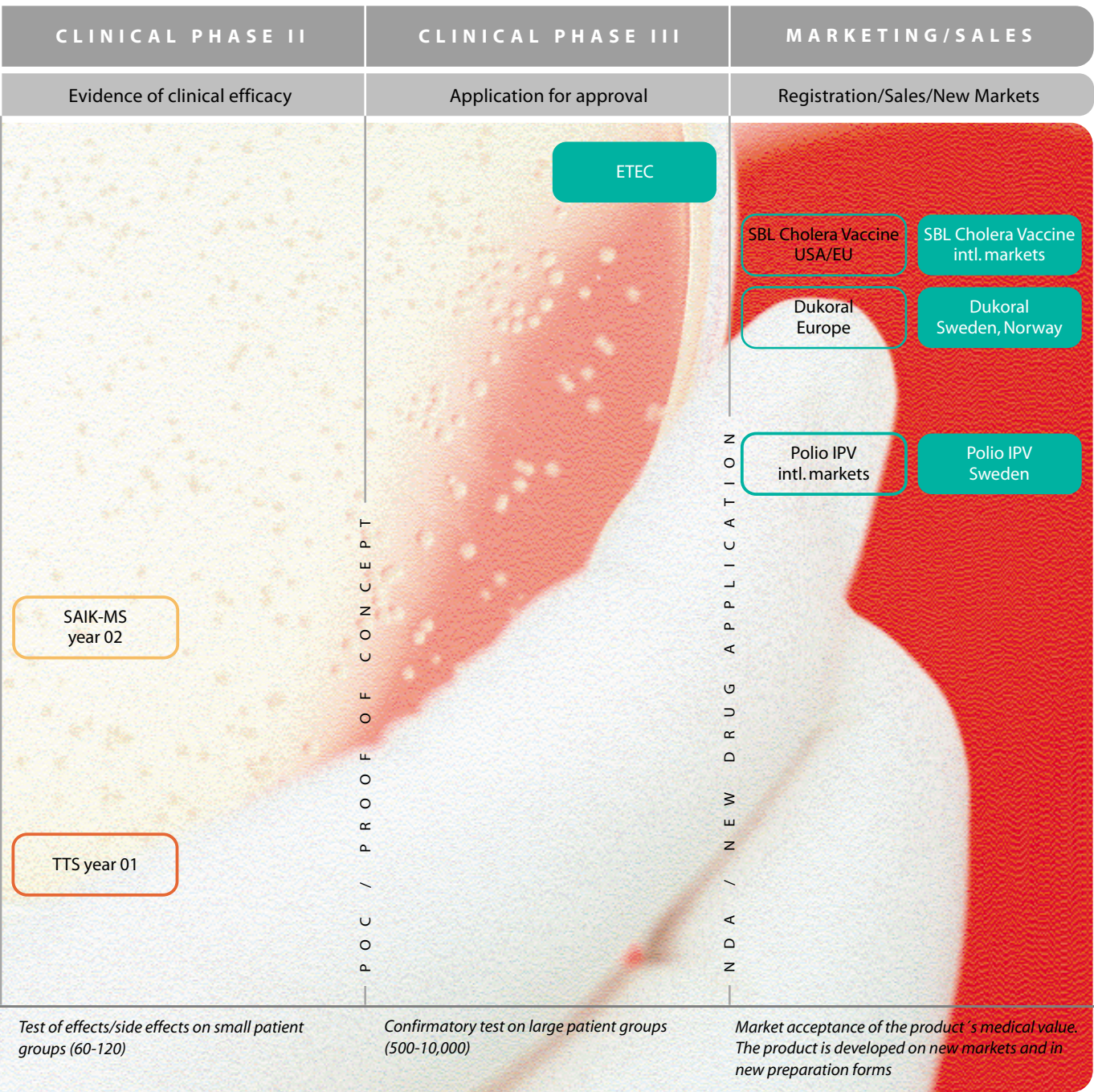


# Active Biotech's project portfolio



SAIK – drug for the treatment of inflammatory and autoimmune diseases, primary indication MS

TTS – drug to fight cancer, primary indications renal cancer and non small-cell lung cancer



- ETEC, SBL Cholera Vaccine and Dukoral – vaccines for diarrhoea – as well as polio vaccine
- Other projects and projects in preliminary development phase



# Active Biotech's four main areas of operation

Active Biotech's operations can be divided into four areas:

- main projects
- preliminary development projects and exploratory research
- sales and commercial operations
- business development

## Our main projects

Active Biotech's main projects currently comprise three individual projects: SAIK-MS, TTS and ETEC. They all have a long and solid history, with considerable resources having been invested in them from the outset. They are in the clinical phase and address market segments with both great commercial potential and a great medical need. The company is working hard to ensure the greatest possible patent protection for these products.

Active Biotech's core business entails the development of these projects into commercial products, both under its own direction and in co-operation with partners. The projects are run in a defined project organisation. Active Biotech has a unique knowledge and in-depth expertise within each area.

## Preliminary development projects and exploratory research

Preliminary projects are currently under way in the fields of autoimmunity, inflammation, cancer and infection. Here, the expertise that forms the basis of Active Biotech's main projects gives rise to new projects which will yield the next generation of products.

## Sales and commercial operations

Active Biotech's marketing organisation sells its own diarrhoea vaccines against tourist diarrhoea and cholera, diphtheria and polio vaccine, as well as agent vaccines, in Sweden and Norway. Sales are increasing steadily and the fact that the percentage of own produced vaccines is increasing is having a positive effect on the gross margin.

SBL Distribution, an independent unit within Active Biotech, distributes vaccines from different suppliers direct to customers in Sweden and abroad.

## Business development

During 2000, Active Biotech has built a stable base from which to act and monitor the competitive landscape in order to take advantage of new business opportunities. Within the company, there is a separate group which handles and evaluates all new project ideas in a rational manner. These activities will continue to be intensified.



## *A new form of treatment for multiple sclerosis*

SAIK is Active Biotech's project for the treatment of inflammatory and autoimmune diseases. Within the SAIK-MS project, Active Biotech is developing a completely new drug to fight multiple sclerosis (MS). MS occurs in different forms, each with a different rate of progression. What is common is that most sufferers will gradually become severely disabled and there is a risk of premature death.



Current drugs for the treatment of MS have an effect on only a limited number of patients. The medical need for new, more effective preparations is therefore extremely high.

The SAIK-MS preparation has demonstrated great efficacy against MS in experimental models. It is also absorbed well by the body, which means it can be administered as a tablet taken once a day. This is unique and a great advantage, because all current MS preparations are administered as injections.

During the past year, the substance has been undergoing phase I clinical trials. The doses which to date have been tested with good results, are the levels which will later be used in phase II and III clinical studies.

Up to now, the clinical trials have been carried out on healthy volunteers with satisfactory results. As part of phase I, the preparation will also be given to MS patients during the first part of 2001. The purpose of this is to further document its safety before clinical development is continued in phases II and III.

### **Fast and effective**

Active Biotech is in discussion with potential business partners regarding the continued development and commercialisation of the SAIK-MS project. The strategy is to utilise the resources and expertise of a larger pharmaceutical company in order to complete clinical development and reach the market as quickly and effectively as possible.

The plan is for a phase II clinical trial to be initiated at the beginning of 2002.

### **Significant market**

The market for the treatment of MS is currently dominated by three different beta interferon preparations with a total world market value of approximately SEK 15-20 billion. Another peptide-based





preparation has also recently been registered in Europe after several years on the US market.

Common to all current treatments is that they have only limited clinical efficacy and must be administered by frequent injections. It is therefore judged that a preparation in tablet form and with increased efficacy against MS could quickly take significant market share. Active Biotech believes that SAIK-MS has an excellent opportunity to become the first drug for MS with these properties to reach the market.

### More indications

SAIK-MS has been selected from a family of substances which are all covered by the company's patents in this field. There are a large number of other substances with potential for the future development of drugs for both MS and other autoimmune diseases, such as rheumatoid arthritis, inflammatory bowel disease, juvenile diabetes, goitre and psoriasis. Active Biotech has a unique technological platform with a level of patent protection deemed very strong, and valid up to 2019.

### SAIK patents

Patent	Prioritised area	Status	Expire year
ABR-0001	Europe	Pending	2019
	USA	Granted	2019
	Japan	Pending	2019
ABR-0002	Europe	Pending	2019
	USA	Granted	2019
	Japan	Pending	2019
ABR-0003	Europe	Pending	2019
	USA	Granted	2019
	Japan	Pending	2019

All patents protect the product, process and treatment methods.

# SAIK-MS

- Therapeutic effect in experimental models of MS and other autoimmune diseases
- Active in tablet form
- Good safety profile with favourable relationship between efficacy and side effects
- Phase I studies involving patients are also under way

#### MEDICAL NEED

- Disabling disease
- No orally active treatment available
- Limited efficacy of current preparations

#### MARKET

- 700,000 MS patients in Europe and the USA
- Sweden relatively badly affected with 10,000-15,000 MS patients
- SEK 15-20 billion per year in Europe and the USA
- Growing

#### LAUNCH/PARTNER

- Partner discussions initiated

#### COMPETITION

- Beta interferon preparations (Betaferon, Avonex, Rebif) from Schering, Biogen and Serono. Copaxone from Teva.
- Limited efficacy of current preparations
- All administered through frequent injections



## *TTS – a unique concept against cancer*

TTS (Tumor Targeted Superantigens) is a cancer treatment whereby the immune system is targeted directly against the tumor cells, leaving the body's healthy cells unaffected. TTS identifies the tumor and activates the body's immune system, which then attacks and eliminates the cancer cells.

There are still very few drugs that can cure cancer. However, the tools with which we fight the disease are continually being refined and combination treatments in particular have radically improved the prognosis for the treatment of certain cancers. Continued progress however requires more and better tools – and ideally new principles for treatment.

TTS is just such a new way of approaching the problem. The concept is unique in that it uses a combination of an antibody and a superantigen, which is a powerful activator of the immune system.

The antibodies could be described as the body's own guided missiles, which in this case are targeted at the tumor cells. By guiding the superantigen to the tumor, the immune system is activated in such a way that the T-cells, the body's most effective tool for disposing of unwanted cells, attack the tumor.

The phenomenon can be compared to the rejection reaction which is the body's natural response to the transplant of a foreign organ, unless powerful anti-rejection drugs are administered. A transplanted organ is rejected. In principle, the same mechanism is used to eliminate the tumor with TTS treatment. As the superantigen is guided towards the tumor, it does not attack the body's healthy cells.

## Competition promotes combination preparations

The development of TTS competes in part with the development of tumor vaccines and antibodies. Both are in preliminary clinical studies and, like TTS, they intensify the response of T-cells. However, competition should not just be viewed as a threat. It may even result in a preparation which further increases the efficacy of the treatment when used in combination with TTS.

Over the past 20 years, researchers all over the world have tested several hundred different antibodies for the treatment of cancer. A few have demonstrated positive results. Active Biotech's combination with a superantigen has properties which avoid most of the causes of the earlier failures with antibody treatments.

## Crucial progress

During last year, Active Biotech took over all rights to the TTS project from Pharmacia. Until then, the project had been a research assignment run by Active Biotech for Pharmacia. The co-operation is contin-

uing, now with Pharmacia producing the preparation for the ongoing clinical studies. During 2000, a new generation of the TTS product was developed. This product has several new advantages as the dose does not need to be individually calculated and it has longer lasting effects. Work is also under way on developing drug candidates for other cancer indications.

Already the first product candidate looks promising. During the year's clinical tests it has been possible to see the effect in humans, which has strengthened the researchers in their work. They also now understand better what may increase the efficacy of the treatment.

Indication	Total number of patients (in thousands)	Estimated market value*
Non small-cell lung cancer	269.4	SEK 21.6 billion
Renal cancer	82.1	SEK 6.6 billion
Colon cancer	485.2	SEK 38.8 billion
Ovarian cancer	88.6	SEK 7.1 billion
Stomach cancer	120.2	SEK 9.6 billion
Pancreatic cancer	97.0	SEK 7.8 billion

\* internal market research

## TTS patents

Patent Type of protection	Prioritised area	Status	Expire year
PHA-0840 'product'	Europe	Granted	2010
	USA	Granted	2010
	Japan	Pending	2010
PHA-0883 'product'	Europe	Granted	2011
	USA	Granted	2016
	Japan	Pending	2011
PHA-1492 'product'	Europe	Granted	2015
	USA	Pending	2018
	Japan	Pending	2015
PHA-1670 'product and user area'	Europe	Pending	2017
	USA	Pending	2016
	Japan	Pending	2017
PHA-1776 'combination of products'	Europe	Pending	2018
	USA	Pending	2018
	Japan	Pending	2018

# TTS

- Fusion protein containing monoclonal antibody and superantigen
- Has exhibited anti-tumor activity in experimental models
- Product candidate in clinical phase I study
- New candidate in pre-clinical study

## MEDICAL NEED

See table on right

## MARKET

Market potential for cancer preparations is considerable. The first clinical tests of TTS relate to renal and non small-cell lung cancer. The latter alone affects more than a quarter of a million people in Europe, the USA and Japan, creating a market potential for drugs in this field of over SEK 20 billion.

