Active Biotech

Q2

INTERIM REPORT Q2 2020 | ACTIVE BIOTECH AB

SECOND QUARTER IN BRIEF

- Dr Elaine Sullivan, Dr Aleksandar Danilovski and Dr Axel Glasmacher were appointed as new members of the Board at the Annual General Meeting on May 19
- Active Biotech provided status update in the portfolio projects
- New preclinical data on tasquinimod's effects in experimental models for multiple myeloma were presented at the Virtual Edition of the 25th European Hematology Association Annual Congress Meeting in June

EVENTS AFTER THE END OF THE PERIOD

- First patient dosed in the phase 1b/2a study of tasquinimod use in treatment of multiple myeloma

FINANCIAL SUMMARY

	Apr-Jun		Jan-Jun		Full Year
SEK M	2020	2019	2020	2019	2019
Net sales	-	1.1	0.5	6.6	8.4
Operating loss	-10.1	-5.4	-19.9	-11.8	-32.3
Loss after tax	-9.8	-5.5	-19.9	-13.6	-34.1
Earnings per share (SEK)	-0.07	-0.04	-0.14	-0.09	-0.24
Cash and cash equivalents (at close of period)			38.2	77.2	59.7

The report is also available at www.activebiotech.com

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Helén Tuvesson
CEO

I am pleased to say that substantial progress has been achieved across all projects

COMMENTS FROM THE CEO

The first half of 2020 has gone well, even though it has been special in many ways. Following, the company's new direction announced in February we are now focusing on naptumomab with our partner NeoTX and the four new portfolio projects, tasquinimod in multiple myeloma and laquinimod in the inflammatory eye-disorders, wetAMD and Uveitis and in Crohn's disease.

We, like everyone else, have been affected by the covid-19 pandemic. To limit the spread of the virus and a potential negative impact to our business, we have minimized our travel and changed our way of working. I am pleased to say that substantial progress has been achieved across all projects, and we continue operating according to plan without significant delays. However, it is uncertain how global measures against COVID-19, and prioritization of health care resources, may affect timelines of project activities in the coming months.

At this year's Annual General Meeting in May, three new members were appointed to the board of Active Biotech, Elaine Sullivan, Aleksandar Danilovski and Axel Glasmacher. All three have skills and experience that fit very well with the company's new focus. The Annual general meeting also decided on long-term incentive programs for both employees and board members, and senior management together with members of the board have purchased 361756 shares in Active Biotech in relation hereto.

The Phase 1b/2 study with **naptumomab** in combination with the checkpoint inhibitor durvalumab in patients with advanced solid tumors study is enrolling according to plan and we look forward to reviewing results from the dose escalation phase of this trial, early next year. I am also very pleased that NeoTX, our partner for naptumomab, has decided to expand the program into additional drug combinations and to expand testing of naptumomab across additional clinical indications. Our partnership with NeoTX is working well, and their commitment to the project and investments into securing progress with additional trials and partnerships bodes well for advancement of this project.

We continue to make progress in our fully owned clinical development programs for tasquinimod and laquinimod. In the clinical Phase 1b/2a study on use of **tasquinimod** in relapsed or refractory multiple myeloma we recently announced that the first patient dosed had been achieved. This study will primarily investigate safety of tasquinimod alone and in combination with a standard multiple myeloma oral regimen of ixazomib, lenalidomide, and dexamethasone. Exploratory expansion cohorts will also be enrolled to characterize the anti-myeloma activity of each regimen. More detailed information about the study is available on clinicaltrials.gov (NCT04405167). New preclinical data from the collaboration with Dr Yulia Nefedova and her team at the Wistar Institute, Philadelphia, US. was presented in June at the Virtual edition of the European Hematology Association Meeting. The data demonstrated potent anti-myeloma effects of tasquinimod, when administered either alone or in combination with standard myeloma treatment, in preclinical multiple myeloma models.

In the **laquinimod** project, activities are ongoing together with Leukocare AG to produce an ophthalmic treatment of laquinimod that can be used in the blinding eye diseases wetAMD and Uveit. Our plan is to start clinical testing during 2021. 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 a research 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 auto-immune uveitis.

