Active Biotech AB
Interim report January – September 2015

Laquinimod

- The pivotal CONCERTO clinical Phase 3 study in relapsing remitting MS (RRMS) is proceeding according to plan and results are expected in 2017
- The Phase 2 studies, ARPEGGIO, which will evaluate laquinimod's potential for treatment of primary progressive MS (PPMS), and LEGATO-HD, for the treatment of Huntington's disease, are proceeding as planned

Tasquinimod

- The final results from Active Biotech's tasquinimod 10TASQ10 Phase 3 trial were presented at the ECC conference and demonstrated that while tasquinimod treatment resulted in a prolonged radiographic progression-free survival (rPFS), 7.0 vs. 4.4 months, the positive effect on rPFS did not translate into an improved OS

ISI

- Only commercial activities will be conducted from 2016

Financial summary

MSEK	July - Sept.		Jan. - Sept.		Jan. - Dec.
	2015	2014	2015	2014	2014
Net sales	5.2	2.6	11.3	7.5	10.4
Operating loss	-22.2	-55.7	-149.7	-172.8	-228.5
Loss for the period	-23.4	-56.6	-152.7	-174.5	-231.5
Loss per share, before and after dilution (SEK)	-0.26	-0.76	-1.70	-2.33	-3.02
Cash and cash equivalents (at the end of the period)			132.4	161.0	328.5

For further information, please contact:

Tomas Leanderson, President and CEO
Tel: +46 (0)46 19 20 95

Hans Kolam, CFO
Tel: +46 (0)46 19 20 44

Active Biotech AB
(Corp. Reg. No. 556223-9227)
Box 724, SE-220 07 Lund, Sweden
Tel: +46 (0)46 19 20 00
Fax: +46 (0)46 19 11 00

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

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

Laquinimod is a quinoline compound under development for the treatment of multiple sclerosis (MS) and Huntington's disease. Active Biotech has an agreement with the Israeli company Teva Pharmaceutical Industries Ltd (June 2004) covering the development and commercialization of laquinimod.

In December 2010, positive results from the Phase 3 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 3 study BRAVO. 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 3 trial, ALLEGRO, but did not achieve statistical significance regarding the primary clinical endpoint.
The ongoing CONCERTO trial is Teva's third Phase 3 study in relapsing remitting MS (RRMS) and explores daily doses of laquinimod 0.6 mg and 1.2 mg. The study is intended to confirm the benefits of laquinimod in delaying further disability progression, which is its primary endpoint. 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. On June 25, 2015 it was announced that enrollment to CONCERTO had been finalized and included 2,199 patients.

In November 2014, the first patient was screened for the Phase 2 LEGATO-HD clinical study, which will evaluate a daily dose (0.5, 1.0 or 1.5 mg) of laquinimod 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. The study is planned to include about 400 patients in the US, Canada and Europe.

It was announced in April 2015 that the first patient had been enrolled in the study "A Randomized Placebo-controlled Trial Evaluating Laquinimod in PPMS, Gauging Gradations In MRI and Clinical Outcomes" (ARPEGGIO), which will evaluate laquinimod's potential for treatment of primary progressive multiple sclerosis (PPMS). ARPEGGIO is a multinational, multicenter, randomized, double-blind, placebo-controlled clinical Phase 2 study with parallel groups that will evaluate two doses of laquinimod (0.6 and 1.5 mg per day) compared with placebo in PPMS patients. The primary endpoint of the study is brain atrophy, defined as the percentage brain volume change (PBVC) as measured with MRI. The study will include about 375 patients in the US, Canada and Europe.

Extension studies involving patients from both the clinical Phase 2 and Phase 3 studies, ALLEGRO and BRAVO, are under way. These studies encompass more than 2,000 patients that have received treatment with 0.6 mg of laquinimod for up to ten years.

– All clinical studies with laquinimod are proceeding according to schedule. Results from the pivotal CONCERTO Phase 3 trial are expected to be available toward mid-2017.

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

The development of tasquinimod has been 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. 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.

