



INTERIM REPORT FIRST QUARTER 2019

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 symptom-relieving 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 first quarter, 2019

Figures within parentheses refer to the corresponding period for the previous year.

- Net sales during the period amounted to SEK 0 thousand (0).
- Earnings after financial items amounted to SEK -11,586 thousand (-9,624).
- Earnings per share before and after dilution amounted to SEK -0.31 (-0.51)
- The balance sheet total amounted to SEK 225,876 thousand (46,669) as of 3/31/2019.
- Cash and cash equivalents amounted to SEK 222,054 thousand (45,217) as of 3/31/2019.

” We’re expanding our project portfolio and maximizing values based on existing assets.

Johan Sandin, VD

Significant events during the first quarter, 2019

- In March 2019, the company initiated a new drug project in the field of pain.
- The company was represented and delivered two presentations at the International Conference on Alzheimer’s & Parkinson’s Diseases.

Significant events following the end of the interim period.

No significant events have taken place since the end of the interim period.

For further information, please visit www.alzecurepharma.se or contact:

Johan Sandin, CEO

email: johan.sandin@alzecurepharma.com

A WORD FROM THE CEO

AlzeCure Pharma's primary goal is to improve the situation of patients with severe illnesses where there is urgent medical need, such as in Alzheimer's disease. During the first quarter of 2019 we continued developing our two innovative project platforms, NeuroRestore and Alzstatin.

NeuroRestore is a symptom-relieving therapy aimed at improving memory function in diseases with cognitive disorders, such as Alzheimer's disease. Our first candidate in the project, ACD855, entered clinical phase I studies in December 2018, which are currently in progress. We also have two additional candidates on this platform undergoing preclinical development. This enables us to select the candidate we feel has the absolute best qualities before beginning the longer, more expensive clinical phase II studies. Our multiple candidate strategy within the project also enables the company to pursue development within other indications, such as ear and eye. This is not only good for the company from a risk-spreading perspective, but also increases our prospects of finding a candidate that can proceed all the way to the market and patients.

As a disease modifying treatment, Alzstatin is aimed at slowing the progression of Alzheimer's disease. Today, no such treatment is available and this means the socio-economic costs for dementia illnesses are currently extremely high and that the number of patients with these illnesses continues to rise. In contrast to NeuroRestore, where the objective is to treat patients with already developed symptoms, Alzstatin is aimed at treating the illness as early as possible, i.e. before the brain suffers too much damage. Our first candidate in this project, ACD679, is currently undergoing an extensive preclinical safety package to make sure we have a substance that is as potent and safe as possible. We are doing so precisely because we intend to treat individuals at an early stage of the disease, and because the treatment will then continue for a long time. For this reason, we also have a backup candidate to enable us to select the candidate that has the best prospects for proceeding all the way to the patient.

During the first quarter of 2019, the company also presented a new project, TrkA-NAM. The project is based on knowledge and chemistry concerning the biological mechanism upon

which the NeuroRestore platform rests, built up in the company over many years. In this way we exploit the company's existing assets in order to maximize value for our shareholders. The TrkA-NAM project, which is in an early preclinical phase, is aimed at treating pain and has mechanistically a strong preclinical and clinical validation. It is financed by some of the proceeds mentioned in the listing prospectus of last fall for the development of new substances. The aim of the new project is to develop a drug that can reduce movement-induced and spontaneous pain in patients with painful arthritis. Worldwide, more than 240 million people are thought to suffer painful osteoarthritis in their knees or hips that limits activity. Many patients get inadequate pain relief or suffer side effects from existing treatments, which today often consist of NSAIDs or opiates, and there is a great need in this field for drugs that are more effective and better tolerated. AlzeCure is planning on acquiring preclinical efficacy data at the end of 2019 and beginning preclinical development work toward a clinical candidate during 2020.

In conclusion, I would also like to mention that during the past quarter, AlzeCure Pharma made two presentations at a major scientific conference in the field, namely AD/PD 2019, 14th International Conference on Alzheimer's & Parkinson's Diseases, in Lisbon, Portugal. Our opportunity to have two presentations at such a major conference testifies to the level of interest in our projects and increases AlzeCure's international exposure.

Huddinge, April 2019



Johan Sandin



ALZECURE PROJECT PORTFOLIO

AlzeCure is developing five drug candidates based on the research platforms NeuroRestore and Alzstatin.