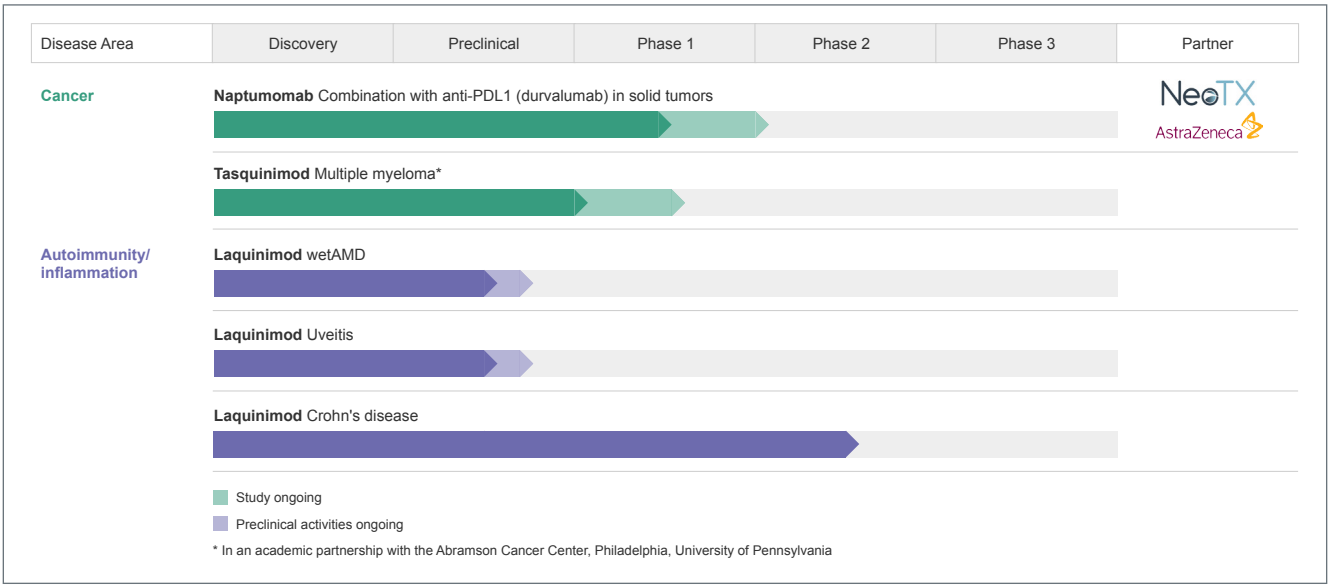
In parallel, we evaluate possible paths forward for laquinimod in Crohn's disease and we plan for a new advice procedure with the regulatory authorities based on the previously performed Phase 2a study in this indication.

We have an exciting second half of 2020 ahead of us with important milestones to be reached as set out in our new focus. I look forward to following the progress of the ongoing clinical programs of naptumomab and tasquinimod. In laquinimod, we have a clear development path during this fall with the goal of starting clinical studies during 2021.

Helén Tuvesson, CEO

PROJECTS

Active Biotech's project portfolio includes projects for the development of drugs for the treatment of cancer and autoimmune/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).

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 development of tasquinimod as a new immunomodulatory product for the treatment of multiple myeloma 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 single agent tasquinimod 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 granted, most recently in Japan, providing protection for the use of tasquinimod in malignant blood disorders, specifically acute forms of leukemia and multiple myeloma, until 2035. 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 SECOND QUARTER

- New preclinical data on tasquinimod's effects in experimental models for multiple myeloma were presented at the Virtual Edition of the 25th European Hematology Association Annual Congress Meeting in June

EVENTS AFTER THE END OF THE PERIOD

- First patient dosed in the phase 1b/2a study of tasquinimod use in treatment of multiple myeloma

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 efficacy and safety data on laquinimod was established in more than 5000 patients, representing more than 14000 patient-years of exposure.

