

This announcement is not an offer to sell, or a solicitation of an offer to acquire any securities. This announcement is not a prospectus and investors should not purchase any securities referred to in this announcement except on the basis of information in the prospectus to be published by Probiodrug AG in due course (when approved by the BaFin and passported to the Dutch Authority for Financial Markets) in connection with the Initial Public Offering and admission to listing of its shares on Euronext Amsterdam.

## Probiodrug launches its Initial Public Offering and listing on Euronext Amsterdam

**HALLE/SAALE, Germany, October 10, 2014** – Probiodrug AG (“Probiodrug”), a biopharmaceutical company dedicated to the research and development of novel therapeutic solutions to treat people with Alzheimer’s Disease, announces today the launch of its Initial Public Offering and listing on Euronext Amsterdam.

### Summary of the offering:

- An offering to purchase up to 1,475,409 new ordinary bearer shares with no par value, which may be increased by an increase option of up to 15% consisting of up to 221,311 additional ordinary bearer shares.
- The indicative price range of the offering is €15.25 - €19.00 per share.
- A Greenshoe option has been granted by Probiodrug to the syndicate banks, corresponding to a maximum of a further 15% of the new shares (including shares from the increase option, if any) effectively allocated, for the purpose of covering over-allotments, if any.
- The offering comprises:
  - (i) A public offering in the Netherlands;
  - (ii) A private placement to qualified institutional buyers (“QIBs”) in the United States (as defined in Rule 144A of the U.S. Securities Act; and,
  - (iii) A private placement to qualified and/or institutional investors in certain member states of the European Union and in Switzerland in reliance on Regulation S of the U.S. Securities Act.
- The Offering will run from 13 October 2014 until 23 October 2014 (3pm CET).
- The Offer Price and the results of the Offering will be set out in a Pricing Statement that will be published in an ad-hoc announcement and on the website of Probiodrug, in the Dutch financial press and on the website of Euronext Amsterdam on or about 23 October 2014.
- The listing of the shares is expected on or about 27 October 2014 on an “if-and-when-issued-or-delivered” basis.
- Payment and settlement for the shares is expected to occur on or about 29 October 2014.

### Pre-commitments:

- The existing shareholders HBM Healthcare, Edmond de Rothschild Investment Partners, BB Biotech, Life Science Partners, IBG, Biogen Idec and TVM Capital have committed directly or indirectly through an affiliate to purchase offer shares in the Offering for an aggregate amount of approximately €15 million.
- Members of the management team and of the supervisory board have committed to purchase offer shares in the Offering for an aggregate amount of approximately €125,000.
- Customary lock-up provisions for existing shareholders, management and Probiodrug are in place.

**Dr. Konrad Glund, Chief Executive Officer of Probiodrug said:** *“It is our mission to bring Probiodrug’s innovative therapeutic approach to people with Alzheimer’s Disease. Our next important development step is to conduct a Phase 2a study with the lead product PQ912 in patients. We believe our approach presents a significant opportunity for Alzheimer’s Disease patients, and will also generate significant value for our shareholders.”*

#### **Financial intermediaries:**

Kempen & Co is acting as Sole Global Coordinator and Bookrunner in connection with the Initial Public Offering. Petercam has been appointed as Co-Bookrunner and Close Brothers Seydler Bank AG as Selling Agent.

#### **Company highlights:**

- **Probiodrug is developing a pipeline of disease modifying drugs against Alzheimer’s Disease**  
Alzheimer’s Disease is a large underserved market open for new drug approaches. There are, as of today, no disease modifying drugs (treatments that slow or halt the progression of the disease) for Alzheimer’s Disease available, and there are only a handful of Alzheimer’s Disease drugs on the market treating merely the symptoms of cognitive decline.
- **Differentiated approach to treat Alzheimer’s Disease - Probiodrug’s products specifically target toxic pyroglutamate-Abeta (“pGlu-Abeta”)**  
Many first generation disease modifying approaches in Alzheimer’s Disease aim to reduce Abeta-plaques, a well-known hallmark of Alzheimer’s Disease, by limiting Abeta production or enhancing Abeta clearance. These approaches, however, have not yet shown success. Probiodrug believes that a different more targeted approach should be taken as there are various forms of Abeta with different, sometimes even beneficial, characteristics. Today’s prevailing scientific view is that small soluble Abeta aggregates (oligomers), not plaques, cause the early pathological changes related to Alzheimer’s Disease. It has been shown that pGlu-Abeta triggers the formation of these toxic Abeta oligomers. Probiodrug’s scientists discovered in 2004 that Abeta peptides need a specific enzyme to be transformed into pGlu-Abeta, which is called Glutaminyl Cyclase (“QC”). Based on this discovery Probiodrug is developing small molecule inhibitors of QC, a treatment approach targeting pGlu-Abeta specifically.
- **Focused, proprietary pipeline**  
Probiodrug is developing product candidates to specifically target toxic pGlu-Abeta via two complementary modes of action: (i) inhibiting the production of pGlu-Abeta; and (ii) clearing existing pGlu-Abeta from the brain. The Company’s current development pipeline consists of the following product candidates:  
  
**PQ912:** Probiodrug’s lead product candidate is currently entering into a Phase 2a study. PQ912 is a “QC-inhibitor”, a specific inhibitor of the enzyme Glutaminyl Cyclase, which has shown therapeutic benefit in Alzheimer animal models. PQ912, a small molecule, is the only QC-inhibitor that Probiodrug is aware of currently in clinical development for Alzheimer’s Disease. PQ912 was shown to be safe and well tolerated and revealed a high level of QC-inhibition in the spinal fluid in a Phase 1 study with 200 healthy young and elderly volunteers. The preparation of the Phase 2a study started in March 2014. The first patient is expected to be treated with PQ912 in the first quarter of 2015 with the first data expected to be available in mid-2016.

