Active Biotech AB
Interim report January – March 2019

First quarter in brief

- Active Biotech's partner NeoTX entered clinical collaboration with AstraZeneca to evaluate ANYARA ("naptumumab") in combination with IMFINZI® (durvalumab) in the upcoming Phase Ib/II study
- On 1 February 2019, Active Biotech received an indicative, non-binding bid of SEK 275 M for the company's property from the real estate company Estea AB. The indicative bid is conditional on the customary due diligence process and Estea securing financing. Active Biotech's Board takes a positive view of the bid
- Active Biotech entered into an agreement regarding the sale of the company's property Forskaren 1 in Lund, Sweden, with a newly formed investor collective led by the real estate company Estea AB
- The US Patent Office (USPTO) approved the patent application regarding tasquinimod for the treatment of acute leukemia in the US

Events after the end of the period

- In accordance with the Board's proposal, the Extraordinary General Meeting on April 4, 2019, resolved to approve the sale of the company's property to Estea AB
- Active Biotech completed the sale of the property, Forskaren 1, to Estea AB on April 5, 2019. The purchase price amounts to SEK 275 M, which corresponds to the property's carrying amount. The transaction generated a liquidity injection of approximately SEK 70 M

Financial summary

SEK M	Jan-Mar		Full-year
	2019	2018	2018
Net sales	5.5	4.8	20.1
Operating loss	-6.4	-8.5	-29.8
Loss after tax	-8.1	-10.2	-36.9
Loss per share (SEK)	-0.06	-0.11	-0.27
Cash and cash equivalents (at close of the period)	16.4	12.8	25.6

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The report is also available at https://www.activebiotech.com/en.

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 April 25, 2019, at 08.30 a.m. CET.

Comments from the CEO

At the beginning of the year, our focus has been on completing the sale of the company's property. On February 1, the real estate company Estea submitted an indicative, non-binding bid for the property, amounting to SEK 275 M, and after the buyer carried out the due diligence process and secured financing, an agreement was reached for the sale. On April 5, the property was transferred to a newly formed investor collective led by the real estate company Estea AB after approval was given at the Extraordinary General Meeting held on April 4, 2019. The property sale entails a capital injection of approximately SEK 70 M that, together with the rights issue of approximately SEK 47 M that was completed in 2018, is expected to finance the company under the current business plan.

On February 11, we could announce that a NeoTX had entered a clinical collaboration with AstraZeneca to investigate the safety and efficacy of naptumumab in combination with IMFINZI®. NeoTX will sponsor the study, while AstraZeneca will supply the combination drug, IMFINZI® (durvalumab), a PD-L1 checkpoint inhibitor. The collaboration with AstraZeneca validates the project and is an important step towards the start of the planned clinical Phase Ib/II study in patients with hard-to-treat cancer. The study will enroll up to 195 patients and begin this year.

For tasquinimod, we are continuing the development relating to multiple myeloma and we are preparing for the first clinical trial in this indication. In parallel we are continuing our efforts to secure a partner or alternatively find other sources of funding for the project. The US Patent Office (USPTO) recently approved the patent application regarding tasquinimod for the treatment of acute leukemia in the US. This is a result of an active strategy to ensure the best possible patent protection for the project.