LAQUINIMOD AS A NEW PRODUCT FOR USE IN EYE DISORDERS

Our analyses have revealed an exciting pre-clinical evidence base supporting use of laquinimod for treatment of the two eye disorders Wet AMD and Uveitis. Our focus the coming 12 months will be, to define how best to develop laquinimod as a topical agent within these diseases and to increase our understanding of the therapeutic potential of laquinimod through additional pre-clinical studies. The plan is to have a new formulation for clinical testing 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.

FINANCIAL INFORMATION

Comments on the Group's results for the period January - June, 2020
Net sales amounted to SEK 0.5 M (6.6) and includes income from real estate service provided during the first quarter of 2020 to the buyer of the Active Biotech facility. All facility services provided by Active Biotech ceased at the beginning of April, 2020.

The operation's research and administration expenses amounted to SEK 20.3 M (20.6), of which research expenses totaled SEK 13.1 M (14.3), an 8-percent reduction in expenses. During the reporting period, the company's research operations have been focused on supporting NeoTX in the clinical development of naptumomab in solid tumors and the partnership with Penn University in initiating clinical activities for tasquinimod in multiple myeloma. The pre-clinical activities with laquinimod in the eye diseases, as outlined in the new direction of the company has also been initiated.

The operating loss for the period amounted to SEK 19,9 M (loss: 11.8). Administrative expenses amounted to SEK 7.2 M (6.3), the net financial expense for the period amounted to SEK 0.1 M (expense: 1.8) and the loss after tax to SEK 19.9 M (loss: 13.6).

Comments on the Group's results for the period April - June, 2020
Net sales amounted to SEK 0.0 M (1.1). The second quarter 2019 included income from real estate service provided to the buyer of the Active Biotech facility.

The operation's research and administration expenses amounted to SEK 10.1 M (8.8), of which research expenses totaled SEK 6.3 M (5.2) explained by increased activities in supporting NeoTX in the clinical development of naptumomab and the support in initiation of clinical activities for tasquinimod in multiple myeloma. The pre-clinical activities with laquinimod in the eye diseases, uveitis and wetAMD have also been initiated during the period.

The operating loss for the period amounted to SEK 10.1 M (loss: 5.4). Administrative expenses amounted to SEK 3.8 M (3.6), the net financial income for the period amounted to SEK 0.3 M (0.0) and the loss after tax to SEK 9.8 M (loss: 5.5).

Cash flow, liquidity and financial position, Group, for the period January – June, 2020
Cash and cash equivalents at the end of the period amounted to SEK 38.2 M, compared with SEK 59.7 M at the end of 2019. Cash flow for the period amounted to a negative SEK 21.5 M (positive: 51.7). The second quarter 2019 includes the sale of the company´s real estate, generating a cash injection of approximately 70 MSEK.

The cash flow from operating activities amounted to a negative SEK 19.3 M (neg: 13.5), whereof a one-time payment of approx. SEK 4 M related to the clinical and commercial evaluation the company's lead assets. Cash flow from investments amounted to SEK 0.0 M (positive: 275.0). Cash flow from financing activities amounted to a negative SEK 0.6 M (neg: 203.2).

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, 2020
Net sales for the period amounted to SEK 0.5 M (6.5) and operating expenses to SEK 20.3 M (20.9). The Parent Company's operating loss for the period was SEK 19.9 M (loss: 14.3). Net financial income amounted to SEK 0.0 M (0.1) and the loss after financial items was SEK 19.9 M (loss: 14.2). Cash and cash equivalents including short-term investments totaled SEK 38.2 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 April – June, 2020
Net sales for the period amounted to SEK 0.0 M (1.7) and operating expenses to SEK 10.1 M (8.7). The Parent Company's operating loss for the period was SEK 10.1 M (loss: 7.0). Net financial income amounted to SEK 0.4 M (0.1) and the loss after financial items was SEK 9.8 M (loss: 6.9).

Shareholders' equity
Consolidated shareholders' equity at the end of the period amounted to SEK 33.8 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 77.1 percent, compared with 80.3 percent at year-end 2019. The corresponding figures for the Parent Company, Active Biotech AB, were 15.4 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.

