

**Active Biotech
Interim Report
January – September 2007**

- **Laquinimod**
 - recruitment to the Phase III program ongoing
 - results from the extension study strengthen Phase II data
 - new positive preclinical data presented
 - new indications under evaluation

- **ANYARA**
 - Phase II/III trials proceeding according to plan

- **TASQ**
 - Phase II studies initiated
 - **57-57**
 - Phase Ib study proceeding according to plan

- **RhuDex[®]**
 - Phase IIb study proceeding according to plan
 - US patent approved
 - **I-3D**
 - positive preclinical data presented
 - **Net sales SEK 8.7 M (64.1)**
 - **Operating loss SEK 147.8 M (loss: 73.7)**
 - **Loss after tax SEK 152.0 M (loss 82.9)**
 - **Loss per share for the period amounted to SEK 3.30 (loss 2.09)**

For further information, please contact:

Sven Andréasson
President and CEO
Tel: +46 (0)46-19 20 49

Cecilia Hofvander
Manager Corporate Communication
Tel: +46 (0)46-19 11 22

Active Biotech AB (Corp. Reg. No. 556223-9227)
PO Box 724
SE-220 07 Lund
Sweden
Tel. +46 (0)46-19 20 00
Fax +46 (0)46-19 20 50

This report is also available at www.activebiotech.com

Operations

Pivotal Phase III trials for laquinimod ongoing

On November 7, 2007, Active Biotech and the partner Teva Pharmaceutical Industries Ltd announced that the recruitment to the pivotal clinical Phase III program for laquinimod, a treatment for relapsing-remitting multiple sclerosis (RRMS), is ongoing.

Active Biotech and Teva will perform two global, pivotal Phase III trials of laquinimod at clinics in the US, Canada, Europe and Israel.

The first study, **Allegro** (assessment of oral laquinimod in preventing progression of multiple sclerosis), is a global, pivotal, double-blind, Phase III study designed to evaluate the efficacy, safety and tolerability of laquinimod versus placebo in the treatment of RRMS. The Allegro study will enroll approximately 1,000 patients and the treatment administered is a 0.6 mg tablet of laquinimod once a day or placebo. The study is scheduled to continue for 24 months with the possibility to extend to 30 months.

Recruitment for a second pivotal Phase III study, **Bravo**, is expected to begin enrollment in the first quarter of 2008. The Bravo study is a global, multi-center, randomized, placebo-controlled study with parallel groups encompassing approximately 1,200 patients who are to be studied for 24 months. The study will provide risk-benefit data comparing once-daily orally administered laquinimod 0.6 mg to a product presently used for treatment of RRMS (an active comparator).

Teva recently concluded a nine-month (36-week) extension of the nine-month Phase II study that was previously reported and which demonstrated that laquinimod 0.6 mg met its primary endpoint (the study results were presented in May 2007 at the American Academy of Neurology (AAN) Annual Meeting in Boston). The data from this extension study further confirmed and strengthened the results from the initial Phase II study. The majority of the patients that have participated in the study are now receiving treatment with laquinimod in a continued, open-label extension study.

Additional new data for laquinimod was presented on October 13 at the 23rd Congress of the European Committee for Treatment and Research of Multiple Sclerosis (ECTRIMS) in Prague. The data demonstrated that laquinimod reduced inflammation, demyelination and axonal damage in an animal model experimental autoimmune encephalomyelitis (EAE), indicating that the compound may have both anti-inflammatory and neuroprotective properties.

Based on encouraging results from various animal models, laquinimod is now being investigated for other autoimmune diseases.

To date, approximately 460 MS patients have received laquinimod in various clinical trials.

Data from the concluded studies, in combination with preclinical documentation, confirm laquinimod's efficacy and its favorable safety profile in MS patients.

Information regarding the Phase III trials can be found on www.TevaClinicalTrials.com and www.clinicaltrials.gov.

Laquinimod is a novel oral agent for the treatment of relapsing-remitting multiple sclerosis (RRMS). MS is a chronic, progressive disease affecting the central nervous system. It is described as an autoimmune disease since it belongs to a large group of diseases that cause the body's immune defense system to attack healthy areas of the body as if they were foreign bodies. MS can

cause anything from minor symptoms for lengthy periods to severely incapacitating symptoms within a few years. Initially, MS comes in “flare-ups,” with alternating periods of deterioration and stability. The disease mainly affects young people, and more women than men; the average age of onset of the disease is about 30. Given that MS patients must take drugs throughout their lives, an oral treatment (one tablet once a day) represents a significant advantage over the products currently on the market, all of which must be injected. The total market for MS pharmaceuticals amounts to USD 6 billion and is growing by double digit percentage figures each year (Cowen & Co).

