



Press release

Interim Report January – September 2019

BioArctic: Strong continued progress year to date

Summary of key events for the third quarter 2019

- BioArctic and Eisai presented new data regarding BAN2401 at the Alzheimer’s Association International Conference® (AAIC®) in July that confirmed BAN2401’s unique characteristics and was consistent with previously presented results

Key events after the period

- There are no key events to report after the period

Financial summary for the period January – September 2019

- Net revenues for the period increased by MSEK 56.7 to MSEK 255.4 (198.6), primarily attributable to the received milestone payment from Eisai in May
- Operating profit amounted to MSEK 133.6 (58.5) and the operating margin was 52.3 percent (29.4) for the period
- Profit for the period amounted to MSEK 105.6 (46.4) and earnings per share were SEK 1.20 (0.53)
- Cash flow from operating activities amounted to MSEK 381.4 (-110.8)

Financial summary

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net revenues	20.6	94.0	255.4	198.6	714.0
Other operating income	8.6	0.6	14.8	15.6	16.3
Operating profit/loss	-10.5	33.1	133.6	58.5	488.8
Operating margin, %	-50.9	35.2	52.3	29.4	68.5
Profit/loss for the period	-8.3	25.9	105.6	46.4	381.6
Earnings per share before dilution, SEK	-0.09	0.29	1.20	0.53	4.33
Equity per share, SEK	11.26	7.75	11.26	7.75	11.56
Cash flow from operating activities	-49.4	-31.5	381.4	-110.8	-200.1
Cash flow from operating activities per share, SEK	-0.56	-0.36	4.33	-1.26	-2.27
Equity/assets ratio, %	80.0	66.1	80.0	66.1	73.1
Return on equity, %	-0.8	3.9	10.5	7.0	46.1
Share price at the end of the period	61.75	118.90	61.75	118.90	82.00

CEO comments

BioArctic focuses where high unmet medical needs exist for patients with central nervous system disorders. Our work is based on groundbreaking scientific discoveries. Our team works in close collaboration with leading competences in academia and large pharma partners.

This quarter, we received further validation for our innovative and world-leading science that is the foundation for our work to develop a safe and effective treatment for Alzheimer’s disease. During the Alzheimer’s Association International Conference (AAIC) in July, BioArctic’s co-founder, Professor Lars Lannfelt, received a Lifetime Achievement Award, one of the world’s most prestigious awards in Alzheimer’s disease research, for his discoveries and research that led to the drug candidate BAN2401. We are delighted and proud that

Lars Lannfelt is recognized for his important scientific contribution to the field and to BioArctic's research.

The antibody BAN2401 is specifically designed and generated to selectively bind to and eliminate the harmful forms of amyloid beta, called protofibrils, which are believed to lead to the development of Alzheimer's disease. This unique binding profile was further confirmed with new data presented in July at the AAIC. The results are consistent with what has been seen in previous studies with BAN2401, but also confirmed that BAN2401 is different from other amyloid beta antibodies. As previously presented, the large Phase 2b study with BAN2401 successfully demonstrated consistent effects on clinical function and biomarkers of disease, as well as a good safety profile. Our partner Eisai presented additional supportive data from this study at the AAIC in July. Taken together, these results strengthen BioArctic's belief that BAN2401's unique binding profile is important and differentiates it from other antibodies'.

Our partner Eisai has continued to develop BAN2401 in a stepwise fashion, taking each next step based on strong data from the previous phase. Based on the results from the Phase 2b study, the global, confirmatory Phase 3 study (Clarity AD) with BAN2401 is well underway and Eisai expects to receive study results in 2022. Eisai is also strongly committed to the overall development of BAN2401. In addition to the ongoing Phase 3-study, a Phase 2b open-label extension study with BAN2401 is ongoing and a further clinical trial aimed at prevention of Alzheimer's disease with BAN2401 is planned to start in 2020.

BioArctic's balanced portfolio, with projects from discovery to late clinical phase, has developed well. During the year, three projects advanced to the next clinical phase in their respective development program.

In the Parkinson's program, our partner AbbVie continues the Phase 1 study with the drug candidate ABBV-0805. BioArctic continues to pursue two further research phase projects within the framework of the ongoing collaboration with AbbVie.

With SC0806, intended for complete spinal cord injury, the trial has advanced as planned and we expect to receive the results of the interim analysis of the first panel of the study in Q4 2019/Q1 2020. This will be the first time we analyze the effect of SC0806, in addition to safety.

The technology platform to facilitate passage of antibodies over the blood-brain barrier is developing well. We are grateful for the grant that we and Uppsala University received together from Vinnova (Sweden's innovation agency) earlier this year. We are also pleased to have successfully recruited world-leading scientists in this area. The research is at an early stage but has already shown very promising results and the technology has great potential in the treatment of various brain diseases.

BioArctic's finances remain strong. Our strategic partners fund and progress the costly clinical studies in Alzheimer's and Parkinson's diseases. Grants primarily fund the clinical development for our complete spinal cord injury project. Furthermore, our partnered projects' progress brings revenues to BioArctic, including the most recent MEUR 15 milestone from Eisai for the start of the Phase 3 clinical study for BAN2401 in May 2019.

Our ambition is to develop the medicines of the future that change life for people with central nervous system disorders. The company's strong cash position creates the opportunity for the continued exciting development of BioArctic.

Gunilla Osswald
CEO, BioArctic AB

Contacts

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Presentation

BioArctic invites to an audiocast with teleconference (in English) for investors, analysts and media today, October 24, at 09:30 – 10:30 a.m. CET. CEO Gunilla Osswald and CFO Jan Mattsson will present BioArctic, comment on the Interim Report and answer questions.

Webcast: <https://tv.streamfabriken.com/bioarctic-q3-2019>

To participate in the conference call, please call:

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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 high unmet medical needs. BioArctic was founded in 2003 based on innovative research from Uppsala University, Sweden.

The company has cutting-edge scientific 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 three research agreements and two license agreements relating to the antibodies BAN2401 and BAN2401 back-up. The total aggregated value of these agreements may amount to MEUR 218 and, in addition, payments of royalty. So far, MEUR 62 has been received. In Parkinson's disease, BioArctic has collaborated with AbbVie since 2016, when a research collaboration agreement was entered including i.a. the antibody BAN0805. The total aggregated value of the agreement may amount to MUSD 755 and, in addition, payments of royalty. So far, MUSD 130 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 (ticker: BIOA B).

This information is information that BioArctic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons above, at 08:00 a.m. CET on October 24, 2019.