



BioArctic AB - Full Year Report 2017

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February 20, 2018

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Snapshot of BioArctic

Company overview

- ▶ **Research oriented biopharma company** focusing on development of drugs in areas with a large unmet medical need, such as Alzheimer's and Parkinson's Disease, and Complete Spinal Cord Injury
- ▶ **Founded in 2003** by Prof. Lars Lannfelt and Dr. Pär Gellerfors
- ▶ **Flexible organization** with approx. 25 FTEs complemented with consultants and close collaborations with external partners
- ▶ **Headquartered** in Stockholm, Sweden
- ▶ **Listed on Nasdaq Stockholm Mid Cap** since October 2017

Investment highlights

- ▶ **Highly educated organization** with proven track record of bringing drugs from idea to market
- ▶ **Innovative portfolio** of differentiated first-generation disease modifying agents in Alzheimer's and Parkinson's Disease, diagnostics and pioneering Complete Spinal Cord Injury treatment
- ▶ **Strategic collaborations** with Eisai and AbbVie validating highly innovative research organization and unique product candidates
- ▶ **Attractive combination** of fully financed partner projects and cutting-edge, well funded, proprietary R&D pipeline with substantial market and out-licensing potential

Long-standing and Extensive Partnerships

Eisai collaboration and license agreements



Description of agreements

- Two previous research collaborations regarding disease modifying therapies for Alzheimer's Disease that resulted in two licenses of the A β oligomer/protofibril antibodies BAN2401 and BAN2401 Back-up
- Third research collaboration ongoing regarding a new target as a disease modifying therapy for Alzheimer's Disease

Milestone / royalty potential

- The total aggregated value of the research collaborations and license agreements is approx. EUR 218m in signing fee and milestones plus high single digit royalties
- BioArctic has received approx. EUR 47m for the research collaborations, signing fees and milestones

