Active Biotech

INTERIM REPORT Q3 2020 | ACTIVE BIOTECH AB

IMPORTANT EVENTS DURING THE THIRD QUARTER

Tasquinimod

- First patient dosed in the monotherapy part of the phase 1b/2a study in multiple myeloma
- The clinical study design for multiple myeloma will be presented at the virtual American Society of Hematology meeting 2020 in December
- Patents regarding treatment of acute leukemia granted in Japan and China

Laquinimod

- New ophthalmic formulation to be used in the treatment of inflammatory eye disorders developed in collaboration with Leukocare AG

Naptumomab

- The clinical trial in combination with durvalumab in patients with advanced or metastatic solid cancer is ongoing

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

Tasquinimod

- A notice of allowance has been issued for patent application regarding treatment of multiple myeloma in China
- Patent regarding use of tasquinimod in combination with immunotherapy granted in Europe

Corporate

- The Board of directors decided on the Board meeting on November 5, 2020, to propose a rights issue to fund the ongoing and planned development programs
- A Capital Markets Day will take place on November 24, 2020

FINANCIAL SUMMARY

	Jul-Sep		Jan-Sep		Full Year
SEK M	2020	2019	2020	2019	2019
Net sales	–	0.9	0.5	7.5	8.4
Operating profit/loss	-8.3	-9.3	-28.2	-21.1	-32.3
Profit/loss after tax	-8.2	-9.3	-28.2	-22.9	-34.1
Earnings per share (SEK)	-0.06	-0.06	-0.19	-0.16	-0.24
Cash and cash equivalents (at close of period)			30.9	69.9	59.7

The report is also available at www.activebiotech.com

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 persons set out above, for publication on November 5, 2020 at 07.45 a.m. CET.

Active Biotech AB (Corp. reg. no. 556223-9227) / Box 724, SE-220 07 Lund / +46 (0)46 19 20 00 / www.activebiotech.com
Helén Tuvesson, CEO: +46 (0)46 19 21 56 / Hans Kolam, CFO: +46 (0)46 19 20 44

Helén Tuvesson
CEO

We have continued to make progress in our development programs during the third quarter

COMMENTS FROM THE CEO

We are currently focusing our efforts on the development of tasquinimod in multiple myeloma and laquinimod for inflammatory and neovascular eye disorders. During the third quarter of 2020 we have continued to make progress in our development programs in these projects. We reached an important milestone in the beginning of August when the first patient was dosed in the clinical study with tasquinimod in multiple myeloma. In addition, naptumomab which has been partnered to NeoTX continued its progress in the clinical trial in patients with advanced or metastatic solid tumors.

Tasquinimod – clinical study in multiple myeloma ongoing
The clinical phase 1b/2a study with tasquinimod in relapsed refractory multiple myeloma is ongoing at Abramson Cancer Institute in Philadelphia, USA. The first patient in the monotherapy part of the study was dosed in August and the first dose cohort is now fully recruited. This study is conducted in two parts with the first part investigating safety of tasquinimod as monotherapy. The second part, planned to be commenced once the maximum tolerated dose of tasquinimod has been established, will investigate safety of tasquinimod in combination with a standard multiple myeloma regimen of oral treatments. Exploratory expansion cohorts will also be enrolled to characterize the anti-myeloma activity of each regimen. We expect to be able to present safety data, and potentially also preliminary effect data, during the second half of 2021. An abstract on the study design has been accepted for presentation at the virtual American Society of Hematology (ASH) annual meeting 2020 in December.

We will continue the collaboration with Dr Yulia Nefedova and her team at the Wistar Institute, Philadelphia, US. In parallel to correlative analysis in the ongoing clinical study they will expand our insights into the therapeutic potential of tasquinimod in multiple myeloma, when used in combinations with standard myeloma treatments, to create a broad basis guiding the coming development steps of tasquinimod in this disease. We will also initiate further academic collaborations to increas the characterization of tasquinimod in multiple myeloma.

