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Probiodrug raises €22.5 million in successful Initial Public Offering and listing on Euronext Amsterdam

HALLE/SAALE, Germany, October 23, 2014 – Probiodrug AG (“Probiodrug”), a biopharmaceutical company dedicated to the research and development of novel therapeutic solutions to treat people with Alzheimer’s Disease, announces the successful completion of its Initial Public Offering, which was launched on 10 October 2014 (the “IPO” or the “Offering”). Probiodrug’s shares will be listed on Euronext Amsterdam and begin trading on an “if-and-when- delivered” basis on Monday 27 October 2014 under the symbol “PBD”.

The Offering was priced at €15.25 per share (the “Offer Price”). In total, 1,524,205 shares are placed with investors (the “Offer Shares”) which includes 48,796 over-allotment shares. The gross proceeds from the Offering will be €22,499,987, with the net proceeds from the Offering amounting to approximately €20.2 million (in each case excluding any proceeds from the placement of the over-allotment shares). To the extent that the Greenshoe option will be exercised, which may be exercised within 35 days following commencement of trading, the Company will issue additional new shares at the Offer Price out of its authorized capital. If the Greenshoe option is exercised in full, the total number of new shares issued by the Company in the course of the Offering would be 1,524,205 and the total net proceeds would be approximately €20.9 million.

The order book has been built with high-quality demand from institutional investors in Europe and the United States of America, as well as demand from Dutch retail investors. In addition, existing shareholders of the Company purchased 1,031,454 Offer Shares for a total of approximately €15.7 million.

Kempen & Co acted as Sole Global Coordinator and Bookrunner, Petercam acted as Co-Bookrunner, and Close Brothers Seydler acted as Selling Agent.

Dr. Konrad Glund, Chief Executive Officer of Probiodrug said: *“Probiodrug’s listing on Euronext is a very important landmark for the company as we look to develop innovative therapeutics to treat people with Alzheimer’s Disease. The €22.5 million fund raising will enable us to advance the clinical development of our lead product candidate PQ912 in early Alzheimer’s patients and support the further development of our other product candidates PBD-C06 and PQ1565.*

Alzheimer’s Disease is a large underserved market open for new drug approaches. We believe our differentiated approach presents a significant opportunity for patients, and will also generate significant value for our shareholders. We would like to welcome our new investors and look forward on our progress as we continue to grow the company.”

Offer highlights:

- The final Offer Price was set at €15.25 per share.
- As a result of the IPO, Probiodrug raised €22.5 million in gross proceeds (excluding proceeds from the over-allotment shares placed). Together with the existing shares, the number of outstanding shares of the Company will, after registration and issuance of the new shares offered, amount to 6,717,102 (excluding any new shares that may be issued if and to the extent the Greenshoe Option will be exercised). The market capitalization of the Company at listing will be approximately €102.4 million.
- Kempen & Co as Sole Global Coordinator and Bookrunner and Stabilization Manager, acting also on behalf of Petercam as Co-Bookrunner, has been granted a Greenshoe Option by Probiodrug exercisable until 35 calendar days after commencement of trading. If the Greenshoe Option is exercised in full, the Company will issue 48,796 additional new shares from the authorised capital and will have 6,765,898 shares outstanding. Total gross proceeds would then amount to €23.2 million with net proceeds amounting to a total amount of approximately. €20.9 million.
- Trading of the shares of the Company on Euronext Amsterdam on 27 October 2014 will commence on an “*if-and-when -delivered*” basis under the symbol “PBD”.
- Delivery and payment of the shares offered and sold in the course of the Offering is expected to occur on 29 October 2014. The delivery and payment of the shares is however subject to certain conditions, until delivery takes place. After delivery and payment of the Offer Shares, the shares will be listed unconditionally on Euronext Amsterdam as of that date.
- Except for existing shareholders who purchased Offer Shares in the course of the Offering, the Offer Shares will be delivered in form of existing shares of the Company that were lent by existing shareholders to Kempen & Co under certain share loan agreements. The new shares offered in the Offering are expected to be registered with the Commercial Register and issued to Kempen & Co on or around 30 October 2014. The new shares issued will be used to redeliver the loan shares to the lending shareholders and to deliver the Offer Shares purchased by existing shareholders in the course of the Offering. Due to the settlement structure of this transaction, it is expected that existing shareholders will have to make notifications in respect of changes of their voting rights, since it is expected that they will fall below relevant notification thresholds upon delivery of their shares at settlement and that they will exceed relevant notification thresholds upon delivery of the new shares to them in fulfilment of their redelivery claims under the share loans. The new shares, once issued and delivered to the lending shareholders and existing shareholders who purchased shares in the course of the Offering, will be timely admitted to trading on Euronext Amsterdam as the existing shares.
- Certain of Probiodrug’s existing shareholders purchased 1,031,454 Offer Shares in the Offering at the Offer Price for an aggregate amount of approximately €15.7 million. Delivery of the Offer Shares to such existing shareholders will be made with the new shares, once they are registered with the Commercial Register and issued.
- The Company, its management team and the existing shareholders have agreed to a lock-up of 12 months, subject to customary conditions and exceptions. The lock-up undertaking of existing shareholders includes the new shares issued to the lending shareholders in fulfilment of their redelivery claims under the share loan

as described above, but does not include any Offer Shares purchased by the existing shareholders in the course of the Offering.

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Notes to Editors:

About Probiodrug AG

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

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

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

About Alzheimer's Disease

Alzheimer's Disease is a neurological disorder, which is the most common form of dementia, and ultimately leads to death. Because Alzheimer's Disease cannot be cured and is degenerative, the affected patients must increasingly rely on others for assistance. Today, over 35 million people worldwide live with the condition and this number is expected to double by 2030 and to more than triple by 2050 to 115 million (World Alzheimer Report 2013).

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