Active Biotech AB
Interim report January – September 2017

Third quarter in brief

- The company's application related to one of the patent families in the SILC project was granted patent in the US
- Preclinical data for a SILC substance was published in the scientific journal Cancer Immunology Research
- The process to divest the company's research facility at Ideon in Lund has been initiated, for further comments related to the company´s liquidity situation see the section "Outlook, including significant risks and uncertainties"

Events after the end of the period

- In October, Active Biotech's partner Teva Pharmaceutical Industries Ltd presented new data concerning laquinimod for the treatment of multiple sclerosis at the ECTRIMS-ACTRIMS congress
- The Board of directors has decided to initiate negotiations with the trade unions related to the winding up of the companies animal test facility

Financial summary

SEK M	July-Sept.		Jan.-Sept.		Full-year
	2017	2016	2017	2016	2016
Net sales	5.1	4.1	14.8	12.0	19.0
Operating loss	-6.5	-11.1	-44.2	-41.6	-55.1
Loss for the period	-8.4	-12.4	-48.6	-44.8	-59.6
Loss per share, before and after dilution (SEK)	-0.09	-0.14	-0.50	-0.50	-0.65
Cash and cash equivalents (at the end of the period)			35.6	39.9	77.7

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The report is also available at www.activebiotech.com.

Comments from the CEO

The events during the quarter reflect the activities that are underway to support the commercial activities in the projects. Within the SILC project, an application for one of the patent families was granted patent in the US. This patent family now has protection in Europe and the US until 2035. In addition, an article was published in the scientific journal Cancer Immunology Research that showed, for the first time, that a SILC substance increases the anti-tumor efficacy of a standard therapy in a preclinical cancer model.

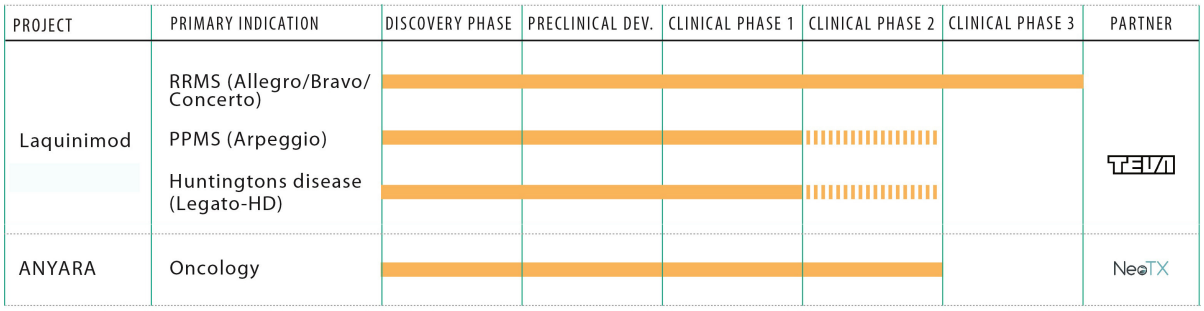
The third quarter was otherwise characterized by the collaboration with Teva concerning laquinimod. During ECTRIMS, data was presented from the extensive analysis of the Phase III program in relapsing remitting multiple sclerosis (RRMS). Professor Comi presented expanded data from the CONCERTO study and made comparisons with the two previous Phase III studies, ALLEGRO and BRAVO. Thorough analyses of the clinical Phase 3 program show that laquinimod – in addition to a highly favorable clinical safety profile – has a consistent effect on the relapse rate, brain atrophy and MRI data while the effect on disability progression was, on the one hand, shown in ALLEGRO and BRAVO but not in the CONCERTO study. Complete study data be presented in a scientific journal.

Near term, we are awaiting the results for laquinimod in primary progressive MS. The results from the Phase II ARPEGGIO study will be presented during the fourth quarter.

Helén Tuvesson, President & CEO

Projects

Active Biotech's project portfolio primarily includes projects for the development of drugs for the treatment of neurodegenerative diseases and cancer.