AbbVie collaboration agreement



Description of agreements

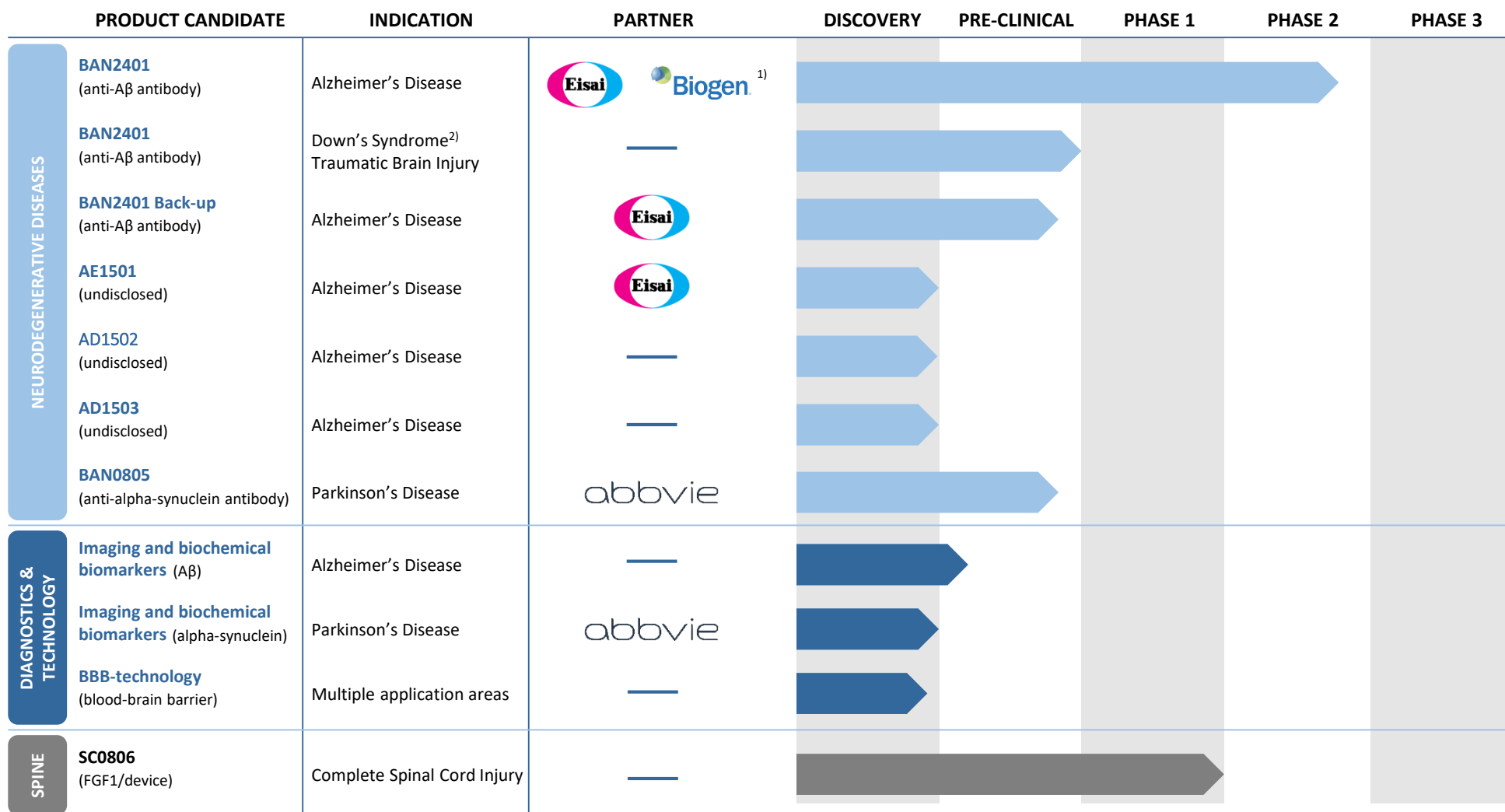
- Research collaboration (entered Sep 2016) regarding alpha-synuclein antibodies as disease modifying therapies for Parkinson's Disease incl. BAN0805 to IND, follow-up compounds and diagnostic
- BioArctic primarily responsible for performing all pre-clinical activities
- Option for AbbVie for a license to develop and commercialize the antibodies

Milestone / royalty potential

- Total potential value of the agreement is up to USD 755m incl. an up-front fee, option exercise fee, and success-based milestones plus tiered royalties
- BioArctic has received an USD 80m up-front payment for the research collaboration

Strategic collaborations with pharmaceutical industry validating potential value and commercialization potential for BioArctic with proven track record of delivering on research collaborations

Strategic Partnerships and Cutting-Edge Proprietary R&D



¹⁾ Partner with Eisai on BAN2401 for treatment of AD. Since 2014, Eisai partnered with Biogen in AD.

²⁾ Dementia and cognitive impairment associated with Down's syndrome.

Q4 2017 update

Key events

Key events Q4 2017

- ▶ **New share issue and listing on Nasdaq Stockholm**
 - BioArctic's B-share started trading on Nasdaq Stockholm Mid Cap on October 12.
In connection with the IPO, a new share issue of SEK 600m was executed
- ▶ **PD: European patent for BAN0805 granted**
 - The European Patent Office granted BioArctic's patent for drug candidate BAN0805 for Parkinson's disease
- ▶ **AD: Phase 2b study of BAN2401 continues to 18 months**
 - Phase 2b study on BAN2401 in patients in the early stages of Alzheimer's disease is continuing on to final analysis after 18 months of treatment. The efficacy criteria at the 12-month interim analysis of ADCOMS (primary endpoint) were not met. The study to remain blinded until study completion, in accordance with the study protocol