- Within NeuroRestore, a new generation of symptomatic therapies is being developed for the treatment of cognitive disorders.
- In Alzstatin, disease-modifying and preventative drugs for Alzheimer’s disease are being developed.

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

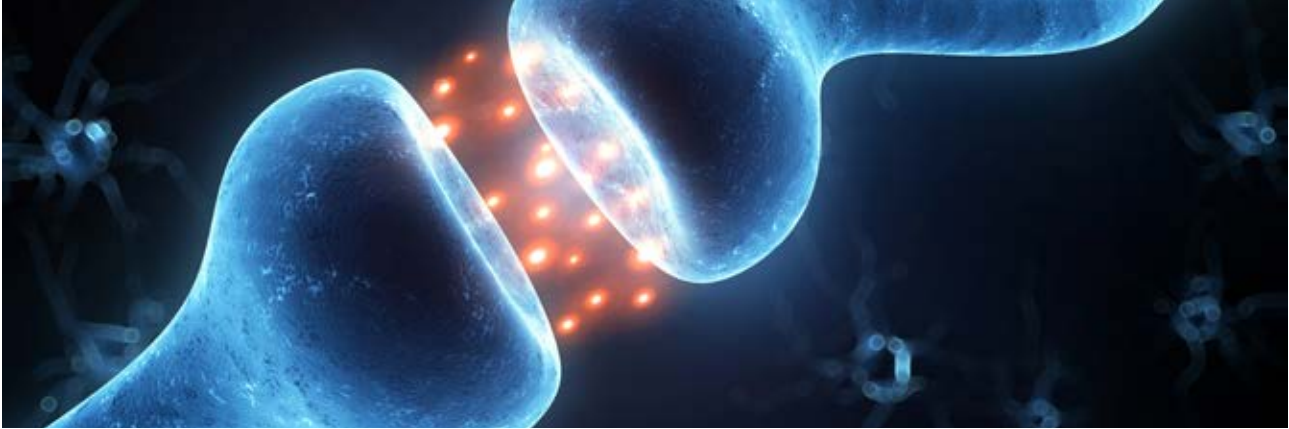
The company has three candidates in the NeuroRestore platform and two candidates in the Alzstatin platform as can be seen in the illustration below.

During Q1 2019, a new project has been added to the pipeline, TrkA-NAM, which is focused on pain conditions. The project is currently in early preclinical phase.

Alzecure’s pipeline

Platform	Candidate	Indication	Research phase	Preclinical phase	Phase I	Phase II	Phase III
NeuroRestore	ACD855	Sleep disruptions, traumatic brain injuries, Alzheimer’s disease					
	ACD856	Alzheimer’s Disease					
	ACD857	Eye/Ear indications					
	TrkA-NAM	Pain					
Alzstatin	ACD679	Alzheimer’s Disease					
	ACD680	Alzheimer’s Disease					

Planned
 In progress
 Completed



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 is 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 opportunities 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 subjects in a placebo-controlled, first-in-man study to evaluate safety, tolerance, pharmacokinetics and CNS pharmacodynamics for ACD855. Trial commencement follows the schedule set for the study, which is aimed at treating patients suffering from cognitive disorders such as Alzheimer's. The results of this first study are planned for 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 provide a significant improvement of 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 A β in the brain. A β 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 supported 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.

During Q1 2019, a new project was added to the pipeline, TrkA-NAM, which focuses on severe pain conditions such as osteoarthritis. The project is based on the knowledge and assets developed within the NeuroRestore platform. The project is currently in early preclinical phase and the company aims to obtain pre-clinical efficacy data by the end of 2019 and begin preclinical development work towards a clinical candidate in 2020.

Comments on the report

Financial overview

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	2018
	1/1/2019 -03/31/19	1/1/2018 -03/31/19	1/1/2018 -12/31/2018
Net sales	0	0	0
Operating profit/loss	-11,490	-9,624	-35,893
Earnings for the period and comprehensive income	-11,586	-9,624	-35,985
Earnings per share before and after dilution (SEK)	-0.31	-0.51	-1.58
Number of shares	37,765,715	18,880,000	37,765,715
Research expenses as a percentage of operating expenses (%)	85.0	94.1	92.8
Total assets	225,876	46,669	237,782
Cash and cash equivalents	222,054	45,217	234,549
Equity/assets ratio (%)	97.9	90.4	98.0
Average number of employees	2	1	1.5

See definitions below.