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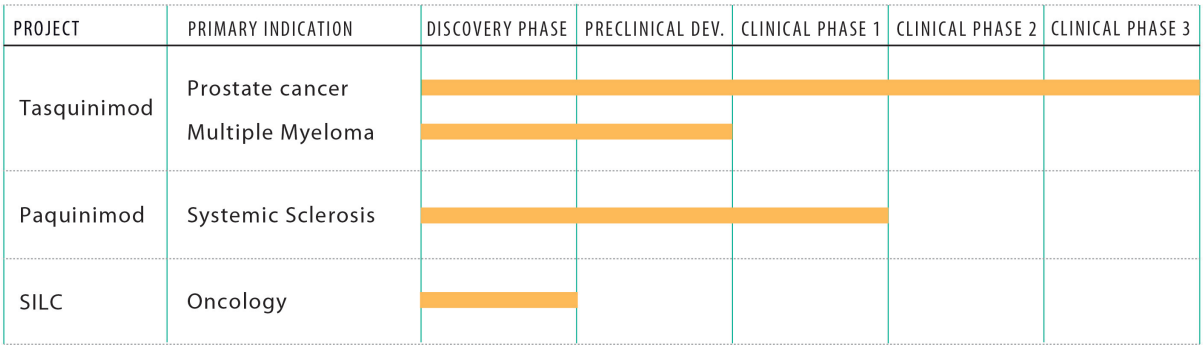

Laquinimod

Laquinimod is a once-daily oral, investigational, CNS-active immunomodulator with a novel mechanism of action being developed for the treatment of relapsing-remitting MS (RRMS), primary progressive MS (PPMS) and Huntington's disease (HD). Active Biotech has an agreement with the Israeli company Teva Pharmaceutical Industries Ltd since 2004 covering the development and commercialization of laquinimod.

The global clinical development program evaluating laquinimod in RRMS includes two previously completed Phase III studies, ALLEGRO and BRAVO and the Phase III trial, CONCERTO, evaluating laquinimod in 2,199 patients. Initial results from the CONCERTO trial were communicated in May 2017 and the primary endpoint of time to three-month

confirmed disability progression (CDP), as measured by the Expanded Disability Status Scale (EDSS), was not met, nor after six and nine months treatment. However, other study results showed that the secondary endpoints were achieved. Change in brain volume – an indicator of disability progression over time – showed a 40-percent reduction compared to baseline, versus placebo at month 15 ($p < 0.0001$). Time to first relapse was extended ($p = 0.0001$). Annualized relapse rate showed a 25-percent risk reduction ($p=0.0001$). The number of gadolinium-enhancing T1 lesions at month 15, demonstrated a 30-percent reduction ($p=0.004$). The excellent clinical safety profile of laquinimod 0.6 mg daily, which has been previously studied with over 12,000 patient-years of exposure, was confirmed in the CONCERTO trial. Complete data will be published in a scientific journal.

In April 2015, the first patient was enrolled in the ARPEGGIO study, a randomized placebo-controlled Phase II trial evaluating laquinimod in PPMS. The primary endpoint of the study is brain atrophy, defined as the percentage of brain volume change as measured by MRI. Results from the study are expected during the fourth quarter of 2017.

Development of laquinimod in Huntington's disease, a rare neurodegenerative disease, has also been initiated. Laquinimod has been granted Orphan Drug Designation for this indication by the FDA. The Phase II LEGATO-HD clinical study is ongoing and will evaluate daily doses of laquinimod as a potential treatment for patients with Huntington's disease. The primary endpoint for LEGATO-HD is change from baseline in the Unified Huntington's Disease Rating Scale-Total Motor Scale (UHDRS-TMS) after 12 months of treatment versus placebo. Results from the study are expected during the second half of 2018.

Events during the third quarter
The project proceeded according to plan.

