Active Biotech AB
Year-end report January – December 2014

Laquinimod
- The pivotal CONCERTO clinical study is continuing according to plan and results are expected in 2016.

- In May 2014, EMA's Committee for Medicinal Products for Human Use (CHMP) announced that the risks observed in animal studies did not prevent registration for treatment in humans. CHMP confirmed its January 2014 risk-benefit opinion, that is, to at this stage recommend against approval of laquinimod for the treatment of relapsing-remitting multiple sclerosis (RRMS) in the European Union (EU).

- In September 2014, new follow-up data was presented from the extension studies following ALLEGRO and BRAVO. No new risks were identified and the rates of adverse events (AEs) were lower in the open-label extensions than in the core studies. Less than 3 percent of patients discontinued treatment due to AEs during these extensions. The safety profile of laquinimod when used in a longer-term setting was hence confirmed.

- In November 2014, it was announced that Teva will initiate a Phase II trial with laquinimod for the treatment of primary progressive multiple sclerosis (PPMS). The first patient had been screened in a Phase II trial in Huntington's disease.

Tasquinimod
- The Phase III study 10TASQ10 is proceeding as planned; the final analysis of progression-free survival (PFS) and overall survival (OS) is expected during the first half of 2015.

- In February 2014, Ipsen launched a randomized, double-blind, placebo-controlled Phase III study of tasquinimod in chemo-naive castrate-resistant prostate cancer (CRPC) patients in Asia.

- In September 2014, Ipsen announced the preliminary results of the clinical Phase II proof-of-concept study in four cancer indications. The study for the treatment of hepatocellular carcinoma is continuing with results expected in 2015. The results do not support the further development of tasquinimod for the treatment of patients with advanced ovarian, renal cell or gastric carcinomas. The primary endpoint of the study was progression-free survival (PFS) at a predefined time for each cohort.

ANYARA
- During the year, it was decided to only conduct commercial activities in relation to the project. Out-licensing activities are ongoing.

Paquinimod (57-57)
- During the year, it was decided to only conduct commercial activities in relation to the project. Out-licensing activities are ongoing.

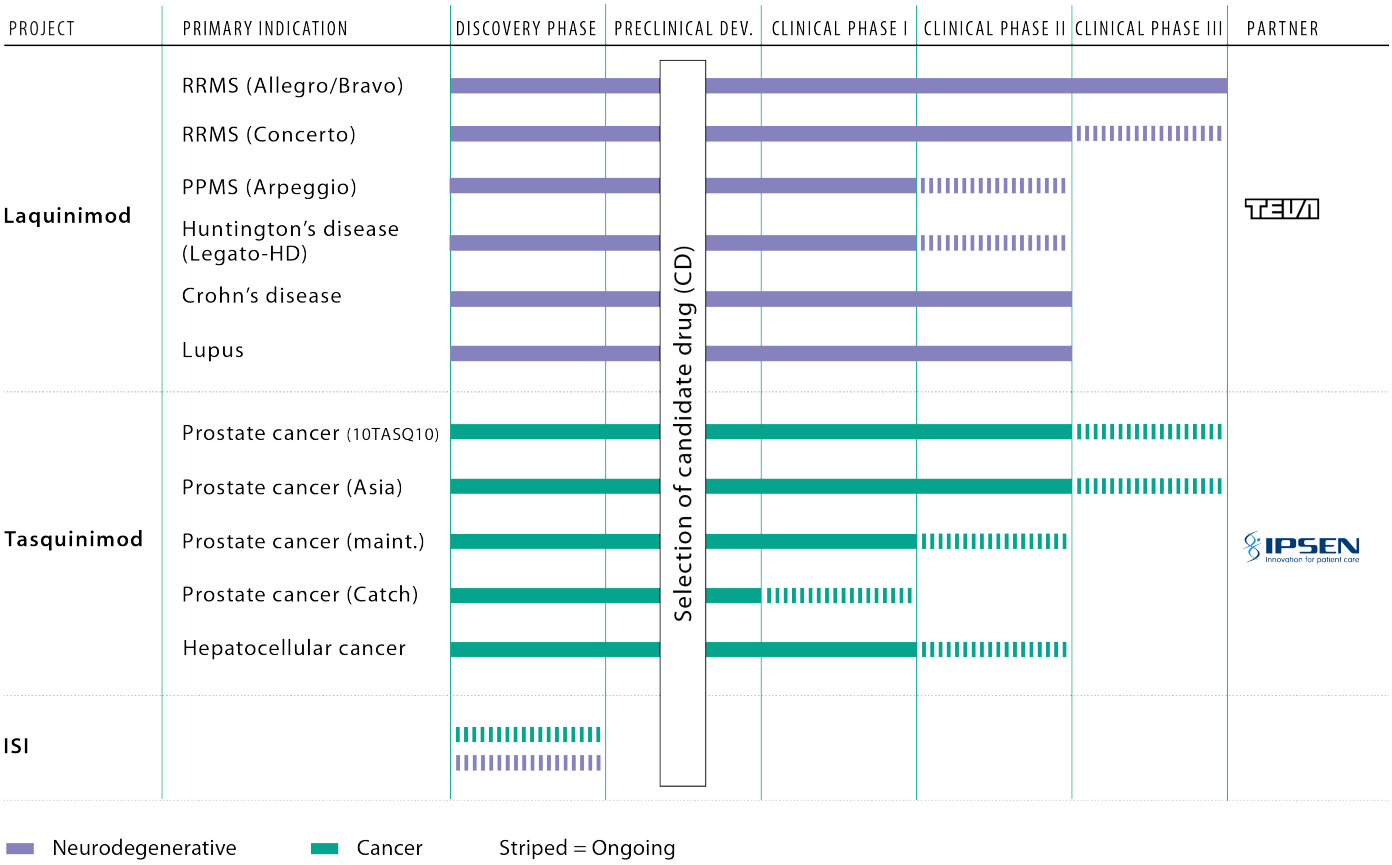
ISI
- The project is proceeding according to plan. The selection of the first candidate drug is planned to take place during 2015.

