BIOARCTIC AB (PUBL)
NASDAQ STOCKHOLM: BIOA B

Full Year Report January-December 2019

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BIOARCTIC

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BIOARCTIC

BioArctic – a unique Swedish biopharma company
Improving life for patients with central nervous system disorders

High unmet need for disease-modifying treatments for Alzheimer's and Parkinson's diseases creates **large commercial opportunity**

World-class research and development driven organization with basis in founder's breakthrough discoveries and fruitful collaborations with leading **academic researchers** and **pharma companies** generating and developing **innovative projects**

Attractive and well-balanced project portfolio with projects from discovery through Phase 3 and combination of both proprietary projects with substantial marketing and out-licensing potential and partnered projects generating income

Well-financed with BSEK >1 (MUSD >100) in cash, **net profitable** during the last seven years and **valuable collaboration agreements** totaling BSEK 9.6 (BUSD ~1) plus royalties

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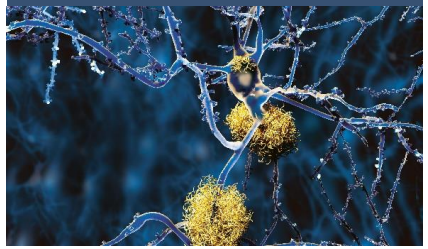
Enhanced project portfolio from a successful 2019

Alzheimer's disease



BAN2401

- 3 clinical trials underway or in planning
- Including Phase 3 confirmatory study ("Clarity AD") underway
- Phase 3 start milestone MEUR 15 received

Discovery stage programs

- Expanded to 4 fully-owned disease modifying programs

Parkinson's disease

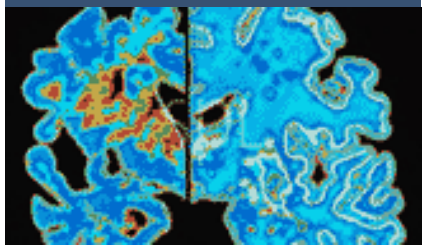
ABBV-0805

- IND produced by BioArctic approved by FDA
- Phase 1 study ongoing by partner abbvie

Discovery stage projects

- Progressed according to plan in research collaboration with abbvie

Other CNS disorders



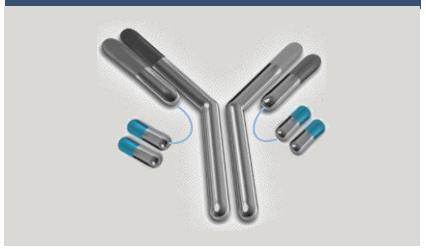
SC0806 - spinal cord injury

- Results from interim analysis did not show convincing effects
- Responsible project closure

Neurodegeneration research

- Working on new indications and new targets
- New research program - potential in various neurodegenerative disorders

Blood-brain barrier technology



Blood-brain barrier technology platform

- Increased activities and added expertise

Diagnostic tools

Diagnostic tools

- Continue development of imaging and biochemical biomarkers

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Attractive and well-balanced project portfolio combines fully-financed partner projects and cutting-edge proprietary projects

	Project	Partner	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
ALZHEIMER'S DISEASE	BAN2401	Eisai, Biogen[1]					
	BAN2401 back-up	Eisai					
	AD1801						
	AD1502						
	AD1503						
	AD2603						
PARKINSON'S DISEASE	ABBV-0805[2]	AbbVie					
	PD1601	AbbVie					
	PD1602	AbbVie					
OTHER CNS DISORDERS	BAN2401 Down's syndrome[3] Traumatic brain injury						
	ND3014						
BLOOD-BRAIN BARRIER TECHNOLOGY	BBB technology platform						
DIAGNOSTIC TOOLS	Imaging and biochemical biomarkers – Alzheimer's disease						
	Imaging and biochemical biomarkers – Parkinson's disease	AbbVie					

as of December 31, 2019

1) Partnered with Eisai for BAN2401 for treatment of Alzheimer's disease. Eisai entered partnership with Biogen regarding BAN2401 in 2014
2) AbbVie in-licensed BAN0805 in late 2018 and develops the antibody with the designation ABBV-0805
3) Dementia and cognitive impairment associated with Down's syndrome