Events after the end of the period
In October, Active Biotech's partner Teva presented new data concerning laquinimod for the treatment of multiple sclerosis at the ECTRIMS-ACTRIMS congress.

ANYARA
ANYARA is a TTS (Tumor Targeting Superantigen) compound that increases the immune system's capacity to discover tumors. Active Biotech has an agreement with NeoTX Therapeutics Ltd since 2016 covering the development and commercialization of ANYARA.

Clinically, the development of ANYARA has mainly focused on cancer forms with a high medical need. Positive data was reported from Phase I studies relating to lung cancer, renal cell cancer and pancreatic cancer, 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, and increased the immune system's capability to recognize tumors. A Phase II/III trial of ANYARA in combination with interferon alpha in renal cell cancer demonstrated a favorable safety profile, but did not achieve its primary endpoint to show a prolonged overall survival (OS) in the intention to treat (ITT) population. Additional effects have been shown in preclinical tumor models when combining ANYARA and a checkpoint inhibitor. The forthcoming clinical trial will be carried out in combination with an immunostimulating PD-1 inhibitor, a combination strategy in line with ANYARA's mode of action and supported by preclinical data.

Events during the third quarter
The project proceeded according to plan.

Tasquinimod
Tasquinimod is an orally active immunomodulatory substance that affects the tumor's ability to grow and spread.

Tasquinimod was primarily developed for the treatment of prostate cancer and has completed Phase I-III clinical trials. The results from the 10TASQ10 Phase III trial with tasquinimod in prostate cancer showed that treatment with tasquinimod reduced the risk of radiographic cancer progression or death compared to placebo in patients with

metastatic castration resistant prostate cancer who have not received chemotherapy. However, the treatment with tasquinimod did not extend overall survival and development in prostate cancer was discontinued. Tasquinimod has a unique mode of action and demonstrates highly favorable results in preclinical models for multiple myeloma, a rare form of blood cancer with a high medical need. A patent application for the treatment of this cancer form with tasquinimod has been approved in Europe since January 2017, granting tasquinimod patent protection until 2035. Tasquinimod has been granted Orphan Drug Status in the US (2017).

Active Biotech is seeking a collaboration partner with the right expertise for the further development of tasquinimod within this indication.

Events during the third quarter
Out-licensing activities are continuing.

Paquinimod

Paquinimod is a quinoline compound developed primarily for the treatment of systemic sclerosis, a rare disease of the connective tissue with an extensive medical need. Paquinimod has been granted orphan medicinal product status in the EU (2011) and Orphan Drug Status in the US (2014).

A clinical Phase I program to establish clinical dose, tolerability and pharmacokinetics has been carried out with paquinimod in healthy subjects and patients. An exploratory clinical study in patients with systemic sclerosis has been concluded and the results demonstrated a favorable safety profile and effects on disease-related biomarkers in line with paquinimod's mode of action. The next step in clinical development is to confirm these effects in a controlled Phase II trial to subsequently perform a pivotal study in this patient group.

Active Biotech is seeking a collaboration partner for the further development of paquinimod.

Events during the third quarter
Out-licensing activities are continuing.

SILC

SILC (S100A9 Inhibition by Low molecular weight Compounds) is a preclinical immuno-oncology project focused on S100A9 as the target molecule for the treatment of cancer. S100A9 is expressed in the tumor microenvironment and is involved in the development of cancer through recruitment and activation of specific immune cells that drive the development of cancer. Small substances that block the function of S100A9 represents a new approach to help the body's own immune system fight cancer. Chemical libraries of substances have been screened for binding to the target molecule and lead substances with good properties for further development have been identified. Three international patent applications have been filed for the purpose of obtaining patent protection for three, chemically unrelated, substance groups, two of which have been approved to date in Europe.

Active Biotech is seeking a collaboration partner for the further development of the project.

