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Active Biotech carries out rights issue of approximately SEK 55 million

Today, 11 November 2016, the board of directors of Active Biotech AB (publ) ("Active Biotech" or the "Company") has resolved, based on the authorization from the general meeting, on a rights issue of approximately SEK 55 million.

- The shareholders of the Company have pre-emptive rights to subscribe for the new shares, whereby 13 existing shares entitle to subscription for one new share. Subscription for shares in the rights issue can only be made with pre-emptive rights.
- The subscription price amounts to SEK 8 per share. Subscription shall be made during the period 23 November – 7 December 2016.
- The rights issue is at no cost guaranteed in its entirety by Active Biotech's largest shareholder MGA Holding AB.

Background and reasons

The board of directors of Active Biotech has decided to primarily focus the Company's operations on supporting its partner Teva in the development of the laquinimod project and its partner NeoTX Therapeutics in the development of ANYARA as well as to conduct only out-licensing activities for the remaining projects.

The laquinimod project is in late clinical development for the treatment of neurodegenerative diseases. The diseases for which clinical development is pursued are relapsing remitting MS ("RRMS"), primary progressive multiple sclerosis ("PPMS") and Huntington's disease. Results from a pivotal clinical phase 3 study for the treatment of RRMS are expected in the first half of 2017 and from a clinical phase 2 study for the treatment of PPMS in the second half of 2017. The phase 3 study in RRMS was fully recruited in June 2015 and had then included 2199 patients. In addition, extension studies with more than 1,000 RRMS patients are ongoing and have yielded a clinical experience of over 11,000 patient years.

The rights issue that now is conducted aims at providing Active Biotech with the financial stability required to await the outcome of the ongoing phase 3 study of laquinimod for the treatment of RRMS and the phase 2 study for the treatment of PPMS. Laquinimod is assessed to have a significant commercial potential and a significant and decisive impact on the Company's commercial prospects. If the outcome of these studies is positive, the Company expects that a positive operating result can be achieved from and including the financial year 2018. The proceeds from the rights issue, approximately SEK 55 million at full subscription, are intended to be used mainly for general working capital requirements. The Company's current liquidity and the proceeds from the rights issue, combined with revenues from existing and anticipated partner agreements, are according to current plans assumed to be sufficient to finance operations until a positive cash flow can be generated.

The rights issue

On 11 November 2016, the board of directors of Active Biotech resolved, based on the authorization by the general meeting, to increase the Company's share capital with not more than approximately SEK 26,068,856.73 through issue of not more than 6,916,022 new shares. The subscription price amounts to SEK 8.00 per share, whereby Active Biotech will be provided with approximately SEK 55 million at full subscription, before issue expenses.

The Company's largest shareholder, MGA Holding AB, with holdings of approximately 25.9 percent of the shares and votes, has undertaken to subscribe for its pre-emptive part of the rights issue. In addition, the board members Peter Sjöstrand and Peter Thelin intend to subscribe their allotted subscription rights. MGA Holding AB has also undertaken, without consideration, to subscribe for all shares in the rights issue that are not subscribed for by others. The rights issue is thereby guaranteed in its entirety.

Subscription for shares in the rights issue can only be made with pre-emptive rights. Shares not subscribed for with pre-emptive rights shall be allocated to the guarantor MGA Holding AB.

The record date for the right to participate in the rights issue is 18 November 2016. Subscription for new shares shall be made during the period 23 November – 7 December 2016.

A prospectus relating to the rights issue will be made public before the commencement of the subscription period.

Indicative timetable

16 November 2016	Last day for trading in the Active Biotech share including the right to participate in the rights issue.
18 November 2016	Record date for the right to participate in the rights issue.
23 November – 7 December 2016	Subscription period.
23 November – 5 December 2016	Trading in subscription rights.

Advisor

Advokatfirman Vinge is legal advisor to Active Biotech in connection with the rights issue.

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Active Biotech AB (publ) (NASDAQ Stockholm: ACTI) is a biotechnology company with focus on neurodegenerative/inflammatory diseases and cancer. Laquinimod, an orally administered small molecule with unique immunomodulatory properties, is in pivotal Phase 3 development for the treatment of relapsing remitting multiple sclerosis. Also, laquinimod is in Phase 2 development for the treatment of primary progressive multiple sclerosis and Huntington's disease. Furthermore, commercial activities are conducted for the tasquinimod, paquinimod och SILC projects. Please visit www.activebiotech.com for more information.

This information is information that Active Biotech AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact persons set out above, at 19.01 p.m. CET on 11 November 2016.

Important information

This press release is not an offer to subscribe for shares in Active Biotech and investors should not subscribe for or purchase any securities, except on the basis of information provided in the prospectus.

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The new shares, BTA and subscription rights have not been recommended or approved by any United States federal or state securities commission or regulatory authority. No new shares, BTA, subscription rights or other securities issued by Active Biotech have been or will be registered under the U.S. Securities Act of 1933, as amended, or under the securities legislation in any state of the United States, and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of the rights issue in the United States or to conduct a public offering of securities in the United States.

The Company has not authorized any offer of the securities referred to herein to the public in any country in the European Economic Area ("EEA") other than Sweden. In other member states in the EEA, the securities may only be offered to (a) any legal entity which is a qualified investor as defined in the Directive 2003/71/EC (the "Prospectus Directive"); or (b) any person falling within Article 3(2) of the Prospectus Directive.

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This press release contains forward-looking statements which reflect Active Biotech's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions that imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements. The information, opinions and forward-looking statements included in this press release speak only as of its date and are subject to change without notice.