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Long-standing and extensive partnerships

Alzheimer's disease

Partner track record

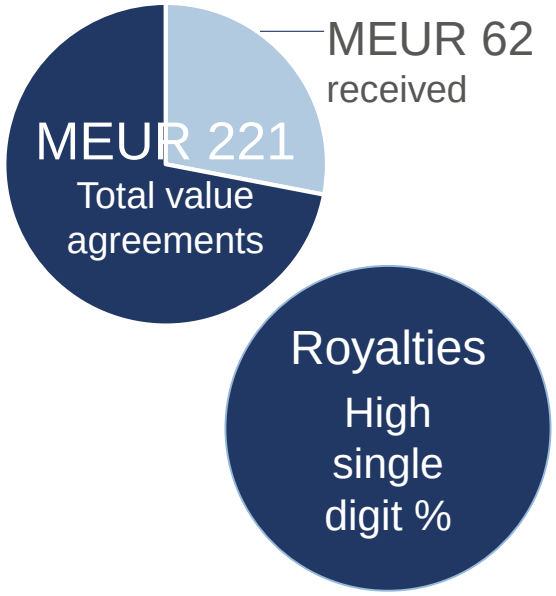
Eisai

Discovered and developed world's best-selling medicine for symptoms in Alzheimer's

Aricept donepezil HCl tablet

Industry-leading pipeline in dementia area

Collaboration and license



- BioArctic retains rights to BAN2401 in other indications and option to market in the Nordics

Parkinson's disease

Partner track record

abbvie

World's all-time best-selling medicine (BUSD 20)

