

# BioArctic, Q3 2017

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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** since mid-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 $\beta$  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



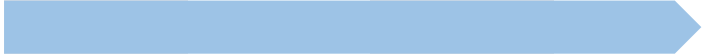












- Research collaboration (entered Sep 2016) regarding alpha-synuclein antibodies as disease modifying therapies for Parkinson's Disease incl. BAN0805 to IND, follow-up compounds and diagnostic
- BioArctic primarily responsible for performing all pre-clinical activities
- Option for AbbVie for a license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

	PRODUCT CANDIDATE	INDICATION	PARTNER	DISCOVERY	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3
NEURODEGENERATIVE DISEASES	<b>BAN2401</b> (anti-A $\beta$ antibody)	Alzheimer's Disease	  <sup>2)</sup>					
	<b>BAN2401</b> (anti-A $\beta$ antibody)	Down's Syndrome <sup>1)</sup> Traumatic Brain Injury	—					
	<b>BAN2401 Back-up</b> (anti-A $\beta$ antibody)	Alzheimer's Disease						
	<b>AE1501</b> (undisclosed)	Alzheimer's Disease						
	<b>AD1502</b> (undisclosed)	Alzheimer's Disease	—					
	<b>AD1503</b> (undisclosed)	Alzheimer's Disease	—					
	<b>BAN0805</b> (anti-alpha-synuclein antibody)	Parkinson's Disease	abbvie					
DIAGNOSTICS & TECHNOLOGY	<b>Imaging and biochemical biomarkers</b> (A $\beta$ )	Alzheimer's Disease	—					
	<b>Imaging and biochemical biomarkers</b> (alpha-synuclein)	Parkinson's Disease	abbvie					
	<b>BBB-technology</b> (blood-brain barrier)	Multiple application areas	—					
SPINE	<b>SC0806</b> (FGF1/device)	Complete Spinal Cord Injury	—					

<sup>1)</sup> Dementia and cognitive impairment associated with Down's syndrome. Source: Company data

