Probiodrug Reports Financial Results for H1 2018 and Corporate Update

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HALLE (SAALE), Germany, 30 August 2018 - Probiodrug AG (Euronext Amsterdam: PBD), a clinical stage biopharmaceutical company developing novel therapeutic solutions to treat Alzheimer's disease (AD), today announces its financial results for the first six months of 2018 ending June 30. The full interim report is available on the company website (http://www.probiodrug.de/investors/reports-and-presentations/).

KEY HIGHLIGHTS

- Inhibition of Glutaminyl Cyclase as a new treatment concept for Alzheimer's disease presented at the 255th ACS National Meeting & Exposition in New Orleans, USA, in March 2018
- Detailed study design of PQ912 Phase 2b core program outlined on April 3, 2018
- Dr. Ulrich Dauer appointed as Chief Executive Officer as of May 1, 2018
- Positioning of anti-pGlu-Abeta antibody PBD-C06 in the field of Abeta antibodies published in co-authored review publication on June 16, 2018
- Expenditures and corresponding liquidity position (June 30, 2018: EUR 6.7 million) in line with management expectations

Commenting on the results, Dr. Ulrich Dauer, Chief Executive Officer of Probiodrug, said:
"During the first six months of 2018 we focused on further refining the development strategy for a Phase 2b program of our lead candidate, PQ912. Dr. Inge Lues, her team and our world leading external key opinion leaders, Philip Scheltens and Howard Feldman, have outlined a unique study design according to latest FDA and EMA regulatory guidelines and state of the art scientific concepts. The study protocol is nearing completion, and after successful financing of the company, we will be able to commence treating initial patients. I am convinced that Probiodrug, with its unique QC inhibition approach, represents great potential for both its shareholders and the treatment of Alzheimer's disease."

FINANCIAL REVIEW (ACCORDING TO IFRS)

The operating loss for first half of 2018 was reduced by 34% to EUR 4,133k (H1 2017: EUR 6,262k). This was driven by lower research and development expenses of EUR 2,572k (H1 2017: EUR 4,937k) following the completion of the Phase 2a SAPHIR study in June 2017. In the first half of 2018 there was no clinical study. General and administrative expenses increased by EUR 249k to EUR 1,578k (H1 2017: EUR 1,329k). The first half year of 2017 was positively impacted by finance income and the gain from income taxes of EUR 1,964 (H1 2018: EUR 0k) from the successful settlement of the potential tax liability from the financial year 2004. Consequently, net loss was reduced to EUR 4,120k (H1 2017: EUR 4,306k).

All results are in line with management expectations.

Probiodrug held EUR 6,686k in cash and cash equivalents as of June 30, 2018 (Dec 31, 2017: EUR 10,291k).

The cash flow in the first half year of 2018 was mainly driven by operating activities. EUR 475k from investing activities resulted from proceeds from the expiration of pension liabilities insurance.

OPERATIONAL REVIEW

Lead compound PQ912 - a first-in-class highly specific and potent Glutaminyl Cyclase (QC) inhibitor

Detailed design of Phase 2b core program outlined
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. It is based on the valuable results of the SAPHIR study and has been designed with the guidance of international KOLs in the AD field. Prof Philip Scheltens, M.D. Ph.D., Director of the Alzheimer Center VU University Medical Center Amsterdam, NL, will once again serve as Principal Investigator and Chairperson for the study in the EU. A second complementary study is currently in the planning phase and is intended to be carried out in the USA at the Alzheimer Disease Cooperative Study Group (ADCS) at the University of California, San Diego, USA, which will be chaired by Prof Howard Feldman, also a highly renowned Principal Investigator.

Phase 2a data presented at leading Alzheimer's disease conference
In March 2018, Probiodrug gave a presentation entitled *"Inhibition of glutaminyl cyclase as a new concept for the treatment of Alzheimer's disease: PQ912, the first-in-class QC-inhibitor in clinical development for AD"* at the 255th National Meeting & Exposition of the American Chemical Society (ACS), New Orleans, USA. Detailed information can be found here.

PBD-C06 - a monoclonal antibody selectively targeting pGlu-Abeta
PBD-C06 is currently in 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 for 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 of increased microhemorrhages after treatment with PBD-C06.

