Active Biotech AB
Interim report January – September 2014

Laquinimod
- Teva presented new clinical safety data in RRMS patients treated with laquinimod for two or more years at joint ACTRIMS-ECTRIMS meeting
- Teva initiated clinical studies with laquinimod in primary progressive MS (PPMS) and Huntington's disease
- The ongoing US pivotal clinical study CONCERTO is continuing according to plan. Results are expected in the first half of 2016

Tasquinimod
- The Phase III study 10TASQ10 is proceeding according to the original schedule and results are expected in the first half of 2015

ANYARA
- Only out-licensing activities are being conducted

Paquinimod (57-57)
- Only out-licensing activities are being conducted

ISI
- CD selection expected in 2015.

New share issue
- Rights issue totaling approximately SEK 225 million to be approved by the Extraordinary General Meeting on December 1, 2014

Financial summary

MSEK	July - Sept.		January - Sept.		Full Year
	2014	2013	2014	2013	2013
Net sales	2.6	107.0	7.5	111.9	116.0
Operating loss	-55.7	27.9	-172.8	-128.6	-209.0
Loss for the period	-56.6	29.2	-174.5	-130.0	-212.1
Loss per share (SEK) (before and after dilution)	-0.76	0.39	-2.33	-1.77	-2.87

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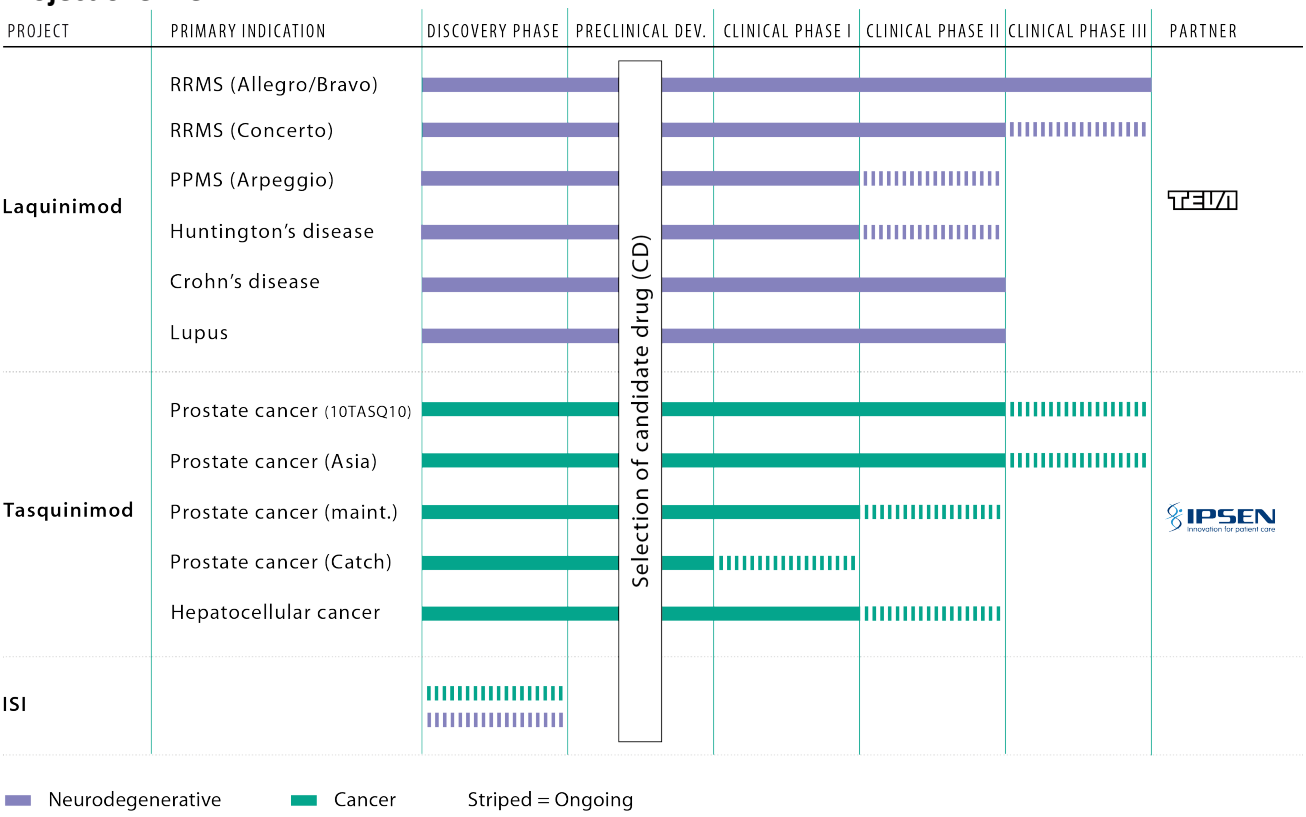
The report is also available at www.activebiotech.com