Events during the third quarter
- The company's application related to one of the patent families in the SILC project was granted patent in the US. Patent US 9,771,372 provides protection in the US until 2035
- Preclinical data was published for a SILC substance in the scientific journal - *De Veirman et al. Extracellular S100A9 Protein in Bone Marrow Supports Multiple Myeloma Survival by Stimulating Angiogenesis and Cytokine Secretion. Cancer Immunol Res. 2017 Oct;5(10):839-846*

Events after the end of the period

Active Biotech's partner Teva presented new data concerning laquinimod for the treatment of multiple sclerosis at the ECTRIMS-ACTRIMS congress in October.

The Board of directors has decided to initiate negotiations with the trade unions related to the winding up of the companies animal test facility. Financial effects of the decision will materialize during the second half of 2018.

Financial information

Comments on the Group's results for the period January – September 2017

Net sales amounted to SEK 14.8 M (12.0) and included service and rental revenues.

The operation's research and administration expenses amounted to SEK 59.0 M (53.6), of which research expenses amounted to SEK 38.9 M (41.6). The cost outcome for the period includes provisions for contractual costs in connection with the change of CEO announced on June 19, 2017 and estimated selling expenses for the divestment of the company's research facility, which totaled approximately SEK 10 M. During the reporting period, the company's research operations comprised solely activities aimed at supporting projects and patents for out-licensed projects, and commercial activities to identify partners for the tasquinimod, paquinimod and SILC projects. The previously out-licensed projects, laquinimod, ANYARA and RhuDex, are financed in full by the relevant partners.

As previously announced, the decision has been taken to divest the company's property Forskaren 1, and the sales process is ongoing. The divestment decision entails a reclassification of the property in this interim report, from previously being recognized as a fixed asset to being classified as an asset held for sale. The property is thus measured at its market value less the estimated selling costs.

The operating loss for the period amounted to SEK 44.2 M (loss: 41.6). The deterioration in earnings compared with the year-earlier period is due to the provision for costs for the change of CEO and costs in conjunction with the decision to divest the property.

Administration expenses amounted to SEK 20.1 M (12.0), the net financial expense for the period to SEK 5.6 M (expense: 4.8) and the loss after tax to SEK 48.6 M (loss: 44.8).

Comments on the Group's results for the period July – September 2017

Net sales amounted to SEK 5.1 M (4.1) and included service and rental revenues.

The operation's research and administration expenses amounted to SEK 11.6 M (15.2), of which research expenses amounted to SEK 9.1 M (11.7). The company's research operations comprise solely activities aimed at supporting projects and patents for previously out-licensed projects, as well as commercial activities to identify partners for the tasquinimod, paquinimod and SILC projects. The previously out-licensed projects, laquinimod, ANYARA and RhuDex, are financed in full by the relevant partners.

The operating loss for the period amounted to SEK 6.5 M (loss: 11.1). The year-on-year improvement in earnings was attributable to lower research expenses and the provision specified above for the change of CEO, which was recognized in the second quarter. Administration expenses totaled SEK 2.5 M (3.5), the net financial expense for the period to SEK 1.9 M (expense: 1.9) and the loss after tax to SEK 8.4 M (loss: 12.4).

Cash flow, liquidity and financial position, Group, for the period January – September 2017

Cash and cash equivalents at the end of the period amounted to SEK 35.6 M, compared with SEK 77.7 M at the end of 2016.

Cash flow for the period was a negative SEK 42.0 M (neg: 63.7), of which cash flow from operating activities accounted for a negative SEK 37.5 M (neg: 58.9) and cash flow from financing activities for a negative SEK 4.5 M (neg: 4.8).

Investments

Investments in tangible fixed assets amounted to SEK 0.0 M (0.0).

