

BIOARCTIC AB (PUBL)
NASDAQ STOCKHOLM: BIOA B

First Quarter Report January-March 2020

Stockholm, April 22, 2020

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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**



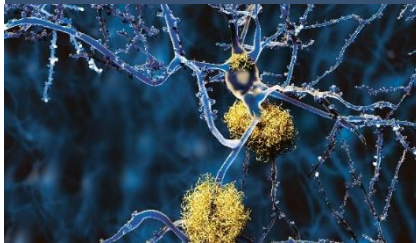
Attractive and well-balanced project portfolio with projects from discovery through Phase 3 and combination of both proprietary projects with substantial marketing and out-licensing potential and partnered projects generating income



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

Operations progressing according to plan

Alzheimer's disease



BAN2401

- 3 clinical studies underway or in planning
- Including Phase 3 confirmatory study ("Clarity AD") underway



Discovery stage programs

- 4 fully-owned disease modifying programs

Parkinson's disease



ABBV-0805

- Second stage of Phase 1 study in patients with Parkinson's disease now underway by partner

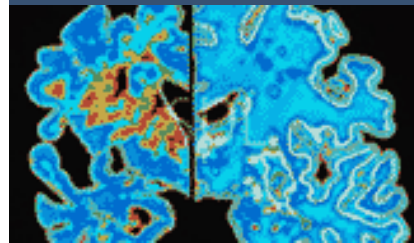


Discovery stage projects

- Progressing according to plan in research collaboration with



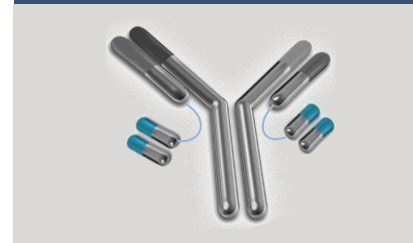
Other CNS disorders



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

- Continuing development

Diagnostic tools



Diagnostic tools

- Continuing development of imaging and biochemical biomarkers

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

as of March 31, 2020

- 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

Long-standing and extensive partnerships

Alzheimer's disease

Partner track record

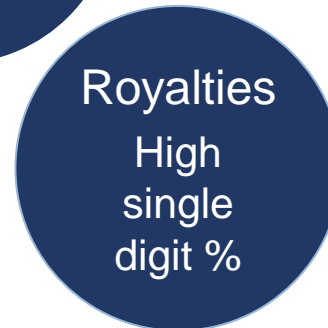
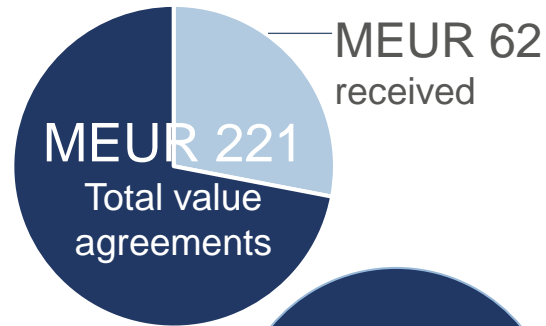


Discovered and developed world's best-selling medicine for symptoms in Alzheimer's



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



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

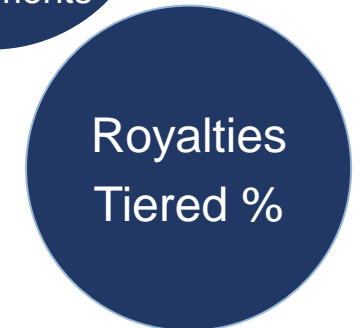
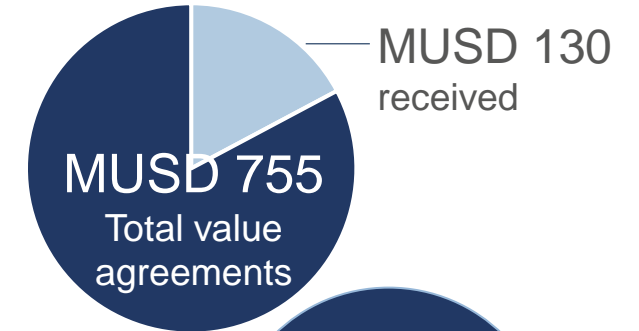