Project overview



The Board of Directors of Active Biotech has decided to focus the company's resources on the two projects in late clinical phase and on new proprietary molecules discovered in-house. After completed clinical studies, no further scientific activities will be performed with respect to the projects ANYARA and paquinimod. The two projects in late clinical phase are both out-licensed. However, the company has retained all the commercial rights for tasquinimod in North and South America as well as Japan for out-licensing once Phase III results have been obtained.

The laquinimod project is focused on the treatment of neurodegenerative diseases. The diseases in which clinical development is ongoing are relapsing remitting multiple sclerosis (RRMS), primary progressive multiple sclerosis (PPMS) and Huntington's disease. Study results are expected in the first six months of 2016 which, if positive, will be considered pivotal. The project has undergone, and is currently undergoing, a highly comprehensive clinical development program, and completed and ongoing investments in the project by Active Biotech and its partner are estimated to total about SEK 5 billion.

The tasquinimod project is being developed for the treatment of cancer, primarily metastatic Castrate Resistant Prostate Cancer (mCRPC). Study results are expected in the first six months of 2015 which, if positive, will be considered pivotal. Completed and ongoing investments in the project by Active Biotech and its partner are estimated to total about SEK 2 billion.

In addition, Active Biotech is pursuing a preclinical project, ISI. This project is based on preclinical studies and has potential treatment applications in both degenerative diseases and cancer. The initial selection of a candidate drug (CD) for cancer therapy is planned for 2015.

The rights issue that will be presented to the Extraordinary General Meeting for approval on December 1, 2014 will provide Active Biotech with the financial stability required pending the outcome of the ongoing Phase III studies, where both projects have significant commercial potential. If the pivotal results for tasquinimod are obtained in the first six months of 2015, the company is of the opinion that this financial

stability will be required to maximize the project's commercial value in negotiations with potential partners for the company's own territories.

Laquinimod – a novel oral immunomodulatory compound for the treatment of autoimmune diseases
Laquinimod is a quinoline compound under development for the treatment of such diseases as multiple sclerosis (MS). Active Biotech has an agreement with the Israeli company Teva Pharmaceutical Industries Ltd (June 2004) covering the development and commercialization of laquinimod. Data was presented for the first time in September 2009 showing that laquinimod has both neuroprotective and anti-inflammatory properties. In December 2010, positive results from the Phase III ALLEGRO study were presented. Laquinimod met the primary endpoint of reducing the annualized relapse rate and significantly slowed progression of disability. On August 1, 2011, the initial results were announced from the second Phase III BRAVO study. The BRAVO findings supported the direct effect of laquinimod in the central nervous system (CNS) and were in line with the results of the first laquinimod Phase III trial, ALLEGRO, but did not achieve the primary clinical endpoint. The Phase III study CONCERTO is under way with the primary endpoint of measuring time to confirmed disability progression. This study will also examine the impact of laquinimod on endpoints such as percentage change in brain volume and other clinical and MRI markers of disease activity.

– On September 12, Teva presented follow-up data evaluating the clinical safety of laquinimod in patients with relapsing-remitting multiple sclerosis (RRMS) who were treated with laquinimod in Phase II, Phase III and open-label extension studies for two or more years. In this pooled safety analysis, rates of adverse events (AEs) and serious AEs were lower in the open-label extensions than in the core studies and less than 3 percent of patients discontinued treatment due to AEs during these extensions, which supports the safety profile of laquinimod when used in a longer-term setting.

– On August 14, Teva announced that it will initiate a Phase II clinical trial to evaluate the efficacy and safety of laquinimod for the treatment of Huntington's disease. For further details, please see www.clinicaltrials.gov.

– To further confirm the benefits of laquinimod on disability progression, Teva is conducting the CONCERTO trial, the largest MS trial with disability progression as the primary clinical endpoint. The ongoing CONCERTO trial is the third Phase III study in RRMS and explores daily doses of laquinimod 0.6 mg and 1.2 mg. The results from these studies are expected in H1 2016. In addition, Teva is investigating the potential of laquinimod in primary progressive MS (PPMS) (Refer to Events after the end of the period).