Revenues and profit/loss

During the first quarter, other income amounted to SEK 29 thousand (1,136). In the corresponding period for the previous year, the greater part concerned a grant from Vinnova. These grants are recognized as revenue as and when research expenditures are expensed.

During the period January to December 2018, other income amounted to SEK 3,925 thousand (968), which mainly refers to these Vinnova grants. The reason for the reduction in grants recognized as revenue was the conclusion of the partly financed project in 2018.

The operating loss in the first quarter totaled SEK -11,490 thousand (-9,624). The company's research activities have continued their steady development, and thus so have research activity expenses, all according to plan.

Earnings per share for the first quarter of 2019 amounted to SEK -0.31 (-0.51), and full-year 2018 earnings per share were SEK -1.58 (-0.79).

Financial position

At the end of the period, equity amounted to SEK 221,202 thousand (42,201) and the equity/assets ratio was 97.9% (90.4%).

Cash and cash equivalents at the end of the period amounted to SEK 222,054 thousand (45,217) as a result of the new share issue conducted in November 2018 in connection with the company's listing on Nasdaq First North Premier.

Cash flow and investments

Cash flow from operating activities including changes in working capital for the first quarter amounted to SEK -11,404 thousand (-8,735).

Cash flow from investing activities amounted to SEK -710 thousand (0) consisting mainly of investments in laboratory equipment.

Cash flow from financing activities amounted to SEK -381 thousand (0) for the first quarter of 2019, which is explained by the late submission of transaction expenses related to the company's listing in 2018.

Accounting policies and valuation principles

General information and compliance with IAS 34

This interim 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.

This interim report has not been reviewed by the company auditor.

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 2018.

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 expenses as a percentage of operating expenses: Research expenses divided by operating expenses, which include administration expenses and other operating expenses. Research expenses include the company's direct expenses relating to research activities such as expenditures for personnel, material and external services.

Significant estimates and assumptions

When preparing interim reports, the Board and the CEO must, in accordance with the applicable accounting policies 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 interim report, including the assessment of the main causes of uncertainty, are the same as those applied in the 2018 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 activities will always involve regulatory, market and financial risks. There have been no significant changes in the risks and uncertainties during the period compared to those presented in the annual report for 2018 and the prospectus published on November 6, 2018, which is available on the company's website.

Capital stock & ownership structure

The stock

The stock has 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 31 March, 2019, the number of shares in the company totaled 37,765,715.

Owners as of March 31, 2019

The 10 biggest shareholders as of March 31, 2019	Number of shares	Share capital and votes
CBLDN-BFCM Fulltx Third Party Asset, Citibank NA London	4,347,500	12%
Nordnet pensionsförsäkring AB	2,473,184	7%
FV Group AB	2,000,000	5%
AlzeCure Discovery AB	1,710,000	5%
SEB-Stiftelsen	1,400,000	4%
Danica Pension Försäkrings AB	1,225,978	3%
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%
The 11 largest owners	17,412,305	46%
Other	20,353,410	54%
TOTAL	37,765,715	100%

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

Financial calendar

Annual General Meeting	May 22, 2019
Interim Report Q2 April-June 2019	August 31, 2019
Interim Report Q3 July-September 2019	November 15, 2019

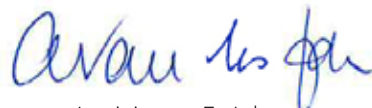
The Board's Affirmation

The Board of Directors and the CEO hereby certify that this interim 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, April 29, 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

This report has not been reviewed by the company auditor.

For further information, please visit www.alzecurepharma.se or contact:

Johan Sandin, CEO

email: johan.sandin@alzecurepharma.com

FNCA is the company's Certified Adviser

FNCA Sweden AB, +46 (0)8-528 00 399, info@fnca.se.

