Active Biotech AB
Interim report January – June 2017

Second quarter in brief

- In April, the US Food and Drug Administration (FDA) granted Orphan Drug Designation for tasquinimod for the treatment of multiple myeloma
- The primary clinical endpoint from the Phase III trial of laquinimod in RRMS (CONCERTO study) was not met. The secondary endpoints (brain atrophy, relapse rate and MRI-data) were achieved and in line with previous studies
- Out-licensing activities are continuing for tasquinimod, paquinimod and SILC

Events after the end of the period

- Helén Tuvesson succeeds Tomas Leanderson as President & CEO of the company July 1, 2017
- In July, a patent application for the use of ANYARA in combination with PD-1 inhibitors for the treatment of cancer was published on WIPO's (World Intellectual Property Organization) website www.wipo.int

Financial summary

SEK M	April-June		Jan.-June		Full-year
	2017	2016	2017	2016	2016
Net sales	5.1	3.9	9.8	7.9	19.0
Operating loss	-23.1	-14.5	-37.7	-30.6	-55.1
Loss for the period	-24.4	-15.5	-40.2	-32.3	-59.6
Loss per share, before and after dilution (SEK)	-0.25	-0.17	-0.42	-0.36	-0.65
Cash and cash equivalents (at the end of the period)			47.7	57.4	77.7

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

Comments from the CEO

On July 1, I took up my duties as new CEO of Active Biotech. I have a background in research, with a doctor's degree in Medical Science and have worked in the pharmaceutical industry for more than 20 years. In my previous role as CSO for Active Biotech, I have over the past six years been responsible for research and development and been part of the company's management team. I am looking forward to leading operations as the company now enters a new phase.

The laquinimod projects together with our partner Teva Pharmaceuticals (Teva) remain important to us. In May, we reported jointly that the clinical Phase III trial of laquinimod in relapsing remitting MS, the CONCERTO trial, did not meet the primary endpoint. This was a great disappointment and very surprising since brain atrophy data, relapse rate and MRI results all was to laquinimods advantage. I hope the ongoing analysis of the trial will shed light on and explain the trial results. Complete data will be presented in the near future. During the autumn, we will obtain results from the Phase II trial ARPEGGIO, of laquinimod in primary progressive MS. In Huntington's disease, Phase II results are expected next year.

NeoTX is a committed and enthusiastic partner in the ANYARA project and preparations are well underway to continue clinical development, primarily in lung cancer patients, starting next year.

We will continue to work closely with Teva and NeoTX in developing laquinimod and ANYARA respectively. In addition, our operations will focus on activities to grow the commercial value of the tasquinimod, paquinimod and SILC projects, aimed at signing new partnership agreements.

In April, the US Food and Drug Administration (FDA) granted Orphan Drug Designation for tasquinimod for the treatment of multiple myeloma. The FDA's Orphan Drug Designation program offers, among other benefits, a seven-year period of market exclusivity if marketing authorization is secured. This was an important achievement for tasquinimod and a result of value-creating activities taking place in the project. We have now secured both patent protection and Orphan Drug Designation for tasquinimod in multiple myeloma, a disease with a high medical need and where we see a significant potential for tasquinimod.

Pre-clinical research and patent activities are an important part of the company's current operations, both in collaborating with our partners and to increase the commercial values in other projects. From September, the company's management team will therefore be supplemented with Helena Eriksson, who will be responsible for the company's research and development, including intellectual property rights. Helena has in recent years had overall responsibility for the biological research at Active Biotech and also been responsible for activities related to intellectual property rights.