Tasquinimod – an immunomodulatory, anti-metastatic substance for the treatment of prostate cancer
The development of tasquinimod is principally focused on the treatment of prostate cancer. Tasquinimod is an immunomodulatory, anti-metastatic substance that indirectly affects the tumor's ability to grow and spread. It was announced in December 2009 that the primary clinical endpoint of the Phase II study, to reduce the fraction of patients with disease progression during the six-month period of treatment using tasquinimod, had been attained. In April 2011, Active Biotech and Ipsen (Euronext: IPN; ADR: IPSEY) entered a broad partnership for the co-development and commercialization of Active Biotech's compound, tasquinimod. Under the terms of the agreement, Active Biotech granted Ipsen exclusive rights to commercialize tasquinimod worldwide, except for North and South America and Japan, where Active Biotech has all commercial and marketing rights. Both companies will co-develop tasquinimod for the treatment of castrate-resistant prostate cancer (CRPC), with the possibility of developing tasquinimod in other cancer indications. In December 2012, patient enrollment was successfully completed to the ongoing clinical Phase III trial for tasquinimod, with 1,245 randomized patients as planned in the clinical protocol. The primary analysis of progression-free survival (PFS) for the Phase III study will be carried out at the time of the first interim overall survival (OS) analysis. In October 2012, Ipsen initiated a proof-of-concept clinical trial to evaluate the clinical efficacy of tasquinimod used as maintenance therapy in patients with metastatic castrate-resistant prostate cancer (mCRPC) who have not progressed after a first-line docetaxel-based chemotherapy. In February 2014, Ipsen launched a randomized, double-blind, placebo-controlled Phase III study of tasquinimod in chemo-naive CRPC patients in Asia. In addition, Ipsen is pursuing a Phase IIa clinical trial with tasquinimod to evaluate the safety and efficacy of tasquinimod in advanced or metastatic

hepatocellular carcinoma in patients whose condition has nonetheless deteriorated after standard therapies. Furthermore, an investigator-sponsored clinical Phase I trial (CATCH) is under way to determine the recommended dose of tasquinimod in combination with cabazitaxel in patients with mCRPC. For further information, visit www.clinicaltrials.gov.

– The ongoing clinical Phase III trial 10TASQ10 is a global, randomized, double-blind, placebo-controlled study of mCRPC patients. The aim of the study is to confirm tasquinimod's efficacy on the disease, with radiological progression-free survival (PFS) as the primary endpoint and overall survival (OS) as the secondary endpoint. The study is proceeding according to schedule and it is expected that it will be possible to communicate results in the first half of 2015. The final analysis of overall survival (OS) data will take place when the predetermined number of OS events have occurred according to the original study protocol.

– On September 27, Ipsen announced the preliminary results of the clinical Phase II proof-of-concept study in four cancer indications. The study for the treatment of hepatocellular carcinoma will continue with results expected in 2015. The result do not support the further development of tasquinimod for the treatment of patients with advanced ovarian, renal cell or gastric carcinomas. The primary endpoint of the study was progression-free survival (PFS) at a predefined time for each cohort.

ANYARA – fusion protein for immunological treatment of renal cell cancer

ANYARA is a TTS (Tumor Targeted Superantigen) compound that makes cancer treatment tumor-specific. The development of ANYARA is mainly focused on renal cell cancer. Positive data was reported in connection with the interim analysis in Phase II/III and from clinical Phase I trials in lung cancer, renal cell cancer and pancreatic cancer. In July 2009, the results from two Phase I studies of ANYARA were published in the Journal of Clinical Oncology, where ANYARA was studied both as a single agent (monotherapy) and in combination with an established tumor therapy – docetaxel (Taxotere®) – in patients with advanced cancer. The results showed that ANYARA was well tolerated both as monotherapy and in combination with docetaxel. Overall survival (OS) and progression-free survival (PFS) data from the ANYARA Phase II/III study in renal cell cancer was presented in June 2013. The study encompassed 513 patients and was designed to evaluate the efficacy of ANYARA (naptumomab estafenatox) in combination with interferon-alpha, compared with interferon-alpha alone, in patients with advanced renal cell cancer. The primary endpoint was improved overall survival, which was not achieved in the overall ITT population, but was attained in a biomarker-defined subgroup of 130 patients. In this subgroup, the median OS for the ANYARA vs. placebo treatment arm were 63.3 vs. 31.1 months (HR=0.59; p=0.020), respectively. The median PFS were 13.7 (ANYARA) vs. 5.8 (placebo) months (HR: 0.62; p=0.016).

