A win for the amyloid hypothesis is a win for AlzeCure

Biogen resurrects the amyloid hypothesis, paving the way for AlzeCure

Biogen plans to file for FDA approval of its Alzheimer's disease (AD) drug (aducanumab) in early 2020 on the back of a new analysis from Phase III clinical trials. The result marks a scientific breakthrough in AD as it is the first time that a Phase III study shows that a reduction of aggregated amyloid beta – similar to AlzeCure's approach in the Alzstatin-program – can reduce clinical decline in early AD. This is an important finding that provides support for the amyloid-hypothesis in AD.

Consequently, this finding substantially strengthens the case for pipeline therapies targeting the amyloid beta pathway, not least AlzeCure's preclinical stage Alzstatin-program with first-in-class potential, aiming to develop disease-modifying therapies for early AD.

Alzecure's Alzstatin-program vs. BioArctic's BAN2401 and Biogen's aducanumab

Like BioArctic's BAN2401 as well as Biogen's aducanumab, the intention with the Alzstatin-program is to reduce amyloid beta accumulation over time in early AD, thereby preventing the effects it is believed to have on disease progression. The difference, however, is that the Alzstatin-program reduces the production of amyloid beta, whereas aducanumab and BAN2401 clear the amyloid beta that have already been formed. Therefore, AlzeCure's approach may prove to be particularly beneficial in very early stages of AD, where there is greater potential to influence disease progression. What is also important to note is that an antibody will be specific for a particular form of amyloid beta. Since the Alzstatin-program targets production of amyloid beta, it prohibits all forms amyloid beta accumulation. Furthermore, aducanumab and BAN2401 are biologic antibody drugs that require intravenous administration, while AlzeCure focuses on small molecule tablet-based therapies that are less costly to produce and allow for more convenient administration.

Provided that the amyloid hypothesis generates continued support, with pipeline drugs advancing to market, we believe it is plausible that a future treatment paradigm in this severely undertreated disease will include a combination of various therapies, varying with the stage of AD.

Key pipeline activities ahead

The Alzstatin-program is currently undergoing preclinical development where the risk profile is inherently high. As always with drug development, the risk is notably above the average equity risk. In addition to the Alzstatin-program, AlzeCure's novel NeuroRestore-program for symptomatic therapy in more advanced stages of AD, where there is a large need for new symptom-relieving therapies, is expected to enter clinical development by the end of 2019. We maintain a Neutral rating and expect that future progress and generation of satisfactory data will drive the stock price and trigger a higher company valuation.

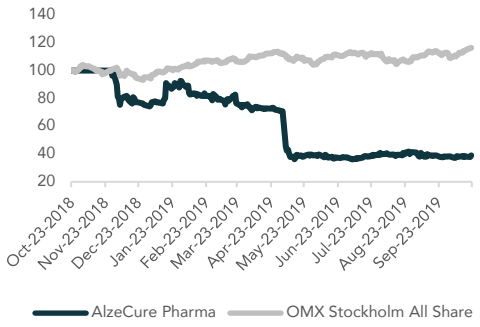
AlzeCure

Update Report

AlzeCure Pharma at a glance

AlzeCure Pharma AB is a pharmaceutical company with a primary focus on Alzheimer's disease. The company is developing six drug candidates within its two main research programs, NeuroRestore and Alzstatin.

Share price dev. Oct 23'18-Oct 22 '19



Key Data	As per 2019-10-22
Ticker	ALZCUR
Share price (close)	SEK 4.30
Free float	66.2%
Market cap	SEK 162m
Website	alzecurepharma.se
Average daily volume (30 days)	SEK 31 551

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