BioArctic

INTERIM REPORT
OCTOBER – DECEMBER 2024

BIOARCTIC

Pioneering license agreement with BrainTransporter™ signed with BMS worth up to USD 1.35 billion plus royalties

EVENTS DURING THE FOURTH QUARTER 2024

- The Australian Medicines Agency (TGA) decided not to approve lecanemab. Eisai has requested a reconsideration
- The phase 3 study AHEAD 3-45 in preclinical Alzheimer's disease was fully recruited
- Eisai completed the stepwise application for subcutaneous maintenance therapy with Leqembi in the US
- New data for the BrainTransporter technology was presented, showing a dramatic increase of antibody delivery to the brain
- Eisai lowered Leqembi outlook for fiscal year 2024 (April 2024 – March 2025). Sales are now expected to reach JPY 42.5 B
- EMA's advisory committee, CHMP, issued a positive recommendation for approval of lecanemab in the EU
- BioArctic signed a global exclusive license agreement with the Bristol Myers Squibb (BMS) for BioArctic's antibodies BAN1503 and BAN2803. The agreement, which is pending authority approval, is worth up to USD 1.35 B plus royalties

EVENTS AFTER THE END OF THE FOURTH QUARTER 2024

- FDA accepted the Biologics License Application (BLA) for subcutaneous maintenance dosing of Leqembi in the US
- FDA approved less frequent IV maintenance dosing of Leqembi for the treatment of early Alzheimer's disease in the US
- The European Commission has asked the CHMP to consider two additional questions ahead of a final decision on the Market Authorization Application for lecanemab in the EU

FINANCIAL SUMMARY OCTOBER – DECEMBER 2024

- Net revenues for the period amounted to SEK 101.2 M (11.0), of which SEK 96.7 M (7.3) in royalties for Leqembi
- Operating profit amounted to SEK -53.5 M (-78.1)
- Profits for the period amounted to SEK -31.5 M (-87.2)
- Earnings per share before and after dilution amounted to SEK -0.36 (-0.99)
- Cash flow from operating activities amounted to a negative SEK -27.4 M (125.8)

FINANCIAL SUMMARY JANUARY – DECEMBER 2024

- Net revenues for the period amounted to SEK 257.4 M (616.0), of which SEK 230.4 M (10.2) in royalties for Leqembi
- Operating profit amounted to SEK -228.5 M (252.6)
- Profit for the period amounted to SEK -177.1 M (229.2)
- Earnings per share was SEK -2.00 (2.60) before dilution and -2.00 (2.59) after dilution
- Cash flow from operating activities amounted to a negative SEK -316.3 M (309.7)
- Cash and cash equivalents and short-term investments at the end of the period amounted to SEK 779 M (1,112)
- The Board in BioArctic proposes that no dividend is to be paid for the fiscal year 2024

KEY FINANCIAL PERFORMANCE INDICATORS [1]

	Q4		Jan-Dec	
SEK M	**2024**	**2023**	**2024**	**2023**
Net revenues	101.2	11.0	257.4	616.0
Other operating income	0.4	0.4	3.7	4.1
Operating profit/loss	-53.5	-78.1	-228.5	252.6
Operating margin, %	neg	neg	neg	41.0
Profit/loss for the period	-31.5	-87.2	-177.1	229.2
Earnings per share before dilution, SEK	-0.36	-0.99	-2.00	2.60
Earnings per share after dilution, SEK	-0.36	-0.99	-2.00	2.59
Equity per share, SEK	10.13	11.85	10.13	11.85
Cash flow from operating activities	-27.4	125.8	-316.3	309.7
Cash flow from operating activities per share, SEK	-0.31	1.42	-3.58	3.51
Cash, cash equivalents and short term investments	779	1,112	779	1,112
Equity/assets ratio, %	80.5	88.2	80.5	88.2
Return on equity, %	-3.47	-8.02	-18.24	25.02
Share price at the end of the period, SEK	199.50	267.80	199.50	267.80

Unless otherwise stated, this Interim report refers to the Group. Figures in parentheses refer to the corresponding period last year. The amounts stated are rounded, which sometimes leads to some totals not being exact.

[1] For the definition of financial performance indicators, see page 25

Comments from the CEO

Reflecting on 2024, I look back on yet another eventful year. We have taken many strategically important steps, and BioArctic is now a more diversified company than just a year ago. Leqembi, the world's first fully approved disease modifying drug for Alzheimer's disease, is now approved in ten markets and already helping tens of thousands of patients across three continents. We have presented groundbreaking data for our BrainTransporter technology, and signed the first licensing agreement which is fantastic. The technology platform is generating significant interest in the pharmaceutical industry, and it is clear that it creates great opportunities for us to grow in the coming years. The licensing agreement we signed in December with Bristol Myers Squibb (BMS), which is pending clearance under the US Antitrust legislation, will give us an even stronger financial position and enables continued investments in our portfolio to build further value. Under the agreement, BMS will become solely responsible for the development and any subsequent global commercialization of BAN1503 and BAN2803 in Alzheimer's disease. When the agreement comes into effect, we will receive USD 100 million upfront and up to USD 1.25 billion in development-related, regulatory, and commercial milestones, as well as tiered low double-digit royalties on global sales. This means that from 2025 and onwards, we expect to be profitable.

I have long been very enthusiastic about what the BrainTransporter technology can offer and have had high expectations on new data. What we have now presented shows that the technology is clearly differentiated from what has previously been generated in the field. It has the potential for both faster and stronger efficacy for treatments targeting the brain with fewer side effects and lower doses. These findings have been well received by the industry and I was energized by the considerable interest we experienced from major pharmaceutical companies during the JP Morgan conference in San Francisco in the beginning of this year. It is clear that BioArctic, with the BrainTransporter technology, has a leading position in the development of next-generation treatments for brain diseases, and I see great opportunities for new collaborations going forward.

We have also initiated the phase 2a study EXIST with exidavnemab in Parkinson's disease, the first clinical study in the neurodegenerative space that we are conducting independently. Patient recruitment is progressing well, and the first part of the clinical trial is already fully recruited thanks to a close collaboration between our highly competent clinical development organization and the participating clinics. EXIST is an important step towards a proof-of-concept study focusing on the efficacy of the drug candidate.