Financial information
- A rights issue totaling approximately SEK 225 M was completed in December 2014 and was oversubscribed by 24 percent.

Financial summary

MSEK	Oct. - Dec.		Jan. - Dec.	
	2014	2013	2014	2013
Net sales	2.9	4.0	10.4	116.0
Operating loss	-55.6	-80.4	-228.5	-209.0
Loss for the period	-57.0	-82.1	-231.5	-212.1
Loss per share (SEK)	-0.73	-1.07	-3.02	-2.81
Cash and cash equivalents (Dec 31)			328.5	376.2

Project overview



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Laquinimod – a novel oral immunomodulatory compound for the treatment of neurodegenerative diseases

Laquinimod is a quinoline compound under development for the treatment of such diseases as multiple sclerosis (MS). Active Biotech has an agreement with the Israeli company Teva Pharmaceutical Industries Ltd (June 2004) covering the development and commercialization of laquinimod. Data was presented for the first time in September 2009 showing that laquinimod has both neuroprotective and anti-inflammatory properties. In December 2010, positive results from the Phase III ALLEGRO study were presented. Laquinimod met the primary endpoint of reducing the annualized relapse rate and significantly slowed progression of disability. On August 1, 2011, the initial results were announced from the second Phase III BRAVO study. The BRAVO findings supported the direct effect of laquinimod in the central nervous system (CNS) and were in line with the results of the first laquinimod Phase III trial, ALLEGRO, but did not achieve the primary clinical endpoint. The Phase III study CONCERTO is under way with the primary endpoint of measuring time to confirmed disability progression. This study will also examine the impact of laquinimod on endpoints such as percentage change in brain volume and other clinical and MRI markers of disease activity.

– To confirm the benefits of laquinimod on disability progression, Teva is conducting the CONCERTO trial, the largest MS trial with disability progression as the primary clinical endpoint. The ongoing CONCERTO trial is Teva's

third Phase III study in relapsing remitting multiple sclerosis (RRMS) and explores daily doses of laquinimod 0.6 mg and 1.2 mg. The results from these studies are expected in 2016.