Laquinimod – start of clinical development 2021
We have decided to focus the clinical development of laquinimod towards non-infectious non-anterior uveitis, an orphan disease, and a serious, sight-threatening condition. Consequently, we will for now put on hold the development of laquinimoid in Crohn's disease to create a clear focus on the prioritized activities, and no further communication in relation to this asset is expected.

Our plan for starting clinical development in uveitis, is to use the capsule formulation already developed, and initiate a phase 2a proof-of-principle study in H2-2021. We have also, together with Leukocare AG, developed a topical ophthalmic formulation of laquinimod.

Entry into clinical efficacy studies for this new formulation, requires further pre-clinical tests and a phase 1 trial in healthy volunteers, which we are working towards initiating also.

I'm very pleased to say that we have engaged the world leading clinical ophthalmology experts, Prof Andrew Dick, at UCL in London and Prof Manfred Zierhut, at the university of Tubingen. Both have the potential to significantly contribute to the strategic planning of the clinical development of laquinimod in eye disorders. We will in parallel continue to work together with the research team lead by Dr Rachel Caspi at the National Eye Institute (NEI) at the National Institute of Health (NIH) US to further increase our knowledge around laquinimod and effects in experimental uveitis models.

Naptumomab – results in early 2021

The phase 1b/2 study with naptumomab in combination with the checkpoint inhibitor durvalumab in patients with advanced solid tumors is ongoing. For the last two dose groups in the dose escalation part, safety of the naptumomab and durvalumab combination is also studied after pretreatment with obinutuzumab (Gazyva®), for elimination of anti-drug antibodies (ADAs) to naptumomab. If safety and successful elimination of ADAs is confirmed, pretreatment with obinutuzumab will be tested further in the MTD expansion cohort. We look forward to reviewing results from the dose escalation phase of this trial, early next year. NeoTX, our partner for naptumomab, has also decided to extend the program with additional combinations and indications.

Financing of activities

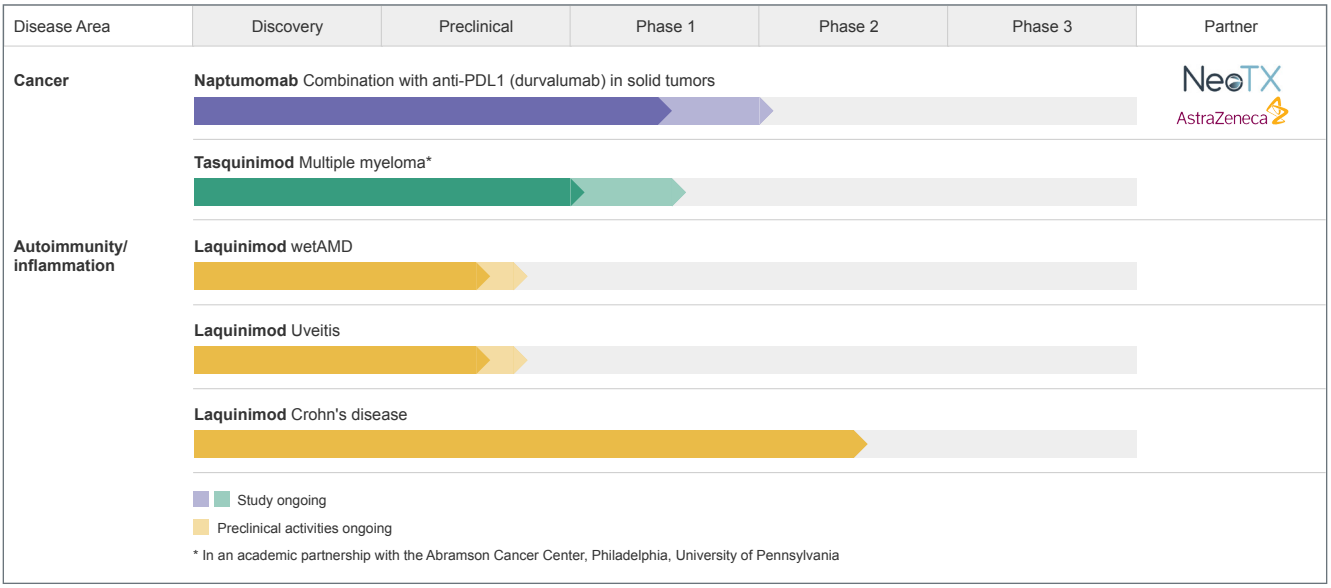
Active Biotech has during the past 18 months completed a major change of its research and product development activities. The company has in addition to naptumomab, which is fully partnered, decided to advance two projects in carefully selected, and well defined, niche indications with high medical need and high commercial potential. The Board of directors of Active Biotech decided at its meeting on November 5, 2020 to propose a rights issue to secure financing of the ongoing programs for the coming two years, which will provide the company a financial stability required to advance its plans.