Leqembi sales continue to grow, and more than 20,000 patients are now on treatment. Global sales generated SEK 97 M in


"Our business remains solid, both in terms of our research and our financial position."

royalty during the fourth quarter, an increase of 38 percent compared to the previous quarter. In total, we reported royalties of approximately SEK 230 million in 2024. Eisai continues to work with regulatory authorities to make Leqembi available to more patients. Unfortunately, the EU Commission has not yet finally approved Leqembi following the positive recommendation from EMA's advisory committee CHMP in November. The decision has been postponed as the EU Commission has raised follow-up questions that will be addressed at the CHMP meeting in February 2025. In January 2025, the US FDA approved intravenous maintenance treatment with Leqembi every four weeks for patients who have completed the initial 18 months of treatment every other week. The FDA also announced that they will provide a decision regarding the subcutaneous version of maintenance treatment at the end of August this year. The subcutaneous treatment option uses an autoinjector similar to the one used by people with diabetes, which will simplify treatment for patients and healthcare providers. This administration form could in the future potentially also be used for induction treatment. That requires an approval that could come during the first half of 2026.

Looking ahead, my expectation is that 2025 will bring continued royalty growth from Leqembi, as well as additional milestone payments from Eisai. We will continue to prioritize the work for additional collaboration agreements, which we initiated towards the end of last year. Our business remains solid, both in terms of our research and financial position. We are ready for 2025, and I hope you are with us for the continued journey.

Gunilla Osswald
CEO, BioArctic AB

BioArctic in short

BioArctic AB (publ) is a Swedish research-based biopharma company focusing on treatments that can delay or stop the progression of neurodegenerative diseases. The company invented Leqembi (lecanemab) – the world's first approved drug proven to slow the progression of the disease and reduce cognitive impairment in early Alzheimer's disease. Leqembi has been developed together with BioArctic's partner Eisai, who are responsible for regulatory interactions and commercialization globally. In the Nordics, Eisai, together with BioArctic is responsible for the commercialization. In addition to Leqembi, BioArctic has a broad research portfolio with antibodies against Parkinson's disease and ALS as well as additional projects against Alzheimer's disease. Several of the projects utilize the company's proprietary BrainTransporter™ technology, which has the potential to improve the delivery of drugs across the blood-brain barrier to enhance the efficacy of the treatment. BioArctic's B share (BIOA B) is listed on Nasdaq Stockholm Large Cap.

Strategy for sustainable growth

Vision
A world in which we successfully stop the onset of neurodegenerative diseases

Mission
Together, we create, develop, and provide drugs of the future for patients with severe neurodegenerative diseases and other conditions with significant medical needs

Business concept
• Through pioneering research, BioArctic creates and develops biological drugs for patients with neurodegenerative diseases and other conditions with significant medical needs
• BioArctic shall generate revenue and increase the value of the company by outlicensing or commercializing drugs

Overarching company- and operational strategy
BioArctic is a biopharmaceutical company that creates, develops, and provides disease-modifying treatments for severe neurodegenerative diseases and other conditions with significant medical needs

Research and development:
• Based on core competencies in medical understanding of neurodegenerative diseases and knowledge in antibody and protein technology, we develop new innovative product candidates for e.g. Alzheimer's disease, Parkinson's disease and ALS as well as create new drug candidates with improved uptake in the brain via our BrainTransporter technology
• BioArctic continuously develops the project portfolio based on both scientific and commercial considerations in order to optimize our scientific competence and financial abilities
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Commercialization:
• BioArctic prioritizes long-term partnerships that add to our core competencies, finances late-phase clinical development and maximize the global commercial potential of the product
• BioArctic plans to sell and commercialize drugs in the Nordics, and in the future also in Europe

Operations

BioArctic mainly conducts its research in four focus areas:
Alzheimer's disease
Parkinson's disease
Other CNS disorders
Technology for passing the Blood-brain barrier

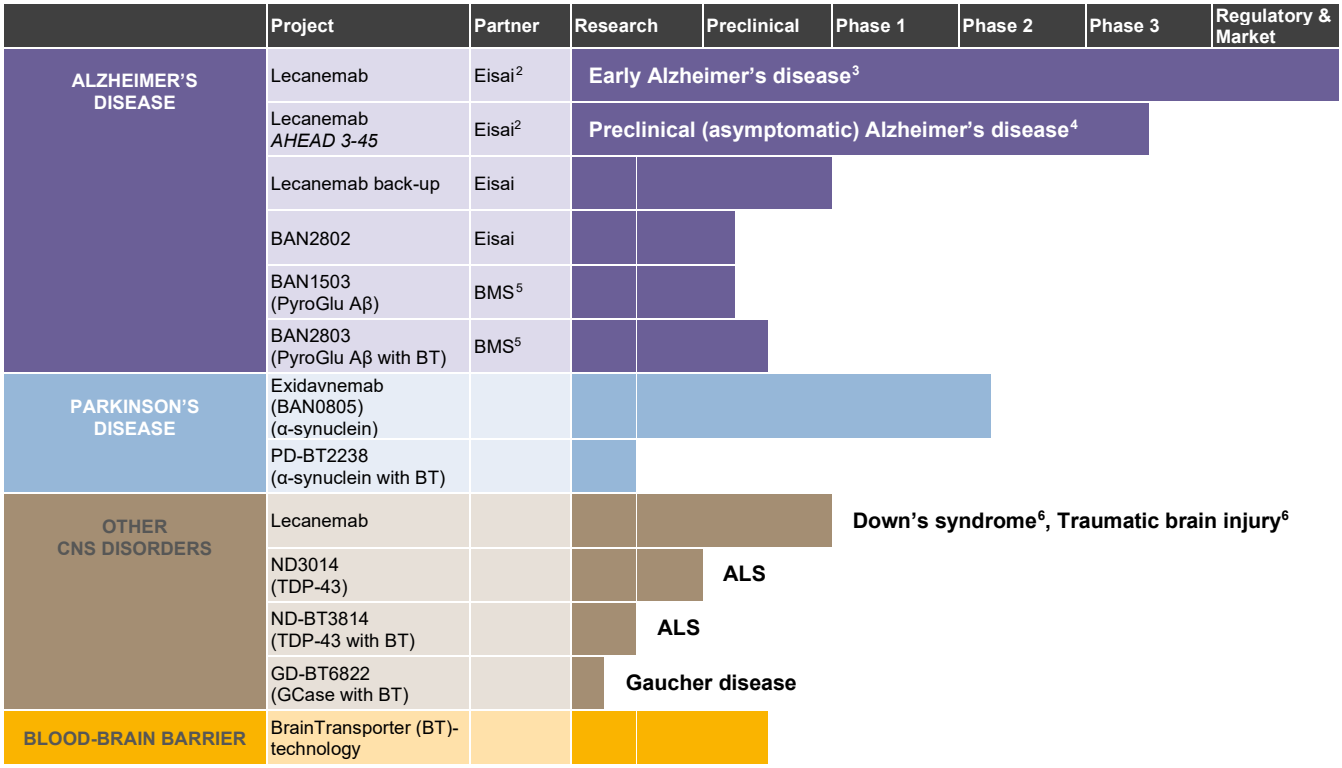
Neurodegenerative disorders are conditions in which cells in the brain degenerate and die. Normally the neurodegenerative processes begin long before any symptoms appear. Neurodegenerative disorders affect the lives of millions of people and constitute a growing global health care problem.