On April 16, 2015, the initial results of the Phase 3 trial 10TASQ10, a global, randomized, double-blind, placebo-controlled study of patients with metastatic castrate resistant prostate cancer (mCRPC), were presented. The aim of the study was to confirm tasquinimod's efficacy on the disease, with radiological progression-free survival (rPFS) as the primary clinical endpoint and overall survival (OS) as the secondary clinical endpoint. Results showed that treatment with tasquinimod significantly reduced the risk of radiographic cancer progression compared to placebo in patients with mCRPC who have not received chemotherapy. However, the treatment with tasquinimod did not extend overall survival (OS, HR=1.09, CI 95%: 0.94 – 1.28). Despite the favorable safety profile, total efficacy results did not support a positive benefit/risk balance in this population. Therefore, the companies decided to discontinue all studies in and all further development of tasquinimod. This also resulted in the termination of further development of tasquinimod by Ipsen in other indications and the ending of the partnership agreement between Ipsen and Active Biotech.

– On September 28, 2015, the final results from the 10TASQ10 tasquinimod Phase 3 trial were presented at the European Cancer Congress (ECC 2015) held in Vienna on September 25-29. Final results showed that tasquinimod treatment resulted in a prolonged radiographic progression-free survival (rPFS), 7.0 vs. 4.4 months (central assessment), similar to an earlier Phase 2 study. However, the positive effect on rPFS did not translate into an improved OS (HR 1.097, 95% CI: 0.938-1.282). Tasquinimod safety was in general manageable and similar to what was observed during the earlier Phase 2 study.

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 was 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. This project is based on preclinical studies and has potential treatment applications in both degenerative diseases and cancer.

– 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 submitted three priority applications for the purpose of obtaining patent protection for three chemically unrelated substance groups. As a consequence of the events in the tasquinimod project only commercial activities with the aim to out-license the ISI project, will be conducted during 2016.

Events after the end of the period
Laquinimod
On October 6, 2015, it was announced that Active Biotech's collaboration partner Teva Pharmaceutical Industries Ltd. (NYSE and TASE: TEVA) was to present data on laquinimod at the 31st European Committee for Treatment and Research in Multiple Sclerosis (ECTRIMS) in Barcelona on October 7-10, 2015. Information presented at the conference included long-term data from patients treated with laquinimod for up to ten years. Results show that it is beneficial to commence treatment early and that the safety profile from the core studies was maintained throughout the period without any increased risk of adverse events (AEs).

Financial information
Comments on the Group's results for the period January – September 2015

Net sales amounted to SEK 11.3 M (7.5) and included service and rental revenues.

The operation's research and administrative expenses amounted to SEK 161.0 M (180.3), of which research expenses accounted for SEK 147.2 M (166.8). This is equivalent to a 12-percent reduction in costs, attributable to significantly lower costs for the Phase 3 trial for tasquinimod for the treatment of prostate cancer, which was concluded in the second quarter of 2015. The other research projects – the ANYARA renal cell cancer project, 57-57 for the treatment of scleroderma 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 149.7 M (loss: 172.8). The 13-percent improvement in earnings compared with the year-earlier period was attributable to lower research expenses for the Phase 3 tasquinimod trial. Administrative expenses amounted to SEK 13.8 M (13.5), the net financial expense for the period to SEK 4.7 M (expense: 3.3) and the loss after tax to SEK 152.7 M (loss: 174.5).

Comments on the Group's results for the period July – September 2015

Net sales amounted to SEK 5.2 M (2.6) and included service and rental revenues.

The operation's research and administrative expenses amounted to SEK 27.4 M (58.3), of which research expenses accounted for SEK 23.6 M (54.6), down 57 percent. The reduction in expenses was attributable to lower costs for the

clinical Phase 3 trial of tasquinimod for the treatment of prostate cancer, which was concluded in the second quarter of 2015.

The operating loss for the period amounted to SEK 22.2 M (loss: 55.7). The change in earnings compared with the year-earlier period was attributable to lower research expenses. Administrative expenses amounted to SEK 3.8 M (3.7), the net financial expense for the period to SEK 1.8 M (expense: 1.5) and the loss after tax to SEK 23.4 M (loss: 56.6).