A digital capital market day will be held on November 24, 2020 where company management will present the current status and plans for the projects.

Helén Tuvesson, CEO

PROJECTS

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



Naptumomab Estafenatox

Naptumomab estafenatox, (naptumomab) is a tumor targeting immunotherapy that enhances the ability of the immune system to recognize and kill the tumor. Since October 2016, Active Biotech has a licensing agreement with NeoTX Therapeutics Ltd (NeoTX) for the worldwide development and commercialization of naptumomab for cancer therapy.

Naptumomab increases tumor recognition and redirect specific T cells to trigger tumor killing. Naptumomab has potential for investigation as monotherapy and in combination with modalities, including chemotherapy, CAR-T cell therapy and checkpoint inhibitors. Previous clinical trials have found naptumomab to be well-tolerated and demonstrated preliminary signals of efficacy.

Currently, an open-label, multicenter, dose-finding clinical phase 1b study with naptumomab in combination with durvalumab, a PD-L1 checkpoint inhibitor, is ongoing. The clinical trial will enroll patients with previously treated advanced or metastatic, 5T4-positive solid tumors and aims to establish the maximum tolerated dose in the phase 1b study before advancing to a phase 2 cohort expansion study. The trial was initiated in the second half of 2019 and is performed under an agreement with AstraZeneca. More information about the study is available at clinicaltrials.gov (NCT03983954).

Additional clinical programs with naptumomab are being planned, including a phase 2 study with naptumomab in combination with docetaxel in patients with advanced non-small cell lung cancer (NSCLC).

EVENTS DURING THE THIRD QUARTER

- The clinical trial in combination with durvalumab in patients with advanced or metastatic solid cancer is ongoing

Tasquinimod

Tasquinimod is a once-daily, oral immunomodulatory compound that affects the tumor's ability to grow and spread.

Tasquinimod has been studied in both healthy subjects and cancer patients. Clinical effects and an overall good tolerability have been demonstrated in 1500 patients, representing more than 650 patient-years of exposure to tasquinimod.

Today, tasquinimod is in development for treatment of multiple myeloma, a rare form of blood cancer with a high medical need. Extensive preclinical studies performed in collaboration with the Wistar Institute in Philadelphia, during the past years, provide clear support for the advancement of tasquinimod in multiple myeloma. Preclinical data from experimental models of multiple myeloma demonstrating effect of tasquinimod as a monotherapy and in combination with standard multiple myeloma treatment were presented at the Virtual Edition of the 25th European Hematology Association Annual Congress Meeting, in June 2020.

An academic partnership with the Abramson Cancer Center, Philadelphia, University of Pennsylvania, for the evaluation of tasquinimod as a new immunomodulatory product in multiple myeloma patients has been formed.

Currently, a phase 1b/2a study in relapsed or refractory multiple myeloma patients is ongoing. The study is a dose finding study and will include up to 54 patients. The primary endpoint is optimal dose and schedule of tasquinimod as single agent and in combination with a standard oral myeloma regimen of ixazomib, lenalidomide, and dexamethasone (IRd). Key secondary endpoints include preliminary antimyeloma activity with tasquinimod as monotherapy and during therapy with tasquinimod in combination with IRd. The study was initiated in July 2020 and the principal investigator is Dr Dan Vogl from the Abramson Cancer Center, Philadelphia University of Pennsylvania. More information about the study is available at clinicaltrials.gov (NCT04405167).