A key cause of Alzheimer's disease and Parkinson's disease is believed to be misfolding and aggregation of proteins. The spreading of aggregated soluble forms of proteins leads to neuronal dysfunction, cell death, brain damage and symptoms of disease. Each neurodegenerative disorder is characterized by different aggregated proteins. The protein amyloid beta (Aβ) is involved in Alzheimer's disease, the protein alpha-synuclein (α-synuclein) is involved in Parkinson's disease, while for ALS, it is the protein TDP-43. BioArctic's aim with the antibodies currently in clinical phase, is to achieve a disease-modifying effect through the selective binding of antibodies, and elimination of the harmful soluble aggregated forms (oligomers/protofibrils) of the amyloid beta protein and the alpha-synuclein protein in the brain.

Project portfolio

BioArctic has a balanced, competitive portfolio consisting of unique product candidates and technology platforms. All projects are focused on disorders of the central nervous system. The company's project portfolio consists of a combination of fully funded projects run in partnership with the Japanese pharma company Eisai, and innovative development and research projects with significant market- and out-licensing potential. The projects are in various phases: from discovery to commercialization. BioArctic continuously evaluates the project portfolio based on both scientific and commercial considerations.

As of December 31, 2024, the project portfolio consisted of:



[2] Partner with Eisai for lecanemab for treatment of Alzheimer's disease since 2007 Eisai entered partnership with Biogen regarding BAN2401 (lecanemab) in 2014
[3] Mild cognitive impairment due to Alzheimer's disease and mild Alzheimer's disease
[4] Normal cognitive function with intermediate or elevated levels of amyloid in the brain
[5] Bristol Myers Squibb (BMS). The agreement is subject to approval under US antitrust law (Hart-Scott-Rodino Antitrust Improvements Act of 1976)
[6] Dementia and cognitive impairment associated with Down's syndrome and with traumatic brain injury

ALZHEIMER'S DISEASE

In Alzheimer's disease, the amyloid beta protein clumps together into increasingly larger aggregates in the brain – from the harmless form with a normal function (monomers) to larger forms such as oligomers, protofibrils, fibrils and finally amyloid plaques containing fibrils. Oligomers and protofibrils are considered the most harmful forms of amyloid beta that initiate the process of Alzheimer's disease. BioArctic has developed several unique and selective antibodies with the potential to slow or halt the progression of Alzheimer's disease. Lecanemab, which is the first fully approved disease-modifying drug for Alzheimer's disease. The drug is approved in the US, Japan, China, Great Britain and several other countries under the brand name Leqembi. The development of lecanemab against Alzheimer's disease is being financed and pursued by BioArctic's partner Eisai, which also co-owns the rights to another antibody called lecanemab back-up. BioArctic has four additional antibodies projects against Alzheimer's disease in its project portfolio, two of which are connected with the BrainTransporter technology.

Drug candidate lecanemab (collaboration with Eisai), brand name Leqembi

Lecanemab, which is the result of a long-term strategic research collaboration between BioArctic and Eisai, is a humanized monoclonal antibody against Alzheimer's disease. Eisai is responsible for the clinical development of lecanemab in Alzheimer's disease. The project is based on research from BioArctic, Uppsala University and Karolinska Institutet, Sweden.

Lecanemab has a unique binding profile that distinguishes it from other amyloid beta antibodies. It selectively binds to neutralize and eliminate soluble toxic Aβ aggregates (protofibrils) that are thought to contribute to the neurodegenerative process in Alzheimer's disease, but also removes insoluble aggregates (fibrils) that make up the plaque in the brain associated with the disease. BioArctic has an ongoing research collaboration with Eisai in order to further deepen the knowledge about the drug candidate lecanemab.

Clarity AD was a global confirmatory 18-month Phase 3 placebo-controlled, double-blind, parallel-group, randomized study in 1,795 people with early Alzheimer's disease. The treatment group was administered lecanemab 10 mg/kg bi-weekly, with participants allocated in a 1:1 ratio to receive either placebo or lecanemab. Eisai's recruitment strategy led to a broad inclusion of patients to be as similar as possible to the early Alzheimer's population in society. In the study, patients with a wide range of other diseases and concurrent medication with other drugs including anticoagulants were allowed. Eisai also ensured greater inclusion of ethnic and racial populations, resulting in approximately 25 percent of the total US enrollment including persons of Latino and African American origin living with early Alzheimer's disease.

Results from the pivotal Phase 3 study Clarity AD showed that lecanemab achieved the primary endpoint of reducing clinical decline from baseline on the global cognitive and functional scale CDR-SB (Clinical Dementia Rating-Sum of Boxes) compared to placebo with 27 percent, with high statistical significance ($p=0.00005$). Already at 6 months and across all time points thereafter, lecanemab showed statistical significance compared to placebo ($p<0.01$) in slowing clinical decline. All secondary efficacy measures were also achieved with high statistical significance ($p<0.01$).

Notably, lecanemab slowed functional deterioration by 37 percent as measured by the ADCS MCI-ADL scale, which measures how well the patient manages activities in daily life, and positively affected biomarkers for amyloid, tau[7] and neurodegeneration. This shows that lecanemab affects the underlying disease. For patients, this could equal remaining in the earlier stages of the disease for an additional 2-3 years longer, according to a modeling study, performed and published by Eisai.

The most common adverse events (>10%) in the lecanemab group were infusion reactions, ARIA-H (combined cerebral microhemorrhages, cerebral macrohemorrhages, and superficial siderosis), ARIA-E (edema/effusion), headache, and fall.

An open-label extension study of Clarity AD is ongoing for those patients who completed the core study, to further evaluate the safety and efficacy of lecanemab. Eisai has presented three-year data from the extension study showing that treatment with lecanemab continues to provide increasing benefit in patients with early Alzheimer's disease with a maintained safety profile. In addition, data from the very earliest patient group show that 51% of patients continued to show improvement in cognition and function after three years.