ANYARA Phase II/III studies proceeding according to plan

Patient recruitment to the currently ongoing Phase II/III studies of ANYARA in combination with interferon-alpha, compared with only interferon-alpha, in patients with advanced renal cancer, is proceeding according to plan. The primary clinical efficacy parameter for this study is survival and it will include approximately 500 patients at 45 different clinics in Europe. Expected survival with conventional treatments for these patients is 10-15 months and the length of the study will depend on the patients' disease progression. An interim analysis based on data when approximately 200 patients have been recruited is scheduled for mid-2008.

At the AACR-NCI-EORTC Conference (American Association for Cancer Research - National Cancer Institute – European Organization for Research and Treatment of Cancer) held at the end of October 2007, Active Biotech presented the final results* of the previously reported Phase I study of ANYARA as a combination treatment for lung cancer. The results show that ANYARA can be given safely in combination with Taxotere[®] (Sanofi-Aventis), an established drug for the treatment of non-small cell lung cancer.

At the end of July, ANYARA was granted Orphan Drug Status for treating renal-cancer patients by the Committee for Orphan Medicinal Products (COMP) of the European Medicines Agency (EMA). The EMA's decision to grant Orphan Drug Status was an important step in the development of ANYARA and provides a variety of incentives, including market exclusivity for up to ten years following registration approval. It also entails a simplified process when compiling the registration application.

http://www.activebiotech.com/?oid=newsdetail-copy&news=1161567&_locale=1

Renal cancer affects approximately 40,000 people annually in the US and 200,000 people worldwide. The usual age of onset of the disease is between 50 and 70, and it affects more men than women. Five-year survival for non-metastatic forms of the disease is approximately 64%. If the disease has metastasized to the lymphatic glands, five-year survival declines to 5–15%. The market for treatment of renal cancer is estimated at about USD 1 billion annually (Cowen & Co.).

Clinical Phase II study for TASQ prostate cancer project initiated

The recently initiated Phase II study is designed to document the effect of TASQ on tumor growth in symptom-free patients with metastatic, hormone-resistant, prostate cancer. This is a randomized, double-blind, placebo-controlled study of 1 mg/day of TASQ versus placebo that is being conducted in the US and Sweden under an IND application (Investigational New Drug). The study will encompass approximately 200 patients.

This is a similar patient population as that previously treated in the TASQ Phase I program. As previously reported*, TASQ therapy here showed encouraging anti-tumor effects.

The primary endpoint of the study will be the reduction of the number of patients with disease progression after 6 months of TASQ therapy. Secondary clinical endpoints of importance for this group of patients include time to clinical progression and initiation of treatment with cytostatics. Documentation of such endpoints is of importance for TASQ development and registration.

The study will be conducted as a multi-center study in both the US and Sweden. The coordinating investigator is Dr. Roberto Pili at Johns Hopkins Medical Institution, Baltimore, in the US.

http://www.activebiotech.com/?oid=newsdetail-copy&news=1110875&_locale=1

The objective for the company's TASQ project is to develop a pharmaceutical product that can be administered orally for the treatment of prostate cancer. Active Biotech is collaborating on this project with Professor John T. Isaacs of Johns Hopkins University in Baltimore, in the US. Prostate cancer has varying degrees of severity. Despite a relatively good prognosis, prostate cancer is the second most common cause of death among men. In 2006, it is estimated that slightly more than 2.2 million cases were diagnosed in the US alone. The pharmaceutical market for prostate cancer is estimated at slightly more than USD 3 billion a year.

Clinical Phase I studies the 57-57 project against SLE proceeding according to plan

A clinical Phase Ib trial for the 57-57 project with the indication SLE is currently in progress. This is a multi-center study and is being conducted at three hospitals in Sweden – the Karolinska University Hospital in Stockholm, Uppsala University Hospital and Lund University Hospital, in addition to a number of clinics in Russia. The study's format is a dose-escalation study, whereby the compound's safety is studied in connection with step-wise dose increases. In addition, various efficacy parameters will be studied in the form of so-called surrogate markers for disease activity.