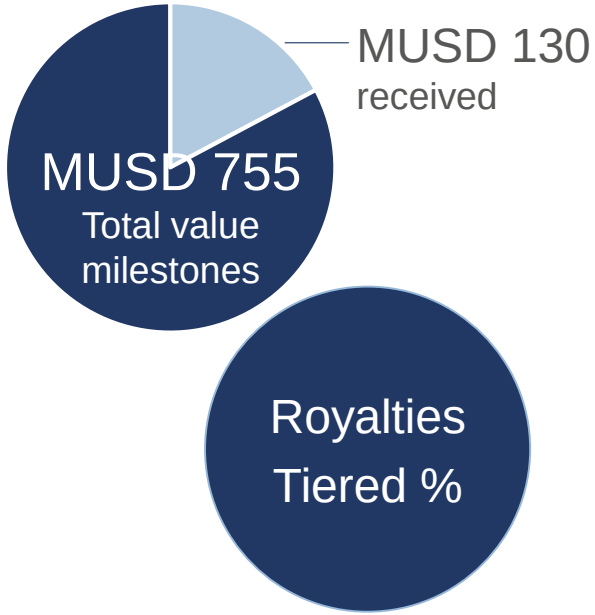
HUMIRA adalimumab

10 different indications in immunology

Approved product for symptoms associated with Parkinson's disease

Duopa carbidopa/levodopa

Collaboration and license



- AbbVie global rights to alpha-synuclein portfolio for all indications

Sources: Eisai, AbbVie and BioArctic corporate information

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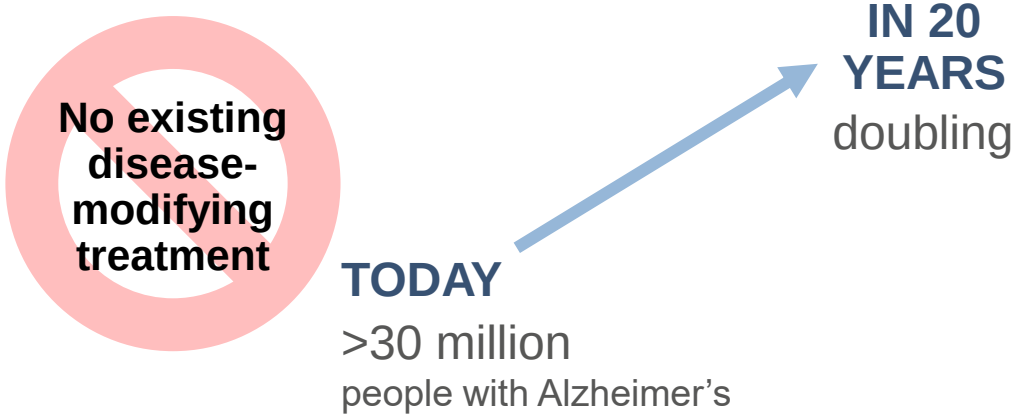
BAN2401: potential disease modifying antibody for Alzheimer's disease with positive Phase 2b results now in Phase 3

High unmet medical need



BAN2401 unique profile

Unique and targeted binding profile

- Highly selective for toxic forms of misfolded Abeta (oligomers/protofibrils)

Unique clinical fingerprint

- Rapid onset of clinical effect
- Consistent effects
- No titration required due to low frequency of ARIA–E

BAN2401 has positive Phase 2b results

- **Large trial:** 856 early Alzheimer's patients
- **Consistent effects** on clinical outcomes, imaging and neurodegenerative biomarkers
- **Effect increase over time**
- **Good safety profile**

Broad clinical program

- **Confirmatory Phase 3 study** ("Clarity AD") ongoing
  - Primary endpoint final readout expected 2022
- Phase 2b open label extension study ongoing
- Phase 3 prevention program ("AHEAD 3-45" comprised of 2 groups "A3" and "A45") in even earlier stages of AD
  - Preparing to start 2020

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Broad BAN2401 clinical program

Clarity AD Phase 3 confirmatory study

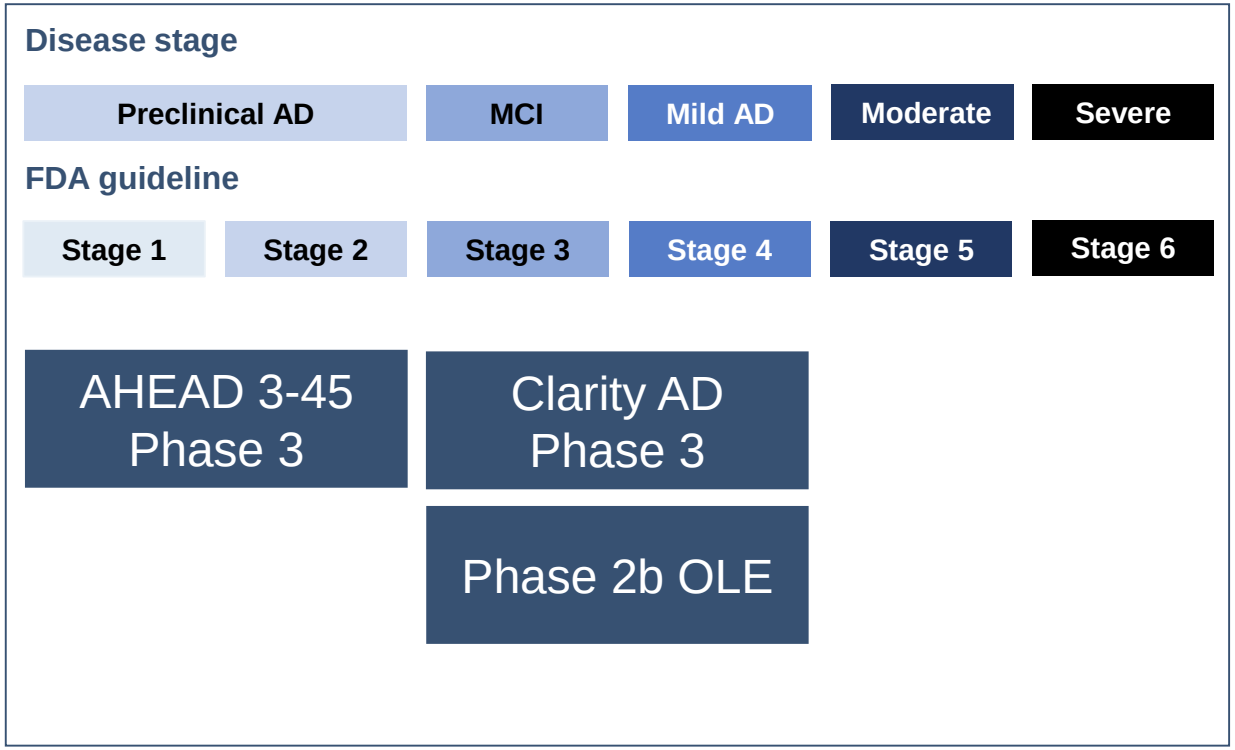
- Started May 2019, MEUR 15 milestone to BioArctic
- Study ongoing in patients with early AD
- Primary endpoint readout expected 2022

