Interim report for the fourth quarter and full-year 2018

AlzeCure develops new drug therapies for the treatment of severe neurodegenerative diseases such as Alzheimer's and Parkinson's, where there is currently very limited treatment available. AlzeCure seeks to pursue its own projects through preclinical research and development to an early clinical phase.

AlzeCure Pharma AB is a Swedish pharmaceutical company engaged in innovative drug research with a primary focus on Alzheimer's disease. The company is listed on Nasdaq First North Premier and is developing five drug candidates based on the two research platforms, NeuroRestore and Alzstatin. The NeuroRestore platform comprises symptomatic drug candidates while Alzstatin comprises disease modifying and preventive drug candidates. A diversified portfolio of drug candidates that act on central signaling pathways in the brain also opens up for other indications such as cognitive dysfunctions in traumatic brain injury (TBI), sleep apnea and Parkinson's disease. FNCA Sweden AB is the company's certified adviser: contact +46(0)8 528 00 399, info@fnca.se. For further information, please visit our website at www.alzecurepharma.se.

We continue our journey towards new, effective treatments for Alzheimer's disease

Financial information for the fourth quarter, 2018

- Net sales during the period amounted to SEK 0 thousand (0).
- Earnings after financial items amounted to SEK -12,967 thousand (-5,672).
- Earnings per share before and after dilution amounted to SEK -0.42 (-0.30)
- Cash and cash equivalents amounted to SEK 234,549 thousand (53,952) as of 12/31/2018.

Financial information for the full year, 2018

- Net sales during the period amounted to SEK 0 thousand (0).
- Earnings after financial items amounted to SEK -35,985 thousand (-10,822).
- Earnings per share before and after dilution amounted to SEK -1.58 (-0.79)
- The Board proposes that no dividend be paid for the financial year.

"We are convinced that the time has now come for the successful development of effective treatments against Alzheimer's. Great strides have been made in diagnostics and clinical research in recent years that have led to an increased understanding of this serious disease.

Johan Sandin, CEO

For further information, please visit www.alzecurepharma.se or contact:
Johan Sandin, CEO
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Significant events during the period January to December 2018

October – December

- An extraordinary shareholders' meeting was held on October 15. The meeting resolved to issue a stock dividend, change the incorporation form to public and elect Pirkko Sulila Tamsen as a member of the board. Pirkko has many years' experience from development companies in the pharmaceutical sector as well as research, entrepreneurship and management in knowledge-based enterprises.
- The Board resolved to list the company's shares on Nasdaq First North Premier, which took place on November 28.
- The company was granted the necessary public authority approvals to begin clinical phase 1 trials for the ACD855 drug candidate in the NeuroRestore platform. The company dosed the first subjects in the study in December.

January – September

- During the summer, the company carried out a targeted new share issue, raising proceeds of around SEK 40 million.
- Ellen Donnelly was elected to the board at the AGM on May 16, further reinforcing and broadening board expertise.
- Preclinical testing of ACD855 was concluded in July.

Significant events after the closing date

No significant events have taken place since the closing date.

A word from the CEO

Humanity's tireless struggle to cure diseases and discover new and better medicines continues. While we've witnessed many outstanding successes over the years that have cured countless patients and alleviated great suffering, a great many serious indications and a huge medical unmet need still exist. These especially include Alzheimer's disease – a deadly neurodegenerative disease that still lacks effective treatments. This serious disease affects millions of people worldwide and costs society billions every year.

"The time is right. There is enormous need, and research has made giant strides.

AlzeCure is working on new treatments for the disease, in both the preventative and symptomatic settings. Our unique Alzstatin and NeuroRestore research platforms focus on two key findings about the disease – the accumulation of Aβ amyloid (such as plaques) in the brain and the disruption of normal nerve cell function that leads to the symptoms of the disease. AlzeCure has a diversified portfolio with five drug candidates and the company's focus during 2018 was on progressing each candidate toward the clinic.