## PARTNER

- Pharmacia

# Unique vaccines against diarrhoea diseases

Diarrhoea diseases are responsible for up to four million deaths every year, above all among young children in the Third World. Infections caused by cholera or enterotoxin forming *E.coli* bacteria (ETEC) trigger diarrhoea that, in severe cases, can lead to dehydration and death.

It is estimated that ETEC alone causes approximately 800,000 deaths each year, mainly among children under the age of five. The symptoms do not represent the same threat for tourists and business travellers, as they generally disappear by themselves after a short while. However, they are very unpleasant and have an extremely limiting effect on physical mobility while present.

## Drinkable vaccines

Active Biotech has three preparations in the diarrhoea vaccine field: the *SBL Cholera Vaccine*, the tourist diarrhoea vaccine *Dukoral*, and ETEC, developed partly for paediatric indications and partly as a tourist diarrhoea vaccine.

All three preparations contain rCTB, a protein derived from the cholera bacteria. It is a unique component developed in collaboration with Göteborg University.

Vaccination against infections in the gastrointestinal tract should be administered locally as this provides a more effective immunity. That is why all the vaccines are drinkable and can be administered by the patients themselves, thereby also avoiding the unpleasantness of injections.

## Changing business partners

During 2000, we ended our co-operation agreement with SmithKline Beecham, acquiring all rights to the cholera and ETEC vaccines as a result. A new partnership has now been initiated with Aventis Pasteur.

## ETEC paediatric indication

There is a great medical need for an ETEC vaccine in the Third World, where children are an important target group. Children are hit harder and to a greater extent than adults, particularly as they have a lower resistance to the dehydration caused by severe diarrhoea. Studies are currently under way in Egypt and Bangladesh, with the aim of evaluating efficacy and tolerability.

## Dukoral and ETEC against tourist diarrhoea

The existing *Dukoral* travel vaccine against tourist diarrhoea already offers 60 per cent protection against ETEC. *Dukoral* has been on sale in Sweden since 1992 and in Norway since 1998. Sales have increased strongly in recent years, and by 59 per cent in 2000 to reach a total of SEK 36 million.

The market for travel vaccines in Europe is highly interesting. During the year, Active Biotech intends to apply for registration for *Dukoral* on the European market regarding the indications ETEC and cholera. Negotiations are under way with Aventis Pasteur MSD regarding the marketing of *Dukoral* in Europe, outside the Nordic countries.

The ETEC vaccine is undergoing phase III clinical trials. The first efficacy study was concluded in 2000 without showing the expected protection effects. Continued analysis in conjunction with external experts showed that the definition applied in the study relating to what constitutes a case of disease, also included people whose daily lives were not affected as they did not perceive themselves as being ill.



**Afgang  
Departures**



Therefore, in consultation with the US FDA, a change in the definition of the clinical endpoint for the ongoing phase III study in Guatemala/Mexico is being discussed, so that it only includes patients suffering from pronounced illness.

### International expansion for cholera vaccine

The cholera indication vaccine is marketed under the name *SBL Cholera Vaccine*. It is the only vaccine on the market recommended by a group of experts appointed by the WHO. In July 2000, an agreement was concluded with Aventis Pasteur regarding the marketing and sale of *Dukoral* and *SBL Cholera Vaccine* in countries outside the EU and the USA. During 2001, registration applications for *SBL Cholera Vaccine* will be filed in Africa, Asia and Latin America, and sales will begin. This is expected to lead to a dramatic increase in sales during the year.

### ETEC patents

Patents Type of protection	Prioritised area	Status	Expire year
ABR-0014 "product"	Europe	Pending	2019
	USA	Pending	2019
	Japan	Pending	2019
ABR-0015 "process"	Europe	Pending	2015
	USA	Granted	2016
	Japan	Pending	2015
	China	Pending	2015
	Mexico	Pending	2015
ABR-0016 "process and product"	Europe	Granted	2012
	USA	Pending	2012
	Japan	Pending	2012
	Africa	Granted	2012
ABR-0017 "process"	Europe	Granted	2009
	USA	Granted	2009
	Japan	Granted	2009
ABR-0018 "process and product"	Europe	Pending	2019
	USA	Pending	2019
	Brazil	Pending	2019
	Mexico	Pending	2019
ABR-0019 "product"	Europe	Pending	2016
	USA	Granted	2016
	Japan	Pending	2016
	China	Pending	2016

### ETEC

- Drinkable vaccine
- Five inactivated bacteria strains prevent the ETEC bacteria from colonising the intestine
- rCTB protects against the toxin of the ETEC bacteria
- Ongoing phase III studies in Guatemala/Mexico
- Paediatric studies in Bangladesh and Egypt

### MARKET

- Market potential USD 300-650 million

### PARTNER

- Evaluated during 2001

### COMPETITION

- The ETEC vaccine is the only vaccine against tourist diarrhoea in phase III studies

### DUKORAL AND SBL CHOLERA VACCINE

- Drinkable vaccine
- Four inactivated cholera strains prevent cholera bacteria from colonising the intestine
- rCTB protects against the toxin of the cholera and ETEC bacteria
- 60 per cent efficacy against ETEC, 85 per cent against cholera
- Few and mild side effects

### MARKET

- Sold in Sweden since 1992 and in Norway since 1998
- International launch as registrations confirmed

### REGISTRATION

- Sweden, Norway, Estonia, Madagascar, Argentina, El Salvador, Guatemala, Honduras, Nicaragua and Peru
- International registration activities ongoing

# Drug Discovery – looking into the future

Drug development is a process of many phases, from the discovery of an interesting substance or disease-generating biological mechanism, to the final pharmaceutical product. The entire process takes between ten and twelve years and can cost up to MUSD 500 from the patent to the finished product.

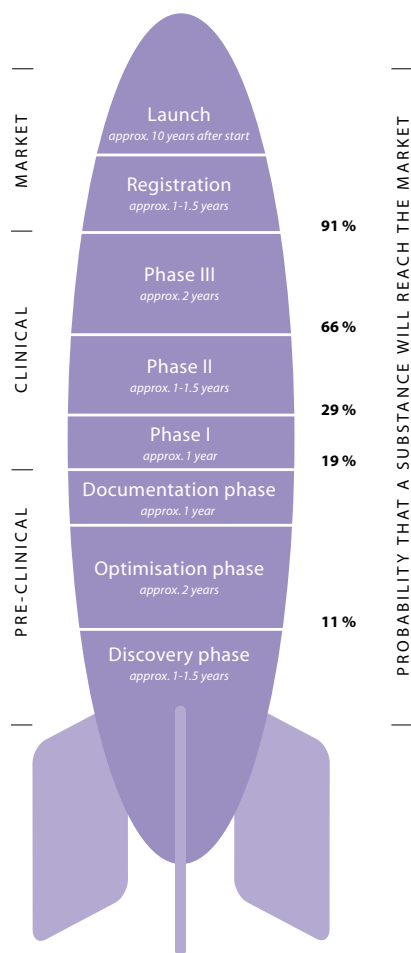
The costs of developing a drug have increased dramatically over the past five years, while there are insufficient projects under way that can generate the products which will lead to growth in the future.

The major drug companies with extensive R&D resources are uniting to form increasingly large units, in order to guarantee a strong enough influx of new products. However, history has demonstrated that most innovations are created by small, dynamic organisations. This is where the opportunity lies for research companies like Active Biotech to create a niche by delivering new products within areas that require specialist expertise.

## Where new projects are born

The preliminary phase of drug development is called Drug Discovery, and it is here that new projects are born. Active Biotech runs its Drug Discovery activities according to several different strategies. Active Biotech starts from its fundamental expertise, but also focuses on ensuring that individual projects maintain creativity. The company is small and flexible yet cannot compete in terms of resources. It is therefore forced to use its imagination and build on expertise and technological platforms to create competitive advantages.

To give new project ideas a rational assessment, Active Biotech has set up a special group to evaluate



Developing new drugs takes time and involves major financial risk. The figure shows the different phases of the development process, and how the probability of reaching the market increases with each completed phase. Source: *The Pharmaceutical R&D Compendium: CMR International/Scip's Complete Guide to Trends in R&D, 1999 Edition, Volume 2.*

new projects. Members of the group come both from within the company, and from external partners. To date, 70 project ideas have been evaluated and a few have advanced to the pre-clinical phase.

## Two embryos

In the first, pre-clinical project phase, a project is currently under way aiming to identify unique goal structures for drugs to fight inflammatory diseases. In another project, drugs are being developed which work in conjunction with molecules that control biological processes involved in inflammatory diseases as well as cancer. The aim of both these projects is to generate substances which can enter the clinical phase in two to three years.



## Other projects

### **The GAS vaccine**

Active Biotech's vaccine against tonsillitis caused by Group A streptococci (GAS) is based on research from Lund University and the Queensland Institute of Medical Research. During 2000, Active Biotech concluded the pre-clinical work and began preparations for phase I clinical studies.

During 2001, Active Biotech will continue discussions with potential business partners to carry on the clinical development.

### **p1025**

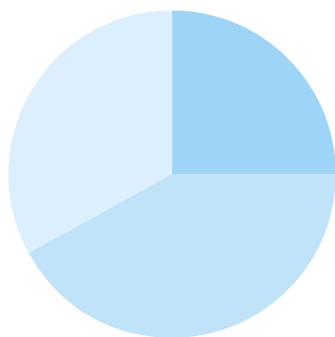
p1025 is a protein fragment, a peptide, which prevents the caries bacteria *Streptococcus mutans* from clinging to the surface of the teeth. The product was originally licensed from King's College in London, where an effect on humans was demonstrated.

Research at King's College continues, including trials on healthy volunteers, while Active Biotech is actively seeking a strategic partner for continued development.





## Sweden's leading vaccine provider



- Agency products – 25 per cent
- Distribution – 42 per cent
- Own produced vaccines – 33 per cent

SBL Vaccin Distribution is an independent unit within Active Biotech. Its task is to distribute vaccines from different suppliers directly to customers.

As a distributor, SBL Vaccin Distribution offers a complete range of vaccines. Customers receive a highly competitive service and can choose from all the vaccines approved by the Swedish Medical Products Agency.

Customers are primarily found in the following categories:

- county councils, i.e. child welfare centres, hospitals, general practitioners and care centres
- municipalities, primarily schools
- private care, i.e. vaccination centres, occupational health services, private hospitals and clinics.

### Good profitability and strong growth

Through direct distribution to the final customer, SBL Vaccin Distribution can offer lower prices while maintaining good margins. The business is successful and growth within the travel segment is at 35 per cent, while the other segments experience limited growth.

### Operations outside Sweden

SBL Vaccin Distribution also conducts extensive business outside Sweden. This primarily involves the distribution of *Dukoral* and *SBL Cholera Vaccine* to different parts of the world. Materials for use in Active Biotech's clinical trials are also distributed.

### Service, reliability and quality

A wide range, with several equivalent vaccines and packaging sizes, in combination with an integrated organisation, ensures customers rapid delivery and high delivery reliability.

SBL Vaccin Distribution's customer service provides customers with information about all vaccines.

**Business unit Marketing**

In Sweden and Norway, Active Biotech markets and sells partly its own products such as *Dukoral*, *Duplex* for diphtheria/tetanus and the polio vaccine, and partly agency products, primarily vaccines against influenza, via its own marketing organisation.

**Focus on travel vaccines**

The agreement with SmithKline Beecham was terminated at the end of 2000, completely in line with Active Biotech's increasing focus on primarily travel vaccines in Sweden and Norway.

Current sales and marketing are primarily to infection clinics, occupational health services and vaccination centres. Negotiations are under way with partners to broaden the range of travel vaccines.

**Sales record for Dukoral**

In 2000, sales of *Dukoral* increased strongly, by 52 per cent in Sweden and 106 per cent in Norway.





*Interview with Board member Maria Borelius:*

## 'World-class Swedish research'

"Swedish research maintains a very high class, even in an international context. There is also a new entrepreneurial spirit developing from the momentum of the IT sector. I've also noticed that there is a fantastic amount happening in Sweden in the field of biotechnology," says Maria Borelius, well-known from Swedish TV science programmes Nova and Vetenskapens värld, the radio programme Vetandets värld, and now also on the Board of Active Biotech.

Maria Borelius has a degree in Biology and a master's degree in Science Journalism. She is also a part-owner and manager of the Internet-based knowledge company K-World, as well as being on the Board of the Swedish Natural Science Research Council (currently being wound up).

She feels very positive about the Swedish research climate:

"Basically we have a great tradition in science and technology, where we have been world leaders since the time of Linnaeus and Berzelius, in systemising, structuring and making use of new knowledge. We may not always have been the most innovative, but we have been able to utilise our knowledge in a powerful way.

"A large proportion of our GNP goes on research and development. And the fact that it is of good quality can be measured in how often Swedish research is cited as a source. We are among the ten most cited countries in the world.

"The downside is what has prompted Pharmacia and Astra to leave Sweden; a small border state on the edge of the world's major economies. With the



world's highest taxes, we are unable to compete for jobs in the long term. And we are vulnerable. Over half of Swedish research and development is carried out by companies, particularly the large ones. When they move, Sweden loses a great deal of power.