Comments on the Parent Company's results and financial position for the period January–September 2017

Net sales for the period amounted to SEK 17.6 M (16.6) and operating expenses to SEK 72.6 M (68.7), which included provisions for expenses related to the change of CEO. The Parent Company's operating loss for the period was SEK 54.9 M (loss: 52.1). Net financial expense amounted to SEK 0.3 M (income: 0.5) and the loss after financial items was SEK 55.1 M (loss: 51.6). Cash and cash equivalents including short-term investments totaled SEK 32.0 M at the end of the period, compared with SEK 73.2 M on January 1, 2017.

Comments on the Parent Company's results and financial position for the period July–September 2017

Net sales for the period amounted to SEK 5.4 M (4.7) and operating expenses to SEK 19.0 M (20.2). The Parent Company's operating loss for the period was SEK 13.5 M (loss: 15.5). Net financial expense amounted to SEK 0.1 M (0.0) and the loss after financial items was SEK 13.6 M (loss: 15.4).

Shareholders' equity

Consolidated shareholder's equity at the end of the period amounted to SEK 137.8 M, compared with SEK 182.6 M at year-end 2016.

The number of shares outstanding at the end of the period totaled 96,824,320. At the end of the period, the equity/assets ratio for the Group was 37.6 percent, compared with 44.2 percent at year-end 2016. The corresponding figures for the Parent Company, Active Biotech AB, were 89.0 percent and 92.7 percent, respectively.

Organization

The average number of employees during the reporting period was 17 (32), of which the number of employees in the research and development organization accounted for 8 (24). At the end of the period, the Group had 17 employees.

Outlook, including significant risks and uncertainties

The partnership agreements with Teva and NeoTX have a decisive impact on the company's future revenues and financial position. Teva will in the fourth quarter of 2017 report the results of the ARPEGGIO study, a Phase II study with laquinimod in Primary Progressive Multiple Sclerosis (PPMS). The results will be crucial for the continued development of laquinimod in multiple sclerosis and thus for Active Biotech's development and financing. In addition, a Phase 2 study in Huntington's disease is ongoing, where results are expected in the second half of 2018. In addition, NeoTX is expected to initiate the clinical development of ANYARA in combination with an immunostimulatory PD-1 inhibitor during the second half of 2018.

At the end of September 2017, the company had a total of SEK 35.6 million in liquid assets, which are expected to finance operations until the end of the second quarter of 2018. In addition, the Board has decided to sell the company's property in Lund. The sales process is initiated. The company has a credit agreement related to the property, the loan liability amounted to SEK 210.8 million on September 30, 2017, and an undertaking versus the lending bank that the company's liquid assets should not fall below SEK 30.0 million. The company has requested that this covenant be waived in the course of the sales process.

In the event that the sale of property is delayed, the liquidity commitment towards the lending bank remains and this could not be met, the Board will examine other funding paths and take the necessary steps to ensure its business over the next 12-month period (going concern).

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. A detailed account of these risks and uncertainties is presented in the Directors' Report in the 2016 Annual Report. The Group's operations are primarily conducted in the Parent company, which is why risks and uncertainties refers to both the Group and the Parent Company.

Consolidated profit and loss	July - Sept.		Jan. - Sept.		Full Year
SEK M	2017	2016	2017	2016	2016
Net sales	**5,1**	**4,1**	**14,8**	**12,0**	**19,0**
Administrative expenses	-2,5	-3,5	-20,1	-12,0	-15,9
Research and development costs	-9,1	-11,7	-38,9	-41,6	-58,2
Operating profit/loss	**-6,5**	**-11,1**	**-44,2**	**-41,6**	**-55,1**
Net financial items	-1,9	-1,9	-5,6	-4,8	-6,7
Profit/loss before tax	**-8,4**	**-13,0**	**-49,7**	**-46,4**	**-61,8**
Tax	0,0	0,6	1,1	1,7	2,2
Net profit/loss for the period	**-8,4**	**-12,4**	**-48,6**	**-44,8**	**-59,6**
Comprehensive loss attributable to:					
Parent Company shareholders	-8,4	-12,4	-48,6	-44,8	-59,6
Non-controlling interests	–	–	–	–	–
Net profit/loss for the period	**-8,4**	**-12,4**	**-48,6**	**-44,8**	**-59,6**
Comprehensive profit/loss per share before dilution (SEK)	-0,09	-0,14	-0,50	-0,50	-0,65
Comprehensive profit/loss per share after dilution (SEK)	-0,09	-0,14	-0,50	-0,50	-0,65