10 different indications in immunology

Approved product for symptoms associated with Parkinson's disease



Collaboration and license

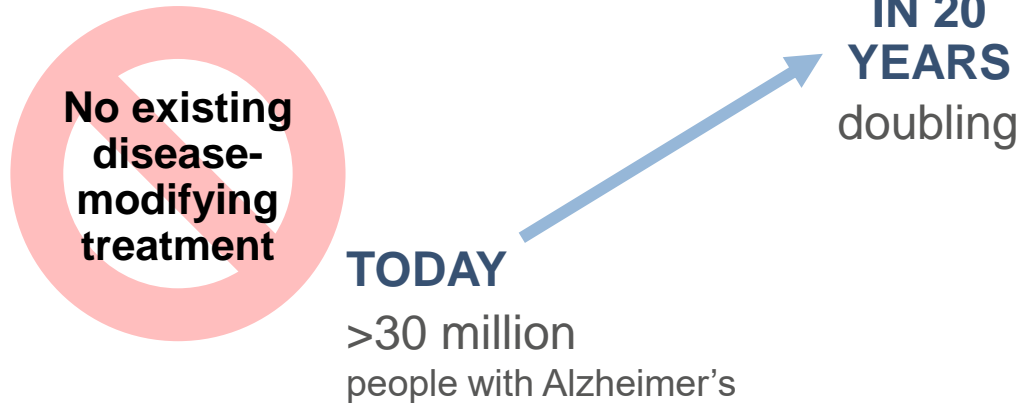


- AbbVie global rights to alpha-synuclein portfolio for all indications

Sources: Eisai, AbbVie and BioArctic corporate information

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

Broad BAN2401 clinical program

Clarity AD Phase 3 confirmatory study

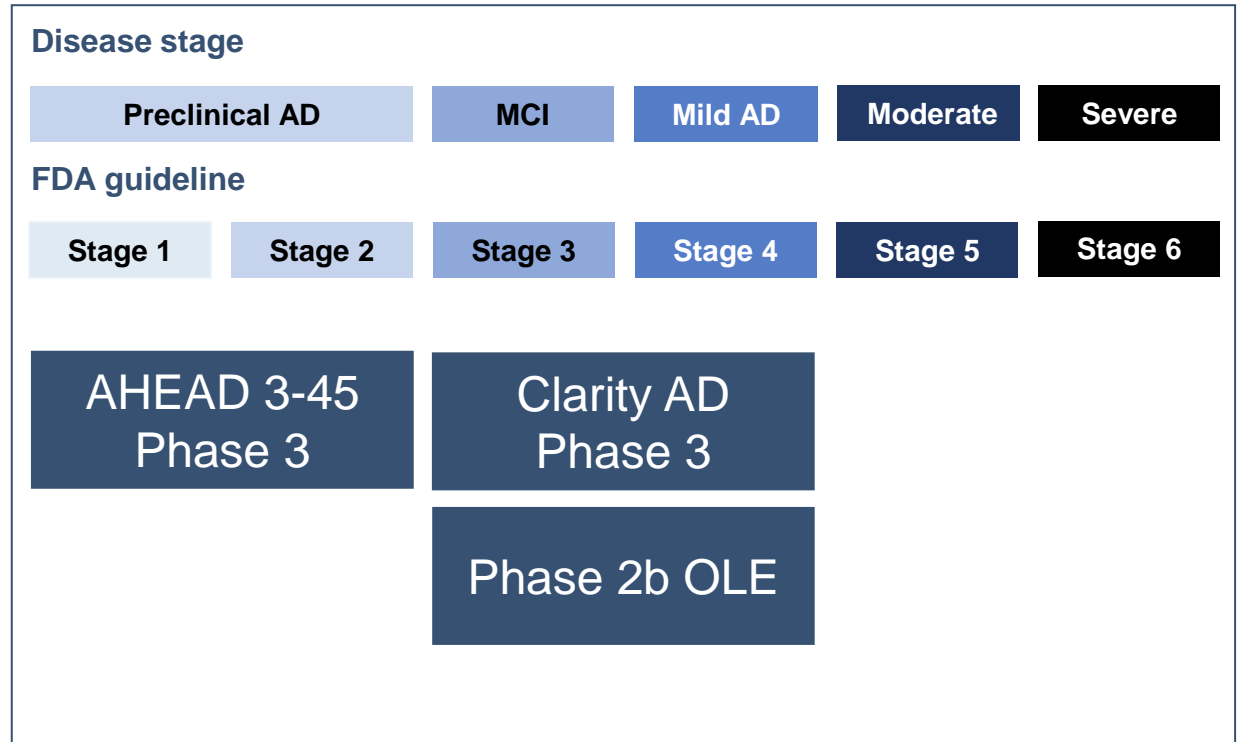
- Started May 2019, MEUR 15 milestone to BioArctic
- Study ongoing with target of 1566 early AD patients
- Primary endpoint readout expected 2022