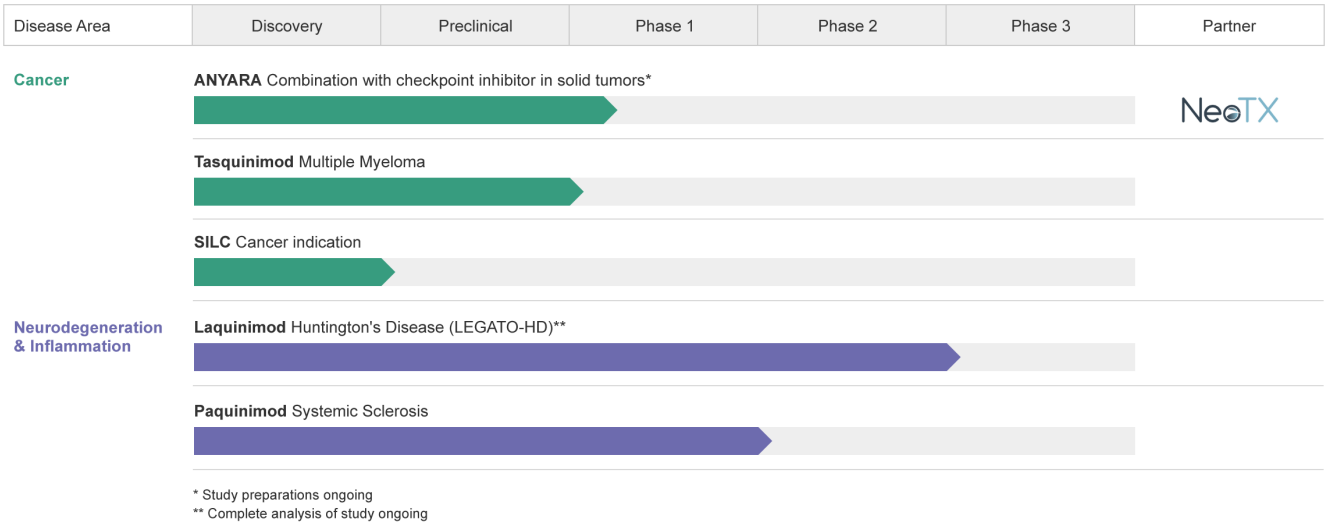
In the laquinimod project, which we regained from Teva last year, we are working together with scientific, clinical and regulatory experts to develop a strategy for its continued development. Further data from the LEGATO-HD study will be presented by Coordinating Principal Investigator Ralf Reilmann on May 6 during the Annual Meeting of the American Academy of Neurology (AAN) in Philadelphia.

I want to conclude by welcoming Estea as the property owner of the "Active Biotech building" at Ideon in Lund. For Active Biotech, the sale of the property is a very important step enabling us to focus entirely on our core operation; our projects in important disease areas, such as cancer and neurodegeneration, where the medical need is high.

Helén Tuvesson, CEO

Projects

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



Laquinimod

Laquinimod is a CNS-active immunomodulator with a new novel mechanism of action being developed as an oral treatment (once-daily) for neurodegenerative diseases. Active Biotech has since 2004 had an agreement with Teva Pharmaceutical Industries Ltd (Teva) covering the development and commercialization of laquinimod.

The global clinical development program that evaluated laquinimod in relapsing remitting multiple sclerosis (RRMS) includes three completed Phase III trials: ALLEGRO, BRAVO and CONCERTO. The 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. Other trial results show that secondary relapse-related endpoints and MRI parameters were achieved, in line with previous studies. The excellent clinical safety profile of laquinimod 0.6 mg daily, which has been previously studied with over 14,000 patient-years of exposure, was confirmed in the CONCERTO trial. Based on the results of CONCERTO, Teva, as previously announced, does not intend to continue the development of laquinimod in RRMS. Complete data will be published in a scientific journal.

In April 2015, the first patient was enrolled in the ARPEGGIO study, a placebo-controlled Phase II trial evaluating laquinimod in primary progressive multiple sclerosis (PPMS). Results from the study were communicated in December 2017 and the primary endpoint, brain atrophy, as defined by percent brain volume change (PBVC) from baseline to week 48, was not met after daily oral doses of 0.6 mg laquinimod. In April 2018, data from the trial was presented at the Annual Meeting of the American Academy of Neurology (AAN).

Laquinimod has been evaluated for the treatment of Huntington's disease (HD), a rare neurodegenerative disease, for which laquinimod has been granted Orphan Drug Designation by the FDA. Initial results from the clinical Phase II study LEGATO-HD evaluating daily doses of laquinimod as potential treatment of Huntington's disease patients were announced in July 2018. The primary study endpoint, change in "Unified Huntington's Disease Rating Scale-Total Motor Score" (UHDRS-TMS) after 12 months of treatment with laquinimod, 1 mg daily, compared with placebo was not achieved. However, the secondary endpoint, reduction in brain atrophy (caudatus volume) was achieved. Laquinimod showed excellent safety in the study. Analysis and evaluation of exploratory study endpoints is in progress.

The results of the study were presented at two different scientific conferences in the autumn of 2018, "Huntington Study Group, HSG 2018" and "European Huntington´s Disease Network" annual meeting.

