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Active Biotech announces rights issue of approximately SEK 75 million

The board of directors of Active Biotech AB (publ) ("Active Biotech" or the "Company") has resolved to propose a rights issue of approximately SEK 75 million, before transaction costs. The proceeds from the rights issue shall provide the Company with the financial stability needed to pursue the planned pre-clinical and clinical research activities related to its prioritized programs. The Company has entered, free of charge, subscription commitments and issue guarantees of approximately SEK 38.1 million. The board's proposal will be submitted to an extraordinary general meeting to be held on 30 November 2020.

Background and reasons

Active Biotech is a biotechnology company that deploys its extensive knowledge base and portfolio of compounds to develop first-in-class immunomodulatory treatments for niche oncology and immunology indications with a high unmet medical need and significant commercial potential. Following a portfolio refocus, the business model of Active Biotech today entails advancing projects into clinical development and then seek partnerships for further advancement and funding of the projects. Active Biotech currently holds three projects in its portfolio: Naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX Therapeutics, is in a Phase 1/2 clinical program in patients with advanced solid tumors. The small molecule immunomodulators, tasquinimod and laquinimod, both having a mode of actions that includes modulation of myeloid immune cell function, are targeted towards hematological malignancies and inflammatory eye disorders, respectively. Tasquinimod, is in clinical phase 1b/2a for treatment of multiple myeloma. Laquinimod is advancing to phase 2a for treatment of non-infectious uveitis during second half of 2021.

The rights issue that is now being proposed aims at providing Active Biotech with the financial stability needed to pursue the planned pre-clinical and clinical research-activities related to its prioritized programs, which is required to await the outcome of the ongoing clinical studies and to conduct negotiations with partners regarding the Company's other development projects. The net-proceeds from the rights issue, which is projected to about approximately SEK 75 million at full subscription, before transaction costs, are intended to be used for advancing the project activities without any substantial changes to the size and focus of the organization. The Company's existing liquidity and the proceeds from the rights issue, together with revenues from existing and anticipated partnership agreements, are expected to finance the operations in accordance with existing plans.

The rights issue

The board of directors of the Company has resolved to propose a rights issue of approximately SEK 75 million, before transaction costs. The right to subscribe for new shares shall vest in the Company's shareholders with pre-emptive rights. Subscription can also be made without pre-emptive rights, as set forth in the complete issue resolution.

The record date for the right to participate in the rights issue shall be 4 January 2021. Subscription for new shares shall be made during the period 7 – 21 January 2021. The last day for trading in the Active Biotech share including the right to participate in the rights issue is 30 December 2020.

The board of directors shall, not later than 25 November 2020 present its proposal on (i) the highest amount that the company's share capital may be increased by, (ii) the highest number of shares that may be issued and (iii) the subscription price for each new share.

MGA Holding AB, the Third and Fourth AP-Funds and Peter Thelin have undertaken to subscribe for their respective pre-emptive parts of the rights issue. In addition, the Fourth AP-Fund and Peter Thelin has entered issue guarantees of approximately SEK 13.7 million. Accordingly, the rights issue is covered by subscription commitments and issue guarantees of approximately SEK 38.1 million. The abovementioned parties have also undertaken to vote in favour of the rights issue at the extraordinary general meeting. In addition, members of the board of directors and management team that own shares in the Company have expressed their intention of subscribing for their respective pre-emptive parts in the rights issue.

The Board's proposal on the rights issue will be submitted to an extraordinary general meeting to be held on 30 November 2020. Notice of the shareholders' meeting will be announced through a separate press release today. A prospectus regarding the rights issue will be made public before the subscription period begins.

Preliminary timetable

30 November 2020	Extraordinary general meeting
30 December 2020	Last day for trading in the Active Biotech share including the right to participate in the rights issue.
4 January 2021	Record date for the right to participate in the rights issue.
7 – 21 January 2021	Subscription period.
7 – 19 January 2021	Trading in subscription rights.

Advisor

Advokatfirman Vinge is legal advisor to Active Biotech in connection with the rights issue.

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Active Biotech AB (publ) (NASDAQ Stockholm: ACTI) is a biotechnology company with focus on 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.

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This is information that Active Biotech AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 5 November 2020.

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