It is estimated that clinical Phase II studies will commence during the first six months of 2008.

SLE is a disease of the connective tissues that can cause inflammation and damage to the connective tissue in many different organs. The disease, which progresses in "flare-ups" interspersed with relatively symptom-free periods, primarily affects women of child-bearing age. Progress and symptoms of the disease vary widely, depending on the organs affected. Without treatment, SLE can be life-threatening. Current treatment comprises anti-inflammatory drugs, so-called COX inhibitors, which are also called NSAID, anti-malaria drugs, cortisone, cell-inhibiting or anticoagulant drugs. Active Biotech estimates the market at not less than 1,000,000 patients in the US and Europe. The market potential for the SLE indication is estimated at approximately USD 6 billion.

Clinical Phase IIa trial for RhuDex[®] proceeding according to plan

RhuDex[®] is a novel, orally available compound for the treatment of rheumatoid arthritis, originating from Active Biotech's patented CD80 antagonists, out-licensed to MediGene AG. RhuDex[®] is being developed as a disease-modifying drug for the treatment of rheumatic diseases and has a distinct competitive advantage in being the first orally available disease-modifying drug that blocks T-cell stimulation. RhuDex[®] inhibits the underlying disease process and blocks specific CD80 activation of inflammatory T cells, and inhibits the release of cytokines such as TNF.

A clinical Phase IIa trial has been ongoing since January 2007. The objective of this placebo-controlled study is to evaluate the compound's tolerability, to determine the appropriate dosage and to analyze the anti-inflammatory effect of RhuDex[®].

Upon completion of this trial, an additional Phase II trial with more than 200 patients is scheduled for 2008. MediGene is responsible for the clinical program and carries the related costs.

In October, MediGene obtained a patent in the US that covers the RhuDex[®] compound (and related small molecules) and its pharmaceutical compositions. This pivotal patent adds to MediGene's patent portfolio of chemical compounds that support the mode of action of RhuDex[®].

RA is a chronic inflammatory disease that affects the body's joints and causes inflammations in synovial membranes and tendon sheaths. The inflammation can damage articular cartilage and surrounding skeletal areas, which means that the patient can eventually be affected by a physically debilitating handicap. Of those affected, approximately two of three are women. The disease affects more than 1% of the global population, can be found throughout the world and is equally as common on all continents. Medical treatment consists primarily of pain-alleviating and anti-inflammatory treatment.

The market for drugs against RA is estimated at slightly more than USD 4 billion per year. RhuDex[®] will be positioned to compete head-to-head with the biologic disease-modifying anti-rheumatic drugs (DMARDs). These DMARDs are driving the growth of the RA market – however, all are injectables. As an orally available compound, MediGene estimates that RhuDex[®] could capture significant market shares and estimates the peak sales potential of RhuDex[®] at nearly USD 1.5 billion.

Positive preclinical data for the I-3D RA project

The new preclinical data presented in June 2007 shows that I-3D has a significant inhibitory effect on disease progression in an experimental model for rheumatoid arthritis (RA). For further information and to view the complete poster “ABR-224050: a novel dihydroorotate dehydrogenase inhibitor suppressing disease development in collagen induced arthritis,” visit www.activebiotech.com. An additive inhibitory effect is achieved when I-3D is combined with methotrexate, an anti-proliferative drug widely used for the treatment of various inflammatory disorders and cancer.

The results further strengthen clinical development of I-3D as monotherapy or in combination with methotrexate.

A candidate drug is planned to be selected this year for further clinical trials in 2008.

The I-3D compound is a novel small-molecule inhibitor of human dihydroorotate dehydrogenase (DHODH). Inflammatory diseases such as RA involve rapidly proliferating T cells with an exceptional requirement for de novo pyrimidine biosynthesis. DHODH inhibition results in inhibition of de novo pyrimidine synthesis and thereby inhibition of T-cell proliferation. In May 2006, Active Biotech and Chelsea Therapeutics signed an agreement for the co-development and commercialization of the I-3D portfolio primarily for the treatment of rheumatoid arthritis (RA). Under the agreement, Active Biotech and Chelsea will jointly conduct and fund the clinical development of the I-3D portfolio.

