INVITATION TO SUBSCRIBE FOR SHARES IN ALZECURE PHARMA AB

Sole Global Coordinator and Bookrunner

VATOR SECURITIES

Issuing Agent

Nordnet

IMPORTANT INFORMATION

INFORMATION TO INVESTORS

This prospectus (the "**Prospectus**") has been prepared in connection with AlzeCure Pharma AB's public offer of shares in Sweden and Denmark and to institutional investors in Sweden and internationally (the "**Offer**"). In connection with the Offer, AlzeCure intends to apply for its shares to be admitted to trading on Nasdaq First North Premier ("**Nasdaq First North Premier**") which is a multilateral trading facility ("**MTF**"). "**AlzeCure**", "**AlzeCure Pharma**" or the "**Company**" means AlzeCure Pharma AB. "**Vator Securities**" means Vator Securities AB, acting as Sole Global Coordinator and Bookrunner in connection with the Offer.

A Swedish version of the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Swedish FSA) (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Article 25 and 26 of the Swedish Financial Instruments Trading Act (SFS 1991: 980). The approval and registration of the Swedish version of the Prospectus does not mean that the Swedish FSA guarantees that the information in Swedish version of the Prospectus or in the Prospectus is correct or complete. In the event of discrepancies between the Swedish and English version, the Swedish version shall prevail.

Swedish law applies to the Prospectus and the Offer pursuant to the Prospectus. Disputes in connection with the Prospectus, the Offer and related legal relations shall be settled exclusively by a Swedish court, of which the Stockholm District Court shall be the first instance.

The Offer is not directed to the general public in any jurisdiction other than Sweden and Denmark. The offer to the general public in Denmark is limited to a maximum amount of less than MEUR 1 or an equivalent amount in SEK. The Offer does not apply to such persons whose participation requires additional prospectuses, registration measures or other measures than those required by Swedish law. No measure has been taken or will be taken in any jurisdiction other than Sweden that would permit an offer of the shares to the general public or permit possession, dissemination of this Prospectus or any other documentation attributable to the Company or the shares in such jurisdiction. A notice on acquisition of shares in contravention of the above may be deemed invalid. Persons receiving a copy of the Prospectus are required by the Company and Vator Securities to acquaint themselves and comply with all such restrictions. Neither the Company nor Vator Securities accept any legal liability for contravention of any such restrictions, whether the contravention is committed by a potential investor or any other person. The shares in the Offer have not been registered and will not be registered in accordance with the U.S. Securities Act of 1933 as amended (the "**Securities Act**") or any other securities act in any other State and may not be offered or sold, directly or indirectly, in the United States or to persons resident there, other than in exceptional cases that do not require registration under the Securities Act.

Dissemination of the Prospectus to persons other than the recipient specified by Vator Securities or their representatives is prohibited, as well as persons who may have been hired to inform the recipient of the matter, and any disclosure of the content without prior written permission from the Company is prohibited. All reproduction or dissemination of the Prospectus in the United States, in full or parts thereof, and all disclosure of the contents to other persons is forbidden.

FORWARD-LOOKING INFORMATION

The Prospectus includes certain forward-looking statements. Forward-looking information is contained in all statements in the Prospectus that do not relate to historical facts and events, as well as statements related to the future, including expressions such as "consider", "assess", "expect", "can", "will", "want", "should", "plan", "appreciate", "known to" or similar expressions that identify information as forward-looking. This applies in particular to statements and opinions in the Prospectus concerning future results, financial position, cash flow, plans and expectations of the Company's operations and management, future growth and profitability, general economic and regulatory environment, and other factors affecting the Company. Forward-looking statements are based on current estimates and assumptions, which have been made in accordance with information known by the Company. Such statements are subject to risks, uncertainties and other factors that may affect actual results, including the Company's financial position, cash flow and profitability, which may deviate significantly from the results which are the basis of, expressly or indirectly, or described in, the statements, or imply that the expectations which are the basis of, expressly or indirectly, or described in, the statements, are not fulfilled or may be less advantageous compared with the results which are the basis of, expressly or indirectly, or described in the statements. The Company's operations are exposed to a number of risks and uncertainties that may cause a forward-looking statement to be incorrect or an estimate or calculation to become incorrect. Potential investors should therefore not attach undue confidence to the forward-looking information herein, and potential investors are strongly encouraged to read the Prospectus in full, and in particular the following sections: "*Summary*", "*Risk Factors*", "*Market overview*", "*Business description*", "*Selected historical financial information*" and "*Comments on financial development*", which include a more detailed description of the factors that may impact the Company's operations and the market in which the Company operates.

Neither the Company nor Vator Securities can provide any guarantees for the future accuracy of the presented views or whether the predicted developments will actually occur. In the light of these risks, uncertainties and assumptions associated with the forward-looking statements, it is possible that future events mentioned in the Prospectus may not occur. Future estimates and preliminary estimates derived from third-party studies and referred to in the Prospectus may prove incorrect. Actual results, performance or events may differ significantly from those stated in such statements as a result of, without limitation: changes in general economic conditions, especially economic conditions in markets where the Company operates, changes in interest rates, changes in exchange rates, altered levels of competition, changes in laws and regulations and the occurrence of accidents or environmental damage.

Following the date of approval of the Swedish version of the Prospectus, neither the Company nor Vator Securities will, unless required by law or in the Nasdaq First North rulebook, update forward-looking statements or adapt these in relation to actual events or developments.

INDUSTRY AND MARKET INFORMATION

The Prospectus includes information from third parties in the form of industry and market information as well as statistics and calculations from industry reports and studies, market surveys, publicly available information and commercial publications. Such statements are identified by reference to the source. Unless otherwise stated, such information is based on the Company's analysis of several different sources.

Certain information on market shares and other statements in the Prospectus, among others regarding the industry within which the Company's business operates and the Company's position in relation to its competitors, is not based on published statistics or information from independent third parties and therefore lacks source references. Such information and such statements also reflect the Company's best estimates based on information obtained from industry and business organisations and other contacts within the industry where the Company competes as well as information published by the Company's competitors. The Company believes that such information and such statements are useful for investors' understanding of the industry within which the Company operates and the Company's position within that industry. However, the Company has no access to the facts and assumptions that are behind these figures and the market information as well as other information collected from publicly available sources. Nor has the Company made any independent verifications of information on the market provided via third parties, the industry or official publications. Even though the Company believes that its internal analyses are reliable, these have not been verified by any independent source and the Company cannot guarantee their accuracy.

Vator Securities accept no liability for the accuracy of any market or industry information in the Prospectus. The Company confirms that the information provided by third parties has been reproduced correctly as far as the Company is aware and it is confident that in comparison with other information published by these sources, no information has been omitted which could mean that the disclosed information is incorrect or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Some financial and other information presented in the Prospectus has been rounded to make the information more easily available for the reader. Accordingly, when added up, the figures in some tables may not correspond exactly to the subtotal quoted. Unless otherwise expressly stated, no financial information in the Prospectus has been audited or reviewed by the Company's auditor.

SOLE GLOBAL COORDINATOR AND BOOKRUNNER

When drafting the Prospectus, Vator Securities has relied on information provided by the Company and as all of the information derives from the Company, Vator Securities disclaim any and all liability in relation to the shareholders in the Company and in relation to other direct or indirect economic consequences as a result of investment or other decisions that are wholly or partly based on information in the Prospectus. Vator Securities represent the Company and no other party in connection with the Offer. Vator Securities are not responsible to any party other than the Company for the provision of advice in connection with the Offer or any other matter to which reference is made in the Prospectus.

NASDAQ FIRST NORTH PREMIER

Nasdaq First North Premier is an alternative marketplace operated by the various stock exchanges in the Nasdaq group. Companies on Nasdaq First North Premier are not subject to the same rules imposed on other companies listed on the regulated main market. Instead, they are subject to less extensive rules and regulations adapted to smaller growth companies. Investment in a company traded on Nasdaq First North Premier can therefore entail more risk than an investment in a listed company. All companies whose shares are listed for trading on Nasdaq First North Premier have a Certified Adviser supervising compliance with the regulations. It is the stock exchange (Nasdaq Stockholm AB) that approves the application for permission to trade.

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THE OFFER IN SUMMARY

Offer price

The Offer price is SEK 14 per share.

Application period

7-16 November 2018

First day of trading on Nasdaq First North Premier

28 November 2018

Settlement date

22 November 2018

Other information

Short name: ALZCUR
ISIN-code: SE0010133785

FINANCIAL INFORMATION

Year-end report for the financial year 2018	28 February 2019
Annual Report 2018	1 May 2019
2019 Annual General Assembly	22 May 2019

CERTAIN DEFINITIONS

In the Prospectus, among others the following definitions are used:

"**AlzeCure**", "**AlzeCure Pharma**" or the "**Company**" means AlzeCure Pharma AB (corporate registration number 559094-8302).

"**Offer**" means the offer to subscribe for shares in AlzeCure pursuant to the Prospectus.

"**Euroclear Sweden**" means Euroclear Sweden AB (corporate registration number 556112-8074).

"**FNCA**" means FNCA Sweden AB (corporate registration number 559024-4876), the Company's Certified Adviser at Nasdaq First North Premier.

"**Sole Global Coordinator and Bookrunner**" means Vator Securities.

"**Nasdaq First North Premier**" means Nasdaq First North's, which is an alternative marketplace operated by the various exchanges included in the Nasdaq Group, Premier segment.

"**Prospectus**" means this prospectus.

"**SEK**", "**EUR**" and "**USD**" means Swedish kronor, Euro and US dollars.

"**K**" means thousand and "**M**" means million.

"**Enlargement Option**" refers to the opportunity that the board of directors of the Company may have to increase the number of shares offered by offering additional 3,571,429 shares at a subscription price corresponding to the Offer Price, in order to meet any interest from the market that exceeds the size of the Offer.

"**Vator Securities**" means Vator Securities AB (corporate registration number 556795-7260), financial advisor and Sole Global Coordinator and Bookrunner in connection with the Offer.

See also the section "**Glossary**" for certain other terms used in the Prospectus.

SUMMARY

Prospectus summaries consist of information requirements set out in "items". These items are numbered in sections A-E (A.1–E.7).

The summary set forth in this Prospectus contains all of the items which are required of a summary for these types of security and issuer. Since certain items are not applicable to all types of prospectuses, there may, however, be gaps in the numbering of items.

Although it is required that an item is included in the summary for the current type of securities and issuer, it is possible that no relevant information can be provided regarding the item. If so, the information is replaced with a brief description of the item together with the words "Not applicable".

SECTION A - INTRODUCTION AND WARNINGS

A.1	*Introduction and warning*	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration by the investor of the Prospectus as a whole. Where a claim relating to the information in the Prospectus is brought before a court, the plaintiff investor may in accordance with the national legislation of Member States, have to bear the costs of translating the Prospectus before the judicial proceedings are initiated. Civil liability may only attach to those persons who produced the summary, including any translations thereof, but only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus or if, together with other parts of the Prospectus, it fails to provide key information to help investors when considering investing in such securities.
A.2	*Consent to use of Prospectus*	*Not applicable*; Financial intermediaries are not entitled to use the Prospectus for subsequent re-sale or final placement of shares.

SECTION B – ISSUER

B.1	*Name and trade name*	The Company's name (and trade name) is AlzeCure Pharma AB.
B.2	*Registered office and corporate form*	The registered offices of AlzeCure are located in Stockholm, Sweden. The Company is a public limited company formed in Sweden under Swedish law and operates under Swedish law. The Company's form of association is regulated by the Swedish Companies Act (SFS 2005:551).
B.3	*Main operations*	AlzeCure Pharma is a Swedish pharmaceutical research and development company developing innovative and effective drugs for the treatment of brain disease, with a primary focus on Alzheimer's disease. The company is developing five primary drug candidates in parallel based on the two platforms, NeuroRestore and Alzstatin. NeuroRestore consists of symptomatic drugs where the primary drug candidate, ACD855, is planned to initiate clinical Phase I-studies in December 2018. The Company's second platform, Alzstatin, consists of disease modifying and preventive drug candidates. AlzeCure aims to have two to three drug candidates in clinical trials by 2020. A diversified drug portfolio which targets central signal mechanisms in the brain, enables other indications such as cognitive disorders in traumatic brain injury, sleep apnea and Parkinson's disease.
B.4a	*Significant trends*	**Increased social costs for neurodegenerative diseases** The costs of neurodegenerative diseases are increasing and constitute a significant part of the public healthcare system. The increasing cost considerably increases the need for disease-modifying and/or preventive treatment.[1] **Increased need for treatment due to an ageing population** Old age is the main risk factor for dementia-related diseases such as Alzheimer's. Expected life expectancy is increasing globally as a result of increased living standards. The largest increase in ageing population is expected to occur in low and middle income countries.[2] **Major pharmaceutical companies are allocating investments in CNS-related diseases to specialised research projects** An increasing number of major pharmaceutical companies (Big Pharma) are starting investment funds to invest in smaller research and pharmaceutical companies, as much of the innovation is taking place in smaller research and development companies. This trend favours these companies as the opportunities for licensing agreements for research, development and commercialisation of drug candidates increase. Both AstraZeneca and Pfizer have increased investments in external pharmaceutical candidates and companies.[3,4] 1) Article from CNN: edition.cnn.com/2017/03/07/health/alzheimers-report-2017/index.html 2) World Alzheimer Report 2015: alz.co.uk/research/WorldAlzheimerReport2015.pdf 3) AstraZeneca Bioventurehub: https://www.azbioventurehub.com/ 4) Pfizer: https://www.pfizer.com/partners/venture-investments
B.5	*Group*	*Not applicable*; The Company is not part of any corporate group.

B.6 *Major shareholders*

Per the date of the Prospectus, AlzeCure has approximately 140 shareholders. The table below identifies AlzeCure's ten largest shareholders per the date of the Prospectus according to information from Euroclear Sweden.

Shareholders	Number of shares	Percentage votes and capital
BWG Invest Sarl	2,700,000	11.5%
Stiftelsen AlzeCure (via AlzeCure Discovery AB)	1,710,000	7.3%
Danica Pension Försäkrings AB	1,393,400	5.9%
Peter Thelin (including affiliates)	1,150,000	4.9%
Pontus Forsell	850,000	3.6%
Gunnar Nordvall	850,000	3.6%
Johan Lundkvist	850,000	3.6%
Magnus Halldin	850,000	3.6%
Johan Sandin	850,000	3.6%
Thomas Pollare (directly and via company)	730,447	3.1%
Total (ten largest shareholders)	**11,933,847**	**50.8%**
Other	11,546,153	49.2%
Total	**23,480,000**	**100.0%**

B.7 *Selected historical financial information*

AlzeCure was formed on 22 November 2016 and the Company's first financial year included the period 22 November 2016 - 31 December 2017 (the "**First Financial Year**"). The selected historical financial information presented in the Prospectus relates to the First Financial Year and the period January - September 2018 (with the comparative period January - September 2017). The selected historical financial information below for the First Financial Year is taken from the Company's audited annual report for the First Financial Year, which was audited by Grant Thornton Sweden AB, in accordance with the auditors' report incorporated by reference. The selected historical financial information for the period January - September 2018 has been taken from the Company's interim report for the period January - September 2018, with comparative figures for the period January - September 2017, which was reviewed by Grant Thornton Sweden AB, in accordance with the review report incorporated by reference.

The Company's annual report for the First Financial Year has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board Recommendation RFR 2, *Accounting for Legal Entities*. The application of RFR 2 indicates that the Company applies the International Financial Reporting Standards, as adopted by the EU ("**IFRS**"), as far as possible within the framework of the Annual Accounts Act, the Guarantee Act (SFS 1967:531) and with regard to the relationship between accounting and taxation. The interim report for the period January - September 2018 has been prepared in accordance with IAS 34 Interim reporting. Parts of the Company's annual report for the First Financial Year and interim report for the period January - September 2018 are incorporated for reference and form part of the Prospectus.

INCOME STATEMENT AND REPORT OF TOTAL RESULTS

	Reviewed		Audited
	1 January – 30 September		First Financial Year
KSEK	2018	2017	
Operating income			
Other operating income	2,808	-	968
Total operating income, etc.	**2,808**	**0**	**968**
Operating expenses			
Administration costs	-1,742	-331	-733
Research costs	-23,786	-4,768	-10,973
Other operating expenses	-296	-	-29
Total operating expenses	**-25,824**	**-5,099**	**-11,735**
Operating result	**-23,016**	**-5,099**	**-10,767**
Profit/loss from financial items			
Interest expenses and similar income items	-2	-51	-55
Total profit/loss from financial items	**-2**	**-51**	**-55**
Profit/loss after financial items	**-23,018**	**-5,150**	**-10,822**
Profit/loss and total profit/loss for the period	**-23,018**	**-5,150**	**-10,822**

B.7 *Selected historical financial information (cont.)*

BALANCE SHEET

	Reviewed		Audited
	30 September		31 December
	2018	2017	2017
Assets			
Fixed assets			
Intangible assets			
Project rights	17	17	17
Tangible fixed assets			
Inventories, tools and installations	640	-	242
Financial fixed assets			
Other long-term receivables	7	-	7
Total fixed assets	**664**	**17**	**266**
Current assets			
Short-term receivables			
Other short-term receivables	559	328	1,549
Prepayments and accrued income	-	48	204
Total short-term receivables	**559**	**376**	**1,753**
Cash and bank balances	**65,746**	**60,867**	**53,952**
Total current assets	**66,305**	**61,243**	**55,705**
Total assets	**66,969**	**61,260**	**55,971**
Equity and debts			
Equity			
Restricted equity			
Share capital	235	189	189
Total restricted equity	**235**	**189**	**189**
Non-restricted equity			
Premium fund	98,031	62,458	62,458
Reserves	-10,822	-	-
Result for the period and the year	-23,018	-5,150	-10,822
Total non-restricted equity	**64,191**	**57,308**	**51,636**
Total equity	**64,426**	**57,497**	**51,825**
Short-term liabilities			
Accounts payable	1,672	2,041	1,332
Other short-term liabilities	279	15	77
Accrued expenses and prepaid income	592	1,707	2,737
Total short-term liabilities	**2,543**	**3,763**	**4,146**
Total equity and liabilities	**66,969**	**61,260**	**55,971**

B.7 *Selected historical financial information (cont.)*

CASHFLOW ANALYSIS

KSEK	Reviewed 1 January – 30 September 2018	Reviewed 1 January – 30 September 2017	Audited First Financial Year
The ongoing business			
Operating profit before financial items	-22,961	-5,099	-10,767
Adjustments for items not included in the cashflow:			
Depreciation	60	-	8
Interest paid	-56	-51	-55
Cash flow from operating activities before change in working capital	**-22,957**	**-5,150**	**-10,814**
Changes in working capital			
Change in other current receivables	1,194	-376	-1,753
Change in accounts payables and other liabilities	340	2,041	1,332
Change in other short-term operating liabilities	-1,943	1,722	2,814
Net cash flow from the operating activities	**-23,366**	**-1,763**	**-8,421**
Investment activities			
Investments in intangible assets	-	-17	-17
Investments in tangible fixed assets	-459	-	-250
Investment in other financial fixed assets	-	-	-7
Cash flow from investment activities	**-459**	**-17**	**-274**
Financing activities			
New issue	35,619	62,647	62,647
Cash flow from financing activities	**35,619**	**62,647**	**62,647**
Cash flow for the period	**11,794**	**60,867**	**53,952**
Cash and cash equivalents at the start of the period	53,952	-	-
Cash and cash equivalents at the end of the period	**65,746**	**60,867**	**53,952**

B.7 *Selected historical financial information (cont.)*

Key figures

Below are the key figures used by AlzeCure in its financial reports. The Company estimates that these key figures provide a good understanding of the Company's economic trends. The key figures presented in relation to the First Financial Year have been audited and the key figures presented in relation to the interim period January - September 2018 and the corresponding period in 2017 have been reviewed. These key figures should not be considered individually. In addition, the key figures, as defined by the Company, should not be compared with other key figures with similar names used by other companies. This is because key figures are not always defined in the same way, and other companies can calculate them differently than the AlzeCure.

KEY FIGURES

KSEK	1 January – 30 September 2018	1 January – 30 September 2017	First Financial Year
Other operating income[1]	2,808	0	968
Equity ratio, %[2]	96.2	93.9	92.6
Research expenses as a percentage of operating costs, % [2]	92.1	93.5	93.5

1) Defined according to IFRS.
2) Alternative performance measure.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures	Definition	Motive
Equity ratio	Shareholders' equity and untaxed reserves (less deferred tax) in relation to the balance sheet total.	The equity ratio is relevant for investors and other stakeholders wishing to assess the Company's financial stability and ability to survive in the long term.
Research expenses as a percentage of operating costs	Research expenses divided by operating expenses, which include administrative costs and other operating expenses. Research expenses include the Company's direct expenses in relation to research, such as costs for personnel, materials and external services.	Research expenses as a percentage of operating expenses is relevant for investors and other stakeholders who want to assess the Company's distribution between different functions.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

KSEK	1 January – 30 September 2018	1 January – 30 September 2017	First Financial Year
Equity ratio			
Total equity	64,426	57,497	51,825
(/) Total assets	66,969	61,260	55,971
Equity ratio, %	**96.2**	**93.9**	**92.6**
Research expenses as a percentage of operating costs			
Research costs	23,786	4,768	10,973
(/) Operating expenses	25,824	5,099	11,735
Research expenses as a percentage of operating costs, %	**92.1**	**93.5**	**93.5**

COMPARISON BETWEEN THE PERIOD 1 JANUARY - 30 SEPTEMBER 2018 AND 1 JANUARY - 30 SEPTEMBER 2017

Profit/loss and total profit/loss

AlzeCure's other income during the period January to September 2018 amounted to KSEK 2,808, compared to KSEK 0 in the corresponding period in 2017. The increase was mainly due to contributions received from Vinnova.

Operating profit during the period January to September 2018 amounted to KSEK -23,016, compared to KSEK -5,099 in the corresponding period in 2017. This change is mainly attributable to increased research costs.

B.7 *Selected historical financial information (cont.)*

Investments
Investments in the same period amounted to KSEK 459, of which KSEK 459 consisted of investments in machinery and inventories. Investments in the corresponding period in 2017 amounted to KSEK 17, which consisted of investments in project rights.

Cash and cash equivalents, financial position and cashflow
Cashflow from the operating activities including changes in working capital for the period January to September 2018 amounted to KSEK -23,366, compared to KSEK -1,763 in the corresponding period in 2017. The decrease was primarily a result of increased activities relating to the Company's projects.

Cashflow from financing operations amounted to KSEK 35,619 during the three first quarters of 2018, compared to KSEK 62,647 in the three first quarters of 2017. The new issue in 2017 generated a gross amount of MSEK 70 and the Company's new issue in 2018 generated issue proceeds of a gross amount of around MSEK 40. This year's new issue was registered by the Swedish Company Registration Office in July 2018. The issue costs amounted to MSEK 4.4.

As per 30 September 2018, equity amounted to KSEK 64,426, compared to KSEK 57,497 per 30 September 2017, and the equity ratio was 96.2% compared to 93.9% per 30 September 2017. Cash and cash equivalents at the end of the period amounted to KSEK 65,746, compared to KSEK 60,867 at the end of the period 2017.

FIRST FINANCIAL YEAR (22 NOVEMBER 2016 – 31 DECEMBER 2017)

Profit/loss and total profit/loss
AlzeCure's earnings for the First Financial Year amounted to KSEK -10,822. The earnings per share amounted to SEK -0.57. The result has been positively affected by AlzeCure's qualification for payments linked to contributions from Vinnova. Contributions amounted to KSEK 957 and are reported as other income.

Investments
Investments in the period amounted to KSEK 274, of which KSEK 250 consisted of investments in machinery and inventories. The Company also acquired the right to a research project.

Cash and cash equivalents, financial standing and cashflow
Cashflows from operating activities amounted to KSEK -8,421 and total cashflows for the period amounted to KSEK 53,952. Cash and cash equivalents per 31 December 2017 amounted to KSEK 53,952. Equity at the end of the period was KSEK 51,825 and the equity ratio was 92.6%. Operations during the period were funded through two new issues, which provided the Company with a net financial income of KSEK 62,647 after deduction of issue costs.

MATERIAL EVENTS IN THE PERIOD 22 NOVEMBER 2016 - 30 SEPTEMBER 2018

» In July 2017, the Company carries out its first financing round of MSEK 70 before issue costs

» In July 2018, the Company carries out its second financing round of MSEK 40 to finance Phase I-studies for ACD855

» Pre-clinical tests of ACD855 are completed in July 2018

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2018
On 15 October 2018, an Extraordinary General Meeting decided on a bonus issue, change of company category and election of Pirkko Sulila Tamsen as new Board Member.

No significant changes in AlzeCure's financial status or position in the market have occurred since 30 September 2018.

B.8 *Selected Pro Forma Accounts*

Not applicable; the Prospectus does not include any pro forma reporting.

B.9 *Profit forecast or expected result*

Not applicable; the Company does not publish a profit forecast.

B.10 *Auditor's remark*

Not applicable; There are no remarks in the auditors' reports.

B.11 *Insufficient working capital*

Not applicable; AlzeCure believes that the existing working capital is sufficient to cover the Company's needs over the next twelve months.

SECTION C - SECURITIES

C.1	*Securities offered*	Shares in AlzeCure Pharma AB, ISIN-code SE0010133785.
C.2	*Denomination*	The shares are denominated in SEK.
C.3	*Number of shares in the issuer*	Per the date of the Prospectus, there is a total of 23,480,000 shares in the Company with a quota (par) value of SEK 0.025 per share. The Company only has one share class. Following the completion of the Offer, provided that the Offer is fully subscribed, the number of shares in the Company will be 37,765,715. Additionally, the Enlargement Option may entail that no more than 3,571,429 additional shares are issued, with the total number of shares in the Company then amounting to 41,337,144.
C.4	*Rights associated with the securities*	Each share in the Company entitles the holder to one vote at the General Meeting and each shareholder is entitled to vote for all shares in the Company held by such shareholders. If AlzeCure issues new shares, warrants or convertibles in a cash issue or offsetting issue, shareholders must as a rule have preferential rights to subscribe for such securities pro rata to the number of shares held prior to the issue. All shareholders registered in the register kept by Euroclear Sweden at the record date adopted by the General Meeting shall be entitled to dividends. All shares in the Company have equal rights to dividends and to the Company's assets and potential surplus in the event of a liquidation.
C.5	*Restrictions on the free transferability*	*Not applicable*; The shares subject to the Offer are freely transferable.
C.6	*Admission to trading*	*Not applicable*; AlzeCure's Board has applied for the Company's shares to be admitted to trading at Nasdaq First North Premier, a multilateral trading facility (MTF) which does not have the same legal status as a regulated market. Provided that Nasdaq Stockholm accepts the Company's application, the first day of trading is expected to be 28 November 2018. A condition for the application to be accepted is that the distribution requirement for the Company's shares is met on the date of commencement of trading.
C.7	*Dividend policy*	*Not applicable*; AlzeCure is in an expansive growth phase where any surplus capital in the business is invested in the business and/or acquisitions. The Company has not to date distributed any dividend to its shareholders since the Company's formation. On this basis, AlzeCure has not adopted any dividend policy.

SECTION D - RISKS

D.1	*Main risks relating to the issuer or the industry*	*A share investment in AlzeCure is associated with risks. If any of the risks described below or other risks are actually realised, the Company's operations, financial position and results may be adversely affected. The main risks relating to AlzeCure and its operations and industry consist of:* **Risks related to development of existing and future projects** » The company's projects, both existing and future, are based on preclinical and clinical studies as well as ongoing research and development. It is of utmost importance that existing and future projects are developed in a manner that corresponds to both regulatory and market requirements and that the Company thus invests sufficient time and sufficient capital in the projects to develop them professionally and efficiently. The research and development required for a drug is associated with risks such as delay of product development and/or higher costs than expected or that the products do not have the expected effect. These actual factors may delay or stop the continued product development, restrict or prevent commercialisation of the products and lead to the Company's failure to obtain the necessary regulatory approvals. **Risks related to preclinical and clinical studies** » Only a small number of the candidates that start the clinical phase ultimately reach to the market. Results from early preclinical studies are not always consistent with the result in more extensive preclinical studies and outcomes from subsequent preclinical studies are not always consistent with the results achieved in clinical studies. Overall, clinical studies are associated with great uncertainties and risks regarding timetables and results in the studies. **Side effects** » Pharmaceuticals often generate side effects in the patients who use the medicine. Thus, AlzeCure's future products – pharmaceutical drugs – may entail side effects for the user. Side effects may include both identified and potential side effects, but also side effects that neither AlzeCure nor others can foresee. The consequence of side effects may be that the products' commercial use is limited or prevented or that demand for the products declines or ceases.

D.1 *Main risks relating to the issuer or the industry (cont.)*

Risks related to qualified staff and organisation

» The company is largely dependent on a number of key personnel, especially persons in the Company's Board and management, who possess extensive experience and high expertise in industrial development of pharmaceuticals and Big Pharma in general and pre-/clinical development programs in particular. A potential loss of one or several of these may result in negative financial and commercial effects for AlzeCure.

Risks relating to limited commercial history

» Before the Company was formed in 2016 the operations were managed by the AlzeCure foundation. The business consists of developing new drug therapies for the treatment of severe neurodegenerative diseases such as Alzheimer's and Parkinson's disease. In view of the limited history, it is difficult to evaluate the Company's business and prospects.

Risks related to competitors

» The pharmaceutical industry is characterised by global competition, rapid technical development and comprehensive investment requirements. There are competitors with significant financial resources and there is a risk that competitors will develop drugs that adversely affect AlzeCure's competitive situation.

D.3 *Main risks relating to securities*

An investment in securities is associated with risks. Such risks can lead to a significant fall in the price of the Company's shares and the risk of an investor losing all or part of his investment. The principal risks relating to the Offer and AlzeCure's shares are:

The market price of AlzeCure's share may fluctuate and be below the price in the Offer

» There is a risk that no active and liquid market for trading in the shares will develop, or if it does, that it will not be maintained in the longer term. It may turn out that the price in the Offer is not representative for the market price of the Company's shares after the shares are listed on Nasdaq First North Premier.

Risks associated with future dividends

» AlzeCure is a growth company and has not planned for, or previously decided on, any dividends. The Board does not intend to propose any dividend to the shareholders until the Company generates long-term sustainable profitability.

Future issues of shares and/or other securities in the Company may result in dilution of the shareholding

» Future issues of shares or other securities may dilute shareholdings and may adversely affect the price of the Company's shares. The Company may issue additional shares or securities that can be converted into shares through targeted offers without preferential rights for existing shareholders. All such additional offers may reduce proportional ownership and voting rights for shareholders and earnings per share.

Restrictions for shareholders in countries outside Sweden on participation in new issues

» In a rights issue, shareholders in other jurisdictions outside Sweden may be prevented from participating if the subscription rights or the new shares are not registered with the relevant authorities in such jurisdictions. If these shareholders cannot participate, their respective shareholdings in the Company may be diluted.

SECTION E - THE OFFER

E.1 *Issue amount and issue costs*

Based on full subscription of the Offer, AlzeCure's proceeds from the Offer are estimated to be approximately MSEK 200 before issue costs. If the Enlargement Option is fully exercised, the Offer is expected to generate additional issue proceeds of MSEK 50.