"But something new and amazing is happening as a result of the corporate relocations. A new entrepreneurial spirit is coming through, and we are seeing strong growth in three geographical areas: Stockholm-Uppsala, western Sweden and the Öresund region. The driving force is the new knowledge base being built up in the field of biotechnology, and



*The only way to lead scientists is to give them extensive freedom and clear long-term goals.*

I believe that this is the IT entrepreneurs' success and creativity rubbing off on other areas."

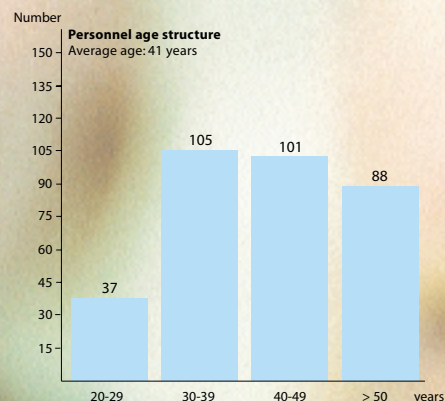
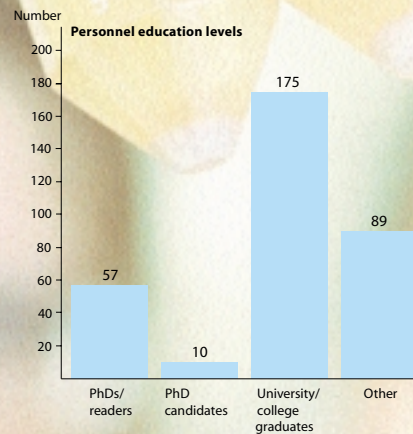
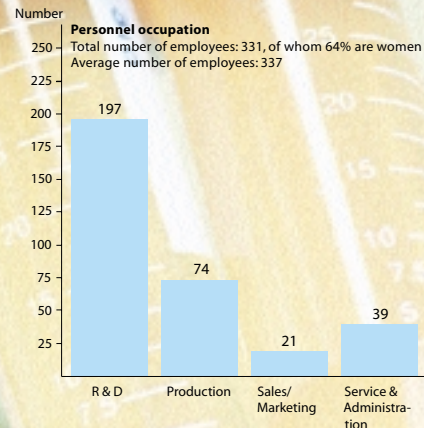
"I can see that there are many great things happening in Sweden in the biological sector. The sector is rife with energy, the right people, investors with knowledge and a feel for what they are doing, new knowledge, and an almost endless supply of ideas."

### **What are the important factors in building a good research climate?**

"Scientists are genuinely smart, well-educated and independent people, experts at problem-solving. The only way to lead people like that is to give them extensive freedom and clear long-term goals. That means flat organisational structures and as little administration as possible. Let specialists be specialists. Just look at IBM's laboratory in Switzerland, whose senior scientists have received two Nobel prizes, for high-temperature superconductors and the super-tunneling microscope.

"A scientist's value is determined by his or her knowledge and networks – and the ability to create new knowledge. Knowledge development is key: travelling around, meeting colleagues, going on courses, and studying things that may have no obvious value at the time, but which the individual scientist intuitively learns for future reference."

### Active Biotech personnel, December 2000





“Work on scientific discovery is now conducted in cooperation with others, and the greater the networks and knowledge base, the greater the value of the research.

“I also genuinely believe in the value of helping people to get to know themselves. Scientists differ greatly, and it is important for them to have the opportunity to take responsibility for themselves and what they need to feel good and achieve their best.”

#### **Are scientists adequately rewarded?**

“As knowledge increasingly becomes the critical factor, rather than capital or raw materials, the providers of knowledge must get a larger proportion of any financial profits to which their thoughts and work lead. For instance, I think it’s a scandal that Losec’s originator Ivan Östholm or the father of the mobile phone, Östen Mäkitalo, were not rewarded more generously, either by Sweden or their company shareholders.

“Although I’m not an expert on tax issues, I believe that a successful Swedish innovator should be allowed to be just as wealthy as good innovators in other

countries. Ten substantially wealthy scientists/innovators on the front cover of *Veckans Affärer* would do more for recruitment to research than all the campaigns of the Swedish Ministry of Education and Science combined. I also think that freedom, the opportunity to control their own research, is an important driving force.”

#### **What types of organisation will be successful in the future?**

“The pharmaceuticals industry, perhaps more than any other industry, shoulders huge risks because the period from the idea to profit is so long and the costs incurred along the way are so great. The question is how can we build a structure which optimally distributes the risk, and how can people and capital work together during the process?

“I believe strongly in the working process we can see developing in biotechnology with large business-generating marketing specialists – Big Pharma – taking risks in the latter stages of product develop-

ment and in the consumer stage. Good administrators, salespeople, business people and market developers, and enough scientists who can analyse the research results and patient needs. Big Pharma enter the picture in phase II of the clinical trials, and push any resulting products towards large market shares. On the other half of the pitch are the small, flexible knowledge environments with extensive research power, which act as the initial concept developers and testers. This is where you find the more informal, flexible people. This is where the initial risk is taken, on a more limited level.”

“We will also see increased refinement of specialist expertise, because it’s one of the unavoidable consequences of globalisation and information technology. To win, you have to do what you do best.”

### **Other exciting trends and tendencies?**

“Winner of the Nobel Prize for Physics, Steven Chu, is leading the major Bio-X project at Stanford. He has decided to work on the questions biologists cannot answer.

“I think that more and more physicists, mathematicians and computer scientists are going to get to grips with the biological revolution – for the lasting benefit of us all, since biologists are often not as mathematically trained. This will lead to new discoveries and business ideas.

“Personally, I would think it extremely exciting to let some physicists look at what biologists call ‘junk DNA’, or genetic material with no obvious biological function.”



# Quality, environment and ethics

Active Biotech's operations are based on good quality, environment and ethics. All work should therefore be conducted in a way that optimises the company's use of resources.

## Quality in operations and processes

Bringing a new pharmaceutical to the market is a process involving meticulous development work and good documentation. Operations and processes must be permeated by quality-oriented thinking, from senior management level down to the individual employee. Active Biotech's quality work therefore focuses on creating a positive, effective operation under continuous improvement.

A number of quality systems have long been used to control the company's work on pharmaceuticals:

**Good Laboratory Practice (GLP)** provides guidelines for laboratory work, particularly security tests.

**Good Clinical Practice (GCP)** regulates clinical trials.

**Good Manufacturing Practice (GMP)** provides guidelines for manufacturing.

These systems are based on a common foundation, in that they all place demands on:

- employee responsibility
- premises and equipment
- documentation structure
- continuous training and follow-up
- own inspection and follow-up
- deviation and complaint management

Active Biotech's operations are regularly inspected in accordance with the above regulations, both internally and externally. Inspections provide the basis for the company's quality improvement programme. During the year, the Swedish Medical Products Agency and the WHO have inspected all the units in Solna, Lund and Matfors.

## Environmental work part of the everyday routine

Environmental work is an integrated part of day-to-day work on all levels. Active Biotech is continually working to improve both the internal and external environments, and has begun work to systematically map and evaluate the company's environmental impact.

To further emphasise the environmental aspect, research directors have undergone training in environmental issues. In addition, a group of experts has begun to evaluate the substances which may become pharmaceuticals in the future. This includes charting their environmental impact from a life cycle perspective. This shows that Active Biotech attaches great importance to protecting both the surrounding environment and its own employees.

For the production unit, it is evident that there has been no record of any stipulated limit values in applicable control programs having been exceeded. The 2000 environmental report was therefore approved without particular comment.

## Responsible animal testing

Despite the rapid development of non animal-based models for medical research, there is still no alternative which can completely replace the complex system represented by a living organism. A responsible use of laboratory animals in scientific research is therefore ethically justifiable.



Active Biotech strives to replace, reduce and refine the use of laboratory animals as far as possible. However, where there is no alternative, animal experiments are planned expediently and carried out in compliance with ethical requirements. Pain, suffering and stress will be minimised, or preferably eliminated.

All personnel working with laboratory animals must be trained and experienced in this. The animals should be treated with care, and the greatest possible consideration should be paid to their health and well-being, with a careful balance between ethical and scientific requirements. Moreover, the animals should be handled and cared for in a way that maximises their well-being and prevents the spread of infection.

All work involving animals must stringently comply with applicable local procedures, as well as national and international legislation. Ethical legislation and other considerations for the care and well-being of laboratory animals will be meticulously followed, and will always form the basis for revision and harmonisation of laboratory animal activities within the company.



*We systematically chart our environmental impact.*



## Directors' report

### Active Biotech AB (publ), Corporate Identity No. 556223-9227

The refinement and concentration of operations focusing on immunomodulation begun in 1999 was accelerated during the year, with continued focusing of the research portfolio, and the divestment of projects within UK subsidiary company Actinova Ltd, which has been closed.

### The Group

During the year, operations have been conducted by the parent company, Active Biotech AB, which includes Group-wide functions and capital administration, Active Biotech Research AB and SBL Vaccin AB.

Active Biotech Research AB carries out research into autoimmune and inflammatory diseases, as well as cancer.

SBL Vaccin AB develops, produces, markets and distributes vaccines in Sweden and Norway. The export share of sales is increasing rapidly, as *SBL Cholera Vaccine* is launched internationally in co-operation with Aventis Pasteur.

In the latter part of 1999, it was decided to close the UK subsidiary Actinova Ltd. The focus of this company was outside the framework of Active Biotech's more targeted strategic focus. The Actigen Ltd subsidiary, including the Protein-L project, has therefore been divested. Moreover, the CDT technology has been sold to Isogenica Ltd, which is 20 per cent owned by Actinova.

### Marketing & Sales

Active Biotech signed a co-operation agreement with Aventis Pasteur during the year, within the field of diarrhoea diseases. Initially, this means that Aventis Pasteur will be responsible for the launch of the *SBL Cholera Vaccine* outside Europe and the

USA. More extensive partnership discussions were initiated towards the end of the year.

The collaboration with SmithKline Beecham ended in 2000. Active Biotech regained all rights to *SBL Cholera Vaccine*, *Dukoral* and the ETEC project, while the distribution rights for the paediatric vaccine programme were taken back by SmithKline Beecham as of 1 January 2001.

### Research and development

The Group conducts several research projects within autoimmune, inflammatory and cancer diseases. The projects are at various stages, from the early research phase to late clinical phase with product launch expected in the next few years.

The SAIK-MS project is in phase I clinical trials. Work is in progress to identify a business partner for continued clinical development. This is in order to share the risks and costs, to ensure the shortest possible time to market, and to strengthen the financial position for the future.

The TTS project for non small-cell lung cancer indications, taken over from Pharmacia during the year, is in clinical phase I. Continued clinical work is now conducted exclusively by Active Biotech. A further substance from the TTS platform is expected to begin phase I clinical trials in late 2001. The plan is to find a partner for this project at a later stage.

During the spring, delays were reported in the ongoing phase III studies for ETEC, as the originally defined clinical endpoint was not reached. After analysing the results from this study, the company has been able to demonstrate the efficacy on pronounced diarrhoea disease. The company is in discussion with the US FDA, with the intention of revising the clinical endpoint for the ongoing study.

Discussions are also being held with business partners regarding the continued development of new vaccines to fight streptococcus infections. Pre-clinical efficacy trials have shown good results.

## Environmental impact

The Group's activities are subject to special legislation with regard to the environmental act (1998:808) in the subsidiaries SBL Vaccin AB and Active Biotech Research AB. Such activities principally affect the external environment through plants for manufacture with biological processes, as well as laboratories for chemical and biological research.

## Disputes

The dispute between SBL Vaccin AB and Maxim Pharmaceutical Inc. in the USA, which arose in 1998, was resolved in the spring when Active Biotech acquired the licensing rights to the rCTB technology, including further improvements to the technology developed during the period of the dispute.

## Financial position

Available liquid funds including unutilised lines of credit amounted to SEK 438 million (627) at the year-end. Approved credit facilities amounted to SEK 30 million (130), which was not utilized at the year-end (SEK 87 million). Cash and bank balances including short-term investments amounted to SEK 408 million (545). Of the liquidity, short-term investments accounted for SEK 308 million. The Group's equity/assets ratio amounted to 74 per cent (74).

## Personnel

The average number of employees within the Group totalled 337 (341), of whom 210 (208) were women. The breakdown of workplaces and payroll details can be found in notes 23 and 24.

## Investments

Investments in intangible fixed assets during the year amounted to SEK 22 million, relating primarily to the acquisition of patent rights. Investment in tangible fixed assets amounted to SEK 33 million,

the majority of which related to conversion and extension of production sites and process equipment.

## Appropriation of profits

The proposal for the appropriation of this year's profits made by the Board of Directors and President & CEO can be found on page 56.

## Report on the Board's work in 2000

Active Biotech's ownership situation changed during the year, when the former main shareholder and Chairman of the Board Bo Håkansson disposed of his shareholding in the company. The shareholding was acquired by MGA Holding. At the Annual General Meeting in April, Håkan Åström, Senior Vice President, Pharmacia Corporation, was elected onto the Board of Directors. At an Extraordinary General Meeting held on 19 October, three new members were elected onto the Board: Mats Arnhög, MGA Holding; Maria Borelius, K-World; Peter Sjöstrand, former Vice President of Astra. Two members, Karl-Olof Borg and Else-Maj Rosenlöf, also chose to leave the Board at this time.

Nine minuted board meetings were held during the year.

The President & CEO has continued to keep both the Chairman of the Board and other Board members informed of developments within the company on an ongoing basis.