Statement of profit and loss and consolidated comprehensive income	July - Sept.		Jan. - Sept.		Full Year
SEK M	2017	2016	2017	2016	2016
Net profit/loss for the period	-8,4	-12,4	-48,6	-44,8	-59,6
Other comprehensive income					
Items that can not be reclassified into profit or loss					
Change in revaluation reserve	–	1,8	3,6	5,4	7,2
Taxes attributable to other comprehensive income	–	-0,4	-0,8	-1,2	-1,6
Total comprehensive profit/loss for the period	**-8,4**	**-11,0**	**-45,8**	**-40,6**	**-54,0**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-8,4	-11,0	-45,8	-40,6	-54,0
Non-controlling interests	–	–	–	–	–
Total comprehensive profit/loss for the period	**-8,4**	**-11,0**	**-45,8**	**-40,6**	**-54,0**
Depreciation/amortization included in the amount of	0,2	2,9	6,0	8,8	11,8
Investments in tangible fixed assets	–	–	–	–	–
Weighted number of outstanding common shares before dilution (000s)	96824	89908	96824	89908	91041
Weighted number of outstanding common shares after dilution (000s)	96824	89908	96824	89908	91041
Number of shares at close of the period (000s)	96824	89908	96824	89908	96824

Consolidated statement of financial position	Sept. 30		Dec. 31
SEK M	2017	2016	2016
Tangible fixed assets	2,3	328,5	328,1
Long-term receivables	0,0	0,0	0,0
Total fixed assets	**2,3**	**328,5**	**328,1**
Current receivables	6,5	5,9	7,1
Assets for sale	321,8	–	–
Cash and cash equivalents	35,6	39,9	77,7
Total current assets	**363,8**	**45,8**	**84,8**
Total assets	**366,2**	**374,3**	**412,9**
Shareholders equity	137,8	141,7	182,6
Long-term liabilities	205,8	211,6	207,0
Current liabilities	22,6	21,0	23,4
Total shareholders equity and liabilities	**366,2**	**374,3**	**412,9**

Consolidated statement of changes in shareholders equity	Sept. 30		Dec. 31
SEK M	2017	2016	2016
Opening balance	182,6	180,6	180,6
Loss for the period	-48,6	-44,8	-59,6
Other comprehensive income for the period	2,8	4,2	5,6
Comprehensive loss for the period	*-45,8*	*-40,6*	*-54,0*
Transfer from revaluation reserve	1,1	1,7	2,2
New share issue	–	–	53,7
Balance at close of period	**137,8**	**141,7**	**182,6**

Condensed consolidated cash-flow statement	Jan. - Sept.		Full Year
SEK M	2017	2016	2016
Loss after financial items	**-49,7**	**-46,4**	**-61,8**
Adjustment for non-cash items, etc.	6,0	8,8	11,8
Cash flow from operating activities before changes in working capital	**-43,8**	**-37,6**	**-50,0**
Changes in working capital	6,3	-21,3	-23,1
Cash flow from operating activities	**-37,5**	**-58,9**	**-73,2**
New share issue	–	–	53,7
Loans raised/amortization of loan liabilities	-4,5	-4,8	-6,5
Cash flow from financing activities	**-4,5**	**-4,8**	**47,2**
Cash flow for the period	**-42,0**	**-63,7**	**-25,9**
Opening cash and cash equivalents	**77,7**	**103,6**	**103,6**
Closing cash and cash equivalents	**35,6**	**39,9**	**77,7**