Patents in key markets have been allowed or granted, most recently in China, providing protection for the use of tasquinimod in multiple myeloma, until 2035. A patent regarding use of tasquinimod in combination with immunotherapy, i.e. PD-1 and PD-L1 checkpoint inhibitors, was recently granted in Europe and patents regarding treatment of acute leukemia were granted in Japan and China. Furthermore, the FDA has granted orphan drug designation for tasquinimod for the treatment of multiple myeloma, which provides for seven years of market exclusivity in the event of future registration.

EVENTS DURING THE THIRD QUARTER

- First patient dosed in the phase 1b/2a study of tasquinimod use in treatment of multiple myeloma
- The clinical study design in multiple myeloma will be presented at the virtual American Society of Hematology meeting 2020 in December
- Patents regarding treatment of acute leukemia granted in Japan and China

EVENTS AFTER THE THIRD QUARTER

- A notice of allowance has been issued for patent application regarding treatment of multiple myeloma in China
- Patent regarding use of tasquinimod in combination with immunotherapy, i.e. PD-1 and PD-L1 checkpoint inhibitors, granted in Europe

Laquinimod

Laquinimod is an orally administered small molecule with unique immunomodulatory properties that previously has been developed primarily within neurodegenerative diseases. During its years of advanced product development, clinical and safety data on laquinimod was established in more than 5000 patients, representing more than 14000 patient-years of exposure.

Our main focus will be to develop a new product for use in inflammatory and neovascular eye disorders. Existing pre-clinical data support the use of laquinimod for treatment of the two eye disorders Wet AMD and Uveitis. An abstract reporting on the effects of laquinimod in an experimental model of uveitis, was recently published in the Journal of Immunology (J Immunol May 1, 2020, 204 (1 Supplement) 150.18). This study, performed by Dr Rachel Caspi's team at the National Eye Institute at the National Institute of Health in the US, demonstrated that laquinimod completely prevented disease development and inhibited pro-inflammatory processes in a mouse model of autoimmune uveitis. A new topical ophthalmic formulation of laquinimod has been developed in collaboration with Leukocare Biotechnology and clinical testing is planned to start during 2021.

LAQUINIMOD AS A NEW PRODUCT IN CROHN'S DISEASE

We have also decided to advance laquinimod for use in Crohn's disease, as an immunomodulatory agent with a novel mechanism of action, an indication for which a prior clinical phase 2a study provides compelling data. Our review of the extensive preclinical scientific profiling of laquinimod in models of gastro-intestinal disorders, further supports a potential role in treatment of Crohn's disease. We will during the coming 12 months refresh the prior regulatory advice received from the FDA, and explore possible partnership modalities, including academic partnerships, to advance the evaluation of laquinimod in this indication.

EVENTS DURING THE THIRD QUARTER

- New ophthalmic formulation to be used in the treatment of inflammatory eye disorders developed in collaboration with Leukocare AG

FINANCIAL INFORMATION

Comments on the Group's results for the period January - September, 2020
Net sales amounted to SEK 0.5 M (7.5) which includes income from real estate service provided during the first quarter of 2020. The facility services ceased at the beginning of April, 2020.

The total operational costs for the period amounted to SEK 28.7 M (28.7) whereof research and development expenses totaled SEK 18.6 M (19.7), an 6-percent cost reduction.

The company's research efforts during the period have been focused on complementing existing and new pre-clinical results for tasquinimod and laquinimod and establishing clinical partnerships for further development of the programs.

- A phase 1b/2a clinical study with tasquinimod for treatment of multiple myeloma was initiated in August, 2020 in collaboration with Penn University, USA
- Laquinimod is being developed as a new product class for treatment of inflammatory eye diseases. A topical ophthalmic formulation has been developed. A phase 1 safety clinical study for topical treatment and a phase 2a clinical proof of principle study with oral laquinimod are in preparation for non-infectious non-anterior uveitis
- Naptumomab partnered with NeoTX is in phase 1b/2 safety development for solid tumors and progresses according to plan

Administrative expenses amounted to SEK 10.1 M (9.0).

The operating loss for the period amounted to SEK 28.2 M (loss: 21.1), the net financial expense for the period amounted to SEK 0.0 M (expense: 1.8) and the loss after tax to SEK 28.2 M (loss: 22.9).