Lecanemab continues to positively impact biomarkers over the course of treatment – Clinical data and biomarkers such as Aβ42/40 ratio, pTau181, pTau217 and GFAP suggests that AD does not stop progressing after plaque clearance. Data indicates that patients continue to benefit by remaining on treatment, potentially at a lower maintenance dose, which was shown to prevent reaccumulating of brain amyloid and worsening of plasma biomarkers.

Eisai has also conducted a Phase 1 study for subcutaneous dosing and the subcutaneous formulation is currently being evaluated in the open-label extension study of Clarity AD.

[7] Cognitive deterioration in Alzheimer's disease is closely associated with increasing levels of the tau protein in brain nerve cells

In addition, since July 2020, Eisai's phase 3 study (AHEAD 3-45) for individuals with preclinical Alzheimer's disease, having intermediate or elevated levels of amyloid in their brains but no symptoms, is ongoing.

The AHEAD 3-45 program aims to investigate whether four-year treatment with lecanemab in this group can reduce their risk of developing cognitive problems as a result of Alzheimer's disease. It is conducted as a public-private partnership between the Alzheimer's Clinical Trials Consortium (ACTC), funded by the United States National Institute on Aging and Eisai.

Since January 2022, the Tau NexGen clinical study for individuals with Dominantly Inherited AD (DIAD) is ongoing, in which lecanemab is given as anti-amyloid background treatment in combination with a treatment targeting the intracellular protein tau to see if the treatments can slow or stop the progression of the disease.

Process of approval of Leqembi in the world:

USA

- In July 2023, U.S Food and Drug Administration (FDA) granted Leqembi traditional approval for the treatment of Alzheimer's disease and the drug was launched. In January 2025 the FDA accepted Eisai's application for subcutaneous maintenance treatment with Leqembi. The PDUFA date was set to August 31, 2025. In January 2025 the FDA approved Eisai's Supplemental Biologics License Application (sBLA) for less frequent intravenous (IV) maintenance dosing for the treatment of Alzheimer's disease with Leqembi.

EU

- In January 2023, Eisai submitted applications for marketing authorization in the EU. In November 2024 (CHMP) the European Medicines Agency (EMA) gave a positive opinion on Marketing Authorization Approval (MAA) for lecanemab as treatment for Alzheimer's disease. In January 2025, the European Commission asked the EMA's CHMP advisory committee to consider two additional questions ahead of a final decision on the Market Authorization Application for lecanemab in the EU

Japan

- In September 2023, Leqembi was approved in Japan for the treatment of Alzheimer's disease and subsequently launched towards the end of 2023.

China

- In January 2024, Leqembi® was approved in China for the treatment of Alzheimer's disease and was launched on the market in June 2024.

The rest of the world

- Leqembi is approved for the treatment of Alzheimer's disease in several countries such as Great Britain, Hong Kong, Israel, Macao, Mexico, South Korea, and the United Arab Emirates. In October 2024, Eisai requested a reconsideration of the initial decision made by the Therapeutic Goods Administration (TGA) of Australia not to approve lecanemab. Eisai has also submitted applications for approval of lecanemab in 17 other countries and regions.

Lecanemab back-up candidate (collaboration with Eisai)

The antibody is a refined version of lecanemab for the treatment of Alzheimer's disease. The antibody was developed in collaboration with Eisai, which resulted in a new license agreement in 2015. The project is driven and financed by Eisai and is in the preclinical phase.

Drug project BAN2802 (research evaluation agreement with Eisai)

BAN2802 is a potential new antibody treatment against Alzheimer's disease that is combined with the blood-brain barrier technology — BrainTransporter, or BT — to enhance the uptake of drug in the brain.

In April 2024, BioArctic entered into a research evaluation agreement with Eisai regarding BAN2802. At the end of the collaboration, Eisai will evaluate the generated data and decide whether to exercise an option to license BAN2802 for the treatment of Alzheimer's disease.

Project BAN1503 and BAN2803 (under agreement with Bristol Myers Squibb)

BioArctic has signed a outlicensing agreement with Bristol Myers Squibb for the antibody projects BAN1503 and BAN2803 in Alzheimer's disease. The agreement is subject to approval under US antitrust law (Hart-Scott-Rodino Antitrust Improvements Act of 1976). The projects target a shorter (truncated) form of amyloid beta (PyroGlu-Aβ). BAN2803 includes BioArctic's BrainTransporter technology.

PARKINSON'S DISEASE

BioArctic's antibodies for misfolded aggregated alpha-synuclein have the potential to be efficacious disease-modifying treatments for synucleinopathies such as Parkinson's disease. Exidavnemab (BAN0805) is a monoclonal antibody that selectively binds to and eliminates neurotoxic aggregated forms of alpha-synuclein.

Drug candidate Exidavnemab (BAN0805) and PD-BT2238

The objective of the project portfolio is to develop disease-modifying treatments for synucleinopathies such as Parkinson's disease, Lewy body dementia and multiple system atrophy.

Exidavnemab is a monoclonal antibody that selectively binds to and eliminates neurotoxic aggregated forms of alpha-synuclein. The goal is to develop a disease modifying treatment that stops or slows down disease progression. The project is based on research from Uppsala University.

At the International Congress of Parkinson's Disease and Movement Disorders® (MDS) in September 2021, preclinical results and findings from the Phase 1 study were presented, supporting the continued development of the antibody in a Phase 2 study with monthly dosing. In November 2021, the journal Neurobiology of Disease published an article from BioArctic, describing new preclinical data for the anti-alpha synuclein antibody exidavnemab. The article highlights the antibody's ability to selectively bind toxic soluble alpha-synuclein aggregates. In May 2022, an additional drug substance patent for exidavnemab was granted in the US, valid until 2041, with a possible extension until 2046. In August 2023, Japan granted an extended drug substance patent for exidavnemab, also valid until 2041, with a possible extension until 2046. In August 2024, results from two phase-1 studies with exidavnemab were published in The Journal of Clinical Pharmacology, demonstrating that exidavnemab was generally well-tolerated, with an excellent half-life of approximately 30 days.

BioArctic initiated a phase 2a study of exidavnemab in individuals with Parkinson's disease during the fourth quarter 2024.

At the end of 2022, BioArctic expanded the project portfolio in Parkinson's disease with project PD-BT2238, which combines a selective antibody directed against soluble alpha-synuclein aggregates (so-called oligomers and protofibrils) with BioArctic's BrainTransporter technology.