AlzeCure enjoyed an eventful 2018, further developing and extending its two research platforms during the year to a total of five drug candidates in its portfolio. This not only presents better opportunities for proceeding all the way to patients and the market, but also enhances the potential for the treatment of several indications in addition to Alzheimer's such as cognitive disorders in Traumatic Brain Injury (TBIs), Parkinson's and sleep apnea as well as possible eye/ear indications. We plan to have two or three drug candidates in clinical trials in 2020.

The company carried out a targeted new share issue in June to enable planning and procurement for the clinical phase I trials for ACD855, our leading drug candidate in the NeuroRestore platform. During the summer, we also concluded the final preparatory preclinical studies for ACD855 prior to submission of the regulatory documents required to enable clinical trials to begin.

During late fall, the company received approval from the Swedish Medical Products Agency and the relevant ethics committee to begin clinical phase I trials, and in December we began administering doses to the first individuals in this double-blind, placebo-controlled, randomized first-in-man trial to evaluate safety, tolerance, pharmacokinetics and CNS pharmacodynamics for ACD855. Trial commencement follows the schedule set for this leading drug candidate designed to treat patients suffering from diseases with cognitive dysfunction such as Alzheimer's.

The commencement of this trial is an important milestone for us. ACD855 has the potential to improve cognitive function in several different diseases, including Alzheimer's, and may thus become a very important treatment for improving the quality of life in patients.

In our disease-modifying platform, Alzstatin, the leading drug candidate ACD679 has begun the important safety pharmacological and toxicological studies necessary before clinical trials may begin. There is a huge unmet medical need for treatments

Continued on next page

A word from the CEO, cont.

of this kind and a disease modifying therapy for Alzheimer's disease is expected to generate more than USD 10 billion in annual sales. Alzstatin focuses on reducing the production of amyloidogenic Abeta in the brain. The target mechanism is supported by recently reported clinical study results (the BAN2401 study) which we believe validate the amyloid hypothesis and thus Alzstatin's focus. We have also recently seen major advances in the diagnostic field, which is important for appropriate patient selection in our upcoming clinical studies.

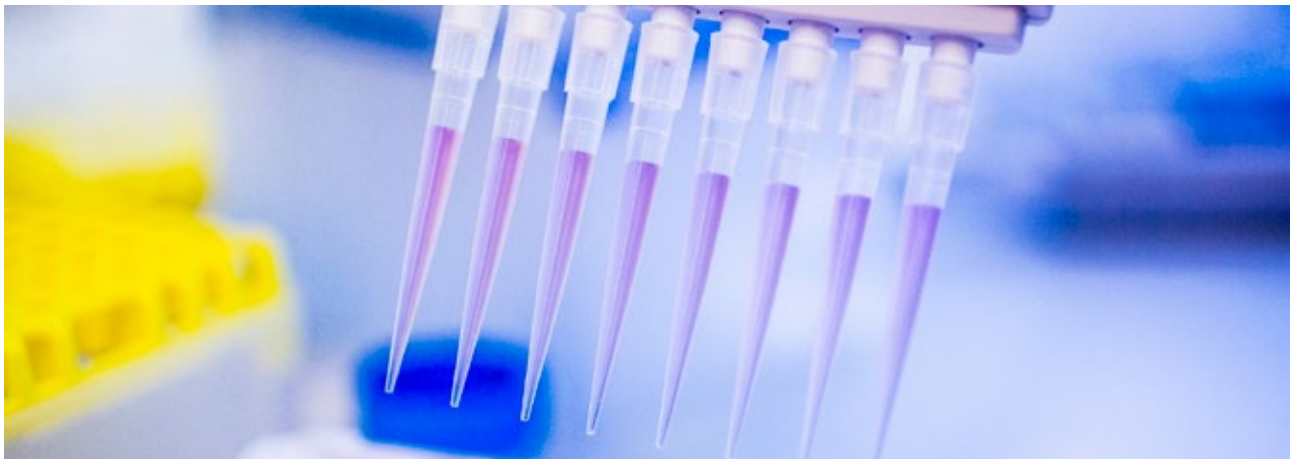
AlzeCure consists of a strong team with extensive experience in industrial drug development. Our scientists worked with Alzheimer's and other neurodegenerative diseases for many years before we founded AlzeCure. The team's expertise covers the full extent of the drug development value chain. During the year, the company further strengthened the project team with capabilities that include clinical operations and development to make sure the necessary expertise is available for the project's continued progress. In 2018, AlzeCure was also able to strengthen an already very competent board when it welcomed Ellen Donnelly and Pirkko Tamsen to the group. The board not only contributes important, long-standing knowledge in industrial pharmaceutical research, clinical development and commercial expertise in the field, but also committed entrepreneurship and an extensive network.