At the end of August, Active Biotech regained global rights to the development and commercialization of laquinimod from Teva. This was a consequence of Teva's decision not to continue the clinical development of laquinimod in Huntington's disease. Teva had previously decided to terminate the development of laquinimod in MS.

ANYARA

ANYARA (Naptumumab Estafenatox, "naptumumab") is a tumor-targeting superantigen (TTS) compound that increases the immune system's capacity to identify and kill tumors. Active Biotech has since 2016 an agreement with NeoTX Therapeutics Ltd (NeoTX) covering the development and commercialization of naptumumab.

Clinically, the development of naptumumab 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 naptumumab 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 naptumumab 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 naptumumab in combination with interferon alpha in renal cell cancer demonstrated a favorable safety profile, but did not achieve its primary endpoint of showing prolonged overall survival (OS) in the intention to treat (ITT) population.

In April 2018, NeoTX presented new preclinical data at the American Association for Cancer Research (AACR) scientific conference. The data presented demonstrates a synergistic anti-tumor effect when naptumumab is combined with a PD-1 checkpoint inhibitor in several different tumor models that normally respond poorly or not at all to PD-1 inhibition. The planned clinical trial will be carried out in combination with a checkpoint inhibitor, a combination strategy in line with naptumumab's mode of action and supported by preclinical data.

Events during the first quarter
Active Biotech's partner NeoTX entered clinical collaboration with AstraZeneca to evaluate naptumumab in combination with IMFINZI® (durvalumab) in the upcoming Phase Ib/II study.

Tasquinimod

Tasquinimod is an orally active immunomodulatory compound 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. Patents for the treatment of this cancer form with tasquinimod were granted in Europe and the US, giving tasquinimod patent protection until 2035. Tasquinimod has Orphan Drug Status for the treatment of multiple myeloma in the US.

A scientific collaboration with the Wistar Institute in Philadelphia on tasquinimod to support the clinical development in multiple myeloma has been initiated.

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

Events during the first quarter
The US Patent Office (USPTO) approved the patent application regarding tasquinimod for the treatment of acute leukemia in the US.

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.

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 compounds that block the function of S100A9 represent a new therapeutic alternative 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. To date, patents have been granted for two patent families in several strategic markets.

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

Events after the balance-sheet date

On April 5, 2019, Active Biotech announced the completion of the sale of the company's property Forskaren 1 in Lund, Sweden, to a newly formed investor collective led by the real estate company Estea AB.

Active Biotech's largest shareholder, MGA Holding AB, had, on the request of Estea, declared its willingness to participate with up to 40 percent of Estea's equity financing. Hence, the sale was conditional approval by the shareholders of Active Biotech. Such approval was given at the Extraordinary General Meeting held on April 4, 2019, where after the sale was completed on April 5, 2019.

The purchase price amounted to SEK 275 M, which corresponded to the property's carrying amount. Together with the rights issue of approximately SEK 47 M that was completed in 2018, the proceeds from the sale of the property, amounting to approximately SEK 70 M, are expected to finance the company's operations under the current business plan.

Comments on the Group's results for the period January – March 2019

Net sales amounted to SEK 5.5 M (4.8) and included service and rental revenues, of which rental revenues totaled SEK 4.7 M (4.1).

The operation's research and administration expenses amounted to SEK 11.9 M (13.4), of which research expenses totaled SEK 9.1 M (10.5), equivalent to a 13-percent reduction in expenses. During the reporting period, the company's research operations solely comprised activities aimed at supporting projects and patents for the previously out-licensed ANYARA project, costs related to the technology transfer of laquinimod from Teva, and activities to improve the possibilities for identifying partners for the tasquinimod, paquinimod and SILC projects.

The operating loss for the period amounted to SEK 6.4 M (loss: 8.5). The year-on-year improvement in earnings was attributable to cost reductions carried out in operations. Administrative expenses amounted to SEK 2.8 M (2.9), the net financial expense for the period to SEK 1.7 M (expense: 1.7) and the loss after tax to SEK 8.1 M (loss: 10.2).

Cash flow, liquidity and financial position, Group, for the period January – March 2019

Cash and cash equivalents at the end of the period amounted to SEK 16.4 M, compared with SEK 25.6 M at the end of 2018.

