Active Biotech AB
Interim report January – June 2019

Significant events during the second quarter

- 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 amounted to SEK 275 M, which corresponds to the property's book value. The transaction generated a liquidity injection of approximately SEK 70 M
- The Phase II study LEGATO-HD of laquinimod in Huntington's disease was presented at the "American Academy of Neurology (AAN)" conference in Philadelphia on May 6, 2019
- Michael Shalmi was elected as new Chairman of the Board and Uli Hacksell as new Board member at the Annual General Meeting on May 23

Financial summary

SEK M	Q2		Q1-Q2		Full-year
	2019	2018	2019	2018	2018
Net sales	1.1	5.7	6.6	10.5	20.1
Operating loss	-5.4	-7.3	-11.8	-15.9	-29.8
Loss after tax	-5.5	-9.1	-13.6	-19.3	-36.9
Earnings per share (SEK)	-0.04	-0.07	-0.09	-0.15	-0.27
Cash and cash equivalents (at close of period)			77.2	45.6	25.6

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

This information is information that Active Biotech AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was provided to the media, through the agency of the contact person set out above, for publication on August 8, 2019 at 8:30 a.m. CEST.

Comments from the CEO

The first half of 2019 has progressed according to plan. On April 5, we welcomed 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 that enables us from now on to focus entirely on our core operation. The transaction also generated a liquidity injection of approximately SEK 70 M. At the Annual General Meeting on May 23, the company's Board went through a change, with Michael Shalmi elected as new Chairman of the Board and Uli Hacksell as a new Board member. This change in the Board represents a strengthening of the scientific and product development competence and was supported by the major shareholders. Together with the sale of the property, it marks a new phase for the company. As a first step the company's clinical assets and how to leverage on the company listing, will be evaluated. This exciting work is currently ongoing and will result in a new business plan for Active Biotech. We are planning to report more on this at the latest in the beginning of next year.

Focused and ambitious efforts are ongoing within the ANYARA project. Everything is now in place for the start of a clinical study of naptumomab in combination with IMFINZI® (durvalumab), a PD-L1 checkpoint inhibitor, in difficult-to-treat cancer. Our partner NeoTX entered a clinical agreement earlier this year with AstraZeneca, which means that NeoTX will sponsor the study, while AstraZeneca will supply the combination drug, IMFINZI® (durvalumab). The first part of the study, which will primarily evaluate the safety of naptumomab in combination with durvalumab, will start soon. More information about the study is available at clinicaltrials.gov (NCT03983954).

We are continuing our efforts to develop the tasquinimod project in the blood cancer indication multiple myeloma in cooperation with the Wistar Institute in Philadelphia. The preclinical data in tumor models shows that tasquinimod acts differently than previously approved oral treatments for multiple myeloma and that it could therefore be considered an alternative for overcoming the resistance that develops during treatment of the disease. Advice meetings with the authorities have been planned for during the fall in preparation for the first clinical study with tasquinimod in the indication.

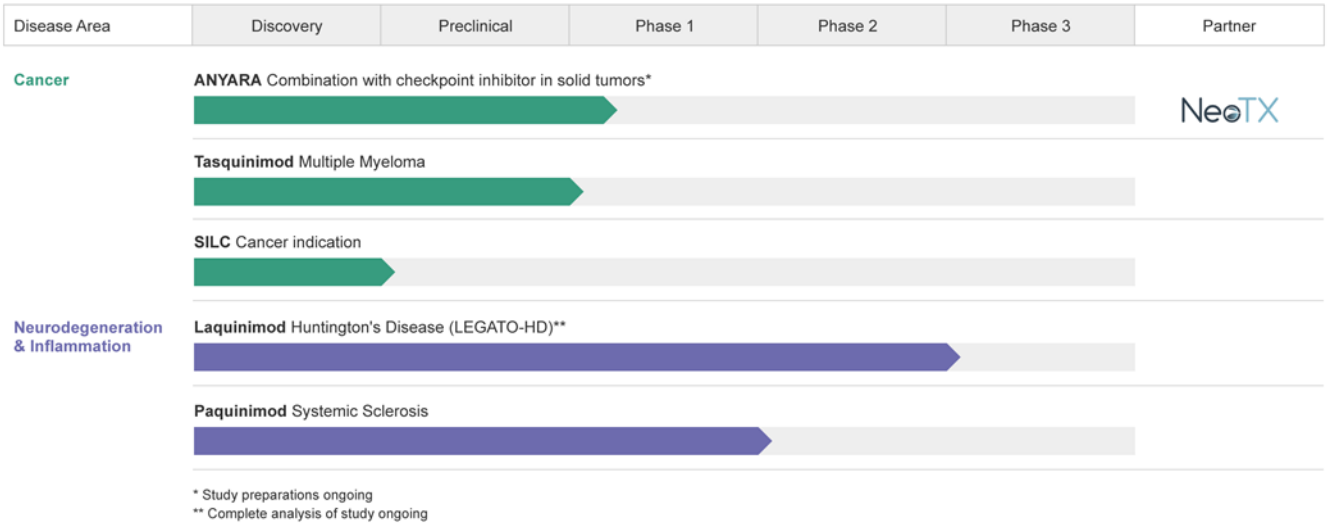
The Phase II study LEGATO-HD of laquinimod in Huntington's disease was presented by the Principal Investigator, Dr Ralf Reilmann, at the scientific AAN conference in May in Philadelphia; he concluded that while laquinimod did not slow progression of the disease after one year of treatment, it had significant effects on preserving brain volume (secondary endpoint) as with the exploratory measuring method Q-Motor. The latter two may together support an effect of laquinimod in the disease, while the clinical relevance needs to be verified. Otherwise, we are in the final phase of the tech-transfer of the laquinimod project from Teva to Active Biotech. The partnership with Teva has generated an extensive package of preclinical and clinical documentation that we, together with scientific, clinical and regulatory experts, are carefully evaluating continued development of the project.