Comments on the Group's results for the period July - September, 2020
Net sales amounted to SEK 0 M (0.9).

Total operational costs amounted to SEK 8.4 M (10.2), of which research and development expenses totaled SEK 5.5 M (5.3). Focus has been on:

- increased efforts to the ongoing phase 1b/2a clinical study with tasquinimod in treatment of multiple myeloma
- increased efforts to the development of a new topical formulation of laquinimod and preparations of a phase 1 clinical safety study for topical treatment and a phase 2a clinical proof of principle study with oral laquinimod for non-infectious non-anterior uveitis.
- Support to the ongoing phase 1a/2 development of naptumomab in solid tumours

Administrative expenses during the period amounted to SEK 2.9 M (2.7). Operational costs in the third quarter of 2019 included SEK 2.2 M related to the sale of the company owned facility.

The operating loss for the period amounted to SEK 8.3 M (loss: 9.3), the net financial income for the period amounted to SEK 0.1 M (0.0) and the loss after tax to SEK 8.2 M (loss: 9.3).

Cash flow, liquidity and financial position, Group, for the period January – September, 2020
Cash and cash equivalents at the end of the period amounted to SEK 30.9 M, compared with SEK 59.7 M at the end of 2019. Cash flow for the period amounted to a negative SEK 28.8 M (positive: 44.4).

The cash flow from operating activities amounted to a negative SEK 27.9 M (neg: 25.9). Cash flow from investments amounted to SEK 0 M (positive: 275.0) and cash flow from financing activities amounted to a negative SEK 0.9 M (neg: 204.8).

The cash flow for 2019 from investment and financing activities refers to the sale of real estate that generated an appr. SEK 70 M cash injection.

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, 2020
Net sales for the period amounted to SEK 0.5 M (7.4) and operating expenses to SEK 28.7 M (29.0). The Parent Company's operating loss for the period was SEK 28.2 M (loss: 21.5). Net financial income amounted to SEK 0.1 M (0.1) and the loss after financial items was SEK 28.1 M (loss: 21.4). Cash and cash equivalents including short-term investments totaled SEK 30.8 M at the end of the period, compared with SEK 59.4 M on January 1, 2020.

Comments on the Parent Company's results and financial position for the period July – September, 2020
Net sales for the period amounted to SEK 0 M (0.9) and operating expenses to SEK 8.4 M (8.1). The Parent Company's operating loss for the period was SEK 8.3 M (loss: 7.2). Net financial income amounted to SEK 0.1 M (0.0) and the loss after financial items was SEK 8.2 M (loss: 7.2).

Shareholders' equity
Consolidated shareholders' equity at the end of the period amounted to SEK 25.9 M, compared with SEK 53.8 M at year-end 2019.

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 72.0 percent, compared with 80.3 percent at year-end 2019. The corresponding figures for the Parent Company, Active Biotech AB, were 6.3 percent and 31.4 percent, respectively.

Long Term Incentive Programs
The Annual General Meeting on May 19, 2020 resolved to adopt two Long Term Incentive Programs (LTIPs), Plan 2020/2024 to include the employees within the Active Biotech Group and the Board Plan 2020/2023 to include all Board members of Active Biotech.

Employees and Board members acquired in total 361,756 shares during the applicable time period in the respective incentive programs. Total costs, including social contributions, as of September 30, 2020 YTD, amounted to SEK 426 K.

Detailed terms and conditions for each of the programs are available on the company homepage.

Organization
The average number of employees during the reporting period was 10 (12), of which the number of employees in the research and development organization accounted for 5 (5). At the end of the period the number of employees related to the company's new direction amounted to 8 whereof 5 in research and development.

Outlook, including significant risks and uncertainties
Active Biotech's ability to develop pharmaceutical projects to the point at which partnership agreements can be secured, 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 if naptumomab progress in development. NeoTX initiated the clinical development of naptumomab in combination with a checkpoint inhibitor during 2019, and results are expected during 2021.