Cash flow, liquidity and financial position, Group, for the period January – September 2015
Cash and cash equivalents at the end of the period amounted to SEK 132.4 M, compared with SEK 328.5 M at the end of 2014.

Cash flow for the period was a negative SEK 196.1 M (neg: 215.2), of which cash flow from operating activities accounted for a negative SEK 190.9 (neg: 212.7) and cash flow from financing activities for a negative SEK 5.1 M (neg: 0.6).

Investments
Investments in tangible fixed assets amounted to SEK 0.0 M (1.9).

Comments on the Parent Company's results and financial position for the period January-September 2015
Net sales for the period amounted to SEK 18.9 M (13.9) and operating expenses to SEK 185.3 M (203.9). The Parent Company's operating loss for the period was SEK 166.4 M (loss: 190.0). Net financial income amounted to SEK 0.5 M (2.2) and the loss after financial items was SEK 166.0 M (loss: 187.8). Cash and cash equivalents including short-term investments totaled SEK 118.9 M at the end of the period, compared with SEK 319.7 M on January 1, 2015.

Comments on the Parent Company's results and financial position for the period July-September 2015
Net sales for the period amounted to SEK 7.7 M (4.3) and operating expenses to SEK 35.5 M (66.0). The Parent Company's operating loss for the period was SEK 27.8 M (loss: 61.7). Net financial income amounted to SEK 0.0 M (0.2) and the loss after financial items was SEK 27.8 M (loss: 61.4).

Shareholders' equity
Consolidated shareholder's equity at the end of the period amounted to SEK 258.4 M, compared with SEK 405.3 M at year-end 2014. The number of shares outstanding at the end of the period totaled 89,908,298. At the end of the period, the equity/assets ratio for the Group was 49.5 percent, compared with 56.1 percent at year-end 2014. The corresponding figures for the Parent Company, Active Biotech AB, were 86.1 percent and 82.2 percent, respectively.

Organization
The average number of employees was 54 (59), of which the number of employees in the research and development organization accounted for 46 (46). At the end of the period, the Group had 54 employees.

As earlier communicated, the company has decided to focus the operations on the laquinimod projects and perform only out-licensing activities for all other projects. Negotiations with trade unions have been completed. Employees who have been made redundant will end their employment successively in 2015 and 2016 in accordance with statutory periods of termination notice.

Outlook, including significant risks and uncertainties
The development of existing partnership agreements is assumed to have a significant impact on future revenues and cash balances. Existing liquidity, financial and tangible assets and income from already signed agreements are 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. A detailed account of these risks and uncertainties are presented in the

Directors' Report in the 2014 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	**July - Sept.**		**Jan. - Sept.**		**Jan. -Dec.**
SEK M	**2015**	**2014**	**2015**	**2014**	**2014**
Net sales	**5.2**	**2.6**	**11.3**	**7.5**	**10.4**
Administrative expenses	-3.8	-3.7	-13.8	-13.5	-17.0
Research and development costs	-23.6	-54.6	-147.2	-166.8	-221.9
Operating profit/loss	**-22.2**	**-55.7**	**-149.7**	**-172.8**	**-228.5**
Net financial items	-1.8	-1.5	-4.7	-3.3	-5.3
Profit/loss before tax	**-23.9**	**-57.2**	**-154.4**	**-176.2**	**-233.7**
Tax	0.6	0.6	1.7	1.7	2.2
Net profit/loss for the period	**-23.4**	**-56.6**	**-152.7**	**-174.5**	**-231.5**
Comprehensive loss attributable to:					
Parent Company shareholders	-23.4	-56.6	-152.7	-174.5	-231.5
Non-controlling interests	–	–	–	–	–
Net profit/loss for the period	**-23.4**	**-56.6**	**-152.7**	**-174.5**	**-231.5**
Comprehensive profit/loss per share before dilution (SEK)	-0.26	-0.76	-1.70	-2.33	-3.02
Comprehensive profit/loss per share after dilution (SEK)	-0.26	-0.76	-1.70	-2.33	-3.02