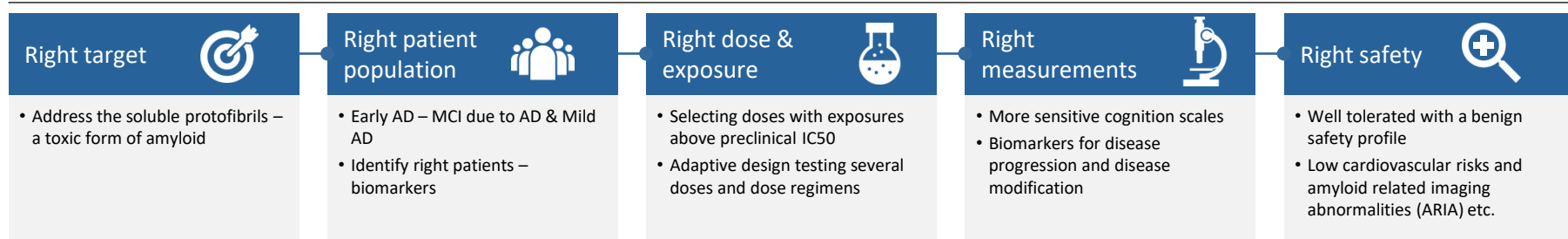
Key events after the period

- ▶ **Complete Spinal Cord Injury: US patent related to SC0806 granted**
 - BioArctic received US patent protection for a method with a medical device, being part of the product candidate SC0806, for treatment of patients with Complete Spinal Cord Injury

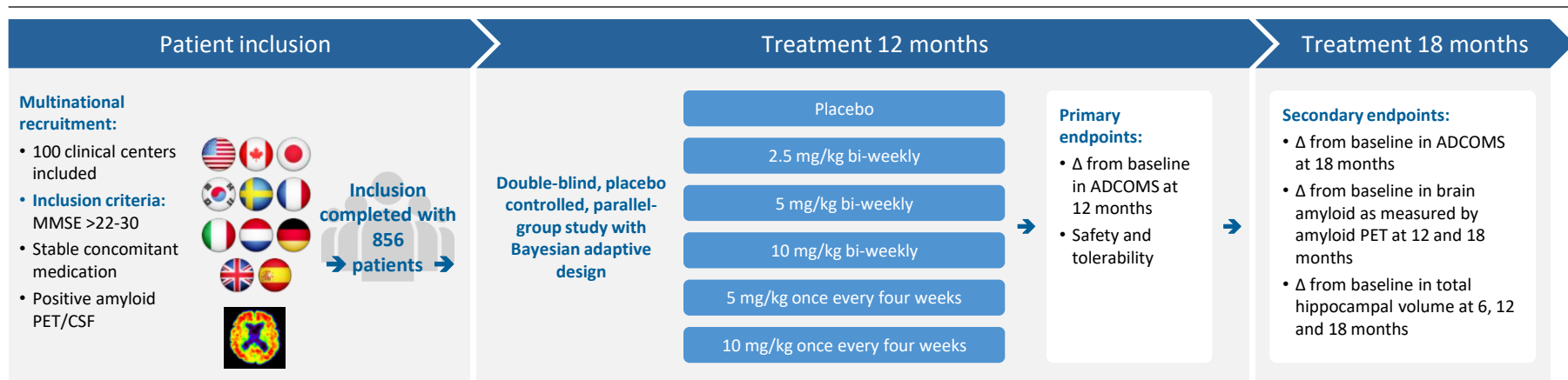
BAN2401 – Learnings from Previous Clinical Trials in AD Incorporated in Phase 2b Study Design