AlzeCure's costs relating to the Offer and the listing at Nasdaq First North Premier is estimated at approximately MSEK 18.9. The costs are mainly related to remuneration for Vator Securities, tax and legal advice, auditors and expenses attributable to the Prospectus.

E.2a *Motive and use of proceeds from issue*

The Board believes that the time is right to broaden the Company's shareholder base and apply for listing of the Company's shares on Nasdaq First North Premier. The Board estimates that a listing would increase the possibilities of funding the Company's expansion, increase visibility and commercial capacity, and have a positive effect on the Company's relationships with partners and potential customers.

The objective of the Company's Board is, depending, among others, on market conditions, to list the Company on Nasdaq Stockholm's main list within twelve months of completion of listing on Nasdaq First North Premier.

Provided that the Offer is fully subscribed, AlzeCure will receive MSEK 200 before issue costs and other costs in connection with the Offer. The total costs in connection with the Offer are estimated to amount to MSEK 18.9. The net proceeds in the Offer will, in case of full subscription, thus amount to MSEK 181.1.

E.2a	*Motive and use of proceeds from issue (cont.)*	The Company intends to use the net proceeds from the Offer according to the order of priority set out below: » Further development of two innovative symptomatic treatments for cognitive impairment diseases, such as Alzheimer's disease (ACD855, ACD856): 40–50 % » Further development of two disease-modifying treatments for Alzheimer's disease (ACD679, ACD680): 35–40 % » Broadening of indications for the NeuroRestore programme (ACD857) for treatment of a new indication relevant to the biological mechanism (neurotrophic keratitis): 10 % » Development of new substances: 5 %
E.3	*Form and terms of the Offer*	Application to subscribe for shares in the Offer shall be made in accordance with instructions from the Managers.
E.4	*Interests which are significant in relation to the Offer*	Vator Securities is Sole Global Coordinator and Bookrunner in the Offer. The Managers provide, and may provide in the future, services in the context of ordinary operations and in connection with other transactions for AlzeCure for which they have received, or may receive, customary compensation. The Company's view is that there is no risk of conflicts of interest.
E.5	*Lock up-arrangement*	The Offer does not include any sale of existing shares. The Board members, senior executives and founders of AlzeCure who held shares in the Company before the Offer have, through lock-up agreements concluded in September 2018 in relation to Vator Securities, undertaken, with certain provisos and for a certain period from the first day of trading of the Company's shares on Nasdaq First North Premier, not to sell any shares in the Company except subject to written consent, The lock-up period for Board members, senior executives and founders is 360 days from the first date of trading in the Company's shares. The commitments comprise a total of around 21 percent of the total number of shares and votes in the Company prior to the Offer. The undertaking does not include shares subscribed as a part of the Offer or acquired subsequently. The undertaking does not apply if a public takeover bid is directed to all shareholders in the Company. Vator Securities may grant entirely discretionary exceptions from lock-up commitments. Such exemptions may be granted by Vator Securities on a case-by-case basis and may be of personal as well as business nature.
E.6	*Diluting effect*	The Offer includes a maximum of 14,285,715 shares, which represents a dilution of around 37.8 percent of the number of shares and votes in the Company (calculated as the number of newly issued shares in the Offer over the total number of shares after the Offer). If the Enlargement Option is fully exercised, the Company will issue another 3 571 429 shares, corresponding to a dilution of 8,6 percent (calculated as the number of newly issued shares in the Enlargement Option over the total number of shares after the exercise of the Offer and the Enlargement Option). Through these new issues, AlzeCure will issue a total of 41,337,144 shares, assuming that the Offer is fully subscribed and the Enlargement Option is fully exercised, corresponding to a dilution effect of 43.2 percent (calculated as the number of newly issued shares in the Offer and the Enlargement Option over the total number of shares after the Offer and the exercise of the Enlargement Option).
E.7	*Costs imposed on the investor*	*Not applicable*; no brokerage fee is payable.

RISK FACTORS

An investment in shares is associated with a number of risks. Investors should carefully consider all risks listed below and all other information in the Prospectus before an investment decision regarding shares is taken. Risks considered to be particularly significant for AlzeCure are described below. The risks are not reflected in any priority order or any other special order and a full evaluation must include all information referred to in the Prospectus as well as a general environmental assessment. If any of the risks described below or other risks are actually realised, the Company's operations, financial position and results may be adversely affected. This may also mean that the price of the shares in the Company may drop and investors may lose all or parts of their investment. Additional risks that are currently not known to the Company or, based on a customary risk analysis, that the Company currently deems to be insignificant, may impair the Company's business activities and have a material adverse effect on its operations, financial position and results.

The Prospectus also includes forward-looking statements that are based on assumptions and calculations and that are subject to risks and uncertainty. The Company's actual result may differ considerably from the results foreseen in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in the Prospectus. In addition to this section, investors should also consider the other information in the Prospectus.

RISKS RELATED TO ALZECURE AND ITS OPERATIONS AND INDUSTRY

There is a risk that the Company may fail in the development of existing and future projects.

At the date of the Prospectus, AlzeCure has five main drug candidates under development based on two research platforms; Alzstatin and NeuroRestore. The five primary drug candidates are, as per the date of the Prospectus, in various research phases where the primary candidate, ACD855, is ready for clinical development. Toxicology studies are ongoing in the Alzstatin-project, while NeuroRestore is in preclinical toxicology and safety pharmacology studies and an IMPD application was submitted in October 2018. The Company's projects, both existing and future, are based on preclinical and clinical studies as well as ongoing research and development. It is of utmost importance that existing and future projects are developed in a manner that corresponds to both regulatory and market requirements and that the Company thus invests sufficient time and sufficient capital in the projects to develop them professionally and efficiently. Investments in drug development are always associated with risks as there is an inherent risk that the projects will not develop according to plan or that the investments will not provide a corresponding benefit or any benefit at all. Furthermore, there is a risk that the work will be more time-consuming and/or costly than the Company estimated in advance as a result of lack of information available over time. Obstacles in work or related measures can lead to delays or that the Company cannot complete the projects at all. If any of these risks materialises, it may have an adverse effect on the Company's operations, financial position and results. Drug development is generally associated with a very high risk. The research and development required for a drug is associated with risks such as delay of product development and/or costs being higher than expected or the products not having the expected effect or that they turn out to have unexpected and/or unwanted side effects, which are all factors that may delay or stop continued product development, restrict or prevent the commercialisation of the products and result in the Company not receiving the necessary regulatory approvals, which may have a negative impact on the Company's operations, financial position and results.

Preclinical and clinical studies

Before a treatment can be launched in the market and prescribed to patients, the safety and efficiency of treatment of patients must be established for each individual indication. For this purpose, preclinical studies are initially carried out on animals and subsequently clinical studies are carried out in humans. Only a small number of the candidates that start the clinical phase reach all the way to the market. Results from early preclinical studies are not always consistent with the result in more extensive preclinical studies and outcomes from subsequent preclinical studies are not always consistent with the results achieved in clinical studies. Therefore, there is a risk that the planned studies may not indicate sufficient safety and effect for a medicine to be launched. Generally, clinical studies are associated with considerable uncertainty and risks regarding timetables and results in studies, including but not limited to appropriate recruitment of patients, safety-related clinical stops and inability to meet established clinical efficacy goals.

AlzeCure may also need to carry out more extensive clinical studies than the Company estimates, per the date of the Prospectus, which may lead to increased costs and/or delayed income. There may always be a risk of authorities finding that the preclinical studies upon which an application for clinical trials is based are insufficient. This may lead to delays of preclinical and clinical studies for the Company, which may in turn have a negative impact on AlzeCure's operations, financial position and results.

Side effects

It is not unusual that pharmaceuticals generate side effects in the patients who use the medicine. Thus, there is a risk that AlzeCure's future products – pharmaceutical drugs – may entail side effects for the user. Side effects may include both identified and potential side effects, but also side effects that neither AlzeCure nor others can foresee. Simultaneous use of several drugs or consumption of food or drinks may alter the effect of the drug. There is also a risk that the extent of side effects known to the Company exceeds AlzeCure's expectations. The consequence of side effects may be that the products' commercial use is limited or prevented or that demand for the products declines or ceases. This may have an adverse effect on the Company's operations, financial position, and results. The Company must also report all potential side effects to the Medicines Agency.

AlzeCure may be subject to liability claims linked to the Company's pharmaceutical products. These risks include, among others, a risk that a product liability claim may arise in connection with marketing and sale of the Company's products. Thus, the Company may become liable for damages if its products cause persons who come into contact with the Company's products to suffer side effects causing diseases, injuries, death or other damage. If any of these risks are realised, this could have a material adverse effect on AlzeCure's operations, financial position and results.

Registration and permits from regulatory authorities

To be able to market and sell drugs, permission must be obtained and registration must be completed with the relevant authority on the respective market, such as the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA) in Europe. If AlzeCure, directly or via its partners, fails to obtain the necessary permits and registrations from authorities, the Company's ability to generate revenues may be seriously impaired. In addition, comments on the Company's plans for future upcoming studies may entail delays and/or increased costs for AlzeCure. Current regulations and interpretations may be amended, which may affect the Company's ability to meet relevant regulatory requirements. If these risks are realised, this may adversely affect the Company's earning ability and in the longer term the Company's operations, financial position and results.

Risks related to need of additional capital contributions and financing.

AlzeCure has reported operating losses since the company was formed and cash flow is expected to remain negative until AlzeCure can generate current income. To finance operations, the Company has, since its formation, acquired significant external capital in the form of grants and raising of capital. Additionally, AstraZeneca invested significant amounts in the Alzstatin-project before the Company took over the project. The Company may also need to turn to the capital market in the future or raise new funding through loans or similar arrangements. Both the size and the timing of the Company's future capital requirement depend on a number of factors, including the possibilities of succeeding in a development project, concluding cooperation and licence agreements and the development of the Company's Alzstatin- and NeuroRestore-projects. There is a risk that new capital may not be obtained when the need arises, that it may not be obtained on advantageous terms, or that such capital obtained may not be sufficient to finance the operations according to the plans. Inability to obtain advantageous financing at a suitable time may be due to a range of circumstances, such as AlzeCure's creditworthiness and economic environmental factors. If the Company fails to obtain additional capital, this can mean that the Company may not be able to develop its projects or may miss potential opportunities in the market, which may have a material adverse effect on AlzeCure's operations, financial position and results.

Risks associated with patents and other intellectual property rights

AlzeCure's prospects for success depend partly on the Company's ability to obtain and defend patent protection for potential and/or existing products. There is a risk that the Company and its partners may develop products that cannot be patented, that patents granted may not be maintained, that future discoveries may not lead to patents, or that granted patents may not provide sufficient protection of AlzeCure's rights. There is also a risk that patents may not entail a competitive advantage for the Company's products or that competitors may be able to circumvent patents. If the Company is forced to defend its rights in relation to a competitors, this may entail considerable costs, which in turn may adversely affect the Company's operations, financial position and results. If the Company and its partners in their research use substances or methods that are patented or in regard of which a patent application has been filed by a third party, the owners of these patents could claim that AlzeCure or its partners are infringing a patent. Additionally, there is a risk that granted patents may not provide long-term protection, where objections or other invalidity claims in relation to issued patents may be made after the patent is granted, which may have an adverse effect on the Company's operations, financial position and results.

AlzeCure also depends on know-how and there is a risk that competitors may develop similar know-how or that the Company may not succeed in protecting its knowledge effectively, which may have an adverse effect on the Company's operations, financial position and results.

Risks associated with AlzeCure's dependence on qualified staff and organisation

The company is largely dependent on a number of key personnel, especially persons in the Company's Board and management, who possess extensive experience and high expertise in industrial development of pharmaceuticals and Big Pharma in general and pre-/clinical development programs in particular. A potential loss of one or several of these may result in negative financial and commercial effects for AlzeCure. As per the date of the Prospectus, the Company has a structure where only the CEO is an employee and the other persons within the organisation are hired as consultants. In view of AlzeCure's growing operations, additional recruitment will be required. There is a risk that the Company may not find the right competence or that potential recruitments do not meet the Company's requirements in relation to its employees. Should the Company fail to find the right competence or recruit the wrong individuals, this may have an adverse effect on AlzeCure's operations, financial position and results.

Current and potential future key personnel are of great importance to the Company's future, especially in the implementation of strategic goals and in managing, leading and controlling operations effectively in a competitive market. If key employees depart, begin to work for competitors or retire from the Company and they are not effectively replaced or if the Company cannot recruit and retain qualified personnel in the future, this may adversely affect AlzeCure's operations, financial position and results.

Furthermore, there is a risk that the Company's organisation may not meet applicable requirements. The organisation may lack the necessary competence in respect of risk management, which may in turn lead to errors in quality assurance of the Company's development and research projects, which may have an adverse effect on the Company's operations, financial position and results.

Risks relating to limited commercial history and ability to manage growth

The business consists of developing new drug therapies for the treatment of severe neurodegenerative diseases such as Alzheimer's and Parkinson's disease. Before the Company was formed in 2016 the operations were carried out in the AlzeCure foundation. In view of the limited history, it is difficult to evaluate the Company's business and prospects. The Company only has one proprietary project in a preclinical phase and is therefore several years from the market. Having regard to these factors, future investment and operational expenses as well as income and potential income are very uncertain. In the growth phase the Company is facing, high demands are placed on both the Company Management and the Company's operational and financial infrastructure. The Company plans to grow. There is a risk that, in order to achieve success, the Company may have to allocate additional resources to, for example, marketing, and that these resources move the focus from the Company's daily operations, which may adversely affect AlzeCure's operations, financial position and results.

If processes relating to potential growth are not correctly and adequately designed, or not in place on time or if AlzeCure fails in managing the risks associated with expansion, this may have an adverse effect on the Company's operations, financial position and results.

Product liability and insurance

There is a risk that a drug or method appears to have unexpected and/or unwanted side effects or outcomes that are generally associated with drug development and diagnostic methods, which may delay or stop continued product development and limit or prevent the commercialisation of the products. If the Company's drugs or methods appear (during preclinical, clinical trials or after approval and product launches) cause disease, injury, disability or death, this may lead to claims against the Company from patients involved in clinical trials and patients who use the products. Such product liability claims filed against the Company may lead to the Company being obliged to discontinue sales and prevent the use of its drugs and methods. There is a risk that claims for damages relating to damage arising as a consequence of use of the Company's products may be so great that they are not covered by the Company's insurances. A claim for damages that is not covered by valid insurance may adversely affect AlzeCure's operations, financial position and results. Furthermore, claims, even if they are covered by the insurance, may result in an increase of

the premiums paid by the Company under its insurance contracts. There is also a risk that AlzeCure may not, in the future, be able to purchase or maintain necessary insurances on acceptable terms. Significant increases of insurance premiums or insurances with unfavourable terms may have an adverse effect on AlzeCure's operations, financial position and results.

Risks associated with the Company's ability to conclude future cooperation and licence agreements

The performance of clinical studies, especially in Phase III, requires extensive resources and it is therefore common that small, research-intensive companies such as AlzeCure conclude cooperation and licence agreements with major pharmaceutical companies. AlzeCure evaluates the opportunities for future cooperation and licence agreements with pharmaceutical companies. Usually, such partners Usually, such partners are responsible for running and paying for continued clinical studies, market approval processes, and sales and marketing of the finished product. Some of AlzeCure's expected future income is expected to consist of milestone compensation and royalties under cooperation and licence agreements. There is a risk that the Company may not be able to conclude cooperation and/or licence agreements on terms which are advantageous for the Company, or at all. Furthermore, there is a risk that concluded agreements may be terminated or that partners decide to re-prioritise or redistribute resources between their projects, which may entail that AlzeCure's product candidates are allocated less resources or discontinued. In case of any such events, this may lead to reduced or lost revenue, which may adversely affect the Company's operations, financial position and results.

AlzeCure may become involved in disputes

AlzeCure may, from time to time, become involved in disputes in the framework of the current operations and may be exposed to claims in legal procedures relating mainly to product liability and side-effects. The Company's relationship with cooperation and other contractual parties will be damaged if the Company is unable to meet the conditions in concluded agreements, which may lead to early termination of contracts and/or disputes. Disputes of various kinds may be time-consuming, disrupt the day-to-day operations, involve large amounts and significant costs and reputation risks. Additionally, there may be a risk that AlzeCure misjudges the outcome of complex disputes. If the Company becomes involved in legal disputes or subject to administrative proceedings, investigations or third party claims, this may have an adverse effect on AlzeCure's operations, financial position and results.

AlzeCure operates in a competitive market

The pharmaceutical industry is characterised by global competition, rapid technical development and comprehensive investment requirements. There are competitors with significant financial resources and there is a risk that competitors will develop drugs that adversely affect AlzeCure's competitive situation. Furthermore there is a risk that the Company's competitors have more resources generally than the Company. The Company's future competitive opportunities are also dependent, inter alia, on the Company's ability to be at the forefront and respond quickly to existing and future market needs. AlzeCure may therefore be forced to make costly investments, restructuring or price reductions to adapt to new competition. A high level of competition may adversely affect AlzeCure's operations, financial position and results.

Political risk and market regulations

The pharmaceuticals market, in which AlzeCure operates, is subject to extensive regulation. Changes in the legal and financial frameworks that regulate the Company's operations may lead to the Company or its suppliers having to implement new and significant investments in their operations. Additionally, new laws and regulations may make operations within the industry more burdensome and less effective or change the current balance between suppliers and their customers. To succeed with its regulatory compliance, the Company must, at each time, have the necessary permits and comply with the rules to which the Company's business is subject. Such regulatory compliance is resource-intense, both economically and operationally, and there is a risk that AlzeCure may not succeed in maintaining the standard required at an acceptable cost, or at all. If the Company is unable to adapt to such new conditions within an acceptable time-frame, or at all, such changes in legislation or regulations may adversely affect the Company's operations, financial position and results. There is also a risk that the Company's interpretation of relevant regulations may not be consistent with the appointed regulatory body's interpretation, or that a court with jurisdiction may reach conclusions different from those of the Company. If the above is realised, the Company may lose necessary permits or succeed in keeping such permits, but with costly and time-consuming processes. Furthermore, changes to current laws, regulations or instructions for pharmaceutical companies and activities or more strict interpretation of these may adversely affect the Company. If any of these risks are realised, this could have a material adverse effect on the Company's operations, financial position and results.

Risks relating to tax issues

The Company runs its operations in Sweden and calculates its tax expense and determines the extent to which deferred tax assets are included in the accounts in accordance with its interpretation of the applicable tax laws, requirements of relevant tax authorities and associated administrative practices. There is a risk that the Company's interpretation and application of applicable laws, rules, legal rules based on judicial practices and the Swedish Tax Agency's administrative practices have been or will continue to be inaccurate or that such laws, rules, legal rules or practices will change, possibly with retroactive effect, which could adversely affect the Company's operations, financial position and results.

As the Company's operations have generated a deficit, AlzeCure has accumulated tax losses. Changes in ownership that change the controlling influence over the Company may imply restrictions on the possibility of using such deficits in the future. Furthermore, applicable legislation may affect the Company's ability to fully or partially utilise the deficits. A restriction on the possibility of using the deficits may have an adverse effect on the Company's operations, financial position and results.

RISKS RELATING TO THE SHARE AND THE OFFER

Risks associated with a listing of the Company's shares

AlzeCure has applied for the Company's shares to be admitted to trading on Nasdaq First North Premier. There is a risk that the listing of the Company's shares may not have the desired effect regarding exposure of the Company and liquidity in the Company's share.

The market price of AlzeCure's share may fluctuate and be below the price in the Offer

There is a risk that no active and liquid market for trading in the shares will develop, or if it does, that it will not remain in the longer term. It may turn out that the price in the Offer is not representative for the market price of the Company's shares after the shares are listed on Nasdaq First North Premier. The value of the Company's shares may fluctuate in the future, also as a result of events that are not directly linked to AlzeCure or its operations. The share price may be adversely affected as a result of fluctuations in the market, that a large number of shares are sold on the market or by the expectation that such disposal will occur. Sale of shares by major shareholders or senior executives may make it difficult for AlzeCure

to obtain capital by way of new issues of shares or other securities in the future. Furthermore, liquidity in the Company's shares may increase fluctuations in the share price. Limited liquidity in the Company's shares may also make it difficult for individual shareholders to sell their shares. It is possible that shareholders in the Company may not be able to sell their shares at a price that is acceptable to the shareholder at each given time.

The securities market is highly volatile. Since the value of the Company's shares can both increase or decrease in value, there is a risk that the investor may lose all or part of the invested capital. The development of a stock that is traded is dependent on a number of factors, some of which are company-specific, while others concern the capital market as a whole. An investment in the Company's shares should therefore be preceded by a careful analysis of AlzeCure, competitors and the outside world, general information about the industry and other relevant information.

Additionally, the market for AlzeCure's shares may be affected by the potential reports that analysts may publish concerning the Company or its operations. If one or several of the potential analysts that may review the Company's operations change their recommendations concerning the Company's shares in a negative direction, or if the Company's operational performance does not meet their expectations, the Company's share price may drop.

Risks associated with future dividends

AlzeCure is a growth company and has not planned for, or previously decided about, any dividends. The Board does not intend to propose any dividend to the shareholders until the Company generates long-term sustainable profitability. Against this background, the Company has not adopted any dividend policy. The occurrence and size of future dividends from AlzeCure depends on a number of factors, such as the Company's business development, results, financial position, cashflow and working capital requirements. There are many risks that may affect the Company's earnings and there is a risk that the Company will not be able to present results that enable payment of dividends to shareholders in the future. If no dividend is paid, the return on investment in the Company will only be generated by a potentially positive development of the share price.

Future issues of shares and/or other securities in the Company may result in dilution of the shareholding

One of the purposes of the Offer is to broaden the Company's shareholder base to meet Nasdaq First North Premier's distribution requirements, so that the Company's current shareholders will receive a lower share of the Company's share capital and votes as a result of the increase in the number of shares and votes in AlzeCure when the new shares are allocated in the Offer. Future issues of shares or other securities may dilute shareholdings and may adversely affect the price of the Company's shares. The Company may issue additional shares or securities that can be converted into shares through targeted offers without preferential rights for existing shareholders. All such additional offers may reduce proportional ownership and voting rights for shareholders and earnings per share.

Restrictions for shareholders in countries outside Sweden on participation in new issues

Under Swedish law, a limited liability company shall offer its shareholders the opportunity to participate in any new share issue of shares against cash consideration or by way of set-off, unless otherwise decided by the general meeting. Shareholders in other countries may, however, be prevented from participating in such new issues and/or their participation may be restricted in other ways, for example the Offer is not aimed at shareholders or other investors resident in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa or any other jurisdiction where participation would require additional prospectuses, registrations or actions other than those arising from Swedish law. In a rights issue, shareholders in the United States may be prevented from participating if the shares or subscription rights are not registered in accordance with the Securities Act and no exemption from the registration requirement is applicable. Shareholders in other jurisdictions outside Sweden may be affected similarly if the subscription rights or the new shares are not registered with the relevant authorities in such jurisdictions. The Company has no obligation to investigate if there is a requirement for registration under the Securities Act or equivalent legislation in other jurisdictions and AlzeCure has no obligation to apply for registration of the Company's shares or the sale of the Company's shares in accordance with such legislation outside Sweden. The possible restrictions on shareholders in countries outside Sweden on participation in new issues may result in dilution or decrease in value of their ownership.

Divestment of shares by major shareholders, Board members or senior executives

Any future sale or expected sale of the Company's shares by major shareholders, Board members and/or senior executives, regardless of whether the sale is of existing shares or shares acquired in another way, could adversely affect the current market price of the shares.

Shareholders are exposed to exchange rate risk

AlzeCure's shares are denominated in SEK and the market price of the shares in the future trading at Nasdaq First North Premier and trading currency for the shares is SEK. As a consequence, investors whose main currency is not SEK are exposed to exchange rate risk with regard to sale of shares in the secondary market. Dividends, if any, from the Company will also be in SEK. An investment in the shares by an investor whose primary currency is not SEK exposes the investor to exchange rate risk with regard to dividends on the shares. Any weakening of the Swedish krona against such other foreign currency will reduce the value of an investment in the shares or dividends or other exchanges.

The subscription commitments in the Offer are not secured

The Company has received subscription commitments in the Offer of approx. MSEK 155, corresponding to around 77 percent of the Offer. These commitments in relation to Vator Securities are not secured through pledge, barrier or other similar arrangements. There is a risk that the subscription commitments in the Offer will not be met, which may adversely affect the Company's ability to successfully complete the Offer.

Nasdaq First North Premier is not a regulated market

AlzeCure has applied for the Company's shares to be admitted to trading on Nasdaq First North Premier. Nasdaq First North Premier is a multilateral trading facility (i.e. not a regulated market) operated by Nasdaq Stockholm. Companies whose shares are traded on Nasdaq First North Premier are subject to a less extensive regulatory framework than companies whose shares are traded on Nasdaq Stockholm or any other regulated market. This regulatory framework is primarily adapted to smaller and growing companies. Therefore, an investment in a company whose shares are traded on Nasdaq First North Premier may pose greater risk than an investment in a company with shares listed on a regulated market. Furthermore, companies on Nasdaq First North Premier do not need to apply the rules or procedures that follow from current EU directives and regulations applicable to regulated markets, including directives and regulations applicable to stock listings, information and offers of securities.

INVITATION TO SUBSCRIBE FOR SHARES IN ALZECURE

The Board of AlzeCure Pharma intends to decide, pursuant to an authorisation granted at an Extraordinary General Meeting on 15 October 2018, on a new share issue that is expected to generate gross proceeds of around MSEK 200. The right to subscribe for new shares in the Offer shall, with the exception of shareholders' preferential rights, be granted to the public in Sweden and Denmark[1] as well as institutional investors in Sweden and internationally. The motive behind the deviation from shareholders' preferential rights is partly to extend the shareholder base prior to listing on Nasdaq First North Premier and partly to secure access to new capital.

The Offer includes 14,285,715 newly issued shares at a subscription price of SEK 14 per share. The subscription price in the Offer has been determined by the Company's Board, in consultation with Vator Securities. The purpose of the Offer is to develop existing pharmaceutical candidates, to broaden the existing project portfolio to include new indications and to develop new substances.

The Offer may include a maximum of another 3,571,429 new shares (the "**Enlargement Option**"). The new shares are issued pursuant to the authorisation by the Extraordinary General Meeting held on 15 October 2018.

The Board reserves the right to revoke the Offer if the Board, in consultation with Vator Securities, considers that the conditions for effective, regular and liquid trading of the share on Nasdaq First North Premier cannot be achieved, in case of events that have a material adverse effect on the Company, if it is inappropriate to complete the Offer, or if other circumstances make it impossible to complete the Offer.

In case of full subscription in the Offer, AlzeCure Pharma will receive a total of approximately MSEK 200 before issue costs, which are estimated to amount to approximately MSEK 18.9, and the Company's share capital will increase by SEK 357,142.875. The number of shares and votes in the Company will, in case of full subscription, increase from 23,480,000 to 37,765,715, corresponding to a dilution of around 37.8 percent of the number of shares and votes after the Offer.

If the Enlargement Option is fully exercised, AlzeCure Pharma will receive approx. another MSEK 50, and the Company's share capital will increase by another SEK 89,285.725 and the number of shares by another 3,571,429 shares, corresponding to a dilution of 8,6 percent (calculated as the number of newly issued shares in the Enlargement Option over the total number of shares after the Offer and the Enlargement Option).

Through these new issues, the number of shares will increase by 17,857,144, assuming that the Offer is fully subscribed and the Enlargement Option is fully exercised, corresponding to a dilution effect of 43.2 percent (calculated as the number of newly issued shares in the Offer and the Enlargement Option over the total number of shares after the Offer and the exercise of the Enlargement Option).

A number of existing shareholders and external investors have committed to notify for subscription of shares in the Offer of a total of around MSEK 155, corresponding to around 77 percent of the Offer. Additionally, Board members and senior executives and founders in AlzeCure Pharma, who prior to the completion of the Offer jointly held around 21 percent of the share capital and votes in the Company, have undertaken not to sell any shares in the Company for 360 days for Board members, senior executives and founders from the first trading day on Nasdaq First North Premier, subject to certain provisions.

The Board of AlzeCure Pharma has applied for and obtained approval, on condition that the distribution requirement is met, regarding permission to trade the Company's shares on Nasdaq First North Premier. The estimated first day of trading in the shares on Nasdaq First North Premier is 28 November 2018.

The public in Sweden and Denmark[1] are hereby invited to subscribe for shares in AlzeCure in accordance with the terms set out in the Prospectus.

Stockholm, 6 November 2018

ALZECURE PHARMA AB

The Board of Directors

The public in Denmark is only allowed to subscribe for a total amount of less than MEUR 1 or the equivalent amount in SEK.

BACKGROUND AND RATIONALE

Alzheimer's disease is the most common form of dementia, affecting around 45 million people globally. Alzheimer's is a fatal disease that also has a very significant impact on relatives. Despite this, there is currently a lack of preventive and disease-modifying treatments. The few approved medicines currently sold on the market only have a symptomatic effect and cause problematic side effects. The medical need for new symptomatic and disease modifying treatments is therefore significant. A disease modifying treatment against Alzheimer is estimated to generate to more than USD 10 billion in annual sales.[1]

AlzeCure Pharma is a Swedish pharmaceutical company which is active in the research and development of innovative and effective drugs in neurodegenerative diseases, with a primary focus on Alzheimer's disease. The Company is developing five primary drug candidates in parallel based on the two platforms, NeuroRestore and Alzstatin.

» In NeuroRestore, a new generation of symptomatic drug candidates is being developed.

» Alzstatin contains disease-modifying and preventive drug candidates.

AlzeCure plans to begin clinical studies for the first drug candidate in 2018, and for 2-3 of the drug candidates to be in clinical studies in 2020. Through the Company's diversified portfolio of small molecular drugs that affect central mechanisms for the functioning of the nerve cells and the brain, several product options are being created for the treatment of various diseases and conditions in addition to Alzheimer's, such as traumatic brain injury, sleep apnea and Parkinson's disease.

The employees of AlzeCure's organisation jointly holds more than 100 years' experience from both global pharmaceutical companies and smaller biotechnology companies. The Company's management team has extensive experience from AstraZeneca's neurology and pain research unit where they were involved in the research and development of several drugs that reached market approval and several commercial licensing deals.

In 2012, AstraZeneca decided to focus its internal development on CNS-candidates in a late clinical development phase. AlzeCure's current management team was offered the opportunity to continue the development of innovative therapies for Alzheimer's and related diseases in a new organisation - the AlzeCure foundation. AlzeCure Pharma was founded in 2016 as a result of the main drug candidates being considered to have a high commercial potential. NeuroRestore is a result of proprietary research, while Alzstatin originates from AstraZeneca's research portfolio where the project was initiated by AlzeCure's researchers. AlzeCure estimates that AstraZeneca invested a total of around MSEK 200 in Alzstatin before AlzeCure took over the project. Furthermore, AlzeCure Pharma and the AlzeCure foundation have, direct and indirect, via the foundations subsidiary, AlzeCure Discovery, received grants, etc., of approximately MSEK 34 from, among others, Alzheimerfonden, Alzheimer Drug Discovery Foundation in the US, Vinnova and EU Horizon 2020, regarding AlzeCure's two platforms. Given the research progress made, the Company believes that this is a good time to develop new effective symptomatic and disease modifying drugs against Alzheimer's and other related diseases.