	Sept. 30		Dec. 31
Key figures	**2017**	**2016**	**2016**
Shareholders equity, SEK M	137,8	141,7	182,6
Equity per share, SEK	1,42	1,58	1,89
Equity/assets ratio in the Parent Company	89,0%	91,4%	92,7%
Equity/assets ratio in the Group	37,6%	37,9%	44,2%
Average number of annual employees	17	32	28

The equity/assets ratio and equity per share are presented since they are key figures that Active Biotech considers relevant for investors who wish to assess the company's capacity to meet its financial commitments. The equity/assets ratio is calculated by dividing recognized shareholders' equity by recognized total assets. Equity per share is calculated as recognized shareholders' equity divided with number of shares.

Consolidated profit and los

	2013				2014				2015				2016				2017		
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	**2,4**	**2,5**	**107,0**	**4,0**	**2,1**	**2,7**	**2,6**	**2,9**	**2,9**	**3,2**	**5,2**	**5,0**	**3,9**	**3,9**	**4,1**	**7,1**	**4,7**	**5,1**	**5,1**
Administrative expenses	-4,2	-4,6	-3,8	-4,4	-4,5	-5,3	-3,7	-3,5	-5,3	-4,7	-3,8	-4,2	-4,4	-4,1	-3,5	-3,9	-4,1	-13,5	-2,5
Research and dev. costs	-75,2	-77,5	-75,3	-80,0	-56,9	-55,3	-54,6	-55,1	-55,0	-68,7	-23,6	-29,0	-15,6	-14,3	-11,7	-16,7	-15,2	-14,6	-9,1
Operating profit/loss	**-77,0**	**-79,5**	**27,9**	**-80,4**	**-59,2**	**-57,9**	**-55,7**	**-55,6**	**-57,4**	**-70,1**	**-22,2**	**-28,2**	**-16,1**	**-14,5**	**-11,1**	**-13,5**	**-14,6**	**-23,1**	**-6,5**
Net financial items	-1,6	-2,2	0,8	-2,2	-1,5	-0,3	-1,5	-1,9	-1,1	-1,8	-1,8	-2,1	-1,3	-1,6	-1,9	-1,9	-1,8	-1,8	-1,9
Profit/loss before tax	**-78,6**	**-81,7**	**28,7**	**-82,6**	**-60,8**	**-58,2**	**-57,2**	**-57,6**	**-58,5**	**-71,9**	**-23,9**	**-30,3**	**-17,4**	**-16,1**	**-13,0**	**-15,4**	**-16,4**	**-24,9**	**-8,4**
Tax	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	-10,4	0,6	0,6	0,6	0,6	0,6	0,6	-
Net profit/loss for the period	**-78,0**	**-81,2**	**29,2**	**-82,1**	**-60,2**	**-57,7**	**-56,6**	**-57,0**	**-58,0**	**-71,4**	**-23,4**	**-40,8**	**-16,8**	**-15,5**	**-12,4**	**-14,8**	**-15,8**	**-24,4**	**-8,4**

Active Biotech Parent Company - Income Statement, condensed	July - Sept.		Jan. - Sept.		Full Year
SEK M	2017	2016	2017	2016	2016
Net sales	**5,4**	**4,7**	**17,6**	**16,6**	**25,1**
Administration expenses	-6,6	-7,6	-29,2	-24,4	-32,4
Research and development costs	-12,4	-12,6	-43,4	-44,3	-61,7
Operating profit/loss	**-13,5**	**-15,5**	**-54,9**	**-52,1**	**-69,0**
Profit/loss from financial items:					
Interest income and similar income-statement items	0,0	0,0	0,0	0,5	0,5
Interest expense and similar income-statement items	-0,1	0,0	-0,3	0,0	0,0
Profit/loss after financial items	**-13,6**	**-15,4**	**-55,1**	**-51,6**	**-68,6**
Tax	–	–	–	–	–
Net profit/loss for the period	**-13,6**	**-15,4**	**-55,1**	**-51,6**	**-68,6**
Statement of comprehensive income parent company					
Net profit/loss for the period	-13,6	-15,4	-55,1	-51,6	-68,6
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-13,6**	**-15,4**	**-55,1**	**-51,6**	**-68,6**