– After concluded Phase II/III studies no further scientific activities will be performed. Commercial activities concerning potential out-licensing opportunities are continuing.

Paquinimod (57-57) – novel oral immunomodulatory compound for the treatment of systemic sclerosis

Paquinimod is a quinoline compound primarily intended for the treatment of systemic sclerosis. This rare disease is classified as an orphan drug indication. In 2011 and 2014, paquinimod was granted Orphan Medicinal Product Status in Europe and the US, respectively, for the indication systemic sclerosis. The Orphan Medicinal Product designation is implemented to promote the development of drugs that may provide significant benefit to patients suffering from rare diseases identified as life-threatening or chronically debilitating. Orphan Medicinal Product Status can provide ten years and seven years, respectively, of potential market exclusivity if the product candidate is approved for treatment. In June 2014, data from a clinical study of systemic sclerosis was presented at the scientific conference EULAR (European League Against Rheumatism). The results demonstrated that paquinimod was well tolerated and effects on biomarkers relevant for systemic sclerosis were observed during treatment. Data from a pre-clinical trial was also presented, showing that paquinimod reduces development of skin fibrosis in an experimental disease model for systemic sclerosis.

– After concluded Phase I studies, no further scientific activities will be performed. Commercial activities concerning potential out-licensing opportunities are continuing.

ISI (Inhibition of S100 interactions) – preclinical project based on the mode of action of quinoline compounds

Active Biotech is conducting a research project aimed at utilizing the company's own preclinical results that were generated with respect to a target molecule for the quinoline (Q) compounds and their biological mode of action. The results of a target molecule for the Q compounds were published in PLoS Biology (Volume 7, Issue 4, pp. 800-812) in April 2009. The study showed that Q compounds bind to a molecule called S100A9, which is expressed in white blood cells involved in the regulation of immune responses. Furthermore, it is shown that S100A9 interacts with two known pro-inflammatory receptors (Toll-like receptor 4 (TLR4) and Receptor of Advanced Glycation End products (RAGE)) and that this interaction is inhibited by Q compounds. The project aims at producing new, patentable chemical substances that interact with one of the target molecules of the Q compounds. This project is based on preclinical studies and has potential treatment applications in both degenerative diseases and cancer.

– The project is proceeding according to plan. Efforts are currently focused on building up a patent portfolio around the compounds that interact with S100 proteins and the first patent applications have been filed. New opportunities to expand the patent portfolio were identified and the selection of the first candidate drug is now planned to take place in 2015.

RhuDex® – a novel oral compound for the treatment of rheumatoid arthritis

In the project covering Active Biotech's patented CD80 antagonists, the RhuDex candidate drug is under development for the treatment of rheumatoid arthritis (RA). In April 2002, Active Biotech entered a licensing agreement with Avidex Ltd, now a wholly owned subsidiary of the German biotechnology company MediGene AG, according to which MediGene has the exclusive rights to develop CD80 antagonists and market products in which these compounds are included. Two Phase I trials have already been successfully concluded in which the RhuDex candidate drug was studied with respect to its safety, tolerability and pharmacokinetic properties in healthy volunteers.

– During the year, MediGene signed a global licensing agreement with the company Dr. Falk Pharma GmbH for the development and commercialization of RhuDex in the indication areas hepatology and gastroenterology. For more information and the latest news about RhuDex, see www.medigene.com.

Events after the end of the period

Laquinimod

On November 4, Teva announced that it will initiate a Phase II study called ARPEGGIO that will evaluate the efficacy, safety and tolerability of laquinimod in patients with primary progressive multiple sclerosis (PPMS). ARPEGGIO is a multinational, multicenter, randomized, double-blind, placebo-controlled study with parallel groups that will evaluate a daily dose of laquinimod (0.6 or 1.5 mg) in PPMS patients. The primary endpoint of the study is the percentage brain volume change in (PBVC) as measured with MRI.

Additionally, Teva announced that the first patient has been screened in the LEGATO-HD trial which will evaluate laquinimod in Huntington's disease.

Rights issue totaling approximately SEK 225 M

On November 4, the Board of Directors decided, subject to the approval of the general meeting of shareholders, to implement a new share issue of approximately 15 million new shares with preferential rights for the company's shareholders. The Board's decision will be presented to the Extraordinary General Meeting for approval on December 1, 2014 in accordance with a separate summons. The issue will entitle current shareholders to subscribe for one (1) new share for five (5) existing shares at a subscription price of SEK 15 per share. The new share issue will strengthen Active Biotech's financial position is discussions with existing and new potential partners.