**PBD-C06:** a monoclonal antibody, currently in preclinical research. PBD-C06 targets pGlu-Abeta, aiming to selectively clear the brain of pGlu-Abeta while leaving non-toxic forms of Abeta untouched.

**PQ1565:** a QC-inhibitor, currently also in preclinical research. The product candidate has shown attractive drug-like properties in preclinical studies.

- **Extensive IP protection**

Probiodrug's granted and pending patent claims protect its product candidates and its exclusive access to the QC-target. The Company believes that it is in a strong position to pursue all of its therapeutic programs, which are protected by both medical use and composition of matter patents.

- **Experienced management team**

Probiodrug is led by an experienced management team with a strong track record in the pharmaceutical industry.

- **Renowned shareholder base**

Probiodrug's investors include: BB Biotech, Edmond de Rothschild Investment Partners, IBG, HBM Healthcare, TVM Capital, Life Science Partners, Biogen Idec, CFH Group, and funds advised by Wellington Management.

#### **Use of Proceeds:**

Probiodrug currently anticipates that it will use the net proceeds of this Offering as outlined below:

- To support the further clinical development of PQ912, primarily in a Phase 2a monotherapy study in early Alzheimer's patients.
- To support the preclinical and clinical development of PBD-C06 and PQ1565.
- To support further research activities in the field of QC, pGlu-Abeta, Alzheimer's Disease and other neurodegenerative diseases as well as the exploration of new indications as potential target indications for QC-inhibitors and anti-pGlu-Abeta antibodies.
- To secure funds for general corporate purposes, such as intellectual property, general and administrative expenses and the additional costs associated with being a listed company.
- To use potential opportunities to broaden and diversify its research and development portfolio.

#### **Summary time table**

<b>Date</b>	<b>Event</b>
13 October	Start of the Offering Period
23 October	Expected end of the Offering Period
23 October	Expected publication date of the Offer Price and results of the Offering
24 October	Expected date of allocation
27 October	Expected listing date (listing and start of trading)
29 October	Expected closing date of the Offering (payment, settlement and delivery)

Probiodrug has published an English-language Prospectus approved by the German BaFin on 10 October 2014 and passported to the AFM on the same date for the purpose of the public offering in The Netherlands and the listing on Euronext Amsterdam.

The prospectus is available for residents in the Netherlands on the website of Probiodrug ([www.probiodrug.de](http://www.probiodrug.de)).

###

**For more information please contact:**

**Dr. Konrad Glund, CEO, Probiodrug**

Email: [contact@probiodrug.de](mailto:contact@probiodrug.de)

**Hume Brophy**

Tel: +44 (204) 440-5653

Email: [probiodrug@humbrophy.com](mailto:probiodrug@humbrophy.com)

**Notes to Editors:**

**About Probiodrug AG**

Headquartered in Halle, Germany, Probiodrug AG is a biopharmaceutical company focused on the development of new therapeutic products for the treatment of Alzheimer's Disease.

Founded in 1997, the company successfully developed a novel therapeutic concept for diabetes – the DP4 inhibitors – which provided the basis for a novel class of antidiabetics – the gliptins. Its core capabilities are based on its long-standing expertise in the elucidation of the structure and function of enzymes involved in the modification of proteins and peptides which play a central role in pathological conditions.

Today Probiodrug's aim is to become a leading company in the development of Alzheimer's Disease treatments and to thereby provide a better life for Alzheimer's Disease patients. It has identified a new therapeutic concept linked to disease initiation and progression. The development approaches are targeting pyroglutamate-Abeta (pGlu-Abeta) as a therapeutic strategy to fight Alzheimer's Disease. The Company has medical use and composition of matter patents related to the inhibition of QC and anti-pGlu-Abeta- specific monoclonal antibodies, providing it, in the Company's view, with a leading position in this field of research.

Probiodrug has a renowned shareholder base, including experienced institutional investors in Germany, Netherlands, Switzerland, France, and the United States. For more information, please visit: <http://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. Because Alzheimer's Disease cannot be cured and is degenerative, the affected patients must increasingly rely on others for assistance. Today, over 35 million people worldwide currently live with the condition and this number is expected to double by 2030 and to more than triple by 2050 to 115 million (World Alzheimer Report 2013).

***These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities. The shares in Probiodrug AG (the "Shares") mentioned herein may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Shares have not been, and will not be, registered under the Securities Act and will not be***

NOT FOR PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA

***offered or sold in the United States, except on the basis of applicable exemptions from registration. There will be no public offering of securities in the United States or anywhere outside of The Netherlands. The public offer in The Netherlands will be made exclusively by means of and on the basis of an English-language prospectus.***