During 2020 Active Biotech entered into an academic collaboration with Penn University for the development of tasquinimod in multiple myeloma, a phase 1b/2a studie was initiated in August 2020.

Available cash on September 30, 2020, SEK 30.9 M, in combination with income from existing partnership agreements, are according to current plans, assumed to be sufficient to finance operations into the third quarter 2021.

Active Biotech announced on February 5, 2020 a new direction for the company compromising:

- Tasquinimod to be developed as a new product class for treatment of multiple myeloma. A phase 1b/2a clinical study was initiated in August 2020
- Laquinimod to be developed as a new product class for treatment of inflammatory eye diseases. A topical formulation has been developed. Phase 1 and a phase 2a clinical program are in preparation for non-infectious, non-anterior uveitis
- Naptumomab partnered to NeoTx since 2016, a phase 1b/2 study ongoing and results expected 2021

To secure a bridge financing of the above programs the Board of directors of Active Biotech decided on the ordinary Board meeting on November 5, 2020 to propose a rights issue. The rights issue 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. The existing liquidity, the proceeds from the rights issue together with revenues from existing and anticipated partnership agreements, are expected to finance operations in accordance with existing plans.

A research company such as Active Biotech is characterized by high operational and financial risk, since the projects in which the company is involved have both development, regulatory and commercialization risks. In addition, the ability of the company to attract and retain key people with both insights to the field of research, and relevant product development experiences is a significant risk.

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 Annual Report 2019. With regards to the prevailing situation for COVID-19, it is uncertain how global measures against COVID-19, and prioritization of health care resources, may affect timelines of project and the ongoing and planned preclinical and clinical activities might be delayed with possible implications on the financing risks. 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.

Events after the end of the period

New share issue

On November 5, 2020, the Board of Directors of Active Biotech proposed a new share issue with preemptive rights for shareholders, to be resolved on by an extraordinary general meeting on November 30, 2020. A notice to the extraordinary general meeting will be made public within short. The rights issue is intended to amount to approximately SEK 75.0 M at full subscription, before issue expenses.

The Board of Directors' proposal entails that the Board shall be entitled to determine (i) the highest amount that the company's share capital can be increased with, (ii) the highest number of shares that can be issued and (iii) the purchase price for each new share at a later date. The Board's resolution in this regard will be announced in due time prior to the extraordinary general meeting.

The rights issue is intended to be covered by subscription commitments and issue guarantees, free of charge, of SEK 38,1 M corresponding to approximately 52.5 % of the rights issue.

For further details and information on the background and reasons for the new share issue, see Active Biotech's press release November 5, 2020.

- Active Biotech invites to a Capital Markets Day on November 24, 2020

CONSOLIDATED PROFIT AND LOSS

SEK M	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019
Net sales	**–**	**0.9**	**0.5**	**7.5**	**8.4**
Administrative expenses	-2.9	-2.7	-10.1	-9.0	-12.2
Research and development costs	-5.5	-5.3	-18.6	-19.7	-28.5
Other operating expenses/income	–	-2.2	–	–	–
Operating profit/loss	**-8.3**	**-9.3**	**-28.2**	**-21.1**	**-32.3**
Net financial items	0.1	0.0	0.0	-1.8	-1.8
Profit/loss before tax	**-8.2**	**-9.3**	**-28.2**	**-22.9**	**-34.1**
Tax	–	–	–	–	–
Net profit/loss for the period	**-8.2**	**-9.3**	**-28.2**	**-22.9**	**-34.1**
Comprehensive profit/loss attributable to:					
Parent Company shareholders	-8.2	-9.3	-28.2	-22.9	-34.1
Non-controlling interest	–	–	–	–	–
Net profit/loss for the period	**-8.2**	**-9.3**	**-28.2**	**-22.9**	**-34.1**
Comprehensive profit/loss per share before dilution (SEK)	-0.06	-0.06	-0.19	-0.16	-0.24
Comprehensive profit/loss per share after dilution (SEK)	-0.06	-0.06	-0.19	-0.16	-0.24