– On November 4, Teva announced that it will initiate a Phase II study called ARPEGGIO that will evaluate the efficacy, safety and tolerability of laquinimod in patients with primary progressive multiple sclerosis (PPMS). ARPEGGIO is a multinational, multicenter, randomized, double-blind, placebo-controlled study with parallel groups that will evaluate a daily dose of laquinimod (0.6 or 1.5 mg) in PPMS patients. The primary endpoint of the study is the percentage brain volume change in (PBVC) as measured with MRI.

– In November, the first patient was screened for Teva's clinical study LEGATO-HD, which will evaluate the efficacy, safety and tolerability of a daily dose laquinimod (0.5, 1.0, 1.5 mg) as a potential treatment for adult patients with Huntington's disease. The primary endpoint for LEGATO-HD is change from baseline in the Unified Huntington's Disease Rating Scale-Total Motor Scale (UHDRS-TMS) as defined by the sum of the scores of all UHDRS-TMS sub-items after 12 months of treatment compared to placebo.

Tasquinimod – an immunomodulatory, anti-metastatic substance for the treatment of prostate cancer

The development of tasquinimod is principally focused on the treatment of prostate cancer. Tasquinimod is an immunomodulatory, anti-metastatic substance that indirectly affects the tumor's ability to grow and spread. It was announced in December 2009 that the primary clinical endpoint of the Phase II study, to reduce the fraction of patients with disease progression during the six-month period of treatment using tasquinimod, had been attained. In April 2011, Active Biotech and Ipsen (Euronext: IPN; ADR: IPSEY) entered a broad partnership for the co-development and commercialization of Active Biotech's compound, tasquinimod. Under the terms of the agreement, Active Biotech granted Ipsen exclusive rights to commercialize tasquinimod worldwide, except for North and South America and Japan, where Active Biotech has all commercial and marketing rights. Both companies will co-develop tasquinimod for the treatment of castrate-resistant prostate cancer (CRPC), with the possibility of developing tasquinimod in other cancer indications. In December 2012, patient enrollment was successfully completed to the ongoing clinical Phase III trial for tasquinimod, with 1,245 randomized patients as planned in the clinical protocol. During 2013, the analysis plan was updated and the primary analysis of progression-free survival (PFS) for the Phase III study is performed at the time of the first interim overall survival (OS) analysis. In October 2012, Ipsen initiated a Phase II proof-of-concept clinical trial to evaluate the clinical efficacy of tasquinimod used as maintenance therapy in patients with metastatic castrate-resistant prostate cancer (mCRPC) who have not progressed after a first-line docetaxel-based chemotherapy. In February 2014, Ipsen launched a randomized, double-blind, placebo-controlled Phase III study of tasquinimod in chemo-naive CRPC patients in Asia. In addition, Ipsen is pursuing a Phase IIa clinical trial with tasquinimod to evaluate the safety and efficacy of tasquinimod in advanced or metastatic hepatocellular carcinoma in patients whose condition has nonetheless deteriorated after standard therapies. Furthermore, an investigator-sponsored clinical Phase I trial (CATCH) is under way to determine the recommended dose of tasquinimod in combination with cabazitaxel in patients with mCRPC. For further information, visit www.clinicaltrials.gov.

– The ongoing clinical Phase III trial 10TASQ10 is a global, randomized, double-blind, placebo-controlled study of mCRPC patients. The aim of the study is to confirm tasquinimod's efficacy on the disease, with radiological progression-free survival (PFS) as the primary clinical endpoint and overall survival (OS) as the secondary clinical endpoint. The study is proceeding according to the schedule and it is expected that it will be possible to communicate results in the first half of 2015. The final analysis of overall survival (OS) data will take place when the predetermined number of OS events have occurred according to the original study protocol.