<sup>2)</sup> Partner with Eisai on BAN2401 for treatment of AD

Q3 update

# Key events

## Key events Q3

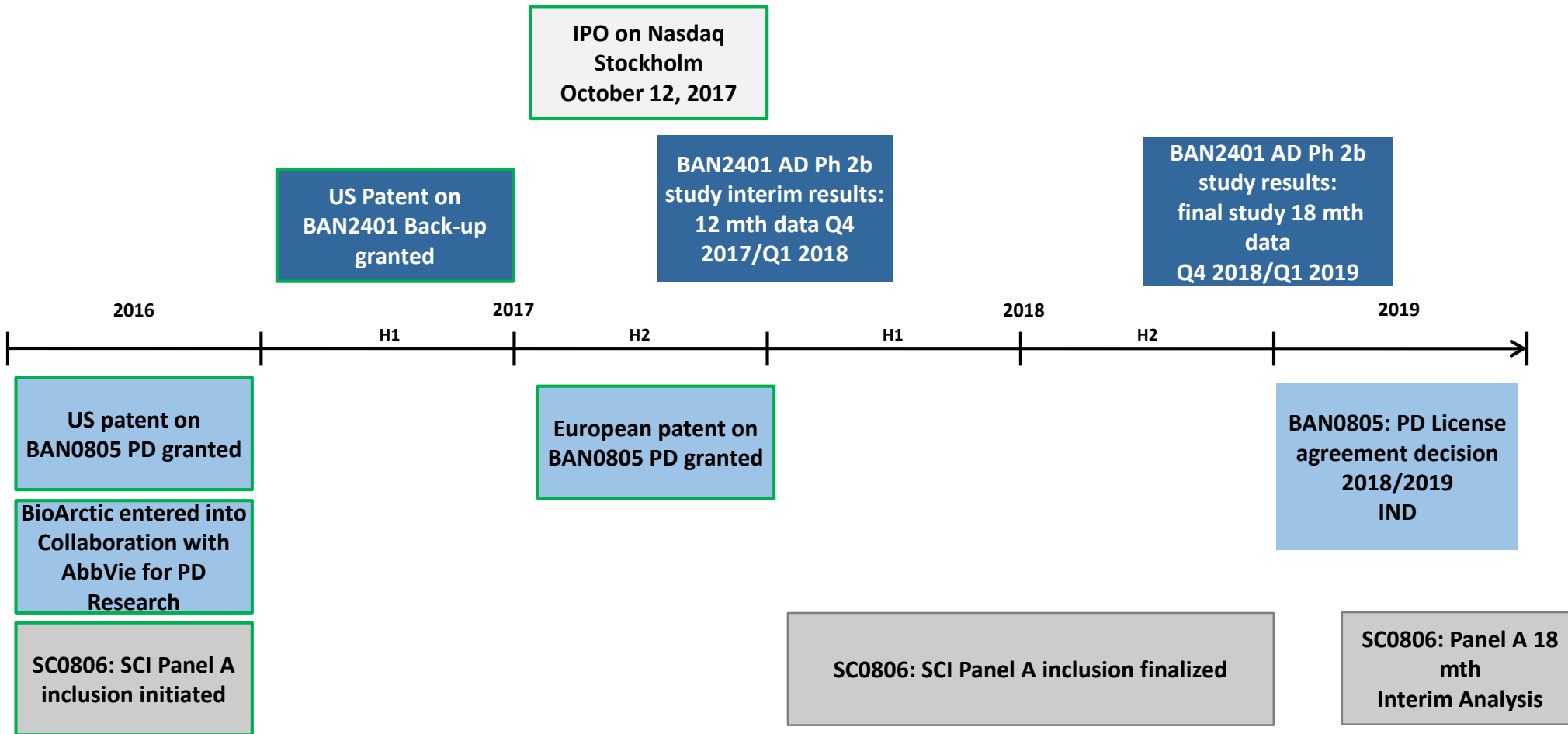
- ▶ **Alzheimer's Disease**
  - Independent Monitoring Committee recommended continuing the clinical Phase 2b study with BAN2401 for patients with early Alzheimer's Disease, after additional interim analysis
- ▶ **Complete Spinal Cord Injury**
  - Patients receiving SC0806 treatment in the ongoing Phase 1/2 clinical trial given option of 12 months additional rehabilitation in extension study
- ▶ **Strengthening of the Board of Directors**
  - Wenche Rolfsen new Chairman of the Board.  
Eugen Steiner new Director of the Board, adding competence in business and corporate finance
- ▶ **Intention to float announced**
  - Intention to list on the Nasdaq Stockholm published on September 13. Prospectus published on September 29

## Key events after the period

- ▶ **Listing on Nasdaq Stockholm**
  - BioArctic's B-share started trading on Nasdaq Stockholm, mid-cap, on October 12
- ▶ **New share issue executed**
  - A new share issue of SEK 600m was executed in connection with the IPO
- ▶ **European patent for BAN0805 granted**
  - European Patent Office granted BioArctic's patent for drug candidate BAN0805 for Parkinson's Disease



# Recent & Anticipated News Flow





# Transforming to a listed company

## Key components in the process towards IPO

- ▶ **Well received roadshow** with 100+ investor meetings in a number of countries
- ▶ **Cornerstone Swedish and international investors, including**
  - ▶ AP3, 3rd Swedish National Pension Fund
  - ▶ HBM Healthcare Investments
  - ▶ Handelsbanken Fonder
  - ▶ AP2, 2nd Swedish National Pension Fund
  - ▶ Inbox Capital/John Wattin



# Successful IPO in October

## IPO and new share issue in October

- ▶ **IPO on Nasdaq Stockholm.** BioArctics 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 now has around 2,500 shareholders
- ▶ **Attracting renowned institutional shareholders.** A number of well renowned international institutional investors, among others 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 550m in funding for BioArctic's own R&D projects

