August 12, 2013

Prothena Reports Second Quarter 2013 Financial Results

DUBLIN, Ireland, Aug. 12, 2013 (GLOBE NEWSWIRE) -- Prothena Corporation plc (Nasdaq:PRTA), a clinical stage biotechnology company focused on the discovery and development of novel antibodies for the potential treatment of a broad range of diseases, today reported financial results for the second quarter and six months ended June 30, 2013 and provided an update on research and development.

Prothena reported a net loss of $11.3 million and $20.3 million for the second quarter and first six months of 2013, respectively, as compared to a net loss of $9.7 million and $20.5 million for the second quarter and first six months of 2012, respectively. Net loss per share for the second quarter and first six months of 2013 was $0.64 and $1.15, respectively, as compared to a net loss per share of $0.67 and $1.42 for the second quarter and first six months of 2012, respectively. As of June 30, 2013, Prothena had $112.5 million in cash and cash equivalents and no outstanding debt. These figures should be read in connection with "Second Quarter and First Six Months of 2013 Financial Results and 2013 Guidance" below.

"Prothena targets proteins in novel ways to resolve unmet clinical needs in patients. We were productive in the second quarter as we continued to advance our pipeline of novel therapeutic antibodies," said Dale Schenk, PhD, President and Chief Executive Officer of Prothena. "Our lead candidate for amyloidosis, NEOD001, entered the clinic during the quarter. We are pleased with patient enrollment to date and remain on track to announce results from our Phase 1 trial of NEOD001 in AL amyloidosis during 2014. Our Parkinson's disease candidate, PRX002, is also moving forward as planned with IND enabling toxicology studies initiated in the quarter."

"Our strong balance sheet continues to provide the financial resources to progress on all three of our lead programs, NEOD001, PRX002, and PRX003-which targets inflammatory disease and metastatic cancers," added Dr. Schenk.

Research and Development Pipeline Highlights

Prothena's research and development pipeline includes three lead therapeutic antibody programs that the company continues to advance in 2013 and several discovery programs staged for future value.

NEOD001 is a monoclonal antibody targeting AL and AA amyloid for the potential treatment of amyloidosis

- Ongoing multi-center Phase 1 clinical trial is designed to evaluate the safety, tolerability pharmacokinetics and immunogenicity of NEOD001 in patients with AL amyloidosis and to determine a recommended dose for Phase 2 trials; the study is also evaluating specific markers for cardiac, renal and hepatic organ function

PRX002 is a monoclonal antibody targeting alpha-synuclein for the potential treatment of Parkinson's disease

- Initiated pre-clinical IND enabling studies in second quarter of 2013
- IND filing and a Phase 1 trial in Parkinson's disease patients are planned for 1H14

PRX003 is a monoclonal antibody targeting MCAM (melanoma cell adhesion molecule) for the potential treatment of inflammatory disease and metastatic cancers

- Lead candidate has been selected
- IND filing and Phase 1 trial planned for 2015

Second Quarter and First Six Months of 2013 Financial Results and 2013 Guidance

Prior to December 21, 2012, the Prothena Business consisted of a substantial portion of Elan Corporation plc's former drug discovery business platform which historically operated as part of Elan and not as a separate stand-alone entity. The carve-out financial results for the quarter and six months ended June 30, 2012 presented in this release have been prepared in accordance with GAAP (generally accepted accounting principles in the United States), but do not necessarily represent the financial position or results of operations of Prothena had it been operated as a separate independent entity. Prothena did not have any ordinary shares outstanding prior to December 21, 2012. The discussion of basic and diluted net loss per share included in this press release assumes that the 14.5 million shares issued to Elan shareholders in connection with the separation from Elan have been outstanding for all periods presented and that the 3.2 million shares purchased by Elan upon

separation have been outstanding since December 20, 2012. For more information, see the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" and "Note 1 of Notes to Consolidated Financial Statements" in each case included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission (SEC) on March 29, 2013.

Prothena reported a net loss of $11.3 million and $20.3 million for the second quarter and first six months of 2013, respectively, as compared to a net loss of $9.7 million and $20.5 million for the second quarter and first six months of 2012, respectively. Net loss per share for the second quarter and first six months of 2013 was $0.64 and $1.15, respectively, as compared to a net loss per share of $0.67 and $1.42 for the second quarter and first six months of 2012, respectively.

Net loss for the second quarter and first six months of 2013 included share-based compensation expense of $0.7 million and $1.1 million, respectively, as compared to $2.1 million and $6.1 million of share-based compensation expense for the second quarter and first six months of 2012, respectively.

Research and development (R&D) expenses totaled $8.1 million and $14.1 million for the second quarter and first six months of 2013, respectively, as compared to $8.0 million and $16.8 million for the second quarter and first six months of 2012, respectively. The decrease in R&D expenses for the first six months of 2013 was primarily due to decreases in share-based compensation expense, headcount attributable to Prothena programs, and external expenses related to NEOD001, partially offset by an increase in PRX002 and PRX003 related costs. R&D expenses for the second quarter and first six months of 2013 included share-based compensation expense of $0.2 million and $0.3 million, respectively, as compared to $1.7 million and $5.2 million of share-based compensation expense for the second quarter and first six months of 2012, respectively.