Upon full subscription, total issue proceeds will amount to approximately SEK 225 million before issue expenses.

The company's largest shareholders MGA Holding AB, Nordstjernan AB and Investor AB through Duba AB, as well as Peter Thelin (privately and through companies), with a combined holding of approximately 49 percent of the number of shares and votes in the company, have undertaken to subscribe for their respective shares of pre-emptive parts of the rights in the new share issue.

For further details and information on the background and reasons for the new share issue, see Active Biotech's press release published on November 5, 2014.

The company's current liquidity and this proposed new share issue, combined with revenues from existing and anticipated agreements are, according to present-day plans, assumed to be sufficient to finance operations until such time as a positive cash flow can be generated.

Financial information

Comments on the Group's results for the period January – September 2014

Net sales amounted to SEK 7.5 M (111.9) and included service and rental revenues. The corresponding period in 2013 included a milestone payment of SEK 104.1 M from Ipsen related to the ongoing Phase III tasquinimod trial.

The operation's research and administration expenses amounted to SEK 180.3 M (240.5), of which research expenses accounted for SEK 166.8 M (228.0). The 27-percent decrease in expenses was attributable to planned lower costs for the ongoing clinical Phase III trial of tasquinimod for the treatment of prostate cancer. Under the partnership agreement with Ipsen, Active Biotech will receive clinical, regulatory and commercial milestone payments on fulfillment of defined goals. Provided that these milestones are met, the Phase III trial will be financed in full by Ipsen. Combined, the other research projects – the ANYARA renal cell cancer project, the explorative study for the 57-57 project and the preclinical research project ISI – only had a marginal impact on the cost development between the years. The out-licensed projects comprising laquinimod and RhuDex are financed by the relevant partners.

The operating loss for the period amounted to SEK 172.8 M (loss: 128.6). The change in earnings is attributable to lower revenues in 2014 compared with 2013; a milestone payment of SEK 104.1 M from Ipsen was recorded as revenue in 2013. This was partially offset by a 25-percent reduction (SEK 60.3 M) in operating expenses, primarily attributable to costs for the ongoing Phase III study of tasquinimod.

Administration expenses amounted to SEK 13.5 M (12.5), the net financial expense for the period to SEK 3.3 M (expense: 3.0) and the loss after tax to SEK 174.5 M (loss: 130.0).

Comments on the Group's results for the period July – September 2014

Net sales amounted to SEK 2.6 M (107.0) and included service and rental revenues. The corresponding period in 2013 included a milestone payment of SEK 104.1 M from Ipsen related to tasquinimod.

The operation's research and administration expenses amounted to SEK 58.3 M (79.1), of which research expenses accounted for SEK 54.6 M (75.3). The decrease in expenses was attributable to planned lower costs for the ongoing clinical Phase III trial of tasquinimod for the treatment of patients with prostate cancer.

The operating loss for the period amounted to SEK 55.7 M (profit: 27,9), a deterioration in earnings of SEK 83.6 M compared with the corresponding period in 2013, which was attributable to Ipsen's milestone payment in the corresponding period of 2013 and SEK 20.7 M in lower costs in the current year. Administration expenses amounted to SEK 3.7 M (3.8), the net financial expense for the period to SEK 1.5 M (income: 0.8) and the loss after tax to SEK 56.6 M (profit: 29.2).

Cash flow, liquidity and financial position, Group
Cash and cash equivalents at the end of the period amounted to SEK 161.0 M, compared with SEK 376.2 M at the end of 2013.

Cash flow for the January-September period was a negative SEK 215.2 M (pos: 105.6), of which cash flow from operating activities accounted for a negative SEK 212.7 (pos: 158.1). The corresponding period in 2013 included milestone payments totaling SEK 104.1 M. Cash flow from financing activities was negative SEK 0.6 M (pos: 263.8). A private placement to Investor AB (Duba AB) was carried out in the year-earlier period, raising proceeds of approximately SEK 270 M.

Investments
Investments in tangible fixed assets amounted to SEK 1.9 M (0.1).

Comments on the Parent Company's results and financial position for the period January-September 2014
Net sales for the period amounted to SEK 13.9 M (119.0) and operating expenses to SEK 203.9 M (264.1). The Parent Company's operating loss for the period was SEK 190.0 M (loss: 145.1). Net financial income amounted to SEK 2.2 M (3.2) and the loss after financial items was SEK 187.8 M (loss: 141.8). Cash and cash equivalents including short-term investments totaled SEK 155.0 M at the end of the period, compared with SEK 370.5 M on January 1, 2014.