The focus of the SILC and paquinimod projects remains directed to finding a development partner.

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.



ANYARA

ANYARA (Naptumomab Estafenatox, "naptumomab") 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 naptumomab.

Clinically, the development of naptumomab 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 naptumomab 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 naptumomab 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 naptumomab 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 naptumomab 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 naptumomab's mode of action and supported by preclinical data. Active Biotech's partner NeoTX has entered a clinical collaboration with AstraZeneca to evaluate naptumomab in combination with IMFINZI® (durvalumab) in a Phase Ib/II study with a planned start in 2019.

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. The US Patent Office (USPTO) also recently granted a patent

application regarding tasquinimod for the treatment of acute leukemia in the US.

A scientific collaboration is ongoing with the Wistar Institute, Philadelphia, in the US, on tasquinimod to support the clinical development in multiple myeloma.

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

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 in both Europe and the US.

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

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. In May 2019, the study was presented by the Principal Investigator, Dr Ralf Reilmann, at the annual American neurology meeting, "AAN."

At the end of August 2018, 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.

Events during the second quarter
The Phase II study LEGATO-HD of laquinimod in Huntington's disease was presented at the "American Academy of Neurology (AAN)" scientific conference in Philadelphia on May 6, 2019.

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.

Financial information

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

Net sales amounted to SEK 6.6 M (10.5) and included service and rental revenues, of which rental revenues totaled SEK 4.9 M (8.5). The company's property was sold to the property company Estea on April 5, which explains the lower rental revenues during the period's second quarter.

The operation's research and administration expenses amounted to SEK 20.6 M (26.4), of which research expenses totaled SEK 14.3 M (20.9), equivalent to a 28-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 11.8 M (loss: 15.9). The year-on-year improvement in earnings was attributable to cost reductions carried out in operations. Administrative expenses amounted to SEK 6.3 M (5.5), the net financial expense for the period to SEK 1.8 M (expense: 3.5) and the loss after tax to SEK 13.6 M (loss: 19.3).

Comments on the Group's results for the period April – June, 2019

Net sales amounted to SEK 1.1 M (5.7) and included service and rental revenues, with the lower levels of income explained by the sale of the property completed during the period.

The operation's research and administration expenses amounted to SEK 8.8 (13.0), of which research expenses amounted to SEK 5.2 (10.4) and solely comprise activities aimed at supporting projects and patents for previously out-licensed projects, as well as commercial activities to identify partners for the paquinimod, tasquinimod and SILC projects.

The operating loss for the period amounted to SEK 5.4 M (loss: 7.3). Administrative expenses totaled SEK 3.6 M (2.6), the net financial expense for the period to SEK 0.0 M (expense: 1.7) and the loss after tax to SEK 5.5 M (loss: 9.1).

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

Cash and cash equivalents at the end of the period amounted to SEK 77.2 M, compared with SEK 25.6 M at the end of 2018. The sale of the property generated a liquidity injection of around SEK 70.0 M and reduced the company's total assets by approximately SEK 210 after the outstanding property loan was repaid. After the sale of the property, the company has no interest-bearing liabilities.

Cash flow for the period was SEK 51.7 M (20.5), of which cash flow from operating activities totaled SEK 254.9 M (neg: 23.5) as a result of the completed property sale. Cash flow from investing activities amounted to a negative SEK 203.2 M (44.0), which is a result of the repayment of the outstanding property loan in connection with the completion of the transaction.