Active Biotech Parent Company - Balance sheet, condensed	Sept. 30		Dec. 31
SEK M	2017	2016	2016
Goodwill	52,5	68,6	64,6
Tangible fixed assets	0,5	0,5	0,5
Financial fixed assets	40,6	40,6	40,6
Total fixed assets	**93,5**	**109,6**	**105,6**
Current receivables	14,3	13,6	14,9
Short-term investments	29,7	26,7	68,7
Cash and bank balances	2,3	6,3	4,5
Total current assets	**46,3**	**46,6**	**88,1**
Total assets	**139,8**	**156,2**	**193,7**
Shareholders equity	124,5	142,8	179,6
Current liabilities	15,4	13,4	14,1
Total equity and liabilities	**139,8**	**156,2**	**193,7**

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.

During the period, the company has reclassified its property to "Assets for sale". The meaning of this is that the property´s reported value will be recovered mainly through sale and not by use. An asset is classified as an "Asset for sale" if available for immediate sale in its current condition and on terms that are common and it is very likely that the sale will materialize. The property has been reported as a current asset in the Consolidated statement of financial position. At the first classification as "Asset for sale", the property has been reported at fair value less selling expenses. Subsequent changes in value, both gains and losses, are reported in the profit/loss for the year.

Note 2: Fair value of financial instruments

	Sept. 30, 2017	Dec. 31, 2016
SEK M	Level 2	Level 2
Short-term investments	29,7	68,7

The fair value of financial assets and liabilities essentially corresponds to the carrying amount in the balance sheet. For more information, refer to Note 17 in the 2016 Annual Report. No significant changes have occurred in relation to the measurement made at December 31, 2016.

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 2017: February 15, 2018
Interim reports 2018: April 26, August 9 and November 15, 2018
Year-end report 2018: February 14, 2019
Annual General Meeting 2018: May 17, 2018

The reports will be available from these dates at www.activebiotech.com.

Lund, November 9, 2017

Active Biotech AB (publ)

Helén Tuvesson
President and CEO

Review report

Introduction
We have reviewed the summarised interim financial information for Active Biotech AB (publ) on 30 September 2017 and for the nine month period then ended. The board of directors and the CEO 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 International Standard on Review Engagements ISRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review 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 the International Standards on Auditing, ISA, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.
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's part according to IAS 34 and the Annual Accounts Act and for the parent company's part according to the Annual Accounts Act.

Material uncertainty regarding the assumption of going concern
Without qualifying our opinion, we draw attention to the section "Outlook, including significant risks and uncertainties" in the interim report, which states that the company's cash and cash equivalents amounts to MSEK 35.6 at the end of September 2017, which is expected to finance operations until the end of the second quarter of 2018. Furthermore, it is stated that the company has a loan relating to the property owned by the company and that the bank agreement includes an undertaking versus the lending bank that liquidity should never fall below SEK 30.0 million and that the company initiated a sales process for selling the property. These conditions, along with the other circumstances mentioned in the section "Outlook, including significant risks and uncertainties", indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Malmö, 9 November 2017

KPMG AB
Linda Bengtsson
Authorised Public Accountant

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 Phase II development for the treatment of primary progressive multiple sclerosis and Huntington's disease. ANYARA, an immunological substance, has completed clinical Phase I-II/III studies in patients with pancreatic, lung or renal cell cancer. Furthermore, commercial activities are conducted for the tasquinimod, paquinimod and SILC projects. Please visit www.activebiotech.com for more information.

Active Biotech is obligated to make public the information contained in this report pursuant to the EU Market Abuse Regulation. This information was provided to the media, through the agency of the contact person set out above, for publication on November 9, 2017 at 8:30 a.m. CET.