Phase 2b OLE open-label extension study

- Ongoing with approx. 200 patients with early AD
- Baseline data presented at CTAD December 2019 showed maintenance of benefit after BAN2401 treatment conclusion

AHEAD 3-45 Program

- Eisai and ACTC planning to start A3 and A45 prevention study in 2020
- A45: ~1000 subjects with preclinical AD, little to no cognitive impairment and elevated levels of amyloid in the brain
- A3: ~400 subjects with early preclinical AD, cognitively normal with intermediate amyloid levels in the brain
- Biomarkers on amyloid, tau and neurodegeneration
- Clinical evaluation scale PACC5¹ for A45



Clinical program driven by: 

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's¹
- Younger patient group, still at working age

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

Unique profile

Unique and targeted binding profile

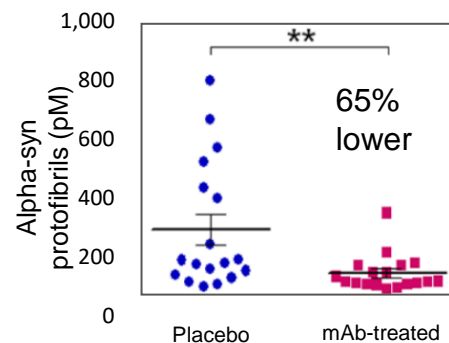
- Highly selective for toxic forms of misfolded alpha-synuclein (oligomers/protofibrils)

Built on genetic and pathology rationale

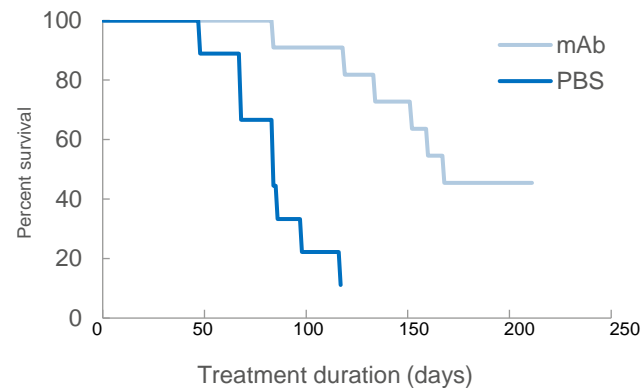
- Alpha-synuclein mutations lead to Parkinson's
- Alpha-synuclein oligomers/protofibrils are elevated in Parkinson's

Preclinical proof of concept

Reduction of neurotoxic alpha-synuclein oligomers/protofibrils



Delays disease progression and increases lifespan



ABBV-0805 in clinical development

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

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 delivers follow-up antibodies in the continued collaboration with AbbVie

ABBV-0805 advancing in clinical trials



Alpha-synuclein antibody portfolio licensed by AbbVie

Milestone of 50 MUSD for the license

ABBV-0805 IND-application approved by the US FDA

AbbVie started Phase 1 with ABBV-0805

Phase 1 study ongoing

- Aim to evaluate safety and tolerability
- Second stage of Phase 1 study in patients with Parkinson's disease now underway

Collaboration featured in *Drug Discovery Today* (March 2020)

Drug Discovery Today



feature

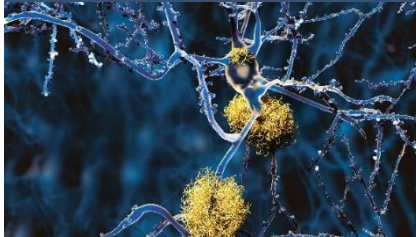
How partnership should work to bring innovative medicines to patients

Janice M. Twombly¹, jan@rhythmofbusiness.com, Johanna Färling², Marco Giorgetti³, Anna C. Maroney⁴ and Gunilla Osswald⁵

Scientists increasingly find themselves working in bilateral drug development alliances. Alliances are conceptually simple, but operationally challenging, resulting in the value-eroding misalignment and delays that alliances often experience. This case study of an exemplary collaboration between a small biotech and a global biopharmaceutical company is based on 15 interviews and a lessons-learned workshop conducted with the principal alliance team members. We outline five repeatable practices identified as contributing to their success that other alliance teams can follow.