To participate in the **Plan 2020/2024** the employees are required to invest in Active Biotech shares at market terms **(Savings shares)** and will thereafter have the opportunity to receive **(Performance shares)** free of charge provided that certain performance targets are fulfilled. For each **Savings share** held under the **Plan 2020/2024** Active Biotech will grant the participant a right up to two Performance shares.

The participants in the **Board Plan 2020/2023** are also required to invest in Active Biotech shares **(Savings shares)** at market terms each year and will thereafter be granted the opportunity to receive further shares **(Performance shares)** free of charge dependent on Active Biotech´s share price development. For each **Savings share** held under the **Board Plan 2020/2023** Active Biotech will grant the participant a right up to one **Performance share**.

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

Employees and Board members acquired in total 361 756 **Savings shares** during the applicable time period in the respective incentive program. The reporting period does not include any material financial impact of the two programs.

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 new direction of the company 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 into 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.

Available liquidity in combination with income from existing and anticipated partner agreements are, according to current plans, assumed to be sufficient to finance operations into 2021.

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, 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.

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

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Net sales	**–**	**1.1**	**0.5**	**6.6**	**8.4**
Administrative expenses	-3.8	-3.6	-7.2	-6.3	-12.2
Research and development costs	-6.3	-5.2	-13.1	-14.3	-28.5
Other operating expenses/income	–	2.2	–	2.2	–
Operating profit/loss	**-10.1**	**-5.4**	**-19.9**	**-11.8**	**-32.3**
Net financial items	0.3	0.0	-0.1	-1.8	-1.8
Profit/loss before tax	**-9.8**	**-5.5**	**-19.9**	**-13.6**	**-34.1**
Tax	–	–	–	–	–
Net profit/loss for the period	**-9.8**	**-5.5**	**-19.9**	**-13.6**	**-34.1**
Comprehensive profit/loss attributable to:					
Parent Company shareholders	-9.8	-5.5	-19.9	-13.6	-34.1
Non-controlling interest	–	–	–	–	–
Net profit/loss for the period	**-9.8**	**-5.5**	**-19.9**	**-13.6**	**-34.1**
Comprehensive profit/loss per share before dilution (SEK)	-0.07	-0.04	-0.14	-0.09	-0.24
Comprehensive profit/loss per share after dilution (SEK)	-0.07	-0.04	-0.14	-0.09	-0.24

STATEMENT OF PROFIT AND LOSS AND CONSOLIDATED COMPREHENSIVE INCOME

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Net profit/loss for the period	-9.8	-5.5	-19.9	-13.6	-34.1
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-9.8**	**-5.5**	**-19.9**	**-13.6**	**-34.1**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-9.8	-5.5	-19.9	-13.6	-34.1
Non-controlling interest	–	–	–	–	–
Total comprehensive profit/loss for the period	**-9.8**	**-5.5**	**-19.9**	**-13.6**	**-34.1**
Depreciation/amortization included in the amount of	0.3	0.0	0.7	0.1	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	Jun 30 2020	Jun 30 2019	Dec 31 2019
Tangible fixed assets	2.5	1.0	3.2
Long-term receivables	0.0	0.0	0.0
Total fixed assets	**2.5**	**1.0**	**3.2**
Current receivables	3.2	5.7	4.1
Cash and cash equivalents	38.2	77.2	59.7
Total current assets	**41.4**	**82.9**	**63.8**
Total assets	**43.9**	**83.9**	**67.0**
Shareholders equity	33.8	74.3	53.8
Long-term liabilities	1.3	1.0	2.0
Current liabilities	8.7	8.5	11.2
Total shareholders equity and liabilities	**43.9**	**83.9**	**67.0**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

SEK M	Jun 30 2020	Jun 30 2019	Dec 31 2019
Opening balance	53.8	87.9	87.9
Loss for the period	-19.9	-13.6	-34.1
Other comprehensive income for the period	–	–	–
Comprehensive profit/loss for the period	*-19.9*	*-13.6*	*-34.1*
Transfer from revaluation reserve	–	-88.9	-88.9
Transfer to profit/loss brought forward	–	88.9	88.9
Balance at close of period	**33.8**	**74.3**	**53.8**