Important matters which have been dealt with by the Board include:

- the development of research projects
- business development projects
- Active Biotech's strategic focus
- accounting information

## Five-year summary

Amount in million SEK	2000	1999	1998	1997	1996
<b>Income statements in brief</b>					
Net sales	280.4	267.3	514.7	456.7	292.6
Operating profit/loss (of which items affecting comparability)	- 509.4	- 112.3	- 35.6	37.0	26.3
	- 270.2	139.6	86.4	na	na
Net financial items	90.0	54.7	0.6	5.1	369.5
Operating profit/loss after financial items	- 419.4	57.6	- 34.9	42.1	395.8
Minority interest	0	0	- 0.1	- 3.3	- 4.0
Profit/loss before tax	- 419.4	- 57.6	- 35.0	38.8	391.8
Taxes	0.1	- 4.5	1.5	- 8.4	- 4.7
<b>Profit/loss for the year</b>	<b>- 419.3</b>	<b>- 62.0</b>	<b>- 33.6</b>	<b>30.4</b>	<b>387.1</b>
<b>Balance sheets</b>					
Fixed assets	297.9	589.1	915.5	1 173.0	659.1
Current assets	571.0	848.2	1 098.6	510.4	620.2
<b>Total assets</b>	<b>868.9</b>	<b>1 437.3</b>	<b>2 014.2</b>	<b>1 683.4</b>	<b>1 279.3</b>
Shareholders' equity	646.0	1 064.3	1 363.8	546.8	566.5
Minority interest	0	0	3.8	23.6	40.8
Non-interest-bearing liabilities	222.9	322.0	406.2	375.7	136.6
Interest-bearing liabilities	-	51.0	240.4	737.3	535.4
<b>Total liabilities and shareholders' equity</b>	<b>868.9</b>	<b>1 437.3</b>	<b>2 014.2</b>	<b>1 683.4</b>	<b>1 279.3</b>
<b>Cash flow analysis</b>					
Cash flow from current activity					
Before change in net working capital	- 105.7	- 176.7	- 56.0	na	na
Change in net working capital	65.5	282.0	- 220.8	na	na
Cash flow from the investment activity	- 46.9	- 140.5	81.4	na	na
Cash flow from the financial activity	- 50.0	- 32.1	469.1	na	na
Cash flow at year-end	- 137.2	- 67.3	273.7	na	na
Net indebtedness	- 447.9	- 494.1	- 372.0	398.6	- 2.0
<b>Key ratios</b>					
Return on shareholders' equity (%)	- 49.0	- 5.1	- 3.5	5.5	103.8
Return on capital employed (%)	- 45.4	- 3.9	- 1.2	7.9	59.2
Equity/assets ratio, Group (%)	74.3	74.0	67.9	33.9	47.5
Equity/assets ratio, parent company (%)	59.5	64.5	84.5	60.2	91.1
Interest coverage ratio (multiple)	neg	neg	neg	1.8	10.0
Net debt/equity ratio (multiple)	neg	neg	neg	0.7	0.0
Average number of employees	337	341	508	328	273
<b>Share data</b>					
Number of shares (thousand)					
before exercising convertibles	11,246	11,246	11,246	5,566	5,526
after exercising convertibles	11,246	11,246	11,246	5,926	5,926
Profit/loss after full tax (SEK)					
before exercising convertibles	- 37.28	- 5.52	- 3.99	5.49	70.05
after exercising convertibles	- 37.28	- 5.52	- 3.99	5.48	65.59
before items affecting comparability	- 13.25				
Adjusted shareholders' equity (SEK)					
before exercising convertibles	57.44	94.64	121.27	98.24	102.52
after exercising convertibles	57.44	94.64	121.27	97.81	102.35
before items affecting comparability	81.47	-	121.27	97.81	102.35
Market price at year-end (SEK)					
Series A share	109	185	131.50	186.00	94.00
Series B share	117	186	131.00	193.00	96.00
Dividend (SEK)	0*	0	0	4.00	10.00

\* proposed dividend

Definitions, see page 42

## Profit and loss accounts

Amounts in thousand SEK	The Group		The parent company		
	2000	1999	2000	1999	
Net sales	Note 1	280,440	267,347	7,000	3,250
Cost of goods sold	Note 2	- 179,874	- 147,852	-	-
<b>GROSS PROFIT</b>		<b>100,566</b>	119,495	<b>7,000</b>	3,250
Selling expenses	Note 2	- 28,122	- 23,779	-	-
Administrative expenses	Notes 2, 5	- 64,360	- 74,680	- 45,142	- 51,158
Research and development costs	Note 2	- 271,757	- 270,732	-	- 9,446
Items affecting comparability	Note 3	- 270,235	139,574	-	15,000
Other operating income and costs	Notes 2, 4	24,473	- 2,201	1,444	138
<b>OPERATING PROFIT / LOSS</b>	Note 23	<b>- 509,435</b>	- 112,323	<b>- 36,698</b>	- 42,216
<i>Result from financial investments</i>					
Result from shares in subsidiaries	Note 6	-	-	- 90,242	- 81,629
Interest income and similar income items	Note 7	94,042	59,477	92,777	57,359
Interest expense and similar expense items	Note 8	- 3,998	- 4,738	- 917	- 1,189
<b>OPERATING PROFIT / LOSS AFTER FINANCIAL ITEMS</b>		<b>- 419,391</b>	- 57,584	<b>- 35,080</b>	- 67,675
Minority interest		-	-	-	-
<b>PROFIT / LOSS BEFORE APPROPRIATIONS AND TAX</b>		<b>- 419,391</b>	- 57,584	<b>- 35,080</b>	- 67,675
Appropriations	Note 9	-	-	-	52
<b>PROFIT / LOSS BEFORE TAX</b>		<b>- 419,391</b>	- 57,584	<b>- 35,080</b>	- 67,623
Tax on profit for the year	Note 10	120	- 4,464	- 70,055	- 17,741
<b>NET PROFIT / LOSS FOR THE YEAR</b>		<b>- 419,271</b>	- 62,048	<b>- 105,135</b>	- 85,364

*Balance sheets*

Amounts in thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
<b>ASSETS</b>				
Research and development	-	251,197	-	-
Patents, licences and trademarks	46,741	31,746	-	-
Other	400	400	-	-
<b>Total intangible fixed assets</b>	Note 11	<b>47,141</b>	283,343	-
Machinery and other technical facilities		157,357	180,870	-
Equipment, tools and other technical fixtures and fittings		9,097	14,515	716
Ongoing new plants		30,993	8,102	-
<b>Total tangible fixed assets</b>	Note 12	<b>197,447</b>	203,487	<b>716</b>
Shares in subsidiaries	Note 13	-	-	675,379
Other long-term securities holding		48,120	93,430	40,000
Other long-term receivables		5,219	8,875	324
<b>Total financial fixed assets</b>		<b>53,339</b>	102,305	<b>715,703</b>
<b>Total fixed assets</b>		<b>297,927</b>	589,135	<b>716,419</b>
<b>Total inventories</b>	Note 14	<b>63,448</b>	55,051	-
Accounts receivable – trade		61,760	46,712	2
Receivables at subsidiaries		-	-	108,193
Other receivables	Note 15	37,843	201,307	3,421
<b>Total short-term receivables</b>		<b>99,603</b>	248,019	<b>111,616</b>
Other short-term investments	Note 16	308,024	467,194	308,024
Cash and bank balances	Note 17	99,944	77,898	52,769
<b>Total short-term investments</b>		<b>407,968</b>	545,092	<b>360,793</b>
<b>Total current assets</b>		<b>571,019</b>	848,162	<b>472,409</b>
<b>TOTAL ASSETS</b>		<b>868,946</b>	1,437,297	<b>1,188,828</b>

Amounts in thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<i>Restricted shareholders' equity</i>				
Share capital	281,157	281,157	281,157	281,157
Share premium fund	688,637	733,628	680,581	760,698
Other funds	Note 18	32,026	62,054	30,674
		<b>1,001,820</b>	1,076,839	<b>992,412</b>
<i>Unrestricted shareholders' equity</i>				
Balanced profit		63,479	49,523	- 180,143
Profit for the year		- 419,271	- 62,048	- 105,135
		<b>- 355,792</b>	- 12,525	<b>- 285,278</b>
<b>Total shareholders' equity</b>	Notes 19, 20	<b>646,028</b>	1,064,314	<b>707,134</b>
Provision for pensions		26,734	23,421	-
Provision for taxes	Note 10	9,073	9,073	-
<b>Total allocations</b>		<b>35,807</b>	32,494	<b>0</b>
Interest-bearing long-term liabilities		-	50,000	-
Other long-term liabilities		57,262	91,024	45,000
<b>Total long-term liabilities</b>		<b>57,262</b>	141,024	<b>45,000</b>
Accounts payable – trade		77,768	50,995	2,715
Debts to subsidiaries		-	-	426,456
Tax liabilities		2,945	3,475	2,945
Interest-bearing current liabilities		-	1,013	-
Other current liabilities	Note 21	49,136	143,982	4,578
<b>Total current liabilities</b>		<b>129,849</b>	199,465	<b>436,694</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		<b>868,946</b>	1,437,297	<b>1,188,828</b>
Assets pledged and contingent liabilities	Note 22			

## Cash flow analysis

Amounts in thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
<i>The current activity</i>				
Operating profit / loss after financial items	- 419,391	- 57,584	- 35,080	- 58,176
Regulations of items not included in the cash flow, etc. Note 25	314,232	- 118,175	90,433	82,044
	- 105,159	- 175,759	55,353	23,868
Taxes paid	- 530	- 960	- 500	- 859
<b>Cash flow from the current activity before change in net working capital</b>	<b>- 105,689</b>	<b>- 176,719</b>	<b>54,853</b>	<b>23,009</b>
<i>Cash flow from the change in net working capital</i>				
Increase(-) /reduction(+) of inventories	- 8,397	2,627	-	-
Increase(-) /reduction(+) of current receivables	141,693	295,621	45,797	59,031
Increase(+) /reduction(-) of current liabilities	- 67,838	- 16,250	- 29,653	122,927
<b>Cash flow from the current activity</b>	<b>- 40,231</b>	<b>105,279</b>	<b>70,997</b>	<b>204,967</b>
<i>Financial activity</i>				
Sales of subsidiaries	-	- 104,590	-	-
Acquisition of intangible fixed assets	- 71,008	- 44,378	-	- 181
Acquisition of tangible fixed assets	- 29,344	- 50,926	- 63	-
Sale of tangible fixed assets	-	58,200	-	-
Acquisition of financial assets	-	-	-	- 102,294
Sales of financial assets	53,430	1,161	53,430	-
<b>Cash flow from the investment activity</b>	<b>- 46,922</b>	<b>- 140,533</b>	<b>53,367</b>	<b>- 102,475</b>
<i>Investment activity</i>				
New issues	1,007	719	1,007	719
Amortisation of loan debts	- 51,013	- 32,814	-	-
Group contributions provided	-	-	- 250,198	- 113,000
<b>Cash flow from the financial activity</b>	<b>- 50,006</b>	<b>- 32,095</b>	<b>- 249,191</b>	<b>- 112,281</b>
<b>Cash flow for the year</b>	<b>- 137,159</b>	<b>- 67,349</b>	<b>- 124,827</b>	<b>- 9,789</b>
<b>Liquid funds at the beginning of the year</b>	<b>545,092</b>	<b>612,441</b>	<b>485,620</b>	<b>495,408</b>
<b>Exchange rate difference in liquid funds</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>
LIQUID FUNDS AT YEAR - END	Note 17 <b>407,968</b>	545,092	<b>360,793</b>	485,619



## Consolidated profit and loss accounts, with comments

MSEK	2000	1999*	1998*
Net sales	<b>280.4</b>	267.3	259.4
Cost of goods sold	<b>- 179.9</b>	- 147.9	- 203.4
<b>GROSS PROFIT</b>	<b>100.5</b>	119.5	56.0
Selling expenses	<b>- 28.1</b>	- 23.8	- 18.6
Administrative expenses	<b>- 64.4</b>	- 74.7	- 53.7
Research and development costs	<b>- 271.8</b>	- 270.7	- 133.1
Items affecting comparability	<b>- 270.2</b>	139.6	79.7
Other income	<b>24.5</b>	- 2.2	8.0
<b>OPERATING PROFIT/LOSS</b>	<b>- 509.4</b>	- 112.3	- 61.7
Net financial items	<b>90.0</b>	54.7	22.0
<b>OPERATING PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>- 419.4</b>	- 57.6	- 39.7
Appropriations	<b>0.0</b>	0.0	0.4
Tax on profit for the year	<b>0.1</b>	- 4.5	- 0.5
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>- 419.3</b>	- 62.0	- 39.8

\* Proforma Biotechnology (exc. Wilh. Sonesson)

### The Group

The Group's net sales increased by 4.9 per cent to SEK 280.4 million (267.3), of which SEK 40.0 million (75.0) generated by contract research. The reduction in income reflects the agreement Active Biotech reached with Pharmacia regarding taking over the TTS project under its own management.

Vaccine sales increased by 26 per cent to SEK 234.5 million (184.5). The growth can primarily be attributed to continued strong development for *SBL Cholera Vaccine* and *Dukoral*, which increased sales by 97 per cent to SEK 64.4 (32.7). *Dukoral* shows continued strong sales growth in Sweden and Norway.