AlzeCure's strategy is to develop a broad portfolio of innovative symptomatic and disease-modifying drugs for Alzheimer's and related diseases. The Company's development strategy is based on four pillars:

Right Patient: Focus on genetically, clinically and pathologically defined diseases to increase the possibility of clinical effect.

Right mechanism: The treatment is targeting genetically associated signaling pathways in Alzheimer's disease and other indications.

Right clinical testing: The clinical studies are based on validated biomarkers and preclinical methods with good translation to man.

Right treatment: Blood-brain penetrable small molecules, designed for safe and efficacious long-term treatments.

In the Board's estimation, the existing working capital is sufficient for the Company's current needs over the next twelve months. The Board believes that the time is right to broaden the Company's shareholder base and apply for listing of the Company's shares on Nasdaq First North Premier. The Board estimates that a listing would increase the possibilities of funding the Company's expansion, a long-term growth regarding launching/developing of new products, increase visibility and commercial capacity, and have a positive effect on the Company's relationships with partners and potential customers.

The objective of the Company's Board is, depending, among others, on market conditions, to list the Company on Nasdaq Stockholm's main list within twelve months of completion of listing on Nasdaq First North Premier.

Provided that the Offer is fully subscribed, AlzeCure will receive around MSEK 200 before issue costs and other costs in connection with the Offer. The total costs in connection with the Offer are estimated to amount to MSEK 18.9. The net proceeds in the Offer will, in case of full subscription, thus amount to MSEK 181.1.

The Company intends to use the net proceeds from the Offer according to the order of priority set out below:

» Further development of two innovative symptomatic treatments for cognitive impairment diseases, such as Alzheimer's disease (ACD855, ACD856): 40-50%

» Further development of two disease-modifying treatments in Alzheimer's disease (ACD679, ACD680): 35-40%

» Broadening of indications for the NeuroRestore programme (ACD857) for treatment of a new indication relevant to the biological mechanism (neurotrophic keratitis): 10%

» Development of new substances: 5%

For further information, we refer to the Prospectus in full, which was prepared by the Board of Directors of AlzeCure in connection with the Offer. The Board of Directors of AlzeCure is responsible for the contents in the Prospectus. The Board of Directors hereby certifies that all reasonable precautionary measures have been taken to ensure that the information in the Prospectus, as far as the Board of Directors knows, is in accordance with the actual circumstances and that nothing has been omitted that could affect its meaning.

Stockholm, 6 November 2018

ALZECURE PHARMA AB

The Board of Directors

1) https://www.businessinsider.com/biogens-alzheimers-drug-could-be-worth-20-billion-2016-9?r=US&IR=T&IR=T

WORD FROM THE CEO

Alzheimer's disease is a progressive, degenerative and ultimately fatal disease for which there is no effective and satisfactory treatment. Alzheimer's is the most common form of dementia and stands for 60 - 80 percent of all cases. High age is the largest risk factor for developing the disease and with an increasing life expectancy, society is facing an increasing public health issue.

In recent years, pharmaceutical research has contributed to curing many patients, especially in the area of cancer. Increased knowledge about risk factors, improved diagnostics and new ground-breaking treatments mean that we are becoming better at treating and curing various forms of cancer. However, in several serious indications, such as Alzheimer's disease, there is still a lack of satisfactory treatment. The annual cost of dementia care in Sweden is around SEK 63 billion, which is more than for cancer and cardiovascular disease together. Globally, the number of patients is expected to treble within 30 years, from 47 million to 132 million in 2050.

AlzeCure – strong team focused on a major medical demand

AlzeCure is a strong team with extensive experience in industrial pharmaceutical development. Our researchers worked with Alzheimer's and other neurodegenerative diseases for many years before we founded AlzeCure. The team's competence covers all major elements of the value chain in pharmaceutical development, from molecular production to clinical studies. We have worked with everything from early to late pharmaceutical projects, generation of new projects, project management, strategy and in-licensing. We also have a close collaboration with leading researchers in the field, such as Professor Bengt Winblad at Karolinska Institutet, to facilitate a sophisticated design of our future clinical studies are designed in the best possible way.

Because of the lack of effective treatments against Alzheimer's, some pharmaceutical candidates have recently been granted a so-called *fast track*-status by the U.S. Food and Drug Administration (FDA). This also illustrates the urgent need for new treatments.

AlzeCure's treatments are intended to be both symptomatic and preventive

We are convinced that the time is right to successfully develop effective treatments for Alzheimer's. In recent years, major progress has been made in diagnostics and clinical research, which has led to improved knowledge around Alzheimer's and increased chances of succeeding with drug development.

AlzeCure develops drugs based on two platforms - NeuroRestore and Alzstatin - aimed at two key findings in the disease: disruption of the normal function of nerve cells leading to symptoms and the deposition of amyloid plaque in the brain.

NeuroRestore focuses on a disruption in a specific signal path in the brain that leads to cognitive disturbance. In preclinical studies with NeuroRestore, we have been able to show that our pharmaceutical substances both strengthen the communication between nerve cells and improves cognitive ability. We plan to start clinical studies with the first drug candidate in NeuroRestore at the end of 2018.

Our disease modifying drug platform, Alzstatin, is focused on reducing the production of Aβ in the brain. In preclinical studies of Alzstatin, we have shown that by modulating the function of the enzyme gamma secretase, the formation of Aβ42 can be reduced by up to 50 percent, without affecting other signalling which is important for the cells. The target molecule is confirmed by recent study results that we believe validate the amyloid hypothesis and thus the focus of Alzstatin. Recently, we have also seen major progress in blood-based diagnostics, which opens up a cost effective opportunity to screen high-risk populations, and thus identify the right patients in the pre-symptomatic phase of the disease for our future clinical studies.

In addition to the leading drug candidates in the projects - ACD855 (Neuro-Restore) and ACD679 (Alzstatin) - we develop other substances, which increases the opportunities to reach market approval drug. In 2020 we plan to have 2-3 drug candidates undergoing clinical studies.

Overall, I am convinced that we are entering an incredibly exciting period and journey towards new effective drugs for the treatment of Alzheimer's. As we have been able to advance our projects, we have also noted increasing interest from the pharmaceutical industry, researchers and opinion leaders. We will also present AlzeCure and our development programme at major conferences and scientific meetings in the area.

The capital raise now being carried out in connection with the listing on Nasdaq First North Premier is an important step in the Company's development and strengthens our financial resources for the continued development of our substances. We have an important work ahead of us - to save lives and improve the quality of life for millions of people affected by Alzheimer's - and we would like you to join us on this amazing and important journey.

Johan Sandin
Chief Executive Officer

ALZECURE PHARMA AB

MARKET OVERVIEW

The Prospectus includes information from third parties in the form of industry and market information as well as statistics and calculations from industry reports and studies, market surveys, publicly available information and commercial publications. Such statements are identified by reference to the source. Some information on market shares and other statements in this section are not based on published statistics or information from independent third parties and therefore has no source references. However, the Company has no access to the facts and assumptions that are behind the figures and the market information as well as other information collected form publicly available sources. Nor has the Company made any independent verifications of information on the market provided via third parties, the industry or official publications. Even though the Company believes that its internal analyses are reliable, these have not been verified by any independent source and the Company cannot guarantee their accuracy.

AlzeCure confirms that the information provided by third parties has been reproduced correctly and, as far as the Company is aware and confident by comparison with other information published by these sources, no information has been omitted which could indicate that the disclosed information is incorrect or misleading.

Information in this section includes estimates in relation to future market developments and other so-called future-oriented Information. Future-oriented information is not a guarantee of future results or developments and the actual outcome may be significantly different from as stated in future-oriented information. See also the section "Important information - Future-oriented information and risk factors".

INTRODUCTION OF ALZECURE'S BUSINESS AND INDUSTRY

AlzeCure Pharma develops innovative and effective drugs for neuro-degenerative diseases, with a primary focus on Alzheimer's disease. The Company's five primary drug candidates are based on two platforms, NeuroRestore and Alzstatin. NeuroRestore consists of symptomatic drug candidates and Alzstatin of potentially disease-modifying and preventive drug candidates.

AlzeCure's drug candidates target genetically validated disease mechanisms. The production and development of these are based on new, knowledge about Alzheimer's disease and its progression. The candidates are based on small molecules that effectively can penetrate the Blood Brain Barrier (*BBB*) and thus have the potential to act therapeutically in the brain. Furthermore, major progress in Alzheimer's disease research has enabled drug candidates to be tested in well-defined patient populations. Overall, the Company believes this to lead to an increased probability of success in the clinical phases and for new effective and safe treatments to achieve market approval for treatment of Alzheimer's and related diseases. A diversified drug portfolio which targets central signal mechanisms in the brain, enables other indications such as cognitive disorders in traumatic brain injury, sleep apnea and Parkinson's disease are also possible.

There is currently a lack of satisfactory treatment for patients with Alzheimer's. The treatments available on the market today only have a limited symptomatic effect, while disease modifying treatments are entirely lacking. Thus, there is a considerable medical need for the area in which AlzeCure operates.

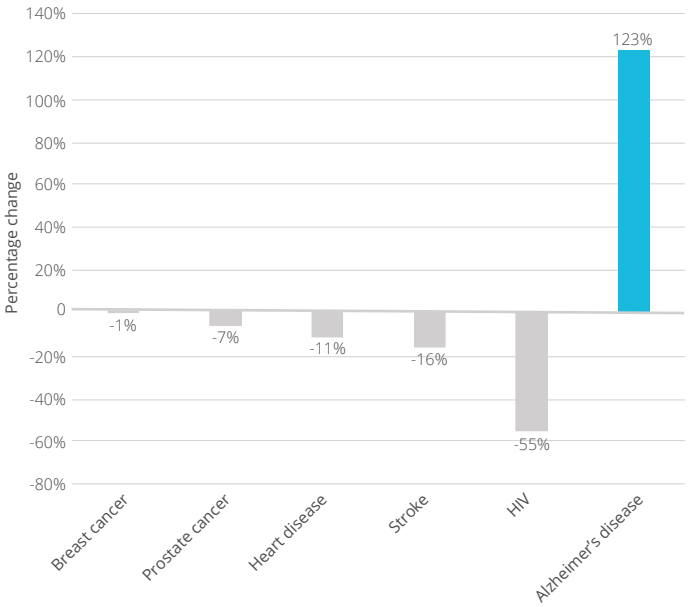
ALZHEIMER'S DISEASE

Alzheimer's disease is a neurodegenerative disease, which is a collective term for different states where nerve cells in the brain gradually deteriorate and eventually die. The damage to the nerves is usually permanent and impacts on the functionality of the nervous system. Death in brain nerve cells can lead to various symptoms such as personality changes and impaired mental and cognitive ability.

In neurodegenerative diseases, dementia development is caused by nerve cell deprivation. Dementia is a diagnosis of a number of symptoms that may be caused by various diseases and injuries. Alzheimer's disease today accounts for approximately 60-80 percent of all dementia cases.[1] The disease causes deterioration of memory and other cognitive abilities, such as learning and language skills. The disease can also lead to personality changes, such as depression and confusion as well as to motor difficulties, such as impaired movement and responsiveness. The disease onset usually begins years before the brain has suffered from widespread nerve cell death leading to patient exhibiting clinical symptoms. Alzheimer's is an ultimately fatal disease that lacks disease modifying or preventive treatments, and a person diagnosed with Alzheimer's lives on average another 4-8 years after the diagnosis.[2]

Today, significant amounts are invested in Alzheimer's medical research, as the costs for healthcare and society are significant in the area. The total global cost of dementia-related diseases is estimated to amount to approximately USD 1,000 billion globally in 2018.[3] The lack of effective symptomatic treatments and treatments with effects on the disease progression constitute a major medical need.[4] The figure below shows that the number of deaths in several global diseases in the United States has decreased, while the number of fatal Alzheimer's disease cases has increased by 123 percent over the period 2000-2015.[5]

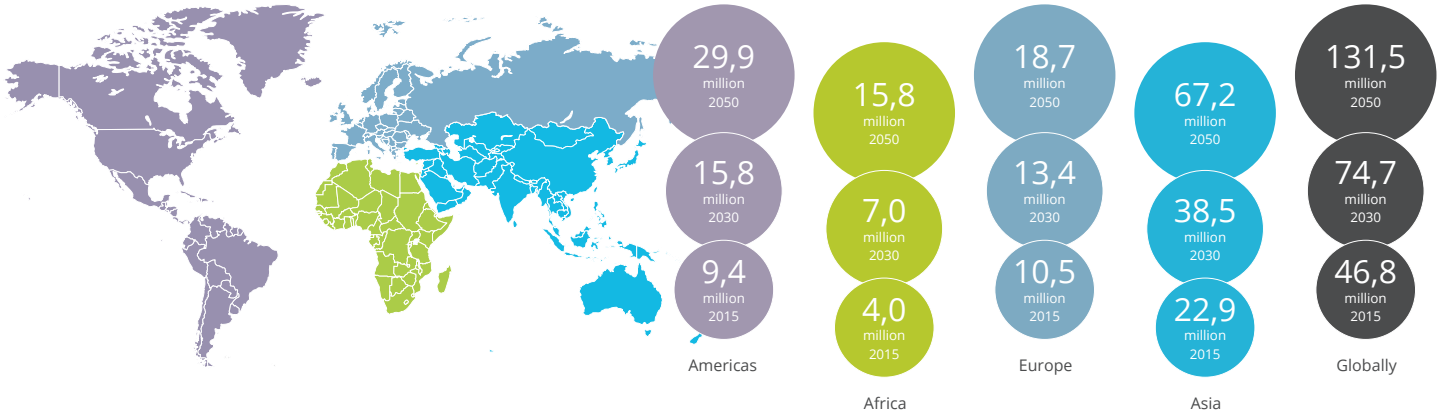
Change in the number of deaths for selected indications (all ages)[5]
Change 2000-2015



1) Alzheimer's Association: https://www.alz.org/alzheimers_disease_what_is_alzheimers.asp
2) Alzheimer's Association: https://www.alz.org/national/documents/brochure_basicsofalz_low.pdf
3) https://www.diva-portal.org/smash/get/diva2:1076009/FULLTEXT01.pdf
4) World Alzheimer Report 2015: https://www.alz.co.uk/research/WorldAlzheimerReport2015.pdf
5) AAIC: https://www.alz.org/aaic/_downloads/aaic-facts-and-figures-fact-sheet-2018.pdf

Alzheimer's is the most common form of dementia and globally, approximately 47 million people were estimated to live with dementia-related diseases in 2015, a figure estimated to increase to 75 and 132 million affected by 2030 and 2050 respectively. [6,7,8] The geographical distribution and expected growth of prevalence of dementia are shown in the figure below.

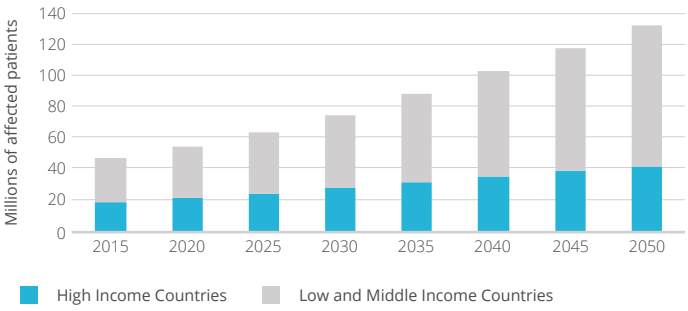
Geographical distribution and expected growth of dementia prevalence



High age is the main risk factor for dementia-related diseases. In the United States, 11 percent of all residents over 65 are affected by dementia and more than one third of all residents over 85 years have been diagnosed with some form of dementia.[9]

The figure below shows the expected growth in the number of dementia cases in the 2015-2050 period. The largest increase in the number of cases of dementia and Alzheimer's disease is expected to occur in low and middle income countries (LMICs), as these countries are expected to show higher relative life quality improvement than high income countries (HICs), which leads to increased life expectancy. The need for treatments is still very large as there are currently no satisfactory treatment options for affected patients.[10]

Number of patients with dementia *2015-2050*[10]

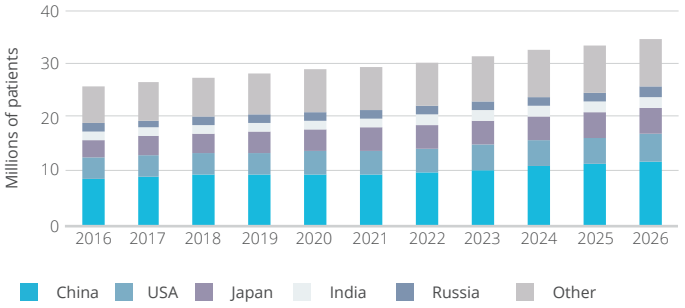


In Sweden, an estimated 150,000 persons are living with dementia, which is expected to double by 2050. Every year, around 25,000 are affected, causing considerable healthcare expenses for society. In Sweden, direct costs amount to around SEK 60 billion.[11]

Prevalence of Alzheimer's

The figure below shows the prevalence of Alzheimer's in the 16 largest individual markets ("16MM")[12] from 2016 to 2026. As the figure shows, the prevalence of Alzheimer's is greatest in China, followed by the USA, Japan, India and Russia. Of the 16 largest markets, South Korea is expected to account for the strongest growth in prevalence, with annual growth of 4.2 percent between 2016-2026, followed by Mexico and Brazil with 4.0 percent and 3.8 percent, respectively, in annual growth. The lowest growth in the period is expected in Italy (1.6 percent), Germany (1.8 percent) and France (1.8 percent).[13]

Number of patients suffering from AD in 16MM *2016-26*[13]



As life expectancy increases globally, the prevalence of dementia-related diseases such as Alzheimer's is expected to increase. However, Alzheimer's also affects younger people. In the US, an estimated 200,000 persons under 65 live with early forms of the disease and Alzheimer's is now the sixth most common cause of death in the country.[14]

6) JPND - EU Joint Program Neurodegenerative Disease Research: http://www.neurodegenerationresearch.eu/sv/om-jpnd/vad-ar-neurodegenerativa-sjukdomar/
7) Alzheimer's Association: https://www.alz.org/alzheimers_disease_what_is_alzheimers.asp
8) World Alzheimer Report 2015: https://www.alz.co.uk/research/WorldAlzheimerReport2015.pdf
9) Alzheimer's Association: https://www.alz.org/national/documents/brochure_basicsofalz_low.pdf
10) World Alzheimer Report 2015: https://www.alz.co.uk/research/WorldAlzheimerReport2015.pdf
11) Socialstyrelsen – Vård och omsorg vid demenssjukdom 2018: http://www.socialstyrelsen.se/Lists/Artikelkatalog/Attachments/20812/2018-3-1.pdf
12) 16MM include China, USA, Japan, India, Russia, Brazil, Germany, South Africa, South Korea, France, Italy, Mexico, Spain, UK, Canada and Australia
13) Data collected from the database GlobalData
14) Alzheimer's Association: https://www.alz.org/alzheimers_disease_what_is_alzheimers.asp

Costs related to Alzheimer

Alzheimer's disease is one of the ten most expensive diseases for society.[15] The global cost of dementia-related diseases is estimated to amount to USD 820 billion in 2015 and USD 1,000 billion in 2018. In 2030, the costs are expected to rise to around USD 2,000 billion.[16]

Existing treatment alternatives in the market

There are no treatments available that can slow or modify the progression of the disease on the market. The drugs currently available for Alzheimer's disease are only symptomatic treatments with limited effect. The few approved drugs consist primarily of cholinesterase inhibitors that increase the availability of the signal substance acetylcholine in the nervous system. Acetylcholine is necessary for the communication between nerve cells, thereby improving temporarily cognitive abilities in patients with impaired cognitive function. However, the substances may lead to a high degree of side effects as the doses need to be high to have effect, and a large proportion of the patient population does not respond to the treatment. The most recently approved drug against Alzheimer's was Memantine, in 2003. In 2014, Namzaric was approved, which is a combination of the previously approved drugs Donepezil and Memantine.[17] In the table below, are examples of FDA-approved drugs for the treatment of Alzheimer's.[18]

Company	Product	Molecule	Type of therapy
Pfizer/ Eisai	Aricept	Donepezil	Small molecule
Novartis	Exelon	Rivastigmine	Small molecule
Shire/Janssen/Takeda	Razadyne/Reminyl	Galantamine	Small molecule
Lundbeck/Allergan	Ebixa/Namenda	Memantine	Small molecule
Allergan	Namzaric	Donepezil & Memantine	Small molecule

Market potential for disease modifying drugs

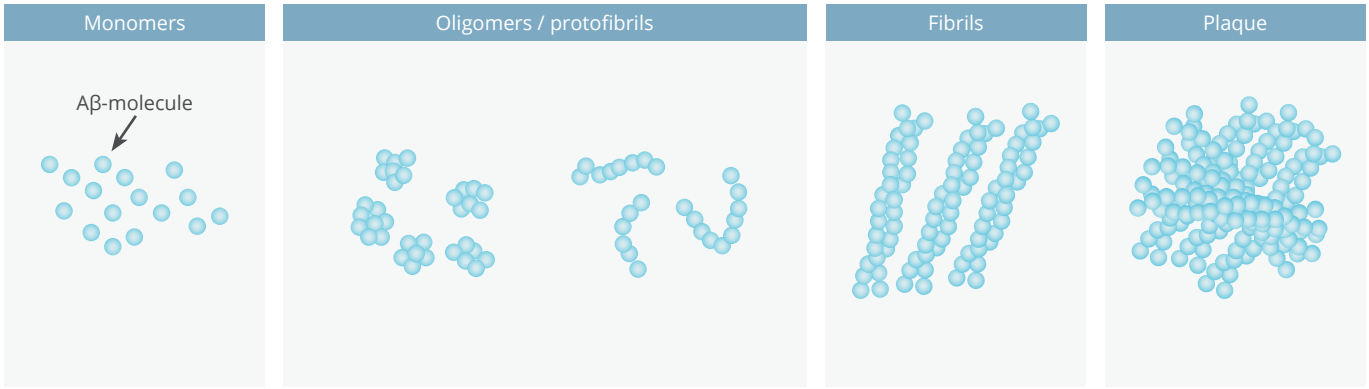
A drug that reaches the market with properties that can affect the disease progression in Alzheimer's patients is expected to reach several billion dollars in annual sales due to the significant medical need.[19] J.P. Morgan believes that a drug with disease-modifying properties that reaches the market may achieve over USD 10 billion in annual sales.[20] Goldman Sachs estimates that the Aducanumab antibody (BioGen and Neurimmune) with potential disease-modifying properties in Alzheimer's disease can achieve annual sales of USD 12 billion a year, if it reaches the market.[21]

SCIENTIFIC PROGRESS IN ALZHEIMER RESEARCH

The Amyloid hypothesis

In 1906 Alois Alzheimer described amyloid plaque and neurofibrillary tangles, which are the characteristic neuropathological characteristics of Alzheimer's disease. In the mid-1980s, significant research progress was made when Aβ and tau were identified as the building blocks of amyloid plaque and neurofibrillary tangles. Research showed that amyloid plaque consists of an accumulation of Aβ-peptides, which is secreted by neurons in the brain. Aβ is a group of peptides containing 30-43 amino acids (Aβ30-Aβ43). Of these, mainly Aβ42 are found in amyloid plaque. The Aβ42 peptide is "sticky" and has a strong tendency to accumulate in lumps. The Aβ peptide is first accumulated in smaller formations, so-called oligomers and protofibrils, which then constitute building blocks in larger fibrils which ultimately form amyloid plaque. In the 1990s, ground-breaking discoveries were made around the role of the Aβ-peptide in Alzheimer's. The research showed that a number of specific mutations in three different genes caused a hereditary form of Alzheimer's disease. All these mutations either affect the structure of the Aβ peptide or its production, resulting in accelerated aggregation of Aβ and formation of amyloid pathology. The discovery identifies Aβ as the disease-inducing molecule in Alzheimer's disease.[22] In the 21st century, further research has led to the possibility of tracking the accumulation of amyloid plaque in the brains of living individuals. These studies have shown that amyloid plaque can begin to accumulate up to 20 years before symptoms develop and that they decline in growth when symptoms begin to be seen.[23,24] This has been demonstrated in both sporadic Alzheimer's (about 99 percent of all Alzheimer's) and in hereditary forms of Alzheimer's, which, according to the Company, reinforces the so-called amyloid hypothesis.

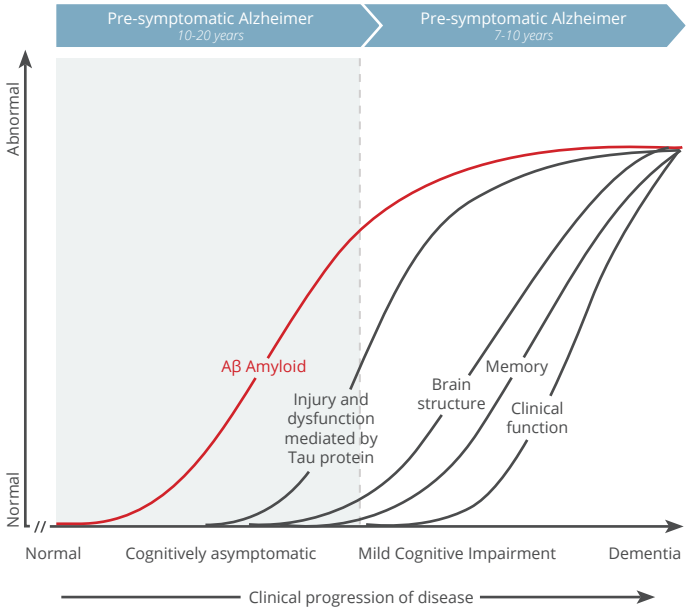
Illustration of the formation of amyloid plaque



15) https://healthpayerintelligence.com/news/top-10-most-expensive-chronic-diseases-for-healthcare-payers
16) World Alzheimer Report 2015: https://www.alz.co.uk/research/WorldAlzheimerReport2015.pdf
17) Alzheimer's Research & Therapy: https://alzres.biomedcentral.com/articles/10.1186/alzrt220
18) https://www.alzforum.org/therapeutics/search?fda_statuses%5B%5D=184&target_types=&therapy_types=&conditions%5B%5D=145&keywords-entry=&keywords=#results
19) Reuters: https://www.reuters.com/article/us-biogen-alzheimers/further-promising-data-seen-with-biogen-alzheimers-drug-study-idUSKBN13X2MH
20) https://www.businessinsider.com/biogens-alzheimers-drug-could-be-worth-20-billion-2016-9?r=US&IR=T&IR=T
21) https://www.cnbc.com/2017/08/16/goldman-has-a-new-favorite-biotech-potential-alzheimers-blockbuster.html
22) Monjazeb S, Milton S, Glabe CG. J Biol Chem. 2017 Feb 24;292(8):3172-3185.
23) Läkartidningen: http://www.lakartidningen.se/Functions/OldArticleView.aspx?articleId=12026
24) R.A. Sperling et al. / Alzheimer's and Dementia (2011) 1-13: ncbi.nlm.nih.gov/pmc/articles/PMC3220946/figure/F3/

Several previous clinical trials aimed at patients with clinical symptoms and well-developed amyloid pathology have failed. A strong contributing factor to this is assumed to be that a treatment against inclusion of Aβ needs to be initiated in the pre-symptomatic phase, see the figure below.

Illustration of disease progress

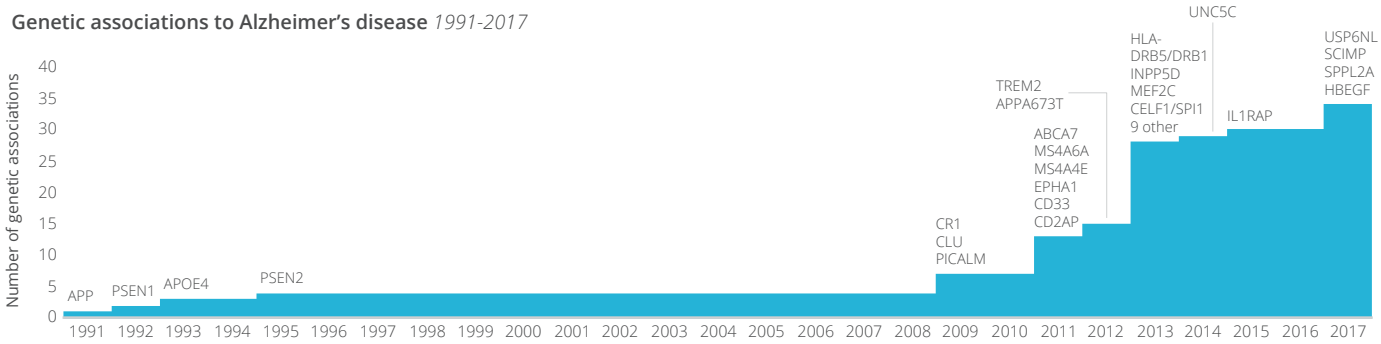


Recently, a number of Aβ therapies, mainly different immunotherapies with monoclonal anti-Aβ antibodies, have been tested in early symptomatic patients. Several of these studies have demonstrated clinical efficacy, which is believed to strengthen the amyloid hypothesis. However, the clinical effect of treating Alzheimer's disease during early symptomatic disease appears to be limited. This shows the importance of initiating the Aβ-targeted treatment well before symptoms develop and then attacking the formation of the Aβ42 peptide itself.

Genetic associations to Alzheimer's disease

The figure below shows how research in recent years has led to several breakthroughs in the form of identification of various genetic risk factors which have led to an improved understanding of the disease. In 2008-2017, the genetic associations of Alzheimer's increased from 4 to 34.

Genetic associations to Alzheimer's disease *1991-2017*



Cognitive disorders in Alzheimer's disease

Cognition is a collective term that includes different functions in the brain, such as thinking, memory, learning, decision making and problem solving. Cognitive dysfunction is thus an impairment of one or several different functions in the brain. Decreased cognitive ability is an early symptom of Alzheimer's disease, but also in other diseases, such as traumatic brain injury, sleep apnea and Parkinson's disease as well as after major surgical procedures called post-operative cognitive dysfunction.

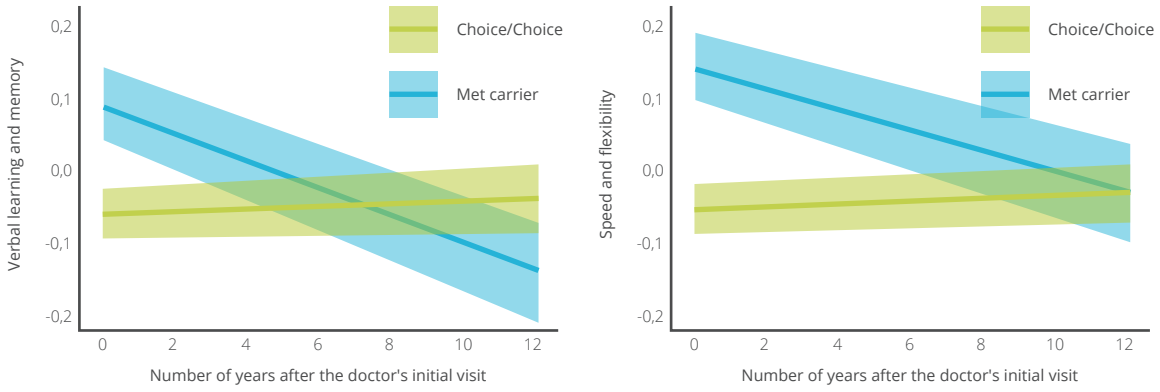
A genetic association with Alzheimer's disease, which has been shown to affect the course of the disease and symptoms in patients with amyloid plaques, is Brain-Derived Neurotrophic Factor (BDNF).[25,29] BDNF belongs to a group of growth hormones, neurotrophins, which regulates the development and function of nerve cells. BDNF plays an important role in cognitive ability in both humans and animals and regulates how nerve cells communicate via synapses. Loss of synapses or impaired synaptic function is one of several early pathological changes in Alzheimer's disease and several studies have shown that synaptic loss is correlated with cognitive change in patients with the disease.