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Loss after financial items	**-19.9**	**-13.6**	**-34.1**
Adjustment for non-cash items, etc.	0.7	0.1	0.9
Cash flow from operating activities before changes in working capital	**-19.3**	**-13.5**	**-33.3**
Changes in working capital	-1.6	-6.6	-2.5
Cash flow from operating activities	**-20.9**	**-20.1**	**-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	-0.6	-203.2	-205.1
Cash flow from financing activities	**-0.6**	**-203.2**	**-205.1**
Cash flow for the period	**-21.5**	**51.7**	**34.1**
Opening cash and cash equivalents	**59.7**	**25.6**	**25.6**
Closing cash and cash equivalents	**38.2**	**77.2**	**59.7**

KEY FIGURES

	Jun 30		Dec 31
	2020	2019	2019
Shareholders equity, SEK M	33.8	74.3	53.8
Equity per share, SEK	0.23	0.51	0.37
Equity/assets ratio in the Parent Company	15.4%	41.4%	31.4%
Equity/assets ratio in the Group	77.1%	88.6%	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
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**	**–**
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
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
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**
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
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**
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**

ACTIVE BIOTECH PARENT COMPANY – INCOME STATEMENT, CONDENSED

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Net Sales	**–**	**1.7**	**0.5**	**6.5**	**8.3**
Administration expenses	-3.8	-3.6	-7.2	-6.4	-12.3
Research and development costs	-6.3	-5.1	-13.1	-14.5	-28.7
Operating profit/loss	**-10.1**	**-7.0**	**-19.9**	**-14.3**	**-32.7**
Profit/loss from financial items:					
Interest income and similar income-statement items	0.1	0.1	0.1	0.1	0.0
Interest expense and similar income-statement items	0.3	0.0	-0.1	0.0	0.1
Profit/loss after financial items	**-9.8**	**-6.9**	**-19.9**	**-14.2**	**-32.6**
Tax	–	–	–	–	–
Net profit/loss for the period	**-9.8**	**-6.9**	**-19.9**	**-14.2**	**-32.6**
Statement of comprehensive income parent company					
Net profit/loss for the period	-9.8	-6.9	-19.9	-14.2	-32.6
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-9.8**	**-6.9**	**-19.9**	**-14.2**	**-32.6**

ACTIVE BIOTECH PARENT COMPANY – BALANCE SHEET, CONDENSED

SEK M	Jun 30 2020	Jun 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	3.0	5.4	3.3
Short-term investments	34.7	72.7	55.6
Cash and bank balances	3.5	4.0	3.8
Total current assets	**41.1**	**82.1**	**62.8**
Total assets	**81.6**	**122.6**	**103.3**
Shareholders equity	12.5	50.8	32.4
Current liabilities	69.1	71.8	70.8
Total equity and liabilities	**81.6**	**122.6**	**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

	Apr-Jun		Jan-Jun		Full Year
SEK M	2020	2019	2020	2019	2019
Rental revenues	–	0.2	–	4.9	4.9
Service revenues	–	0.9	0.5	1.6	3.3
Other	–	–	–	0.1	0.2
Total	**–**	**1.1**	**0.5**	**6.6**	**8.4**

NOT 3: FAIR VALUE OF FINANCIAL INSTRUMENTS

	Jun 30, 2020	Dec 31, 2019
SEK M	Level 2	Level 2
Short-term investments	34.7	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

- Interim reports 2020: November 5, 2020
- Year-end report 2020: February 11, 2021
- Investor Meeting: Will be announced at a later date

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

Lund, August 6, 2020
Active Biotech AB (publ)

Michael Shalmi
Chairman

Uli Hacksell
Board member

Aleksandar Danilovski
Board member

Elaine Sullivan
Board member

Peter Thelin
Board member

Axel Glasmacher
Board member

Helén Tuvesson
President and CEO

This interim report is unaudited.

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 immunomodulator, is in development for treatment of multiple myeloma. Laquinimod, an immunomodulator, is evaluated as a potential treatment of the eye disorders wet AMD and uveitis and the inflammatory bowels disease, Crohn's disease. Please visit www.activebiotech.com for more information.