Phase 2b OLE open-label extension study

- Ongoing in early AD
- Baseline data presented at CTAD December 2019 showed maintenance of benefit after BAN2401 treatment conclusion

AHEAD 3-45 Phase 3 Program

- Eisai and ACTC planning to start A3 and A45 prevention study in 2020
- A45: preclinical AD with little to no cognitive impairment and elevated levels of amyloid in the brain
- A3: early preclinical AD, cognitively normal with intermediate amyloid levels in the brain
- Biomarkers on amyloid, tau and neurodegeneration
- Clinical evaluation scale PACC5[1] for A45



Clinical program driven by: Eisai

1) PACC5: Preclinical Alzheimer's Disease Cognitive Composite 5

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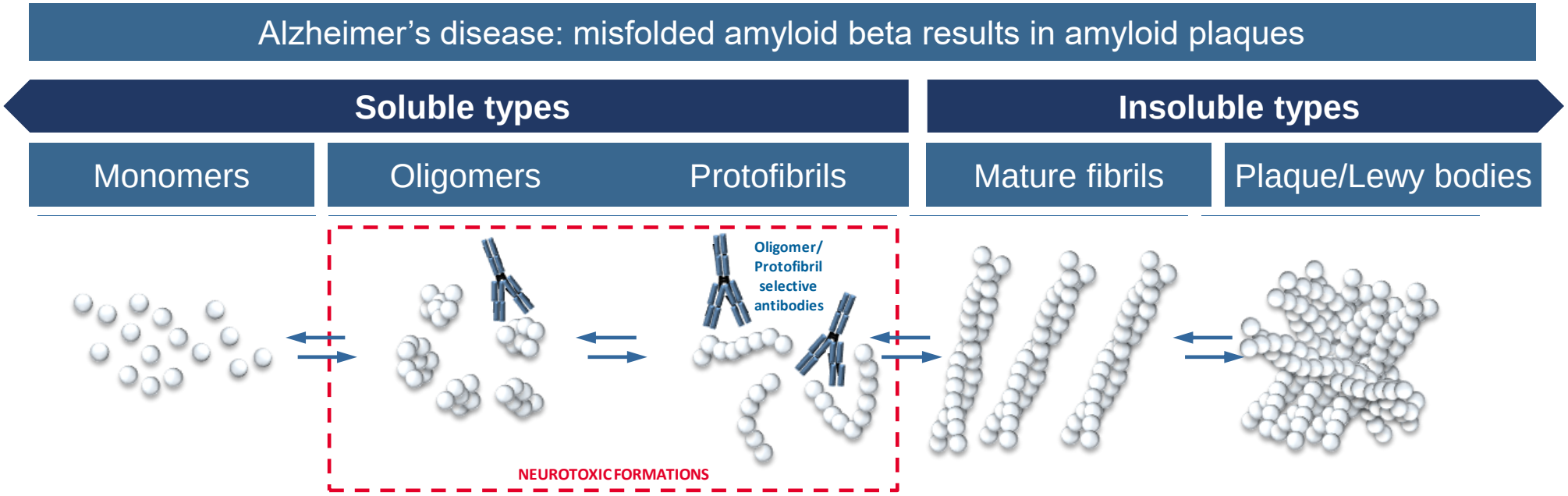
BAN2401 unique binding presented during 2019 with more to come