There are two different forms of the BDNF gene in humans. One type of BDNF gene present in about 30 percent of the western population and about 70 percent of the Asian population is BDNF-Val66Met, which leads to an approximate 30 percent reduction of BDNF levels.[26,27] This reduced amount of BDNF is large enough for patients with Alzheimer's disease to experience the symptoms earlier and also develop cognitive dysfunction more rapidly than non-BDNF-Val66Met gene carriers. A genetic association between BDNF-Val66Met and Alzheimer's disease has been demonstrated in women, which further strengthens BDNF's role in Alzheimer's disease.[28]

Even in other diseases, a genetic association has been demonstrated between the BDNF-Val66Met gene and the disease, where patients exhibit a stronger cognitive impairment. These diseases include, for example, TBI, sleep apnea, neurodegenerative diseases (Parkinson's disease, Huntingtons disease, FTLD, corticobasal degeneration, Picks disease), post-operative cognitive dysfunction, depression and metabolic disorders, such as obesity.

The figure below shows the correlation between the BDNF-Val66Met-gene and impaired memory and executive function.[29]

BDNF-Val66Met is associated with a deterioration of memory and executive function



The nerve cells in the basal fore-brain, the so-called cholinergic nerve cells, depend on neurotrophin NGF for their survival and function.[30] The basal fore-brain and NGF play an important role for the brain's cognitive function. The loss of cholinergic cells in Alzheimer's disease leads to, among others, disturbed cognitive function. In cholinergic cells, the transmittor substance acetylcholine contributes to signal transmission between the nerve cells. Neurotrophins also regulate the ability of neurons to communicate via synapses. The loss of synapses is one of several early pathological changes in Alzheimer's disease. Several studies show that loss of synapses is correlated with impaired cognitive ability.[31]

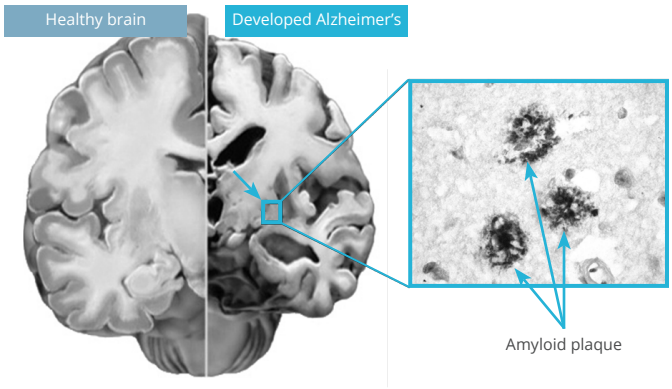
The clinical findings, in combination with preclinical research findings, indicate that substances that lead to an improvement in the functions of the hippocampus (BDNF dependent) and basal fore-brain (NGF dependent) are likely to result in a clinically relevant improvement in patients with impaired cognitive ability.

25) https://www.ncbi.nlm.nih.gov/pubmed/30014553
26) Li, G.-D., R. Bi, D.-F. Zhang, M. Xu, R. Luo, D. Wang, Alzheimer's, Y. Fang, T. Li, C. Zhang and Y.-G. Yao (2017). "Female-specific effect of the BDNF gene on Alzheimer's disease." Neurobiology of Ageing 53: 1496186880-1845493760.
27) Impact of Brain-Derived Neurotrophic Factor Val66Met Polymorphism on Cortical Thickness and Voxel-Based Morphometry in Healthy Chinese Young Adults: journals.plos.org/plosone/article?id=10.1371/journal.pone.0037777
28) Li, G.-D., R. Bi, D.-F. Zhang, M. Xu, R. Luo, D. Wang, Alzheimer's, Y. Fang, T. Li, C. Zhang and Y.-G. Yao (2017). "Female-specific effect of the BDNF gene on Alzheimer's disease." Neurobiology of Ageing 53: 1496186880-1845493760.
29) Boots et al, Neurology, 2017
30) https://www.ncbi.nlm.nih.gov/pubmed/28652219
31) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3178498/

DIAGNOSIS OF ALZHEIMER'S

Alzheimer's disease is today diagnosed primarily by clinical examination in the form of spinal tap combined with cognitive abilities and brain imaging tests (Positron-emission tomography, "PET"). A spinal tap is an invasive procedure in which cerebrospinal fluid is withdrawn and analysed. PET diagnostics is a nuclear medicine imaging method used to identify differences between healthy brains and brains in people with Alzheimer's. The loss of nerve cells and nerve cell proliferation in the disease also causes different areas of the brain to shrink in size over time, see figure below. This can be studied by means of a magnetic camera. The image below shows an illustrative difference between a healthy brain and a brain with developed Alzheimer's.

Illustrative comparison between a healthy brain and a brain with developed Alzheimer



There is a great need to be able to make correct diagnoses in order to include a correct population in clinical trials for developing drugs against Alzheimer's. In recent years, major progress has been made in the area of diagnostics. A study published in Nature 2018 shows a new blood test that has been suggested could provide a correct diagnosis of Alzheimer's disease with approximately 90 percent accuracy.[32,33] Diagnosis by blood sample enables a broad and cost effective screening of a high risk population to identify persons for clinical trials and for treatment, long before clinical symptoms arise. Previously, clinical trials have been conducted in populations with advanced cognitive dysfunction where many of the participants have had the disease for a long time, while some have not even had Alzheimer's, but suffered from other diseases with similar symptoms, which means that it has not been possible to detect the effects of Alzheimer's-specific drugs. With improved diagnostic methods, AlzeCure believes that it will be possible to detect Alzheimer's in earlier stages, which will lead to more homogeneous patient populations and increased opportunities for effective treatments.

AlzeCure believes that the Company possesses a high level of competence in the area, partly thanks to Professor Henrik Zetterberg who is one of AlzeCure's Key Opinion Leaders (*KOL*). Henrik Zetterberg is deemed, by AlzeCure, a world authority in the field of biomarkers. AlzeCure intends to make use of the advances in diagnostics to identify patients at a disease stage at which treatment is expected by management to be efficacious, for them to be included in the clinical trials. By including a targeted patient population, AlzeCure hopes to increase the probability of success in the clinical trials.

ONGOING CLINICAL TRIALS IN THE AREA

Clinical drug candidates against Aβ

Per the date of the Prospectus, a large number of drug candidates are in clinical development for the treatment of Alzheimer's disease. Drug candidates in clinical phases focusing on amyloid plaque consist primarily of antibodies and BACE1 inhibitors, as described below.

Antibodies

Treatment with antibodies (so-called immunotherapies) targeting Aβ have been a major focus in the area in recent years, and several different therapies have been evaluated clinically. However, several antibodies evaluated clinically have not showed any effect or side effects. There may be several reasons for this, such as limited penetration of BBB or too low safety margin. However, some antibodies have recently shown that in clinical trials they can reduce the amount of Aβ in the brain of Alzheimer's patients and have demonstrated clinical efficacy. AlzeCure believes that this is a promising result that strengthens the amyloid-hypothesis for Alzheimer's disease.

Problems related to antibody treatments include invasiveness, high production costs and a side effect called ARIA-E, which is caused by fluid that leaks into the brain from the blood vessels. The figure below shows antibodies at a late clinical phase.

Antibodies in phase II and III

Substance	Company	Phase
Solanezumab	Eli Lilly	Terminated/API/DIAN
Aducanumab	Eisai/Biogen	Phase III
Gantenerumab	Roche	Phase III
Crenezumab	Roche	Phase III
LY3002813	Eli Lilly	Phase II
BAN2401	BioArctic/Eisai/Biogen	Phase II

BACE1-inhibitors

BACE1-inhibitors are small molecules that effectively block the enzyme BACE1 and thus limit the production of Aβ. One of the greatest disadvantages of BACE1-inhibitors is that they block the function of the enzyme, which means that the BACE-activity is reduced in the whole body. The BACE-enzyme has several important functions in the body which, consequently, no longer function normally, which leads to a risk of side effects. Below is an overview of BACE1-inhibitors in clinical Phase II and III.

BACE1-inhibitors in clinical phase II and III

Substance	Company	Phase
Elenbecestat	Eisai/Biogen	Phase III
CNP520	Novartis	Phase II
LY3202626 (combined with antibodies)	Eli Lilly	Phase II

32) CNBC: https://www.cnbc.com/2018/03/05/alzheimers-blood-test-detects-disease-decades-before-symptoms.html
33) https://www.nature.com/articles/nature25456.epdf?referrer_access_token=65LRsj9NHCtZCcnkJt5-N9RgN0jAjWel9jnR3ZoTv0MbB_79egWQegc3WHcWU_RBl0H3TK4VCdaIW743o-sP7fkMHlzC8JigR_Xy3TLv0lKPoChUhmncs3EAziB1yMzXPj623M_OY7_XXvWzcgMR-aX_0ExsEsyh-NYDdB3zpVCdNpbt2ddUrUSYGBUZsPbgeLl0lngkuJN1kcoPBVJrQ==&tracking_referrer=www.bbc.com

Clinical candidates for symptomatic treatment

There is also a number of drug candidates that are in clinical development for the treatment of cognitive dysfunction in Alzheimer's disease or other neurodegenerative diseases. A selection of these, which AlzeCure estimates are the leading competing drug candidates is listed in the table below:

A selection of drug candidates in clinical development for the treatment of cognitive dysfunction in Alzheimer's disease and other neurodegenerative diseases

Substance	Company	Mechanism	Phase
TAK-071	Takeda	Positive allosteric modulator of muscarina M1 receptors	Phase I
E2027	Eisai	Phosodieasterase 9 inhibitor / Evaluated in patients with Lewy body dementia	Phase II
LY3154207	Eli Lilly	Positive alloster modulator on dopamine D1 receptors / evaluated in patients with Parkinson's dementia	Phase II
Basmisanil	Roche	Negative alloster modulator on GABA-A alpha 5 receptors / evaluated on cognitive impairment	Phase I
HTL0018318	Allergan/Heptares	Selective muscarin M1 receptor agonist	Phase I
HTL0016878	Allergan/Heptares	Selective muscarin M4 receptor agonist	Phase I

The right time for the development of new therapies for Alzheimer's disease

Due to all the research advances in the field, AlzeCure believes that the time is now right for developing drugs for Alzheimer's. AlzeCure believes that the Company is well positioned to meet the considerable needs in Alzheimer's and related diseases. AlzeCure's drug candidates in the NeuroRestore platform are symptomatic with disease-modifying potential, while drug candidates in the Alzstatin platform are disease modifying. Both NeuroRestore and Alzstatin are orally available small molecule-based drugs and therefore cost effective and appropriate for chronic treatment in very early as well as later phases of the disease. AlzeCure's drug candidates affect two different pathways, both of which are genetically linked to the disease. AlzeCure therefore believes that the Company develops drug candidates that meet the needs for patients both in the pre-symptomatic phase and symptomatic phase of the disease. AlzeCure believes that the treatments developed by the Company may also potentially be combined with the approved substances currently available on the market to achieve the best possible effect for the individual patient. Using the latest research and in-depth scientific insight into the diseases and their progress, AlzeCure intends to increase the likelihood of success in clinical trials.

MARKET TRENDS AFFECTING ALZECURE

Increased social costs for neurodegenerative diseases

The costs of neurodegenerative diseases are increasing and constitute a significant part of the public healthcare system. The increasing cost considerably increases the need for disease-modifying and/or preventive treatment.[34]

Increased need for treatment due to an ageing population

Old age is the main risk factor for dementia-related diseases, such as Alzheimer's. Expected life expectancy is increasing globally as a result of increased living standards. The largest increase in ageing population is expected to occur in low and middle income countries.[35]

Major pharmaceutical companies are allocating investments in CNS-related diseases to specialised research projects

An increasing number of major pharmaceutical companies (Big Pharma) are starting investment funds to invest in smaller research and pharmaceutical companies, as much of the innovation is taking place in smaller research and development companies. This trend favours smaller research and development companies as the opportunities for licensing agreements for research, development and commercialisation of drug candidates increase. Both AstraZeneca and Pfizer have increased investments in external candidates and companies.[36,37]

Takeda signed an agreement in the first half of 2018 with both Denali Therapeutics and Wave Life Sciences regarding drug candidates in early Phase I and a research or preclinical phase in neurodegenerative diseases. The agreements provided for initial payments and future instalments based on performance. The initial payments to Denali amounted to MUSD 150 while future performance-based payments to Denali may potentially amount to MUSD 1,200 and 50 percent of the global sales revenues. The initial payments to Wave Life Science amounted to MUSD 230 while the performance-based payments may potentially amount to MUSD 2,000 and 50 percent of global sales revenues.[38,39] The figure below shows relevant deals within CNS.

	Companies	Deal value		Phase
Lundbeck / Prexton Therapeutics	Lundbeck acquires Prexton Therapeutics[40]	Upfront: EUR 100m Milestones: EUR 805m	<EUR 905m	II
Takeda / Wave	Takeda R&D and commercialization deal with Wave Lif Sciences[41]	Upfront: USD 110m Equity: USD 60m Research: USD 60m Milestones: USD 2bn	<USD 2.23bn	Preclin / I/II
Takeda / Denali	Takeda R&D and commercialization deal with Denali Therapeutics[42]	Upfront: USD 40m Equity USD 110m Option fee: USD 15m Milestones: USD 782.5m Sale-based milestone: <USD 225m	<USD 1.2bn	Preclin / I
abbvie / Alector	AbbVie R&D and commercialization deal with Alector[43]	Upfront: USD 205m Equity: <USD 20m	<USD 225m	Preclin

34) Article from CNN: edition.cnn.com/2017/03/07/health/alzheimers-report-2017/index.html
35) World Alzheimer Report 2015: alz.co.uk/research/WorldAlzheimerReport2015.pdf
36) AstraZeneca Bioventurehub: https://www.azbioventurehub.com/
37) Pfizer: https://www.pfizer.com/partners/venture-investments
38) Takeda: https://www.takeda.com/newsroom/newsreleases/2018/denali/
39) Wave Life Sciences: https://globenewswire.com/news-release/2018/02/20/1361715/0/en/Wave-Life-Sciences-and-Takeda-Form-Global-Strategic-Collaboration-to-Advance-Therapies-for-Central-Nervous-System-Disorders.html
40) https://investor.lundbeck.com/news-releases/news-release-details/lundbeck-acquire-prexton-therapeutics-adding-foliglurax-0
41) https://endpts.com/takeda-commits-to-a-230m-package-to-seal-blockbuster-neurological-rd-deal-with-wave-life-sciences/
42) https://www.takeda.com/newsroom/newsreleases/2018/denali/
43) https://news.abbvie.com/news/alector-and-abbvie-announce-collaboration-to-advance-novel-class-immune-therapies-for-patients-with-alzheimers-disease.htm

OTHER INDICATIONS RELEVANT FOR THE OBJECTIVES IN NEURORESTORE

AlzeCure estimates that the drug candidates in NeuroRestore are suitable for treatment of cognitive disorders in sleep apnea and traumatic brain injury.

COGNITIVE DISORDERS IN SLEEP APNEA

An estimated 100 million people globally suffer from sleep apnea, most of whom have not been diagnosed.[44] Sleep apnea is heavily associated with being overweight and as the population is gradually becoming more overweight, the incidence of sleep apnea is also expected to increase.[45] A consequence of suffering from sleep apnea is that the patient suffers from extreme fatigue, since the body's reflex when breathing ceases in sleep is to wake up. The body also suffers from a lack of oxygen since breathing ceases for long periods and the body is not given a chance to recover. This fatigue also leads to impaired cognitive ability.[46] The patients' symptoms include disruptions in memory, learning and other cognitive abilities.[47]

COGNITIVE IMPAIRMENT IN TRAUMATIC BRAIN INJURIES (TBI)

Traumatic Brain Injury (*TBI*) is caused by external violence where the nerve cells in the brain suffer immediate damage. TBI is a major global health and socio-economic problem and a common cause of death, mainly among young adults. TBI can also result in life-long damage in those who survive.

Every year, approximately 10 million people are affected by TBI globally.[48] In North America, approximately 1.7 million are effected annually by TBI with total healthcare costs of over SEK 600 billion.[49,50] The global market for treatment of TBI is expected to grow from SEK 970 billion in 2017 to SEK 1,350 billion in 2024.[51] The two most common causes of TBI are traffic accidents and falls. The majority of other causes of cases of TBI are violence and work- and sports-related.[52, 53]

AlzeCure focuses on improving the cognitive ability in persons with a mild form of TBI. It has been demonstrated that TBI increases the risk of developing dementia, such as Alzheimer's disease and other neurodegenerative diseases, such as Parkinson's. According to a study published in *Lancet Psychiatry* a person who has suffered TBI has around a 24 percent increased risk of dementia. Persons who have suffered at least 5 TBIs have around a 60 percent increased risk of dementia.[54] Another consequence of several TBIs may be chronic traumatic encephalopathy (*CTE*). In CTE, which is common in the sports world, lumps of the protein Tau are formed and spread in the brain. According to a study conducted on deceased American football players, 177 of 202 individuals (about 88 percent) suffered from CTE.[55]

The symptoms in TBI may be both physical and mental and vary depending on the severity of the injury. Symptoms include memory loss, headache, fatigue, sleep and concentration difficulties, mood swings. According to a study by *The Journal of the American Medicinal Association* a TBI may lead to depression in up to 50 percent of patients.[56]

Today, as far as the Company knows, there are no approved drugs on the market that can improve the cognitive function in the brain following a TBI. Two drugs that are currently not approved on the market for treatment of Alzheimer's are in clinical development with a focus on cognitive improvement in persons with TBI. These two candidates are set out in the table below.

Candidates in clinical development with a focus on cognitive improvement in persons with TBI

Company	Pharmaceuticals	Clinical phase	Status
Pfizer	Donepezil	Phase III	Ongoing
Novartis	Rivastigmine	Phase III	Completed

In addition to these two drugs, there are seven drugs under development that focus on mild TBI but whose focus does not concern the cognitive improvement and which, in AlzeCure's view, cannot therefore be deemed competing products.

GENERAL DRUG DEVELOPMENT PROCESS

In order for a drug to be registered and sold on the market, it must undergo extensive and carefully controlled studies to ensure the safety profile of the drug candidate and the effect on the intended indication. This means that drug development is demanding in terms of time and resources and is therefore associated with major risks. Only a small number of the candidates that start the clinical phase will end up on the market.

Research phase

The research phase aims to detect new drug candidates and to initially assess their safety and potential therapeutic effect.

The discovery phase

Generally, new drug candidates are discovered through four main traces:

» New insights and knowledge about what influences the course of different diseases that enable new research with effect on these mechanisms.

» Comprehensive test of the majority of molecules and their properties that can be applied to various diseases.

» Existing drugs that affect new applications.

» New technologies that may impact specific areas in the human body.

During the discovery phase, a large number of chemical compounds are often tested, but only a few are sufficiently promising to move on to the next phase, called the Development phase.

Development phase

When a promising substance has been identified, it progresses to the Development phase. In this phase, the candidate's characteristics are assessed in terms of, for example, how it is absorbed and leaves the body, pharmacologically effective dose levels, modes of administration (e.g., oral or intravenous), safety or toxicity, reactions to other drugs, and efficacy compared to existing drugs.[57]

44) Sömnapné.se: http://www.somnapne.se/
45) Dagens Medicin: dagensmedicin.se/artiklar/2017/02/17/somnapne-ett-folkhalsoproblem-med-stora-ojamlikheter/
46) Sömnapné.se: http://www.somnapne.se/wp-content/uploads/2017/09/somnapne_faktablad.pdf
47) Sömnapnéskolan: http://www.somnapne.se/somnapneskolan/arbetsskador-med-birgitta-ohlin/
48) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3699059/
49) https://www.researchgate.net/publication/235740841_Changing_patterns_in_the_epidemiology_of_traumatic_brain_injury
50) https://www.persistencemarketresearch.com/market-research/traumatic-brain-injury-therapeutics-market.asp
51) https://globenewswire.com/news-release/2018/03/06/1415551/0/en/Global-Traumatic-Brain-Injuries-Treatment-Market-Improving-Quality-of-Life-and-Boosting-the-Healthcare-Business-is-Expected-to-Reach-USD-156-8-Billion-by-2024-Energias-Market-Resea.html
52) https://www.researchgate.net/publication/235740841_Changing_patterns_in_the_epidemiology_of_traumatic_brain_injury
53) https://content.iospress.com/download/neurorehabilitation/nre00374?id=neurorehabilitation%2Fnre00374
54) https://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(18)30065-8/fulltext?code=lancet-site
55) https://jamanetwork.com/journals/jama/fullarticle/2645104
56) NCBI: ncbi.nlm.nih.gov/pmc/articles/PMC3090293/pdf/nihms-293419.pdf
57) FDA: https://www.fda.gov/ForPatients/Approvals/Drugs/ucm405382.htm

Preclinical phase

Before a drug candidate is allowed to be tested in humans, researchers need to investigate the safety of the candidate, i.e. the risk of causing injury to patients, which may be similar to a comprehensive toxicity study. There are two types of preclinical trials, *in vivo* and *in vitro*. *In vivo* is a trial in living organisms (not humans) and *in vitro* are tests in cells/test tubes (including human materials).

In order for a drug candidate to be allowed to be tested in humans (healthy volunteers or patients) for the first time, the studies in the safety package are usually not so long, but regulatory requirements mean that detailed information must be presented with respect to dose levels and toxicity.

After the preclinical studies have been completed, the results are evaluated and a decision is made as to whether the candidate has sufficient potential and safety profile to start the clinical studies.[58]

Clinical phase

Although the preclinical trials are studies on safety and dose levels, they cannot replace how the candidate acts and reacts in the human body. The clinical phases are tests in humans. The different phases can also be combined in, for example, Phase I/II, II/III and that the phases can be divided into, for example, Phase Ia and Phase Ib.

Phase I

During Phase I, the candidate is tested from a safety perspective, usually in healthy volunteers (depending on the indication). However, the population in Phase I studies can be designed so that people with the proposed disease participate and thus get early efficacy data. However, the emphasis of the phase is to assess the safety profile and dosages.

The studies aim to investigate how the candidate reacts in the human body, what dosages can be tolerated, and what side effects the candidate may have. The phase also aims to assess how the body absorbs, breaks down and disposes of a substance and the pharmacological properties of a substance. The length of the study is usually a few months and involves up to 100 participants.

Phase II

In Phase II the candidate is given to patients with the disease to be treated. The phase provides additional safety data from a larger patient population and is an important part in designing Phase III studies. Phase II aims to measure efficacy in the relevant patient population, but primarily to provide additional information on side effects. Phase II also includes study of whether the drug candidate affects or is affected by co-medication with other drugs, so that the effects do not decrease or the side effects increase for drugs that patients already use.

The number of study participants is limited to a relatively homogeneous patient group. Phase II gives a first indication of the effect of the treatment in relation to a certain disease and which dose is optimal. The new treatment is compared to existing treatments or placebo where additional information about a substance's safety and possible side effects is given. Phase II studies usually vary from a number of months up to two years and include up to several hundreds of participants.

Phase III

Phase III aims to measure the effect in a larger patient population with the relevant disease. This phase is often called pivotal studies, as the previous phases generally represent a lower risk. With good data from Phase III studies, this is considered to be a solid basis for an approved drug. Phase III confirms the efficacy and safety of the substance compared to standard treatment or placebo for a longer period of time. The dose used is the one found in the previous phase to be most appropriate.

Patient groups should, as far as possible, be similar to the group for which the finished treatment will be used (for example with respect to gender, weight and age). Additional safety data are also collected as side effects during the shorter previous phases may have been missed. Phase III studies involve anything from a hundred to several thousands and last from one up to four years.[59,60]

The approval process

In order for a medicinal product to be approved and marketed in relevant markets after completion of Phase III studies, an application must be submitted to the relevant authorities for the respective market. In the United States, this authority is the United States Food and Drug Administration, and in Europe, it is the European Commission, through the European Medicines Agency (EMA), which approves drugs in the sectors of relevance for AlzeCure. An approval by EMA applies in all countries within the EU and the EEA. This European process via EMA is referred to as the central process. The drug receives, upon trial, marketing authorisation and can then be sold.

A basic principle for the approval of a drug is that the benefit of the preparation must exceed the possible risks that exist. The greater the perceived benefit of a drug, the greater potential side effects are considered acceptable.[61]

Follow-up studies after the drug is launched

Knowledge about a drug and its effects is collected throughout its life cycle. Potential side effects of long-term treatments that were not or had been discovered at the time of marketing authorisation must be reported to the relevant authorities. Therefore, there is a requirement that a drug must undergo follow-up studies after it has been launched, so-called Phase IV studies. These studies, which are reported at regular intervals, aim at continuously updating the benefit-risk assessment of the drug and its properties during long-term treatment, reporting both effect and possible side effects. Generally, a marketing authorisation must be renewed after five years based on the updated benefit-risk assessment upon which the permit is usually valid until further notice.[62]

58) FDA: https://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm
59) FDA: https://www.fda.gov/ForPatients/Approvals/Drugs/ucm405622.htm
60) Kliniska Studier Sverige: https://www.kliniskastudier.se/for-dig-som-forskar/den-kliniska-behandlingsstudiens-olika-faser.html
61) Läkemedelsverket: https://lakemedelsverket.se/malgrupp/Allmanhet/Vad-ar-ett-lakemedel/Sa-godkanns-ett-lakemedel/
62) Läkemedelsboken: https://lakemedelsboken.se/kapitel/regelverket_och_it-stod/godkannande_av_lakemedel.html

BUSINESS DESCRIPTION

INTRODUCTION TO ALZECURE

AlzeCure Pharma is a Swedish pharmaceutical research and development company developing innovative and effective drugs for the treatment of brain disease, with a primary focus on Alzheimer's disease. The Company is developing five primary drug candidates based on the two platforms, NeuroRestore and Alzstatin. NeuroRestore consists of symptomatic drugs of which the primary drug candidate, ACD855, is planned to initiate clinical Phase I-studies in December 2018. The Company's second platform, Alzstatin, consists of potentially disease modifying and preventive drug candidates. AlzeCure aims to have 2-3 drug candidates in clinical trials by 2020. A diversified drug portfolio which targets central signal mechanisms in the brain, enable other indications such as cognitive disorders in traumatic brain injury, sleep apnea and Parkinson's disease.

AlzeCure's organisation including research, development and management group together possess more than 100 years of experience from Big Pharma companies. The Company's current management team previously formed part of AstraZeneca's neurology and pain research unit where they were centrally involved in the research and development of both symptomatic and disease modifying drugs for the treatment of Alzheimer's. The results of the research led to several commercial licensing transactions, such as a BACE inhibitor licensed to Eli Lilly in 2014 for a total sum of up to MUSD 500.

AlzeCure's drug candidates target pathways genetically linked to Alzheimer's disease, which management expects to significantly increase the success probability of its drug development efforts. The drug candidates are orally available small molecules that effectively penetrate the BBB. The company is conducting biomarker-driven development in order to treat the right patients at the right time with the right substance and the right dose in the clinical trials.

The Company's NeuroRestore platform consists of a symptomatic and potentially disease modifying drug. The drug candidates in NeuroRestore stimulate a central signalling pathway in the brain that is essential for the functioning of the nerve cells and has a strong genetic link to cognitive disorders in e.g. Alzheimer's. NeuroRestore has shown, in preclinical trials, a potential to amplify the disturbed signalling and thereby act as a symptom-relieving preparation in indications of impaired cognitive abilities. The primary drug candidate in the NeuroRestore platform, ACD855, is an already approved veterinary medicine available for the treatment of a CNS indication in animals.

AlzeCure's disease modifying drug platform, Alzstatin, focuses on reducing the production of Aβ in the brain without simultaneously affecting important functions in the body. The preclinical tests have shown that the first candidate, ACD679, can reduce the formation of the Aβ42 peptide by up to 50 percent without affecting other gamma secretase signalling. The hypothesis that Aβ is a treatable pathology was strengthened by recent study results on the BAN2401 (BioGen, Eisai & BioArctic) antibody, which in phase II detects a potential disease modifying effect on both clinical function and storage of Aβ in the brain.[1] The Company therefore estimates that the study results validate the amyloid-hypothesis and thus Alzstatin's focus. The medical need is significant in Alzheimer's disease and a disease-modifying treatment against Alzheimer's is estimated to achieve over USD 10 billion in annual sales.[2]

AlzeCure has three granted patent families. The Company's headquarters, research and development are situated at Karolinska Institutet Science Park in Huddinge. AlzeCure estimates that AstraZeneca invested a total of around MSEK 200 in Alzstatin before AlzeCure took over the project. Furthermore, AlzeCure Pharma and the AlzeCure foundation have, direct and indirect, via the foundations subsidiary, AlzeCure Discovery, received grants, etc., of approximately MSEK 34 from, among others, Alzheimerfonden, Alzheimer Drug Discovery Foundation in the US, Vinnova and EU Horizon 2020, regarding AlzeCure's two platforms. The Company believes that the time is right to develop effective drugs for neurodegenerative diseases.

HISTORY

2012

» The AlzeCure foundation is formed

2013

» The foundation initiates research and development at Karolinska Institutet Science park in Stockholm

2016

» AlzeCure Pharma AB is formed

2017

» In July, the Company carries out its first financing round of MSEK 70 before issue costs

2018

» In July, the Company carries out its second financing round of MSEK 40 to finance Phase I-studies for ACD855

» Pre-clinical tests of ACD855 are completed in July

» IMPD (application to commence studies in humans) for ACD855 submitted in October

VISION

AlzeCure's vision is to be a leading research company, developing groundbreaking treatments for Alzheimer's disease and other severe disorders.

STRATEGY

AlzeCure's strategy is to develop a broad portfolio of symptomatic and disease modifying and preventive treatments for Alzheimer's disease and other severe disorders using the following guidelines:

Right Patient: Focus on genetically, clinically and pathologically defined diseases to increase the possibility of clinical effect.

Right mechanism: The treatment is targeting genetically associated signaling pathways in Alzheimer's disease and other indications.

Right clinical testing: The clinical studies are based on validated biomarkers and preclinical methods with good translation to man.

Right treatment: Blood-brain penetrable small molecules, designed for safe and efficacious long-term treatments.

AlzeCure is evaluating opportunities for future cooperation agreements and commercial licence agreements with leading pharmaceutical companies that can contribute research, development, manufacturing, commercialisation and geographical scope to increase the value of the Company's drug platforms and drug candidates.