AlzeCure's foremost goal for 2018 was to go public, and this took place when the company was listed on Nasdaq First North Premier at the end of November. In connection with this, a new share issue was undertaken which was oversubscribed despite the tough prevailing market climate – a most gratifying sign of strength for the company. The listing on Nasdaq First North Premier gives AlzeCure access to capital markets and creates liquidity in the company's shares. It also means AlzeCure gains new shareholders who will not only strengthen the company's development, but who are also expected to have a positive effect on the company's relations with collaborative partners and potential customers.

Thus 2019 will be an exciting year with several activities progressing in parallel in the two project platforms, both in clinical trials and preclinical research. The SEK 200 million capital raised in connection with our listing on Nasdaq First North Premier has provided us with the necessary financial resources to continue development of our compounds toward clinical trials and patients. We have gained many new shareholders through the listing, and I would like to bid you all a warm welcome to AlzeCure Pharma. I would also like to take this opportunity to thank all shareholders for their important support, and I hope you find the future developments AlzeCure is looking forward to both interesting and exciting. Finally, I would also like to give a special mention to AlzeCure's employees, without whose skills, energy, hard work and focus we had not been able to bring the company to the position it enjoys today.

Huddinge, February 2019

Johan Sandin



Project development

AlzeCure Pharma is actively engaged in research and development of new, innovative and effective drugs for brain diseases and with a primary focus on Alzheimer's disease. The company is developing five drug candidates based on its two research platforms, NeuroRestore and Alzstatin.

- A new generation of symptom-relieving drugs are being developed in the NeuroRestore program.
- Disease-modifying and preventive drugs are being developed in the Alzstatin program.

AlzeCure is planning for two or three of the company's drug candidates to be in clinical trials during 2020. A diversified drug portfolio also offers prospects for other indications such as sleep apnea, cognitive disorders from traumatic brain injuries and Parkinson's disease.

In Q4, the company received approval from the Swedish Medical Products Agency and the relevant ethics committee, to begin clinical phase I studies for ACD855, the leading drug candidate in the NeuroRestore drug platform. In December, we began administering doses to the first individuals in a placebo-controlled, first-in-man study to evaluate safety, tolerances, pharmacokinetics and CNS pharmacodynamics for ACD855. Trial commencement follows the schedule set for the study, which is aimed at treating patients suffering from diseases with cognitive disorders such as Alzheimer's. The results of the study are anticipated to be ready by mid-year 2020. We are also working on the development of the ACD856 and ACD857 back-up compounds in this platform.

The commencement of the clinical trial with ACD855 is an important milestone for the company. This drug candidate has the potential to improve the cognitive ability in several different diseases and is thus able to significantly improve a patient's quality of life. Oral administration is another great ACD855 benefit to patients.

Our disease-modifying research platform, Alzstatin, focuses on reducing the production of toxic Aβ in the brain. Aβ plays a central pathological role in Alzheimer's disease and begins to accumulate in the brain years before clear symptoms develop. The target mechanism in Alzstatin is confirmed by recently reported study results, which we believe validate the amyloid hypothesis and thus Alzstatin's focus.

During Q4, the leading drug candidate in the Alzstatin platform, ACD679, has begun the important safety pharmacological and toxicological studies necessary before clinical trials may begin. These studies will continue in 2019. Early-phase development of new back-up compounds are taking place in parallel with this work.

