Vivoryon Therapeutics Reports Financial Results for H1 2019 and Corporate Update

- *Conference call and webcast in English at 3:00 pm CEST / 09:00 am EST*
- *Successful private placement of EUR 8.2 million*
- *Strategic collaboration with MorphoSys announced in July for the development of QPCTL technology in immuno-oncology*

HALLE (SAALE), Germany, 29 August 2019 – Vivoryon Therapeutics AG (Euronext Amsterdam: VVY), today announced its financial results for the first six months of 2019 ending June 30. The full interim report is available on the company website (https://www.vivoryon.com/investors-news/financial-information/).

KEY HIGHLIGHTS

- Probiodrug AG and the Alzheimer's Disease Cooperative Study (ADCS) received USD 15 million grant from NIH for US-based Phase 2b trial
- Probiodrug raised EUR 8.2 million from investors in successful private placement of new shares
- Probiodrug AG became Vivoryon Therapeutics AG
- Shareholder's meeting resolved for a capital increase to be implemented before the end of the year 2019
- Vivoryon entered into a collaboration with University of Kiel to select candidates from QPCTL inhibitor portfolio

POST PERIOD HIGHLIGHTS

Business development efforts in the first half year 2019 led to the announcement of a strategic collaboration with MorphoSys in July for the development of QPCTL technology in immuno-oncology. Vivoryon entered into an exclusive Option Agreement for an up to EUR 15 million equity commitment.

Comment from Dr. Ulrich Dauer, Chief Executive Officer of Vivoryon Therapeutics:
The last six months stand as a transformative time period for Vivoryon during which the team strategically advanced and repositioned the Company through the achievement of several noteworthy corporate goals including the licensing agreement with MorphoSys for our QPCTL inhibitors in oncology, in addition to the validation of our Alzheimer's Disease program from the NIH. Having collaborated with the management team to redefine our objectives and the most optimal steps to achieve them, we remain well-positioned to reach the next set of corporate and clinical milestones.

Looking back at the first half of 2019, we strengthened three core elements of the Company: our corporate and financial position, the recognition of our potential in oncology and the validation of our approach in Alzheimer's Disease.

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Starting with the completion of a successful private placement, we enhanced our financial standing and added a consortium of new strategic investors to our shareholder base. On top of this, we rebranded and redefined our position as a company. Our new name, "Vivoryon Therapeutics AG," highlights our strong commitment to developing a treatment for patients suffering from Alzheimer's Disease and emphasizes the fresh perspectives and momentum we aim to leverage to efficiently advance the Company.

From a pipeline perspective, we have made quantifiable progress in monetizing the opportunity within our approach in immuno-oncology. This was emphasized by our licensing agreement with MorphoSys, which delivered on our promise to combine our unique portfolio of proprietary small molecule QPCTL inhibitors with a leading antibody technology. In addition to this, we also initiated a research collaboration with the University of Kiel to further uncover the therapeutic potential of our QPCTL inhibitors in cellular cancer models.

In regard to our Alzheimer's program, we received the approval of a USD 15 million NIH grant intended for a US Phase 2b trial, further validating our differentiated therapeutic approach to this detrimental neurodegenerative disease. Our lead candidate, PQ912, stands out from other treatments in the field, as it inhibits the production of the pyroglutamated form of abeta, a neuro- and synaptotoxic driver of Alzheimer's initiation and progression. Our aim is to advance the Phase 2b clinical trial in Europe during the first quarter of 2020.

As we enter into the second half of the year, we will continue to finalize preparations for the Alzheimer's clinical trial, explore the potential of our unique proprietary position in cancer and identify additional opportunities within our discovery and development pipeline of small molecule therapeutics. With our near-term objective focused on securing the required financial runway to meet these goals, we look forward to connecting with potential investors and partners in the global biotechnology industry and sharing our revitalized vision of leveraging our versatile scientific approach to advance drug candidates in complex and large medical need indications.