ANYARA – fusion protein for immunological treatment of renal cell cancer

ANYARA is a TTS (Tumor Targeted Superantigen) compound that makes cancer treatment tumor-specific. The development of ANYARA is mainly focused on renal cell cancer. Positive data was reported in connection with the interim analysis in Phase II/III and from clinical Phase I trials in lung cancer, renal cell cancer and pancreatic cancer. In July 2009, the results from two Phase I studies of ANYARA were published in the Journal of Clinical Oncology, where ANYARA 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 ANYARA was well tolerated both as monotherapy and in combination with docetaxel. Overall survival (OS) and progression-free

survival (PFS) data from the ANYARA Phase II/III study in renal cell cancer was presented in June 2013. The study encompassed 513 patients and was designed to evaluate the efficacy of ANYARA (naptumomab estafenatox) in combination with interferon-alpha, compared with interferon-alpha alone, in patients with advanced renal cell cancer. The primary endpoint was improved overall survival, which was not achieved in the overall ITT population, but was attained in a biomarker-defined subgroup of 130 patients. In this subgroup, the median OS for the ANYARA vs. placebo treatment arm were 63.3 vs. 31.1 months (HR=0.59; p=0.020), respectively. The median PFS were 13.7 (ANYARA) vs. 5.8 (placebo) months (HR: 0.62; p=0.016).

– In November 2014, Active Biotech's Board of Directors decided to focus the company's resources and to cease any further scientific activities related to the ANYARA project. Commercial activities concerning potential out-licensing opportunities are continuing.

Paquinimod (57-57) – novel oral immunomodulatory compound for the treatment of systemic sclerosis

Paquinimod is a quinoline compound primarily intended for the treatment of systemic sclerosis. This rare disease is classified as an orphan drug indication. In 2011 and 2014, paquinimod was granted Orphan Medicinal Product Status in Europe and the US, respectively, for the indication systemic sclerosis. The Orphan Medicinal Product designation is implemented to promote the development of drugs that may provide significant benefit to patients suffering from rare diseases identified as life-threatening or chronically debilitating. Orphan Medicinal Product Status can provide ten years and seven years, respectively, of potential market exclusivity if the product candidate is approved for treatment. In June 2014, data from a clinical study of systemic sclerosis was presented at the scientific conference EULAR (European League Against Rheumatism). The results demonstrated that paquinimod was well tolerated and effects on biomarkers relevant for systemic sclerosis were observed during treatment. Data from a pre-clinical trial was also presented, showing that paquinimod reduces development of skin fibrosis in an experimental disease model for systemic sclerosis.

– In November 2014, Active Biotech's Board of Directors decided to focus the company's resources and to cease any further scientific activities related to the paquinimod project. Commercial activities concerning potential out-licensing opportunities are continuing.

ISI (Inhibition of S100 interactions) – preclinical project based on the mode of action of quinoline compounds

Active Biotech is conducting a research project aimed at utilizing the company's own preclinical results that were generated with respect to a target molecule for the quinoline (Q) compounds and their biological mode of action. The results of a target molecule for the Q compounds were published in PLoS Biology (Volume 7, Issue 4, pp. 800-812) in April 2009. The study showed that Q compounds bind to a molecule called S100A9, which is expressed in white blood cells involved in the regulation of immune responses. Furthermore, it is shown that S100A9 interacts with two known pro-inflammatory receptors (Toll-like receptor 4 (TLR4) and Receptor of Advanced Glycation End products (RAGE)) and that this interaction is inhibited by Q compounds. The project aims at producing new, patentable chemical substances that interact with one of the target molecules of the Q compounds. This project is based on preclinical studies and has potential treatment applications in both degenerative diseases and cancer.

– The project is proceeding according to plan. Efforts have been focused on building up a patent portfolio around the substances that interact with S100 proteins and impede their interaction with their receptors. The company has now submitted three priority applications for the purpose of obtaining patent protection for three, chemically unrelated, substance groups. Selection of the first candidate drug is planned to take place during 2015.

RhuDex® – a novel oral compound for the treatment of rheumatoid arthritis

In the project covering Active Biotech's patented CD80 antagonists, the RhuDex candidate drug is under development for the treatment of autoimmune diseases. In April 2002, Active Biotech entered a licensing agreement with Avidex Ltd, now a wholly owned subsidiary of the German biotechnology company MediGene AG, according to which MediGene has the exclusive rights to develop CD80 antagonists and market products in which these compounds are included. Two Phase I trials have already been successfully concluded in which the RhuDex candidate drug was studied with respect to its safety, tolerability and pharmacokinetic properties in healthy volunteers.

