

PRESS RELEASE

Active Biotech provides updated information about the company's financial position - the company currently lacks funding to ensure its operations for the coming twelve-month period

Active Biotech (Nasdaq Stockholm: ACTI) provides updated information about the company's financial situation. As informed by the company in the interim report for January-September 2017, the partnership agreements with Teva Pharmaceutical Industries Ltd and NeoTX Therapeutics Ltd have a decisive impact on the company's future revenues and financial position. In addition, as stated in the interim report, the Board has decided to sell the company's property in Lund as a possible way of generating additional liquidity for the company.

On December 1, 2017, the ARPEGGIO study, with laquinimod in primary progressive MS (PPMS) sponsored by Teva, was reported not to achieve its primary end point. The results have a decisive negative impact on the continued development of laquinimod in PPMS and thus also on Active Biotech's development and financing, as the ability to carry out capital acquisition from current or new owners deteriorated significantly.

The sales process initiated by the board regarding the company's property in Lund is ongoing but has not yet led to completion. A write-down requirement regarding the value of the property may be applicable.

The company has a credit agreement regarding the property. The loan debt amounted to SEK 210.8 million on September 30, 2017. The company has a covenant with the lending bank that the company's liquidity should never fall below SEK 30 million. The company has requested that this covenant will be waived by the bank in the course of the sales process, together with a deferred amortization during the same period. However, no agreement has yet been reached with the lending bank.

Active Biotech wants to raise attention to that the above will, unless a sale of the property at a value generating additional liquidity or another solution is achieved, lead to that the company will lack funding to ensure its business the coming twelve-month period. The company currently has liquidity deemed necessary to finance operations until the end of the second quarter of 2018.

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Active Biotech AB (publ)

Helén Tuveßon
President and CEO

For further information, please contact:

Mats Arnhög, Chairman of the Board
Tel. +46 8 545 03 770
Mobile +46 705 91 50 96

Helén Tuveßon, President and CEO
Tel. +46 46 19 21 56

Hans Kolam, CFO
Tel. +46 46 19 20 44



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 development for neurodegenerative diseases in partnership with Teva Pharmaceutical Industries Ltd. ANYARA, an immunotherapy, in development for cancer indications in partnership with NeoTX Therapeutics Ltd. Furthermore, commercial activities are conducted for the tasquinimod, paquinimod and SILC projects. Please visit www.activebiotech.com for more information.

Active Biotech AB
(Corp. Reg. No. 556223-9227)
Box 724, SE-220 07 Lund, Sweden
Tel: +46 (0)46 19 20 00

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