FINANCIAL PERFORMANCE

KEY FIGURES (ACCORDING TO IFRS)

In EUR k, unless otherwise stated	Jan. - June 2019	Jan. - June 2018	Jan. – Dec. 2018
Earnings, Financial and Net Assets Position			
Operating loss	-3,077	-4,133	-7,698
Finance income /loss	-15	13	-39
Net loss for the period	-3,091	-4,120	-7,737
Equity (end of the reporting period)	5,636	4,848	1,230
Equity ratio (end of the reporting period) (in %)	60.8	67.6	30.4

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Balance sheet total (end of the reporting period)	9,269	7,169	4,048
Cash flows from operating activities (cum.)	-3,428	-4,092	-6,994
Cash flows from operating activities (monthly average)	-571	-682	-583
Cash flows from investing activities	-4	471	460
Cash flows from financing activities	7,644	0	0
Personnel			
Total number of employees (incl. Board of management) (end of the reporting period)	16	14	14
Vivoryon Therapeutics-Share			
Loss per share (basic/diluted) (in EUR)	-0.31	-0.50	-0.94
Number of shares issued (end of the reporting period)	12,301	8,208	8,208

Details of the Financial Results (according to IFRS)

Net loss
The operating loss for first half of 2019 was reduced by 26% to EUR 3,077k (H1 2018: EUR 4,133k). This was driven by lower research and development expenses of EUR 1,862k (H1 2018: EUR 2,572k) and lower general and administrative of EUR 1,223k (H1 2018: EUR 1,578k).

Consequently, net loss was reduced to EUR 3,091k (H1 2018: EUR 4,120k).

All results are in line with management expectations.

Cash
Vivoryon Therapeutics held EUR 7,999k in cash and cash equivalents as of June 30, 2019 (Dec 31, 2018: EUR 3,783k).

The cash flow from financing activities in amount of EUR 7,644k resulted from the successful private placement of new shares that raised EUR 8,187k in gross proceeds, which were offset by the associated transaction costs of EUR 523k.

VIVORYON THERAPEUTICS' CURRENT VISION
With 20+ years of unmatched understanding in identifying protein-modifying enzymes that play a critical role in disease initiation and progression, Vivoryon Therapeutics scientific expertise has facilitated the creation of a discovery and development platform for small molecule therapeutics.

Having demonstrated success by developing a novel therapeutic in type 2 diabetes, the Company is advancing their lead candidate, PQ912, in Alzheimer's Disease and their entire portfolio of QPCT and QPCTL inhibitors in oncology.

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NEW THERAPEUTIC APPROACH

PQ912 in Alzheimer's Disease

PQ912 is a first-in-class inhibitor of the QC enzyme that addresses a very distinct disease pathway and provides a different mode of action in contrast to other available Alzheimer's Disease programs in development. Positive results from a Phase 2a clinical trial published in June 2017 demonstrated a significant improvement in the synaptic function of PQ912-treated Alzheimer's patients versus a control group in addition to measurable improvements in the memory performance of patients treated with PQ912, despite the short treatment time of only twelve weeks.

The upcoming Phase 2b European, multicenter study, "SAPHIR," will be conducted over 56 weeks on average and will test varying doses of PQ912. Trial initiation is anticipated in the first quarter of 2020 with the topline results expected in the second half of 2022.

The SAPHIR clinical trial in Europe is led by Professor Philip Scheltens, Director of the Alzheimer Center VU University Medical Center Amsterdam, NL. A second complementary trial, so called US trial, is in the planning phase and will be run by Professor Howard Feldman, Director of Alzheimer's Disease Cooperative Study (ADCS), in San Diego, USA. The National Institutes of Health (NIH) is funding, in part, the US Phase 2b core program with an NIH Research Project grant expected to total of USD 15 million over four years.