OTHER NEURODEGENERATIVE DISEASES

BioArctic aims to improve the treatment of a number of central nervous system disorders. The company is evaluating the possibility of developing both existing as well as new antibodies against other diseases in the central nervous system.

Drug candidate lecanemab (indications other than Alzheimer's disease, owned by BioArctic)

Lecanemab can potentially also be used for other indications which in that case would be owned by BioArctic. The antibody is in the preclinical phase as a potential treatment of cognitive disorders in conjunction with for example Down's syndrome and traumatic brain injury. BioArctic has presented findings supporting that lecanemab also could be developed into a disease modifying treatment benefiting individuals with Down's syndrome with dementia.

Project ND3014, ND-BT3814 and GD-BT6822 (owned by BioArctic)

The drug projects ND3014 and ND-BT3814 are focused on developing antibody drugs against TDP-43, a protein that is believed to play a key role in the development of the rare neurodegenerative disease ALS. The ND-BT3814 project is linked to BioArctic's blood-brain barrier technology. The projects are in research phase.

BioArctic's project portfolio also include a project focused on enzyme replacement therapy for Gaucher disease in combination with the company's BrainTransporter technology to address the CNS-symptoms of the disease.

BLOOD-BRAIN BARRIER TECHNOLOGY

BioArctic's BrainTransporter technology facilitates the passage of biological drugs, such as antibodies, into the brain. This technology is being applied to select in-house drug projects and is included in the research evaluation agreement with Eisai regarding BAN2802, and for BAN2803 for which BioArctic has signed an outlicensing agreement with Bristol Myers Squibb for Alzheimer's disease. BioArctic has retained all other rights for use of the BrainTransporter platform. The opportunities for future collaborations with other pharmaceutical companies in various disease areas and out licensing of this platform technology are considered very good.

BRAINTRANSPORTER TECHNOLOGY (owned by BioArctic)

The blood-brain barrier controls the passage of substances between the blood and the brain. It protects the brain from harmful substances, but at the same time it can make it difficult for drugs to reach the brain. BioArctic has developed a BrainTransporter technology, which has demonstrated a profound increase and improved exposure of antibodies in the brain.

At the PEGS conference in Barcelona in November 2024 results were presented that showed that BioArctic's BrainTransporter technology could provide up to 70 times higher brain exposure of amyloid-beta antibodies, with a rapid, broad, and deep distribution of the antibodies throughout the brain.

The technology could potentially provide better clinical efficacy, fewer side effects, and lower dose compared to current treatments. It is now being used in five projects, two in Alzheimer's disease, BAN2802 (Eisai), BAN2803, one in Parkinson´s disease, PD-BT2238, one in ALS, ND-BT3814, and one in Gaucher disease, GD-BT6822. The technology, which is now in the pre-clinical phase, has significant potential to enhance many treatments for diseases of the brain.

In December 2024, BioArctic and Bristol Myers Squibb signed a global license agreement for BioArctic's pyroglutamate-amyloid-beta antibody program, which includes the Alzheimer's projects BAN1503 and BAN2803, of which the latter utilizes BioArctic's BrainTransporter technology. The agreement is subject to approval under US antitrust law (Hart-Scott-Rodino Antitrust Improvements Act of 1976).

Comments to the financial development, revenues and result

Revenues consist of milestone payments, royalty, co-promotion and payments from research agreements. Due to the nature of the business operations, the revenues may fluctuate significantly from quarter to quarter, as revenues from milestone payments are recognized at the point in time when performance obligations are fulfilled.

Net revenues in the fourth quarter amounted to SEK 101.2 M (11.0). Net revenues included SEK 96.7 M (7.3) in royalties for Leqembi sales, mainly in the USA and in Japan, and SEK 1.6 M (1.9) from research collaboration agreements. Co-promotion revenues from commercialization of lecanemab in the Nordic region with Eisai amounted to SEK 2.9 M (1.9). Net revenues for the full year period amounted to SEK 257.4 M (616.0). Last year four milestone payments were received, amounting to a total of SEK 592.0 M, equivalent to EUR 52 M. No milestone payments were received during 2024.

Cost of sales, consisting of royalties paid for the commitments that BioArctic has towards LifeArc for Leqembi, amounted to SEK 11.8 M (0.7) during the fourth quarter and to SEK 27.0 M (15.0) for the full year.

Other operating income relates to operating exchange rate gains. Other operating income amounted to SEK 0.4 M (0.4) in the fourth quarter and for the full year to SEK 3.7 M (4.1).

Operational expenses for the business amounted to SEK 142.9 M (88.4) for the fourth quarter and to SEK 458.9 M (348.4) for the full year. Costs for research- and development increased to SEK 96.3 M (52.6) during the quarter, SEK 311.1 M for the full year (172.1), as several in-house projects have progressed to a later phase. BioArctic's proprietary projects are in an early research phase and do not meet the criteria for capitalization of R&D expenses, which is why all such costs have been charged to the income statement.

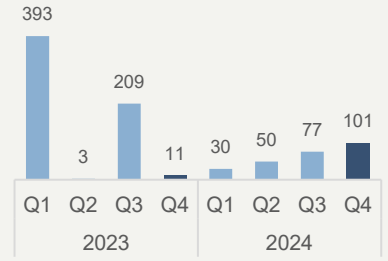
Costs of marketing and sales in the quarter increased to SEK 15.6 M (14.1) as a consequence of a growing commercial organization and work to prepare for the launch of lecanemab in the Nordics. This work continues ahead of final market approval in the EU. For the January – December period the costs amounted to SEK 55.5 M (43.7).

General and administration costs increased to SEK 30.9 M (23.3) for the quarter. The cost decreased to SEK 93.4 M (128.5) for the full year period. The reason for the cost increase in the quarter is mainly related to an adjustment of central costs in the fourth quarter 2023 and higher legal costs in connection with the out-licensing deal to BMS. The decrease compared to the previous January – December period is mainly due to high costs from the repurchase of employee stock options from the CEO in the second quarter of 2023 and reallocation of central costs in 2024. Other operating expenses, mainly realized operating exchange rate losses, decreased during the quarter and for the period to SEK 0.5 M (1.1) and SEK 2.6 M (8.1) respectively.

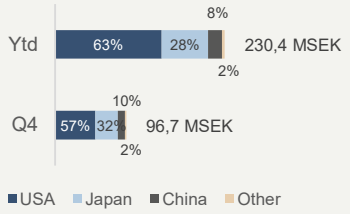
Operating profit before net financial items (EBIT) amounted to SEK -53.5 M (-78.1) for the fourth quarter and to SEK -228.5 M (252.6) for the full year period. The lowered result for the quarter and for the January – December period is a consequence of milestone revenues being received in 2023, but not in 2024.