Consolidated income statement and other comprehensive income

SEK thousand	Jan-Mar 2019	Jan-Mar 2018	2018
	1/1/2019 -03/31/19	1/1/2018 -03/31/18	1/1/2018 -12/31/18
Other operating income	29	1,136	3,925
Total operating income	29	1,136	3,925
Research expenses	-9,795	-10,127	-36,932
Administration expenses	-1,697	-571	-2,558
Other operating expenses	-27	-62	-328
Operating profit/loss	-11,490	-9,624	-35,893
Profit/loss from financial items			
Interest expenses and similar profit/loss items	-96	-	-92
Profit/loss after financial items	-11,586	-9,624	-35,985
Earnings for the period and comprehensive income	-11,586	-9,624	-35,985
Average number of shares before and after dilution	37,765,715	18,880,000	22,774,048
Earnings per share for the period after dilution, SEK	-0.31	-0.51	-1.58

Statement of financial position/balance sheet

SEK thousand	3/31/2019	3/31/2018	12/31/2018
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Project rights	17	17	17
Total intangible assets	17	17	17
<i>Property, plant and equipment</i>			
Inventories, tools and installations	1,271	229	597
Total property, plant and equipment	1,271	229	597
<i>Financial assets</i>			
Other non-current receivables	7	7	7
Total financial assets	7	7	7
Total fixed assets	1,295	253	621
Current assets			
<i>Current receivables</i>			
Accounts receivable	16	-	8
Other current receivables	2,468	1,199	2,503
Prepaid expenses and accrued income	43	-	101
Total current receivables	2,527	1,199	2,612
Cash and bank balances	222,054	45,217	234,549
Total current assets	224,581	46,416	237,161
TOTAL ASSETS	225,876	46,669	237,782

SEK thousand	3/31/2019	3/31/2018	12/31/2018
EQUITY AND LIABILITIES			
Equity			
Share capital	944	189	944
Share premium reserve	278,651	62,458	279,032
Accumulated profit/loss	-46,807	-10,822	-10,822
Profit/loss for the period and the year	-11,586	-9,624	-35,985
Total equity	221,202	42,201	233,169
Current liabilities			
Trade accounts payable	3,802	3,589	3,646
Other current liabilities	38	21	39
Accrued expenses and deferred income	834	858	928
Total current liabilities	4,674	4,468	4,613
Total liabilities	4,674	4,468	4,613
TOTAL EQUITY AND LIABILITIES	225,876	46,669	237,782

Change in equity

SEK thousand	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the period and the year	Total equity
Opening balance 1/1/2018	189	62,458	0	-10,822	51,825
Transfer of previous year's earnings and comprehensive income			-10,822	10,822	-
New share issue	46	35,573			35,619
Bonus issue	352	-352			-
New share issue on listing	357	181,353			181,710
Earnings for the year and comprehensive income				-35,985	-12,967
Closing balance 12/31/2018	944	279,032	-10,822	-35,985	233,169
Opening balance 1/1/2018	944	279,032	-10,822	-35,985	233,169
Transfer of previous year's earnings and comprehensive income			-35,985	35,985	-
Transaction expenses, new share issue on listing 2018		-381			-381
Earnings for the year and comprehensive income				-11,586	-11,586
Closing balance 3/31/2019	944	278,651	-46,807	-11,586	221,202

Statement of cash flows

SEK thousand	Jan–Mar 2019	Jan–Mar 2018	2018
	1/1/2019 -03/31/19	1/1/2018 -03/31/18	1/1/2018 -12/31/18
Operating activities			
Operating profit/loss before financial items	-11,490	-9,600	-35,893
Adjustment for items not included in cash flow, etc.			
Depreciations	36	12	104
Interest paid	-96	-23	-93
Cash flow from operating activities before changes in working capital	-11,550	-9,611	-35,882
Changes in working capital			
Change in accounts receivable	-8	-	-8
Change in other current receivables	93	554	-851
Change in trade accounts payable	156	2,257	2,314
Change in other current operating liabilities	-95	-1,935	-1,847
Net cash flow from operating activities	-11,404	-8,735	-36,274
Investing activities			
Investments in property, plant and equipment	-710	-	-459
Cash flow from investing activities	-710	-	-459
Financing operations			
New share issue	-381	-	217,330
Cash flow from financing activities	-381	-	217,330
Cash flow for the year	-12,495	-8,735	180,597
Cash and cash equivalents at beginning of year	234,549	53,952	53,952
Cash and cash equivalents at year-end	222,054	45,217	234,549