There is a great need for this type of treatment, and a disease-modifying therapy for Alzheimer's is expected to generate more than USD 10 billion in annual sales.

Comments on the report

Financial overview

	2018	2017	2018	2016/17
	10/1/2018–12/31/2018	10/1/2017–12/31/2017	1/1/2018–12/31/2018	11/22/2016 –12/31/2017
Operating loss (SEK thousand)	-12,877	-5,668	-35,893	-10,767
Earnings for the period & comprehensive income (SEK thousand)	-12,967	-5,672	-35,985	-10,822
Earnings per share before and after dilution (SEK)	-0.42	-0.30	-1.58	-0.79
Number of shares			37,765,715	18,880,000
Research costs as a percentage of operating expenses	93.9	93.5	92.8	93.5
Cash and cash equivalents, (SEK thousand)			234,549	53,952
Equity/assets ratio (%)			98.0	92.6
Average number of employees	2.0	1.0	1.5	0

See below for definitions.

Revenues and profit/loss

During the fourth quarter, other income totaled SEK 1,117 thousand (968), of which the greater part refers to a grant from Vinnova. Income from Vinnova is recognized as and when research expenditures are expensed.

During the period January–December, other income amounted to SEK 3,925 thousand (968).

The operating loss in the fourth quarter totaled SEK -12,877 thousand (-5,668). The operating loss for the period January–December amounted to SEK -35,893 thousand (-10,767); the company's research activities have grown steadily, and thus also expenses. During the company's fourth quarter, research expenses increased by 112% compared to the same quarter during the previous year, which is according to plan.

Earnings per share for the fourth quarter of 2018 amounted to SEK -0.42 (-0.30), and full-year 2018 earnings per share were SEK -1.58 (-0.79).

Financial position

At year-end, equity amounted to SEK 233,169 thousand (51,825) and the equity/assets ratio was 98.0% (92.6%).

Cash and cash equivalents at the end of the period amounted to SEK 234,549 thousand (53,952).

Cash flow and investments

Cash flow from operating activities including changes in working capital for the year's four quarters amounted to SEK-36,274 thousand (-8,421).

Cash flow from investing activities amounted to SEK-459 thousand (-274) consisting mainly of investments in laboratory equipment.

Cash flow from financing activities totaled SEK 217,330 thousand (62,647) for the year. During the summer, the company issued new shares in the amount of SEK 40 million, which was registered with the Swedish Companies Registration Office in July, 2018. On November 28, the company's shares were introduced on the Nasdaq First North, providing the company with a total of SEK 200 million before transaction expenses.

Accounting policies and valuation principles

General information and compliance with IAS 34

This year-end report has been prepared according to IAS 34 Interim reports. AlzeCure Pharma AB was incorporated on November 22, 2016 and is domiciled in Stockholm, Sweden. Because the company does not constitute a group, it applies IFRS with the adjustments required under RFR2 Accounting for legal entities.

Significant accounting policies and valuation principles

This interim report has been prepared in compliance with the accounting policies and valuation principles applied in the company's annual report for 2017.

Key ratios and definitions

Earnings per share: net income for the period divided by the average number of shares during the period.

Equity/assets ratio: equity, and where applicable untaxed reserves (less deferred tax), in relation to total assets.

Research costs as a percentage of operating expenses: research cost divided by operating expenses, which include administration expenses and other operating expenses. Research expenses include the company's direct expenses regarding research such as expenditures for personnel, materials and external services.

Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting and valuation policies, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will very rarely amount to the same sum as the estimated outcome.

The estimates and assessments made in the year-end report, including the assessment of the main causes of uncertainty, are the same as those applied in the 2017 Annual Report and in connection with the listing on First North on November 28, 2018.

Significant risks and uncertainty factors

The company develops drug candidates and there will always be regulatory, market and financial risks in the business. There have been no significant changes in the risks and uncertainties during the period compared to those presented in the prospectus published on November 6 and which is available on the company's website.