– During the year, MediGene signed a global licensing agreement with the company Dr. Falk Pharma GmbH for the development and commercialization of RhuDex in the indication areas hepatology and gastroenterology. For more information and the latest news about RhuDex, see www.medigene.com.

Financial information

Comments on the Group's results for the period January – December 2014

Net sales for the period amounted to SEK 10.4 M (116.0) and comprised service and rental revenues. In the year-earlier period, a milestone payment was received from Ipsen amounting to SEK 104.1 M and SEK 11.9 M in service and rental revenues.

The operation's research and administration expenses amounted to SEK 238.9 M (325.0), of which research expenses accounted for SEK 221.9 M (308.0). The 28-percent decrease in expenses was attributable to planned lower costs for the ongoing clinical Phase III trial of tasquinimod for the treatment of prostate cancer. Under the partnership agreement with Ipsen, Active Biotech will receive clinical, regulatory and commercial milestone payments on fulfillment of defined goals. Provided that these milestones are met, the Phase III trial will be financed in full by Ipsen. The other research projects – the ANYARA renal cell cancer project, the explorative study for the 57-57 project and the preclinical research project ISI – only had a limited impact on the cost development between the years. The out-licensed projects comprising laquinimod and RhuDex are financed by the relevant partners.

The operating loss for the period amounted to SEK 228.5 M (loss: 209.0). The decline in earnings of SEK 19.5 M compared with preceding year was attributable to a SEK 104.1 M decrease in milestone payments in 2014, which was partially offset by an 28-percent (SEK 86.1 M) reduction in research costs due to the fact that patients in the Phase III trial of tasquinimod have finished their treatment and are currently in the follow-up phase.
Administration expenses amounted to SEK 17.0 M (17.0), the net financial expense for the period to SEK 5.3 M (expense: 5.3) and the loss after tax to SEK 231.5 M (loss: 212.1).

Comments on the Group's results for the period October – December 2014

Net sales for the period amounted to SEK 2.9 M (4.0) and comprised service and rental revenues. The operating loss amounted to SEK 55.6 M (loss: 80.4). The improvement compared with the preceding year was due to lower costs of SEK 25.8 M, which largely related to costs for the ongoing Phase III study of tasquinimod in prostate cancer.

The operation's research and administration expenses amounted to SEK 58.6 M (84.4), of which research expenses accounted for SEK 55.1 M (80.0). Administration expenses amounted to SEK 3.5 M (4.4), the net financial expense for the period to SEK 1.9 M (expense: 2.2) and the loss after tax to SEK 57.0 M (loss: 82.1).

Cash flow, liquidity and financial position, Group

Cash and cash equivalents at the end of the period amounted to SEK 328.5 M, compared with SEK 376.2 M at the end of 2013.

Cash flow for the period was a negative SEK 47.7 M (pos: 159.5), of which cash flow from operating activities accounted for a negative SEK 267.1 (neg: 102.3) and cash flow from financing activities for a positive SEK 221.3 M (261.8). In December 2014, the company implemented a rights issue of 14,984,716 shares to existing shareholders, generating proceeds of approximately SEK 223.6 M after issue expenses. The share issue was registered at the Swedish Companies Registration office in January 2015. A private placement to Investor comprising 6,000,000 shares was carried out in the year-earlier period, raising proceeds of approximately SEK 270 M.

Investments

Investments in tangible fixed assets amounted to SEK 1.9 M (0.1).

Comments on the Parent Company's results and financial position for the period January – December 2014

Net sales for the period amounted to SEK 18.0 M (125.4) and operating expenses to SEK 270.1 M (356.4). The Parent Company's operating loss for the period was SEK 252.1 M (loss: 231.0). Net financial income amounted to SEK 2.0 M (3.7) and the loss after financial items was SEK 250.0 M (loss: 227.3). Cash and cash equivalents including short-term investments totaled SEK 319.7 M at the end of the period, compared with SEK 370.5 M on January 1, 2014.

Comments on the Parent Company's results and financial position for the period October – December 2014
Net sales for the period amounted to SEK 4.1 M (6.4) and operating expenses to SEK 66.1 M (92.4). The Parent Company's operating loss for the period was SEK 62.1 M (loss: -86.0). Net financial expense amounted to SEK 0.2 M (income: 0.5) and the loss after financial items was SEK 62.2 M (loss: 85.5).