STATEMENT OF PROFIT AND LOSS AND CONSOLIDATED COMPREHENSIVE INCOME

SEK M	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019
Net profit/loss for the period	-8.2	-9.3	-28.2	-22.9	-34.1
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-8.2**	**-9.3**	**-28.2**	**-22.9**	**-34.1**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-8.2	-9.3	-28.2	-22.9	-34.1
Non-controlling interest	–	–	–	–	–
Total comprehensive profit/loss for the period	**-8.2**	**-9.3**	**-28.2**	**-22.9**	**-34.1**
Depreciation/amortization included in the amount of	0.3	0.5	1.0	0.5	0.9
Investments in tangible fixed assets	–	–	–	–	–
Weighted number of outstanding common shares before dilution (000s)	145 236	145 236	145 236	145 236	145 236
Weighted number of outstanding common shares after dilution (000s)	145 236	145 236	145 236	145 236	145 236
Number of shares at close of the period (000s)	145 236	145 236	145 236	145 236	145 236

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Tangible fixed assets	2.2	3.5	3.2
Long-term receivables	0.0	0.0	0.0
Total fixed assets	**2.2**	**3.5**	**3.2**
Current receivables	3.0	5.5	4.1
Cash and cash equivalents	30.9	69.9	59.7
Total current assets	**33.8**	**75.4**	**63.8**
Total assets	**36.0**	**78.9**	**67.0**
Shareholders equity	25.9	65.0	53.8
Long-term liabilities	1.0	2.3	2.0
Current liabilities	9.1	11.6	11.2
Total shareholders equity and liabilities	**36.0**	**78.9**	**67.0**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Opening balance	53.8	87.9	87.9
Loss for the period	-28.2	-22.9	-34.1
Other comprehensive income for the period	–	–	–
Comprehensive profit/loss for the period	*-28.2*	*-22.9*	*-34.1*
Transfer from revaluation reserve	–	-88.9	-88.9
Transfer to profit/loss brought forward	–	88.9	88.9
Share-based payments that are settled with equity instruments, IFRS2	0.3	–	–
Balance at close of period	**25.9**	**65.0**	**53.8**

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019
Loss after financial items	**-28.2**	**-22.9**	**-34.1**
Adjustment for non-cash items, etc.	1.3	0.5	0.9
Cash flow from operating activities before changes in working capital	**-26.8**	**-22.4**	**-33.3**
Changes in working capital	-1.0	-3.5	-2.5
Cash flow from operating activities	**-27.9**	**-25.9**	**-35.8**
Sale of property, plant and equipment	–	275.0	275.0
Cash flow from investments	**–**	**275.0**	**275.0**
Loans raised/amortization of loan liabilities	-0.9	-204.8	-205.1
Cash flow from financing activities	**-0.9**	**-204.8**	**-205.1**
Cash flow for the period	**-28.8**	**44.4**	**34.1**
Opening cash and cash equivalents	**59.7**	**25.6**	**25.6**
Closing cash and cash equivalents	**30.9**	**69.9**	**59.7**

KEY FIGURES

	Sep 30		Dec 31
	2020	2019	2019
Shareholders equity, SEK M	25.9	65.0	53.8
Equity per share, SEK	0.18	0.45	0.37
Equity/assets ratio in the Parent Company	6.3%	37.8%	31.4%
Equity/assets ratio in the Group	72.0%	82.4%	80.3%
Average number of annual employees	10	12	12

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

	2016				2017				2018				2019				2020		
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Sales	**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**	**1.1**	**0.9**	**0.9**	**0.5**	**0.0**	**0.0**
Administration expenses	-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	-3.6	-2.7	-3.2	-3.4	-3.8	-2.9
Research and development costs	-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	-5.2	-5.3	-8.8	-6.8	-6.3	-5.5
Other operating expenses/income	–	–	–	–	–	-3.3	–	-50.0	–	–	–	–	–	2.2	-2.2	–	–	–	–
Operating profit/loss	**-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**	**-5.4**	**-9.3**	**-11.2**	**-9.7**	**-10.1**	**-8.3**
Net financial items	-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	0.0	0.0	-0.1	-0.4	0.3	0.1
Profit/loss before tax	**-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**	**-5.5**	**-9.3**	**-11.2**	**-10.1**	**-9.8**	**-8.2**
Tax	0.6	0.6	0.6	0.6	0.6	0.6	–	–	–	–	–	–	–	–	–	–	–	–	–
Net profit/loss for the period	**-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**	**-5.5**	**-9.3**	**-11.2**	**-10.1**	**-9.8**	**-8.2**