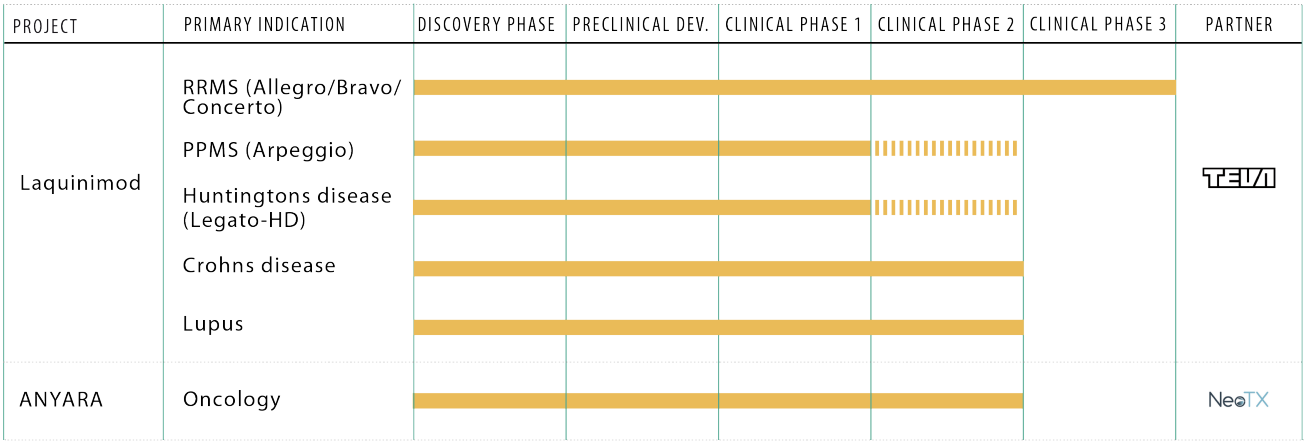
Given the company's reduced need for space, a decision has been taken to initiate a structured process to divest the company's research facility at Ideon in Lund. In addition to allowing the company to focus on its core business, the decision will also strengthen the company's future financing.

August 10, 2017, Helén Tuvesson, President & CEO

Projects

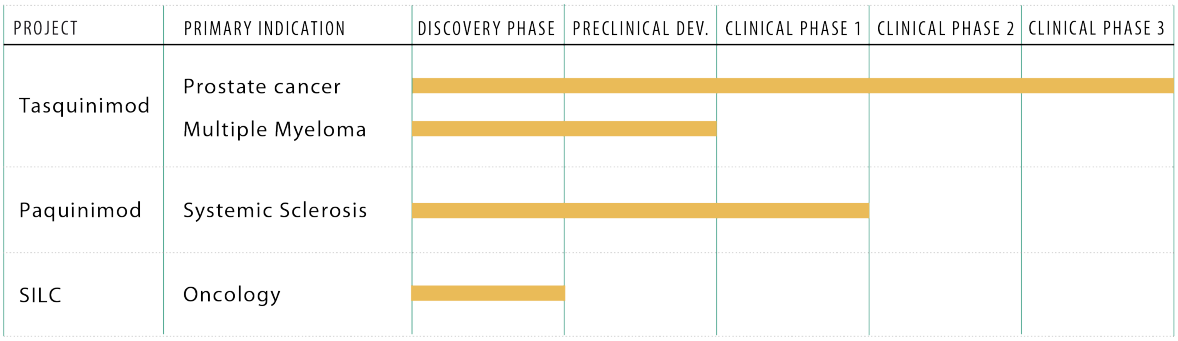
Active Biotech's project portfolio comprises projects under development for neurodegenerative diseases, autoimmunity and cancer.

Projects in ongoing development



Striped = Ongoing

Projects for licensing



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 6 and 9 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% 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% risk reduction ($p=0.0001$). The number of gadolinium-enhancing T1 lesions at month 15, demonstrated a 30% 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. Further evaluation of the CONCERTO trial is ongoing and complete data will be published in a scientific journal and presented at a future medical meeting.

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 H2 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. Results from the study are expected during 2018.

Events during the second quarter
The study results were presented in May from the clinical Phase III trial of laquinimod in relapsing remitting multiple sclerosis (RRMS), the CONCERTO study. The primary endpoint, time to three-month confirmed disability progression (CDP) as measured by the Expanded Disability Status Scale (EDSS), was not met

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 second quarter
The project proceeded according to plan.

Events after the end of the period

A patent application for the use of ANYARA in combination with PD-1 inhibitors was published on July 20. The application (WO2017122098) means that treatment of cancer with ANYARA in combination with PD-1 inhibitors can potentially have patent protection until 2037.

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.

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

Events during the second quarter
The US Food and Drug Administration (FDA) granted Orphan Drug Designation for tasquinimod for the treatment of multiple myeloma.

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 second 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 has 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.