Shareholders' equity
Consolidated shareholder's equity at the end of the period amounted to SEK 405.3 M, compared with SEK 405.4 M at year-end 2013. The number of shares outstanding at the end of the period totaled 74,923,582. At the end of the period, the equity/assets ratio for the Group was 56.1 percent, compared with 52.8 percent at year-end 2013. The corresponding figures for the Parent Company, Active Biotech AB, were 82.2 percent and 77.1 percent, respectively.

Organization
The average number of employees was 58 (61), of which the number of employees in the research and development organization accounted for 46 (48). At the end of the period, the Group had 56 employees.

Annual General Meeting
The Annual General Meeting will be held on June 11, 2015 at Elite Hotel Ideon, Scheelevägen 27, Lund, Sweden. Shareholders who wish to contact the Election Committee can do so by post to: Election Committee, Active Biotech AB, PO Box 724, SE-220 07 Lund, Sweden.

Annual Report
Active Biotech's annual report is expected to be available on the company's website www.activebiotech.com during the week beginning April 27, 2015.

Dividend
The Board of Directors proposes that no dividend be paid for the 2014 fiscal year.

Outlook, including significant risks and uncertainties
A vital factor for Active Biotech's long-term financial strength and stability is the company's ability to develop pharmaceutical projects to the point at which partnership agreements can be entered into and the partner can assume responsibility for future development and commercialization of the project. During this development phase, the value of projects is expected to increase. The development of partnership agreements already signed and the addition of new agreements are assumed to have a significant impact on future revenues and cash balances. Income from already signed agreements and existing cash and cash equivalents is expected to finance operations.
A research company such as Active Biotech is characterized by a 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. Since no significant changes took place with regard to risks and uncertainties during the period, we refer to the detailed account of these factors presented in the Directors' Report in the 2013 Annual Report. Since the Group's operations are primarily conducted in the Parent Company, risks and uncertainties refer to both the Group and the Parent Company.

Consolidated profit and loss	Oct. - Dec.		Jan. -Dec.	
SEK M	2014	2013	2014	2013
Net sales	**2.9**	**4.0**	**10.4**	**116.0**
Administrative expenses	-3.5	-4.4	-17.0	-17.0
Research and development costs	-55.1	-80.0	-221.9	-308.0
Operating profit/loss	**-55.6**	**-80.4**	**-228.5**	**-209.0**
Net financial items	-1.9	-2.2	-5.3	-5.3
Profit/loss before tax	**-57.6**	**-82.6**	**-233.7**	**-214.3**
Tax	0.6	0.6	2.2	2.2
Net profit/loss for the period	**-57.0**	**-82.1**	**-231.5**	**-212.1**
Comprehensive loss attributable to:				
Parent Company shareholders	-57.0	-82.1	-231.5	-212.1
Non-controlling interests	–	–	–	–
Net profit/loss for the period	**-57.0**	**-82.1**	**-231.5**	**-212.1**
Comprehensive profit/loss per share before dilution (SEK)	-0.73	-1.07	-3.02	-2.81
Comprehensive profit/loss per share after dilution (SEK)	-0.73	-1.07	-3.02	-2.81

Statement of profit and loss and consolidated comprehensive income	Oct. - Dec.		Jan. -Dec.	
SEK M	2014	2013	2014	2013
Net profit/loss for the period	-57.0	-82.1	-231.5	-212.1
Other comprehensive income				
Items that can not be reclassified into profit or loss				
Change in revaluation reserve	1.8	1.8	7.2	7.2
Taxes attributable to other comprehensive income	-0.4	-0.4	-1.6	-1.6
Total comprehensive profit/loss for the period	**-55.6**	**-80.7**	**-225.9**	**-206.5**
Total other comprehensive profit/loss for the period attributable to:				
Parent Company shareholders	-55.6	-80.7	-225.9	-206.5
Non-controlling interests	–	–	–	–
Total comprehensive profit/loss for the period	**-55.6**	**-80.7**	**-225.9**	**-206.5**
Depreciation/amortization included in the amount of	3.1	3.2	12.3	12.9
Investments in tangible fixed assets	–	–	1.9	0.1
Weighted number of outstanding common shares before dilution (000s)	77 741	76 422	76 755	75 433
Weighted number of outstanding common shares after dilution (000s)	77 741	76 422	76 755	75 433
Number of shares at close of the period (000s)	74 924	74 924	74 924	74 924

The avarage number of shares for the period Oct-Dec 2013 and full year 2013 has been recalculated with respect to the rights issue conducted in Dec 2014.