Comments on the Parent Company's results and financial position for the period July-September 2014
Net sales for the period amounted to SEK 4.3 M (109.1) and operating expenses to SEK 66.0 M (86.7). The Parent Company's operating loss for the period was SEK 61.7 M (profit: 22.4). Net financial income amounted to SEK 0.2 M (1.6) and the loss after financial items was SEK 61.4 M (profit: 24.1).

Shareholders' equity
Consolidated shareholder's equity at the end of the period amounted to SEK 236.8 M, compared with SEK 405.4 M at year-end 2013. The number of shares outstanding at the end of the period totaled 74,923,582. At the end of the period, the equity/assets ratio for the Group was 43.0 percent, compared with 52.8 percent at year-end 2013. The corresponding figures for the Parent Company, Active Biotech AB, were 74.3 percent and 77.1 percent, respectively.

Organization
The average number of employees was 59 (62), of which the number of employees in the research and development organization accounted for 46 (50). At the end of the period, the Group had 58 employees.

Outlook, including significant risks and uncertainties
A vital factor for Active Biotech's long-term financial strength and stability is the company's ability to develop pharmaceutical projects to the point at which partnership agreements can be entered into and the partner can assume responsibility for future development and commercialization of the project. During this development phase, the value of projects is expected to increase. The development of partnership agreements already signed and the addition of new agreements are assumed to have a significant impact on future revenues and cash balances. Income from already signed agreements, existing cash and the proposed new share issue is expected to finance operations.

A research company such as Active Biotech is characterized by a high operational and financial risk, since the projects in which the company is involved are at the clinical phase, where a number of factors have an impact on the likelihood of commercial success. In brief, the operation is associated with risks related to such factors as pharmaceutical development, competition, advances in technology, patents, regulatory requirements, capital requirements, currencies and interest rates. Since no significant changes took place with regard to risks and uncertainties during the period, we refer to the detailed account of these factors presented in the Directors' Report in the 2013 Annual Report. Since the Group's operations are primarily conducted in the Parent Company, risks and uncertainties refer to both the Group and the Parent Company.

Consolidated profit and loss	July - Sept.		January -Sept.		Full Year
SEK M	2014	2013	2014	2013	2013
Net sales	**2.6**	**107.0**	**7.5**	**111.9**	**116.0**
Administrative expenses	-3.7	-3.8	-13.5	-12.5	-17.0
Research and development costs	-54.6	-75.3	-166.8	-228.0	-308.0
Operating profit/loss	**-55.7**	**27.9**	**-172.8**	**-128.6**	**-209.0**
Net financial items	-1.5	0.8	-3.3	-3.0	-5.3
Profit/loss before tax	**-57.2**	**28.7**	**-176.2**	**-131.7**	**-214.3**
Tax	0.6	0.6	1.7	1.7	2.2
Net profit/loss for the period	**-56.6**	**29.2**	**-174.5**	**-130.0**	**-212.1**
Comprehensive loss attributable to:					
Parent Company shareholders	-56.6	29.2	-174.5	-130.0	-212.1
Non-controlling interests	–	–	–	–	–
Net profit/loss for the period	**-56.6**	**29.2**	**-174.5**	**-130.0**	**-212.1**
Comprehensive profit/loss per share before dilution (SEK)	-0.76	0.39	-2.33	-1.77	-2.87
Comprehensive profit/loss per share after dilution (SEK)	-0.76	0.39	-2.33	-1.77	-2.87

Statement of profit and loss and consolidated comprehensive income	July - Sept.		January -Sept.		Full Year
SEK M	2014	2013	2014	2013	2013
Net profit/loss for the period	-56.6	29.2	-174.5	-130.0	-212.1
Other comprehensive income					
Items that can not be reclassified into profit or loss					
Change in revaluation reserve	1.8	1.8	5.4	5.4	7.2
Taxes attributable to other comprehensive income	-0.4	-0.4	-1.2	-1.2	-1.6
Total comprehensive profit/loss for the period	**-55.2**	**30.6**	**-170.3**	**-125.8**	**-206.5**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-55.2	30.6	-170.3	-125.8	-206.5
Non-controlling interests	–	–	–	–	–
Total comprehensive profit/loss for the period	**-55.2**	**30.6**	**-170.3**	**-125.8**	**-206.5**
Depreciation/amortization included in the amount of	3.0	3.2	9.2	9.7	12.9
Investments in tangible fixed assets	1.8	–	1.9	0.1	0.1
Weighted number of outstanding common shares before dilution (000s)	74 924	74 924	74 924	73 627	73 954
Weighted number of outstanding common shares after dilution (000s)	74 924	74 924	74 924	73 627	73 954
Number of shares at close of the period (000s)	74 924	74 924	74 924	74 924	74 924

