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Press release

Stockholm, Sweden

September 13, 2017

BioArctic AB intends to list on Nasdaq Stockholm

BioArctic AB ("BioArctic" or the "Company"), a Swedish research and development based biopharma company, is today announcing its intention to proceed with a listing of the Company's B-shares on Nasdaq Stockholm (the "Offering"). BioArctic develops disease-modifying treatments based on monoclonal antibodies for the treatment of neurodegenerative diseases, such as Alzheimer's disease and Parkinson's disease, and has a potential treatment for complete spinal cord injury currently in clinical phase.

- Nasdaq Stockholm has approved BioArctic's application for listing subject to customary conditions
- The Offering will primarily include a share issue to institutional investors in Sweden and abroad, as well as to the general public in Sweden
- HBM Healthcare Investments, Handelsbanken Fonder and the Second Swedish National Pension fund (together the "Cornerstone Investors") have, subject to certain conditions, committed to acquire shares in the Offering for a price of SEK 24 per B-share. The price corresponds to a total value of the total number of shares in the Company of SEK 1,513 million, before the expected share issue
- A prospectus with terms and conditions for the Offering is expected to be published within the next few weeks

Gunilla Osswald, CEO at BioArctic:

"Since its founding in 2003, BioArctic has had a fantastic development with significant advances in several research and development programs. Our goal is to develop innovative and effective drugs that address the large medical needs in Alzheimer's disease, Parkinson's disease and complete spinal cord injuries. Our successful research has led to several major research collaborations and partnerships. We are now very proud about the strong interest we have received from institutional investors, and the interest from very knowledgeable cornerstone investors is a testament of both our history and future potential. The contemplated listing will give us the opportunity to continue the development of innovative drugs."

About BioArctic and background to the Offering

BioArctic is a Swedish biopharma company active in research and development of innovative biological drugs with the potential to improve the quality of life for patients with neurodegenerative diseases like Alzheimer's disease and Parkinson's disease, and for patients with complete spinal cord injury. Since its founding in 2003, BioArctic has through research collaborations and licensing revenue from partners, such as Eisai and AbbVie, and grant funding built an extensive project portfolio. BioArctic's project portfolio includes the first generation of disease modifying drug candidates for the treatment of Alzheimer's disease and Parkinson's disease, and a new potential treatment of complete spinal cord injury. BioArctic is furthermore active in research and development of diagnostics and biomarkers for Alzheimer's disease and Parkinson's disease. These diagnostic methods are important complements to BioArctic's drug candidates and have the potential to improve the



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possibilities for early and better diagnosis, monitoring of the disease progression and more effective treatment of the diseases on which BioArctic is focusing. BioArctic therefore believes that these methods have a commercial potential.

BioArctic's strategy is to consolidate its position as a leading player in diseases and injuries of the central nervous system. As a part of the strategy BioArctic intends to continue the development and expansion of the current project portfolio and to develop new product candidates, diagnostics and technology to improve the quality of life for patients with neurodegenerative diseases and complete spinal cord injury. Long-term, BioArctic intends to establish its own sales organization in selected markets, which would increase the revenue base in the form of income from sales of BioArctic's proprietary product candidates.

BioArctic's strategic collaborations with Eisai and AbbVie mean that a number of the projects, among them the development of the drug candidates BAN2401 and BAN2401 back-up for the treatment of Alzheimer's disease and BAN0805 for the treatment of Parkinson's disease, are fully financed as BioArctic receives compensation for research collaborations, or the further development is carried out by BioArctic's partners. In addition to the projects that BioArctic runs in collaboration with Eisai and AbbVie, the project portfolio includes a number of proprietary projects that have so far been financed by grant fundings, license revenues and milestone payments obtained under BioArctic's collaboration agreements. An important part of BioArctic's strategy is to increase the pace and efficiency of the further development of BioArctic's proprietary projects, which will require increased resources.

The main shareholders and the board of directors are working actively to realize BioArctic's long-term strategy and believe that the time is right to apply for listing of BioArctic's B-shares on Nasdaq Stockholm. A listing of the B-shares in BioArctic is a logical next step for the Company and its operations which will also give BioArctic access to the Swedish and international capital markets. The main shareholders will remain active long-term major shareholders after the listing.

In line with the above strategy BioArctic has decided to carry out a share issue in connection with the listing on Nasdaq Stockholm in order to bring additional resources to its proprietary projects and thereby make it possible to carry out the continued development work in a more focused and effective way. BioArctic intends to use the net proceeds from the share issue in the order of priority indicated below:

- Further development of two innovative disease modifying treatments for Alzheimer's disease (AD1502 and AD1503)
- Widening of the indication for BAN2401 to treatment of dementia and cognitive impairment in patients with Down's syndrome and patients with traumatic brain injury
- Completion of the clinical Phase 1/2 study of SC0806 for the treatment of complete spinal cord injury and registration in the EU, and preparations for the start of Phase 3 studies in Europe and the US
- Further development of diagnostic methods for Alzheimer's disease (imaging of the brain and biochemical biomarkers)
- Further development of technology to improve the passage of antibodies across the blood-brain barrier



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Advisors

Carnegie Investment Bank AB (publ) is Global Coordinator and Joint Bookrunner, DNB Markets a part of DNB Bank ASA's Swedish branch, is Joint Bookrunner. Advokatfirman Lindahl KB is legal advisor to the Company. Baker McKenzie is legal advisors to the Global Coordinator and Joint Bookrunners regarding Swedish and American law.

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About HBM Healthcare Investments

HBM Healthcare Investments is a Swiss investment company focused on the healthcare sector. HBM Healthcare Investments holds and manages an international portfolio of promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. Many of these companies have their lead products already available on the market or at an advanced stage of development. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange.

About Handelsbanken Fonder AB

Handelsbanken Fonder AB is a wholly owned subsidiary of Svenska Handelsbanken and is a significant fund manager in Scandinavia. Handelsbanken Fonder AB offers funds that are targeted towards private individuals as well as institutional clients.

About the Second Swedish National Pension fund

With about SEK 335 billion under management in virtually every asset class and all parts of the world, the Second Swedish National Pension fund is one of northern Europe's largest pension funds. The Second Swedish National Pension fund is one of five buffer funds within the Swedish pension system. The Second Swedish National Pension fund shall maximise long term return at low risk.



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Important information

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In any EEA Member State, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member State, the "Prospectus Directive"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

In the United Kingdom, this announcement and the information that this announcement contains is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of the Prospectus Directive. Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

Certain matters discussed in this announcement constitute forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.



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