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

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

Events after the end of the period

On June 19, 2017, it was announced that Helén Tuvesson succeeds Tomas Leanderson as President & CEO of Active Biotech AB July 1, 2017.

Financial information

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

Net sales amounted to SEK 9.8 M (7.9) and included service and rental revenues.

The operation's research and administration expenses amounted to SEK 47.4 M (38.5), of which research expenses amounted to SEK 29.8 M (29.9). 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, in total appr. SEK 10 M. During the reporting period, the company's research operations comprised solely activities aimed at supporting projects and patents for previously 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. Due to the fact that Active Biotech's own activities in the company's property Forskaren 1 have gradually declined, a decision was made to divest the premises and a sales process has been initiated. 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 valued at its market value less the estimated selling costs.

The operating loss for the period amounted to SEK 37.7 M (loss: 30.6). The deterioration in earnings compared with the year-earlier period is due to the provisions for costs for the change of CEO and costs in conjunction with the decision to divest the property.

Administration expenses amounted to SEK 17.6 M (8.6), the net financial expense for the period to SEK 3.6 M (expense: 2.9) and the loss after tax to SEK 40.2 M (32.3).

Comments on the Group's results for the period April – June 2017

Net sales amounted to SEK 5.1 M (3.9) and included service and rental revenues.

The operation's research and administration expenses amounted to SEK 28.1 M (18.4), of which research expenses amounted to SEK 14.6 M (14.3). The cost outcome for the period was charged with provisions for costs in connection with the change of CEO and estimated selling expenses for the divestment of the company's research facility. 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 23.1 M (loss: 14.5). The deterioration in earnings compared with the year-earlier period is due to the above-mentioned provision for costs related to the change of CEO and divestment of the company's research facility. Administration expenses amounted to SEK 13.5 M (4.1), the net financial expense for the period to SEK 1.8 M (expense: 1.6) and the loss after tax to SEK 24.4 M (15.5).

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

Cash and cash equivalents at the end of the period amounted to SEK 47.7 M, compared with SEK 77.7 M at the end of 2016.

Cash flow for the period was a negative SEK 30.0 M (neg: 46.2), of which cash flow from operating activities accounted for a negative SEK 27.0 M (neg: 43.0) and cash flow from financing activities for a negative SEK 3.0 M (neg: 3.2).

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 – June 2017

Net sales for the period amounted to SEK 12.2 M (11.9) and operating expenses to SEK 53.6 M (48.5), which included provisions for expenses related to the change of CEO. The Parent Company's operating loss for the period was SEK 41.4 M (loss: 36.6). Net financial expense amounted to SEK 0.1 M (income: 0.4) and the loss after financial items was SEK 41.5 M (loss: 36.2). Cash and cash equivalents including short-term investments totaled SEK 43.5 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 April – June 2017

Net sales for the period amounted to SEK 6.0 M (5.2) and operating expenses to SEK 29.4 M (23.5), which included a provision for costs related to the change of CEO. The Parent Company's operating loss for the period was SEK 23.3 M (loss: 18.3). Net financial expense amounted to SEK 0.1 M (income: 0.1) and the loss after financial items was SEK 23.4 M (loss: 18.2).

Shareholders' equity

Consolidated shareholder's equity at the end of the period amounted to SEK 146.3 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 38.5 percent, compared with 44.2 percent at year-end 2016. The corresponding figures for the Parent Company, Active Biotech AB, were 88.2 percent and 92.7 percent, respectively.

Organization

The average number of employees during the reporting period was 17 (36), of which the number of employees in the research and development organization accounted for 8 (28). At the end of the period, the Group had 17 employees.

Outlook, including significant risks and uncertainties

In the long term, the existing partnership agreements with Teva and NeoTX have a decisive impact on the company's future revenues and financial position. Existing liquidity, financial and tangible assets will finance operations until a possible marketing authorization for laquinimod and ANYARA has been obtained. The decision has been taken to divest the company's property and a sales process has been initiated.

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 refer to both the Group and the Parent Company.