Net financial items totaled SEK 9.6 M (2.4) for the fourth quarter and SEK 39.0 M (23.8) for the full year period. The increase for the full year period is attributable to higher interest income on short-term investments. Interest expenses and similar items consist of exchange rate losses and interest on leasing liabilities.

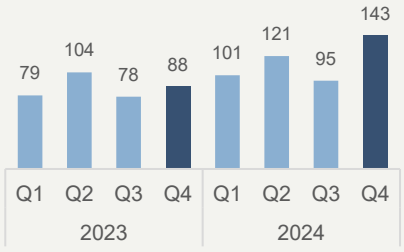
Net revenues (SEK M)



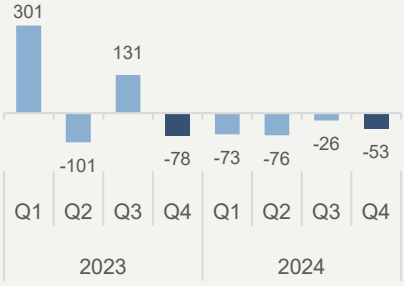
Royalties by country (SEK M)



Operational costs (SEK M)



Operating profit/loss (SEK M)



Due to the dissolution of untaxed reserves, a negative tax expense of SEK -12.4 M (11.6) was reported for the fourth quarter and SEK -12.4 M (47.2) for the full year.

The profit for the period amounted to SEK -31.5 M (-87.2) for the fourth quarter and to SEK -177.1 M (229.2) for the full year period.

Profit per share before and after dilution amounted to SEK -0.36 (-0.99) for the fourth quarter. For the full year period, the profit per share before dilution amounted to SEK -2.00 (2.60) and to SEK -2.00 (2.59) after dilution.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the fourth quarter amounted to SEK -27.4 M (125.8) and to SEK -316.3 M (309.7) for the full year period. The change for the quarter and the full year period compared with the equivalent period last year is a lower result, as no milestone payments were received during 2024.

Cash flow from investing activities for the fourth quarter amounted to SEK neg. 68.9 M (neg. 204.6). For the full year period cash flow from investing activities amounted to SEK 205.6 M (neg. 507.5). The negative cash flow during the fourth quarter is explained by an increase in short-term investments, while the positive cash flow for the whole year is mainly explained by the fact that short-term investments have expired, and liquid funds have been added during the period January - December.

During 2024, a new lease agreement for office premises was entered into, which increased right-of-use assets by SEK 58.5 M and increased lease liabilities by SEK 58.6 M.

Cash flow from financing activities amounted to SEK 1.4 M (1.1) for the fourth quarter and to SEK 5.7 M (14.1) for January – December and was related to amortization of leasing debt, as well as new share issue with the support of employee options.

LIQUIDITY AND FINANCIAL POSITION

Equity amounted to SEK 894.9 M as of December 31, 2024, compared with SEK 1,046.6 M as of December 31, 2023. This corresponds to equity per outstanding share of SEK 10.13 (11.85). The equity/asset ratio was 80.5 percent as of December 31, 2024, compared with 88.2 percent as of December 31, 2023.

The Group's cash and cash equivalents consist of bank balances of SEK 512.9 M. Short-term investments, classified as current assets excluding cash and cash equivalents, amount to SEK 266.0 M (500.0). Cash and cash equivalents and short-term investments amount to a total of SEK 778.9 M as of December 31, 2024, compared with SEK 1,111.6 M as of December 31, 2023. There were no loans as of December 31, 2024, and no loans have been taken since this date. The Group has no other credit facility or loan commitments.

In order to neutralize foreign exchange rate exposure some liquid funds are held in foreign currency. This has implications on reporting in conjunction with revaluation of currency to current rate. These effects are recognized in financial income and expenses.

PARENT COMPANY

The Group's business operations are mainly conducted in the Parent Company.

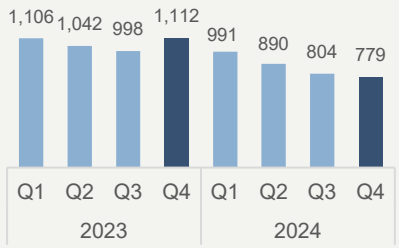
EVENTS DURING THE FIRST QUARTER 2024

- Leqembi was approved for the treatment of Alzheimer's disease in China
- The European Medicines Agency (EMA) announced that its deliberations on lecanemab regarding the Marketing Authorisation Application has been rescheduled due to procedural reasons

EVENTS DURING THE SECOND QUARTER 2024

- BioArctic was included in Nasdaq Stockholm's ESG Responsibility Index
- Eisai received Fast Track designation and initiated a rolling BLA to the FDA for subcutaneous maintenance dosing of Leqembi
- BioArctic and Eisai entered into a research evaluation agreement regarding the drug candidate BAN2802
- Eisai published sales projection for Leqembi for fiscal year 2024 (April 2024 – March 2025) of JPY 56.5 billion

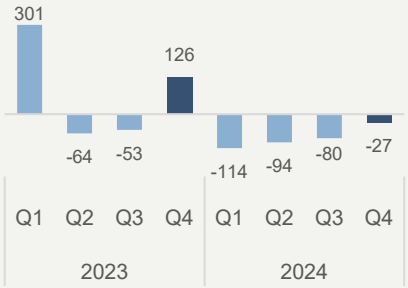
Cash, cash equivalents and short-term investments (SEK M)



Financial position (SEK M)

	31 Dec 2024	31 dec 2023
Non-current lease liabilities	41.1	2.2
Current lease liabilities	13.1	2.8
Cash, cash equivalents and short term investments	778.9	1,111.6
Net cash position	**724.7**	**1,106.6**

Cash flow from operating activities (SEK M)



Cash, cash equivalents and short-term investments (SEK M)

779

- FDA began its review of Eisai’s sBLA for less frequent monthly IV maintenance dosing with Leqembi
- Leqembi was approved in South Korea and launched in China

EVENTS DURING THE THIRD QUARTER 2024

- Leqembi received approval and launched in Hong Kong, Israel, United Arab Emirates and Great Britain
- The European Medicines Agency (EMA) issued a negative opinion on the Marketing Authorisation Application for lecanemab. BioArctic's partner, Eisai, requested a re-examination
- Data from the lecanemab three-year extension study (OLE) demonstrated continued and increasing patient benefit, with a maintained safety profile
- Study results from phase 1 studies with exidavnemab published in The Journal of Clinical Pharmacology