Last interim analyses performed and final results in H2 2018

Important parameters



Phase 2b study design

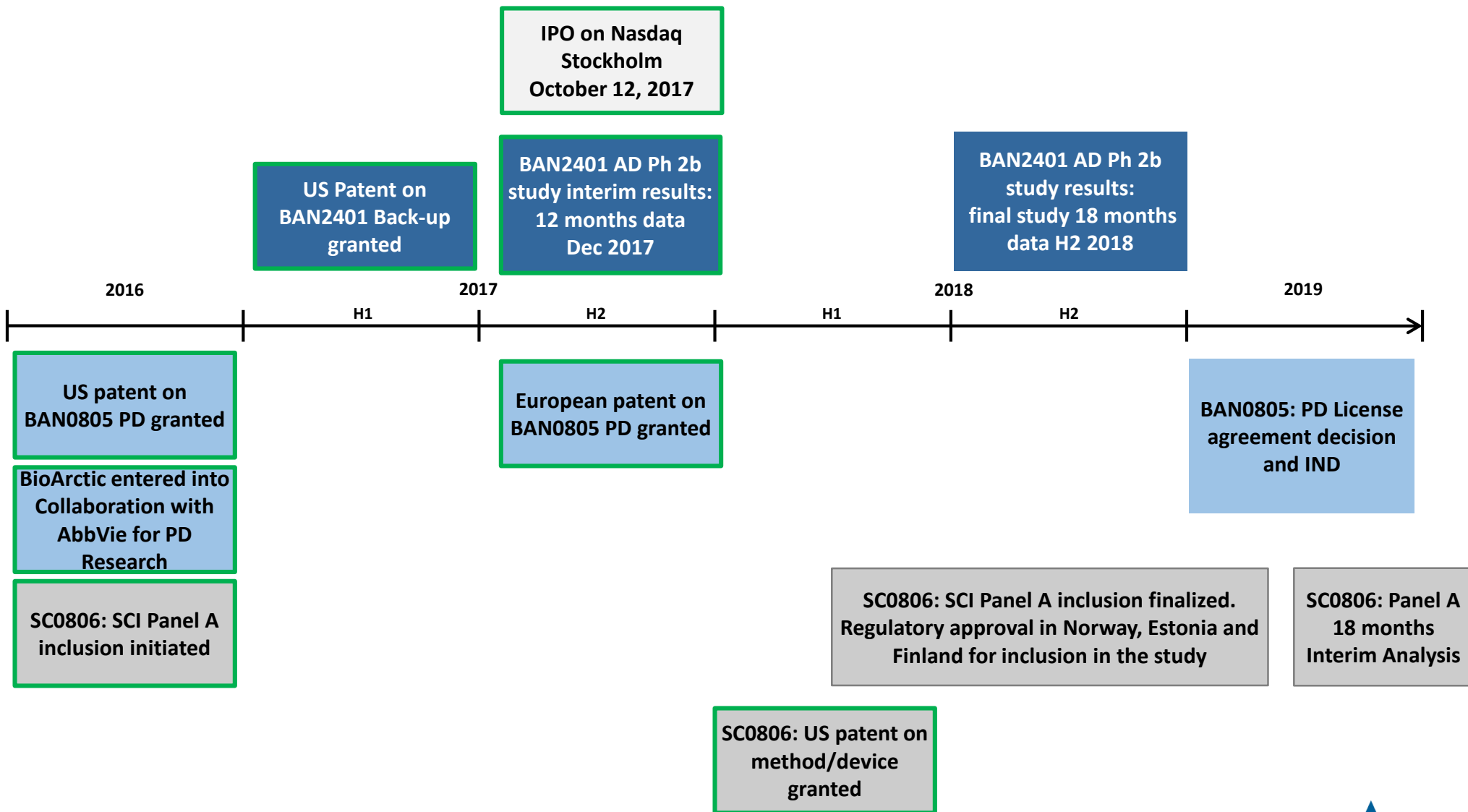


Full read-out of study after 18 months treatment in H2 2018

Source: Company information.

Note: ADCOMS = Alzheimer's Disease Composite Score, a evaluation tool developed by Eisai.