BAN2401 highly selective binding profile presented at AAIC® and CTAD conferences in 2019

- Research collaboration signed with Eisai December 2019 (total value MEUR 3.25)
  - Aim to further characterize BAN2401
- Additional presentation upcoming at AAT-AD/PD in April 2020 in Vienna

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ABBV-0805: potential disease modifying antibody for Parkinson's disease with strong preclinical results now in Phase 1

High unmet medical need

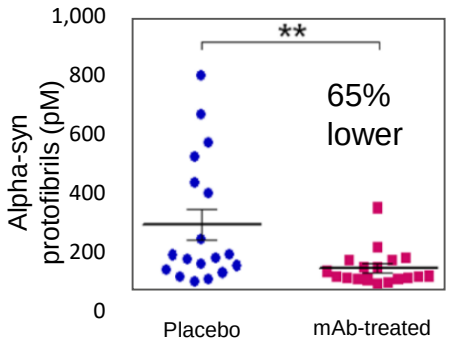
No existing disease-modifying treatment

- 2nd most common neurodegenerative disease
- 6.2 million people with Parkinson's[1]
- Younger patient group, still at working age

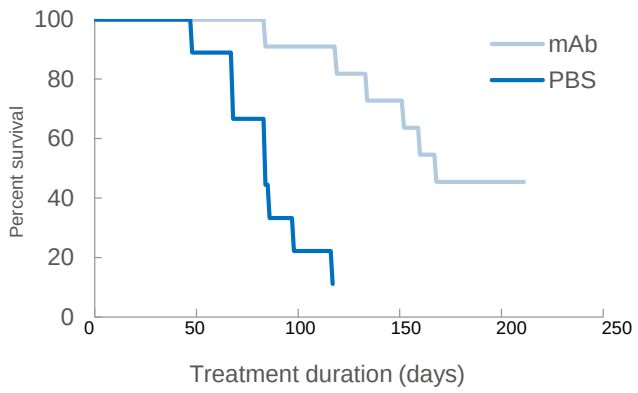
1) Dorsey and Bloem, JAMA Neurology 2018;75:9-10

Preclinical proof of concept

Reduction of neurotoxic alpha-synuclein oligomers/protofibrils



Delays disease progression and increases lifespan



Unique profile

Unique and targeted binding profile

- Highly selective for toxic forms of misfolded alpha-synuclein (oligomers/protofibrils)

Built on genetic and pathology rationale

- Alpha-synuclein mutations lead to Parkinson's
- Alpha-synuclein oligomers/protofibrils are elevated in Parkinson's

ABBV-0805 in clinical development

- Phase 1 with ABBV-0805 ongoing by AbbVie
- BioArctic will deliver follow-up antibodies in the continued collaboration with AbbVie

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Continued progress in collaboration with AbbVie on alpha-synuclein

Collaboration highlights

- ABBV-0805 targeting disease modification in Parkinson's disease
- Potential to expand to earlier stage Parkinson's disease patients and other diseases where alpha-synuclein plays a role
- AbbVie is responsible for clinical development
- BioArctic will deliver follow-up antibodies in the continued collaboration with AbbVie

ABBV-0805 advancing in clinical trials

December 2018

Alpha-synuclein antibody portfolio licensed by AbbVie

Milestone of 50 MUSD for the license

January 2019

ABBV-0805 IND-application approved by the US FDA

February 2019

AbbVie started Phase 1 with ABBV-0805

March 2019

Phase 1 study ongoing

- Next stage of study in patients with Parkinson's disease in preparation
- Aim to evaluate safety and tolerability

2020

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SC0806: Complete Spinal Cord Injury – project under closure