EVENTS DURING THE FOURTH QUARTER 2024

- The Australian Medicines Agency (TGA) decided not to approve lecanemab. Eisai has requested a reconsideration
- The phase 3 study AHEAD 3-45 in preclinical Alzheimer's disease was fully recruited
- Eisai completed the stepwise application for subcutaneous maintenance therapy with Leqembi in the US
- Additional lecanemab data presented at the CTAD congress strengthened previously communicated three-year data
- New data for BrainTransporter technology was presented, showing a dramatic increase the amount of antibody delivery to the brain
- Eisai lowered Leqembi outlook for fiscal year 2024 (April 2024 – March 2025). Sales are now expected to reach JPY 42.5 billion
- EMA's advisory committee CHMP gave a positive recommendation for approval of lecanemab in the EU
- BioArctic signed a global exclusive license agreement with Bristol Myers Squibb (BMS) for BioArctic’s antibodies BAN1503 and BAN2803. The agreement, which is pending authority approval, is worth up to USD 1.35 billion plus royalties

Other information

EVENTS AFTER THE END OF THE FOURTH QUARTER

- FDA accepted the Biologics License Application (BLA) for subcutaneous maintenance dosing of Leqembi in the US
- FDA approved less frequent IV maintenance dosing of Leqembi for the treatment of early Alzheimer's disease in the US
- The European Commission has asked the EMA's CHMP advisory committee to consider two additional questions ahead of a final decision on the Market Authorization Application for lecanemab in the EU

PATENTS

Patents are crucial to the company's future commercial opportunities. BioArctic has therefore an active patent strategy covering all major pharmaceutical markets including the US, EU, Japan and China. At the end of December 2024, BioArctic's patent portfolio consisted of 21 patent families with over 220 granted patents and more than 80 ongoing patent applications.

PARTNERSHIPS, COLLABORATIONS AND MAJOR AGREEMENTS

Collaborations and license agreements with leading pharma and biopharma companies are an important part of BioArctic's strategy. In addition to financial compensation, BioArctic benefits from the expertise the company's partners contribute in drug development, manufacturing and commercialization. BioArctic has entered into a number of such agreements with the global Japanese pharma company Eisai and previously also with the global American biopharma company AbbVie. In December 2024, the company also signed a global license agreement with the American pharma company Bristol Myers Squibb, which is pending clearance under the US Antitrust legislation. These strategic partnerships with leading global companies confirm that BioArctic's research is of very high quality. In the future BioArctic may enter into new agreements that can contribute further funding and research and development competence for those product candidates in preclinical and clinical phase, manufacturing and marketing competence, geographic coverage, and other resources.

BioArctic has been collaborating with Eisai in the field of Alzheimer's disease since 2005. The company has signed research and/or licensing agreements concerning lecanemab, lecanemab back-up and BAN2802. The total value of lecanemab and lecanemab back-up agreements may amount to EUR 222 M in addition to royalty. As of 31 December 2024, up to EUR 84 M in milestone payments remains from Eisai under existing agreements.

BioArctic and Eisai have agreed on commercialization and co-promotion for the Nordic countries based on a fifty-fifty profit share for the region and thus no sales royalty is received as in other markets. According to the agreement Eisai will be responsible for pricing and reimbursement as well as distribution whereas BioArctic will take on a larger responsibility for customer interaction. Eisai is the Marketing Authorization Holder in Europe, and the intention is that BioArctic will be local representative at the point of commercial launch. The collaboration will be governed by a joint Nordic commercialization committee.

In December 2024, BioArctic AB and Bristol Myers Squibb signed a global exclusive license agreement for BioArctic's PyroGlutamate-amyloid-beta (PyroGlu-Aβ) antibody program, including BAN1503 and BAN2803, whereof the latter includes BioArctic's BrainTransporter technology. As part of the agreement, BioArctic will receive a USD 100 million upfront payment when the agreement enters into force and up to USD 1.25 billion in milestone payments. The agreement is subject to approval under US antitrust law (Hart-Scott-Rodino Antitrust Improvements Act of 1976). During 2024, no income from this agreement has been recognized. BioArctic is also entitled to tiered low double-digit royalties on global product sales.

Collaborating with universities is also of great importance to BioArctic. The company has ongoing collaborations with academic research groups at a number of universities.

RISKS AND UNCERTAINTY FACTORS

The management makes assumptions, judgments and estimates that affect the content of the financial statements. Actual results may differ from these assumptions and estimates, as is also stated in the accounting principles. The objective of the Group's risk management is to identify, mitigate, measure, control, and limit business risks. Significant risks are the same for the Parent Company and the Group.

BioArctic's operational and external risks mainly consist of risks related to research and development, clinical trials, and dependence on key employees.

A detailed description of exposure and risk management is presented in the Annual Report 2023 on pages 53-57.

FLUCTUATIONS IN REVENUE GENERATION

BioArctic is developing a number of drug candidates for chronic neurodegenerative diseases in partnership with global pharma companies. The company also conducts research for proprietary projects including new potential antibody treatments as well as a blood-brain barrier technology platform. The company signs research and licensing agreements with partners and then receives remuneration for research as well as milestone payments and royalty, which the company uses to finance current and new projects. Milestone payments are normally received when project reaches predetermined development targets – the start of clinical trials, for example – or when clinical trials move from one phase to a later phase. Milestone payments may also be paid upon submissions of

applications to regulatory authorities, approvals, and sales milestones. Thus, these payments arise unevenly over time. BioArctic also receives royalty income from the sale of Leqembi and as these revenues increase, the fluctuations will decrease.

FUTURE PROSPECTS

As a result of the approval of Leqembi, the company's future income generation is deemed to be very good. The global launch of the drug has begun, which will contribute to gradually increased revenues. Operating expenses for financial year 2025 are expected to increase due to the build-up of the commercial organization ahead of the potential launch of lecanemab in the Nordic region and costs for the expanded and more advanced in-house project portfolio. BioArctic has a business model in which its revenue and earnings are primarily based on milestone payments, royalty income and revenue from co-promotion agreements. All of BioArctic's therapeutic areas, such as Alzheimer's disease, Parkinson's disease, ALS and other neurodegenerative diseases are areas with significant unmet medical need and have great market potential. The company's ambition is to continue to generate and develop the drugs that improve life for people with disorders of the central nervous system. The company's financial position remains strong, which creates exciting possibilities for the continued development of BioArctic.

