



Third Quarter 2015 Business Update

HALLE/SAALE, Germany, 19 November 2015 – Probiodrug AG (Euronext Amsterdam: PBD), a biopharmaceutical company developing novel therapeutic solutions to treat Alzheimer's disease (AD), today announces its third quarter business update for the period ending 30 September 2015, in the form of an interim management report.

OPERATIONAL HIGHLIGHTS

- The Company signed an agreement with Rentschler for the manufacture of its pGlu-Abeta targeting antibody PBD-C06
- Funding of the Brigham and Women's Hospital Research, Boston (USA) for the further exploration of the potential of anti pGlu-Abeta antibodies against Alzheimer's disease
- Presentation made at the International Conference on Brain Disorders and Therapeutics in London, UK
- License of TBA 2.1 Transgenic Alzheimer's Disease Mouse Model granted to QPS Austria Neuropharmacology
- Expenditures and corresponding cash position in line with management expectations
- As at 30 September 2015, Probiodrug held EUR 12 million in cash and cash equivalents (excluding the proceeds from the private placement)

POST PERIOD HIGHLIGHTS

- Probiodrug announced a private placement raising EUR 13.5 million on 5 November 2015 at a price of EUR 20 per share
- Presented data on its pGlu-3 Abeta monoclonal Antibody in October at Neuroscience 2015, Chicago
- Probiodrug initiated a collaboration with the Paul-Flechsig-Institute for Brain Research, Leipzig University, Germany

OPERATIONAL UPDATE

Pipeline update

Probiodrug is targeting pyroglutamate-Abeta (pGlu-Abeta) as a therapeutic strategy to fight Alzheimer's disease. This modified Abeta is considered to be with disease initiation and progression by seeding the formation of soluble neurotoxic amyloid oligomers. Probiodrug is developing proprietary product candidates to target toxic pGlu-Abeta via two modes of action: by (i) inhibiting the production of pGlu-Abeta; and (ii) clearing existing pGlu-Abeta from the brain.

Probiodrug's innovative approaches comprise the development of specific inhibitors for the enzyme Glutaminyl Cyclase (QC), which is instrumental in the creation of pGlu-Abeta. In addition, the company is developing a monoclonal antibody targeting pGlu-Abeta to enhance its clearance.

To date, Probiodrug's pipeline consists of two small molecule inhibitors of the QC-enzyme, PQ912 and PQ1565, and a monoclonal antibody, PBD-C06, targeting pGlu-Abeta.



PQ912

The currently ongoing Phase 2a SAPHIR study is a randomized, double-blind, multi-center study, which plans to enrol a total of 110 patients with early stage Alzheimer's disease. The study is conducted by internationally renowned experts in AD in six European countries at about 20 sites. The primary endpoint of the trial is safety and tolerability of PQ912 compared with placebo over a three-month treatment period. Additionally, a set of exploratory read-outs comprising cognitive tests, functional assessments by EEG and functional MRI and new molecular biomarkers in CSF will be used to evaluate the compound's effect on the pathology of the disease. First data of the SAPHIR study are expected in summer 2016.

PBD-C06

PBD-C06 is a monoclonal antibody, currently in preclinical stage. PBD-C06 targets pGlu-Abeta, aiming to selectively clear the brain of pGlu-Abeta while leaving non-toxic forms of Abeta untouched. PBD-C06 has been successfully humanized and also de-immunized to avoid detection by the patient's endogenous immune system. Probiodrug selected PBD-C06 with an IgG1 backbone for development and has teamed up with Rentschler for the manufacturing process.

PQ1565

PQ1565 is a QC-inhibitor, currently in preclinical stage. The product candidate has shown attractive drug-like properties in preclinical studies. Regulatory toxicology studies are in preparation and production of this molecule is being scaled up.