Financial information

Comment on the Group's results for January – September, 2007

Consolidated net sales for the period amounted to SEK 8.7 M (64.1) and included service and rental revenues. Net sales for the corresponding period in the preceding year included an initial milestone payment of SEK 51.2 M from Teva Pharmaceuticals and SEK 7.2 M from Chelsea Therapeutics related to the joint development of the I-3D project.

The operation's research and administration expenses totaled SEK 156.5 M (137.8). The increase in expenses is mainly attributable to intensified clinical research activity and more extensive trials in later clinical phases, particularly the ongoing Phase II/III study for the ANYARA project, which commenced at year-end 2006, and the Phase II study for TASQ that was initiated during the third quarter. In addition to these clinical development programs, Active Biotech, in conjunction with Chelsea Therapeutics, pursued the development of the I-3D preclinical project for the treatment of RA.

Costs for Phase II studies with RhuDex[®] for the treatment of RA and current clinical Phase III studies with laquinimod are fully financed by the relevant partner.

As a result of the increased investments on the clinical program and the fact that the corresponding period previous year included SEK 58.4 M in partner revenues, the Group's operating loss increased from SEK 73.7 M to a loss of SEK 147.8 M.

Net financial expense for the period totaled SEK 3.9 M (expense: 12.7). The improvement in net financial expense is mainly attributable to increased interest income and the early redemption of the outstanding convertible debenture during the second quarter. Loss after tax amounted to SEK 152.0 M (loss: 82.9).

Liquidity and financial position

At the end of the period, cash and cash equivalents, including short-term investments with a duration less than 90 days, amounted to SEK 183.0 M, compared with SEK 97.9 M at the end of the corresponding period in 2006.

The consolidated cash flow for the period amounted to SEK 85.1 M (neg: 89.2). The difference between the years is primarily attributable to the implementation of the preferential rights issue during the period.

Cash flow from operating activities amounted to a negative SEK 143.7 M (neg: 110.1) and cash flow from investing activities amounted to SEK 0.3 M (25.0).

Cash flow from financing activities amounted to SEK 228.5 M (neg: 4.1). The period includes the proceeds from the implemented preferential rights issue totaling SEK 234.4 M.

Parent Company Active Biotech AB

The operations of the Parent Company, Active Biotech AB, comprise Group-wide administrative functions. The Parent Company's net sales for the period amounted to SEK 5.1 M (53.8), and the preceding year included an initial milestone payment pertaining to laquinimod from Teva Pharmaceuticals.

Operating expenses during the period totaled SEK 23.0 M (23.5) and net financial expenses amounted to SEK 3.4 M (29.3). Net financial items in the preceding year included SEK 37.0 M in dividends from subsidiaries. Loss after financial items amounted to SEK 21.3 M (59.6).

Only marginal investments in fixed assets were made during the period.

Cash and cash equivalents, including short-term investments, amounted to SEK 163.5 M at the end of the period, compared with SEK 88.2 M on January 1, 2007.

Share capital

Consolidated shareholders' equity at the end of the period amounted to SEK 244.7 M, compared with SEK 60.4 M at year-end 2006. The development relates to the share issue conducted during the period, which generated SEK 234.4 M after transaction costs, and the conversion of the convertible debenture 2004/2009, which generated SEK 98.6 M.

A total of 47,300,115 shares were outstanding at the end of the period, representing an increase of 7,504,694 shares following the implementation of the preferential rights issue and the conversion of convertible debentures since year-end 2006. With the possible redemption of share warrants outstanding, the number of shares in Active Biotech would increase to a maximum of 48.6 million shares.

At the end of the period, the equity/assets ratio for the Group was 45.8%, compared with 13.1% at year-end 2006. The corresponding figures for the Parent Company, Active Biotech AB, were 73.8% and 42.7%, respectively.

Organization

At the end of the period, the Group had 89 employees (89), of which the number of employees in the research and development operation amounted to 72 (72).

Outlook, including significant risks and uncertainties

No earnings forecast has been issued for full-year 2007 as exact dates for signing additional partnership agreements and receiving milestone payments from existing agreements cannot be specified.

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, and there are a number of factors that 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, official requirements, capital requirements, currencies and interest rates.

Since no significant changes took place with regard to risks and uncertainties during this period, refer to a detailed account of these in the directors' report in the 2006 annual report.

