Probiodrug AG Reports Third Quarter 2018 Business Update

HALLE (SAALE), Germany, 29 November 2018 - Probiodrug AG (Euronext Amsterdam: PBD), a clinical stage biopharmaceutical company developing novel therapeutic solutions to treat Alzheimer's disease (AD), today announces its third quarter business update for the period ending September 30, 2018.

The third quarter 2018 report is available for download on the company website (http://www.probiodrug.de/investors/reports-and-presentations/).

KEY HIGHLIGHTS

- Probiodrug appoints Dr. Michael Schaeffer as Executive Vice President of Business and Strategy, September 2018; promoted to Chief Business Officer, effective October 1, 2018 (after period-end)
- Expenditures and corresponding liquidity position (September 30, 2018: EUR 5.3 million) in line with management expectations

FINANCIAL REVIEW (ACCORDING TO IFRS)

The third quarter of 2018 was characterized by EUR 939k research and development expenses, slightly lower than in the third quarter of 2017 (EUR 1,127k). General and administrative expenses amounted to EUR 689k and were higher than in the third quarter of 2017 (EUR 526k). The Company did not generated any revenue in the reporting period, in line with corporate planning. Correspondingly, the net loss of the period was EUR 1,634k, compared to EUR 1,656k in the third quarter of 2017.

All results are in line with management expectations.

Probiodrug held EUR 5.3 million in cash and cash equivalents as of September 30, 2018.

OPERATIONAL REVIEW

Lead compound PQ912 - a first-in-class highly specific and potent Glutaminyl Cyclase (QC) inhibitor
Probiodrug presented the detailed study design of the Phase 2b core program for its QC inhibitor which incorporated the newest FDA and EMA draft guidance for early AD trials. The Phase 2b core program will consist of two clinical trials in the EU and USA. The first Phase 2b study will investigate the safety and efficacy of the optimal dose range of PQ912 in early AD patients. This trial will build on the excellent and efficient infrastructure established by the Phase 2a SAPHIR study.

PBD-C06 - a monoclonal antibody selectively targeting pGlu-Abeta
PBD-C06 is currently in the preclinical stage. The antibody has been successfully humanized and also de-immunized to avoid detection by the patient's endogenous immune system. For the first time in an anti-pGlu-Abeta approach, PBD-C06 has not only shown the ability to reduce Abeta/plaques but also to significantly improve cognitive deficits in aged Alzheimer's mice. Moreover, no evidence was found for increased microhemorrhages after treatment with PBD-C06.

CORPORATE REVIEW

Management Changes
Dr. Michael Schaeffer was appointed to the position of Executive Vice President of Business and Strategy, effective August 2018. Dr. Schaeffer brings more than 15 years of experience across pharma and biotech in strategic business development, scientific project and alliance management to Probiodrug.

POST PERIOD HIGHLIGHTS

Management Changes
Probiodrug announced the appointment of Dr. Michael Schaeffer to Chief Business Officer, effective October 1, 2018. Drawing on his extensive experience in neurology projects across all stages of development, Dr. Schaeffer has additionally taken over Probiodrug's R&D division. Dr. Inge Lues' term as Chief Development Officer came to an end effective October 31, 2018, with the contractual termination of her current agreement.

Extraordinary General Meeting of Shareholders 2018
On December 7, 2018, Probiodrug will held an Extraordinary General Meeting of Shareholders. The single item on the agenda: Report of a loss amounting to half the share capital pursuant to Sec. 92 pa-ra. 1 AktG.

OUTLOOK

The mid-term focus of Probiodrug's business activities remain unchanged and can be summarized as follows:

- Execution of the Phase 2b clinical study program for PQ912
- Identifying industrial partners
- Further strengthening Probiodrug's financial basis

The company's current financial resources are expected to be sufficient to fund operations until the end of Q3/2019.

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Notes to Editors:
About Probiodrug AG
Headquartered in Halle (Saale), Germany, Probiodrug AG (Euronext Amsterdam: PBD) is a clinical stage

biopharmaceutical company focused on the development of new therapeutic products for the treatment of Alzheimer's disease (AD). Probiodrug has identified a new therapeutic concept linked to disease initiation and progression. The development approaches are targeting a key neuro-/synaptotoxic component of the pathology, pyroglutamate-Abeta (pGlu-Abeta) as a therapeutic strategy. The enzyme Glutaminyl Cyclase (QC) plays a central role in this process.

Its lead product, PQ912, has successfully completed a Phase 2a (SAPHIR) study. The company's pipeline also includes PBD-C06, an anti-pGlu-Abeta-specific monoclonal antibody, in preclinical development. Probiodrug has medical use and composition of matter patents related to the inhibition of QC and anti-pGlu-Abeta-specific monoclonal antibodies, and has, in the Company's view, a leading position in this field of research.

About PQ912
PQ912, is a first-in-class, highly specific and potent inhibitor of Glutaminyl Cyclase (QC), the enzyme catalyzing the formation of synaptotoxic pGlu-Abeta. PQ912 has shown therapeutic effects in AD animal models. A Phase-1 study in healthy young and elderly volunteers revealed a dose dependent exposure and showed good safety and tolerability up to the highest dose resulting in >90% target occupancy in the spinal fluid. In June 2017, Probiodrug announced top-line data of the Phase 2a SAPHIR trial of PQ912 and presented the study results at CTAD 2017. Results strongly support (a) the hypothesis of pGlu-Abeta being synaptotoxic and (b) the therapeutic concept pursued by Probiodrug. The study provides important guidance how to move forward with the development of PQ912 as a disease-modifying drug for AD. Altogether, the results make the program highly attractive for further development; the company has initiated the preparation of a Phase 2b core program.
www.probiodrug.com

About Alzheimer's disease
Alzheimer's disease is a neurological disorder, which is the most common form of dementia, and ultimately leads to death. Today, 50 million people live with dementia worldwide, and this number is projected to treble to more than 152 million by 2050, as the global population ages. Dementia also has a huge economic impact. Alzheimer's has an estimated, global societal cost of US$ 1 trillion, and it will become 2 trillion dollar disease by 2030. (World Alzheimer Report 2018).

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 Probiodrug 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.