1) https://www.alzforum.org/therapeutics/ban2401
2) https://www.businessinsider.com/biogens-alzheimers-drug-could-be-worth-20-billion-2016-9?r=US&IR=T&IR=T

AlzeCure cooperates with key opinion leaders in the area. These KOLs include Bengt Winblad, Henrik Zetterberg, John Harrison and Peter Snyder. AlzeCure estimates that the Company's strategy for research and development increases the probability of success.

Strengths and competitive advantages

AlzeCure believes that the Company has several strengths and competitive advantages that increase the probability of success in the clinical trials:

- **Organisation with long experience from industrial drug development**
- **Clear base in the indications' genetic signal paths and biological profiles and validated target mechanism**
- **The drugs are based on small molecules that penetrate BBB**
- **Drug development driven by biomarkers and translational trials**
- **Innovative and differentiated portfolio consisting of disease-modifying as well as symptomatic drug candidates and backup programs for Alzheimer's and related diseases**
- **Strong safety profile in the mechanism of action of drug candidates**

AlzeCure's strengths and competitive advantages are described in more detail below.

Organisation with extensive experience from industrial drug development

AlzeCure was founded by the five researchers Johan Sandin (CEO), Gunnar Nordvall, Pontus Forsell, Johan Lundkvist and Magnus Halldin, all of whom have worked at AstraZeneca. These individuals possess more than 100 years of experience in research, development, regulatory issues and licensing transactions from several major pharmaceutical companies, such as AstraZeneca, Merck Frosst and Orexo. The researchers have published several studies in highly rated scientific journals such as *PNAS, The Journal of Biological Chemistry and The Journal of Neuroscience*.

The Company's Board possesses experience from several commercial pharmaceutical companies such as, Amgen, Pfizer, Roche, Aventis/Hoechst Marion Roussel, Pharmacia, Schering-Plough, Sobi, Biovitrum and Active Biotech.

AlzeCure also has a strong network of KOLs in neurodegenerative diseases. The KOLs function is to assist the Company with advice and knowledge on specific issues as well as to help optimise the Company's studies (preclinical and clinical). For more information on the Company's KOLs, see the section "*Organisation and operations*".

Clear base in the indications' genetic signal paths and biological profiles and validated target mechanism

AlzeCure estimates that the Company's drug candidates have a high probability of success in clinical trials since AlzeCure's drug candidates are specifically targeted to pathways with genetic linkage to Alzheimer's disease. The latest research includes the discovery of several genetic associations to the disease, more reliable biomarkers in order to better select patients for clinical trials and improved diagnostics.

AlzeCure's disease modifying drug platform, Alzstatin, is focused on reducing the production of Aβ in the brain. Mutations in the enzyme gamma secretase result in increased production of Aβ42 and cause hereditary Alzheimer's disease. This demonstrates the important role of Aβ42 in the disease process and is a strong genetic link to Alzheimer's disease. The target molecule is confirmed by recent study results on the BAN2401 (BioGen, Eisai & BioArctic) antibody, which in late clinical phase detects a potential disease modifying effect on both clinical function and storage of Aβ in the brain.[3] AlzeCure therefore estimates that the study results validate the amyloid-hypothesis and thus Alzstatin's focus.

In the NeuroRestore platform, modulators of BDNF, which is an important signal molecule in the brain, are developed. BDNF plays a key role in the emergence, function and survival of nerve cells, and has a key role in the cellular processes that create memory. A fundamental discovery in the field was a common mutation in BDNF leading to abnormal BDNF signalling, resulting in an earlier memory impairment in patients with hereditary Alzheimer's disease.[4] This discovery demonstrates a genetically linked signal pathway that modulates Aβ-mediated neuronal dysfunction in hereditary Alzheimer's disease. Research shows that reduced BDNF levels lead to impaired memory in people with Alzheimer's, which validates BDNF's important role in the brain. Stimulation of BDNF in Alzheimer's disease is therefore considered to have both symptomatic and disease-modifying potential. BDNF's stimulating effect on nerve cell communication, which in turn contributes to a cognitive enhancing effect, provides the symptomatic potential. Drug candidates in the NeuroRestore platform have demonstrated significant memory-enhancing potential in preclinical trials. Given the impact BDNF has on cognitive disorders, the Company estimates that NeuroRestore has the potential to improve cognitive ability even in other indications, such as Parkinson's disease, traumatic brain injury (TBI) and sleep apnea.

The drugs are based on small molecules that penetrate BBB

AlzeCure's drug candidates are based on small molecules, which have several advantages over biological drugs, such as antibodies:

- Small molecules provide better permeability over BBB than biological drugs, and are therefore relatively well suited for the treatment of brain diseases. Only 0.1-0.2 percent of the injected antibodies that reach the bloodstream penetrates the BBB.[5]
- Small molecules can be given as oral treatment, such as in tablet form, which is both convenient and cost-effective for the patient compared with invasive, intravenous injections, which should generally be performed at the healthcare provider. Drugs in tablet form also have a long shelf life.
- Small molecules are cheaper to produce than biological drugs, which is advantageous in the long term treatment of chronic diseases.[6]
- With small molecules, it is possible to customise the pharmacological profile, for example by modulators, compared with biological drugs.
- Small molecules do not give rise to immunogenicity, which biological drugs may potentially do and which may limit their pharmacological effect.

Drug development driven by biomarkers and translational trials

Biological markers, biomarkers, fulfil several important functions in clinical development, ranging from diagnosing and defining the right patient group to reviewing the effectiveness of the treatment during the tests. The ability to define and include, with different biomarkers, more homogeneous patient groups therefore plays a very important role in increasing the chances of positive results in clinical trials. In the clinical trials it is important to test the candidates with the correct dose and for the correct duration. With access to the right biomarkers, it is possible to track the efficacy of the treatment for a limited period of time in early clinical trials (Phase I), thus estimating the correct doses for the longer and more costly Phase II/III studies.

3) https://www.alzforum.org/therapeutics/ban2401
4) Boots, E. A., S. A. Schultz, L. R. Clark, A. M. Racine, B. F. Darst, R. L. Koscik, C. M. Carlsson, C. L. Gallagher, K. J. Hogan, B. B. Bendlin, S. Asthana, M. A. Sager, B. P. Hermann, B. T. Christian, D. B. Dubal, C. D. Engelman, S. C. Johnson and O. C. Okonkwo (2017). "BDNF Val66Met predicts cognitive decline in the Wisconsin Registry for Alzheimer's Prevention." Neurology 88(22): 2098-2106.
5) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3701773/pdf/13311_2013_Article_187.pdf
6) Generics and Biosimilars Initiative: http://www.gabionline.net/Biosimilars/Research/Small-molecule-versus-biological-drugs

An important biomarker used for clinical diagnosis of the disease is the levels of Aβ42 in spinal fluid. This is also used as an effect marker for therapies targeted against Aβ, such as Alzstatin. AlzeCure has measured the effect of ACD679 on the Aβ42 levels in animals and been able to demonstrate significant reductions of this biomarker in CNS. Similar measurements will also be performed in humans in the clinical trials and AlzeCure plans to measure the effect of ACD679 on central Aβ levels already during early Phase I studies. These studies, where the same measurement variables are used in both animals and humans, are called translational studies and play a central role in drug development. Using these data, the drug dose required is estimated at the clinic to achieve the desired effect. Thus, the planned Phase I studies that AlzeCure plans to conduct will not only provide information about the safety of the substance in humans, but is also geared to provide early efficacy data. The Company estimates that this has strong value-increasing potential.

Measurements of Aβ levels in spinal fluid and amyloid PET have so far been the dominant approach. Recently, however, blood-based methods have been reported with good results. This method may cause early Alzheimer's disease to be identified in a simple and cost-effective manner, which entails major advantages for the development of preventive treatments such as Alzstatin.

In the NeuroRestore-platform AlzeCure has used several different animal models in which species to ensure that the results are reliable and translatable. Among other things, the company has shown good effects in animals where attempts are made to mimic Alzheimer's disease as well as animal models with induced memory loss. AlzeCure will also in early clinical development work use similar clinical models in humans, such as models for induced memory loss, to also evaluate early efficacy signals already during clinical Phase I.

During the planned NeuroRestore clinical program, AlzeCure intends also to conduct studies with individuals who have a mutation in BDNF, leading to reduced function in this system. The purpose of this is to optimise the Company's ability to detect effect signals in early clinical trials.

Furthermore, the Company will also use so-called EEG, which can measure differences in activity in different regions of the human brain. This type of markers, along with cognitive functions of the test subjects, can give a good idea of the effects of ACD855.

AlzeCure has an innovative and differentiated portfolio of drug candidates in neurodegenerative diseases. The Company is developing five drug candidates in parallel and has a portfolio of several unannounced small molecules under development. The five drug candidates focus primarily on Alzheimer's, but the biological targeting mechanisms also enable other indications such as neurotrophic keratitis and cognitive impairments as a result of traumatic brain injury and sleep apnea.

The Company's platform NeuroRestore consists of innovative symptomatic and potentially disease modifying drugs which, to AlzeCure's knowledge, is the only platform that focuses on affecting both NGF- and BDNF-signalling.

The Alzstatin platform consists of innovative first generation disease modifying drugs which, in the Company's view, are well suited for early, long-term treatment of the disease.

The Company estimates that the differentiated drug portfolio increases the probability of success and increases interest in the Company among potential partners.

Strong safety profile in the mechanism of action of drug candidates

As mentioned earlier, the biological mechanisms that AlzeCure affects with drug candidates in the NeuroRestore and Alzstatin platforms are specifically targeted against pathways that have a genetic link to Alzheimer's disease. These signal paths also have other important functions in the body, and the approaches to these systems are important to avoid side effects. All of AlzeCure's drug candidates are so-called modulators that do not block the normal function in the biological system, as an inhibitor may do. Therefore, AlzeCure minimises the risk of unwanted side effects in clinical studies, which is important for treatment of indications such as Alzheimer's, where the drug is administered for a long period. Alzheimer's disease-modifying preventive therapy needs to be given early in the course of the disease before symptoms develop and should continue for many years. Alzstatin's mechanisms is therefore, in the Company's view, suitable as preventive long-term treatment of the disease.

The primary drug candidate in the NeuroRestore platform, ACD855, is an already approved veterinary medicine. The safety profile of the substance is therefore already known, and AlzeCure believes that the risk of ACD855 and other drug candidates within NeuroRestore having unexpected toxicity problems in the early phases is limited.

ALZECURE'S PROJECT PORTFOLIO

Introduction

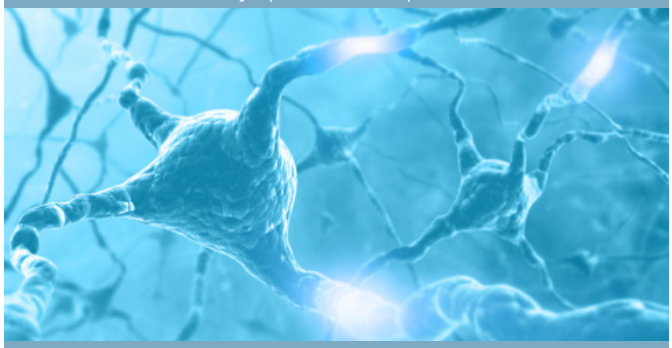
AlzeCure is developing in parallel five drug candidates based on the two platforms, NeuroRestore and Alzstatin.

» In NeuroRestore, a new generation of symptomatic drug candidates is developed.

» Alzstatin, contains disease-modifying and preventive drug candidates.

The primary drug candidate in NeuroRestore, ACD855, is planned to initiate clinical Phase I-studies in December 2018. AlzeCure aims to have 2-3 drug candidates in clinical trials by 2020. A diversified drug portfolio enables other indications such as cognitive disorders in traumatic brain injury, sleep apnea and Parkinson's disease.

Symptomatic therapies



NeuroRestore

ACD855
Cognitive impairments related to sleep disorders and traumatic brain damage Alzheimer's disease

ACD856
Alzheimer's disease

ACD857
Neurotrophic Keratitis

Innovative small molecules against neuronal dysfunction

Disease modifying therapies

Alzstatin

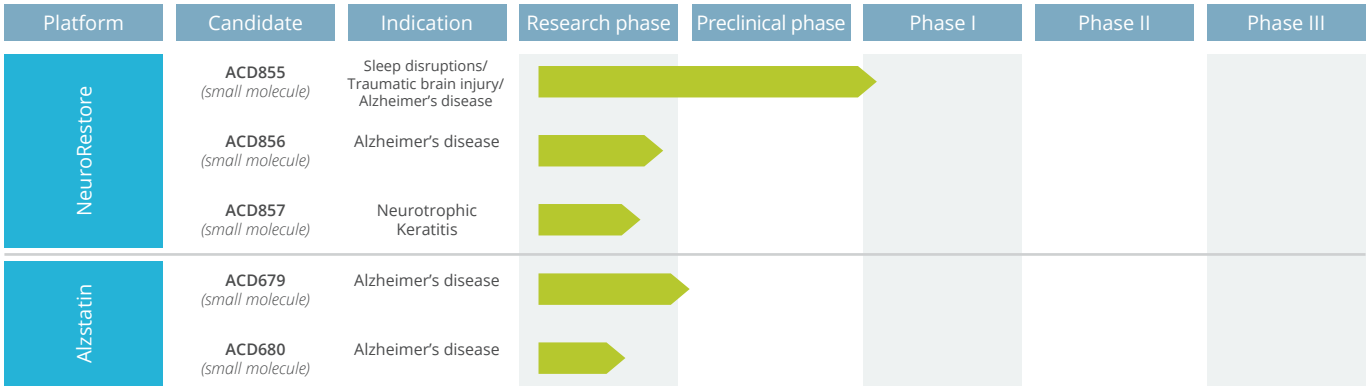
ACD679
Alzheimer's disease

ACD680
Alzheimer's disease

Innovative small molecules target the formation of amyloid plaque

The Company's five primary drug candidates are, per the date of the Prospectus, in a late research phase or in a late pre-clinical phase, see the figure below. Given the size of the project portfolio and the development plan for each candidate, AlzeCure believes that the Company will be able to conduct active market communication during the upcoming clinical trials.

AlzeCure's development plan



In addition to the above product portfolio, AlzeCure possesses potent back-up series in the two NeuroRestore and Alzstatin platforms, where new drug candidates can potentially be developed for new indications.

Symptomatic treatments

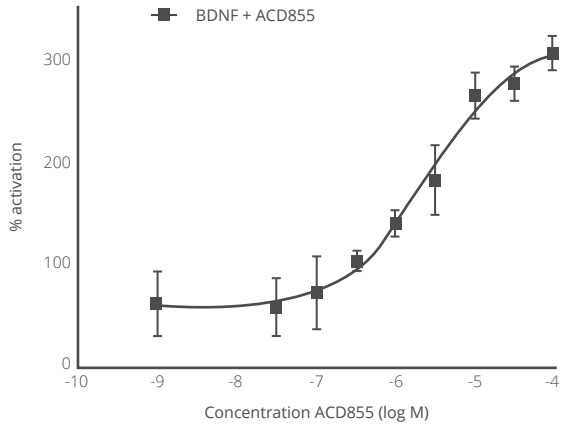
NeuroRestore platform

NeuroRestore is a platform of symptomatic drug candidates for disease states where cognitive ability is impaired, such as Alzheimer's disease. The three primary drug candidates are ACD855, ACD856 and ACD857.

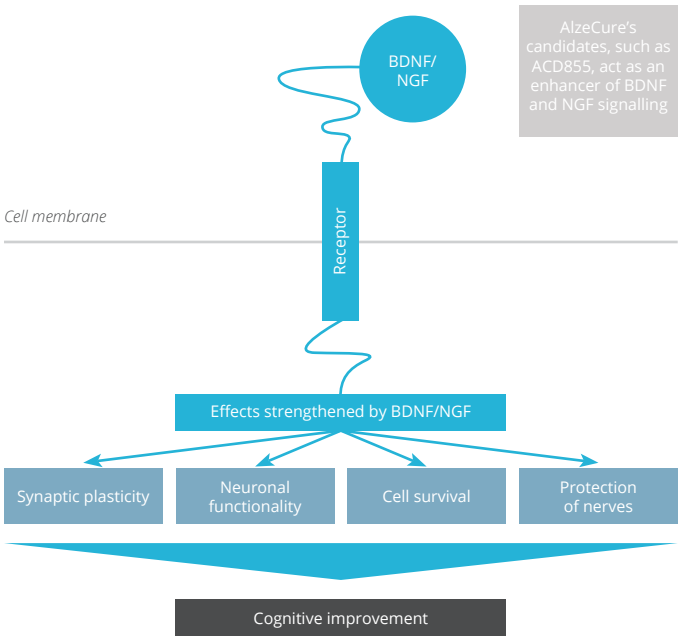
NeuroRestore focuses primarily on specific signal-paths in the central nervous system consisting of the neurotrophins NGF (Nerve Growth Factor) and BDNF (Brain Derived Neurotrophic Factor). NGF and BDNF are disrupted in multiple disease states and the signalling is impaired. The impaired function reduces communication between synapses, i.e. the contact surfaces of the nerve endings, and impairs the survival of vital nerve cells, which results in the cognitive impairments. Neurotrophins play an important role in the function of nerve cells, and a disturbed function of BDNF has a strong genetic link to impaired cognitive abilities in several different diseases such as Alzheimer's disease, Parkinson's disease, traumatic brain injury and sleep apnea. Mutations in the receptor of NGF have also been shown to have major effects on the development of nerve cells. In addition to these indications, the same signal pathway is disturbed in Neurotrophic Keratitis, an indication that affects the cornea in the eye and leads to progressively impaired vision. AlzeCure estimates that there is also potential for adding additional indications, such as depression, as the Company in preclinical models of depression has shown good effect of ACD855. The effect in the preclinical studies is comparable to the effect of Prozac, which is an anti-depressant drug.

The drug candidate ACD855 within NeuroRestore has been shown to have a significant improvement on cognitive ability in a preclinical *in vivo* model of Alzheimer's disease. This, in combination with a proven potential of potently strengthening BDNF signalling, causes the Company to estimate that ACD855 may act as a symptom-relieving preparation in indications of impaired cognitive abilities.

Effect of ACD855 on BDNF signalling *in vitro*



Several attempts have been made to develop small molecules that enhance the effects of NGF or BDNF. Attempts that have reached relatively far in clinical development are preparations for local administration in the eye. The drug company Allergan is conducting Phase III trials with a peptide (Tavilermide™), which simulates the effects of NGF for the treatment of dry eyes, per the day of the Prospectus. The drug company Dompé has been given the so-called *orphan drug*-status for eye drops containing NGF for the treatment of neurotrophic keratitis (both in the USA and EU) and retinitis pigmentosa (USA). [7] NeuroRestore is, to AlzeCure's knowledge, the only platform that focuses on affecting both NGF and BDNF, which allows ACD855 to be used for the treatment of several different indications.



AlzeCure's primary drug candidates in NeuroRestore ACD855, ACD856 and ACD857 act as enhancers of BDNF/NGF signalling, and the biological profile of the substances enables use in several different disease states where the same signal path is disturbed. These indications may be grouped into three main categories:

» Cognitive impairment in connection with:
- – Alzheimer's disease
- – Parkinson
- – TBI and other head injuries
- – Sleep disorders
- – Major surgical procedures

» Depressions

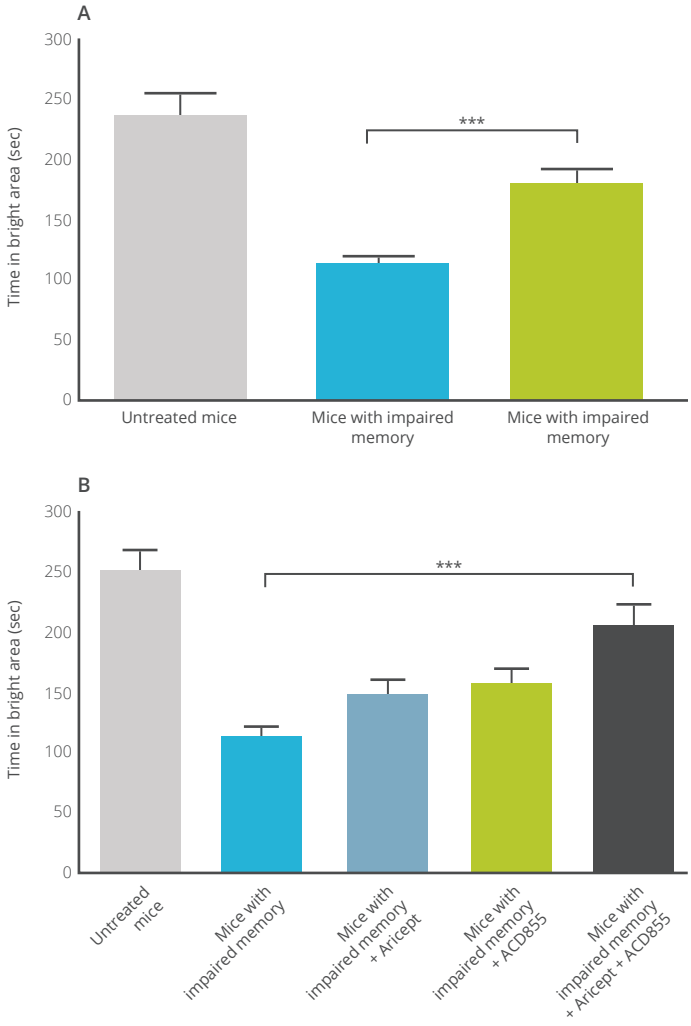
» Medicinal products in specific eye and ear indications
- – Neurotrophic keratitis
- – Hearing impairments

Results from preclinical studies with NeuroRestore

In the preclinical trials of ACD855, the company has demonstrated enhanced signalling in the intended signal pathway, both *in vivo* and *in vitro*. ACD855 enhances cognitive ability in several different *in vivo*-models in mice and rats. In induced memory impairment in mice, treatment with ACD855 results in a significant improvement in memory function, and has additive effects to the already approved drug Aricept, see figures below. AlzeCure estimates that the Company's drug candidates in NeuroRestore can be taken in combination with registered medicines for the treatment of Alzheimer's disease without having competing properties.

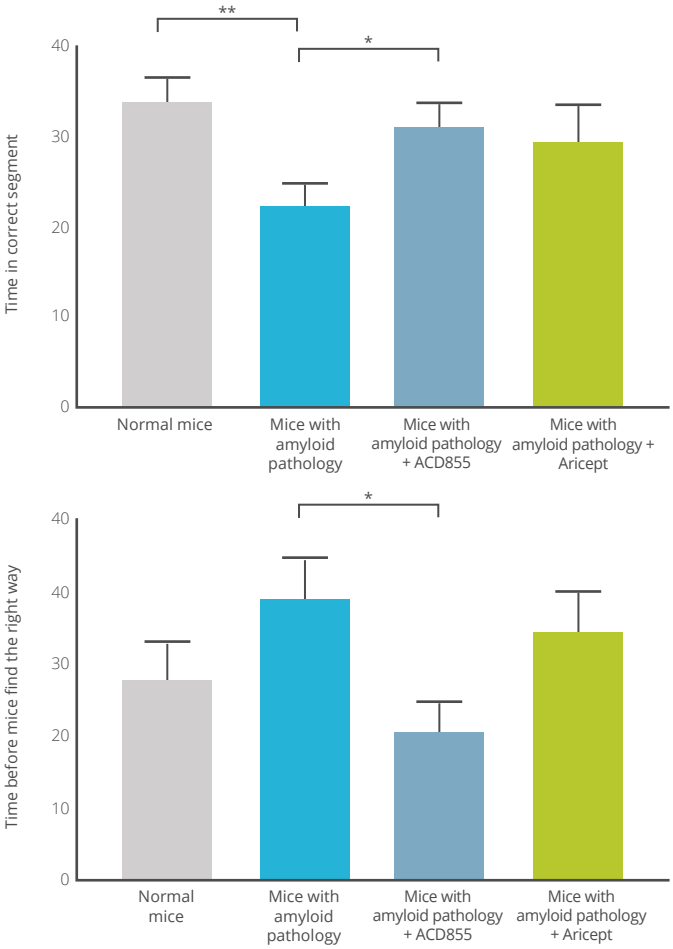
7) https://www.prnewswire.com/news-releases/dompe-announces-the-food-and-drug-administration-fda-has-granted-orphan-drug-designation-to-its-rhngf-based-treatment-for-neurotrophic-keratitis-268258312.html

Effect of ACD855 on memory in a mouse-model of induced memory loss



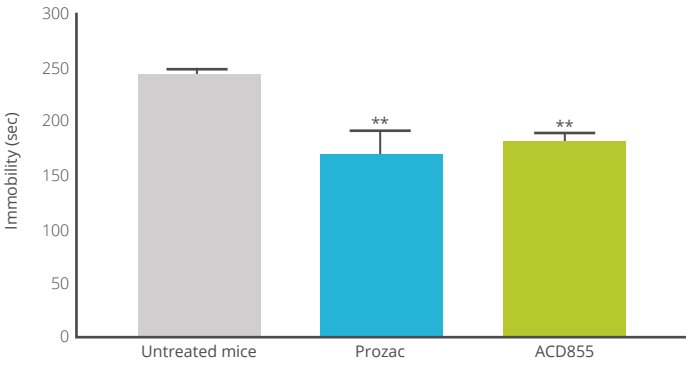
AlzeCure has demonstrated in *in vivo*-tests that ACD855 significantly enhances cognitive ability in mice with amyloid pathology, see the graphs below.

Effect of ACD855 on memory in a mouse model of Alzheimer's



AlzeCure's preclinical trials have showed that NGF has a positive effect on nerve cell communication. The trials also demonstrate that ACD855 can act symptomatically but also has disease modifying potential. AlzeCure has also demonstrated that ACD855 strengthens NGF's and BDNF's signal effects beyond what is possible with only NGF or BDNF. Thus, AlzeCure can potentiate a decreased signal effect up to normal levels, thereby improving the cognitive ability as well as relieving the symptoms. The Company has demonstrated that in addition to enhancing cognitive ability, ACD855 functions positively in two different in vivo-*models of depression*. In a comparative study with Prozac, AlzeCure was able to demonstrate that ACD855 has anti-depressive effects resembling those of the registered anti-depressive drug Prozac.

Anti-depressive effects of ACD855 in *in vivo*-tests in depression



Time-line for development of the first candidate in the NeuroRestore platform, ACD855

AlzeCure has completed the preclinical phase for the first candidate, ACD855. IMPD (regulatory documents to apply for starting clinical tests) were submitted during October 2018 and the start of clinical trials with ACD855 is planned in December 2018.

The Company plans, following completion of a Phase Ia-study, to conduct a Phase Ib-study for ACD855 in order to measure a clinical effect of the drug candidate at an early stage of the development process.

Limited risk level for early clinical phases

ACD855 is an approved veterinary medicine that has been available on the market for several years for an indication in animals. The safety profile of the substance in certain species is therefore known. AlzeCure's management therefore estimates that there is a good probability that ACD855 and other drug candidates in NeuroRestore may show a good safety margin. The management bases this assessment on the previous clinical phases that were conducted with the existing drug and the data generated by these tests, and the preclinical tests conducted by AlzeCure with ACD855. AlzeCure's own safety pharmacological and toxicological studies of ACD855 combined with the studies of ACD855 as a veterinary drug confirm the Company's assessment that the risk of toxicity problems is low.

Other drug candidates in clinical trials and approved preparations

As per the date of the Prospectus, there are four approved preparations on the market for symptomatic treatment of Alzheimer's. There is also a fifth preparation consisting of a combination of two of the previously approved drugs. To AlzeCure's knowledge, the Company's mechanisms in the NeuroRestore platform are unique.

Company	Pharmaceuticals	Mechanism	Disadvantages
» AlzeCure	» ACD855	» Neurotrophines (NGF/BDNF signalling)	
» Pfizer » Janssen » Novartis	» Aricept (Donepezil) » Razadyne (Galantamine) » Exelon (Rivastigmin)	» Acetylcholinesterase inhibitors	» Low effectiveness and side effects » Many patients do not improve on these medications
» Generics	» Memantine	» NMDA antagonist	» Low efficacy

Design of clinical studies and the endpoints that will be measured

Design of the clinical studies in Phase I, the so-called SAD and MAD-studies, for ACD855 will be conducted in healthy volunteers. The purpose of these studies is to study the safety profile of the drug candidate in humans. Safety is the primary endpoints evaluated during Phase I. AlzeCure is also planning to conduct previous effect studies in health volunteers during Phase I, aiming to investigate the effect of ACD855 on cognitive ability. Studies are conducted in two different models of cognitive dysfunction, where one is directly translational with the animal model used in the evaluation of ACD855. AlzeCure is also planning to include persons with the above mentioned mutation in BDNF in the clinical effect studies. The objective is to maximise the therapeutic window and the possibility of detecting effects in these clinical studies. AlzeCure estimates that this design makes early signal detection possible already during Phase I. The subsequent clinical Phase II studies can, depending on the outcome of the earlier studies and potential interest from potential partners/companies, potentially be carried out in several target indications with cognitive dysfunction, including Alzheimer's.

Additional drug candidates in the preclinical phase

ACD856 is a substance that, according to AlzeCure, has demonstrated very good effects in *in vivo*-models. A common strategy in industrial drug development is to develop several candidates sequentially with minor differences in properties, such as potency. This is done both from a risk minimisation perspective, but also to have the choice to select the most optimal substance for the longer and more costly Phase II/III studies. ACD856 is developed against Alzheimer's as a primary indication.

Based on the established connection with NGF, ACD857 is developed for treatment of eye diseases such as Neurotrophic Keratitis. AlzeCure plans to develop the drug candidate to the so-called *Candidate Drug*-stage and subsequently to identify a suitable specialised partner for further development.

Disease modifying and preventive drug candidates

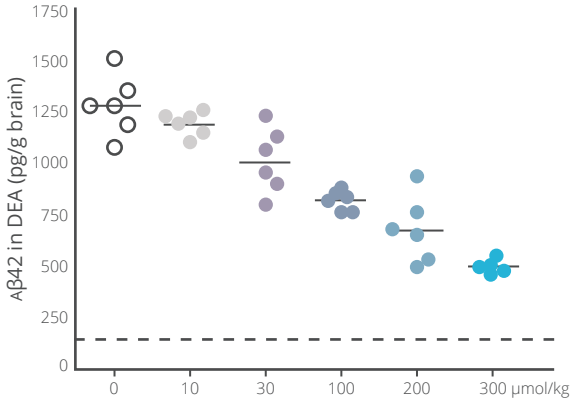
The Alzstatin platform

Alzstatin is a platform consisting of diseases modifying and preventive drug candidates against Alzheimer's disease. AlzeCure estimates that AstraZeneca invested a total of around MSEK 200 in Alzstatin before AlzeCure took over the project. The estimation is based on estimated time in form of FTE:s in the project and project related material costs. The drugs are based on small molecules, facilitating a good penetration of the BBB and the target molecule is the genetically supported Aβ-molecule.