Sales in Sweden increased by 52 per cent to SEK 27.0 million (17.8). In Norway, where the product was launched in 1998, sales increased by 106 per cent to SEK 6.8 million (3.3). This positive development is explained by increased marketing activities and good growth in travel to risk areas. *SBL Cholera Vaccine* has also recorded strong growth in comparison with the preceding year. Sales increased by 176 per cent to SEK 28.9 million (10.5).

Sales of agency products within the vaccine segment developed less favourably during the year, falling by two per cent to SEK 58.0 million (59.0).

The decrease is primarily attributable to supply problems, including those relating to influenza vaccines. The subsidiary SBL Vaccin Distribution AB's physical distribution to end customers of its own and customers' products developed well during the year, with a 25 per cent increase in turnover to SEK 99.5 million (79.7).

The operating profit/loss before financial items amounted to SEK -509.4 million (-112.3). This deterioration in profit can be explained by items affecting comparability in 2000 and 1999. The current year's profit has been burdened with a one-off amortisation of intangible fixed assets related to the diarrhoea vaccine project amounting to SEK 270.2 million. The 1999 results included one-off income derived from property and land sales amounting to SEK 139.6 million. Profit before items affecting

comparability improved by approximately SEK 13 million.

The Group's net financial situation improved strongly from SEK 54.7 million in 1999 to SEK 90.0 million this year, reflecting profits from the sale of shares in Lifco AB, as well as the generally good development of the financial investments.

The strong sales development, restricted costs development and the strong net financial situation explain the positive developments in profit for comparable units.

Operating profit after financial items, but before items affecting comparability, amounted to SEK -149.2 million (-197.2), completely in line with the forecast for the entire year of SEK -150 million.

Operating loss after items affecting comparability amounted to SEK -419.3 million (-62.0).

### Net sales specified according to activity

MSEK	2000	1999	alteration	% of sales 2000	% of sales 1999
1. Vaccine sales					
Own produced vaccines	<b>76.9</b>	46.8	64 %	32.8 %	25.5 %
Agency products	<b>58.0</b>	59.0	- 2 %	24.7 %	31.8 %
Distribution orders	<b>99.5</b>	79.7	25 %	42.5 %	43.0 %
<b>TOTAL VACCINE SALES</b>	<b>234.5</b>	185.4	26 %	100.0 %	100.0 %
2. Income from contract research	<b>40.0</b>	75.0	- 47 %		
3. Other income	<b>5.9</b>	6.9	- 15 %		
<b>TOTAL NET SALES</b>	<b>280.4</b>	267.3	5 %		

### Parent company

The parent company's net sales amounted to SEK 7.0 million (3.3) which includes all internal Group invoicing. Loss after financial items amounted to

SEK -35.1 million (-67.7). The improvement in this result is due to lower net costs and considerably improved net financial situation.

## Operating costs and profit/loss

### The Group

Active Biotech's operating costs increased marginally to SEK 519.7 million (519.3).

Costs of goods sold increased by 22 per cent, which is the result of a 25 per cent volume-driven increase in net sales, as well as contracted margins for agency- and distribution products. The gross profit for the entire product range increased by 1.9 per cent to 25.2 per cent.

Selling expenses increased by 18 per cent to SEK 28.1 million (23.8) due to a build-up of resources and competences for the international launch of *Dukoral/SBL Cholera Vaccine*, as well as increased marketing in Sweden and Norway. Administrative expenses amounted to SEK 64.4 million (74.7), a 14 per cent reduction which reflects the reorganisation carried out in the parent company during the year, as well as the closing of Actinova Ltd in the UK.

The closing of Actinova Ltd in the UK, combined with reprioritisation of research projects, has resulted in a number of research projects being divested or reprioritised. This explains why the level of costs remains almost unchanged despite the fact that the clinical costs of the SAIK-MS and TTS projects have increased. Research costs amounted to SEK 271.8 million (270.7). However, SEK 17 million in expenses for the ETEC project is recorded under other operating income and costs.

SEK 139.6 million assigned to the sale of land in Lund and the divestment of property in Solna was recorded under items affecting comparability in the previous year.

The current year includes SEK 270.2 million in a one-off write-off of intangible assets related to diarrhoea vaccine projects.

### Results development in 2000/1999 by quarter

MSEK	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec		Whole yr.	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
<b>Net sales</b>	<b>64.5</b>	<b>55.7</b>	<b>59.6</b>	<b>70.2</b>	<b>66.1</b>	<b>59.3</b>	<b>90.2</b>	<b>82.1</b>	<b>280.4</b>	<b>267.3</b>
Gross profit	22.9	27.5	19.8	28.1	23.1	28.3	34.8	35.7	100.6	119.5
Selling expenses	- 5.9	- 4.5	- 7.7	- 5.9	- 5.8	- 5.3	- 8.8	- 8.1	- 28.1	- 23.8
Administrative expenses	- 15.2	- 13.8	- 23.8	- 16.1	- 12.9	- 13.6	- 12.5	- 31.2	- 64.4	- 74.7
Research & development costs	- 55.4	- 62.8	- 62.9	- 63.7	- 75.1	- 63.9	- 78.2	- 80.3	- 271.8	- 270.7
Items affecting comparability	- 0.2	15.0	- 0.1	0.0	- 3.0	0.0	- 266.9	124.6	- 270.2	139.6
Other operating income & costs	2.3	- 0.9	0.4	- 0.5	19.1	- 0.6	2.6	- 0.2	24.5	- 2.2
Operating profit/loss	- 51.5	- 39.5	- 74.2	- 58.1	- 54.4	- 55.2	- 329.4	40.5	- 509.4	- 112.3
Net financial items	76.5	12.5	- 9.4	10.2	14.6	13.4	8.3	18.6	90.0	54.7
<b>Net profit/loss for the year</b>	<b>25.0</b>	<b>- 27.0</b>	<b>- 83.6</b>	<b>- 47.9</b>	<b>- 39.8</b>	<b>- 41.7</b>	<b>- 320.9</b>	<b>54.6</b>	<b>- 419.3</b>	<b>- 62.0</b>

## Consolidated balance sheet, with comments

MSEK	31 Dec 2000	31 Dec 1999*	31 Dec 1998*
Intangible fixed assets	47.1	283.3	263.8
Tangible fixed assets	197.5	203.5	287.4
Financial fixed assets	53.3	102.3	41.3
<b>TOTAL FIXED ASSETS</b>	<b>297.9</b>	589.1	592.5
Inventories	63.5	55.1	57.7
Current receivables	99.6	248.0	376.4
Short-term investments and liquid funds	408.0	545.1	558.0
<b>TOTAL CURRENT ASSETS</b>	<b>571.0</b>	848.2	992.1
<b>TOTAL ASSETS</b>	<b>868.9</b>	1,437.3	1,584.6
Shareholders' equity	646.0	1,064.3	1,140.3
Allocations	35.8	32.5	26.9
Long-term liabilities	57.3	141.0	183.0
Current liabilities	129.8	199.5	234.4
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>868.9</b>	1,437.3	1,584.6

\* Proforma Biotechnology (exc. Wilh. Sonesson)

Interest-bearing long-term and current liabilities amounted to SEK 0 million.

### The Group

The Group's total assets amounted to SEK 868.9 million (1,437.3), a reduction of SEK 568.4 million, which is explained by the one-off write-off of intangible assets related to diarrhoea vaccine projects (270.2), divestment of the minority holding in Lifco AB, and a reduction in current receivables of SEK 148 million. The latter refers primarily to the sales proceeds from the divestment of property in December 1999 which was recorded in previous year's accounts as a current receivable.

Short-term investments and liquid funds amounted to SEK 408.0 (545.1), representing SEK 137.1 million in negative cash flow which is explained by the year's profit trend, a positive change in working capital tied-up, as well as the amortisation of loans.

The Group's shareholders' equity fell by SEK 418.3 million to SEK 646.0 million (1,064.3) due to the profit trend and associated one-off write-off.

Long-term and current liabilities have been reduced by SEK 153.4 million, partly by the amort-

isation of long-term interest-bearing liabilities, a decrease in long-term liability (potential supplementary proceeds SBL Vaccin AB) to the state with reference to the previously communicated delay in the clinical trials, as well as pre-paid income from contract research.

The Group's equity/assets ratio improved from 74.0 per cent in the previous year to 74.3 per cent.

### The parent company

The parent company's balance sheet total amounted to SEK 1,188.8 million (1,537.3), a reduction of SEK 348.5 million, which is primarily dependent on the valuation of subsidiary shares with reference to the one-off write-off of shares in subsidiaries, a reduction of current receivables and liquid funds, as well as financial investments. The equity/assets ratio amounts to 59.5 per cent (64.5 per cent).

## Cash flow analysis in brief

MSEK	2000 as a whole	1999 as a whole
Operating profit/loss after financial items	- 419.3	- 57.6
Regulations of items not included in the cash flow, etc.	314.2	- 118.2
Taxes paid	- 0.5	- 1.0
<b>CASH FLOW FROM THE CURRENT ACTIVITY BEFORE CHANGES IN WORKING CAPITAL</b>	<b>- 105.6</b>	- 176.7
Changes in working capital	65.4	282.0
<b>CASH FLOW FROM THE CURRENT ACTIVITY</b>	<b>- 40.2</b>	105.3
Net investment in fixed assets	- 46.9	- 140.5
<b>CASH FLOW FROM THE INVESTMENT ACTIVITY</b>	<b>- 46.9</b>	- 140.5
Loans raised/loan amortisation	- 50.0	- 32.1
<b>CASH FLOW FROM THE FINANCIAL ACTIVITY</b>	<b>- 50.0</b>	- 32.1
Cash flow for the year	- 137.1	- 67.3
<b>LIQUID FUNDS AT THE BEGINNING OF THE YEAR</b>	<b>545.1</b>	612.4
<b>LIQUID FUNDS AT YEAR-END</b>	<b>408.0</b>	545.1

## Other financial information

### Currency exposure

The Active Biotech Group has a relatively limited exposure to currency exchange rates. The Group's net sales in foreign currency amounted to approximately SEK 56 million, and the costs in foreign currency to approximately SEK 75 million.

### Equity/assets ratio/return on shareholders' equity and capital employed

The equity/assets ration in the Group amounted to 74.3 per cent (74.0), and in the parent company to 59.5% (64.5). The return on shareholders' equity

was -49.0 per cent (-5.1) and on capital employed -45.4 per cent (-3.9).

### Liquidity

Available liquid funds including unutilised lines of credit amounted to SEK 408.0 million (545.1) at the year-end. Approved credit facilities amounted to SEK 30 million, which was unused at the year-end. Of this liquidity amount, short-term investments in shares, funds and interest-bearing securities accounted for SEK 308 million.

## Definitions

### Return on shareholders' equity

Profit for the year as a percentage of average shareholders' equity.

### Return on capital employed

Operating profit/loss after net financial items, plus financial expense as a percentage of average capital employed. Capital employed has been calculated as total assets less non-interest-bearing liabilities.

### Equity/assets ratio

Shareholders' equity, plus minority interest as a percentage of total assets.

### Proportion of risk-bearing capital

Shareholders' equity, plus minority interest, and deferred tax liabilities as a percentage of the balance sheet total.

### Interest coverage ratio

Operating profit/loss after financial items, plus financial expense, divided by financial expense.

### Net debt/equity ratio

Net interest-bearing liabilities (interest-bearing liabilities less short-term investments) divided by shareholders' equity, including minority interest.

### Earnings per share after full tax

Reported consolidated net profit/ loss for the year, divided by average number of shares.

### Shareholders' equity per share

Reported consolidated shareholders' equity, divided by number of shares at year-end.

## Accounting principles

The accounting principles applied comply with the Swedish Annual Accounts Act (1995:1554).

### Consolidated accounts

The consolidated accounts include the parent company and those companies where the parent company directly or indirectly holds more than 50 per cent of the voting rights or exercises decisive influence as a result of agreements.

The Group companies' untaxed reserves are divided into a shareholder's equity item, which is included in restricted reserves, and a deferred tax liability which is reported as a provision under 'Tax provision'. Deferred tax liability has been calculated in accordance with the tax rates for the respective countries.

The minority share of the subsidiaries' shareholders' equity is reported as a separate item between shareholders' equity and provisions. This item also includes minority participation in the shareholders' equity proportion of untaxed reserves.

Companies which have been divested during the year are not included in the consolidated accounts. Companies acquired during the year are included in the consolidated accounts from the date of acquisition.

The consolidated balance sheet has been prepared in accordance with the purchase method. This means that the equity capital which, at the time of the acquisition, existed in the subsidiary is fully eliminated. Consequently, only earnings gained after the acquisition are included in the Group's shareholders' equity. The shareholders' equity in the acquired subsidiaries is determined on the basis of a market valuation of assets and liabilities at the time of the acquisition (acquisition analysis). These market values, along with direct costs attributable to the acquisition, constitute the Group's acquisition cost.

The difference between the acquisition value of the subsidiary's shares and the calculated value of equity capital upon the acquisition analysis, is reported as Group goodwill or, alternatively, negative goodwill.

Goodwill and surplus values attributed to specific assets are amortised according to schedule in the consolidated income statement.

