PRESS RELEASE

Interim Report January – March 2018

Continued progress of the project portfolio

January - March 2018

- Net sales for the period amounted to SEK 52.3 million (26.2)
- Operating profit amounted to SEK 18.9 million (1.5)
- Profit for the period amounted to SEK 15.4 million (1.1)
- Earnings per share were SEK 0.18 (0.02)
- Cash flow from operating activities amounted to SEK -42.0 million (-38.4)

Key events during the period January – March 2018

- BioArctic's patent was granted in the US and Japan for treatment of patients with complete spinal cord injury with a medical device, which is one of the components in the product candidate SC0806
- BioArctic obtained regulatory approvals in Estonia and Norway including approval by the local ethical committees to include patients in the ongoing clinical Phase 1/2 study with SC0806 for patients with complete spinal cord injury

Key events after the period

- The inclusion of patients with complete spinal cord injury in the first panel of three was completed in BioArctic's ongoing Phase 1/2 study with SC0806

Financial summary

SEKm	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net sales	52.3	26.2	140.7
Other operating income	11.4	0.7	19.0
Operating profit	18.9	1.5	19.3
Profit for the period	15.4	1.1	15.2
Earnings per share, SEK [1, 2]	0.18	0.02	0.22
Equity per share, SEK [1, 2]	7.40	0.98	7.22
Cash flow from operating activities	-42.0	-38.4	-135.3
Cash flow from operating activities per share, SEK [1, 2]	-0.48	-0.61	-1.99
Equity/assets ratio, %	58.8%	9.2%	55.8%
Return on equity, %	2.4%	1.8%	4.3%
Number of shares	88,059,985	4,203,999	88,059,985

[1] There are no potential shares, thus there is no dilutive effect.

[2] The comparative figures have been recalculated as a result of the 15:1 split executed on August 1, 2017.

CEO statement

BioArctic's most important task is to improve the quality of life for patients with diseases in the central nervous system. We have continued to progress the company's innovative projects in the three treatment areas, which all have great medical needs, well in line with our objectives.

During the quarter, BioArctic obtained regulatory approval in Estonia and Norway for including patients with complete spinal cord injury in the company's ongoing Phase 1/2 study with the product candidate SC0806. Work is in progress to also include specialist clinics in Finland in the study. In April, the inclusion of patients with complete spinal cord injuries in the first panel of three was completed in the ongoing clinical study with SC0806. The product candidate is a combination of a medical device and a drug. BioArctic's patent was granted by the patent offices in the US and Japan for the medical device which is one of the main components of SC0806 during the period. Today there is no effective treatment for patients with complete spinal cord injury and the patients require life-long therapy and care, which means high costs for the society.

Among BioArctic's five projects for treatment of patients with early Alzheimer's disease BAN2401, in collaboration with Eisai, is the one that has advanced furthest. On December 21, 2017 BioArctic announced that the Phase 2b study with BAN2401 in 856 patients with early stage Alzheimer's disease will continue towards final analysis after 18 months treatment, and that the ADCOMS efficiency criteria (primary endpoint) was not met at a 12-month interim analysis based on an innovative Bayesian design with high requirements for meeting the efficiency criteria. According to the predetermined study protocol, the trial will continue to completion and remain blinded. 18 months is considered to be a more relevant treatment period for demonstrating clinical effect of a disease modifying drug for Alzheimer's disease. We look forward to the results at completion of the 18 months treatment that are expected to be available during the third quarter 2018. Final results after completed study with 18 months treatment, including the three months follow-up of the patients, are expected to be available during the fourth quarter 2018.

The research collaboration with AbbVie in Parkinson's disease progressed well according to the agreed project plan. According to the collaboration agreement, BioArctic has the primary responsibility for the preclinical research phase. Focus is on conducting the preclinical activities with the drug candidate BAN0805 as efficiently as possible preparing for the clinical development and for the application of the start-up of clinical studies in the U.S. (IND).

During the period we have strengthened the organization with additional cutting-edge expertise and resources with new employees and key consultants who quickly have adapted to their roles and the operations.

I am pleased with the continued progress of the project portfolio during the quarter and that BioArctic continued to show a positive financial result. BioArctic is well positioned to carry the projects forward towards our goals and potential new collaborations in accordance with the company's strategy. In conclusion, I would like to thank all who have contributed to a successful quarter and start of the fiscal year 2018.

Gunilla Osswald
President and CEO, BioArctic AB

Contacts

For further information, please contact:
Gunilla Osswald, CEO, gunilla.osswald@bioarctic.se, telephone + 46 (0)8 695 69 30
Jan Mattsson, CFO, jan.mattsson@bioarctic.se, telephone + 46 (0)703 52 27 72

Presentation

BioArctic invites to an audiocast with teleconference (in English) for investors, analysts and media today, April 26, at 09:30 – 10:30 a.m. CET.

CEO Gunilla Osswald and CFO Jan Mattsson present BioArctic, comment on the Interim Report for the period January – March 2018 and answer questions.

Webcast: https://tv.streamfabriken.com/bioarctic-q1-2018
Dial-in telephone number from:
Sweden: + 46 8 566 426 62
Belgium: + 32 240 406 35
Germany: + 49 692 222 290 46
The Netherlands: + 31 207 168 416
Norway: + 47 235 002 53
Switzerland: + 41 225 675 548
UK: + 44 203 008 9814
US: + 1 855 831 5946

About BioArctic

BioArctic AB (publ) is a research based biopharmaceutical company focusing on disease modifying treatments and diagnostics for neurodegenerative diseases, such as Alzheimer's disease and Parkinson's disease. The company also develops a treatment for complete spinal cord injury. The company focuses on new types of treatments in areas with great unmet medical needs.

In the company there are high scientific cutting-edge competence and experience in developing drugs from idea to market. Collaborations with universities are of great importance to the company together with the strategically important global partners in the Alzheimer and Parkinson projects. BioArctic conducts its own clinical development in the field of complete spinal cord injury. Through long-term collaboration agreements with global pharmaceutical companies, BioArctic has demonstrated high skills and great ability to deliver innovative pharmaceutical projects.

In Alzheimer's disease, BioArctic has collaborated with Eisai since 2005. The company has entered into a total of three research collaboration agreements and two license agreements relating to the antibodies BAN2401 and BAN2401 back-up. The total aggregated value of these agreements may amount to EUR 218 million and in addition there are payments of royalty. So far, EUR 47 million has been received. In Parkinson's disease, BioArctic has collaborated with AbbVie since 2016, when a research collaboration agreement was entered including, among other things, the antibody BAN0805. AbbVie is entitled to acquire a license to develop and commercialize the antibodies. The total aggregated value of the agreement may amount to USD 755 million and in addition there are payments of royalty. So far, USD 80 million has been received.

The project portfolio consists of fully funded projects run in partnership with global pharmaceutical companies and innovative in-house projects with significant market and out-licensing potential. For information about the projects, see the section Project portfolio.

BioArctic's B-share is listed on Nasdaq Stockholm Mid Cap (Nasdaq Stockholm: BIOA B).

This information is information that BioArctic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure through the agency of Christina Astrén, IR & Communications Director, at 08:00 a.m. CET on April 26, 2018.

This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version should have precedence.