Active Biotech - Group

Income statement, condensed SEK M	July - Sep		Jan - Sep		Full-year 2006
	2007	2006	2007	2006	
Net sales	2.8	52.7	8.7	64.1	66.4
Administration expenses	-5.2	-5.7	-18.1	-18.3	-25.2
Research and development costs	-37.0	-41.4	-138.4	-119.5	-165.7
Operating profit/loss	-39.3	5.6	-147.8	-73.7	-124.6
Net financial items	-0.3	-3.8	-3.9	-12.7	-17.3
Profit/loss after financial items	-39.7	1.8	-151.7	-86.4	-141.8
Tax	-0.3	-1.3	-0.3	3.5	2.6
Loss/profit for the year	-39.9	0.5	-152.0	-82.9	-139.2
Attributable to					
Parent Company's shareholders	-39.9	0.5	-152.0	-82.9	-139.2
Minority interests	-	-	-	-	-
Depreciation/amortization included in an amount of	4.7	6.2	14.3	14.7	20.0
Investment in tangible fixed assets	-	-	-	-	0.0
Earnings per share before dilution (SEK)	-0.84	0.01	-3.30	-2.09	-3.50
Earnings per share after dilution (SEK)	-0.84	0.01	-3.30	-2.09	-3.50
Weighted number of common shares before dilution (000s)	47 300	39 779	46 133	39 742	39 755
Weighted number of common shares after dilution (000s)	47 300	39 779	46 133	39 742	39 755
Number of shares at close of period (000s)	47 300	39 782	47 300	39 782	39 795
Number of shares at close of period, including warrants (000s)	48 630	41 112	48 630	41 112	41 125
Balance sheet, condensed SEK M			Sep 30,	Sep 30,	Dec 31,
			2007	2006	2006
Tangible fixed assets			334.1	352.7	347.7
Financial assets			2.5	2.9	2.8
Total fixed assets			336.5	355.6	350.5
Current receivables			14.4	59.2	14.0
Cash and cash equivalents			183.0	89.3	97.9
Total current assets			197.4	148.5	111.9
Total assets			533.9	504.1	462.4
Shareholders' equity			244.7	113.9	60.4
Long-term liabilities			251.6	352.6	254.9
Current liabilities			37.6	37.6	147.2
Total shareholders' equity and liabilities			533.9	504.1	462.4
Changes in shareholders' equity, condensed					
Opening balance			60.4	176.8	176.8
Personnel options program			3.2	3.0	4.3
New share issue			234.4	-	-
Convertible issue			98.6	5.2	5.6
Revaluation of property			-	15.2	15.4
Tax attributable to items reported directly against equity			0.3	-3.5	-2.7
Translation differences			-0.2	0.0	0.1
Net loss for the period			-152.0	-82.9	-139.2
Balance at close of period			244.7	113.9	60.4

Active Biotech - Group

Cash-flow statement, condensed SEK M	Jan - Sep		Full-year 2006
	2007	2006	
Loss after financial items	-151.7	-86.4	-141.8
Adjustments for items not included in the cash flow, etc.	17.3	17.8	24.6
Tax paid	-	-	-
Cash flow from operating activities before changes in working capital	-134.4	-68.6	-117.2
Changes in working capital	-9.3	-41.5	17.1
Cash flow from operating activities	-143.7	-110.1	-100.1
Decrease in financial assets	0.3	25.0	25.0
Cash flow from investing activities	0.3	25.0	25.0
New share issue	234.4	-	-
Borrowings/repayment of debt	-5.9	-4.1	-5.4
Cash flow from financing activities	228.5	-4.1	-5.4
Cash flow for the period	85.1	-89.2	-80.5
Cash and cash equivalents, beginning of the period	97.9	178.4	178.4
Exchange-rate differences in cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents, end of the period	183.0	89.3	97.9
	Sep 30	Sep 30	Dec 31
Key figures	2007	2006	2006
Shareholders' equity (SEK M)	244.7	113.9	60.4
Shareholders' equity per share (SEK M)	5.17	2.86	1.52
Equity/assets ratio in Parent Company (%)	73.8%	49.8%	42.7%
Equity/assets ratio in Group (%)	45.8%	22.6%	13.1%
Average number of employees	89	89	89