## BioArctic's main shareholders and share data end of October

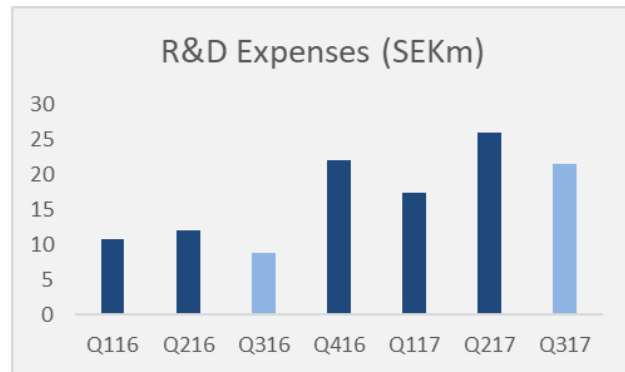
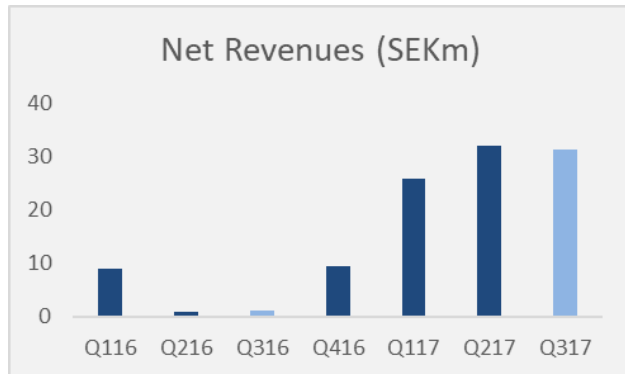
Shareholders (ten largest)	Share of Capital %
DEMBAN AB	35.76
ACKELSTA AB	23.84
TREDJE AP-FONDEN	4.73
CBLDN-OM GLBAL INVESTORS SERIES PLC	3.63
MSIL IPB CLIENT ACCOUNT	3.09
HANDELSBANKEN SVENSKA SMABOLAG, SFOND	2.15
STATE STREET BANK AND TRUST CLIENT	1.79
DB LDN GPF CLT OMNI FULL TAX	1.72
FJÄRDE AP FONDEN	1.70
SWEDBANK ROBUR NY TEKNIK BTI	1.70
Ten largest shareholders	80.11
Remaining shareholders	19.89

Share data	Oct 31, 2017
Number of shares outstanding (mln)	88.1
Number of shareholders	2,514
Market capitalization (SEKm)	2,220

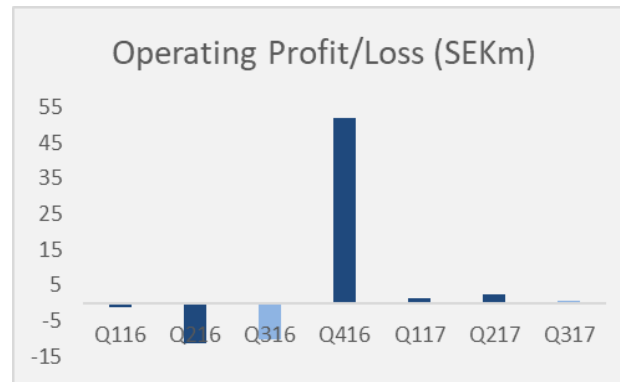
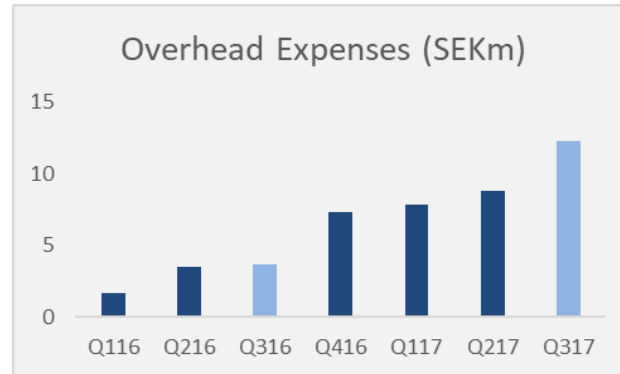
Source: Euroclear