Consolidated statement of financial position	Dec. 31	
SEK M	2014	2013
Tangible fixed assets	381.6	381.0
Long-term receivables	0.0	0.0
Total fixed assets	**381.6**	**381.0**
Current receivables	12.4	10.6
Cash and cash equivalents	328.5	376.2
Total current assets	**340.9**	**386.8**
Total assets	**722.5**	**767.8**
Shareholders equity	405.3	405.4
Long-term liabilities	222.6	224.0
Current liabilities	94.6	138.3
Total shareholders equity and liabilities	**722.5**	**767.8**

Consolidated statement of changes in shareholders equity	Dec. 31	
SEK M	**2014**	**2013**
Opening balance	405.4	339.9
Transfer from revaluation reserve	2.2	2.2
New share issue	223.6	269.8
Net loss for the period	-225.9	-206.5
Balance at close of period	**405.3**	**405.4**

Condensed consolidated cash-flow statement	Jan. -Dec.	
SEK M	**2014**	**2013**
Loss after financial items	**-233.7**	**-214.3**
Adjustment for non-cash items, etc.	12.3	12.9
Cash flow from operating activities before changes in working capital	**-221.5**	**-201.4**
Changes in working capital	-45.6	99.1
Cash flow from operating activities	**-267.1**	**-102.3**
Investments in tangible fixed assets	-1.9	-0.1
Cash flow from investing activities	**-1.9**	**-0.1**
New share issue	223.6	269.8
Loans raised/amortization of loan liabilities	-2.3	-7.9
Cash flow from financing activities	**221.3**	**261.8**
Cash flow for the period	**-47.7**	**159.5**
Opening cash and cash equivalents	**376.2**	**216.7**
Closing cash and cash equivalents	**328.5**	**376.2**

	Dec. 31	
Key figures	**2014**	**2013**
Shareholders equity, SEK M	405.3	405.4
Equity per share, SEK	5.41	5.41
Equity/assets ratio in the Parent Company	82.2%	77.1%
Equity/assets ratio in the Group	56.1%	52.8%
Average number of annual employees	58	61

Consolidated profit and loss by quarter

	2010				2011				2012				2013				2014			
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	**2.8**	**3.4**	**2.3**	**2.9**	**2.7**	**226.1**	**2.6**	**3.3**	**2.6**	**94.0**	**39.8**	**91.5**	**2.4**	**2.5**	**107.0**	**4.0**	**2.1**	**2.7**	**2.6**	**2.9**
Administrative expenses	-4.6	-7.1	-4.0	-7.3	-5.3	-4.4	-3.2	-4.0	-3.8	-4.2	-3.2	-4.7	-4.2	-4.6	-3.8	-4.4	-4.5	-5.3	-3.7	-3.5
Research and dev costs	-49.1	-47.6	-45.6	-74.9	-68.3	-80.1	-76.2	-93.9	-99.4	-109.7	-84.8	-81.3	-75.2	-77.5	-75.3	-80.0	-56.9	-55.3	-54.6	-55.1
Operating profit/loss	**-51.0**	**-51.4**	**-47.3**	**-79.3**	**-70.9**	**141.5**	**-76.8**	**-94.7**	**-100.7**	**-19.9**	**-48.2**	**5.5**	**-77.0**	**-79.5**	**27.9**	**-80.4**	**-59.2**	**-57.9**	**-55.7**	**-55.6**
Net financial items	-2.5	-3.3	-1.2	2.4	1.6	4.3	-2.8	-5.7	1.0	-5.3	-4.1	-0.4	-1.6	-2.2	0.8	-2.2	-1.5	-0.3	-1.5	-1.9
Profit/loss before tax	**-53.5**	**-54.8**	**-48.5**	**-76.8**	**-69.3**	**145.8**	**-79.6**	**-100.4**	**-99.6**	**-25.1**	**-52.3**	**5.1**	**-78.6**	**-81.7**	**28.7**	**-82.6**	**-60.8**	**-58.2**	**-57.2**	**-57.6**
Tax	-	-	-	12.6	-	1.2	0.6	7.2	0.6	0.6	0.6	-5.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Net profit/loss for the period	**-53.5**	**-54.8**	**-48.5**	**-64.3**	**-69.3**	**147.0**	**-79.0**	**-93.2**	**-99.0**	**-24.5**	**-51.6**	**0.1**	**-78.0**	**-81.2**	**29.2**	**-82.1**	**-60.2**	**-57.7**	**-56.6**	**-57.0**