The share, share capital & ownership structure

The share

The share has been traded on Nasdaq First North Premier under the name ALZCUR since November 28, 2018. It was introduced at a price of SEK 14 per share. On December 31, 2018, the number of shares in the company totaled 37,765,715.

During the summer, the company carried out a targeted issue of 4,600,000 new shares at an issue price of SEK 8.70 per share, which resulted in a share capital increase of SEK 46,000. The company was provided with a total of SEK 40 million before transaction expenses.

During the last quarter, a stock dividend was issued where the quota value was changed from 0.01 to 0.025, which increased share capital to SEK 587,000.

Owners as of December 31, 2018

The 10 biggest shareholders as of December 31	Number of shares	Share capital and votes
CBLDN-BFCM Fulltx Third Party Asset, Citibank NA London	4,347,500	12%
FV Group AB	2,000,000	5%
Danica Pension Försäkrings AB	1,854,673	5%
AlzeCure Discovery AB	1,710,000	5%
SEB-Stiftelsen	1,400,000	4%
Pontus Forsell	853,643	2%
Gunnar Nordvall	852,000	2%
Johan Lundkvist	850,000	2%
Magnus Halldin	850,000	2%
Johan Sandin	850,000	2%
10 largest owners	**15,567,816**	**41%**
Other	22,197,899	59%
TOTAL	**37,765,715**	**100%**

The Chairman of the Board controlled 2.12% of the shares as of closing date.

Financial calendar

Interim Report Q1 January–March 2019	May 1, 2019
Annual report 2018	May 1, 2019
Annual general meeting	May 22, 2019
Interim Report Q2 April–June 2019	August 31, 2019

The Board's Certification

The Board of Directors and the CEO hereby certify that this year-end report provides a true and fair view of the company's operations, position and results and describes significant risks and uncertainties facing the company.

Huddinge, February 28, 2019

Thomas Pollare
Chairman of the Board

Annigje van Es Johansson
Board member

Ragnar Linder
Board member

Ellen Donnelly
Board member

Pirkko Sulila Tamsen
Board member

Johan Sandin
Chief Executive Officer

For further information, please visit www.alzecurepharma.se or contact:
Johan Sandin, CEO
email: johan.sandin@alzecurepharma.com

This information was made available through the offices of the above contact for publication on February 28 at 8.00 CET.
This is a translation of Alzecure's Swedish Year-end report which is the original. When in doubt, the Swedish wording prevails.

Alzecure Pharma website www.alzecurepharma.se

FNCA is the company's Certified Adviser
FNCA Sweden AB, +46 (0) 8 528 00 399, info@fnca.se.

Review report

Auditor's report on review of interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act (1995:1554).

Alzecure Pharma AB (publ.) corp. reg. no 559094-8302

Introduction
We have reviewed the interim report of Alzecure Pharma AB (publ.) for the period 1 January to 31 December 2018. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this year-end report based on our review.

Focus and scope of the review
We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report for the company, has not, in all material respects, been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, 28 February 2018
Grant Thornton Sweden AB

Micael Schultze
Authorised Public Accountant

Consolidated income statement and other comprehensive income

SEK thousand	2018	2017	2018	2016/17
	10/1/2018–12/31/2018	10/1/2017–12/31/2017	1/1/2018–12/31/2018	11/22/2016 –12/31/2017
Other operating income	1,117	968	3,925	968
Total operating income	**1,117**	**968**	**3,925**	**968**
Administration expenses	-816	-402	-2,558	-733
Research expenses	-13,146	-6,205	-36,932	-10,973
Other operating expenses	-32	-29	-328	-29
Operating loss	**-12,877**	**-5,668**	**-35,893**	**-10,767**
Loss from financial items				
Interest expenses and similar profit/loss items	-90	-4	-92	-55
Loss after financial items	**-12,967**	**-5,672**	**-35,985**	**-10,822**
Earnings for the period and comprehensive income	**-12,967**	**-5,672**	**-35,985**	**-10,822**
Average number of shares before dilution	30,622,858	18,880,000	22,774,048	13,618,333
Average number of shares after dilution	30,622,858	18,880,000	22,774,048	13,618,333
Earnings per share for the period before dilution, SEK	-0.42	-0.30	-1.58	-0.79
Earnings per share for the period after dilution, SEK	-0.42	-0.30	-1.58	-0.79