Phase 1/2 Clinical Study

- Strong preclinical data motivated start of clinical study
- Safety was previously assessed in the first panel
- Interim analysis of safety and efficacy from clinical Phase 1/2 trial in patients with complete spinal cord injury reported November 2019
  - Primary endpoint not met
  - Lack of convincing efficacy on various secondary endpoints
  - Treatment and surgical method showed an acceptable safety profile
- Responsible study closure
  - No further patient inclusion
  - Patient who already had surgical procedure will complete 18 months training program

SC0806 Project

- Full project closure after last patient completes training
- Program primarily funded by EU Horizon 2020 research and innovative program grant of MEUR 6.4 (under Grant Agreement No. 643853)
- No impact on BioArctic's other projects

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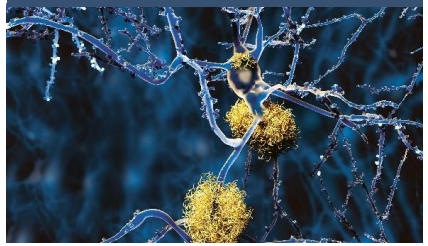
Early stage portfolio continues to develop well

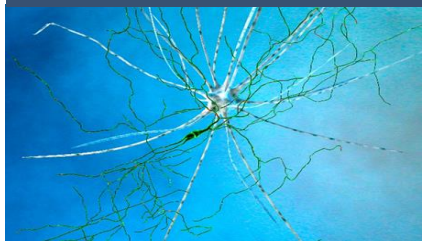
Alzheimer's disease



Discovery stage programs

- Expanded to 4 disease modifying antibody projects in Alzheimer's disease
- Each project has a different mechanism from the others
- All fully-owned by BioArctic

Parkinson's disease

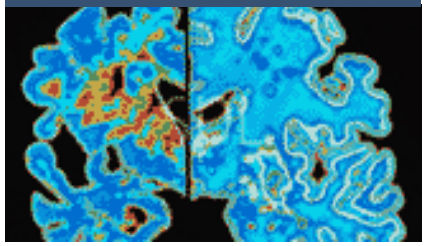


Discovery stage projects

- Preclinical stage alpha-synuclein projects in research collaboration with

abbvie

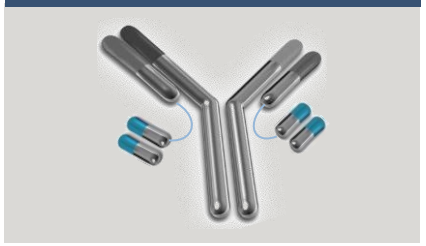
Other CNS disorders



Neurodegeneration research

- New research project with ND designation with potential in various CNS disorders

Blood-brain barrier technology



Blood-brain barrier technology platform

- Expanded and enhanced capabilities
- Vinnova grant of MSEK10 received together with Uppsala University
- Internationally renowned scientists recruited

Diagnostic tools

Diagnostic tools

- Continued development of imaging and biochemical biomarkers

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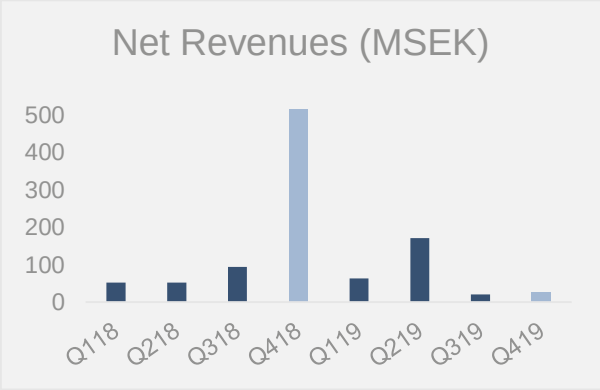
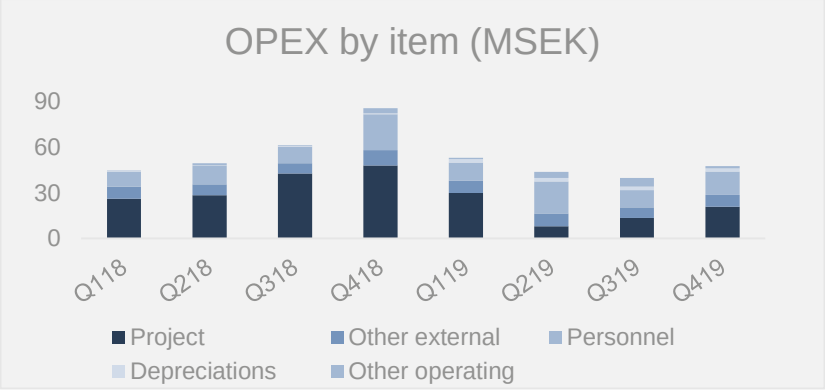
Finance Summary

