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Active Biotech announces a rights issue of approximately SEK 55 million

The board of directors of Active Biotech AB (publ) ("Active Biotech" or the "Company") has, based on the authorisation from the general meeting, resolved on a rights issue of approximately SEK 55 million, before transaction costs. The proceeds from the rights issue are intended to provide the Company with the financial stability needed to pursue the planned pre-clinical and clinical research activities related to its prioritized programs, await the outcome of the ongoing clinical studies and conduct negotiations with partners. The Company has entered, free of charge, subscription commitments and an issue guarantee of approximately SEK 25.2 million in relation to the rights issue.

Background and reasons

Active Biotech is a biotechnology company that uses its extensive knowledge base and product portfolio to develop first-in-class immunomodulatory treatments in specialized oncological and immunological indications with high unmet medical need and significant commercial potential. Following a decision on a new direction of research and development activities in 2020, the new focus is fully implemented and Active Biotech currently has three projects in its portfolio: The fully owned projects, tasquinimod and laquinimod, with a mechanism of action that includes modulation of myeloid immune cell function, are developed for the treatment of hematological malignancies and inflammatory eye diseases. In addition, the Company has the project naptumomab, which is being developed by Active Biotech's partner NeoTX for the treatment of solid tumors.

Tasquinimod is in clinical phase Ib/IIa for the treatment of multiple myeloma. The Company expects the safety readout and the start of an expansion cohort can take place late in the second half of 2022 or in early 2023. A clinical proof-of-concept study in patients with myelofibrosis is being prepared in collaboration with Erasmus/ Oncode Institute and scheduled to start early 2023. The study is funded by Oncode Institute.

In the laquinimod project, a clinical phase I study of a newly developed eye drop formulation is ongoing. The study, which started in December 2021, has safety and tolerability as its primary objective. Results from the clinical study are expected in the beginning of 2023. A clinical phase II study for the treatment of patients with non-infectious uveitis is being prepared and is scheduled to start in 2023.

Naptumomab, which is being developed in collaboration with NeoTX, is a tumor-targeted immunotherapy. A phase IIa study in patients with lung cancer, and a phase Ib/II study in patients with advanced selected solid tumors are ongoing. NeoTX fully funds the clinical programs with naptumomab where results from the phase II study in lung cancer are expected in 2023 and the results from the phase Ib/II study in 2022.

The rights issue aims at providing Active Biotech with the financial stability needed to pursue the planned pre-clinical and clinical research-activities related to the Company's prioritized programs, await the outcome of the ongoing clinical studies and conduct negotiations with partners. The net-proceeds from the rights issue, which is projected to amount to approximately SEK 55 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 rights issue

The board of directors of the Company has, based on the authorisation from the general meeting, resolved on a rights issue of approximately SEK 55 million, before transaction costs. The Company's share capital is thereby increased with not more than approximately SEK 281,508.20 through the issue of not more than 54,513,680 new shares. The subscription price amounts to SEK 1.00 per share. 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 18 August 2022. Subscription for new shares shall be made during the period 22 August – 5 September 2022. The last day for trading in the Active Biotech share including the right to participate in the rights issue is 16 August 2022.

MGA Holding AB and Peter Thelin (privately and through companies) have undertaken to subscribe for their respective pre-emptive parts of the rights issue, a total of approximately SEK 15.4 million, corresponding to 28.2 percent of the rights issue. In addition thereto, Peter Thelin has also entered an issue guarantee of approximately 18 percent of the rights issue. The rights issue is thereby covered by subscription commitments and issue guarantee of approximately SEK 25.2 million. No compensation is paid for the subscription commitments and the issue guarantee.

Preliminary timetable

16 August 2022	Last day for trading in the Active Biotech share including the right to participate in the rights issue.
17 August 2022	First day for trading in the Active Biotech share excluding the right to participate in the rights issue.
18 August 2022	Record date for the right to participate in the rights issue.
22 August – 5 September 2022	Subscription period.
22 August – 31 August 2022	Trading in subscription rights.

Prospectus

A prospectus will be made available before the subscription period commences. The prospectus will be available on Active Biotech's website, www.activebiotech.com.

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 that deploys its extensive knowledge base and portfolio of compounds to develop first-in-class immunomodulatory treatments for specialist oncology and immunology indications with a high unmet medical need and significant commercial potential. Following a portfolio refocus, the business model of Active Biotech aims to advance projects to the clinical development phase and then further develop the programs internally or pursue in partnership. Active Biotech currently holds three projects in its portfolio: The wholly owned 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 Ib/IIa for treatment of multiple myeloma. Laquinimod is in a clinical phase I study with a topical ophthalmic formulation, to be followed by phase II for treatment of non-infectious uveitis. Naptumomab, a targeted anti-cancer immunotherapy, partnered to NeoTX Therapeutics, is in a phase Ib/II clinical program in patients with advanced solid tumors. Please visit www.activebiotech.com for more information.

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IMPORTANT INFORMATION

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade with shares or other securities in Active Biotech. No action has been taken and measures will not be taken to permit a public offering in any other jurisdictions besides Sweden.

This press release is not a prospectus according to the definition in Regulation (EU) 2017/2019 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. This press release neither identifies nor pretends to identify risks (direct or indirect) that can be connected to an investment in shares or other securities in Active Biotech. A prospectus will be prepared in connection with the Rights Issue and be reviewed and approved by the Swedish Financial Supervisory Authority, which is the national competent authority in Sweden with regard to the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the prospectus. Thus, investors are encouraged to review the prospectus in its entirety.

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This press release may contain forward-looking statements which reflect the Company’s current view on future events and financial and operational development. Words such as “intend”, “expect”, “anticipate”, “may”, “believe”, “plan”, “estimate” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

This information is information that Active Biotech is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-08-04 08:30 CEST.

Attachments

Active Biotech announces a rights issue of approximately SEK 55 million