Consolidated profit and loss	**April - June**		**Jan. - June**		**Full Year**
SEK M	**2017**	**2016**	**2017**	**2016**	**2016**
Net sales	**5,1**	**3,9**	**9,8**	**7,9**	**19,0**
Administrative expenses	-13,5	-4,1	-17,6	-8,6	-15,9
Research and development costs	-14,6	-14,3	-29,8	-29,9	-58,2
Operating profit/loss	**-23,1**	**-14,5**	**-37,7**	**-30,6**	**-55,1**
Net financial items	-1,8	-1,6	-3,6	-2,9	-6,7
Profit/loss before tax	**-24,9**	**-16,1**	**-41,3**	**-33,4**	**-61,8**
Tax	0,6	0,6	1,1	1,1	2,2
Net profit/loss for the period	**-24,4**	**-15,5**	**-40,2**	**-32,3**	**-59,6**
Comprehensive loss attributable to:					
Parent Company shareholders	-24,4	-15,5	-40,2	-32,3	-59,6
Non-controlling interests	–	–	–	–	–
Net profit/loss for the period	**-24,4**	**-15,5**	**-40,2**	**-32,3**	**-59,6**
Comprehensive profit/loss per share before dilution (SEK)	-0,25	-0,17	-0,42	-0,36	-0,65
Comprehensive profit/loss per share after dilution (SEK)	-0,25	-0,17	-0,42	-0,36	-0,65

Statement of profit and loss and consolidated comprehensive income	April - June		Jan. - June		Full Year
SEK M	2017	2016	2017	2016	2016
Net profit/loss for the period	-24,4	-15,5	-40,2	-32,3	-59,6
Other comprehensive income					
Items that can not be reclassified into profit or loss					
Change in revaluation reserve	1,8	1,8	3,6	3,6	7,2
Taxes attributable to other comprehensive income	-0,4	-0,4	-0,8	-0,8	-1,6
Total comprehensive profit/loss for the period	**-23,0**	**-14,1**	**-37,4**	**-29,5**	**-54,0**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-23,0	-14,1	-37,4	-29,5	-54,0
Non-controlling interests	–	–	–	–	–
Total comprehensive profit/loss for the period	**-23,0**	**-14,1**	**-37,4**	**-29,5**	**-54,0**
Depreciation/amortization included in the amount of	2,9	2,9	5,8	5,9	11,8
Investments in tangible fixed assets	0,0	0,0	0,0	0,0	–
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	June 30		Dec. 31
SEK M	2017	2016	2016
Tangible fixed assets	2,5	328,9	328,1
Long-term receivables	0,0	0,0	0,0
Total fixed assets	**2,5**	**328,9**	**328,1**
Current receivables	7,4	7,5	7,1
Assets for sale	321,8	–	–
Cash and cash equivalents	47,7	57,4	77,7
Total current assets	**376,9**	**64,9**	**84,8**
Total assets	**379,4**	**393,8**	**412,9**
Shareholders equity	146,3	152,2	182,6
Long-term liabilities	207,3	213,1	207,0
Current liabilities	25,9	28,5	23,4
Total shareholders equity and liabilities	**379,4**	**393,8**	**412,9**

Consolidated statement of changes in shareholders equity	June 30		Dec. 31
SEK M	2017	2016	2016
Opening balance	182,6	180,6	180,6
Transfer from revaluation reserve	1,1	1,1	2,2
New share issue	0,0	0,0	53,7
Net loss for the period	-37,4	-29,5	-54,0
Balance at close of period	**146,3**	**152,2**	**182,6**

Condensed consolidated cash-flow statement	Jan. - June		Full Year
SEK M	2017	2016	2016
Loss after financial items	**-41,3**	**-33,4**	**-61,8**
Adjustment for non-cash items, etc.	5,8	5,9	11,8
Cash flow from operating activities before changes in working capital	**-35,6**	**-27,5**	**-50,0**
Changes in working capital	8,5	-15,4	-23,1
Cash flow from operating activities	**-27,0**	**-43,0**	**-73,2**
New share issue	–	–	53,7
Loans raised/amortization of loan liabilities	-3,0	-3,2	-6,5
Cash flow from financing activities	**-3,0**	**-3,2**	**47,2**
Cash flow for the period	**-30,0**	**-46,2**	**-25,9**
Opening cash and cash equivalents	**77,7**	**103,6**	**103,6**
Closing cash and cash equivalents	**47,7**	**57,4**	**77,7**