The drug candidates in the Alzstatin platform are so-called gamma secretase modulators ("GSM"), which modulate the function in a specific enzyme, gamma secretase. Gamma secretase gives rise to the formation of the Aβ42-peptide, which, over time, adhere to each other, forming so-called oligomers and fibrils that eventually form amyloid plaques in the brain. The plaque contributes to the atrophy and ultimate death of nerve cell fibres. Mutations in gamma secretase resulting in increased production of Aβ42 causes hereditary Alzheimer's disease. This demonstrates the role of Aβ42s in the disease progress and, together with mutations in the Aβ-peptide, is the strongest known link to Alzheimer's disease. Aβ42 slowly adheres into a growing aggregate, from monomeres to oligomeres, fibrills and plaque. Research has yet to identify what specifically in these processes, or which molecular form(s) are most damaging to nerve cells and cause the disease to progress. AlzeCure therefore estimates that reducing the production of Aβ42 is the best treatment alternative, since it reduces all forms of amyloid and thus certainly affects and prevents the disease. GSM also has the opposite effect on Aβ compared with the disease-causing mutations in hereditary forms of Alzheimer's disease.

Good results from preclinical tests with Alzstatin

The preclinical tests have demonstrated that the first candidate, ACD679, by modulating the function of gamma secretase, can reduce the formation of Aβ42 by over 50 percent, without simultaneously affecting other gamma secretase signalling which is important for the cells. ACD679's clear reduction of Aβ42 in the brain on animal models is illustrated in the figure below.

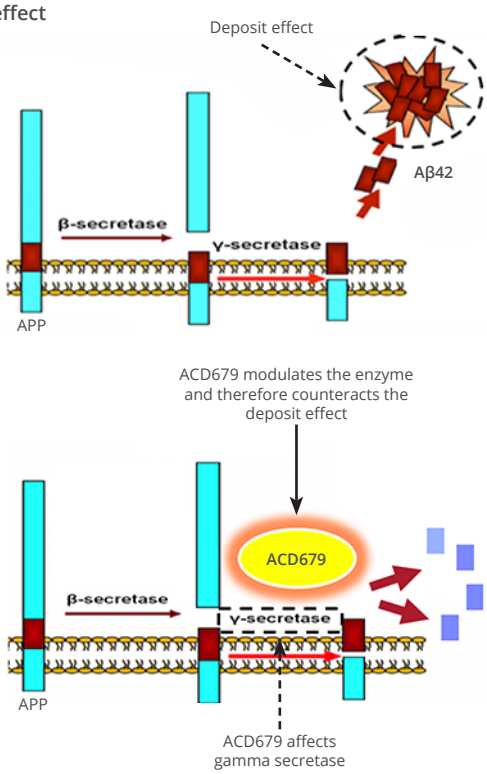


ACD679 reduces Aβ42-levels in mice

The drug candidates in the Alzstatin-platform modulate the function of the enzyme gamma secretase. Gamma secretase functions like scissors that cut out Aβ42 from a longer protein, called APP. The sticky Aβ42 adheres and gives rise to amyloid plaque which is typical in Alzheimer's disease. The candidates in the Alzstatin-platform affect the function of the enzyme so that it instead cuts out shorter forms of the Aβ-peptide, Aβ37 and Aβ38, which, in addition to not being sticky or forming aggregates, also have a dissolving effect on plaque already formed of Aβ42. This means that the drug candidates in the Alzstatin-platform have two separate but interacting effects which, together, can contribute to a stronger anti-amyloidogen and therefore more potent disease modifying effect.

In view of the current knowledge about the course of the disease, AlzeCure estimates that Alzstatin provides the best effect in the early, presymptomatic phase of Alzheimer where the candidates can reduce the production of Aβ42 and thus deposits of amyloid plaque in the brain.

Alzstatin modulates the enzyme and therefore counteracts the deposit effect



Other disease modifying treatment alternatives under development

The table below sets out a selection of other disease modifying drug candidates in clinical trials. The candidates can be grouped into three main categories - GSM, BACE-inhibitors and antibodies.

Disease modifying treatment under development

Product	Company / Candidate / Phase	Mechanism	Disadvantages
Gamma secretase modulators	» PF-06648671 (Pfizer) Phase I » NGP555 (NeuroGenetic Pharmaceuticals) Phase I » AlzeCure Pharma	» No enzyme inhibition » Reduces toxic Aβ42, Aβ40 » Increases anti-amyloidogenic Aβ37, Aβ38	» None identified
Aβ-antibodies	» Solanzebumab (Eli Lilly) DIAN-TU » Aducanumab (Biogen) Phase III » Crenezumab (Genentech/Roche) PHASE III/API » Gantenerumab (Roche) Phase III » BAN2401 (BioArctic/Eisai/Biogen) Phase II » LY3002813 (Eli Lilly) Phase II	» Binds to different defined parts of Aβ	» Invasive, requires injections, limited penetration of BBB » Problems with ARIA-E
BACE1-inhibitors	» E2609 (Biogen/Eisai) Phase III » CNP520 (Novartis/Amgen) Phase II/III » LY3202626 combined with antibody (Eli Lilly) Phase II » "Sel. BACE1-inhibitors" (Eli Lilly) Fas I	» Enzyme inhibition	» Potential for side effects » Limited selectivity against BACE2, » Inhibits cleavage of other proteins that are normally cleaved by BACE1 » Inhibits the production of short Aβ-peptides

Gamma secretase modulators

To the Company's knowledge, there are currently only two other GSM-drug candidates, PF-06648671 developed by Pfizer and NGP 555 developed by Neurogenetic Pharmaceuticals. Pfizer's drug candidate has been the leading competing candidate since it has advanced in development, but in January 2018, Pfizer discontinued drug research into brain diseases, including PF-06648671.[8] As opposed to gamma secretase inhibitors (GSI), a GSM does not block the function of gamma secretase, but only modulates it. Drugs that only modulate a system/function have a lower risk of side effects, since normal functions are not affected. Drugs that block production of all Aβ peptides, such as, for example, BACE1 inhibitors or GSIs, are associated with higher risk of side effects than a GSM.[9,11] This is often due to the blocked function having important properties for other functions in the body that are completely blocked, upon which side effects may occur.[11,12] Because Pfizer has completed Phase I with PF-06648671 without any safety issues, AlzeCure's view is that GSM is a safe mechanism for chronic treatment of Alzheimer's disease.

BACE1-inhibitors

By inhibiting the enzyme beta secretase (BACE1), the production of Aβ is reduced. Several BACE1-inhibitors in clinical trials have failed due to side effects or lack of a clinical effect. The lack of effect in these clinical studies is assumed to partly be a result of the studies being conducted at too late a stage of the disease.

Recently, the BACE1-inhibitor Elenbecestat (Eisai/Biogen) in clinical phase II studies has demonstrated a reduction of amyloid plaque in the brain of Alzheimer's patients. The results confirm the amyloid hypothesis since treatment with the drug candidate led to a reduced production of Aβ42.

Antibodies

Several antibodies that bind to Aβ (Aβ mAb) have been tested in clinical trials. Recently, positive results have been reported in studies with the Aβ-antibodies Adecunumab (Biogen), BAN2401 (BioArctic/Eisai/Biogen), Ganternurumab (Roche) and LY3002813 (Eli Lilly). This confirms the hypothesis that Alzheimer's disease is treatable by impacting the amount of Aβ.

8) https://www.alzforum.org/therapeutics/pf-06648671
9) G. Koelsch Molecules 2017, 22, 1723.
10) J. Lundkvist, U. Lendahl in Aspartic Acid Proteases as Therapeutic Targets, 2011, Volume 45, Chapter 12, γ-Secretase: An Unusual Enzyme with Many Possible Disease Targets, Including Alzheimer's Disease pp 325-351
11) Läkartidningen: http://www.lakartidningen.se/Functions/OldArticleView.aspx?articleId=12026
12) NCBI: https://www.ncbi.nlm.nih.gov/pubmed/16542055

Comparison between different treatment alternatives

	GSM	BACE	Aβ mAb	GSI
Oral therapy	✓	✓	X	✓
Reduces production of toxic Aβ42	✓	✓	X	✓
Non-enzyme inhibiting	✓	X	✓	X
Increases the production of shorter anti-amyloidogenic Aβ-peptides	✓	X	X	X
The mechanism is suitable as a "Statin" for Alzheimer's disease	✓	X	X	X

AlzeCure's focus for the Alzstatin platform

The market for disease modifying Alzheimer's drugs is estimated to exceed USD 10 billion in annual sales and there is therefore room for several drugs in the market.[13]

Additional candidate based on the Alzstatin platform - ACD680

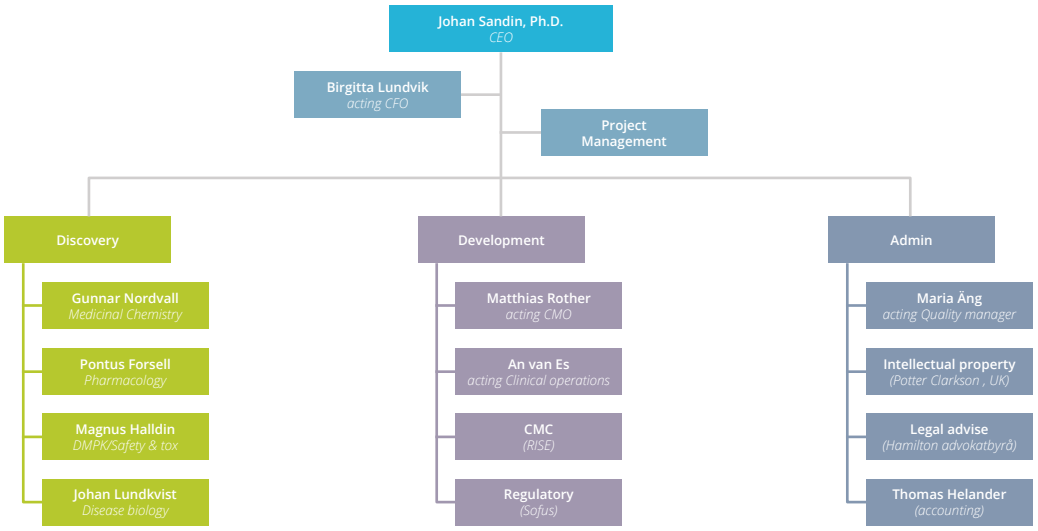
ACD680 is a successor of ACD679 from a new chemical class that demonstrates a more efficient reduction of Aβ42-production. AlzeCure has additional substances in the platform, which have not been announced yet.

13) https://www.businessinsider.com/biogens-alzheimers-drug-could-be-worth-20-billion-2016-9?r=US&IR=T&IR=T

Organisation and operations

Per the date of the Prospectus, AlzeCure Pharma AB has one employee, CEO Johan Sandin. The competences of the organisation required for continued clinical work are secured through contracts and activated when their skills are needed. This leads to flexibility in staffing costs for AlzeCure.

The organisation can be divided into three primary parts – Discovery, Development and Admin – reflecting the work conducted by AlzeCure Pharma, see the organisational chart below.



AlzeCure was founded by the five researchers Johan Sandin (CEO), Gunnar Nordvall, Pontus Forsell, Johan Lundkvist and Magnus Halldin, all of whom have worked at AstraZeneca. These individuals possess more than 100 years of experience in research, development, design of clinical studies, regulatory issues and licensing transactions from several major pharmaceutical companies, such as AstraZeneca, Merck Frosst and Orexo. AlzeCure's team has published several studies in highly ranked journals such as PNAS, *The Journal of Biological Chemistry* and *The Journal of Neuroscience*.

The Company's Board possesses experience from several commercial pharmaceutical companies such as, Amgen, Pfizer, Roche, Aventis/Hoechst Marion Roussel, Newron, Pharmacia, Schering-Plough, Sobi, Biovitrum and Active Biotech.

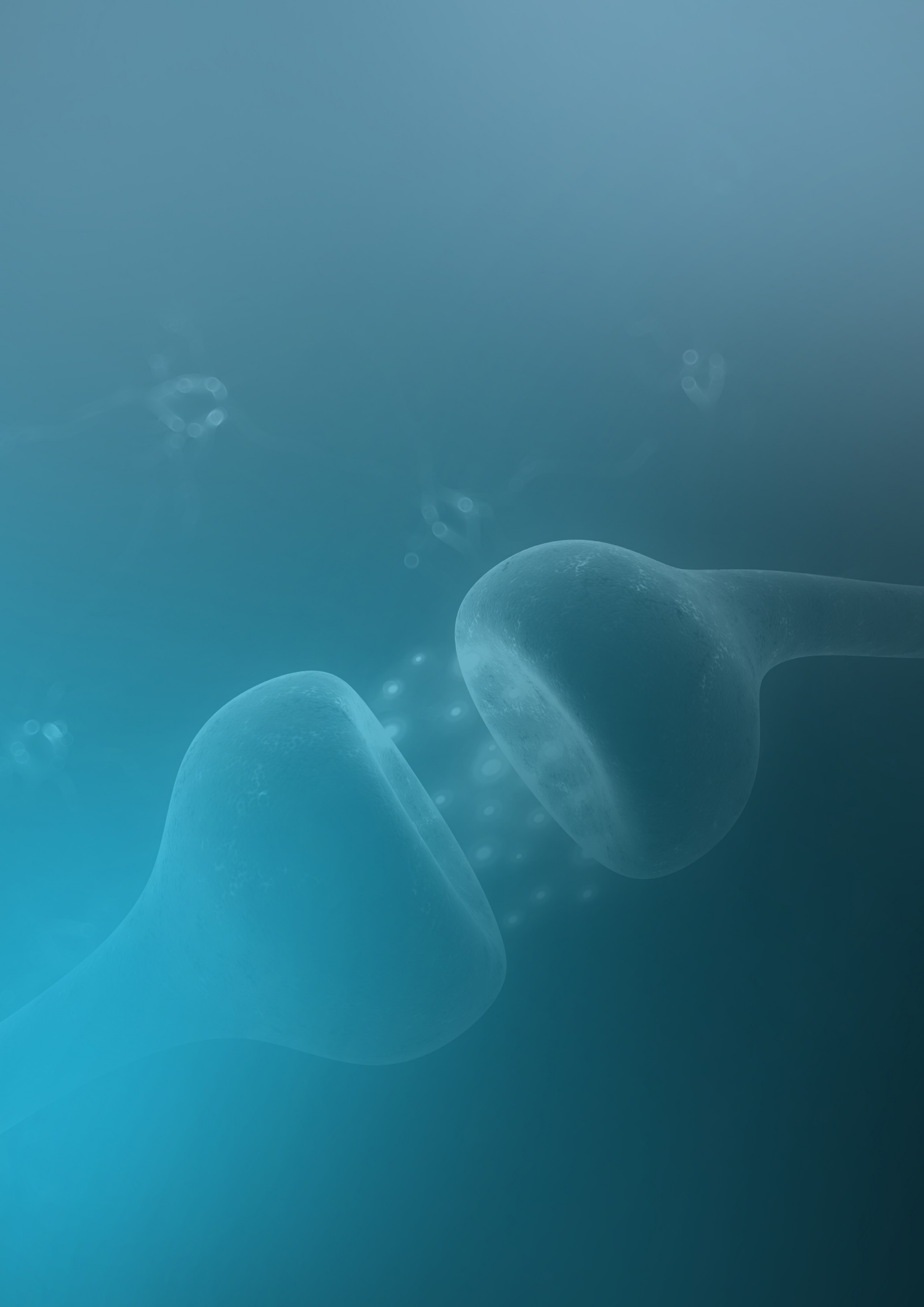
AlzeCure also has a strong network of KOLs in neurodegenerative diseases. The KOLs function is to assist the Company with advice and knowledge on specific issues as well as to help optimise the Company's studies (preclinical and clinical). AlzeCure's KOL consists of:

» **Bengt Winblad** - Professor at Karolinska Institutet in Stockholm and one of the world's most cited researchers in neurodegenerative diseases. In 2016, Professor Winblad received the "Life Time Achievement Award" awarded by the U.S. Alzheimer's Association for Professor Winblad's invaluable contribution to Alzheimer's research. Professor Winblad has also been awarded the Swedish Hjärnfondens Jubileumspris.

» **Henrik Zetterberg** - Professor in neurochemistry, consultant at Sahlgrenska Universitetssjukhuset and professor at University College London (UCL). Henrik is also Chairman of the Alzheimer Foundation's Scientific Council and considered to be a leading global authority in the field of biomarkers related to neurodegenerative diseases.

» **John Harrison** – Associate professor at Alzheimer Center at VU University Medical Center in Amsterdam.

» **Peter Snyder** – Professor at Brown University in the USA.



SELECTED HISTORICAL FINANCIAL INFORMATION

AlzeCure was formed on 22 November 2016 and the Company's first financial year included the period 22 November 2016 - 31 December 2017 (the "**First Financial Year**"). The selected historical financial information presented in the Prospectus relates to the First Financial Year and the period January - September 2018 (with the comparative period January - September 2017). The selected historical financial information below for the First Financial Year is taken from the Company's audited annual report for the First Financial Year, which was audited by Grant Thornton Sweden AB, in accordance with the auditors' report incorporated by reference. The selected historical financial information for the period January - September 2018 was taken from the Company's interim report for the period January - September 2018, with comparative figures for the period January - September 2017, which was reviewed by Grant Thornton Sweden AB, in accordance with the review report incorporated by reference.

The Company's annual report for the First Financial Year was made in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board Recommendation RFR 2, *Accounting for Legal Entities*. The application of RFR 2 indicates that the Company applies the International Financial Reporting Standards, as adopted by the EU ("**IFRS**"), as far as possible within the framework of the Annual Accounts Act, the Guarantee Act (SFS 1967:531) and with regard to the relationship between accounting and taxation. The interim report for the period January - September 2018 has been drafted in accordance with IAS 34 *Interim Reporting*. Parts of the Company's annual report for the First Financial Year and interim report for the period January - September 2018 are incorporated for reference and form part of the Prospectus. For further information, please see the section "*Legal consideration and supplementary information - Documents incorporated by reference*".

Figures presented in the Prospectus have, in certain cases, been rounded up and therefore the tables in the Prospectus do not necessarily add up. Unless otherwise expressly stated, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information in the Prospectus relating to the Company, which is not included in the revised information or has been audited by the Company's auditors as stated herein, derives from AlzeCure's internal reporting and reporting system.

The financial information in this section should be read in conjunction with the sections "*Comments on the selected financial information*", "*Equity, liabilities and other financial information*", as well as the Company's financial information, with accompanying notes and audit reports, which have been incorporated in the Prospectus by reference.

INCOME STATEMENT AND REPORT OF TOTAL RESULTS

	Reviewed		Audited
	1 January – 30 September		First Financial Year
KSEK	2018	2017	
Operating income			
Other operating income	2,808	-	968
Total operating income, etc.	**2,808**	**0**	**968**
Operating expenses			
Administration costs	-1,742	-331	-733
Research costs	-23,786	-4,768	-10,973
Other operating expenses	-296	-	-29
Total operating expenses	**-25,824**	**-5,099**	**-11,735**
Operating result	**-23,016**	**-5,099**	**-10,767**
Profit/loss from financial items			
Interest expenses and similar income items	-2	-51	-55
Total profit/loss from financial items	**-2**	**-51**	**-55**
Profit/loss after financial items	**-23,018**	**-5,150**	**-10,822**
Profit/loss and total profit/loss for the period	**-23,018**	**-5,150**	**-10,822**

BALANCE SHEET

KSEK	2018	Reviewed 30 September 2017	Audited 31 December 2017
Assets			
Fixed assets			
Intangible assets			
Project rights	17	17	17
Tangible fixed assets			
Inventories, tools and installations	640	-	242
Financial fixed assets			
Other long-term receivables	7	-	7
Total fixed assets	**664**	**17**	**266**
Current assets			
Short-term receivables			
Other short-term receivables	559	328	1,549
Prepayments and accrued income	-	48	204
Total short-term receivables	**559**	**376**	**1,753**
Cash and bank balances	**65,746**	**60,867**	**53,952**
Total current assets	**66,305**	**61,243**	**55,705**
Total assets	**66,969**	**61,260**	**55,971**
Equity and debts			
Equity			
Restricted equity			
Share capital	235	189	189
Total restricted equity	**235**	**189**	**189**
Non-restricted equity			
Premium fund	98,031	62,458	62,458
Reserves	-10,822	-	-
Result for the period and the year	-23,018	-5,150	-10,822
Total non-restricted equity	**64,191**	**57,308**	**51,636**
Total equity	**64,426**	**57,497**	**51,825**
Short-term liabilities			
Accounts payable	1,672	2,041	1,332
Other short-term liabilities	279	15	77
Accrued expenses and prepaid income	592	1,707	2,737
Total short-term liabilities	**2,543**	**3,763**	**4,146**
Total equity and liabilities	**66,969**	**61,260**	**55,971**

CASHFLOW ANALYSIS

KSEK	Reviewed 1 January – 30 September 2018	Reviewed 1 January – 30 September 2017	Audited First Financial Year
The ongoing business			
Operating profit before financial items	-22,961	-5,099	-10,767
Adjustments for items not included in the cashflow:			
Depreciation	60	-	8
Interest paid	-56	-51	-55
Cash flow from operating activities before change in working capital	**-22,957**	**-5,150**	**-10,814**
Changes in working capital			
Change in other current receivables	1,194	-376	-1,753
Change in accounts payables and other liabilities	340	2,041	1,332
Change in other short-term operating liabilities	-1,943	1,722	2,814
Net cash flow from the operating activities	**-23,366**	**-1,763**	**-8,421**
Investment activities			
Investments in intangible assets	-	-17	-17
Investments in tangible fixed assets	-459	-	-250
Investment in other financial fixed assets	-	-	-7
Cash flow from investment activities	**-459**	**-17**	**-274**
Financing activities			
New issue	35,619	62,647	62,647
Cash flow from financing activities	**35,619**	**62,647**	**62,647**
Cash flow for the period	**11,794**	**60,867**	**53,952**
Cash and cash equivalents at the start of the period	53,952	-	-
Cash and cash equivalents at the end of the period	**65,746**	**60,867**	**53,952**

KEY FIGURES

Below, the Company presents certain key figures which are not prepared in accordance with IFRS (alternative performance measures) and which are used by AlzeCure to help investors and other interested parties understand AlzeCure's results and financial position. Since not all companies calculate these and other alternative performance measures in the same way, the way in which AlzeCure has chosen to calculate the alternative performance measures presented in the Prospectus may entail that these key figures are not comparable with similar measures presented by other companies. Key figures that are not prepared in accordance with IFRS should therefore not be considered separately from or instead of the financial information prepared in accordance with IFRS.

KEY FIGURES

KSEK	1 January – 30 September 2018	1 January – 30 September 2017	First Financial Year
Other operating income[1]	2,808	0	968
Equity ratio, %[2]	96.2	93.9	92.6
Research expenses as a percentage of operating costs, %[2]	92.1	93.5	93.5

1) Defined according to IFRS.
2) Alternative key figures.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES.

Alternative performance measures	Definition	Motive
Equity ratio	Shareholders' equity and untaxed reserves (less deferred tax) in relation to the balance sheet total.	The equity ratio is relevant for investors and other stakeholders wishing to assess the Company's financial stability and ability to survive in the long term.
Research expenses as a percentage of operating costs	Research expenses divided by operating expenses, which include administrative costs and other operating expenses. Research expenses include the Company's direct expenses in relation to research, such as costs for personnel, materials and external services.	Research expenses as a percentage of operating expenses is relevant for investors and other stakeholders who want to assess the Company's distribution between different functions.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

KSEK	1 January – 30 September 2018	1 January – 30 September 2017	First Financial Year
Equity ratio			
Total equity	64,426	57,497	51,825
(/) Total assets	66,969	61,260	55,971
Equity ratio, %	**96.2**	**93.9**	**92.6**
Research expenses as a percentage of operating costs			
Research costs	23,786	4,768	10,973
(/) Operating expenses	25,824	5,099	11,735
Research expenses as a percentage of operating costs, %	**92.1**	**93.5**	**93.5**

COMMENTS TO FINANCIAL DEVELOPMENT

AlzeCure was formed on 22 November 2016 and the Company's first financial year included the period 22 November 2016 - 31 December 2017 (the "**First Financial Year**"). The selected historical financial information presented in the Prospectus relates to the First Financial Year and the period January - September 2018 (with the comparative period January - September 2017). On this basis, the comments to the financial development stated below relate only to the First Financial Year excluding the comparative period and the interim period January - September 2018 and the corresponding period in 2017. The information should be read together with the sections "*Selected history financial information*" and "*Equity, liabilities and other financial information*" as well as AlzeCure's financial information, with associated notes, incorporated in the Prospectus by reference.

COMPARISON BETWEEN THE PERIOD 1 JANUARY - 30 SEPTEMBER 2018 AND 1 JANUARY - 30 SEPTEMBER 2017

Profit/loss and total profit/loss

AlzeCure's other income in the period January to September 2018 amounted to KSEK 2,808, compared to KSEK 0 in the corresponding period in 2017. The increase was mainly due to contributions received from Vinnova.

Operating profit in the period January to September 2018 amounted to KSEK -23,016, compared to KSEK -5,099 in the corresponding period in 2017. This change is mainly attributable to increased research costs.

Investments

Investments in the period amounted to KSEK 459, of which KSEK 459 consisted of investments in machinery and inventories. Investments in the corresponding period in 2017 amounted to KSEK 17, which consisted of investments in project rights.

Cash and cash equivalents, financial standing and cashflow

Cashflow from the operating activities including changes in working capital for the period January to September 2018 amounted to KSEK -23,366, compared to KSEK -1,763 in the corresponding period in 2017. The decrease was primarily a result of increased activities relating to the Company's projects.

Cashflow from financing operations amounted to KSEK 35,619 in the three first quarters 2018, compared to KSEK 62,647 in the three first quarters 2017. The issue in 2017 generated a gross amount of MSEK 70 and the Company's new issue in 2018 generated issue proceeds of a gross amount of around MSEK 40. This year's new issue was registered by the Swedish Company Registration Office in July 2018. The issue costs amounted to MSEK 4.4.

As per 30 September 2018, equity amounted to KSEK 64,426, compared to KSEK 57,497 per 30 September 2017, and the equity ratio was 96.2% compared to 93.9% per 30 September 2017. Cash and cash equivalents at the end of the period amounted to KSEK 65,746, compared to KSEK 60,867 at the end of the period 2017.

FIRST FINANCIAL YEAR (22 NOVEMBER 2016 – 31 DECEMBER 2017)

Profit/loss and total profit/loss

AlzeCure's earnings for the First Financial Year amounted to KSEK -10,822. The earnings per share amounted to SEK -0.57. The result has been positively affected by AlzeCure's qualification for payments linked to contributions from Vinnova. Contributions amounted to KSEK 957 and are reported as other income.

Investments

Investments in the period amounted to KSEK 274, of which KSEK 250 consisted of investments in machinery and inventories. The Company also acquired the right to a research project.

Cash and cash equivalents, financial standing and cashflow

Cashflow from operating activities amounted to KSEK -8,421 and total cashflows for the period amounted to KSEK 53,952. Cash and cash equivalents per 31 December 2017 amounted to KSEK 53,952. Equity at the end of the period was KSEK 51,825 and the equity ratio was 92.6%. Operations during the period were funded through two new issues, which provided the Company with a net financial income of KSEK 62,647 after deduction of issue costs.

EQUITY, LIABILITIES AND OTHER FINANCIAL INFORMATION

The tables in this section describe AlzeCure's capital structure and net liabilities per 30 September 2018. See the section "*Share, share capital and ownership structure*" for more information on the Company's share capital and shares. The information in this section should be read together with the section "*Comments to financial development*" and AlzeCure's financial information, with associated notes, incorporated by reference in the Prospectus. Other than as described below in this section, no material changes in the Company's capital structure have occurred since 30 September 2018.

As per 30 September 2018, AlzeCure had not indirect or contingent liabilities.

CAPITAL STRUCTURE

KSEK	30 September 2018
Short-term liabilities	
Guaranteed	0
Secured	0
Unsecured credits	0
Total short-term liabilities	**0**
Long-term liabilities	
Guaranteed	0
Secured	0
Unsecured credits	0
Total long-term liabilities	**0**
Equity	
Share capital	235
Other additional capital	98,031
Retained earnings	-10,822
Reserves	0
Total equity	**87,444**
Total equity and liabilities	**87,444**

NET DEBT

	KSEK	30 September 2018
A	Cash	0
B	Cash and cash equivalents	65,746
C	Easily realisable securities	0
D	**Total cash and cash equivalents A + B + C**	**65,746**
E	**Short-term interest-bearing receivables**	**0**
	Short-term interest bearing liabilities	**0**
F	Short-term bank liabilities	0
G	Short-term part of long-term liabilities	0
H	Other current liabilities	0
I	**Total short-term liabilities F + G + H**	**0**
J	**Short-term net liabilities I - E- D**	**-65,746**
	Long-term interest bearing liabilities	
K	Long-term bank loans	0
L	Issued corporate bonds	0
M	**Other long-term liabilities**	**0**
N	**Total long-term interest bearing liabilities K + L + M**	**0**
O	**Total interest bearing net liabilities J + N**	**-65,746**

INVESTMENTS

The table below is a summary of AlzeCure's total investments during the 2017 fiscal year (covering the period from and including 22 November 2016 until and including 31 December 2017 "**First Financial Year**") and during the periods 1 January to 30 September 2018 and 1 January to 30 September 2017. Investments in intangible fixed assets refer to the rights in NeuroRestore and investments in tangible fixed assets relate mainly to machinery and equipment. AlzeCure has no ongoing or approved material future investments.

	1 January – 30 September		First
KSEK	2018	2017	Financial Year
Intangible fixed assets	-	17	17
Tangible fixed assets	459	-	250
Total	**459**	**17**	**267**

WORKING CAPITAL

It is the Company's assessment that the existing working capital is sufficient for the current needs in the coming twelve-month period based on the current business plan.

CONDITIONS FOR PROFITABILITY

AlzeCure is a research/medical company with drug candidates in late development phase and late pre-clinical phase. AlzeCure plans to have two to three drug candidates in clinical phase. Thereafter, AlzeCure will, depending on the study results, sell or give license to the drug candidates to a larger company in order to, in a longer term, get the drug candidate to the market. This is expected to make it possible to generate profitability. If and when AlzeCure will reach profitability is depending on the result of the studies, the price on the market, royalty milestones, if any, as well as the cost of the Company.

RESTRICTIONS ON CAPITAL USE

To the Company's knowledge, there are no restrictions on the use of the capital that, directly or indirectly, materially affects or could materially affect AlzeCure's operations.

RESEARCH AND DEVELOPMENT

AlzeCure's expenses for research and development amounted to around MSEK 11 in the First Financial Year. The expenses were primarily attributable to the Alzstatin- and NeuroRestore-projects. The Company does not activate research and development in this phase, but expenses these costs on a current basis.

FIXED ASSETS

Per 31 December 2017, the Company's intangible fixed assets amounted to KSEK 17. The largest part of AlzeCure's intangible fixed assets consisted of project rights. More information on the Company's intangible fixed assets is available in Note 8 of the Annual Report for the financial year 2017.

Per 31 December 2017, the Company's tangible fixed assets amounted to KSEK 242. AlzeCure's tangible fixed assets consisted of equipment, tools and installations. The Company is not aware of any environmental factors that may affect or restrict the use of the Company's tangible fixed assets. More information on the Company's tangible fixed assets is available in Note 9 of the Annual Report for the financial year 2017.