General and administrative (G&A) expenses totaled $3.2 million and $6.4 million for the second quarter and first six months of 2013, respectively, as compared to $2.4 million and $4.9 million for the second quarter and first six months of 2012, respectively. G&A expenses in the second quarter and first six months of 2013 consisted primarily of professional services fees (including payments to Elan under a transitional services agreement), internal personnel costs and $0.5 million and $0.8 million, respectively, in share-based compensation expense. The second quarter and first six months of 2012 was presented on a "carve-out" basis as the Prothena Business consisted of a substantial portion of Elan's former drug discovery business platform. Accordingly, the G&A expenses during these periods consisted of $0.3 million and $0.8 million, respectively, of direct expense incurred by the Prothena Business and $2.1 million and $4.1 million, respectively, of indirect expenses which was based on an allocation to the Prothena Business by Elan. G&A expenses included share-based compensation expense of $0.5 million and $0.8 million for the second quarter and first six months of 2013, respectively, as compared to $0.4 million and $0.9 million for the second quarter and first six months of 2012, respectively.

As of June 30, 2013, Prothena had $112.5 million in cash and cash equivalents, no outstanding debt and 17.7 million ordinary shares outstanding.

As previously announced, the Company expects a cash burn of $34 to $40 million for 2013, ending the year with approximately $88 million in cash. The 2013 cash burn is primarily driven by an estimated net loss of $36 to $42 million, which includes an estimated $2.5 million of share-based compensation expense. The Company intends to use the anticipated 2013 spend to progress patient enrollment and dosing at multiple sites for its NEOD001 Phase 1 clinical trial, complete IND enabling toxicology studies for PRX002, select a first indication for PRX003 and further advance its discovery programs.

About Prothena

Prothena Corporation plc is a clinical stage biotechnology company focused on the discovery and development of novel antibodies for the potential treatment of a broad range of diseases that involve protein misfolding and cell adhesion, particularly on the discovery and development of potential therapeutic monoclonal antibodies directed specifically to disease-causing proteins. These potential therapies have a broad range of indications, including AL and AA forms of amyloidosis (NEOD001), Parkinson's disease and related synucleinopathies (PRX002), and novel cell adhesion targets involved in inflammatory disease and metastatic cancers (PRX003).

For more information, please visit the company's web site at www.prothena.com.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to, among other things, the conduct of our Phase 1 clinical trial for NEOD001, the potential to advance such product candidate through further clinical trials, our ability to receive regulatory approval for such product candidate in one or more indications, including with orphan drug designations, and our anticipated cash burn rate and intended uses of such cash in 2013 and beyond. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "should," "estimate," "expect," "intend," "may," "plan," "predict," "project," "potential," "target," "will" and similar terms and phrases, including references to assumptions. These statements are based on assumptions that may not prove accurate. Actual results could differ materially from those

anticipated due to known and unknown risks, uncertainties and other factors including, but not limited to the risks and uncertainties described in the "Risk Factors" section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 29, 2013, the "Risk Factors" section of our Quarterly Reports on Form 10-Q that we file with the SEC from time to time, as well as the following risks: our ability to obtain additional financing; our ability to successfully complete research and development of our drug candidates and the size of the markets for those drug candidates; our ability to develop and commercialize products before competitors or that are superior to the alternatives developed by such competitors; our ability to protect our patents and other intellectual property; any loss of key employees; the impact of our separation from Elan and risks relating to our ability to operate effectively as a stand-alone, publicly traded company, including, without limitation, our ability to achieve benefits from our separation; restrictions on our taking certain actions due to tax rules and covenants with Elan; changes in our cost structure, management, financing and business operations following the separation and distribution; growth in costs and expenses; our ability to maintain financial flexibility and sufficient cash, cash equivalents, and investments and other assets capable of being monetized to meet our liquidity requirements; disruptions in the U.S. and global capital and credit markets; fluctuations in foreign currency exchange rates; extensive government regulation; risks from potential environmental liabilities; the volatility of our share price; general changes in GAAP; and business disruptions caused by information technology failures or events beyond our control. Prothena undertakes no obligation to update publicly any forward-looking statements contained in this press release as a result of new information, future events or changes in Prothena's expectations.

PROTHENA CORPORATION PLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited - amounts in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenue - related party	$ 167	$ 735	$ 338	$ 1,139
Operating expenses:				
Research and development	8,147	8,019	14,104	16,776
General and administrative	3,212	2,427	6,393	4,885
Total operating expenses	11,359	10,446	20,497	21,661
Loss from operations	(11,192)	(9,711)	(20,159)	(20,522)
Interest and other income	14	--	36	--
Loss before income taxes	(11,178)	(9,711)	(20,123)	(20,522)
Provision for income taxes	124	--	130	--
Net loss	$ (11,302)	$ (9,711)	$ (20,253)	$ (20,522)
Basic and diluted loss per share	$ (0.64)	$ (0.67)	$ (1.15)	$ (1.42)
Shares used to compute basic and diluted loss per share	17,679	14,497	17,679	14,497

PROTHENA CORPORATION PLC

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited - amounts in thousands)

	June 30, 2013	December 31, 2012
Cash and cash equivalents	$ 112,507	$ 124,860
Prepaid and other current assets	1,087	981
Total current assets	113,594	125,841

Plant and equipment, net	3,729	3,442
Other non-current assets	607	--
Total assets	$ 117,930	$ 129,283

Accrued research and development expenses	$ 5,698	$ 47
Other current liabilities	3,385	1,697
Total current liabilities	9,083	1,744
Other non-current liabilities	1,618	1,055
Total liabilities	10,701	2,799
Total shareholders' equity	107,229	126,484
Total liabilities and shareholders' equity	$ 117,930	$ 129,283

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