	June 30		Dec. 31
Key figures	**2017**	**2016**	**2016**
Shareholders equity, SEK M	146,3	152,2	182,6
Equity per share, SEK	1,51	1,69	1,89
Equity/assets ratio in the Parent Company	88,2%	88,2%	92,7%
Equity/assets ratio in the Group	38,5%	38,6%	44,2%
Average number of annual employees	17	36	28

The equity/assets ratio is presented since this is a key figure that Active Biotech considers relevant for investors who wish to assess the company's capacity to meets its financial commitments. The key figure is calculated by dividing recognized shareholders' equity by recognized total assets.

Consolidated profit and los

	2012				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	Q4	Q1	Q2
Net sales	**2,6**	**94,0**	**39,8**	**91,5**	**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**
Administrative expenses	-3,8	-4,2	-3,2	-4,7	-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
Research and dev. costs	-99,4	-109,7	-84,8	-81,3	-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
Operating profit/loss	**-100,7**	**-19,9**	**-48,2**	**5,5**	**-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**
Net financial items	1,0	-5,3	-4,1	-0,4	-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
Profit/loss before tax	**-99,6**	**-25,1**	**-52,3**	**5,1**	**-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**
Tax	0,6	0,6	0,6	-5,0	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	**-99,0**	**-24,5**	**-51,6**	**0,1**	**-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**

Active Biotech Parent Company - Income Statement, condensed	Apr. - June		Jan. - June		Full Year
SEK M	2017	2016	2017	2016	2016
Net sales	**6,0**	**5,2**	**12,2**	**11,9**	**25,1**
Administration expenses	-14,4	-8,3	-22,6	-16,8	-32,4
Research and development costs	-15,0	-15,2	-31,0	-31,7	-61,7
Operating profit/loss	**-23,3**	**-18,3**	**-41,4**	**-36,6**	**-69,0**
Profit/loss from financial items:					
Interest income and similar income-statement items	0,0	0,1	0,0	0,4	0,5
Interest expense and similar income-statement items	-0,1	0,0	-0,1	0,0	0,0
Profit/loss after financial items	**-23,4**	**-18,2**	**-41,5**	**-36,2**	**-68,6**
Tax	0,0	0,0	–	–	–
Net profit/loss for the period	**-23,4**	**-18,2**	**-41,5**	**-36,2**	**-68,6**
Statement of comprehensive income parent company					
Net profit/loss for the period	-23,4	-18,2	-41,5	-36,2	-68,6
Other comprehensive income	0,0	0,0	–	–	–
Total comprehensive profit/loss for the period	**-23,4**	**-18,2**	**-41,5**	**-36,2**	**-68,6**

Active Biotech Parent Company - Balance sheet, condensed	June 30		Dec. 31
SEK M	2017	2016	2016
Goodwill	56,5	72,7	64,6
Tangible fixed assets	0,5	0,5	0,5
Financial fixed assets	40,6	40,6	40,6
Total fixed assets	**97,5**	**113,7**	**105,6**
Current receivables	15,5	18,8	14,9
Short-term investments	39,7	41,7	68,7
Cash and bank balances	3,8	5,2	4,5
Total current assets	**59,0**	**65,7**	**88,1**
Total assets	**156,6**	**179,4**	**193,7**
Shareholders equity	138,1	158,3	179,6
Current liabilities	18,5	21,1	14,1
Total equity and liabilities	**156,6**	**179,4**	**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.

Note 2: Fair value of financial instruments

	June 30, 2017	Dec. 31, 2016
SEK M	Level 2	Level 2
Short-term investments	39,7	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

Interim reports 2017: November 9
Year-end report 2017: February 15, 2018

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

Lund, August 10, 2017

Active Biotech AB (publ)

Mats Arnhög	Magnhild Sandberg-Wollheim	Peter Sjöstrand
Chairman	*Board member*	*Board member*
Peter Thelin	Helén Tuvesson	
Board member	*President and CEO*	

This interim report is unaudited.

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 trials 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 and the Securities Markets Act. This information was provided to the media, through the agency of the contact person set out above, for publication on August 10, 2017 at 08.30 a.m. CET.