OTHER INFORMATION

Other than the tendencies and trends specified in the section "*Market overview – Market trends affecting AlzeCure*" AlzeCure is not aware of any tendencies, uncertainty factors, potential claims or other claims, commitments or events, other than as stated in the section "*Risk factors*", that may have a material impact on the Company's business prospects during the current financial year.

Other than as stated in the section "*Risk factors*" and above, AlzeCure is not aware of any public, economic, fiscal policy or other political measures that, directly or indirectly, have materially impacted or could materially impact AlzeCure's business.

MATERIAL EVENTS IN THE PERIOD 22 NOVEMBER 2016 - 30 SEPTEMBER 2018

» In July 2017, the Company carries out its first financing round of MSEK 70 before issue costs

» In July 2018, the Company carries out its second financing round of MSEK 40 to finance Phase I-studies for ACD855

» Pre-clinical tests of ACD855 were completed in July 2018

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2018

On 15 October 2018 the Extraordinary General Meeting decided on a bonus issue (more information is available in the section "*Shares, equity and ownership structure - Equity development*"), change of company category and election of Pirkko Sulila Tamsen as new Board member (more information is available in the section "*Board, senior executives and auditors - Board of Directors*").

No significant changes in AlzeCure's financial position or position in the market have occurred since 30 September 2018.

SHARE, SHARE CAPITAL AND OWNERSHIP STRUCTURE

Below is a summary of certain information regarding AlzeCure's shares and certain conditions in the article of association and Swedish law applicable per the date of the Prospectus. This summary includes all material information regarding the shares. The summary does not, however, claim to be complete and is conditional, in all parts, on the articles of association and applicable Swedish law.

GENERAL INFORMATION

According to AlzeCure's articles of association, the share capital shall be at least SEK 580,000 and at most SEK 2,320,000, divided over at least 23,200,000 shares and at most 92,800,000 shares. Per the date of the Prospectus, the Company's share capital amounts to SEK 587,000 divided into 23,480,000 shares, each with a quota (par) value of SEK 0.025. The shares are denominated in SEK and all shares are fully paid and freely transferable. The Company's shares are issued in accordance with Swedish law and the shareholders' rights may only be changed or modified in accordance with the Companies Act (SFS 2005:551). The Company only has one share class.

Prior to the Offer, there was no public market for AlzeCure's shares. The Board of Directors has applied for the Company's shares to be admitted to trading on Nasdaq First North Premier. Trading in the Company's shares is expected to start around the 28 November 2018 under the ticker "ALZCUR". Shares in the Offer are not subject to any offer made as a result of a mandatory bid, redemption or solvency obligation. There have been no public takeover offers regarding the Company's shares.

THE OFFER

The Board of Directors intends to decide, with the authorisation granted by the Extraordinary General Meeting of 15 October 2018, on the Offer whereby the share capital can be increased by no more than SEK 357,142.875 through a new issue of no more than 14,285,715 shares, corresponding to a maximum dilution of 37.8 percent (calculated as the number of newly issued shares in the Offer over the total number of shares after the Offer).

The Offer may include a maximum of another 3,571,429 newly issued shares (the "**Enlargement Option**"). The new shares are issued pursuant to the authorisation by the Extraordinary General Meeting held on 15 October 2018. If the Enlargement Option is fully exercised, the Company's share capital will increase by another SEK 89,285.725, corresponding to a dilution of 8,6 percent (calculated as the number of newly issued shares in the Enlargement Option over the total number of shares after the Offer and the exercise of the Enlargement Option).

Through these new issues, AlzeCure's share capital will increase by SEK 446,428.600 through the issue of 17,857,144 shares, assuming that the Offer is fully subscribed and the Enlargement Option is fully exercised, corresponding to a dilution effect of 43.2 percent (calculated as the number of newly issued shares in the Offer and the Enlargement Option over the total number of shares after the Offer and the exercise of the Enlargement Option).

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

General Meeting and votes

Shareholders who are registered in the register of shareholders held by Euroclear five weekdays before the meeting and who give notice of their intention to participate to the Company by the date stated in the notice convening the meeting are entitled to participate in the General Meeting.

At the General Meeting, every share carries one vote and every voting shareholder may vote for the full number of his or her own and represented shares.

Preferential rights, etc.

If AlzeCure decides to issue new shares, warrants or convertibles through a cash or offset issue, shareholders generally have preferential subscription rights in proportion to the number of shares they previously owned. There are no provisions in the Company's articles of association which limit the possibility of issuing new shares, warrants or convertibles, in accordance with the provisions of the Swedish Companies Act, with deviation from shareholders' preferential rights.

Right to dividends and surplus in case of liquidation

Decisions on dividends are made by the General Meeting and paid via Euroclear. According to the Swedish Companies Act, dividends may only be paid in such a way that after the dividend there is full coverage for the Company's equity and only if the dividend appears to be justified in view of (i) the requirements of the nature, scope and risks of the operations on equity and (ii) Company and group consolidation needs, liquidity and position in general. As a main rule, shareholders may not decide on a larger dividend than the Board of Directors has proposed or approved.

All AlzeCure's shares entitle holders to dividends. Shareholders who, on the recorded date decided by the General Meeting, or the Board of Directors as authorised by the General Meeting, are registered in the share register kept by Euroclear, shall be entitled to dividends. Dividends are not cumulative and are normally paid as a cash amount but may also be paid other than in cash. If a shareholder cannot be reached via Euroclear, the shareholder's claim against the Company equal to the dividend amount shall remain. Such claims shall be prescribed after ten years and shall pass to the Company upon prescription. There are no restrictions for dividends or special procedures for shareholders resident outside of Sweden and payment of all dividends will be made via Euroclear in the same manner as for shareholders resident in Sweden. For information about tax on dividends, see also the section "*Certain tax issues in Sweden*".

All shares carry equal rights to a share in the Company's profits and assets and any potential surplus in a liquidation.

DIVIDEND POLICY

AlzeCure is in an expansive growth phase where any surplus of capital in the business is invested in the business and/or acquisitions. The Company has not, to date, distributed any dividend to its shareholders since the Company's formation. On this basis, AlzeCure has not adopted any dividend policy.

SHARE CAPITAL DEVELOPMENT

The table below describes the development of the Company's share capital since its formation and the changes in the number of shares and the share capital relating to the Offer.

Year	Event	Change in number of shares	Change in share capital (SEK)	Total number of shares	Total share capital (SEK)	Quota value (SEK)
2016	Formation	50,000	50,000.00	50,000	50,000.00	1
2017	Split (100:1)	4,950,000	-	5,000,000	50,000.00	0.01
2017	New issue	2,400,000	24,000.00	7,400,000	74,000.00	0.01
2017	New issue	11,480,000	114,800.00	18,880,000	188,800.00	0.01
2018	New issue	4,600,000	46,000.00	23,480,000	234,800.00	0.01
2018	Bonus issue	-	352,200.00	23,480,000	587,000.00	0.025
2018	New issue relating to the Offer[1]	14,285,715	357,142.875	37,765,715	944,142.875	0.025

1) Assuming that the Offer is fully subscribed and that the Enlargement Option is not utilized.

Previous capital raisings

Since its formation, the Company has conducted capital raisings at three times (excluding the Offer), whereby the Company raised a total of approximately MSEK 110. These capital raisings are described below.

» On 26 May 2017 the Extraordinary General Meeting decided to increase the Company's share capital by up to SEK 24,000 through a directed new issue of up to 2,400,000 shares at a subscription price of SEK 0.01 per share. The issue was directed, with deviation from shareholders' preferential rights, to AlzeCure Discovery AB (right to subscribe to 1,710,000 shares), Alzheimerfonden (right to subscribe to 135,000 shares) and Acturum Real Estate AB (right to subscribe to 555,000 shares). The reasons for the deviation from the shareholders' preferential right was an agreement between all the shareholders. All shares were subscribed in issue in accordance with the distribution specified.

» On 16 June 2017 the Board of Directors decided, pursuant to authorisation granted at the Extraordinary General Meeting on 26 May 2017, to increase the Company's share capital by up to SEK 114,800 through a directed new issue of up to 11,480,000 shares at a subscription price of SEK 6.10 per share. The issue was directed, with deviation from the shareholders' preferential rights, to a limited number of previously informed investors. The reason for the deviation from the shareholders' preferential right was that the Company needed financing. All the shares in the issue were subscribed. The issue was registered by the Swedish Company Registration Office in two instalments; the first part of the issue entailing an increase of the share capital of SEK 69,728.46 was registered on 10 July 2017 and the second (final) part of the issue entailing an increase of the share capital of SEK 45,071.54 was registered on 27 July 2017.

» On 24 May 2018 the Board of Directors decided, pursuant to authorisation granted at the Extraordinary General Meeting on 16 May 2018, to increase the Company's share capital by up to SEK 46,000 through a directed new issue of up to 4,600,000 shares at a subscription price of SEK 8.70 per share. The issue was directed, with deviation from the shareholders' preferential rights, to a limited number of previously informed investors. All the shares in the issue were subscribed.

CENTRAL SECURITIES DEPOSITORY

The Company's shares are registered in a CSD-register pursuant to the Financial Instruments (Accounts) Act (1998:1479). This register is kept by Euroclear Sweden AB (P.O. Box 191, SE-101 23 Stockholm). The shares are registered at person. No share certificates have been issues or will be issued for the newly issued shares. The ISIN-code for the shares is SE0010133785.

SHARE-BASED INCENTIVE PROGRAMMES, CONVERTIBLES, WARRANTS ETC.

As of the date of the Prospectus, the Company has not established any share-based incentive programs or any outstanding securities that can be converted into equity, warrants or other equity-related financial instruments.

AUTHORISATION

The Extraordinary General Meeting of 15 October 2018 decided to authorise the Board of Directors, on one or several occasions, before the next Annual General Meeting, with or without diversion from the shareholders' preferential rights, to decide on a new issue of shares, warrants and/or convertibles. The new share issue may be issued with or without regulations regarding the amount of in-kind contributions, offsetting or other conditions referred to in Chapter 13, Section 5, first paragraph clause 6, Chapter 14, Section 5, first paragraph clause 6 and Chapter 15, Section 5, first paragraph clause 4 of the Companies Act.

The decisions regarding the Offer and the Enlargement Option, if any, are based on the above mentioned authorisation.

OWNERSHIP STRUCTURE

Per the date of the Prospectus, AlzeCure has approximately 140 shareholders. The table below identifies AlzeCure's ten largest shareholders per the date of the Prospectus according to information from Euroclear Sweden.

Shareholders	Number of shares	Percentage votes and capital
BWG Invest Sarl	2,700,000	11.5%
Stiftelsen AlzeCure (via AlzeCure Discovery AB)	1,710,000	7.3%
Danica Pension Försäkrings AB	1,393,400	5.9%
Peter Thelin (including affiliates)	1,150,000	4.9%
Pontus Forsell	850,000	3.6%
Gunnar Nordvall	850,000	3.6%
Johan Lundkvist	850,000	3.6%
Magnus Halldin	850,000	3.6%
Johan Sandin	850,000	3.6%
Thomas Pollare (directly and via company)	730,447	3.1%
Total (ten largest shareholders)	**11,933,847**	**50.8%**
Other	11,546,153	49.2%
Total	**23,480,000**	**100.0%**

SHAREHOLDERS' AGREEMENTS ETC.

As far as the Board of Directors is aware, there are no shareholders agreements or other agreements among any of AlzeCure's shareholders that may lead to a change of control over the Company. As far as the Board of Directors is aware, there are no other agreements or similar that may lead to a change of control over the Company.

LOCK UP

The Board members and senior executives in, and founders of, AlzeCure who prior to the Offer held shares in the Company (for information on these, please see the sections "*Board, senior executives and auditors*" and "*Business Description – Organisation and operations*") before the Offer have, by way of lock up-agreements concluded in September 2018, in relation to Vator Securities, undertaken for a certain period from the first date of trading of the Company's shares on Nasdaq First North Premier, subject to certain provisos, not to sell any shares in the Company without the written consent of Vator Securities ("**Lock up-period**"). The lock-up period for Board members, senior executives and founders is 360 days from the first date of trading in the Company's shares. The undertaking comprises a total of around 21 percent of the total number of shares and votes in the Company before the Offer. The undertaking does not include shares subscribed as a part of the Offer or acquired subsequently. The undertaking does not apply if a public takeover bid is directed to all shareholders in the Company. Vator Securities may grant entirely discretionary exceptions from lock-up commitments. Such exemptions may be granted by Vator Securities on a case-by-case basis and may be of personal as well as business nature.

BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITORS

BOARD OF DIRECTORS

According to the Company's articles of association, the Board of Directors shall consist of at least three and at most ten Board members. The Board of Directors currently consists of five members without deputies. The Board members are elected for the period until the end of the Annual General Meeting 2019.

Name	Position	Date of birth	Date elected	Shareholding*	Independent of Company and Company Management	Independent major shareholder
Thomas Pollare	Chairman	1953	2017	730,447	No	Yes
Annigje van Es Johansson	Member	1960	2017	82,000	No	Yes
Ragnar Linder	Member	1953	2017	3,000	Yes	Yes
Ellen Donnelly	Member	1974	2018	-	Yes	Yes
Pirkko Sulila Tamsen	Member	1959	2018	-	Yes	Yes

* Refers to proprietary holdings and holdings of related of natural and legal persons.

THOMAS POLLARE Date of birth: 1953

Chairman of the Board and Board member since 2017.

Education/experience: Thomas Pollare holds an M.D. from Karolinska Institutet and a Ph.D. from Uppsala university. Thomas Pollare was previously a partner in the Venture Capital company 3i. He has held VP roles in both Pharmacia Corp and Schering-Plough Inc. Has been responsible for market approval of several pharmaceutical products in various therapeutic areas that generated billions in annual sales. Previous experience of Board work in both start-up companies and private equity investments.

Current assignments: Chairman of the Board and CEO of Oncolution AB. Chairman of the Board in Bio-Works Technologies AB, AC Intressenter AB, Sinfonia Biotherapeutics AB, AlzeCure Discovery AB and Stiftelsen AlzeCure. Board member in SSI Diagnostics Holding A/S, Pharmaceuticals Sales & Development Sweden AB and Psilox AB. Deputy Board member in Bio-Works Sweden AB.

Completed Assignments (in the last five years): Chairman of the Board in QuiaPEG Pharmaceuticals AB and QuiaPEG Pharmaceuticals Holding AB. Board member in Cerno Scientific AB, Premacure Holding AB, Premacure AB, Xellia Pharmaceuticals ApS, Centro Gamma Knife Santiago S.a.P Chile, Gamma Knife Center Ecuador S.A, PT GammaKnife Center Indonesia, Cancun Oncology Center S.A.P.I de C.V Mexico, Center de Neuro-radiocirurgia Gamma Knife San Javier S.A de C.V Mexico, Center Oncologico y de Radioterapia TEC 100 S.A.P.I de C.V Mexico, Centro Gamma Knife Domnicana S.R.L. and Sweden Ghana Medical Center Ltd. CEO of Global Medical Investments GMI AB.

Shareholding: 730,447 shares.

Dependent in relation to the Company and the company management, but independent in relation to the Company's largest shareholder.

ANNIGJE VAN ES JOHANSSON Date of birth: 1960

Board member since 2017.

Education/experience: An van Es-Johansson has a Medical Doctor degree from Erasmus University Rotterdam (The Netherlands). An has previously held various senior positions in relation to clinical development, medical affairs, business development and marketing at Sobi, Eli Lilly, Roche, Pharmacia & Upjohn and biotechnology companies in the USA, Holland, Switzerland and Sverige. She is an entrepreneur and also a board member in BioInvent AB and a mentor/coach.

Current assignments: Board member in Van Es Consulting AB and BioInvent International AB. VP Medical Affairs in Swedish Orphan Biovitrum AB.

Completed Assignments (in the last five years): None.

Shareholding: 82,000 shares.

Dependent in relation to the Company and the company management, but independent in relation to the Company's largest shareholder.

RAGNAR LINDER Date of birth: 1953

Board member since 2017.

Education/experience: Ragnar Linder has a Master of Science in Chemical Engineering from Kungliga Tekniska Högskolan. Ragnar is a co-founder of Pygargus, a research company in the area of Real World Evidence, which was bought by IMS Health (currently IQVIA) in 2013 and where Ragnar since then has held senior positions. Ragnar has also held several senior positions within Amgen Nordic (VD), Aventis, HMR and Hoechst. Further, Ragnar has been Board member in several biotech-, pharmaceutical and CRO-companies. Today, Ragnar is an independent consultant.

Current assignments: Board member in R. Linder Holding AB.

Completed Assignments (in the last five years): Board member in Umecrine Cognition AB and Pygargus AB.

Shareholding: 3,000 shares.

Independent in relation to the Company and the company management, as well as to the Company's major shareholders.

ELLEN DONNELLY Date of birth: 1974

Board member since 2018.

Education/experience: Ellen Donnelly has a Ph.D. from Yale University Medical School (USA). Ellen has previously held various senior positions in clinical development, project management, research and strategy at Pfizer. Prior to joining Pfizer, Ellen held various positions in American biotechnology and management consultancy companies.

Current assignments: CEO of Modus Therapeutics Holding AB (publ) and Modus Therapeutics AB.

Completed Assignments (in the last five years): None.

Shareholding: No shareholding.

Independent in relation to the Company and the company management, as well as to the Company's major shareholders.

PIRKKO SULILA TAMSEN Date of birth: 1959

Board member since 2018.

Education/experience: Pirkko Sulila Tamsen has a Ph.D. in zoophysiology from Uppsala University and an MSc in biology and chemistry from Uppsala University. Pirkko is a shareholder and consultant in Arandi Innovation AB, a board member in Örebro Universitet Holding AB and in start-up companies originating from academic research. Pirkko has many years' experience from major pharmaceutical companies, as CEO and shareholder in a clinical contract research company and from development companies in the pharmaceutical sector and research, entrepreneurship and leadership in knowledge companies. Pirkko was previously the CEO of Dilaforette AB (currently known as Modus Therapeutics) and manager of Uppsala University Innovation (UU Innovation).

Current assignments: Board member in Örebro Universitet Holding AB, Örebro Universitet Uppdrag AB, Örebro Universitet Enterprise AB, HepaPredict AB and C26 Bioscience AB. Chairman of the board and board member of Arandi Innovation AB. Chairman of the board of Curenc AB. Deputy board member and deputy CEO of Arandi Development AB.

Completed Assignments (in the last five years): Board member in Rapp AB. Board member in Karolinska Institutet Innovations AB and Uppsala universitet Innovation Tools AB. CEO of Dilaforette AB and NovaSAID AB.

Shareholding: No shareholding.

Independent in relation to the Company and the company management, as well as to the Company's major shareholders.

SENIOR EXECUTIVES

Name	Title	Employed by AlzeCure	Shareholding*
Johan Sandin	CEO	2017	850,000
Birgitta Lundvik	CFO	2018[1]	43,211

* Refers to proprietary holdings and holdings of related of natural and legal persons.

1) Hired by the Company on consultancy basis.

JOHAN SANDIN Date of birth: 1970

CEO since 2017.

Education/experience: Johan Sandin has a Ph.D. from Karolinska Institutet. Johan Sandin is a behavioural pharmacist in neurology with significant international academic and industrial experience. From 2003, he worked with AstraZeneca where he held scientific, project and executive positions in charge of *in vitro* biology, *in vivo* pharmacology and biochemical biomarkers within the CNS field.

Current assignments: Board member and CEO of Sandin Pharma Consulting AB. Board member and Deputy CEO in ArgusEye AB. Board member in AC Intressenter AB. Deputy Board member in Sinfonia Biotherapeutics AB. CEO of AlzeCure Discovery AB.

Completed Assignments (in the last five years): None.

Shareholding: 850,000 shares.

BIRGITTA LUNDVIK Date of birth: 1967

CFO since 2018. Hired on a consultancy basis.

Education/experience: Birgitta Lundvik has an MSc in business administration from Uppsala University and an MBA in finance from the Stockholm School of Economics. Birgitta Lundvik has more than 25 years of experience from software development, life science and real estate companies. She has also been involved in several M&A projects and has broad experience in venture capital companies.

Current assignments: Chairman of the Board in LobSor Pharmaceuticals AB. Board member and CEO in Enable – Finance & Business Development in Sweden AB. Deputy CEO of Favro AB and Nonna Holding AB. Secretary and Treasurer in Favro North America Inc. Deputy Board member in Helander & Lundvik Ekonomikonsulter AB, Balanced Competence Uppsala Redovisningsbyrå AB and Brf Arken.

Completed Assignments (in the last five years): Board member and CEO in Hansoft Technologies AB. CEO of Favro AB and Nonna Holding AB.

Shareholding: 43,211 shares.

OTHER INFORMATION REGARDING THE BOARD MEMBERS AND SENIOR EXECUTIVES

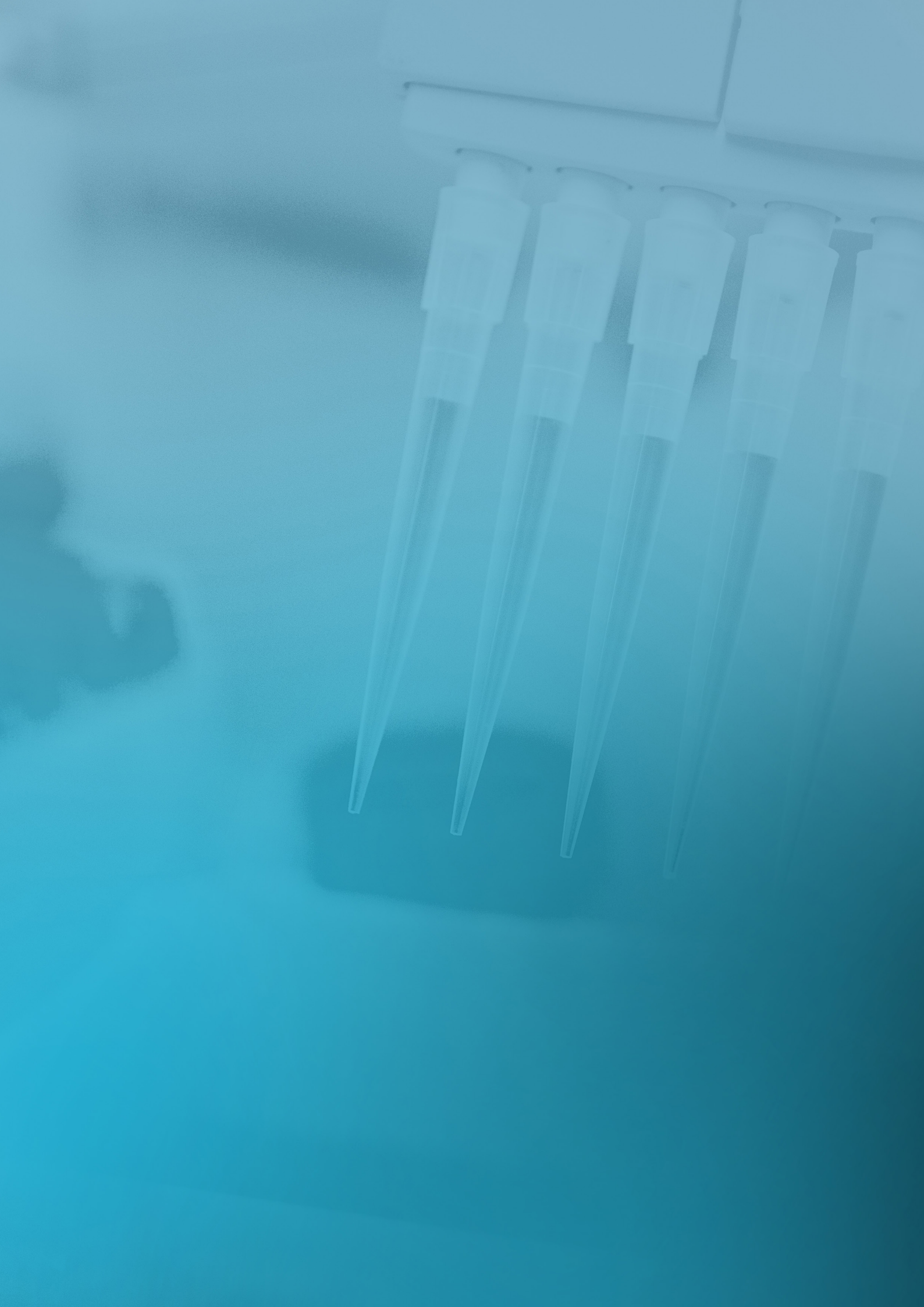
All of the Company's Board members and senior executives can be contacted via the Company's address, Karolinska Institutet Science Park, Hälsovägen 7, SE-141 57 Huddinge.

There are no family ties between Board members and/or senior executives. No Board member or senior executive has been convicted of fraudulent crimes in the last five years. None of the Board members or senior executives have been involved in any bankruptcy, bankruptcy administration or liquidation (with the exception of voluntary liquidation) as a member of management or supervisory bodies or senior executives in the past five years. No accusation and/or sanction has been issued by an authority authorised law or regulation (including approved professional associations) against any of the Company's Board members or senior executives in the past five years. No Board member or senior executive has been disqualified by a court during the past five years as a member of a company's management, supervisory or auditing body or from having managerial or overall functions in a company.

There are no identified conflicts of interest or potential conflicts of interest between the obligations of the Board members or senior executives towards the Company and their private interests and/or other obligations that may be contrary to the Company's interests. However, as set out above, several Board members and senior executives have financial interests in the Company by way of shareholdings. Additionally, all Board members and senior executives who, prior to the Offer, held shares in the Company, have committed not to divest these shares for a period of 360 days. For more information please see the section "*Shares, share capital and ownership structure – Lock-up commitments*".

AUDITORS

Grant Thornton Sweden AB (P.O. Box 7623, SE-103 94 Stockholm) has been the Company's auditor since 2017, with Micael Schultze being auditor in charge since 2017. Micael Schultze, date of birth 1959, is a chartered accountant and a member of FAR, the trade association for auditors in Sweden.



CORPORATE GOVERNANCE

OVERVIEW

AlzeCure is a Swedish public limited company and is governed by Swedish legislation, mainly the Companies Act (SFS 2005:551) and the Annual Accounts Act (SFS 1995:1554) and internal rules and regulations. The Company has applied for the Company's shares to be admitted to trading on Nasdaq First North Premier. If the application is granted, the Company must also comply with Nasdaq First North's rules and the Swedish Corporate Governance Code (the "**Code**") and statements by the Swedish Securities Council regarding good practice on the Swedish stock market.

As a general rule, the Code does not apply to companies whose shares are accepted for trading in a so-called multilateral trading facility (such as Nasdaq First North), however, as of 1 July 2018, the Code applies to companies whose shares are accepted for trading in the Premier-segment of Nasdaq First North. The Code provides for a higher norm for good corporate governance standard than the minimum requirements of the Swedish Companies Act, but companies do not have to comply with all the rules in the Code, as it allows for deviating from the rules, provided that all such deviations and the alternatives chosen are described and the reasons for the deviations are explained in the Corporate Governance Report (the so-called "*comply or explain*" principle). The Company intends to comply with the Code, subject to the deviation that a nomination committee will be set up at the first Annual General Meeting after the Company's shares are admitted for trading on Nasdaq First North Premier.

GENERAL MEETING

Shareholders' rights to decide on the Company's affairs are exercised at the General Meeting. The shareholders exercise their right to vote on key issues, for example approval of income statement and balance sheets, appropriation of the Company's profit or loss, discharge of directors and Board members, election of Board members and auditors and remuneration to the Board of Directors and auditors.

The Annual General Meeting must be held within six months after the expiry of each financial year. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened. According to AlzeCure's articles of association, the General Meeting shall be convened by way of advertisement in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website. Notification of the General Meeting will also be published in Dagens Industri. According to the Company's articles of association, the General Meeting shall be held in Stockholm.

Right to attend General Meeting

Shareholders who are directly registered in the share register kept by Euroclear Sweden five business days (including Saturdays) before the General Meeting and who have notified the Company of their intention to attend the General Meeting no later than the date specified in the summons to the General Meeting have a right to participate at the General Meeting and vote for the number of shares held by them. Shareholders whose shares are nominee registered must register their shares in their own name with Euroclear Sweden in order to be entitled to attend the meeting. Such registration may be temporary Shareholders may participate in the General Meeting in person or via a representative and may also be assisted by a maximum of two persons. Normally, shareholders can register for the General Meeting in a number of ways, which are described in more detail in the summons to the General Meeting.

Shareholder initiatives

Shareholders wishing to have a matter processes at the General Meeting are required to submit a written request to the Board of Directors. The request must normally be received by the Board no later than seven weeks before the General Meeting.

THE BOARD OF DIRECTORS

According to the Swedish Companies Act, the Board of Directors is responsible for the Company's management and organisation, which means that the Board of Directors is responsible, among others, for determining goals and strategies, adopting procedures and systems for evaluation of determined goals, continuously evaluating the Company's financial position and results and evaluating the operational management. The Board of Directors is also responsible for ensuring that the annual accounts and group accounts and interim reports are prepared on time. The Board of Directors also appoints the CEO.

Board members are elected every year at the Annual General Meeting for the period ending at the end of the next Annual General Meeting. According to the Company's articles of association, the Board of Directors shall consist of at least three and at most ten Board members without deputies.

The Chairman of the Board of Directors is elected by the Board of Directors or, in applicable cases, by the Annual General Meeting and has a special responsibility for the management of the Board of Directors' work and that the Board of Directors' work is well organised. The Chairman of the Board of Directors is also responsible for the Board of Directors' evaluation of its work every year and that the Board of Directors receives sufficient information to carry out its work efficiently.

Apart from the rules in the Swedish Companies Act, the Board of Directors complies with a written procedure which is revised annually and adopted by the Board of Directors at the statutory Board meeting held every year after the Annual General Meeting where the Board of Directors has been elected. The procedure governs, among other things, the distribution of responsibilities and tasks among the Board of Directors, the Chairman of the Board of Directors and the CEO and provides for a procedure for the CEO's financial reporting. In connection with the first Board meeting, the Board of Directors also adopts instructions for the CEO.

The Board of Directors meets according to an annual schedule which is approved in advance. Apart from these meetings, additional meetings may be arranged to handle matters that cannot be discussed at ordinary meetings. In addition to the Board meetings, the Chairman of the Board of Directors and the CEO conduct a continuous dialogue regarding the management of the Company.

The Board of Directors has determined, based on its size and composition, that the tasks of the compensation committee and the audit committee are best carried out by the Board of Directors as a whole and therefore decided not to appoint any special committees.

At the date of the Prospectus the Company's Board of Directors consists of five Board members who are presented in more detail in the section "*Board of Directors, Senior Executives and Auditors - Board of Directors*".

CHIEF EXECUTIVE OFFICER

The CEO is appointed by, and subordinate to the Board of Directors and has the primary responsibility for the Company's day-to-day management and the daily operations. The CEO must comply with the Board of Directors' guidelines and instructions. The distribution of tasks among the Board of Directors and the CEO are specified in the Board of Directors' procedure and the CEO's instructions. The CEO is also responsible for drafting reports and compiling information from the management before Board meetings and is rapporteur for the materials at the Board meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in AlzeCure and shall accordingly ensure that the

Board of Directors obtains sufficient information for the Board of Directors to continuously be able to evaluate AlzeCure's financial position.

