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Active Biotech announces rights issue of approximately SEK 48 million

The board of directors of Active Biotech AB (publ) ("Active Biotech" or the "Company") has resolved to make a rights issue of approximately SEK 48 million before issue costs.

The shareholders of the Company shall be entitled to subscribe for the new shares with pre-emptive rights, whereby two existing shares shall entitle to subscription for one new share. The subscription price shall be SEK 1 per share. Subscription shall be made during the period 28 March – 11 April 2018. The Board's proposal is submitted to an extraordinary general meeting to be held on 19 March 2018.

The Company has entered subscription commitments and issue guarantee of approximately SEK 30 million, corresponding to approximately 61 percent of the rights issue.

Background and reasons

The partnership agreements with Teva and NeoTX remain a decisive factor to the Company's future revenues and financial position. Teva finances a Phase 2 study of laquinimod for Huntington's disease, where results are expected during the second half of 2018. In addition, NeoTX is expected to initiate the clinical development of ANYARA in combination with an immunostimulating PD-1 inhibitor during the second half of 2018. The Company focuses its activities to secure value growth and to conduct commercial activities aimed at entering new partnership agreements for the other projects; tasquinimod in multiple myeloma, paquinimod for SSc and SILC in immuno-oncology.

The rights issue that is now being made aims at providing Active Biotech with the financial stability required to await the outcome of the ongoing clinical studies and to conduct negotiations with partners regarding the other development projects. The proceeds from the rights issue, approximately SEK 48 million at full subscription, are intended to be used mainly for general working capital purposes. The Company's existing liquidity, the proceeds from the rights issue, proceeds from planned divestment of the Company's property, together with revenues from existing and anticipated partnership agreements, are expected to finance the operations in accordance with existing plans.

The rights issue

The Board of Directors proposes that the Company's share capital shall be increased with not more than SEK 250,000 through issue of not more than 48,412,160 new shares.

The shareholders of the Company shall be entitled to subscribe for the new shares with pre-emptive rights, whereby two existing shares shall entitle to subscription for one new share. Subscription can also be made without any pre-emptive rights, as set forth in the complete issue resolution.

The subscription price in the rights issue shall be SEK 1 per share. The record date for the right to participate in the rights issue shall be 26 March 2018. Subscription for new shares shall be made during the period 28 March – 11 April 2018. The last day for trading in the Active Biotech share including the right to participate in the rights issue is 22 March 2018.

MGA Holding AB, Nordstjernan AB, Peter Sjöstrand and Peter Thelin (with companies) have undertaken to subscribe for their respective pre-emptive parts of the rights issue, corresponding to approximately 41 percent of the rights issue. In addition, Peter Thelin has entered an issue guarantee of SEK 10 million,

corresponding to approximately 21 percent of the rights issue. Accordingly, the rights issue is covered by subscription commitments and issue guarantee of approximately SEK 30 million, corresponding to approximately 61 percent of the rights issue. The above mentioned parties have also undertaken to vote in favour of the rights issue at the extraordinary general meeting.

The Board's proposal on the rights issue will be submitted to an extraordinary general meeting to be held on 19 March 2018. Notice of the general meeting will be announced through a separate press release today. A prospectus regarding the rights issue will be made public before the subscription period begins.

Preliminary timetable

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|--------------------------|--|
| 22 March 2018 | Last day for trading in the Active Biotech share including the right to participate in the rights issue. |
| 26 March 2018 | Record date for the right to participate in the rights issue. |
| 28 March – 11 April 2018 | Subscription period |
| 28 March – 9 April 2018 | Trading in subscription rights |

Financial calendar

In light of the rights issue, Active Biotech will make public its interim report for the first quarter 2018 on 17 May 2018, instead of 26 April 2018 as previously announced.

Advisors

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 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.

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This 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 person set out above, at 08.31 CET on 15 February 2018.

IMPORTANT INFORMATION

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The new shares, BTAs and subscription rights have not been recommended or approved by any United States federal or state securities commission or regulatory authority. No new shares, BTAs, 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 offering in the United States or to conduct a public offering of securities in the United States.

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