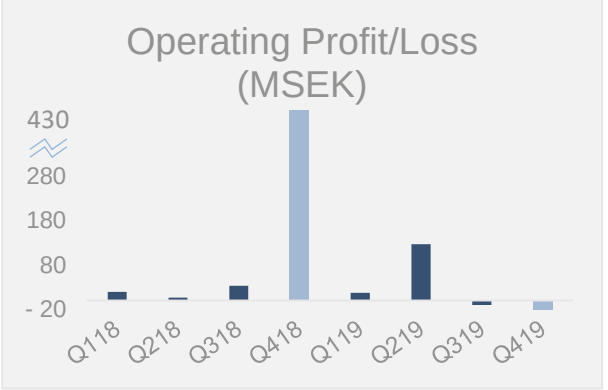
Net revenues and operating profit Q4 and full year 2019



- Net revenues were 26.4 MSEK (515.3) for the quarter
- The full year revenues were 281.8 MSEK (714.0)
- The change is primarily due to the one-time AbbVie milestone at end of 2018



- Project expenses decreased to 21.0 MSEK (48.0) due to lower external expenses in the Parkinson's project versus previous year
- The personnel expenses decreased to 15.3 MSEK (23.6) since Q4 2018 included a variable remuneration based on the milestone payment from AbbVie
- Full year 2019 total operating expenses of 184 MSEK



- Operating loss was -21.1 MSEK (430.3) for the quarter
- The decrease is attributable to the one-time AbbVie milestone received at end of 2018

Operating expenses are expected to be in the range of
180 - 230 MSEK for the financial year January - December 2020

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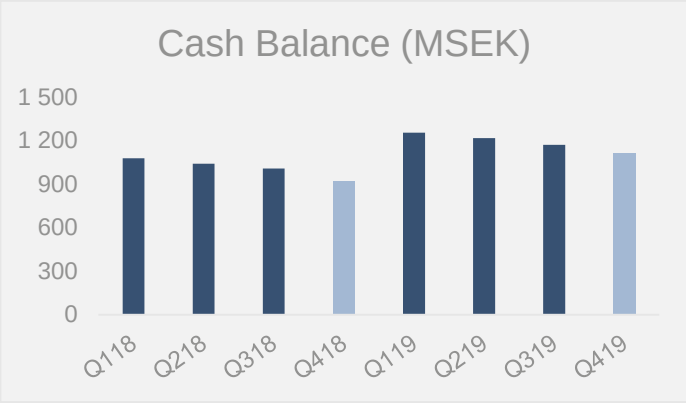
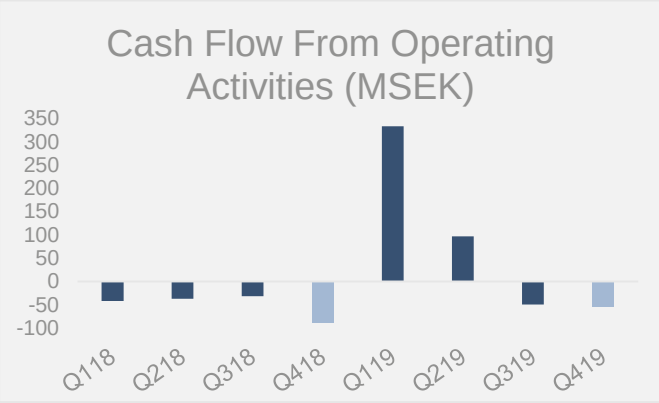
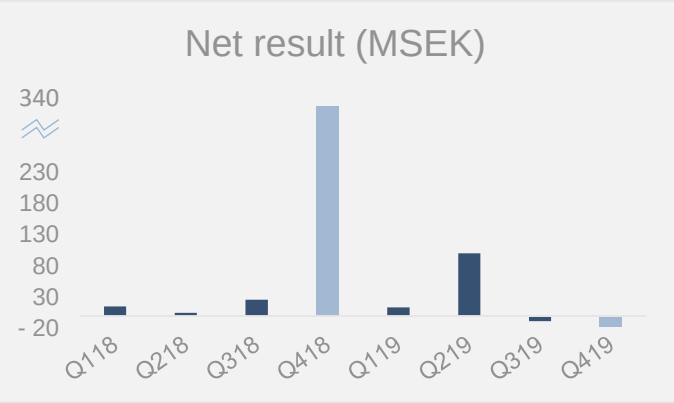
Cash related and net profit Q4 and full year 2019