The CEO shall continuously keep the Board of Directors informed on the development of the Company's operations, the development of turnover, the Company's results and financial position, the liquidity and credit situation, important business events and other circumstances that cannot be assumed to be insignificant, in the view of the Company's shareholders, for the Board of Directors to be aware of (such as material disputes and termination of agreements that are significant for the Company and other significant circumstances regarding the operations).

The CEO and other senior executives are presented in the section "*Board of Directors, senior executives and auditor – Senior executives*".

REMUNERATION AND TERMS OF EMPLOYMENT

The Board of Directors

The Chairman and members of the Board of Directors are paid fees according to the decision of the General Meeting. The Annual General Meeting of 16 May 2018 decided that the Chairman of the Board would be paid a fee of SEK 100,000 and that the other Board members who are not employees of the Company would receive a fee of SEK 50,000 each. At the Extraordinary General Assembly held on 15 October 2018, it was decided that the fee for Pirkko Sulila Tamsen would be pro-rated in relation to Pirkko Sulila Tamsen's service period in the period from the Extraordinary General Assembly to the end of the next Annual General Assembly. The Board members are not entitled to any benefits after their assignment as Board members has ceased.

In 2017, no remuneration was paid to the Board members.

Board member An van Es-Johansson, through the wholly-owned company van Es Consulting AB, entered into a consulting agreement with the Company in September 2018, according to which she must provide services relating to Phase I-studies and the development of the clinical programme. The assignment does not include the Board assignments carried out within the framework of the Board assignment obtained by the General Meeting.

CEO and other senior executives

Remuneration to senior executives who are employees may consist of basic remuneration, pension and other benefits. Notice period and compensation on termination is individual and regulated in the respective employment agreements. For the CEO, a mutual notice period of six months applies. Under the employment agreement, the CEO is entitled to remuneration from the Company amounting to the difference between the CEO's monthly salary at termination and the new CEO's salary received in the six months following the date of termination. This remuneration may not, however, exceed 60 percent of the monthly salary received by the CEO from the Company. AlzeCure's employment agreements include provisions under which all intellectual property rights developed by employees as a part of the latter's employment shall belong to AlzeCure. The Company's employment agreements include no competition clauses.

The Company has concluded a consultancy agreement with Enable - Finance & Business Development in Sweden AB under which Birgitta Lundvik is appointed CFO. Remuneration for services relating to the position as CFO is payable in the amount of SEK 1,500 per hour. The Agreement is in force to and including 31 December 2019 with three months' mutual notice of termination. The agreement includes customary provisions regarding intellectual property rights, confidentiality and restrictions on competition.

Other than as stated above, no senior executive is entitled to remuneration upon termination of employment.

The table below sets out the remuneration received by the Company's senior executives for the first financial year (amounts in SEK).

Name	Basic remuneration	Other benefits	Pension costs[1]	Total
CEO	272,000	-	81,000	353,000
Senior Executives[2]	-	-	-	-
Total	272,000	-	81,000	353,000

1) The company has no set aside or accrued amounts for pensions or similar benefits after discharge from services.
2) The Company had no senior executives other than the CEO in 2017.

AUDIT

The Company's statutory auditors are appointed by the Annual General Meeting. The auditor must review the Company's annual report and accounts, the annual report of the group and significant subsidiaries and the Board's and the CEO's management. The auditor shall submit an auditor's report to the AGM at the end of each financial year. According to the Company's articles of association, the Company shall have one or two auditors and at most one deputy auditor.

Grant Thornton Sweden AB (P.O. Box 7623, SE-103 94 Stockholm) has been the Company's auditor since 2017, with Micael Schultze being auditor in charge since 2017. Micael Schultze, date of birth 1959, is a chartered accountant and a member of FAR, the trade association for auditors in Sweden. The total remuneration of the Company's auditors in 2017 was SEK 65,000.

INTERNAL CONTROL

The Company has decided not to establish any special function for internal control, and instead this task is carried out by the Board of Directors as a whole.

Internal control includes control over the Company's organisation, procedures and actions. The objective is to ensure reliable and correct financial reporting, that the Company's financial reporting is prepared in accordance with the law and applicable accounting standards and that other requirements are met. The internal control system also aims to monitor compliance with the Company's guidelines, principles and instructions. Additionally, the protection of the Company's assets and the cost-effective and appropriate use of the Company's resources are monitored. Furthermore, internal control is carried out through review of implemented information and business systems and analysis of risks.

ARTICLES OF ASSOCIATION

1. COMPANY NAME

The Company's name is AlzeCure Pharma AB. The Company is a public company (publ).

2. SEAT OF THE BOARD

The Board's seat is located in Stockholm municipality, County of Stockholm.

3. OPERATIONS

The Company shall directly or indirectly conduct research, development, manufacture, acquisition and sale of pharmaceuticals and diagnostics and related activities.

4. SHARE CAPITAL

The share capital shall be at least SEK 580,000 and at most SEK 2,320,000.

5. NUMBER OF SHARES

The number of shares shall be at least 23,200,000 and at most 92,800,000.

6. BOARD OF DIRECTORS

The Board of Directors shall consist of at least three and at most nine Board members without deputies.

7. AUDITORS

The Company shall have one or two auditors and at most one deputy auditor. A chartered accountant or a registered audit company shall be appointed auditor, and in applicable cases, deputy auditor.

8. NOTICE OF GENERAL MEETINGS

The General Meeting shall be convened by way of advertisement in Post- och Inrikes Tidningar and on the Company's website. Notification of the General Meeting will also be published in Dagens Industri.

Shareholders who wish to participate in the General Meeting must either be included in the printout or other presentation of the entire share register regarding the circumstances five weekdays before the meeting and also give the Company notice by the date stated in the notice convening the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not earlier than the fifth weekday before the General Meeting. At the General Meeting, shareholders may bring one or two deputies, if the shareholder notifies the company of the number of deputies in the manner specified in the previous paragraph.

9. ANNUAL GENERAL MEETING

At the Annual General Meeting, the following matters shall be discussed.

1) Appointment of Chairman of the General Meeting;

2) Preparation and approval of voting list;

3) Approval of agenda;

4) Election of one or two persons to check the minutes;

5) Determination of whether the General Meeting has been duly convened;

6) Presentation of the Annual Accounts and Auditor's Report, as well as, where applicable, the consolidated accounts and the Group Audit Report;

7) Decision
   a) on the approval of income statement and balance sheet, and, where applicable, consolidated income statement and consolidated balance sheet,
   b) regarding the company's profit or loss in accordance with the approved balance sheet,
   c) on discharge of Board members and CEO ;

8) Determination of Board and auditor's fees;

9) Election of Board of Directors and auditing company or auditors, as well as any deputy auditors;

10) Other matters within the General Meeting's competence pursuant to the Swedish Companies Act or the articles of association.

10. FINANCIAL YEAR

The Company's financial year shall be 0101-1231.

11. ELECTRONIC CSD REGISTRATION

A shareholder or trustee who, on the recorded date, is entered in the share register and recorded in a reconciliation register, according to Chapter 4 of the Securities Depositories and Financial Instruments Accounts Act (1998:1479) or those listed in reconciliation accounts under Chapter 4, Section 18, first paragraph, clause 6 to 8, shall be deemed to be entitled to exercise the rights set forth in Chapter 4, Section 39 of the Swedish Companies Act (SFS 2005: 551).

*****

The articles of association were adopted at the Extraordinary General Meeting on 15 October 2018.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

GENERAL COMPANY AND GROUP INFORMATION

AlzeCure Pharma AB, with corporate registration number 559094-8302, is a Swedish public limited liability company formed on 22 November 2016 and registered by the Swedish Companies Registration Office on 29 December 2016. The Company is governed by, and the business is operated in accordance with the Swedish Companies Act (SFS 2005:551). The current name (and trade name) was registered on 23 May 2017. The registered office of the Company is in Stockholm municipality. The Company does not form part of a corporate group.

MATERIAL AGREEMENTS

Below is a summary of material agreements that the Company has entered into since the Company was formed and other agreements that the Company has entered into and that include rights or obligations that are of material significance for the Company (in both cases except agreements entered into in the day to day operations).

Agreement with Acturum Real Estate regarding Gamma-Secretase Modulation.

On 31 May 2017, the Company entered into an agreement with Acturum Real Estate AB regarding the acquisition of all rights connected to the project regarding Gamma Secretase Modulator. The purchase price was paid in the form of 555,000 newly issued shares in the Company (more information is available in the section "*Share, share capital and ownership structure - Share capital development - Previous capital raisings*").

Licence agreement with Stiftelsen AlzeCure regarding the trademark "AlzeCure"

On 28 March 2018, the Company entered into an agreement with Stiftelsen AlzeCure regarding the use of the trademark "AlzeCure". According to the agreement, the Company has a non-exclusive right, free of charge, to use the brand name globally. The agreement remains in force until further notice as long as the trademark is registered and thus protected.

Agreement with AlzeCure Discovery regarding NeuroRestore

On 25 May 2017, the Company entered into an agreement with AlzeCure Discovery AB regarding the rights to the NeuroRestore-project, including all IP and commercial rights to the project. The purchase price amounted to SEK 17,100.

Service agreement with Stiftelsen AlzeCure regarding NeuroRestore and Alzstatin

On 1 July 2017, the Company entered into an agreement with Stiftelsen AlzeCure regarding the provision of qualified research and laboratory services required for the commercial development of the projects NeuroRestore and Alzstatin. Under the agreement, the Company has an exclusive right to all IP and commercial rights arising in connection with the service. Costs are invoiced regularly according to appendix. The agreement remains in force until further notice with a mutual notice period of three months.

Agreement with Scandinavian Development Services regarding advisory services.

On 22 September 2017, the Company entered into an agreement with Scandinavian Development Services AB regarding advise on regulatory matters, product development and biostatistics. The agreement remains in force until further notice with a mutual notice period of one month.

Agreement with IMR Partner regarding consultancy services

On 22 November 2017, AlzeCure entered into an agreement with IMR Partner GmbH regarding consultancy services in strategic advice, clinical development, quality control, regulatory matters and associated services. The agreement does not include any obligations for the parties to order or deliver services without orders and order confirmations. The agreement is subject to Swiss law.

On 2 January 2018, the Company ordered consultancy services, according to said agreement with IMR Partner, regarding two consultants. The consultants shall carry out clinical development, clinical project development, safety monitoring and the preparation of a quality control system. Remuneration is payable according to prime cost with a daily cost of EUR 1,000. The agreement remains in force until further notice for the duration of the service with a mutual notice period of 30 days.

Agreement with CTC Clinical Trial Consultants regarding clinical study relating to ACD855

On 5 March 2018, the Company entered into a preliminary agreement with CTC Clinical Trial Consultants AB regarding preparations before a clinical study relating to the candidate ACD855. According to the agreement, the costs of the preparations shall be limited to SEK 150,000. The agreement remains in force until further notice pending conclusion of the main agreement or termination of negotiations.

Agreement with CTC Clinical Trial Consultants regarding treatment and analysis of data

On 9 May 2018, the Company entered into an agreement with CTC Clinical Trial Consultants AB regarding treatment and analysis of data in a clinical study. Remuneration is payable according to prime cost as per a price list. The agreement remains in force until further notice for the duration of the service, following which it is extended by 12 months, subject to a notice period of 30 days in case the Company terminates.

Agreement with Charles River Laboratories regarding the performance of clinical studies

On 28 July 2017 AlzeCure entered into an agreement with Charles River Laboratories, Inc. regarding the performance of studies on mice. The term of the agreement is five years, with a notice period of 30 days for the Company. The agreement is governed by the law of the relevant jurisdiction where the service is provided.

Agreement with Sofus Regulatory Affairs regarding consulting services

On 13 December 2017, the Company entered into an agreement with Sofus Regulatory Affairs AB regarding assistance with drafting of scientific instructions and clinical study documentation and advice on regulatory matters regarding future clinical studies and development programmes. Remuneration of SEK 1,795 per hour is payable under the agreement. The agreement is valid for one year and subsequently extended by six months at a time unless it is terminated two months before the next extension.

Agreement with SP Process Development regarding products in connection with Phase I in clinical study

On 29 June 2017, AlzeCure entered into an agreement with SP Process Development AB regarding purchase or manufacture of API and development of pharmaceutical products for clinical study in Phase I, and to produce a combination with two different strengths plus a placebo for Phase I in the clinical study. Total remuneration of MSEK 2.3 is payable under the agreement.

Agreement with CiToxLAB regarding performance of studies.

On 30 October 2017, the Company entered into an agreement with CiToxLAB Scantox A/S regarding preparations for and performance of a clinical study on mice and a clinical study on mini-pigs. Total remuneration of around KEUR 28 is payable under the agreement.

Additionally, on 2 November 2017 AlzeCure entered into an agreement with CiToxLAB regarding preparations for and performance of a clinical study on how the Company's products bind proteins. Remuneration is payable in a total amount of KEUR 7.6.

Service agreement with PRIMAL ENTERPRISES

On 1 July 2018 AlzeCure entered into an agreement with PRIMAL ENTERPRISES LIMITED regarding certain services connected with chemical synthesis. The framework agreement includes general terms relating to the services that will be provided, while the specific services are governed in separate purchase orders concluded as the project progresses. Per the date of the Prospectus, PRIMAL already provides certain services regarding the production of chemical synthesis under the framework agreement and in accordance with a purchase order.

GRANTS

On 20 October 2017, AlzeCure was allocated a grant by the strategic innovation programme Swelife. The grant was financed via the innovation agency Vinnova and related to the Company's research regarding the drug candidates in the Alzstatin platform, so-called gamma secretase modulators, which decrease the formation of the amyloid-beta-42 peptide, which forms the amyloid plaque in the brain that are characteristics for this disease. At the date of the Prospectus, approximately MSEK 3.52 has been paid to the Company. A repayment obligation is triggered if a project is terminated and the accrued project costs are less than the amount paid to the Company.

LEGAL PROCEEDINGS AND ARBITRATION

In the last twelve months, AlzeCure has not been a party to any legal proceedings or arbitrations (including unfinished cases or matters that the Company knows may arise), which have recently had or could have a material effect on AlzeCure's financial position or profitability. However, it cannot be precluded that AlzeCure may become involved in such proceedings and that they may affect the Company's financial position and profitability.

INTELLECTUAL PROPERTY RIGHTS

AlzeCure's intellectual property rights are protected mainly through patents and patent applications. The Company has hired a patent attorney for management of the Company's patents. AlzeCure's patent portfolio currently includes approved patents and patent applications that are either under investigation, under evaluation or awaiting approval. The Company has 37 patents and patent applications divided into 7 patent families. The Company's already approved patents include the Company's platform Alzstatin. The Company believes the protection of the Company's patent is sufficient.

A summary of the Company's most important and published patent families is set out below.

Family	Area	Status and market	Term
Patents relating to the NeuroRestore project.	Modulators of neurotrohpin receptors.	Pending: International application within all PCT jurisdictions (around 150 jurisdictions in total). 4 priority applications.	December 2037.
Patents relating to the Alzstatin project.	Gamma secretase modulators.	Granted: 22 patents in the European market (including Sweden); 3 patents in China; 2 patents in the USA; 2 patents in Japan. Pending: 1 patent application in Japan; 1 patent application in the USA; 1 patent application in the European market.	June 2034.

The Company has registered the brand name "ALZSTATIN" in the EU and has submitted applications regarding registration of the brand name "NeuroRestore" in the EU and USA. Additionally, the Company licenses the brand name "AlzeCure" from Stiftelsen AlzeCure (more information is available in the section "*Material agreements - Licence agreement with Stiftelsen AlzeCure regarding the brand name "AlzeCure""* above).

PERMITS

The Company's current operations require a number of regulatory permits. The permits held, directly and indirectly, by the Company relate to animal trials in mice and rats. In the Board's view, AlzeCure has the necessary permits to operate the business.

INSURANCES

AlzeCure has purchase customary insurance via insurance brokers in the form of corporate insurance, liability insurance for the Board and CEO and business travel insurance.

The Board believes that AlzeCure has a satisfactory insurance cover having regard to AlzeCure's turnover, financial position and the type of operations conducted, and the risks arising to date in the operations. No part of the operations is deemed to be of a nature such that insurance cover cannot be obtained on market terms.

The Board of Directors assesses AlzeCure's insurance requirements regulatory to ensure that the Company, at each time and stage in the development of operations, has adequate insurance cover.

RELATED PARTY TRANSACTIONS

Related parties are all Board members and senior executives and their family members. Related party transactions are transactions between such persons and AlzeCure. The principles governing what is deemed a related party transaction are set out in the IAS 24 regulations.

The Company's CFO is hired by AlzeCure as a consultant. The consultancy agreement was concluded with Enable - Finance & Business Development in Sweden AB. More information is available in the section "*Corporate governance - Remuneration and employment terms*".
Board member An van Es-Johansson, through the wholly-owned company van Es Consulting AB, concluded a consulting agreement with the Company in September 2018, according to which she must provide services relating to Phase I-studies and the development of the clinical programme. No remuneration has been paid to date under the agreement.

The Board of Directors believes that all transactions with related parties have been carried out on market terms.

Other than the related party transactions set out above AlzeCure has not been a party to any related party transactions in the period covered by the historical financial information in the Prospectus (up to and including the date of the Prospectus), that are, individually or jointly, significant to the Company. Information on remuneration of Board members and senior executives is available in the section "*Corporate governance - Remuneration and employment terms*".

SUBSCRIPTION COMMITMENTS

A number of existing shareholders and external investors have committed to subscribe for shares in the Offer corresponding to a total of approximately MSEK 155 according to subscription commitments. The total subscription commitments correspond to approximately 77 percent of the Offer. No remuneration or other compensation is payable to the investors who have extended the subscription commitments.

Each of the following investors have committed to subscribe to five percent or more of the shares in the Offer:

Subscription Undertaker	Share of the Offer
» William Gunnarsson	11,5%
» SEB-stiftelsen	9,8%
» Erik Penser Bank (on behalf of a customer)	6,0%

ADVISORS ETC.

Vator Securities is Sole Global Coordinator and Bookrunner in connection with the Offer and have provided, and may provide in the future, services in the context of ordinary operations and in connection with other transactions for AlzeCure for which they have received, or may receive, customary compensation. The Company's view is that there is no risk of conflicts of interest.

Hamilton Advokatbyrå is AlzeCure's legal advisor in connection with the Offer.

CERTIFIED ADVISER

The Company has appointed FNCA Sweden AB ("**FNCA**") as Certified Adviser at Nasdaq First North Premier. FNCA does not own any shares in the Company.

COSTS RELATING TO THE OFFER

Vator Securities receive remuneration for financial advice and other services in connection with the Offer. The total amount of remuneration received is contingent on the success of the Offer. Costs relating to the Offer relate mainly to costs of remuneration to financial advisors, auditors, legal advisors, printing of the Prospectus, marketing in connection with the Offer and costs of company presentations. The total costs relating to the Offer are expected to amount to MSEK 18.9.

AVAILABLE DOCUMENTS

The following documents are available in electronic form at the Company's website, www.alzecurepharma.com. Copies of all documents are also kept available in the Company's head office at Hälsovägen 7 in Huddinge during the validity period of the Prospectus (ordinary office hours on weekdays):

» The Company's articles of association

» The Company's audited Annual Accounts for the financial year 2017 (including the auditors' report). The Annual Accounts for the financial year 2017 cover the period from and including 22 November 2016 to and including 31 December 2017.

» The Company's reviewed interim report for the period 1 January - 30 September 2018.

DOCUMENTS INCORPORATED BY REFERENCE

AlzeCure was formed on 22 November 2016 and accordingly the Company's first full financial year was 2017 and therefore the selected historical financial information presented in the Prospectus relates to the financial year 2017 (which covers the period from and including 22 November 2016 to and including 31 December 2017) and the period January – September 2018 (with the comparative period January – September 2017). Parts of AlzeCure's financial reports and auditors' reports for the financial year 2017 and the interim period January - September 2018 are incorporated by reference and form part of the Prospectus and should be read as a part hereof. The following references are made:

» Annual Accounts 2017: income statement and report regarding total earnings (page 6), balance sheet (pages 7-8), cashflow analysis (page 9), notes (pages 10-19) and auditors' report (pages 20-21).

» Interim report for the period January – September 2018: The document is incorporated in whole.

The parts in the respective document that are not referred to include information found in other parts of the Prospectus or information that is irrelevant for an investor. The Company's annual report for the financial year 2017 have been audited by Grant Thornton Sweden AB in accordance with the auditors' report incorporated by reference. The Company's interim report for the period January - September 2018 have been reviewed by Grant Thornton Sweden AB in accordance with the review report incorporated by reference. The Company's annual report for 2017 were prepared in accordance with the Annual Accounts Act and RFR 2 *Reporting for Legal Entities*, and the interim report for the period January - September 2018 was prepared in accordance with IAS 34 *Interim reporting*. Parts of the Company's annual report for 2017 and interim report for the period January - September 2018 are incorporated by reference and form part of the Prospectus.

The documents incorporated by reference are available on the Company's website, www.alzecurepharma.com.

CERTAIN TAX MATTERS IN SWEDEN

Below is a summary of certain tax matters in Sweden which are relevant in connection with the Offer and the admission to trading of the Company's shares on Nasdaq First North Premier. The summary is only applicable to natural persons and limited companies resident in Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is only intended as general information regarding the shares in the Company from and including the admission to trading of the shares on Nasdaq First North Premier.

THE SUMMARY DOES NOT COVER:

» situations where shares are held as stock in business,

» situations where shares are held by limited partnerships or partnerships,

» the special rules for tax-free capital gains (including deductions for capital losses) and dividends in the corporate sector that may apply when investors hold shares in the Company that are considered to be business-related (for tax purposes),

» the special rules that may, in some cases, become applicable to shares in companies that are or have been closely held companies or shares acquired with such shares,

» the special rules that may become applicable to natural persons who make or return investment deductions,

» foreign companies operating from a permanent establishment in Sweden, or

» foreign companies that have been Swedish companies.

Special tax rules apply to certain company categories. The tax treatment of each individual shareholder is partly due to his/her particular situation. Each shareholder should consult independent tax advisors regarding the tax consequences that the Offer and admission to trading of the Company's shares on Nasdaq First North Premier may cause for such shareholder, including the applicability and effect of foreign legislation (including regulations) and double taxation treaties.

INDIVIDUALS

For individuals with unlimited tax liability in Sweden, capital income, such as interest, dividends and capital gains, is subject to taxation. The tax rate for capital income is 30 percent. Capital gains and losses on capital, respectively, correspond to the difference between sales compensation, after deduction of selling expenses, and the purchase price. The total purchase price for all shares of the same kind and variety is divided by the number of shares. For listed shares, the purchase price may alternatively be calculated as 20 percent of the income after deduction of selling expenses.

Capital losses on listed shares may be fully deducted from taxable capital gains on shares in the same year as well as on listed securities that are taxed as shares (except mutual funds or hedge funds or containing only Swedish claims, i.e. interest funds). Capital losses not deducted according to the aforementioned option to offset are deductible to 70 percent in capital income.

In case of a net loss in capital income, a tax reduction is granted on income from employment and business, as well as property tax and municipal property tax. The tax reduction is 30 percent of the net loss up to SEK 100,000 and 21 percent of any remaining net loss. A net loss may not be carried over to future fiscal years.

For individuals with unlimited tax liability in Sweden, preliminary tax on dividends is withheld at a rate of 30 percent. The preliminary tax is usually withheld by Euroclear Sweden, or in case of nominee-registered shares, by the trustee.

Natural persons who hold shares through investment savings accounts are not taxed for capital gains on sale or for dividends on such shares. Accordingly, losses are not deductible. Tax is levied on a standardised income based on a capital base multiplied by the government loan rate, regardless of whether the investment savings account yields a profit or loss. As of 1 January 2016, the standard tax is based on a capital base multiplied by the government loan rate is increased by 0.75 percentage points, but at least 1.25 percent of the capital base.

LIMITED LIABILITY COMPANIES

For a limited liability company, all income, including taxable capital gains and dividends, are taxed at a rate of 22 percent.

Deductions for deductible capital losses on shares are granted only against taxable capital gains on shares and other securities that are taxed as shares. Capital losses on shares that have not been utilised during the year in which the loss arises may be saved (by the limited company that incurred the loss) and deducted from taxable capital gains on shares and other securities taxed as shares in subsequent tax years without limitation in time. If a capital loss cannot be deducted from the loss-making company, it may be deducted from taxable capital gains on shares and other securities that are taxed as shares of another company in the same group if there is a group subsidy between the companies and both companies file such a request for a tax year with the same tax return date (or which would have had so unless one of the companies' accounting obligation had ceased). Special tax rules may apply to certain categories of companies or certain legal persons, for example investment companies.

SHAREHOLDERS WITH LIMITED TAX LIABILITY IN SWEDEN

For shareholders with limited tax liability in Sweden and who receive dividends on shares in a Swedish limited company, Swedish withholding tax is normally charged. The same applies to certain types of payments from a Swedish limited company in connection with, among other things, redemption of shares and repurchase of own shares through an acquisition offer addressed to all shareholders or all shareholders of a certain class. The tax rate is 30 percent. The tax rate is generally reduced, however, as a result of double taxation treaties. In Sweden the deduction for withholding tax is normally implemented by Euroclear Sweden, or in case of nominee-registered shares, by the trustee.

Shareholders with limited tax liability in Sweden - and who do not operate from a permanent establishment in Sweden - are not normally liable to pay capital gains in Sweden on disposal of shares. However, holders may be subject to taxation in their country of residence.

However, according to a special rule, natural persons who have limited tax liability in Sweden are subject to capital gains tax in Sweden on the sale of shares in the Company if at any time during the calendar year when the divestment occurs or during the previous ten calendar years they have been domiciled in Sweden or ordinarily resident in Sweden. The applicability of this rule is limited, however, in several cases as a result of double taxation treaties.

GLOSSARY

WORD	DEFINITION
AlzeCure, AlzeCure Pharma or the Company	AlzeCure Pharma AB
Amyloid-beta	A peptide which is the main component in plaque found in the brain of Alzheimer's patients
Antibody	Protein used by the body's immune system to detect and render harmless foreign substances
BDNF	Brain Derived Neurotrophic Factor
Bio-marker	Measurable indicator of a biological state
Blood Brain Barrier	Combined capillary pathways in the brain's blood vessels that protect the brain tissue
Clinical studies	Drug trial conducted in humans
CNS	Central nervous system
CTE	Chronic traumatic encephalopathy
Drug candidate	A drug under development that has not yet obtained market approval
Fibrils	Small wire-like structures that occur in and around cells. Around one nanometre thick and consisting of proteins or polysaccharides
GSM	Gamma secretase modulators
In vitro	Biological process, outside organisms, in test tubes or cell cultures
In vivo	Biological process occurring in animals or humans
KOL	Key Opinion Leader
M	Million
Monoclonal antibody	Antibodies that are identical because they originate from daughter cells of the same B-cell clone
Monomer	The monomer is the initial molecule in polymerisation. In polymerisation, the monomers are combined into long molecule chains through polymerisation and form polymers.
NGF	Nerve Growth Factor
Oligomers / protofibrils	Molecule chain of several monomers
Peptide	Molecule consisting of amino acids
Preclinical studies	Studies conducted in a laboratory environment (not in humans)
SEK	Swedish kronor
TBI	Traumatic brain injury
USD	US dollar

ADDRESSES

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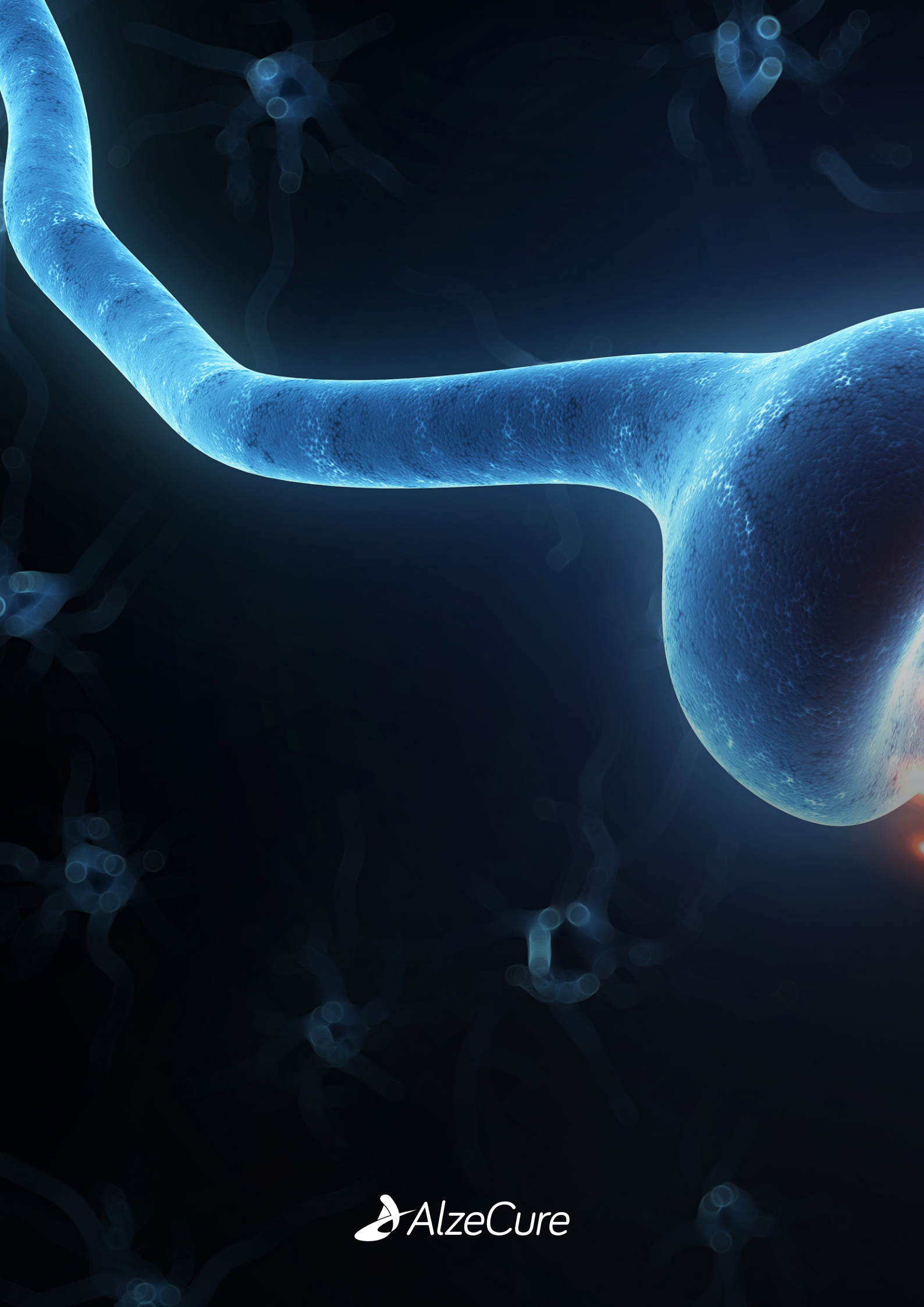
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