# Financial overview Q3 2017

## Net revenues, R&D expenses by quarters



## Overhead, operating profit by quarters



## Q3 2017 – Comments

- ▶ **Net revenues** increased to SEK 31.5m (1.2) due to the AbbVie collaboration started in Q4 2016
- ▶ **R&D expenses** increased to SEK 21.4m (8.9) mainly due to activities related to the AbbVie collaboration
- ▶ **Overhead expenses** (marketing, administrative and other operating expense) increased substantially to SEK 12.2m (3.7). The increase was partly due to increased FX related losses of SEK 4.1m (0.0) and partly due to IPO costs of SEK 3.1m (0.0)
- ▶ **Operating profit** increased to SEK 0.6m (-10.2), mainly due to the AbbVie collaboration. Excluding non-recurring items the operating profit was SEK 3.7m (-10.2)

# Financial analysis Q3

## Q3 2017 – items of importance

### ▶ Cash holdings increased

- AbbVie collaboration funding increased BioArctic's cash balance, and incoming proceeds of around SEK 550m from the share issue in October will increase it further

### ▶ 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 Q3, the FX impact on earnings was SEK -4.1m and for the January-September period it was SEK -9.3m

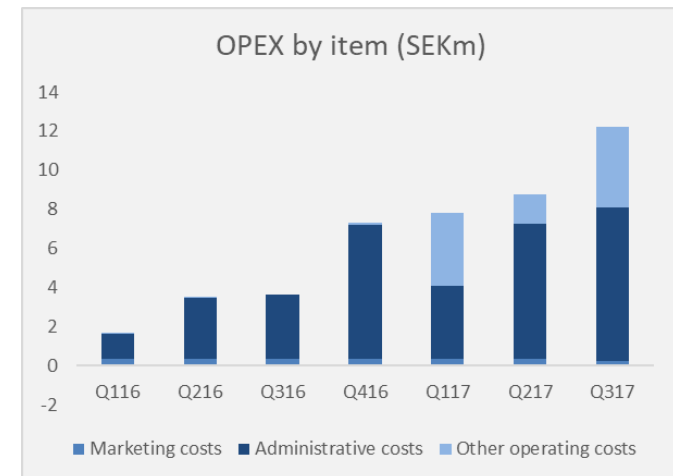
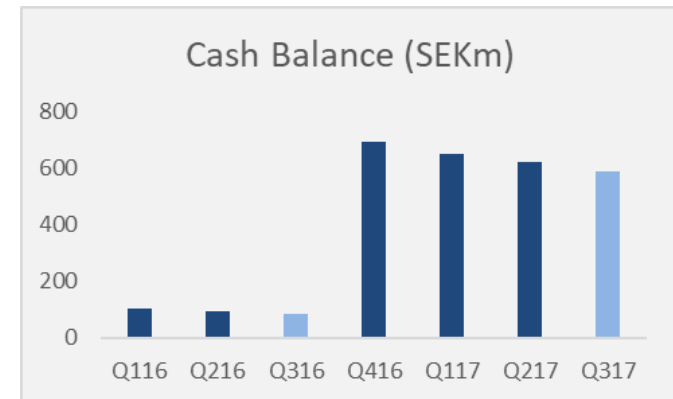
### ▶ Positive revaluation of AbbVie project costs

- Forecasted total project costs for the AbbVie collaboration are regularly evaluated. In Q3 the evaluation resulted in lowered forecasted total costs and income of SEK 3.9m for BioArctic

### ▶ IPO costs and increased overhead due to listing

- Administrative costs increased partly due to IPO costs in the quarter, of which SEK 3.1m were non-recurring. Due to costs for being a listed company, administrative costs will be on a somewhat higher level going forward

## Cash balance and OPEX by item – quarterly



# Q&A

Gunilla Osswald, CEO



Jan Mattsson, CFO



## Next report & IR Contact

- ▶ **Next report:**  
Q4 and FY 2017 February 20, 2018
- ▶ **IR contact:**  
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Thank you for your attention!