August 13, 2020

ProMIS Neurosciences Announces Second Quarter 2020 Results

TORONTO and CAMBRIDGE, Mass., Aug. 13, 2020 (GLOBE NEWSWIRE) -- ProMIS Neurosciences, Inc. (TSX: PMN) (OTCQB: ARFXF) ("ProMIS or the Company"), a biotechnology company focused on the discovery and development of antibody therapeutics targeting toxic oligomers implicated in the development of neurodegenerative diseases, today announced its operational and financial results for the three and six months ended June 30, 2020.

"Over the course of the second quarter of 2020, the value of our unique discovery and development platform was further evidenced as ProMIS made considerable progress in expanding its portfolio of opportunities across multiple neurodegenerative diseases and also in initiated two new diagnostic
programs." stated Eugene Williams, ProMIS' Executive Chairman. "We look forward to continued progress applying our unique technology platform to the development of disease-modifying antibody therapies, diagnostics and potential vaccines for Alzheimer's disease, as well as the development of highly accurate assays for detection of antibodies against the virus causing COVID-19."

Corporate Highlights

- In April and May 2020, the Company received gross proceed of $1,239,195 from the exercise of 9,532,276 warrants from the warrant repricing program announced in March 2020. The exercise price of the Warrants was repriced to $0.13 per share, effective April 8, 2020 until May 22, 2020 (Warrant Repricing Period). At the end of the Warrant Repricing Period, the Warrants reverted to the original exercise price. All other terms of the Warrants remain unchanged.

- On April 7, 2020, we announced that the Alzheimer's Association International Conference® (AAIC®) had accepted several abstracts for our Alzheimer's disease (AD) program. The AAIC also invited ProMIS' Chief Development Officer, Dr. Johanne Kaplan, to chair a session on novel immunotherapeutic approaches for the treatment of AD.

- On April 9, 2020, we announced that the journal Neurology would publish abstracts of data demonstrating the strength of ProMIS' antibody programs targeting toxic forms of alpha-synuclein in Parkinson's disease (PD) and toxic forms of TAR DNA-binding protein 43 (TDP-43) in amyotrophic lateral sclerosis (ALS). The data appeared in the April 14, 2020 online supplement to *Neurology*, the most widely read, highly cited peer-reviewed neurology journal.

- On April 30, 2020, we announced we had generated intrabodies highly selective for misfolded forms of TDP-43 implicated in ALS, frontotemporal dementia (FTD) and several other neurologic disorders. Early data support the use of these intrabodies within gene therapy vectors based on their selectivity and ability to promote degradation of toxic species of TDP-43 while preserving normal forms of the protein.

- On May 6, 2020, we announced the identification of novel antagonists against the receptor for activated protein kinase C1(RACK1) that prevent the formation of dysfunctional protein aggregates and act to restore normal function. Evidence indicates that targeting RACK1 is a promising new strategy to address the complex mechanisms involved in the pathogenesis of neurodegenerative diseases, including ALS.

- On May 12, 2020, the Company announced its program to develop a high-throughput, highly accurate test for detection of antibodies to SARS CoV-2, the causative agent of COVID-19. ProMIS has identified 18 potential antibody targets unique to the spike protein halo of SARS CoV-2.

- On May 19, 2020, we announced that, in addition to its ongoing program to develop a high-throughput and accurate test for detection of antibodies to the causative agent of COVID-19, it has expanded its collaboration with BC Neuroimmunology (BCNI) to include development of highly sensitive and specific assays to support accurate screening and diagnosis of AD.

- On May 28, 2020, together with a team of commercial and academic collaborators, we shared a Digital Technology Supercluster award from the Government of Canada for 1.8 million Canadian dollars. The project, “Predicting the evolution of COVID-19,” brings together six commercial and academic collaborators to predict likely mutations of SARS-CoV-2. The findings will inform the early design of effective tests, therapies and vaccines, allowing public health systems globally to prepare and ideally prevent future pandemics caused by evolving strains of the virus.

- On June 17, 2020, the Company and BCNI announced significant progress on development of a highly accurate antibody test for COVID-19. The serology test achieves 99.9% sensitivity and 99.5% specificity for SARS CoV-2. ProMIS’ proprietary peptide antigens are currently under evaluation for their potential ability to detect neutralizing antibodies in the next phase of assay development.

- On June 24, 2020, the Board of Directors, having considered current COVID-19 public health restrictions, determined it to be in the best interests of the company and its shareholders to adjourn the company’s annual meeting of shareholders (“AGM”) to 9:00 a.m. (Pacific Time) on July 29, 2020 and to change the location of the AGM to Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia.