### Inventories

The inventories are assessed at the lowest of the acquisition value and the actual value in accordance with the first-in first-out (FIFO) principle, whereby the necessary provisions for obsolescence are made with an appropriate amount.

### Evaluation of receivables and liabilities

Receivables are reported at the amounts at which they are expected to be received. Liabilities are reported at their nominal values.

### Translation of foreign subsidiaries

Translation of the foreign subsidiaries' balance sheets has been made at year-end exchange rates. The profit and loss accounts have been translated at average exchange rates for the year. Translation differences arising are assigned directly to the Group's shareholders' equity.

### Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been valued at the exchange rate in force on the balance sheet date.

### Research and development

Parts of the Group have historically capitalised development costs, which meet the capitalisation

requirements in accordance with BFN R1 and IAS 9. To harmonise the accounting principles within the Group, it has been decided that all research costs be charged to the accounts on an ongoing basis starting in January 2001. In the final accounts on 31 December 2000, historically capitalised research costs were charged to the accounts.

### **Valuation of shares in subsidiaries**

In cases where the subsidiaries' research and development costs are financed with capital contributions, the entered value of the subsidiaries' shares has been increased by the corresponding amount. An assessment has then been made as to whether or not the value entered corresponds to the assessed actual value of these shares. If this was not the case, the shares in the subsidiary have been written down.

### **Fixed assets and depreciation**

Fixed assets are valued at the acquisition cost less accumulated depreciation according to plan. Calculation of depreciation according to plan is based upon the estimated life and the actual acquisition cost. Depreciation according to plan is in line with the following percentage rates:

Machinery	10-20%
Computer equipment	20-30%
Buildings	2-14%
Land improvements	3-14%
Goodwill	10%



## Notes to the income statements and balance sheets

### Note 1 Sales per country

Thousand SEK	The Group	
	2000	1999
Sweden	222,000	228,430
Norway	26,516	24,553
Denmark	2,466	1,297
Rest of Europe	20,432	1,294
Total Europe	271,414	255,574
Rest of the world	9,026	11,773
Total	280,440	267,347

### Note 2 Depreciation according to plan

Thousand SEK	The Group					
	2000			1999		
	Intangible assets	Tangible assets	Total assets	Intangible assets	Tangible assets	Total assets
<i>Distribution by function</i>						
Production	1,211	11,821	13,032	1,211	6,747	7,958
Sales	-	216	216	-	166	166
Administration	-	770	770	685	1,119	1,804
Research and development	1,764	22,008	23,772	361	22,634	22,995
Other operating income and costs	-	557	557	-	6,539	6,539
<b>Total depreciation</b>	2,975	35,372	38,347	2,257	37,205	39,462
<i>Type of assets</i>						
Patents, licenses and trademarks	2,975	-	2,975	1,572	-	1,572
Goodwill	-	-	-	685	-	685
Machinery and equipment	-	35,372	35,372	-	33,164	33,164
Buildings	-	-	-	-	4,041	4,041
	2,975	35,372	38,347	2,257	37,205	39,462

*The parent company:* The parent company's depreciation for 2000 amounted to SEK 191 thousand (181) and related to machinery and equipment within function administration.

### Note 3 Items affecting comparability

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Capital gain at sale of property	-	139,574	-	15,000
Capitalised research and development costs	- 192,008	-	-	-
Acquired research and development costs	- 112,227	-	-	-
Amortisation of acquisition goodwill	34,000	-	-	-
	- 270,235	139,574	0	15,000

**Note 4 Other operating income and expense**

Other operating income includes remuneration from royalties of SEK 17 million. This item is counterbalanced by expenses for clinical studies amounting to SEK 17 million which are included in research and development costs.

**Note 5 Auditor's remuneration**

Thousand SEK	Auditor's commission	Other commissions
Mats BC Ohlsson, KPMG	<b>790</b>	<b>339</b>

**Note 6 Result from shares in subsidiaries**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Depreciation of shares in subsidiaries	-	-	<b>- 90,242</b>	- 81,629
Capital gain at sale	-	-	-	-
	<b>0</b>	0	<b>- 90,242</b>	- 81,629

**Note 7 Other interest income and similar income items**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Dividend	<b>4,130</b>	1,271	<b>4,130</b>	968
Interest	<b>7,755</b>	11,184	<b>6,490</b>	9,219
Capital gain at sale	<b>82,157</b>	47,022	<b>82,157</b>	47,172
	<b>94,042</b>	59,477	<b>92,777</b>	57,359

No interest income has been received from subsidiaries.

**Note 8 Interest expense and similar expense items**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Interest	<b>- 3,998</b>	- 4,738	<b>- 866</b>	- 800
Interest expense for Group companies	-	-	<b>- 51</b>	- 389
	<b>- 3,998</b>	- 4,738	<b>- 917</b>	- 1,189

**Note 9 Appropriations**

Thousand SEK	The parent company	
	2000	1999
Reversal of excess depreciation	-	52
	<b>0</b>	52

**Note 10 Taxes**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Income tax	-	- 4,464	-	- 4,464
Tax effect on Group contributions	-	-	- 70,055	- 13,277
Deferred tax on profit for the year	120	-	-	-
	<b>120</b>	- 4,464	- 70,055	- 17,741

There is no tax liability included under the "Provision for taxes" heading in the consolidated balance sheet.

**Note 11 Intangible assets**

Thousand SEK	The Group									
	2000					1999				
	Research & development	Patents, licences & trade-marks	Good-will	Other	Total	Research & development	Patents, licences & trade-marks	Good-will	Other	Total
Initial acquisition values	294,695	34,775	0	400	<b>329,870</b>	226,051	34,623	36,945	400	298,019
Acquisitions	53,038	22,343	-	-	<b>75,381</b>	68,644	152	-	-	68,796
Sales/scrapplings	- 347,733	- 5,205	-	-	<b>- 352,938</b>	-	-	- 36,945	-	- 36,945
<b>Accumulated acquisition values</b>	<b>0</b>	<b>51,913</b>	<b>0</b>	<b>400</b>	<b>52,313</b>	294,695	34,775	0	400	329,870
Depreciation	43,498	3,029	0	-	<b>46,527</b>	6,639	1,509	10,786	-	18,934
Sales/scrapplings	- 43,498	- 832	-	-	<b>- 44,330</b>	36,859	-	- 11,471	-	25,388
The year's depreciation according to plan	-	2,975	-	-	<b>2,975</b>	-	1,572	685	-	2,257
Exchange rate difference	-	-	-	-	<b>0</b>	-	- 52	-	-	- 52
<b>Accumulated depreciation according to plan</b>	<b>0</b>	<b>5,172</b>	<b>0</b>	<b>0</b>	<b>5,172</b>	43,498	3,029	0	0	46,527
<b>Closing residual value according to plan</b>	<b>0</b>	<b>46,741</b>	<b>0</b>	<b>400</b>	<b>47,141</b>	251,197	31,746	0	400	283,343

*The parent company:* The parent company has no intangible assets.

## Note 12 Tangible assets

## The Group

Thousand SEK	2000					1999				
	Buildings and land	Machinery & other technical facilities	Equipment, tools, & technical fixtures & fittings	On-going new plants	Total	Buildings and land	Machinery & other technical facilities	Equipment, tools, & technical fixtures & fittings	On-going new plants	Total
Initial acquisition values	0	238,787	32,747	8,102	<b>279,636</b>	176,838	449,056	61,193	37,893	724,980
Acquisitions	-	7,670	2,026	22,891	<b>32,587</b>	-	10,207	7,317	13,375	30,899
Sales/scrappings	-	-2,601	-4,836	-	<b>-7,437</b>	-158,169	-269,541	-37,511	-11,022	-476,243
Reclassifications	-	-	-	-	<b>0</b>	-18,669	49,065	1,748	-32,144	0
<b>Accumulated acquisition values</b>	<b>0</b>	<b>243,856</b>	<b>29,937</b>	<b>30,993</b>	<b>304,786</b>	0	238,787	32,747	8,102	279,636
Depreciation	0	57,917	18,232	-	<b>76,149</b>	31,366	116,892	34,987	-	183,245
Acquired depreciation	-	-	-	-	<b>0</b>	-	-	-	-	0
Sales/scrappings	-	-1,417	-2,765	-	<b>-4,182</b>	-32,919	-88,637	-22,556	-	-144,112
The year's depreciation according to plan	-	29,999	5,373	-	<b>35,372</b>	4,041	27,174	5,990	-	37,205
Reclassifications	-	-	-	-	<b>0</b>	-2,488	2,488	-	-	0
Exchange rate differences	-	-	-	-	<b>0</b>	-	-	-189	-	-189
<b>Accumulated depreciation according to plan</b>	<b>0</b>	<b>86,499</b>	<b>20,840</b>	<b>0</b>	<b>107,339</b>	0	57,917	18,232	0	76,149
<b>Closing residual value according to plan</b>	<b>0</b>	<b>157,357</b>	<b>9,097</b>	<b>30,993</b>	<b>197,447</b>	0	180,870	14,515	8,102	203,487

Moreover, 26 cars are leased within the Group.

## The parent company

Thousand SEK	2000		1999	
	Equipment, tools, & technical fixtures & fittings	Total	Equipment, tools, & technical fixtures & fittings	Total
Initial acquisition values	2,023	<b>2,023</b>	2,945	2,945
Acquisitions	112	<b>112</b>	351	351
Sales/scrappings	-305	<b>-305</b>	-1,273	-1,273
<b>Accumulated acquisition values</b>	<b>1,830</b>	<b>1,830</b>	2,023	2,023
Depreciation	1,179	<b>1,179</b>	1,867	1,867
Sales/scrappings	-256	<b>-256</b>	-869	-869
The year's depreciation according to plan	191	<b>191</b>	181	181
<b>Accumulated depreciation according to plan</b>	<b>1,114</b>	<b>1,114</b>	1,179	1,179
<b>Closing residual value according to plan</b>	<b>716</b>	<b>716</b>	844	844

**Note 13 Shares in subsidiaries**

31 Dec. 2000 (Thousand SEK)	Corp. ID No.	Head office	Number	Holding	Par value	Book value
Lund Research Center AB	556168-8515	Lund	200	100%	200	350,782
Active Biotech Research AB	556541-8323	Lund	1,000	100%	100	100
SBL Vaccin AB	556459-7416	Stockholm	625,000	100%	62,500	297,548
Vitec AB	556217-8623	Stockholm	1,000	100%	100	-
Actinova Ltd		Cambridge	4 500,000	100%	450,000 GBP	-
Actigen Ltd		Cambridge	1,000	100%	1,000 GBP	-
Actinova AB	556532-8860	Lund	1,000	100%	100	-
Movera Holding AB (form. Carnacbolagen AB)	556157-8385	Lund	500	100%	100	26,950
Transport AB Movera	556256-9441	Lund	45,667,000	100%	45,667	-
Active Security Trading AB	556092-7096	Lund	400	100%	400	-
Active i Malmö AB	556254-0947	Lund	1,000	100%	100	-
Lingonstigen i Malmö AB	556469-6069	Lund	2,000	100%	200	-
Nicora i Malmö AB	556475-1062	Lund	1,000	100%	100	-

**675,379****Note 14 Goods in stock**

Thousand SEK	The Group	
	2000	1999
Raw materials stocks	<b>16,544</b>	14,079
Products under preparation	<b>35,861</b>	25,483
Finished goods stocks	<b>11,043</b>	15,489
	<b>63,448</b>	55,051

**Note 15 Other receivables**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Interest	<b>1,597</b>	4,070	<b>1,597</b>	3,439
Accrued supplier invoicing	<b>5,952</b>	4,992	<b>265</b>	300
Other items	<b>6,216</b>	6,522	<b>240</b>	404
Total prepaid expense and accrued income	<b>13,765</b>	15,584	<b>2,102</b>	4,143
Other current receivables	<b>24,078</b>	185,723	<b>1,319</b>	3,058
	<b>37,843</b>	201,307	<b>3,421</b>	7,201

**Note 16 Short-term investments**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Shares and participations	<b>308,024</b>	467,194	<b>308,024</b>	467,194
Market value of shares and participations	<b>314,273</b>	485,984	<b>314,273</b>	485,984

**Note 17 Available liquid funds**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Cash and bank balances	<b>99,944</b>	77,898	<b>52,769</b>	18,426
Short-term investments	<b>308,024</b>	467,194	<b>308,024</b>	467,194
Of which, blocked bank funds	-	- 4,966	-	- 4,966
Credit lines approved	<b>30,000</b>	130,000	-	100,000
Utilised credit lines	-	- 43,267	-	- 42,254
Available liquid funds	<b>437,968</b>	626,859	<b>360,793</b>	538,400

**Note 18 Other funds**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Reserve fund	<b>30,674</b>	30,674	<b>30,674</b>	30,674
Other restricted reserves	<b>1,352</b>	31,380	-	-
	<b>32,026</b>	62,054	<b>30,674</b>	30,674

