Simris Biologics signs Material Transfer Agreement with pre-clinical biotech company to develop Linker-Payloads

Simris Group AB (publ) ("Simris Group" or the "Company") today confirms that its subsidiary company, Simris Biologics GmbH, has signed a Material Transfer Agreement (MTA) with an undisclosed pre-clinical biotech company that holds its own proprietary Linker technology platform. The chemistries of each of the two companies' technology platforms suggest there are significant synergies that will enable safer delivery of highly effective cytotoxic molecules to targeted cancer cells. Under the terms of the Agreement, the parties will produce ADCs using the Linker platform of the biotech partner and microcystin payloads developed by Simris Biologics to confirm the compatibility of the technologies. The parties anticipate results by the end of Q1 2024, with the ultimate intention of a strategic collaboration which produces Linker-Payloads that demonstrate exceptional safety and efficacy.

> Simris Group CEO, Julian Read commented, *"Our microcystin payloads have a universal mode of action meaning that they can be used to target and kill most cancers. Considering how well aligned our respective technology platforms are, we are extremely excited to see how they perform together during this feasibility study."*
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> *"Simris Biologics has dozens of cytotoxic compounds from cyanobacteria that are suitable for inclusion in an ADC. Our objectives are aligned with our partner and together we are confident that due to the degree of modification allowed by the respective technologies we can optimise performance for safety and efficacy. The scale of opportunity to develop new Linker-Payloads is massive, potentially delivering a significant return on investment for the `Company as it progresses with its mission to help more people survive cancer,"* continued Julian Read.

Background to Antibody Drug Conjugates (ADCs)

ADCs represent the future of chemotherapy whereby the cancer-killing drug is delivered directly into the cancer cells rather than floating free in the blood stream as is the case with traditional chemotherapy. This approach significantly reduces the side effects experienced during cancer treatment and leads to an increased survival rate.

An ADC is made up of three components - an antibody, a linker and a payload. The antibody carries the payload to the target cancer cell and is designed to bind specifically to its target. The payload is the active drug that kills the cancer cell. The role of the linker is to hold the payload attached to the antibody until inside the cancer cell, where enzymes inside the cell cut the payload loose from the linker.

The ADC market was valued at $7,8bn in 2022* with only 15 drugs approved for the treatment of cancers. Throughout 2023 we have seen how this field of medicine is driving the acquisition and licensing strategies. Pfizer just received final approval of their $43bn acquisition of the top ADC player Seagen (with three commercially approved ADCs and the largest ADC pipeline), that they announced in April. In October, Merck announced a deal worth up to $22bn with Daiichi Sankyo, paying $4bn upfront to license three ADCs that they have in clinical development. At the end of November AbbVie announced their $10bn acquisition of ImmunoGen and its approved ADC Elahere, plus the follow-on pipeline. The ADC market is forecast to grow to more than $25bn by 2030**.

There has been much M&A activity around ADCs throughout 2023. Within this, Linker-Payloads with excellent *in-vivo* data have been valued most highly, as demonstrated by Bristol Myers Squibb (BMS) agreeing, in April, to pay Tubulis $23m up-front as part of a potential $1bn deal that gives BMS access to Tubulis topoisomerase payloads and linker chemistry. This deal was followed in June by Lonza acquiring Dutch company Synaffix for $171.5m, enabling them to offer Synaffix's proprietary linker technology to their customers. Then, in October, Eli Lilly acquired French biotech company Mablink for its PSARLink linker technology and associated pipeline of pre-clinical ADCs, for an undisclosed amount.

*from the disclosed FY2022 financial statements
**Data Bridge Market Research: https://www.databridgemarketresearch.com/reports/global-antibody-drug-conjugates-market

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About Simris Group AB (PUBL):
Simris Group is a biologics company identifying high value, natural, biologically active compounds found in microalgae and cyanobacteria to extract for applications in skincare, nutrition, and biopharmaceuticals. The company sustainably grows microalgae and cyanobacteria at industrial scale within its photobioreactor facility whereby conditions are optimized for production of these high-value compounds.
Simris Group's shares are traded on the Nasdaq First North Growth Market with the short name SIMRIS and ISIN code SE0008091664.
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Attachments

Simris Biologics signs Material Transfer Agreement with pre-clinical biotech company to develop Linker-Payloads