Cash flow for the period was a negative SEK 9.1 M (neg: 12.4), of which cash flow from operating activities accounted for a negative SEK 7.7 M (neg: 10.5). Cash flow from financing activities totaled a negative SEK 1.4 M (neg: 1.8).

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 – March 2019

Net sales for the period amounted to SEK 4.8 M (6.2) and operating expenses to SEK 12.2 M (16.0). The Parent Company's operating loss for the period was SEK 7.4 M (loss: 9.7). Net financial income amounted to SEK 0.0 M (0.0) and the loss after financial items was SEK 7.4 M (loss: -9.7). Cash and cash equivalents including short-term investments totaled SEK 16.2 M at the end of the period, compared with SEK 24.2 M on January 1, 2019.

Shareholders' equity

Consolidated shareholders' equity at the end of the period amounted to SEK 79.8 M, compared with SEK 87.9 M at year-end 2018.

The number of shares outstanding at the end of the period totaled 145,236,480. At the end of the period, the equity/assets ratio for the Group was 27.2 percent, compared with 29.1 percent at year-end 2018. The corresponding figures for the Parent Company, Active Biotech AB, were 86.1 percent and 87.3 percent, respectively.

Organization

The average number of employees during the reporting period was 13 (17), of which the number of employees in the research and development organization accounted for 5 (8). At the end of the period, the Group had 12 employees.

Outlook, including significant risks and uncertainties

Outlook, including significant risks and uncertainties

Active Biotech's ability to develop pharmaceutical projects to the point at which partnership agreements can be concluded and the partner assumes responsibility for the future development and commercialization of the project is decisive for the company's long-term financial strength and stability. The partnership agreement entered with NeoTX in 2016 will have an impact on the company's future revenues and financial position. NeoTX is expected to initiate the clinical development of naptumumab in combination with an immunostimulating PD-L1 inhibitor in 2019. The take-back of laquinimod from Teva in 2018 gives Active Biotech the opportunity to develop a strategy for a continuation of the development of laquinimod, primarily in Huntington's disease. The goal is to attract a collaboration partner for the further clinical and commercial development of the project.

In addition, the company is focusing its activities on pursuing commercial activities aimed at identifying partners for other projects: tasquinimod in multiple myeloma, paquinimod for systemic sclerosis and SILC in immuno-oncology.

Available liquidity and the capital infusion generated by the sale of the property in April 2019, in combination with income from existing and anticipated partner agreements are, according to current plans, assumed to be sufficient to finance operations.

A research company such as Active Biotech is characterized by 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 2017 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	Jan-Mar		Full Year
SEK M	2019	2018	2018
Net sales	**5,5**	**4,8**	**20,1**
Administrative expenses	-2,8	-2,9	-10,6
Research and development costs	-9,1	-10,5	-39,3
Operating profit/loss	**-6,4**	**-8,5**	**-29,8**
Net financial items	-1,7	-1,7	-7,0
Profit/loss before tax	**-8,1**	**-10,2**	**-36,9**
Tax	–	–	–
Net profit/loss for the period	**-8,1**	**-10,2**	**-36,9**
Comprehensive profit/loss attributable to:			
Parent Company shareholders	-8,1	-10,2	-36,9
Non-controlling interest	–	–	–
Net profit/loss for the period	**-8,1**	**-10,2**	**-36,9**
Comprehensive profit/loss per share before dilution (SEK)	-0,06	-0,11	-0,27
Comprehensive profit/loss per share after dilution (SEK)	-0,06	-0,11	-0,27

Statement of profit and loss and consolidated comprehensive income	Jan-Mar		Full Year
SEK M	2019	2018	2018
Net profit/loss for the period	-8,1	-10,2	-36,9
Other comprehensive income	–	–	–
Total comprehensive profit/loss for the period	**-8,1**	**-10,2**	**-36,9**
Total other comprehensive profit/loss for the period attributable to:			
Parent Company shareholders	-8,1	-10,2	-36,9
Non-controlling interest	–	–	–
Total comprehensive profit/loss for the period	**-8,1**	**-10,2**	**-36,9**
Depreciation/amortization included in the amount of	0,0	0,2	0,4
Investments in tangible fixed assets	–	–	–
Weighted number of outstanding common shares before dilution (000s)	145 236	96 824	137 492
Weighted number of outstanding common shares after dilution (000s)	145 236	96 824	137 492
Number of shares at close of the period (000s)	145 236	96 824	145 236