Early stage portfolio continues to develop well

Alzheimer's disease



Discovery stage programs

- 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

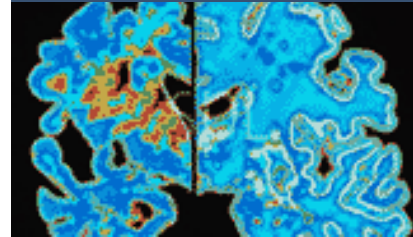


Discovery stage projects

- Preclinical stage alpha-synuclein projects in research collaboration with

abbvie

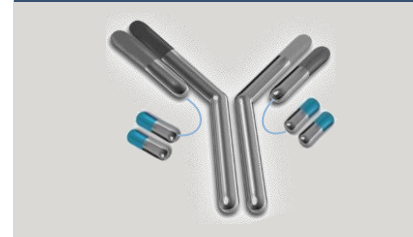
Other CNS disorders



Neurodegeneration research

- BAN2401 in indications other than Alzheimer's disease
- Research project in neurodegeneration ("ND") with potential in various CNS disorders

Blood-brain barrier technology



Blood-brain barrier technology platform

- Continued development with expanded and enhanced capabilities
- Collaboration with Uppsala University under Vinnova grant

Diagnostic tools



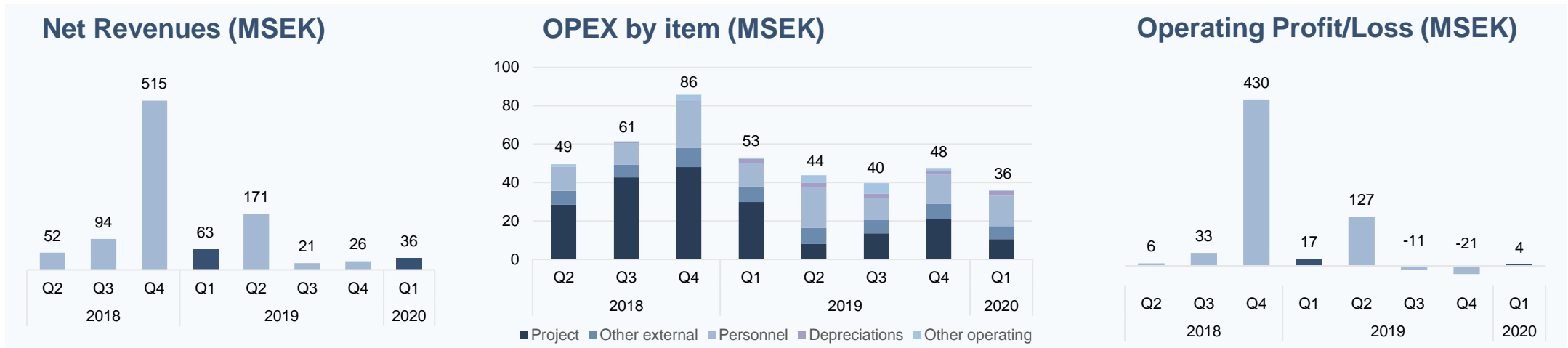
Diagnostic tools

- Continued development of imaging and biochemical biomarkers



Finance Summary

Net revenues and operating profit Q1 2020



- Net revenues were 36.4 MSEK (63.4) for the first quarter
- The change is primarily due to lower activity in the Parkinson's program as planned