PBD-C06 revealed a unique binding mode, published in the Journal of Biological Chemistry (Piechotta *et al*., J. Biol. Chem. 2017 292:12713). The publication is available here.

In May 2018, Probiodrug announced that results from its preclinical candidate antibody PBD-06 were reviewed in Schilling *et al*., Molecules 2018, 23, 1068 (publication can be found here).

CORPORATE REVIEW

Management Changes
Probiodrug announced the appointment of Dr. Ulrich Dauer as Chief Executive Officer effective from May 1, 2018. Dr. Dauer teamed up with long-serving Chief Development Officer, Dr. Inge Lues, who has led the development of Probiodrug's pipeline. Dr. Konrad Glund and Dr. Hendrik Liebers left the management board of the Company effective April 30, 2018.

Annual Shareholders' Meeting 2018 / Supervisory Board
On June 21, 2018, Probiodrug held its 2018 Annual Shareholders' Meeting. All items presented for resolution by the management board and the supervisory board were approved with a large majority and can be found here.

Dr. Erich Platzer, Charlotte Lohmann, Dr. Dinnies von der Osten and Dr. Jörg Neermann were re-elected as members of the Supervisory Board, with Dr. Platzer appointed as Chairman and Dr. von der Osten appointed as Vice Chairman and Chairman of the Audit Committee.

POST PERIOD HIGHLIGHTS

There were no significant events subsequent to the reporting period.

OUTLOOK

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

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

Probiodrug projects a net loss for the financial year of 2018 which, based on the current budget, is expected to be lower than that of 2017.

CONFERENCE CALL

Probiodrug will host a conference call, open to the public, today at 15:00 Central European Summer Time (CEST)/ 09:00 Eastern Daylight Time (EDT); the presentation will also be posted on the company website. The conference will be held in English. To participate in the conference call, please dial the applicable country dial in number 10 minutes prior to commencement.

Please dial one of the following access numbers, then enter your PIN Code: 84802730#
A Question & Answer session will follow the presentation of results.

Country	Toll-free	Toll/Local
Belgium		+3211500307
Germany	08006270715	+4969222229043 (EN) +4969222229044 (DE)
Netherlands		+31107137273
Switzerland	0800005200(EN) 0800005205(DE)	+41225805970 (EN) +41225805971 (DE)
UK		+442030092452
USA		18554027766

KEY FIGURES (ACCORDING TO IFRS)

In EUR k, unless otherwise stated	**Jan. - June 2018**	**Jan. - June 2017**	**Jan. - Dec. 2017**
Earnings, Financial and Net Assets Position			
Operating loss	-4,133	-6,262	-9,961
Finance income (expenses) net	13	856	856
Income tax gain	0	1,102	1,102
Net loss for the period	-4,120	-4,306	-8,009
Equity (end of the reporting period)	4,848	12,211	8,923

Equity ratio (end of the reporting period) (in %)	67.6%	81.6%	82.9 %
Balance sheet total (end of the reporting period)	7,169	14,971	10,762
Cash flows from operating activities (cum.)	-4,092	-7,508	-12,117
Cash flows from operating activities (monthly average)	-682	-1,251	-1,010
Cash flows from investing activities	471	-4	459
Cash flows from financing activities	0	0	127
Personnel			
Total number of employees (incl. Board of management) (end of the reporting period)	14	14	15
Probiodrug-Share			
Loss per share (basic/diluted) (in EUR)	-0.51	-0.53	-0.98
Number of shares issued (end of the reporting period)	8,208	8,187	8,208

FINANCIAL STATEMENTS

January to June 2018

Probiodrug has finalized its financial statements for the first six months of 2018 according to German GAAP ("HGB") and IFRS. The auditor KPMG has reviewed the IFRS statements. The reports are available on the company website (http://www.probiodrug.de/investors/reports-and-presentations/).

Financial calendar 2018

November 29, 2018 Interim Management Statement Q3 2018

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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.de

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, 47 million people live with dementia worldwide, and this number is projected to treble to more than 131 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$ 818 billion, and it will become a trillion-dollar disease by 2018. (World Alzheimer Report 2016)

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.