Consolidated statement of financial position	Mar 31		Dec 31
SEK M	2019	2018	2018
Tangible fixed assets	2,2	1,6	1,3
Long-term receivables	0,0	0,0	0,0
Total fixed assets	**2,2**	**1,6**	**1,3**
Current receivables	3,4	5,1	3,9
Assets held for sale	271,8	271,8	271,8
Cash and cash equivalents	16,4	12,8	25,6
Total current assets	**291,5**	**289,6**	**301,2**
Total assets	**293,7**	**291,2**	**302,4**
Shareholders equity	79,8	67,1	87,9
Long-term liabilities	1,1	0,2	0,1
Current liabilities	212,9	223,9	214,4
Total shareholders equity and liabilities	**293,7**	**291,2**	**302,4**

Consolidated statement of changes in shareholders equity	Mar 31		Dec 31
SEK M	2019	2018	2018
Opening balance	87,9	77,7	77,7
Loss for the period	-8,1	-10,2	-36,9
Other comprehensive income for the period	–	–	–
Comprehensive profit/loss for the period	*-8,1*	*-10,2*	*-36,9*
New share issue	–	-0,3	47,1
Balance at close of period	**79,8**	**67,1**	**87,9**

Condensed consolidated cash-flow statement	Jan-Mar		Full Year
SEK M	2019	2018	2018
Loss after financial items	**-8,1**	**-10,2**	**-36,9**
Adjustment for non-cash items, etc.	0,0	0,2	0,4
Cash flow from operating activities before changes in working capital	**-8,1**	**-10,1**	**-36,4**
Changes in working capital	0,3	-0,4	-4,2
Cash flow from operating activities	**-7,7**	**-10,5**	**-40,6**
New share issue	–	-0,3	47,1
Loans raised/amortization of loan liabilities	-1,4	-1,5	-6,1
Cash flow from financing activities	**-1,4**	**-1,8**	**41,0**
Cash flow for the period	**-9,1**	**-12,4**	**0,4**
Opening cash and cash equivalents	**25,6**	**25,2**	**25,2**
Closing cash and cash equivalents	**16,4**	**12,8**	**25,6**

	Mar 31		Dec 31
Key figures	**2019**	**2018**	**2018**
Shareholders equity, SEK M	79,8	67,1	87,9
Equity per share, SEK	0,55	0,69	0,61
Equity/assets ratio in the Parent Company	86,1%	74,8%	87,3%
Equity/assets ratio in the Group	27,2%	23,1%	29,1%
Average number of annual employees	13	17	16

The equity/assets ratio and equity per share are presented since these are performance measures that Active Biotech considers relevant for investors who wish to assess the company´s capacity to meets its financial commitments. The equity/assets ratio is calculated by dividing recognized shareholders´equity by recognizes total assets. Equity per share is calculated by dividing recognized shareholders´equity by the number of shares.

Consolidated profit and loss	2015				2016				2017				2018				2019
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Sales	**2,9**	**3,2**	**5,2**	**5,0**	**3,9**	**3,9**	**4,1**	**7,1**	**4,7**	**5,1**	**5,1**	**5,4**	**4,8**	**5,7**	**4,7**	**4,8**	**5,5**
Administration expenses	-5,3	-4,7	-3,8	-4,2	-4,4	-4,1	-3,5	-3,9	-4,1	-10,2	-2,5	-3,3	-2,9	-2,6	-2,5	-2,5	-2,8
Research and development costs	-55,0	-68,7	-23,6	-29,0	-15,6	-14,3	-11,7	-16,7	-15,2	-14,6	-9,1	-10,4	-10,5	-10,4	-9,1	-9,4	-9,1
Other operating expenses	–	–	–	–	–	–	–	–	–	-3,3	–	-50,0	–	–	–	–	–
Operating profit/loss	**-57,4**	**-70,1**	**-22,2**	**-28,2**	**-16,1**	**-14,5**	**-11,1**	**-13,5**	**-14,6**	**-23,1**	**-6,5**	**-58,4**	**-8,5**	**-7,3**	**-6,9**	**-7,1**	**-6,4**
Net financial items	-1,1	-1,8	-1,8	-2,1	-1,3	-1,6	-1,9	-1,9	-1,8	-1,8	-1,9	-1,8	-1,7	-1,7	-1,8	-1,8	-1,7
Profit/loss before tax	**-58,5**	**-71,9**	**-23,9**	**-30,3**	**-17,4**	**-16,1**	**-13,0**	**-15,4**	**-16,4**	**-24,9**	**-8,4**	**-60,1**	**-10,2**	**-9,1**	**-8,7**	**-8,9**	**-8,1**
Tax	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	**-58,0**	**-71,4**	**-23,4**	**-40,8**	**-16,8**	**-15,5**	**-12,4**	**-14,8**	**-15,8**	**-24,4**	**-8,4**	**-60,1**	**-10,2**	**-9,1**	**-8,7**	**-8,9**	**-8,1**