- Cash balance amounted to 1,112.8 MSEK (917.3) at the end of the quarter



- Operating cash flow amounted to -54.2 MSEK (-89.3) during Q4



- Net result for the period were -17.1 MSEK (335.2) during Q4
- Net result for the full year amounted to 88.5 MSEK (381.6)

To sum up, BioArctic showed positive net result for the seventh consecutive year and continues to have a strong financial position

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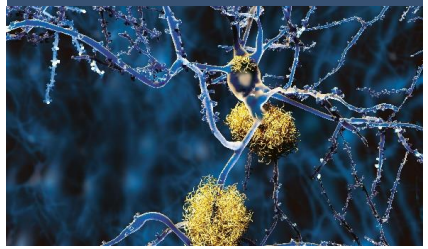
Upcoming news and closing remarks

Upcoming news flow

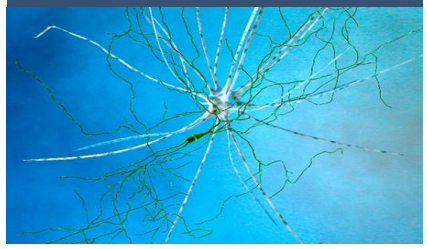
Alzheimer's disease



BAN2401 (Eisai)
- To present data at international congresses incl. AAT-AD/PD April 2020 in Vienna
- Phase 3 confirmatory study results 2022
- Phase 2b open label extension study results
- Phase 3 prevention study to start 2020

Discovery stage programs
- Advance into preclinical development

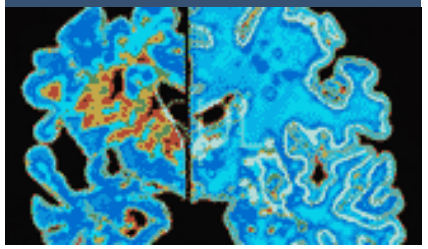
Parkinson's disease



ABBV-0805 (AbbVie)
- Progress Phase 1 study into patients with Parkinson's disease
- Complete Phase 1 and start Phase 2

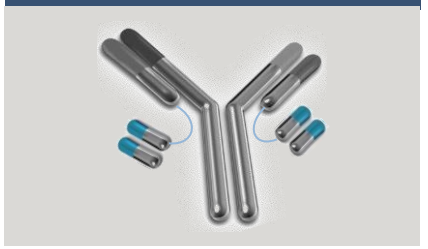
Discovery stage projects
- Development in AbbVie collaboration

Other CNS disorders



Neurodegeneration research
- New project development
- New indications and new targets

Blood-brain barrier technology



Blood-brain barrier technology platform
- Expansion and continued development

Diagnostic tools

Diagnostic tools
- Continue development of imaging and biochemical biomarkers

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  Annual Report 2019
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  on April 22, 2020
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