Active Biotech Parent Company - Income Statement, condensed	Oct. - Dec.		Jan. - Dec.	
SEK M	2014	2013	2014	2013
Net sales	**4.1**	**6.4**	**18.0**	**125.4**
Administration expenses	-7.8	-8.8	-34.6	-34.2
Research and development costs	-58.3	-83.6	-235.5	-322.2
Operating profit/loss	**-62.1**	**-86.0**	**-252.1**	**-231.0**
Profit/loss from financial items:				
Interest income and similar income-statement items	0.2	1.3	2.4	5.2
Interest expense and similar income-statement items	-0.4	-0.8	-0.4	-1.5
Profit/loss after financial items	**-62.2**	**-85.5**	**-250.0**	**-227.3**
Tax	–	–	–	–
Net profit/loss for the period	**-62.2**	**-85.5**	**-250.0**	**-227.3**
Statement of comprehensive income parent company				
Net profit/loss for the period	-62.2	-85.5	-250.0	-227.3
Other comprehensive income	–	–	–	–
Total comprehensive profit/loss for the period	**-62.2**	**-85.5**	**-250.0**	**-227.3**

Active Biotech Parent Company - Balance sheet, condensed	Dec. 31	
SEK M	2014	2013
Goodwill	96.9	113.0
Tangible fixed assets	0.6	0.6
Financial fixed assets	40.6	40.6
Total fixed assets	**138.0**	**154.2**
Current receivables	23.3	21.9
Short-term investments	76.7	264.3
Cash and bank balances	243.0	106.2
Total current assets	**343.0**	**392.4**
Total assets	**481.0**	**546.6**
Shareholders equity	395.2	421.6
Current liabilities	85.8	125.0
Total equity and liabilities	**481.0**	**546.6**

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 to this interim report as were used in the preparation of the most recent annual report.

Note 2: Fair value of financial instruments

	Dec. 31,2014	Dec. 31,2013
SEK M	Level 2	Level 2
Short-term investments	76.7	264.3
Current liabilities, derivatives	-	4.3

The fair value of financial assets and liabilities essentially corresponds to the carrying amount in the balance sheet. The fair-value measurement of financial assets and liabilities has been conducted according to level 2 as defined in IFRS 7.27 A, with the exception of cash and cash equivalents, which are measured according to level 1. For more information, refer to Note 16 in the 2013 Annual Report. No significant changes have occurred in relation to the measurement made at December 31.

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 2015: April 23, August 7 and November 6
Year-end report 2015: February 18, 2016
The reports will be available from these dates at www.activebiotech.com.

Lund, February 11, 2015
Active Biotech AB (publ)

Tomas Leanderson
President and CEO

Active Biotech AB (publ) *(Nasdaq Stockholm: ACTI) is a biotechnology company with focus on neurodegenerative diseases and cancer. Projects in pivotal phase are laquinimod, an orally administered small molecule with unique immunomodulatory properties for the treatment of multiple sclerosis, and tasquinimod, an oral immunomodulatory, anti-metastatic substance for the treatment of prostate cancer. The objective of the preclinical ISI project is to produce new, patentable chemical compounds for treatment of diseases in the company's focus areas. Please visit www.activebiotech.com for more information.*

Active Biotech is obligated to publish the information contained in this interim report in accordance with the Swedish Securities Market Act. This information was provided to the media for publication on February 11, 2015 at 8:30 a.m.