



Press release

Full Year Report for the period January – December 2019

Enhanced project portfolio from a successful year

Key events during the fourth quarter 2019

- BioArctic initiated a research collaboration with Eisai aimed at further studying the unique profile of the drug candidate BAN2401
- BioArctic strengthened its management team with two strategic recruitments
- BioArctic and Eisai presented data on the drug candidate BAN2401 at the international CTAD conference (Clinical Trials on Alzheimer’s Disease) in San Diego
- BioArctic announced results from the interim analysis of the Phase 1/2 study with SC0806, a potential treatment for patients with complete spinal cord injury. BioArctic decided to close the project as the results did not show any convincing effect

Key events after the period

- There are no key events to report after the period

Financial summary January – December 2019

- Net revenues for the period amounted to MSEK 281.8 (714.0). The change is primarily attributable to lower revenue from milestone payments as well as from the Parkinson’s program
- Operating profit amounted to MSEK 112.5 (488.8) and the operating margin was 39.9 percent (68.5) for the period
- Profit for the period amounted to MSEK 88.5 (381.6) and earnings per share were SEK 1.00 (4.33)
- Cash flow from operating activities amounted to MSEK 327.2 (-200.1)
- Cash and cash equivalents at the end of the period amounted to MSEK 1 112.8 (917.3)

Key financial performance indicators

MSEK	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net revenues	26.4	515.3	281.8	714.0
Other operating income	0.0	0.7	14.8	16.3
Operating profit/loss	-21.1	430.3	112.5	488.8
Operating margin, %	-79.8	83.5	39.9	68.5
Profit/loss for the period	-17.1	335.2	88.5	381.6
Earnings per share, SEK ¹	-0.19	3.81	1.00	4.33
Equity per share, SEK	11.07	11.56	11.07	11.56
Cash flow from operating activities	-54.2	-89.3	327.2	-200.1
Cash flow from operating activities per share, SEK	-0.62	-1.01	3.72	-2.27
Equity/assets ratio, %	82.4	73.1	82.4	73.1
Return on equity, %	-1.7	39.4	8.9	46.1
Share price at the end of the period, SEK	94.90	82.00	94.90	82.00

¹ There is no dilutive effect as the average market price for the period is lower than the exercise price as of December 31, 2019.

Comment from the CEO

2019 was a successful year that resulted in an enhanced project portfolio. The portfolio is balanced and competitive, consisting of unique product candidates, technology platforms and diagnostic tools. All our projects are focused on disorders of the central nervous system. During the year, two drug candidates, BAN2401 and ABBV-0805, advanced to the next clinical phase in their respective development programs. With the decision to stop further development in the spinal cord injury project, our research is focused on neurodegenerative disorders. During the quarter, our portfolio expanded with two new projects in early research phase.

The BAN2401 project for Alzheimer's disease continues to develop well. Our partner, Eisai, is strongly committed to the overall development of BAN2401 and is either conducting or planning three clinical studies. This past spring, based on the positive outcomes of the large Phase 2b study, Eisai started the global confirmatory Phase 3 study (Clarity AD) with BAN2401 in early Alzheimer's disease. Eisai has stated that they expect results from the Phase 3 study in 2022. The Phase 2b extension study is ongoing and Eisai presented data from the study at the CTAD conference (Clinical Trials on Alzheimer's Disease) in December. The data showed that amyloid reductions in the brain that occurred as a result of treatment with BAN2401 persisted after the conclusion of treatment. Differences in benefits on clinical outcomes were maintained after BAN2401 treatment in the two highest dose groups as compared with the placebo group. Eisai and Alzheimer's Clinical Trials Consortium are preparing a clinical Phase 3 program with BAN2401 aimed at prevention of Alzheimer's disease starting in 2020.

The unique binding profile of BAN2401 has been confirmed in data presented during the year. Professor Lars Lannfelt presented data on BAN2401's binding profile at the CTAD conference. All in all, the results strengthen our conviction that BAN2401's binding profile is important and distinguishes it from other amyloid-beta antibodies. During the quarter, BioArctic initiated a research collaboration with Eisai aimed at further studying BAN2401's unique profile. We look forward to presenting more data on BAN2401's characteristics at the AAT-ADPD meeting in April in Vienna.

In the Parkinson's program, BioArctic's partner AbbVie continues the Phase 1 study of the drug candidate ABBV-0805. During the year, we continued to pursue two projects in research stages, in partnership with AbbVie, and we have delivered our commitments according to plan. This means we will soon have completed the preclinical activities of this ongoing collaboration.

In November, BioArctic announced the results from the interim analysis from the Phase 1/2 study with SC0806 for treatment of patients with complete spinal cord injuries. The results showed no convincing effects on the primary or secondary endpoints of the study. Even though it was disheartening that the SC0806 treatment did not have the effect the preclinical results indicated, we contributed with the Phase 1/2 study to increased knowledge about spinal cord injuries. We will conclude the study in a responsibly manner. BioArctic's decision to close the entire project means we will continue to focus on our core operations: research and development of drugs for Alzheimer's, Parkinson's and other disorders of the central nervous system.

Our project portfolio continues to expand, and now includes two new projects in the research phase: one aimed at Alzheimer's disease and one with potential in various CNS disorders. Additionally, development in our blood-brain barrier technology platform is progressing favorably. The technology is intended to facilitate the passage of antibodies into the brain. We are looking forward to developing the projects and the technology platform over the coming years.

The management team and the organization overall have been strengthened so that the company can take advantage of the many opportunities with the project portfolio. In January, our new Chief Medical Officer (CMO) took up office. The former CMO remains with the company in another senior role.

BioArctic's cash and overall financial position remain strong and our strategic partners finance and conduct the costly clinical studies in Alzheimer's and Parkinson's diseases. This creates the possibility for the continued positive development of the project portfolio.

We have had another successful year resulting in an expanded and strengthened project portfolio. I am proud to lead this innovative company and pleased, along with my colleagues and partners, to generate the medicines of the future for patients with central nervous system disorders.

Gunilla Osswald
CEO, BioArctic AB

Invitation to presentation

BioArctic invites to an audiocast with teleconference (in English) for investors, analysts and media today, February 6, at 09:30 – 10:30 a.m. CET. CEO Gunilla Osswald and CFO Jan Mattsson will present BioArctic, comment on the Full Year Report and answer questions.

Webcast: <https://tv.streamfabriken.com/bioarctic-q4-2019>

To participate in the conference call, please call:

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The webcast will be available afterwards on demand at BioArctic's corporate website www.bioarctic.com, Investors, Financial presentations.

For more information, please contact

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About BioArctic AB

BioArctic AB (publ) is a Swedish research-based biopharma company focusing on disease-modifying treatments and reliable biomarkers and diagnostics for neurodegenerative diseases, such as Alzheimer's disease and Parkinson's disease. BioArctic focuses on innovative treatments in areas with high unmet medical needs. The company was founded in 2003 based on innovative research from Uppsala University, Sweden. Collaborations with universities are of great importance to the company together with its strategically important global partners in the Alzheimer (Eisai) and Parkinson (AbbVie) projects. The project portfolio is a combination of fully funded projects run in partnership with global pharmaceutical companies and innovative in-house projects with significant market- and out-licensing potential. BioArctic's B-share is listed on Nasdaq Stockholm Mid Cap (ticker: BIOA B).

For more information about BioArctic, please visit www.bioarctic.com.

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 February 6, 2020.