Statement of profit and loss and consolidated comprehensive income	**July - Sept.**		**Jan. - Sept.**		**Jan. -Dec.**
SEK M	**2015**	**2014**	**2015**	**2014**	**2014**
Net profit/loss for the period	-23.4	-56.6	-152.7	-174.5	-231.5
Other comprehensive income					
Items that can not be reclassified into profit or loss					
Change in revaluation reserve	1.8	1.8	5.4	5.4	7.2
Taxes attributable to other comprehensive income	-0.4	-0.4	-1.2	-1.2	-1.6
Total comprehensive profit/loss for the period	**-22.0**	**-55.2**	**-148.5**	**-170.3**	**-225.9**
Total other comprehensive profit/loss for the period attributable to:					
Parent Company shareholders	-22.0	-55.2	-148.5	-170.3	-225.9
Non-controlling interests	–	–	–	–	–
Total comprehensive profit/loss for the period	**-22.0**	**-55.2**	**-148.5**	**-170.3**	**-225.9**
Depreciation/amortization included in the amount of	3.0	3.0	9.1	9.2	12.3
Investments in tangible fixed assets	0.0	1.8	0.0	1.9	1.9
Weighted number of outstanding common shares before dilution (000s)	89908	74 924	89 908	74 924	76 755
Weighted number of outstanding common shares after dilution (000s)	89908	74 924	89 908	74 924	76 755
Number of shares at close of the period (000s)	89908	74 924	89 908	74 924	74 924

Consolidated statement of financial position	**Sept. 30**		**Dec. 31**
SEK M	**2015**	**2014**	**2014**
Tangible fixed assets	380.3	382.2	381.6
Long-term receivables	0.0	0.0	0.0
Total fixed assets	**380.3**	**382.2**	**381.6**
Current receivables	9.1	7.0	12.4
Cash and cash equivalents	132.4	161.0	328.5
Total current assets	**141.5**	**168.0**	**340.9**
Total assets	**521.8**	**550.2**	**722.5**
Shareholders equity	258.4	236.8	405.3
Long-term liabilities	217.9	224.3	222.6
Current liabilities	45.4	89.1	94.6
Total shareholders equity and liabilities	**521.8**	**550.2**	**722.5**

Consolidated statement of changes in shareholders equity	Sept. 30		Dec. 31
SEK M	2015	2014	2014
Opening balance	405.3	405.4	405.4
Transfer from revaluation reserve	1.7	1.7	2.2
New share issue	-	-	223.6
Net loss for the period	-148.5	-170.3	-225.9
Balance at close of period	**258.4**	**236.8**	**405.3**

Condensed consolidated cash-flow statement	Jan. - Sept.		Jan. - Dec.
SEK M	2015	2014	2014
Loss after financial items	**-154.4**	**-176.2**	**-233.7**
Adjustment for non-cash items, etc.	9.1	9.2	12.3
Cash flow from operating activities before changes in working capital	**-145.3**	**-167.0**	**-221.5**
Changes in working capital	-45.6	-45.7	-45.6
Cash flow from operating activities	**-190.9**	**-212.7**	**-267.1**
Investments in tangible fixed assets	-	-1.9	-1.9
Cash flow from investing activities	**-**	**-1.9**	**-1.9**
New share issue	-	-	223.6
Loans raised/amortization of loan liabilities	-5.1	-0.6	-2.3
Cash flow from financing activities	**-5.1**	**-0.6**	**221.3**
Cash flow for the period	**-196.1**	**-215.2**	**-47.7**
Opening cash and cash equivalents	**328.5**	**376.2**	**376.2**
Closing cash and cash equivalents	**132.4**	**161.0**	**328.5**

Key figures	Sept. 30		Dec. 31
	2015	2014	2014
Shareholders equity, SEK M	258.4	236.8	405.3
Equity per share, SEK	2.87	3.16	5.41
Equity/assets ratio in the Parent Company	86.1%	74.3%	82.2%
Equity/assets ratio in the Group	49.5%	43.0%	56.1%
Average number of annual employees	55	59	58