Recent & Anticipated News Flow



Successful IPO in October 2017

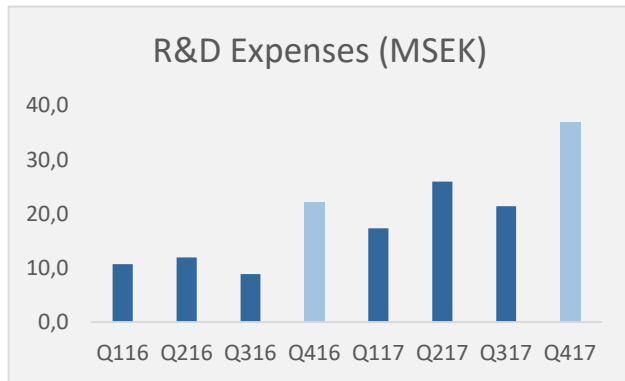
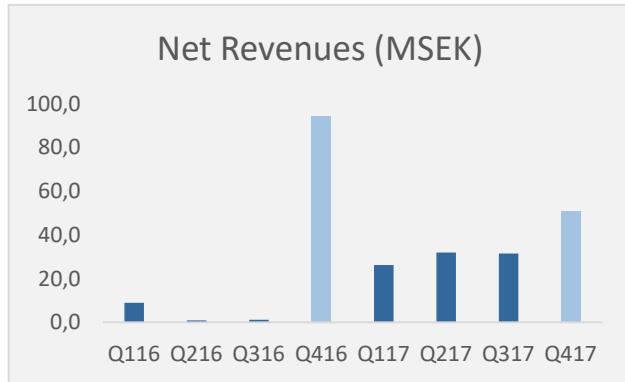
IPO and new share issue in October

- ▶ **IPO on Nasdaq Stockholm.** BioArctic's B-share started trading on Nasdaq Stockholm main list, Mid Cap, on October 12
- ▶ **New share issue** of 25 million B-shares resulted in proceeds of SEK 600m
- ▶ **Largest total offering in Swedish biotech since 2000.** Total offering value of SEK 805m
- ▶ **Widening the shareholder base.** Following the IPO, BioArctic has around 2,400 shareholders
- ▶ **Attracting renowned institutional shareholders.** A number of well renowned international institutional investors, among them HBM Healthcare Investments, as well as Swedish institutional investors such as AP2, AP3, AP4, Handelsbanken Fonder and Swedbank Robur are shareholders in BioArctic
- ▶ **Funding of own R&D projects secured.** The new share issue rendered approx. SEK 549m in funding for BioArctic's own R&D projects

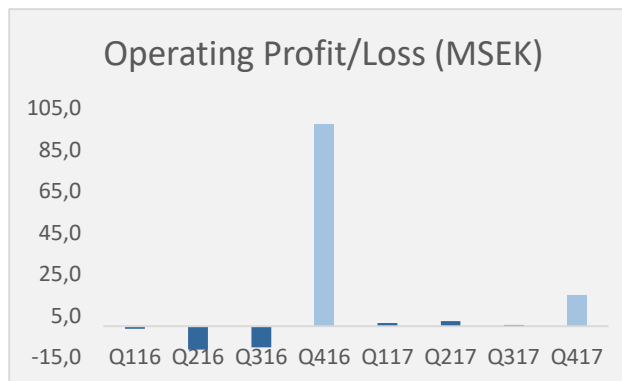
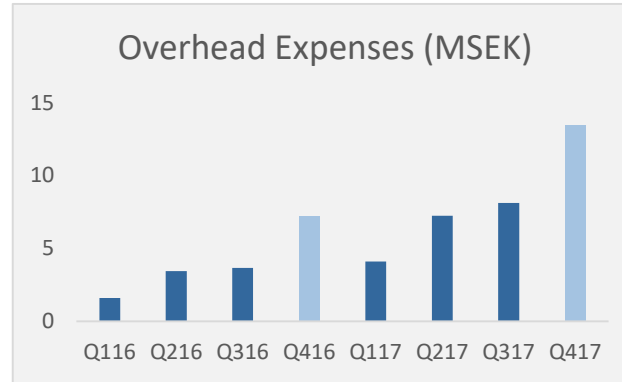