Consolidated statement of financial position	Sept. 30		Dec. 31
SEK M	2014	2013	2013
Tangible fixed assets	382.2	380.9	381.0
Long-term receivables	0.0	0.0	0.0
Total fixed assets	**382.2**	**380.9**	**381.0**
Current receivables	7.0	113.8	10.6
Cash and cash equivalents	161.0	322.2	376.2
Total current assets	**168.0**	**436.0**	**386.8**
Total assets	**550.2**	**816.9**	**767.8**
Shareholders equity	236.8	485.5	405.4
Long-term liabilities	224.3	224.9	224.0
Current liabilities	89.1	106.5	138.3
Total shareholders equity and liabilities	**550.2**	**816.9**	**767.8**

Consolidated statement of changes in shareholders equity	Sept. 30		Dec. 31
SEK M	2014	2013	2013
Opening balance	405.4	339.9	339.9
Transfer from revaluation reserve	1.7	1.7	2.2
New share issue	0.0	269.8	269.8
Net loss for the period	-170.3	-125.8	-206.5
Balance at close of period	**236.8**	**485.5**	**405.4**

Condensed consolidated cash-flow statement	January -Sept.		Full Year
SEK M	2014	2013	2013
Loss after financial items	**-176.2**	**-131.7**	**-214.3**
Adjustment for non-cash items, etc.	9.2	9.7	12.9
Cash flow from operating activities before changes in working capital	**-167.0**	**-122.0**	**-201.4**
Changes in working capital	-45.7	-36.2	99.1
Cash flow from operating activities	**-212.7**	**-158.1**	**-102.3**
Investments in tangible fixed assets	-1.9	-0.1	-0.1
Cash flow from investing activities	**-1.9**	**-0.1**	**-0.1**
New share issue	–	269.8	269.8
Loans raised/amortization of loan liabilities	-0.6	-6.0	-7.9
Cash flow from financing activities	**-0.6**	**263.8**	**261.8**
Cash flow for the period	**-215.2**	**105.6**	**159.5**
Opening cash and cash equivalents	**376.2**	**216.7**	**216.7**
Closing cash and cash equivalents	**161.0**	**322.2**	**376.2**

Key figures	Sept. 30		Dec. 31
	2014	2013	2013
Shareholders equity, SEK M	236.8	485.5	405.4
Equity per share, SEK	3.16	6.48	5.41
Equity/assets ratio in the Parent Company	74.3%	84.6%	77.1%
Equity/assets ratio in the Group	43.0%	59.4%	52.8%
Average number of annual employees	59	62	61

Consolidated profit and loss by quarter

	2010				2011				2012				2013				2014		
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	**2.8**	**3.4**	**2.3**	**2.9**	**2.7**	**226.1**	**2.6**	**3.3**	**2.6**	**94.0**	**39.8**	**91.5**	**2.4**	**2.5**	**107.0**	**4.0**	**2.1**	**2.7**	**2.6**
Administrative expenses	-4.6	-7.1	-4.0	-7.3	-5.3	-4.4	-3.2	-4.0	-3.8	-4.2	-3.2	-4.7	-4.2	-4.6	-3.8	-4.4	-4.5	-5.3	-3.7
Research and development c	-49.1	-47.6	-45.6	-74.9	-68.3	-80.1	-76.2	-93.9	-99.4	-109.7	-84.8	-81.3	-75.2	-77.5	-75.3	-80.0	-56.9	-55.3	-54.6
Operating profit/loss	**-51.0**	**-51.4**	**-47.3**	**-79.3**	**-70.9**	**141.5**	**-76.8**	**-94.7**	**-100.7**	**-19.9**	**-48.2**	**5.5**	**-77.0**	**-79.5**	**27.9**	**-80.4**	**-59.2**	**-57.9**	**-55.7**
Net financial items	-2.5	-3.3	-1.2	2.4	1.6	4.3	-2.8	-5.7	1.0	-5.3	-4.1	-0.4	-1.6	-2.2	0.8	-2.2	-1.5	-0.3	-1.5
Profit/loss before tax	**-53.5**	**-54.8**	**-48.5**	**-76.8**	**-69.3**	**145.8**	**-79.6**	**-100.4**	**-99.6**	**-25.1**	**-52.3**	**5.1**	**-78.6**	**-81.7**	**28.7**	**-82.6**	**-60.8**	**-58.2**	**-57.2**
Tax	-	-	-	12.6	-	1.2	0.6	7.2	0.6	0.6	0.6	-5.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Net profit/loss for the period	**-53.5**	**-54.8**	**-48.5**	**-64.3**	**-69.3**	**147.0**	**-79.0**	**-93.2**	**-99.0**	**-24.5**	**-51.6**	**0.1**	**-78.0**	**-81.2**	**29.2**	**-82.1**	**-60.2**	**-57.7**	**-56.6**