CORPORATE REVIEW

Probiodrug announced during the third quarter an agreement to license the TBA2.1 tg Mouse to QPS Austria Neuropharmacology, a leading CRO for CNS drug development. This mouse model has been developed, characterized and patented by Probiodrug. It has been used as part of the efforts to establish a new therapeutic concept of reducing brain pGlu-Abeta for the treatment of Alzheimer Disease. Licensing this model to QPS Austria Neuropharmacology makes it accessible to a wider community of academic and industry research groups.

Probiodrug announced it funds research at the laboratory of Cynthia Ann Lemere, PhD, at Brigham and Women's Hospital (BWH), Boston, USA. The funding provided by Probiodrug will be used to further investigate the potential of pGlu-Abeta antibodies for passive vaccination against Alzheimer's disease.

Financials

In line with business planning the third quarter of 2015 showed an increase of research and development expenses to TEUR 2,416 as compared to TEUR 1.774 in the third quarter of 2014, mainly due to the ongoing SAPHIR trial. General and administrative expenses decreased to TEUR 713 vs. TEUR 1.653 in the third quarter of 2014, which reflects the legal and administrative costs of the IPO, executed in October 2014. Overall, the resulting comprehensive loss of the reporting period was TEUR 3,148, slightly below the comprehensive loss of the third quarter of 2014 (TEUR 3,403).

The comprehensive loss for the nine-month period ending 30 September 2015 was TEUR 9,377, compared to TEUR 7,164 for the corresponding period in 2014. Thereof TEUR 6,927 were research and development expenses in comparison to TEUR 4,594 in the nine-month period 2014. TEUR 2,585 were general and administrative expenses in comparison to TEUR 2,614 for nine months 2014. All cumulative numbers are in line with management expectations.



Probiodrug held EUR 12 million in cash and cash equivalents as of 30 September 2015, not including the gross proceeds from the current private placement (EUR 13.5 million).

POST PERIOD UPDATE

Private placement of new shares

Probiodrug announced a EUR 13.5 million private placement of new shares on 5 November 2015. As a result, the management board of the Company resolved, with approval of the Company's supervisory board, to increase its share capital by EUR 676,589, from EUR 6,765,898 to EUR 7,442,487, by issuing 676,589 new shares with a notional par value of EUR 1.00 per share. The order book was well covered based on strong demand from European and US investors. The new shares have been placed with selected qualified institutional investors at a price of EUR 20.00 per share, representing a 0% discount to the closing price on the day. The issued shares represent approximately 10% of the Company's currently issued share capital. The net proceeds from the transaction will be used primarily to support preparations of further clinical development of lead product PQ912 beyond the ongoing Phase 2a (SAPHIR) trial, support further development of PBD-C06 and PQ1565 and exploration of other mechanism-related indications, strengthen the financial position of the Company and support exploration of business opportunities.

Kempen & Co and Bank am Bellevue acted as Joint Bookrunners in the Offering.

Publications

Probiodrug presented data in October at Neuroscience 2015, the 45th annual meeting of the Society for Neuroscience (SfN) in Chicago, USA. These data showed for the first time that an anti-pGlu-3-Abeta antibody not only reduced Abeta/plaques but also significantly improved cognitive deficits in aged Alzheimer's mice. Importantly, the treatment did not lead to increased microhemorrhages.

Collaborations

Probiodrug entered into an agreement with the German-based Biopharma Manufacturer Rentschler Biotechnologie GmbH to manufacture PBD-C06, a pGlu-Abeta-specific monoclonal antibody. Rentschler is a renowned independent contract manufacturer with an excellent track record of producing biopharmaceuticals for over 40 years.

Probiodrug also announced that it has entered into a Collaborative Research and Material Transfer Agreement with Prof Steffen Rossner of the Paul-Flechsig-Institute for Brain Research, Leipzig University, Germany. This agreement is aimed to further elucidate the function of Glutaminyl Cyclases (QCs) under physiological and pathological conditions. Probiodrug will bring their proprietary QC-knockout mice models into this collaboration and is supporting the research at the Paul-Flechsig-Institute.

Halle, 19 November 2015

Management Probiodrug