**Note 19 Shareholders' equity**

Thousand SEK	Share capital	Restricted reserves	Unrestricted shareholders' equity	Total
THE GROUP				
<b>Opening balance, 1 Jan. 1999</b>	<b>281,157</b>	<b>772,829</b>	<b>309,770</b>	<b>1,363,756</b>
Appropriation of profit for 1998:				
Dividend	-	- 1,019	- 226,792	- 227,811
Options programme for employees	-	718	-	718
Amortisation of goodwill	-	-	- 10,274	- 10,274
Shifts between restricted and unrestricted shareholders' equity	-	23,154	- 23,181	- 27
Profit for the year	-	-	- 62,048	- 62,048
<b>Opening balance, 1 Jan. 2000</b>	<b>281,157</b>	<b>795,682</b>	<b>- 12,525</b>	<b>1,064,314</b>
Treatment of profit for 1999:				
Options programme for employees	-	1,007	-	1,007
Translation differences	-	3,018	- 3,040	- 22
Shifts between restricted and unrestricted shareholders' equity	-	2,080	- 2,080	-
Profit for the year	-	-	- 419,271	- 419,271
<b>Closing balance, 31 Dec. 2000</b>	<b>281,157</b>	<b>720,663</b>	<b>- 355,792</b>	<b>646,028</b>
THE PARENT COMPANY				
<b>Opening balance, 1 Jan. 1999</b>	<b>281,157</b>	<b>790,653</b>	<b>239,917</b>	<b>1,311,727</b>
Appropriation of profit for 1998:				
Dividend	-	-	- 201,531	- 201,531
Group contributions	-	-	- 34,146	- 34,146
Options programme for employees	-	719	-	719
Profit for the year	-	-	- 85,364	- 85,364
<b>Opening balance, 1 Jan. 2000</b>	<b>281,157</b>	<b>791,372</b>	<b>- 81,124</b>	<b>991,405</b>
Appropriation of profit for 1999:				
Group contributions	-	-	- 180,143	- 180,143
Options programme for employees	-	1,007	-	1,007
Profit for the year	-	-	- 105,135	- 105,135
<b>Closing balance, 31 Dec. 2000</b>	<b>281,157</b>	<b>711,255</b>	<b>- 285,278</b>	<b>707,134</b>

**Note 20 Share capital**

	A shares	B shares	Total shares	Share
<b>Opening balance, 1 Jan. 2000</b>	1,963,745	9,282,547	11,246,292	281,157,300
Re-stamping from A to B shares	- 676,214	676,214	0	0
<b>Closing balance, 31 Dec. 2000</b>	<b>1,287,531</b>	<b>9,958,761</b>	<b>11,246,292</b>	<b>281,157,300</b>

A shares carry an entitlement to 1 vote and B shares to 1/10 of a vote. The Annual General Meeting resolved on two occasions, 16 April 1998 and 12 April 2000, to issue a maximum of 500,000 share options for sale to employees in the Active Biotech Group.

On the first occasion, 490,000 options were subscribed and the Group received SEK 4,775 thousand. Each share option carries an entitlement to subscribe for 1 B share during the period 25 November 2001 – 23 February 2003 at a cost of SEK 314.

On the second occasion, 390,000 options had been subscribed on the balance sheet date and the Group received SEK 1,007 thousand. Each share option carries an entitlement to subscribe for 1 B share during the period 25 November 2002 – 25 February 2003 at a cost of SEK 282.

**Note 21 Other short-term liabilities**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Accrued personnel costs	<b>18,685</b>	24,183	<b>2,287</b>	10,166
Prepaid rental income	<b>766</b>	1,781	-	-
Accrued research costs	<b>7,530</b>	24,398	<b>555</b>	9,446
Prepaid contracted research income	-	40,000	-	-
Other items	<b>10,658</b>	26,089	<b>795</b>	4,128
Total accrued expense and prepaid income	<b>37,639</b>	116,451	<b>3,637</b>	23,740
Other current liabilities	<b>11,497</b>	27,531	<b>941</b>	6,143
	<b>49,136</b>	143,982	<b>4,578</b>	29,883



**Note 22 Assets pledged and contingent liabilities**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
<i>Assets pledged</i>				
For liabilities to credit institutions	30,000	179,815	-	99,815
FPG/PRI pensions	10,000	10,000	-	-
Other	-	5,039	-	4,966
	<b>40,000</b>	194,854	<b>0</b>	104,781
<i>Contingent liabilities</i>				
Guarantees for the benefit of Group companies	-	-	17,116	-
Warranties	535	6,490	-	6,022
	<b>535</b>	6,490	<b>17,116</b>	6,022
Of which, to Group companies	-	-	-	5,690
<b>Total assets pledged and contingent liabilities</b>	<b>40,535</b>	201,344	<b>17,116</b>	110,803
<i>Assets pledged for liabilities to credit institutions</i>				
Company certificate	-	99,815	-	99,815
Real estate mortgages	-	50,000	-	-
Chattel mortgages	30,000	30,000	-	-
Net value of assets in subsidiaries	-	-	-	-
Other shares	-	-	-	-
Blocked bank funds	-	-	-	-
	<b>30,000</b>	179,815	<b>0</b>	99,815
<i>Assets pledged for FPG/PRI pensions</i>				
FPG/PRI pensions, chattel mortgages	10,000	10,000	-	-
Blocked bank funds	-	5,039	-	4,966
	<b>10,000</b>	15,039	<b>0</b>	4,966

**Note 23 Wages, salaries and other remuneration**

Thousand SEK	2000	1999		Board and President & CEO	Of which, profit-related wages and salaries	Other employees
	Board and President & CEO	Of which, profit-related wages and salaries	Other employees			
<i>The parent company</i>						
Sweden	<b>6,698</b>	-	<b>7,846</b>	7,032	-	7,060
<b>Parent company totals</b>	<b>6,698</b>	-	<b>7,846</b>	7,032	-	7,060
<i>Subsidiaries in Sweden</i>						
	<b>100</b>	-	<b>102,561</b>	896	-	94,024
<i>Subsidiaries outside Sweden</i>						
UK	-	-	<b>4,098</b>	1,476	-	8,860
Germany	-	-	-	-	-	-
Denmark	-	-	-	-	-	-
Norway	-	-	-	-	-	-
<b>Total in subsidiaries</b>	<b>100</b>	-	<b>106,659</b>	2,372	-	102,884
<b>Group total</b>	<b>6,798</b>	-	<b>114,505</b>	9,404	-	109,944

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Board of Directors and President & CEO	<b>6,798</b>	9,404	<b>6,698</b>	7,032
Other employees	<b>114,505</b>	109,944	<b>7,846</b>	7,060
<b>Total wages, salaries and remuneration</b>	<b>121,303</b>	119,348	<b>14,544</b>	14,092
Social security costs	<b>72,836</b>	67,886	<b>18,441</b>	15,169
of which pension costs	<b>31,658</b>	30,728	<b>13,434</b>	10,345
(of which to President & CEO)	<b>(1,272)</b>	(7,926)	<b>(878)</b>	(7,528)
<b>Total payroll costs</b>	<b>194,139</b>	187,234	<b>32,985</b>	29,261

**Senior management's conditions of employment**

A total fee of SEK 780,000 was paid to the members of the Board who are not employed within Active Biotech.

Remuneration of SEK 3,060,000 was paid in 2000 to the former Executive Chairman of the Board, Bo Håkansson. Moreover, Bo Håkansson has received pension benefits amounting to SEK 6,255,964.

Remuneration of SEK 2,925,348 was paid in 2000 to the President & CEO Sven Andréasson, as well as pension benefits equivalent to 30 per cent of salary. Upon termination of the appointment on the part of the company, the President & CEO is entitled to compensation corresponding to 12 months' salary.

There are no agreements regarding severance pay to other senior executives. Pension benefits for other senior executives are payable in the interval between ITP conditions and up to 25 per cent of salary.

**Note 24 Personnel**

	2000		1999	
	Number of employees	Of whom women	Number of employees	Of whom women
PARENT COMPANY				
Lund	8	2	9	4
<b>Parent company total</b>	<b>8</b>	<b>2</b>	9	4
SUBSIDIARIES				
<i>Sweden</i>				
Solna	148	99	142	93
Lund	180	109	175	104
<b>Total Sweden, including the parent company</b>	<b>336</b>	<b>210</b>	326	201
UK	1	0	15	7
<b>Total outside Sweden</b>	<b>1</b>	<b>0</b>	15	7
<b>GROUP TOTAL</b>	<b>337</b>	<b>210</b>	341	208

**Note 25 Regulation of items that are not included in the cash flow, etc.**

Thousand SEK	The Group		The parent company	
	2000	1999	2000	1999
Depreciation of assets	310,919	39,462	90,433	81,991
Result of sale of fixed assets	-	- 139,456	-	53
Pension allocation	3,313	5,582	-	-
Group regulation	-	- 23,763	-	-
<b>Total</b>	<b>314,232</b>	- 118,175	<b>90,433</b>	82,044

## *Proposed appropriation of profits*

The transferring of any fixed shareholders' equity is not proposed in the Group.

The Board of Directors and the President & CEO propose that the balanced loss in the parent company of SEK 285,277,563, this year's component of which is SEK 105,134,911, be dealt with as follows:

The requisitioning of premium fund, SEK 285,277,563

Lund, 15 February 2001

The Board of Directors of Active Biotech AB (publ)

HUGO THELIN  
Chairman

HÅKAN ÅSTRÖM  
Vice Chairman

SVEN ANDRÉASSON  
President & CEO

MATS ARNHÖG

MARIA BORELIUS

ANDERS HAGBERG

SVEND HOLST-NIELSEN

MATS PETTERSSON

PETER SJÖSTRAND

ANDERS WILLIAMSSON

HANS WÄNNMAN

## *Auditors' report*

To the general meeting of the shareholders of  
Active Biotech AB (publ)  
Corporate Identity No. 556223-9227

I have audited the annual report and the consolidated financial statements, the accounts and the administration of the Board of Directors and President & CEO of Active Biotech AB for the 2000 financial year. These accounts and the administration of the Company are the responsibility of the Board of Directors and the President & CEO. My responsibility is to express an opinion on the annual report, consolidated financial statements and administration based on my audit.

The audit has been conducted in accordance with Generally Accepted Auditing Standards in Sweden. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual report and consolidated financial statements are free of material misstatement. An audit includes examining a selection of evidence supporting the amounts and disclosures in the financial statements. An audit also involves assessing the accounting principles used and their application by the Board of Directors and the President & CEO, as well as evaluating the overall presentation of information in the annual report and consolidated financial statements. As a basis for my statement concerning freedom from liability, I examined significant

decisions, actions taken and the circumstances of the Company in order to be able to determine the possible liability to the Company of any Board member or the President & CEO, or whether they have in some other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

In my opinion, the annual report and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act, and therefore provide a true and fair picture of the Company's and the Group's results and position in accordance with Generally Accepted Auditing Standards in Sweden.

Consequently I recommend that the shareholders' meeting adopt the income statements and balance sheets of the Parent Company and the Group, that the Parent Company's loss be dealt with in accordance with the proposal in the Directors' Report, and that the members of the Board and the President & CEO be discharged from liability for the financial year.

Lund, 21 February 2001

MATS B C OHLSSON  
Authorised Public Accountant



## Shares

### Share capital as at 29 December 2000

The share capital amounts to SEK 281.2 million divided into 1,287,531 class A shares and 9,958,761 class B shares, with a nominal value of SEK 25. Each class A share carries 1 vote, and each class B share 1/10 of a vote. During 2000, the re-stamping of 676,214 class A shares to B shares was carried out in accordance with the Articles of Association.

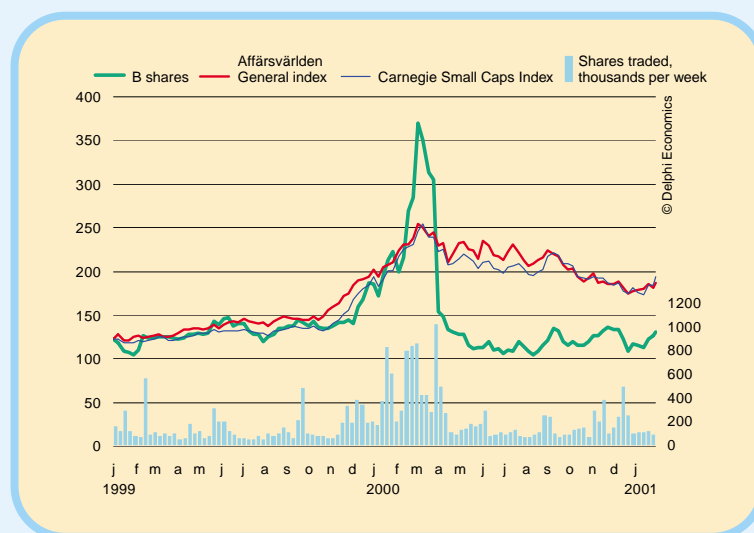
### Active Biotech shares

MSEK	2000	1999
Profit/loss after full tax	- 37.28	- 5.52
(before items affecting comparability)	- 13.25	-
Adjusted equity	57.44	94.64
(before items affecting comparability)	81.47	-
Exchange price at year-end:		
Class A shares	109	185.00
Class B shares	117	186.00

### Change in share capital

Occurrence	A shares	B shares	Nominal value SEK	Change in share capital MSEK	Total share capital MSEK
<b>1995</b> Consolidation of shares 1:10, nominal value SEK 10					
New issue of 4 B-shares	- 20,840,940	- 28,892,930	10	0	55.3
<b>1996</b> Bonus issue			25	82.9	138.2
<b>1997</b> Conversion SEK 4,000,000		40,000	25	1.0	139.2
<b>1998</b> Initial share issue		2,000,000	25	50.0	189.2
<b>1998</b> New issue		1,891,496	25	47.3	236.5
<b>1998</b> New issue		1,400,000	25	35.0	271.5
<b>1998</b> Conversion SEK 36,000,000		388,810	25	9.7	281.2
<b>1998</b> Re-stamping of A to B	- 342,965	342,965	25	0	281.2
<b>1999</b> Re-stamping of A to B	- 8,950	8,950	25	0	281.2
<b>2000</b> Re-stamping of A to B	- 676,214	676,214	25	0	281.2

Price development  
January 1999 to  
January 2001



## Shareholders

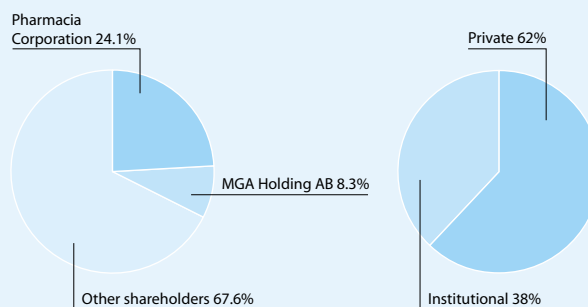
Active Biotech's largest shareholders ranked by proportion of equity.