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 2019

Net sales for the period amounted to SEK 6.5 M (12.4) and operating expenses to SEK 20.9 M (31.7). The Parent Company's operating loss for the period was SEK 14.3 M (loss: 19.2). Net financial income amounted to SEK 0.1 M (0.0) and the loss after financial items was SEK 14.2 M (loss: 19.2). Cash and cash equivalents including short-term investments totaled SEK 76.7 M at the end of the period, compared with SEK 24.2 M on January 1, 2019.

Comments on the Parent Company's results and financial position for the period April – June 2019

Net sales for the period amounted to SEK 1.7 M (6.2) and operating expenses to SEK 8.7 M (15.7). The Parent Company's operating loss for the period was SEK 7.0 M (loss: 9.5). Net financial income amounted to SEK 0.1 M (0.0) and the loss after financial items was SEK 6.9 M (loss: 9.5).

Shareholders' equity

Consolidated shareholders' equity at the end of the period amounted to SEK 74.3 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 88.6 percent, compared with 29.1 percent at year-end 2018. The corresponding figures for the Parent Company, Active Biotech AB, were 41.4 percent and 87.3 percent, respectively.

Organization

The average number of employees during the reporting period was 12 (17), of which the number of employees in the research and development organization accounted for 6 (8). At the end of the period, the Group had 12 employees.

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 naptumomab 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 2018 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	**Apr-Jun**		**Jan-Jun**		**Full Year**
SEK M	**2019**	**2018**	**2019**	**2018**	**2018**
Net sales	**1,1**	**5,7**	**6,6**	**10,5**	**20,1**
Administrative expenses	-3,6	-2,6	-6,3	-5,5	-10,6
Research and development costs	-5,2	-10,4	-14,3	-20,9	-39,3
Other operating expenses/income	2,2	–	2,2	–	–
Operating profit/loss	**-5,4**	**-7,3**	**-11,8**	**-15,9**	**-29,8**
Net financial items	0,0	-1,7	-1,8	-3,5	-7,0
Profit/loss before tax	**-5,5**	**-9,1**	**-13,6**	**-19,3**	**-36,9**
Tax	–	–	–	–	–
Net profit/loss for the period	**-5,5**	**-9,1**	**-13,6**	**-19,3**	**-36,9**
Comprehensive profit/loss attributable to:					
Parent Company shareholders	-5,5	-9,1	-13,6	-19,3	-36,9
Non-controlling interest	–	–	–	–	–
Net profit/loss for the period	**-5,5**	**-9,1**	**-13,6**	**-19,3**	**-36,9**
Comprehensive profit/loss per share before dilution (SEK)	-0,04	-0,07	-0,09	-0,15	-0,27
Comprehensive profit/loss per share after dilution (SEK)	-0,04	-0,07	-0,09	-0,15	-0,27

Statement of profit and loss and consolidated comprehensive income	**Apr-Jun**		**Jan-Jun**		**Full Year**
SEK M	**2019**	**2018**	**2019**	**2018**	**2018**
Net profit/loss for the period	-5,5	-9,1	-13,6	-19,3	-36,9
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-5,5**	**-9,1**	**-13,6**	**-19,3**	**-36,9**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-5,5	-9,1	-13,6	-19,3	-36,9
Non-controlling interest	–	–	–	–	–
Total comprehensive profit/loss for the period	**-5,5**	**-9,1**	**-13,6**	**-19,3**	**-36,9**
Depreciation/amortization included in the amount of	0,0	0,1	0,1	0,3	0,4
Investments in tangible fixed assets	–	–	–	–	–
Weighted number of outstanding common shares before dilution (000s)	145 236	136 903	145 236	129 620	137 492
Weighted number of outstanding common shares after dilution (000s)	145 236	136 903	145 236	129 620	137 492
Number of shares at close of the period (000s)	145 236	145 236	145 236	145 236	145 236

Consolidated statement of financial position	**Jun 30**		**Dec 31**
SEK M	**2019**	**2018**	**2018**
Tangible fixed assets	1,0	1,4	1,3
Long-term receivables	0,0	0,0	0,0
Total fixed assets	**1,0**	**1,4**	**1,3**
Current receivables	5,7	5,0	3,9
Assets held for sale	–	271,8	271,8
Cash and cash equivalents	77,2	45,6	25,6
Total current assets	**82,9**	**322,4**	**301,2**
Total assets	**83,9**	**323,8**	**302,4**
Shareholders equity	74,3	105,5	87,9
Long-term liabilities	1,0	0,2	0,1
Current liabilities	8,5	218,1	214,4
Total shareholders equity and liabilities	**83,9**	**323,8**	**302,4**

Consolidated statement of changes in shareholders equity	Jun 30		Dec 31
SEK M	2019	2018	2018
Opening balance	87,9	77,7	77,7
Loss for the period	-13,6	-19,3	-36,9
Other comprehensive income for the period	–	–	–
Comprehensive profit/loss for the period	*-13,6*	*-19,3*	*-36,9*
Transfer from revaluation reserve	-88,9	–	–
Transfer to profit/loss brought forward	88,9	–	–
New share issue	–	47,1	47,1
Balance at close of period	**74,3**	**105,5**	**87,9**