Active Biotech Parent Company - Income Statement, condensed	Jan-Mar		Full Year
SEK M	2019	2018	2018
Net Sales	**4,8**	**6,2**	**23,2**
Administration expenses	-2,8	-3,0	-10,9
Research and development costs	-9,4	-13,0	-47,2
Operating profit/loss	**-7,4**	**-9,7**	**-34,8**
Profit/loss from financial items:			
Interest income and similar income-statement items	0,0	0,0	–
Interest expense and similar income-statement items	0,0	0,0	-0,1
Profit/loss after financial items	**-7,4**	**-9,7**	**-34,9**
Tax	–	–	–
Net profit/loss for the period	**-7,4**	**-9,7**	**-34,9**
Statement of comprehensive income parent company			
Net profit/loss for the period	-7,4	-9,7	-34,9
Other comprehensive income	**–**	**–**	**–**
Total comprehensive profit/loss for the period	**-7,4**	**-9,7**	**-34,9**

Active Biotech Parent Company - Balance sheet, condensed	Mar 31		Dec 31
SEK M	2019	2018	2018
Financial fixed assets	40,5	40,5	40,5
Total fixed assets	**40,5**	**40,5**	**40,5**
Current receivables	10,3	5,1	9,8
Short-term investments	12,7	9,7	20,6
Cash and bank balances	3,5	1,8	3,6
Total current assets	**26,4**	**16,7**	**34,0**
Total assets	**66,9**	**57,2**	**74,5**
Shareholders equity	57,7	42,8	65,0
Current liabilities	9,3	14,4	9,5
Total equity and liabilities	**66,9**	**57,2**	**74,5**

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 in this interim report as were used in the preparation of the most recent annual report, except regarding IFRS 16, see below.

The company applies IFRS 16 Leases as of January 1, 2019. The Group reports new assets and liabilities for operating leases in respect of cars and office equipment. The Group reports further lease liabilities of SEK 934 thousand and right-of-use assets of SEK 960 thousand (after adjusting for prepaid lease payments reported on December 31, 2018). The effect on earnings after tax is immaterial for the first quarter.

The company's property is classified as "Assets held for sale." The implication of this is that its carrying amount will be recovered primarily through its sale and not through its use. The property was divested on April 5, 2019 to Fastighetsbolaget Estea AB, see Events after the end of the period. Active Biotech will rent offices in the divested property. The Group's new rental contract will be reported in accordance with IFRS 16 as of the second quarter.

Not 2: Distribution of sales	Jan-Mar		Jan-Dec
SEK M	2019	2018	2018
Research services	–	0,2	1,1
Rental revenues	4,7	4,1	16,0
Service revenues	0,7	0,6	2,9
Other	0,1	–	–
Total	**5,5**	**4,8**	**20,1**

Not 3: Fair value of financial instruments	Mar 31, 2019	Dec 31, 2018
SEK M	Level 2	Level 2
Short-term investments	12,7	20,6

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 2017 Annual Report. No significant changes have occurred in relation to the measurement made at December 31, 2017.

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 2019: August 8 and November 14, 2019
Year-end report 2019: February 13, 2020
Annual General Meeting: May 23, 2019

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

Lund, April 25, 2019
Active Biotech AB (publ)

Helén Tuvesson
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 in development for neurodegenerative diseases. ANYARA (naptumumab), 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.