This list is based on information available to the company on 31 January 2001.

Owners	A shares	B shares	Proportion, %	Votes, %
Pharmacia Corporation	107,143	2,607,143	24.1	16.1
Foreign owners and administrators	24,558	1,126,867	10.2	6.0
MGA Holding AB	681,020	257,000	8.3	31.0
Skandia	0	333,000	3.0	1.5
Sand Ronni family & companies	0	245,000	2.2	1.1
Borgelin and company	0	131,375	1.2	0.6
Catella unit trusts	0	118,580	1.1	0.5
Futuris unit trusts	0	109,150	1.0	0.5
LRF Försäkring AB	0	73,114	0.7	0.3
Håkansson Bo and company	55,348	8,550	0.6	2.5
<b>Total 10 owners</b>	<b>868,069</b>	<b>5,009,779</b>	<b>52.4</b>	<b>60.1</b>
Others	419,462	4,948,982	47.6	39.9
<b>Total</b>	<b>1,287,531</b>	<b>9,958,761</b>	<b>100.0</b>	<b>100.0</b>
Votes per share	1	0,1		
Max. dilution				
Options	0	879,050		
Per cent	0	8.8	7.8	3.8

Total number of shares: 11,246,292  
 Total number of votes: 2,283,407  
 Votes per share: A shares 1 vote, B shares 1/10 vote  
 Max. dilution: Options 879,050 B shares  
 Number of shareholders: 14,368

Institutional holding amounts to 38 per cent of capital and 23.5 per cent of the votes.



## Ownership structure

Shareholding range	Number of owners	As percentage of all shareholders	Number of shares	As percentage of share capital	Average per shareholder
1-1,000	13,529	94	2,554,568	23	189
1,001-10,000	764	5.5	2,089,638	18	2,735
10,001-100,000	66	0.5	2,021,125	18	30,623
100,001-	9	-	4,580,961	41	508,995
<b>Total</b>	<b>14,368</b>	<b>100</b>	<b>11,246,292</b>	<b>100</b>	<b>782</b>



*Sven Andréasson*

*Mats Pettersson*



*Mats Arnbö*

*Anders Williamsson*

*Maria Borelius*



*Hans Wännman*

*Hugo Thelin*

*Anders Hagberg*



*Svend Holst-Nielsen*



*Håkan Åström*



*Peter Sjöstrand*



*Mats B C Ohlsson*



## Board of directors, President & CEO and Auditor

### Board of Directors

#### HUGO THELIN

Born 1929, Board member since 1998  
 Director, Chairman of the Board  
 Shareholding: 6,300 class A shares  
 Board appointments: Aerocrine AB,  
 BioNative AB, Creative Peptides AB,  
 Ilsanta U AB, ImmunoNative AB,  
 Karolinska Institutet Holding AB,  
 Karolinska Investment Fund, Swedfund  
 International AB and Unimedica AB

#### HÅKAN ÅSTRÖM

Born 1947, Board member since 2000  
 Economics graduate, Vice Chairman of  
 the Board, Senior Vice President  
 Pharmacia Corporation  
 Shareholding: 0  
 Board appointments: Medicon Valley  
 Capital and Monsanto Company

#### SVEN ANDRÉASSON

Born 1952, Board member since 1999  
 Economics graduate, President & CEO  
 Active Biotech AB  
 Shareholding: 35,000 class B shares,  
 296,300 options  
 Board appointments: Dial n' Smile AB,  
 (a telecom company in Malmö)

#### MATS ARNHÖG

Born 1951, Board member since 2000  
 Economics graduate, owner of MGA  
 Holding  
 Shareholding: 681,020 class A shares,  
 257,000 class B shares.  
 600,000 options, through companies  
 Board appointments: MGA Holding AB,  
 subsidiary of the MGA Holding Group  
 and K-World

#### MARIA BORELIUS

Born 1960, Board member since 2000  
 BSc Biology, MSc Science Journalism,  
 scientific journalist, founder of K-World  
 Shareholding: 1,000 class B shares  
 Board appointments: Swedish Natural  
 Science Research Council (being wound up),  
 K-World, Swedish Business Development  
 Agency, and the Science & Education  
 Academy

#### SVEND HOLST-NIELSEN

Born 1940, Board member since 1998  
 Economics graduate, former MD of  
 Unilever AB  
 Shareholding: 3,125 class B shares  
 Board appointments: Ballingslöv Kök &  
 Bad AB, HemoCue AB, Federation of  
 Swedish Industries, Lifco AB, Lindab AB,  
 Lund University, Samhall-Gripen AB,  
 Scandic Hotels AB, Spendrups AB,  
 Sreg.com, Chamber of Industry and  
 Commerce for Southern Sweden and  
 Unilever AB

#### MATS PETTERSSON

Born 1945, Board member since 1998  
 Economics graduate, MD Biovitrum AB,  
 former Senior Vice President Pharmacia  
 Corporation  
 Shareholding: 0  
 Board appointments: Biacore  
 International AB

#### PETER SJÖSTRAND

Born 1946, Board member since 2000  
 Economics graduate and doctor, former  
 Executive Vice President, Astra  
 Shareholding: 40,000 options  
 Board appointments: Pharma Vision AG,  
 Tularik Inc and Meda AB

#### ANDERS WILLIAMSSON

Born 1954, Board member since  
 1999  
 Economics graduate,  
 MD HemoCue AB  
 Shareholding: 0  
 Board appointments: Foss Tecator  
 AB, Provinsbanken Helsingborg  
 and Idéforum Nordvästra Skåne

#### Personnel representatives

#### HANS WÄNNMAN

Born 1959, employed since 1980,  
 Board member since 1999  
 Chemical engineer  
 Pharmacokinetics and metabolism,  
 Lund  
 Shareholding: 1,300 options

#### ANDERS HAGBERG

Born 1962, employed since 1994,  
 Board member since 2000  
 Chemical engineer  
 Production, Solna  
 Shareholding: 800 options

### Auditor

#### MATS B C OHLSSON

Born 1947, company auditor at  
 Active Biotech AB since 1983  
 Authorised Public Accountant  
 KPMG

## Senior executives

### SVEN ANDRÉASSON

President & CEO

Born 1952

Shareholding: 35,000 class B shares, 296,300 options

Sven Andréasson has been President & CEO and a Board member of Active Biotech since 1999. He has many years of experience in the international pharmaceuticals industry, including time spent as President and Vice President of Swedish, French and German companies within the Pharmacia Corporation.

### HANS ENANDER

Vice President Marketing & Sales International

Born 1939

Shareholding: 15,000 options

Hans Enander has worked for Active Biotech on a consultancy basis since 1999. He has a great deal of experience in the international marketing of pharmaceuticals from both Astra and Kabi. Between 1980-1995, he was MD of Pharmacia GmbH in Vienna. Since then, he has been running his own consultancy firm, focusing primarily on the pharmaceuticals sector.

### HÅKAN FRÖDERBERG

Vice President Marketing & Sales, Home Market

Born 1958

Shareholding: 125 class B shares, 24,800 options

Håkan Fröderberg has been employed within Active Biotech since 1998. Prior to this, he worked at Astra, where between 1983-1997 his posts included pharmaceuticals consultant, sales manager, sales director and marketing director. During 1997-1998, he ran his own consultancy business in the pharmaceuticals industry.

### BÖRJE HAAG

Vice President Production/ Quality Control

Born 1941

Shareholding: 34,000 options

Börje Haag has been employed by Active Biotech since 2000. He has 35 years' experience in the research, development and production of pharmaceuticals, between 1964-1982 at Astra and 1982-1987 with the Fermenta Group. From 1987 to 2000, he headed up various production units within Pharmacia in Sweden, most recently the production of pharmaceuticals based on biotechnology.

### HANS KOLAM

Chief Financial Officer

Born 1951

Shareholding: 1,000 class B shares, 20,000 options

Hans Kolam has worked for Active Biotech since 2000. He has more than 20 years' experience in the pharmaceuticals industry, holding different positions in Pharmacia's financial organisation, most recently as Vice President Finance, Europe.

### ANDERS KÄRNELL

Vice President Medical Affairs

Born 1955

Shareholding: 8,000 options

Anders Kärnell has been employed by Active Biotech since 1999. He has a great deal of experience as a bacteriologist and doctor specialising in infectious diseases. After carrying out research on intestinal infections, he finished his doctorate at the Karolinska Institutet in 1992. He joined Active Biotech from Huddinge hospital where he headed the Clinical Bacteriological Laboratory between 1995-1999.

### TOMAS LEANDERSON

Vice President Research & Development

Born 1956

Shareholding: 48,900 options

Tomas Leanderson has been employed at Active Biotech since 1999. He has previously carried out research at the Basel Institute for Immunology in Switzerland, worked as a lecturer in molecular immunology, and as a council researcher in cellular differentiation at Uppsala University. In 1990, Tomas Leanderson was appointed Professor of Immunology at Lund University.

### MATS LIDGARD

Vice President Legal Affairs & Human Resources

Born 1954

Shareholding: 500 class B shares, 74,400 options

Mats Lidgard has been employed at Active Biotech since 1999. He is a law graduate and has worked in industry, focusing on international business and corporate law, as well as organisational and leadership issues. He has 15 years' experience of the international pharmaceuticals industry, primarily Pharmacia. For three years, he has been the MD of smaller companies within the health sector.

### BJÖRN SJÖSTRAND

Vice President Operation & Information Technology

Born 1968

Shareholding: 1,000 class B shares 29,000 options

Björn Sjöstrand has been employed at Active Biotech since 1998. Previous posts have included administrative Head of the Karolinska Institutet and Danderyd hospital, as well as the financial controller of Danderyd hospital. He was financial controller of SBL Vaccin AB 1998-1999.



*Sven Andréasson*

*Hans Kolam*

*Tomas Leanderson*

*Mats Lidgard*



*Hans Enander*

*Börje Haag*

*Håkan Fröderberg*

*Björn Sjöstrand*

*Anders Kärnell*



**Continuously updated information on Active Biotech AB:**

**[www.activebiotech.com](http://www.activebiotech.com)**

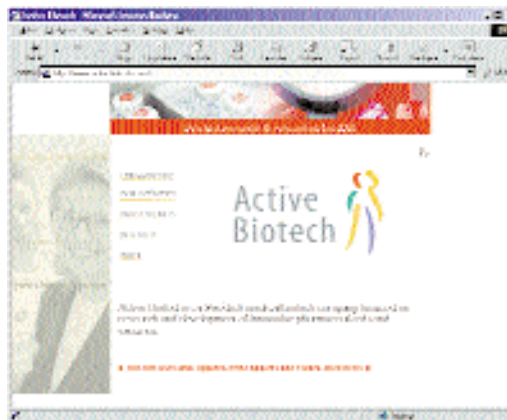
for the latest news, press releases, background information  
and facts online

**The magazine Activity**

published 3-4 times a year, provides topical  
and continuous information straight to our  
shareholders' letterboxes

**The annual report**

provides complete facts from the past year including strategy  
and future prospects



This annual report has been produced in co-operation with ID kommunikation.  
Photography: Lasse Strandberg, Håkan E Bengtsson.  
Printed by Rahms in Lund on Silverblade matt supplied by Svenskt Papper.  
Book binding by Klippans Bokbinderi.

Continuously updated information on  
Active Biotech AB:

[www.activebiotech.com](http://www.activebiotech.com) for the latest  
news, press releases, background  
information and facts online

The magazine *Activity*, published 3–4 times  
a year, provides topical and continuous  
information straight to our shareholders'  
letterboxes

The annual report provides complete facts  
from the past year including strategy and  
future prospects



Active Biotech AB (publ)

*Address* Box 724  
SE-220 07 Lund, Sweden

*Telephone* +46 46 19 20 00

*Fax* +46 46 19 20 50

*E-post* [info@activebiotech.com](mailto:info@activebiotech.com)

*Internet* [www.activebiotech.com](http://www.activebiotech.com)