Financial overview Q4 2017

Net revenues, R&D expenses by quarters



Overhead, operating profit by quarters



Q4 2017 – Comments

- ▶ **Net revenues** decreased to SEK 51.0m (94.4) due to a one-time payment in Q4 2016 in connection to the start of the AbbVie collaboration
- ▶ **R&D expenses** increased to SEK 36.8m (22.1) mainly due to activities related to the Parkinson program
- ▶ **Overhead expenses** (marketing and administrative) increased to SEK 13.5m (7.2). The increase was mainly due to IPO costs of SEK 5.0m (0.0)
- ▶ **Operating profit** decreased to SEK 14.7m (97.3), mainly due to the one-time payment in connection to the AbbVie collaboration in Q4 2016

Financial analysis Q4 2017

Q4 2017 – items of importance

► Cash holdings increased

- Net proceeds of SEK 549m from the share issue in October increased BioArctic's cash balance to SEK 1,110.4m (692.5) at the end of the year

► FX impact on earnings

- Payment commitments in foreign currency are handled by holding corresponding cash amounts in foreign currency (FX). This FX exposure may have an impact on earnings as currency rates fluctuate over time. In Q4, the FX impact on earnings was an income of SEK 4.6m and for the January-December period it was a cost of SEK 4.4m

► Evaluation of Parkinson program costs

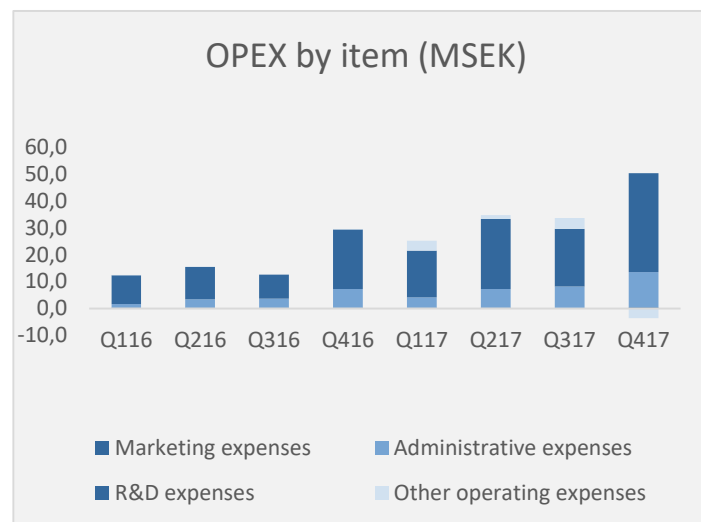
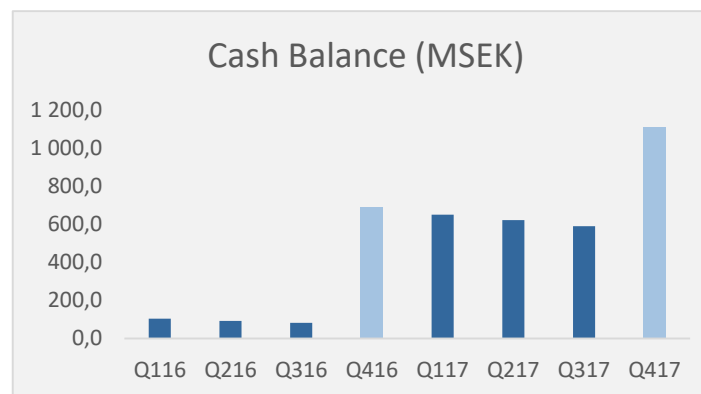
- Forecasted total project costs for the Parkinson program are regularly evaluated. In Q4 the evaluation did not result in any material changes in forecasted costs and thus no impact on BioArctic's earnings

► IPO costs and increased overhead due to listing

- Administrative costs increased mainly due to IPO costs in the quarter, of which SEK 5.0m were non-recurring. Total costs recognized for the IPO amounted to SEK 11.0m for the period January-December. Including transaction costs in shareholders' equity, total IPO costs amount to SEK 50.8m

► Positive net result for the full year 2017

Cash balance and OPEX by item – quarterly



Q&A

Gunilla Osswald, CEO



Jan Mattsson, CFO



Next report & IR Contact

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Q1 April 26, 2018
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Thank you for your attention!