QPCTL Inhibitors in Oncology and Beyond

Recently published results as well as internal research have shown that the Glutaminyl-peptide cyclotransferase-like (QPCTL) is an interesting therapeutic target to silence the "do not eat me" signal provided by the interaction of CD47 (expressed on cancer cells), with the protein SIRP-alpha (expressed on macrophages and other myeloid cells). Tumor immunotherapy that targets this interaction is a current focus of innovation in cancer drug development. Combining a therapeutic tumor-targeted antibody of choice with the inhibition of the CD47/SIRP-alpha interaction is expected to lead to significant therapeutic improvements. By possessing the broadest portfolio of small molecule QPCTL inhibitors and the clinically most advanced compounds in that field, Vivoryon is uniquely positioned to address this attractive target in immuno-oncology. QPCTL inhibitors are expected to have considerable therapeutic advantages compared to antibody approaches that are currently explored in clinical studies to silence the CD47/SIRP-alpha interactions.

Based on Vivoryon Therapeutics' data, PQ912 could be advanced into clinical Phase I studies in cancer. In addition, the Company entered into an exclusive Option Agreement with MorphoSys on small molecule inhibitors of QPCTL, silencing the CD47-SIRP alpha signaling in immuno-oncology. Vivoryon Therapeutics owns a broader set of highly promising QPCTL inhibitor compounds in advanced preclinical stages of development.

Within the collaboration of the University of Kiel, Vivoryon Therapeutics will also fund focused research with the clear goal of further validating its QPCTL inhibitors in cellular cancer models. The Company's highly active compounds will be tested individually and in combination with therapeutic antibodies.

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CONFERENCE CALL

Vivoryon Therapeutics will host a conference call and webcast open to the public today, August 29, 2019 at 3:00 pm CEST / 09:00 am EST; the presentation will also be available on the company website. The conference will be held in English. A question & Answer session will follow the presentation of the Half year results.

To participate in the conference call, please call one of the following numbers 10 minutes prior to commencement.

A live webcast and slides will be made available at: www.vivoryon.com/investors-news/financial-information/

Approximately a day after the call, a slide-synchronized audio replay of the conference will be available on: www.vivoryon.com/investors-news/financial-information/

Please dial one of the following access numbers, then enter your PIN Code: 67470409#
A Question & Answer session will follow the presentation of results.

Country	Toll-free	Toll/Local
Belgium	080058130	+3224019516
Denmark	80400010	+4582333179
Germany	08008050102 (DE) 08008050115 (EN)	+4969201744220 (DE) +4969201744210 (EN)
The Netherlands	08000200293	+31207168020
Switzerland	0800001875	+41445806522
UK	08002794054	+44 203 009 2470
USA	N/A	+1 877 423 0830

FINANCIAL STATEMENTS

January to June 2019

Vivoryon Therapeutics has finalized its financial statements for the first six months of 2019 according to German GAAP ("HGB") and IFRS. The auditor, KPMG, has reviewed the IFRS statements. The reports are available on the company website (https://www.vivoryon.com/investors-news/financial-information/).

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Financial calendar 2019
November 28, 2019 Interim Management Statement Q3 2019

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Notes to Editors:
About Vivoryon Therapeutics AG
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About Alzheimer's Disease
Alzheimer's Disease is a neurological disorder, which is the most common form of dementia. Today, 50 million people are estimated to live with dementia worldwide, and this number is projected to triple to more than 152 million by 2050. Alzheimer's has an estimated global societal cost of USD 1 trillion. (World Alzheimer Report 2018).

Cancer Immune Checkpoint Inhibitors
Checkpoint inhibitor therapy is a novel kind of cancer immunotherapy. This therapy targets key regulators of the immune system that stimulate or inhibit its actions, which tumors commonly use to protect themselves from attacks by the immune system. QPCTL inhibitor therapy can silence inhibitory cancer checkpoints and thereby restore beneficial immune system functions.

Forward Looking Statements
Information set forth in this press release contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgment of Vivoryon Therapeutics AG as of the date of this press release. Such forward-looking statements are neither promises nor guarantees but are subject to a variety of risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.