Consolidated profit and loss by quarter

	2011				2012				2013				2014				2015		
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	**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**	**2.9**	**3.2**	**5.2**
Administrative expenses	-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	-5.3	-4.7	-3.8
Research and dev. costs	-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	-55.0	-68.7	-23.6
Operating profit/loss	**-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**	**-57.4**	**-70.1**	**-22.2**
Net financial items	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	-1.1	-1.8	-1.8
Profit/loss before tax	**-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**	**-58.5**	**-71.9**	**-23.9**
Tax	-	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	0.6	0.6	0.6
Net profit/loss for the period	**-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**	**-58.0**	**-71.4**	**-23.4**

Active Biotech Parent Company - Income Statement, condensed	July - Sept.		Jan. - Sept.		Jan - Dec.
SEK M	2015	2014	2015	2014	2014
Net sales	**7.7**	**4.3**	**18.9**	**13.9**	**18.0**
Administration expenses	-8.2	-8.1	-27.0	-26.8	-34.6
Research and development costs	-27.3	-57.9	-158.3	-177.1	-235.5
Operating profit/loss	**-27.8**	**-61.7**	**-166.4**	**-190.0**	**-252.1**
Profit/loss from financial items:					
Interest income and similar income-statement items	0.4	0.6	0.5	2.2	2.4
Interest expense and similar income-statement items	-0.4	-0.4	0.0	0.0	-0.4
Profit/loss after financial items	**-27.8**	**-61.4**	**-166.0**	**-187.8**	**-250.0**
Tax	–	–	–	–	–
Net profit/loss for the period	**-27.8**	**-61.4**	**-166.0**	**-187.8**	**-250.0**
Statement of comprehensive income parent company					
Net profit/loss for the period	-27.8	-61.4	-166.0	-187.8	-250.0
Other comprehensive income	–	–	–	–	–
Total comprehensive profit/loss for the period	**-27.8**	**-61.4**	**-166.0**	**-187.8**	**-250.0**

Active Biotech Parent Company - Balance sheet, condensed	Sept. 30		Dec. 31
SEK M	2015	2014	2014
Goodwill	84.8	100.9	96.9
Tangible fixed assets	0.5	0.6	0.6
Financial fixed assets	40.6	40.6	40.6
Total fixed assets	**125.8**	**142.1**	**138.0**
Current receivables	21.6	17.6	23.3
Short-term investments	106.7	136.5	76.7
Cash and bank balances	12.2	18.5	243.0
Total current assets	**140.5**	**172.5**	**343.0**
Total assets	**266.3**	**314.6**	**481.0**
Shareholders equity	229.2	233.8	395.2
Current liabilities	37.1	80.8	85.8
Total equity and liabilities	**266.3**	**314.6**	**481.0**

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

	Sept.30, 2015	Dec 31, 2014
SEK M	Level 2	Level 2
Short-term investments	106.7	76.7

The fair value of financial assets and liabilities essentially corresponds to the carrying amount in the balance sheet. For more information, refer to Note 17 in the 2014 Annual Report. No significant changes have occurred in relation to the valuation made on 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
Year-end report 2015: February 18, 2016
Interim reports 2016: April 28, August 11 and November 10
Year-end report 2016: February 16, 2017
Annual General Meeting 2016: May 26

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

Lund, November 6, 2015
Active Biotech AB (publ)
Tomas Leanderson
President and CEO

Review report
To the Board of Directors of Active Biotech AB
Corp. Reg. No. 556223-9227

Introduction
We have reviewed the summary interim financial information (interim report) of Active Biotech AB as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, November 6, 2015
KPMG AB
David Olow
Authorized Public Accountant

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 in pivotal Phase 3 development for the treatment of relapsing remitting multiple sclerosis. Also, laquinimod is in Phase 2 development for the treatment of primary progressive multiple sclerosis and Huntington's disease. Furthermore, commercial activities are conducted for the ISI, ANYARA and paquinimod projects. 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 November 6, 2015 at 8:30 a.m.