Statement of financial position/balance sheet

SEK thousand	12/31/2018	12/31/2017
ASSETS		
Fixed assets		
Intangible fixed assets		
Project rights	17	17
Total intangible assets	**17**	**17**
Property, plant and equipment		
Inventories, tools and installations	597	242
Total property, plant and equipment	**597**	**242**
Financial assets		
Other non-current receivables	7	7
Total financial assets	**7**	**7**
Total fixed assets	**621**	**266**
Current assets		
Current receivables		
Accounts receivable	8	–
Other current receivables	2,503	1,549
Prepaid expenses and accrued income	101	204
Total current receivables	**2,612**	**1,753**
Cash and bank balances	**234,549**	**53,952**
Total current assets	**237,161**	**55,705**
TOTAL ASSETS	**237,782**	**55,971**

SEK thousand	12/31/2018	12/31/2017
EQUITY AND LIABILITIES		
Equity		
Share capital	944	189
Share premium reserve	279,032	62,458
Retained loss	-10,822	–
Loss for the period and the year	-35,985	-10,822
Total equity	**233,169**	**51,825**
Current liabilities		
Trade accounts payable	3,646	1,332
Other current liabilities	39	77
Accrued expenses and deferred income	928	2,737
Total current liabilities	**4,613**	**4,146**
Total liabilities	**4,613**	**4,146**
TOTAL EQUITY AND LIABILITIES	**237,782**	**55,971**

Change in equity

SEK thousand	Share capital	Share premium reserve	Retained loss	Loss for the period and the year	Total equity
Opening balance 11/22/2016	**0**	**0**	**0**	**0**	**0**
New share issue	189	62,458			62,647
Earnings for the period and comprehensive income				-10,822	-10,822
Closing balance 12/31/2017	**189**	**62,458**	**0**	**-10,822**	**51,825**
Opening balance 1/1/2018	**189**	**62,458**	**0**	**-10,822**	**51,825**
Transfer of previous earnings and comprehensive income			-10,822	10,822	0
New share issue	46	35,573	–	–	35,619
Earnings for the period and comprehensive income				-23,018	-23,018
Closing balance 9/30/2018	**235**	**98,031**	**-10,822**	**-23,018**	**64,426**
Bonus issue	352	-352			–
New share issue, IPO	357	181,353	–	–	181,710
Transactions with the owners	**709**	**181,001**	**–**	**–**	**181,710**
Earnings for the period and comprehensive income				-12,967	-12,967
Closing balance 12/31/2018	**944**	**279,032**	**-10,822**	**-35,985**	**233,169**

Statement of cash flows

SEK thousand	2018	2016/17
	1/1/2018–12/31/2018	11/22/2016 –12/31/2017
Operating activities		
Operating loss before financial items	-35,893	-10,767
Adjustment for items not included in cash flow, etc.		
Depreciations	104	8
Interest paid	-93	-55
Cash flow from operating activities before changes in working capital	-35,882	-10,814
Changes in working capital		
Change in accounts receivable	-8	–
Change in other current receivables	-851	-1,753
Change in trade accounts payable	2,314	1,332
Change in other current operating liabilities	-1,847	2,814
Net cash flow from operating activities	**-36,274**	**-8,421**
Investing activities		
Investments in intangible assets	–	-17
Investments in property, plant and equipment	-459	-250
Investments in other financial assets	–	-7
Cash flow from investing activities	**-459**	**-274**
Financing operations		
New share issue	217,330	62,647
Cash flow from financing activities	**217,330**	**62,647**
Cash flow for the year	**180,597**	**53,952**
Cash and cash equivalent at beginning of year	53,952	–
Cash and cash equivalents at year-end	**234,549**	**53,952**