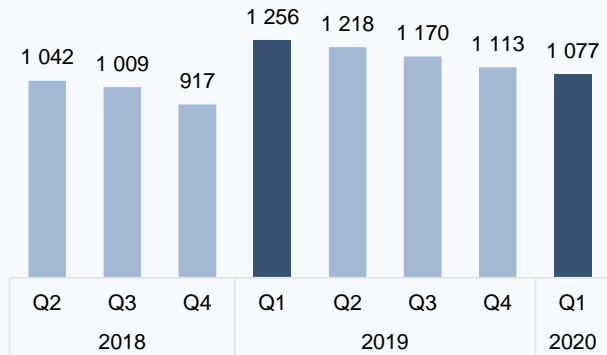
- Project expenses decreased to 10.5 MSEK (30.0) due to lower external expenses in the Parkinson's project versus previous year
- The personnel expenses increased to 16.0 MSEK (12.0) primarily attributable to an increase in the number of employees

- Operating profit was 3.8 MSEK (17.3) for the first quarter
- The change is attributable to lower activity in the Parkinson's program as planned

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

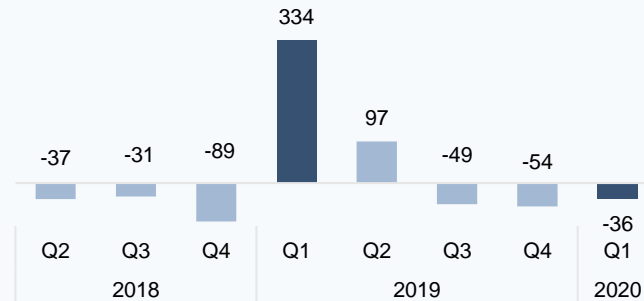
Cash related and net profit Q1 2020

Cash Balance (MSEK)



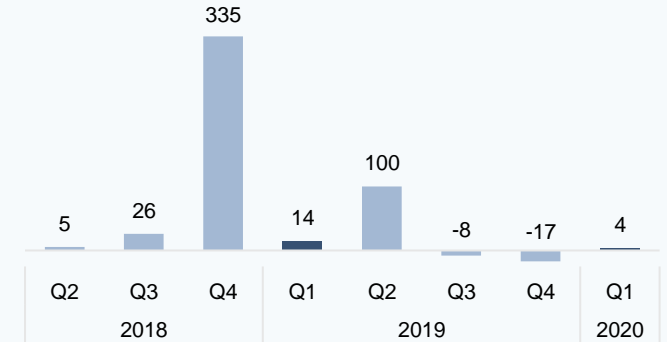
- Cash balance amounted to 1,077.3 MSEK (1,255.6) at the end of the first quarter

Cash Flow From Operating Activities (MSEK)



- Operating cash flow amounted to -36.3 MSEK (333.6) during Q1

Operating Profit/Loss (MSEK)



- Net result for the period was 3.6 MSEK (13.6)

To sum up, BioArctic showed positive net result for the first quarter and continues to have a strong financial position



**Upcoming news and
closing remarks**

Upcoming news flow

Alzheimer's disease



BAN2401 (Eisai)

- To present data at international congresses
- 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



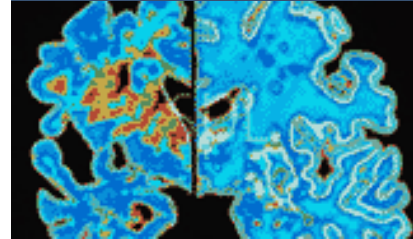
ABBV-0805 (AbbVie)

- Complete Phase 1 and start Phase 2
- Publications on the collaboration

Discovery stage projects

- Development in AbbVie collaboration

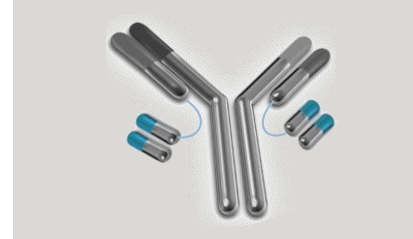
Other CNS disorders



Neurodegeneration research

- New project development
- New indications and new targets

Blood-brain barrier technology



Blood-brain barrier technology platform

- Continue development of platform

Diagnostic tools



Diagnostic tools

- Continue development of imaging and biochemical biomarkers

BioArctic: With Patients in Mind

Built on science



Projects in focus

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

Value-driven leadership



GUNILLA OSSWALD, CEO



JAN MATTSSON, CFO



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Interim report Jan-Jun 2020
on July 10, 2020
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