Financial Results

Results of Operations – Three months ended June 30, 2020 and 2019

The Company’s net loss for the three months ended June 30, 2020 was $1,650,218,

compared to a net loss of $1,858,530 for the three months ended June 30, 2019. Included in the net loss amount for the three months ended June 30, 2020 were non-cash expenses of $76,310, representing share-based compensation and amortization of an intangible asset, compared to $153,461 for the three months ended June 30, 2019. The decrease in the net loss for the three months ended June 30, 2020 reflects decreased costs associated with external contract research organizations for internal programs, decreased consulting and professional fees and share-based compensation offset by increased patent expense and foreign exchange losses.

Research and development expenses for the three months ended June 30, 2020 were $898,887, as compared to $1,042,618 in the three months ended June 30, 2020. The decrease in research and development expense for the three months ended June 30, 2020, is primarily attributed to decreased costs associated with external contract research organizations for internal programs and share-based compensation offset by increased patent expense.

General and administrative expenses for the three months ended June 30, 2020 were $752,896, as compared to $815,937 in the three months ended June 30, 2019. The decrease for the three months ended June 30, 2020, compared to the same period in 2019, is primarily attributable to a reduction in consulting and professional fees offset by increased foreign exchange losses.

Results of Operations – Six months ended June 30, 2020 and 2019

The Company's net loss for the six months ended June 30, 2020 was $3,412,137, compared to a net loss of $4,305,107 for the six months ended June 30, 2019. Included in the net loss amount for the six months ended June 30, 2020 were non-cash expenses of $290,048, representing share-based compensation, warrant modification and amortization of an intangible asset, compared to $417,334 for the six months ended June 30, 2019. The decrease in the net loss for the six months ended June 30, 2020 reflects decreased costs associated with external contract research organizations for internal programs, patent costs, decreased consultant salaries and associated costs and share-based compensation offset by foreign exchange losses.

Research and development expenses for the six months ended June 30, 2020 were $1,874,473, as compared to $2,813,271 in the six months ended June 30, 2019. The decrease in the research and development expenses for the six months ended June 30, 2020, is primarily attributed to decreased costs associated with external contract research organizations for internal programs, patent costs, decreased consultant salaries and associated costs and share-based compensation offset by increased consulting expense.

General and administrative expenses for the six months ended June 30, 2020 were $1,541,242, as compared to $1,491,861 in the six months ended June 30, 2019. The increase for the six months ended June 30, 2020, compared to the same period in 2019, is primarily attributable to warrant modification expense and increased foreign exchange losses offset by a reduction in consulting and professional fees.

Outlook

As a prelude to the first PMN310 clinical trial in AD, we plan on using a novel biomarker

approach that may show evidence of slowing of neuronal death as early as Phase 1 in the anticipated clinical development program. Furthermore, as the ability to achieve early detection of AD develops, based on the advent of reliable blood-based biomarkers for AD detection, the need for preventive treatment will grow. Therapeutic vaccines can be used for that purpose. Using our discovery platform, our aim is to devise a safe and effective AD vaccine to induce a specific immune response against toxic oligomers of amyloid beta.

The Company will also continue to further characterize the potential benefits of its programs selectively targeting toxic aggregates of TDP-43 in ALS, toxic forms of alpha-synuclein in PD and toxic aggregates of tau in AD and other dementias. Our unique platform produces antibodies that meet a key success factor for the development of therapeutics and vaccines for neurodegenerative diseases: the ability to selectively target the neurotoxic form of a protein implicated as a root cause of disease, while sparing the normal forms of the protein.

In the infectious disease setting, we will focus our unique technology platform to identify peptide antigens that can be used as an essential component to create accurate and sensitive serological assays to detect the presence of potentially neutralizing antibodies that arise in response to a specific infection, such as COVID-19.

About ProMIS Neurosciences, Inc.

ProMIS Neurosciences, Inc. is a development stage biotechnology company whose unique core technology is the ability to rationally predict the site and shape (conformation) of novel targets known as Disease Specific Epitopes (DSEs) on the molecular surface of proteins. In neurodegenerative diseases, such as Alzheimer's, ALS and Parkinson's disease, the DSE's are misfolded regions on otherwise normal proteins. In the infectious disease setting, these disease-specific epitopes represent peptide antigens that can be used as an essential component to create accurate and sensitive serological assays to detect the presence of antibodies that arise in response to a specific infection, such as COVID-19. These peptide antigens can also be used to create potential therapeutic antibodies to treat active infection, as well as serve as the basis for development of vaccines. ProMIS is headquartered in Toronto, Ontario, with offices in Cambridge, Massachusetts. ProMIS is listed on the Toronto Stock Exchange under the symbol PMN, and on the OTCQB Venture Market under the symbol ARFXF.

Visit us at www.promisneurosciences.com, follow us on Twitter and LinkedIn

For media inquiries, please contact:
Shanti Skiffington
shanti.skiffington@gmail.com
Tel. 617 921-0808

For Investor Relations please contact:
Alpine Equity Advisors
Nicholas Rigopulos, President
nick@alpineequityadv.com
Tel. 617 901-0785

information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by statements herein, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it as well as other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by the Company in its public securities filings, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Source: ProMIS Neurosciences Inc.