Active Biotech - Parent Company

Income statement, condensed SEK M	July - Sep		Jan - Sep		Full-year 2006
	2007	2006	2007	2006	
Net sales	1.7	52.1	5.1	53.8	54.7
Administration expenses	-6.3	-8.8	-23.0	-23.5	-32.4
Operating profit/loss	-4.6	43.3	-17.9	30.3	22.3
<i>Profit/loss from financial item:</i>					
Profit from shares in subsidiaries	-6.0	37.0	-6.0	37.0	37.0
Interest income and similar items	1.6	0.4	5.0	1.4	2.0
Interest expenses and similar items	-	-2.9	-2.4	-9.1	-11.9
Profit/loss after financial items	-9.0	77.8	-21.3	59.6	49.3
Tax	-	-	-	-	-
Net profit/loss for the year	-9.0	77.8	-21.3	59.6	49.3
Balance sheet, condensed			Sep 30	Sep 30	Dec 31
SEK M			2007	2006	2006
Tangible fixed assets			0.4	0.4	0.4
Financial assets			231.9	232.3	232.2
Total fixed assets			232.2	232.6	232.6
Current receivables			69.0	124.1	72.9
Short-term investments			99.7	-	-
Cash and bank balances			63.8	78.9	88.2
Total current assets			232.5	203.0	161.1
Total assets			464.7	435.6	393.7
Shareholders' equity			343.2	216.9	168.2
Long-term liabilities			-	96.6	-
Current liabilities			121.5	122.1	225.5
Total shareholders' equity and liabilities			464.7	435.6	393.7

Any errors in additions are attributable to rounding of figures.

Accounting and valuation principles

As of January 1, 2005, the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). The company's interim report is prepared in accordance with IFRS adopted by the EU and interpretations of the applicable IFRIC standards also adopted by the EU. The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. Information regarding the accounting principles applied is presented in Active Biotech's 2006 Annual Report. The same accounting principles were applied to this interim report as were applied in 2006.

As of January 1, 2005, the Parent Company has applied RR 32, Reporting for Legal Entities. RR 32 essentially entails the application of IFRS, but with certain exceptions.

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 within 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.

2008 Annual General Meeting

The 2008 Annual General Meeting will be held on May 7, 2008 at the company's premises on Scheelevägen 22, Lund, Sweden. A more detailed invitation to attend the Annual General Meeting will be issued closer to the time.

Financial calendar

Year-end report, 2007: February 14, 2008

Interim report January-March: April 24, 2008

Interim report January-June: August 6, 2008

Interim report January-September: November 14, 2008

Year-end report, 2008: February 12, 2009

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

The Board and the President hereby give their assurance that this interim report for the period January 1, 2007 – September 30, 2007 provides a true and fair overview of the Parent Company's and the Group's operations, position and earnings, and describes key risks and uncertainty factors facing the Parent Company and the companies that are part of the Group.

Lund, November 8, 2007

Mats Arnhög
Chairman of the Board

Klas Kärre
Board member

Peter Sjöstrand
Board member

Peter Ström
Board member

Magnhild Sandberg-Wollheim
Board member

Hans Wännman
*Employee representative/
Board member*

Kerstin Andersson
*Employee representative/
Board member*

Sven Andréasson
President and CEO

Review report

Introduction

We have conducted a review of the interim report for Active Biotech AB for the period January 1, 2007 – September 30, 2007. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with Swedish GAAP and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm, November 8, 2007

KPMG Bohlin AB
Stefan Holmström
Authorized Public Accountant

The information included in this report is such information that Active Biotech (publ) is obligated to publish in accordance with the Swedish Securities Market Act. This information was provided to the media for publication on Thursday, November 8, at 8:30 a.m.

About Active Biotech

Active Biotech AB (OMX NORDIC: ACTI) is a biotechnology company focusing on research and development of pharmaceuticals. Active Biotech has a strong R&D portfolio with pipeline products focused on autoimmune/inflammatory diseases and cancer. Most advanced projects are laquinimod, an orally administered small molecule with unique immunomodulatory properties for the treatment of multiple sclerosis, as well as ANYARA for use in cancer targeted therapy, primarily renal cancer. Further key projects in clinical development comprise the three orally administered compounds TASQ for prostate cancer, 57-57 for SLE and RhuDex® for RA. In addition, the autoimmunity project I-3D is in preclinical development. www.activebiotech.com