ACTIVE BIOTECH PARENT COMPANY – INCOME STATEMENT, CONDENSED

SEK M	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019
Net Sales	**–**	**0.9**	**0.5**	**7.4**	**8.3**
Administration expenses	-2.9	-2.7	-10.1	-9.1	-12.3
Research and development costs	-5.5	-5.4	-18.6	-19.9	-28.7
Operating profit/loss	**-8.3**	**-7.2**	**-28.2**	**-21.5**	**-32.7**
Profit/loss from financial items:					
Interest income and similar income-statement items	0.1	0.0	0.2	0.1	0.0
Interest expense and similar income-statement items	0.0	0.0	-0.1	0.0	0.1
Profit/loss after financial items	**-8.2**	**-7.2**	**-28.1**	**-21.4**	**-32.6**
Tax	–	–	–	–	–
Net profit/loss for the period	**-8.2**	**-7.2**	**-28.1**	**-21.4**	**-32.6**
Statement of comprehensive income parent company					
Net profit/loss for the period	-8.2	-7.2	-28.1	-21.4	-32.6
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-8.2**	**-7.2**	**-28.1**	**-21.4**	**-32.6**

ACTIVE BIOTECH PARENT COMPANY – BALANCE SHEET, CONDENSED

SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Financial fixed assets	40.5	40.5	40.5
Total fixed assets	**40.5**	**40.5**	**40.5**
Current receivables	2.8	5.3	3.3
Short-term investments	26.8	67.8	55.6
Cash and bank balances	4.0	1.8	3.8
Total current assets	**33.6**	**74.9**	**62.8**
Total assets	**74.1**	**115.4**	**103.3**
Shareholders equity	4.7	43.6	32.4
Current liabilities	69.4	71.7	70.8
Total equity and liabilities	**74.1**	**115.4**	**103.3**

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.

NOT 2: DISTRIBUTION OF SALES

	Jul-Sep		Jan-Sep		Full Year
SEK M	2020	2019	2020	2019	2019
Rental revenues	–	–	–	4.9	4.9
Service revenues	–	0.8	0.5	2.4	3.3
Other	–	0.1	–	0.2	0.2
Total	**–**	**0.9**	**0.5**	**7.5**	**8.4**

NOT 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

	Sep 30, 2020	Dec 31, 2019
SEK M	Level 2	Level 2
Short-term investments	26.8	55.6

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 2020: February 11, 2021
- Interim reports 2021: April 22, August 5 and November 4, 2021
- Annual General Meeting: May 19, 2021

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

The interim report for the January – September period 2020 provides a true and fair view of the Parent Company´s and the Group's operations, position and results, and describes significant risks and uncertainties that the Parent Company and Group companies face.

Lund November 5, 2020
Active Biotech AB (publ)

Helén Tuvesson
President and CEO

REVIEW REPORT

To the Board of Directors of Active Biotech AB (publ.)
Corp. id. 556223-9227

Introduction
We have reviewed the condensed interim financial information (interim report) of Active Biotech AB (publ.) as of 30 September 2020 and the nine-month period then ended. The Board of Directors and the Managing Director 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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 International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö November 5, 2020
KPMG AB

Linda Bengtsson
Authorized Public Accountant

Active Biotech AB (publ) (NASDAQ Stockholm: ACTI) is a biotechnology company with focus on cancer and autoimmune/inflammatory diseases. Naptumomab, an immunotherapy licensed to NeoTX Therapeutics Ltd., is in clinical phase 1b/2 development for treatment of solid tumors, NCT03983954. Tasquinimod, an oral immunomodulator, is in clinical development for treatment of multiple myeloma, NCT04405167. Laquinimod, an immunomodulator, is evaluated as a potential treatment of the eye disorders uveitis and wet AMD. Please visit www.activebiotech.com for more information.