Condensed consolidated cash-flow statement	Jan-Jun		Full Year
SEK M	2019	2018	2018
Loss after financial items	**-13,6**	**-19,3**	**-36,9**
Adjustment for non-cash items, etc.	0,1	0,3	0,4
Cash flow from operating activities before changes in working capital	**-13,5**	**-19,0**	**-36,4**
Changes in working capital	268,4	-4,5	-4,2
Cash flow from operating activities	**254,9**	**-23,5**	**-40,6**
New share issue	–	47,1	47,1
Loans raised/amortization of loan liabilities	-203,2	-3,2	-6,1
Cash flow from financing activities	**-203,2**	**44,0**	**41,0**
Cash flow for the period	**51,7**	**20,5**	**0,4**
Opening cash and cash equivalents	**25,6**	**25,2**	**25,2**
Closing cash and cash equivalents	**77,2**	**45,6**	**25,6**

	Jun 30		Dec 31
Key figures	2019	2018	2018
Shareholders equity, SEK M	74,3	105,5	87,9
Equity per share, SEK	0,51	0,73	0,61
Equity/assets ratio in the Parent Company	41,4%	89,0%	87,3%
Equity/assets ratio in the Group	88,6%	32,6%	29,1%
Average number of annual employees	12	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	Q2
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**	**1,1**
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	-3,6
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	-5,2
Other operating expenses/income	–	–	–	–	–	–	–	–	–	-3,3	–	-50,0	–	–	–	–	–	2,2
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**	**-5,4**
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	0,0
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**	**-5,5**
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**	**-5,5**

Active Biotech Parent Company - Income Statement, condensed	Apr-Jun		Jan-Jun		Full Year
SEK M	2019	2018	2019	2018	2018
Net Sales	**1,7**	**6,2**	**6,5**	**12,4**	**23,2**
Administration expenses	-3,6	-2,7	-6,4	-5,7	-10,9
Research and development costs	-5,1	-13,0	-14,5	-26,0	-47,2
Operating profit/loss	**-7,0**	**-9,5**	**-14,3**	**-19,2**	**-34,8**
Profit/loss from financial items:					
Interest income and similar income-statement items	0,1	0,0	0,1	0,0	–
Interest expense and similar income-statement items	0,0	0,0	0,0	0,0	-0,1
Profit/loss after financial items	**-6,9**	**-9,5**	**-14,2**	**-19,2**	**-34,9**
Tax	–	–	–	–	–
Net profit/loss for the period	**-6,9**	**-9,5**	**-14,2**	**-19,2**	**-34,9**
Statement of comprehensive income parent company					
Net profit/loss for the period	-6,9	-9,5	-14,2	-19,2	-34,9
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-6,9**	**-9,5**	**-14,2**	**-19,2**	**-34,9**

Active Biotech Parent Company - Balance sheet, condensed	Jun 30		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	5,4	7,4	9,8
Short-term investments	72,7	37,7	20,6
Cash and bank balances	4,0	5,1	3,6
Total current assets	**82,1**	**50,2**	**34,0**
Total assets	**122,6**	**90,7**	**74,5**
Shareholders equity	50,8	80,7	65,0
Current liabilities	71,8	10,0	9,5
Total equity and liabilities	**122,6**	**90,7**	**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. 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 third quarter.

Not 2: Distribution of sales	Apr-Jun		Jan-Jun		Full Year
SEK M	2019	2018	2019	2018	2018
Research services	–	0,6	–	0,8	1,1
Rental revenues	0,2	4,4	4,9	8,5	16,0
Service revenues	0,9	0,7	1,6	1,2	2,9
Other	–	–	0,1	–	–
Total	**1,1**	**5,7**	**6,6**	**10,5**	**20,1**

Not 3: Fair value of financial instruments	Jun 30, 2019	Dec 31, 2018
SEK M	Level 2	Level 2
Short-term investments	72,7	20,6

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

Interim reports 2019: November 14, 2019
Year-end report 2019: February 13, 2020

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

The interim report for the January – June period 2019 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.

This interim report is unaudited.

Lund, August 8, 2019
Active Biotech AB (publ)

Mikael Shalmi	Uli Hacksell	Peter Sjöstrand
Chairman	*Board member*	*Board member*

Peter Thelin	Helén Tuvesson
Board member	*President and CEO*

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 being developed for neurodegenerative diseases. ANYARA (naptumomab), an immunotherapy, is in development for cancer treatment in cooperation with NeoTX Therapeutics Ltd. Furthermore, commercial activities are conducted for the tasquinimod, paquinimod and SILC projects. Please visit www.activebiotech.com for more information.