Active Biotech Parent Company - Income Statement, condensed	July - Sept.		January - Sept.		Full Year
SEK M	2014	2013	2014	2013	2013
Net sales	**4.3**	**109.1**	**13.9**	**119.0**	**125.4**
Administration expenses	-8.1	-8.1	-26.8	-25.5	-34.2
Research and development costs	-57.9	-78.6	-177.1	-238.6	-322.2
Operating profit/loss	**-61.7**	**22.4**	**-190.0**	**-145.1**	**-231.0**
Profit/loss from financial items:					
Interest income and similar income-statement items	0.6	1.5	2.2	3.9	5.2
Interest expense and similar income-statement items	-0.4	0.1	0.0	-0.7	-1.5
Profit/loss after financial items	**-61.4**	**24.1**	**-187.8**	**-141.8**	**-227.3**
Tax	–	–	–	–	–
Net profit/loss for the period	**-61.4**	**24.1**	**-187.8**	**-141.8**	**-227.3**
Statement of comprehensive income parent company					
Net profit/loss for the period	-61.4	24.1	-187.8	-141.8	-227.3
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-61.4**	**24.1**	**-187.8**	**-141.8**	**-227.3**

Active Biotech Parent Company - Balance sheet, condensed	Sept. 30		Dec. 31
SEK M	2014	2013	2013
Goodwill	100.9	117.1	113.0
Tangible fixed assets	0.6	0.7	0.6
Financial fixed assets	40.6	40.6	40.6
Total fixed assets	**142.1**	**158.3**	**154.2**
Current receivables	17.6	125.1	21.9
Short-term investments	136.5	303.0	264.3
Cash and bank balances	18.5	12.7	106.2
Total current assets	**172.5**	**440.9**	**392.4**
Total assets	**314.6**	**599.2**	**546.6**
Shareholders equity	233.8	507.0	421.6
Current liabilities	80.8	92.2	125.0
Total equity and liabilities	**314.6**	**599.2**	**546.6**

Any errors in additions are attributable to rounding of figures.

Note 1: Accounting policies

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

Note 2: Fair value of financial instruments

	Sept. 30,2014	Dec. 31,2013
SEK M	Level 2	Level 2
Short-term investments	136.5	264.3
Current liabilities, derivatives	-	4.3

The fair value of financial assets and liabilities essentially corresponds to the carrying amount in the balance sheet. For more information, refer to Note 16 in the 2013 Annual Report. No significant changes have occurred in relation to the measurement made at December 31.

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

Financial calendar
Year-end report 2014: February 11, 2015
Interim reports 2015: April 23, August 7 and November 6
Year-end report 2015: February 18, 2016
The reports will be available from these dates at www.activebiotech.com.

Lund, November 5, 2014
Active Biotech AB (publ)

Tomas Leanderson
President and CEO

Review report
Introduction
We have reviewed the summary interim financial information (interim report) of Active Biotech AB (publ), Corp. Reg. No. 556223-9227 as of 30 September 2014 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the Standard on review engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, November 5, 2014
KPMG AB
David Olow
Authorized Public Accountant

Active Biotech AB *(NASDAQ OMX NORDIC: ACTI) is a biotechnology company with focus on neurodegenerative diseases and cancer. Projects in pivotal phase are laquinimod, an orally administered small molecule with unique immunomodulatory properties for the treatment of multiple sclerosis, and tasquinimod, an oral immunomodulatory, anti-metastatic substance for the treatment of prostate cancer. The objective of the preclinical ISI project is to produce new, patentable chemical compounds for treatment of diseases in the company's focus areas. Please visit www.activebiotech.com for more information.*

Active Biotech is obligated to publish the information contained in this interim report in accordance with the Swedish Securities Market Act. This information was provided to the media for publication on November 5, 2014 at 8:30 a.m.