EMPLOYEES

At the end of the fourth quarter, the number of full-time employees was 107 (88) of which 69 (55) women and 38 (33) are men. 66 (68) percent of the employees work in R&D and of these 83 (82) percent are PhDs. The turnover rate in the quarter was 0.0 (0.0) percent.

ANNUAL GENERAL MEETING 2025

BioArctic's Annual General Meeting will take place on May 22, 2025 at 16:30. More details about the meeting will be presented in more detail in a notice.

NOMINATION COMMITTEE

In accordance with the instruction regarding the appointment of the Nomination Committee, the Nomination Committee for the 2025 AGM has been appointed and announced. The Nomination Committee consists of: Jannis Kitsakis, Chairman (Fourth Swedish National Pension Fund), Margareta Öhrvall (Demban AB) and Claes Andersson (Ackelsta AB). The company's chairman Eugen Steiner is co-opted in the nomination committee.

DIVIDEND

The board's goal is to distribute a dividend to the shareholders that provides a good dividend yield and good dividend growth over time. When the dividend is determined, the company's profit development, cash flow, investment needs and financial position in general must be considered. The dividend shall be well balanced with regards to the business's goals, scope and risk.

The board's proposal is that no dividend is to be distributed for the financial year 2024.

THE SHARE AND SHAREHOLDINGS

The share capital in BioArctic amounts to SEK 1,767,781 divided by 88,389,035 shares which is split between 14,399,996 A-shares and 73,989,039 B-shares. The number of shares increased during the fourth quarter by 14,500 shares as a result of the subscription of shares by participants in the employee stock option program 2019/2028. The quotient value for both A- and B-shares is SEK 0.02. The A-share has 10 votes per share and the B-share has 1 vote per share.

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2024[8]

	Number		Share of (%)	
	A-shares	B-shares	capital,	votes,
Demban AB (Lars Lannfelt)	8,639,998	20,885,052	33.4	49.2
Ackelsta AB (Pär Gellerfors)	5,759,998	13,343,201	21.6	32.5
Fourth Swedish National Pension Fund	-	5,418,493	6.1	2.5
RA Capital Management LP	-	3,117,736	3.5	1.4
Unionen	-	2,500,000	2.8	1.1
Nordea Funds	-	2,312,058	2.6	1.1
Handelsbanken Fonder	-	2,036,840	2.3	0.9
Lannebo Kapitalförvaltning	-	1,847,899	2.1	0.8
Vanguard	-	1,282,054	1.5	0.6
Third Swedish National Pension Fund	-	1,194,212	1.4	0.5
Tot. 10 largest shareholders	**14,399,996**	**53,937,545**	**77.3**	**90.8**
Other	-	20,051,494	22.7	9.2
Total	**14,399,996**	**73,989,039**	**100.0**	**100.0**

LONG-TERM INCENTIVE PROGRAMS

BioArctic has three ongoing long-term incentive programs that were approved at the AGM 2019, 2023 and 2024.

A maximum of 1,000,000 stock options may be granted within the Stock Option Program 2019/2028. The employee stock options may be exercised three to five years after grant. A total of 915,000 options has been granted, and no further grants may occur. The number of lapsed and repurchased options amounted to 75,000 and the number of exercised options amounted to 329,050 as of December 31, which means that 510,950 employee stock options remain outstanding at the end of the quarter corresponding to a dilutive effect of up to 0.58 percent of the share capital at the end of the reporting period.

The Performance Share Unit (PSU) program 2023/2026 is a three-year incentive program including a maximum of 125,000 PSUs that, provided that the share price increases by at least 30 percent during a three-year period, entitles the participants to receive shares free of charge or a cash payment. A total of 117,500 performance share units have been granted, and no further grants may occur. The number of lapsed and repurchased performance share units amounted to 500 as of December 31, which means that

[8] Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and Swedish Financial Supervisory Authority (Finansinspektionen)

117,000 shares units remain outstanding corresponding to a dilutive effect of up to 0.13 percent of the share capital at the end of the reporting period.

The Performance Share Unit (PSU) program 2024/2027 is a three-year incentive program including a maximum of 160,000 PSUs that, provided that, certain conditions are met, entitles the participant to receive B shares free of charge. The program contains sub-goals for the share price to increase by at least 30 percent over a three-year period (30 percent of total goal), goals regarding the company's research and development and/or partnership (60 percent of total goal) and sustainability-related goals (10 percent of total goal). Allocation has taken place with 149,000 performance share rights and no further allocation may take place. No performance share rights are forfeited. In the event of full utilization of issued shares, the number of B shares will increase by 210,000, corresponding to a dilution of 0.24 percent of the number of shares.

In total, the maximum dilution effect of the three incentive programs amounted to 0.95 percent of the shares as of December 31 2024.

REVIEW AND SUBMISSION OF REPORT

This interim report has not been subject to review by BioArctic's auditors.

Stockholm, Sweden, February 13, 2025

Gunilla Osswald
CEO
BioArctic AB (publ)

Sustainability

Sustainable business is the foundation of our business and enables innovation with the goal of making a significant difference in the field of neurodegenerative diseases.

BioArctic's greatest contribution towards a sustainable future is the innovation and development of safe and effective drugs against diseases of great medical need affecting the brain. BioArctic conducts responsible research of the highest quality, which in turn requires us to be a reliable and attractive employer. The company's partnership model is the business model we apply to make BioArctic's research and innovations available to patients around the world. That the drugs we and our partners develop reach market approvals in new markets contributes to the well-being of patients and to society, which is an important part of our social responsibility.

BioArctic endeavors to integrate ethical, economic, and environmental sustainability at all levels in its operations. Key parts are the routine development and implementation of procedures and governance, the quality management system, and measures to prevent negative ethical or environmental impact from the company's own operations.

General information

BioArctic is preparing for the coming CSRD regulations and intends to report accordingly for the full year period ending 2026. In accordance with the regulations, the Board is responsible for the sustainability reporting and strategy development. The Board continuously has been trained in CSRD.

Sustainability reporting covers the BioArctic Group, including subsidiaries, and is reported annually. BioArctic will report advancements towards the annual targets on a quarterly basis. During the fourth quarter the following actions and advancements towards our targets have been made:

ENVIRONMENTAL INFORMATION

BioArctic aims to align energy and climate ambitions with our commitments to UN Global Compact, the industry association and Sweden's overarching aims. In 2024, BioArctic conducted a survey of emissions with the aim of understanding the company's emissions before adopting long-term reduction targets.

Focus area	Status FY 2024
*Vehicle fleet 100% electric or plug-in hybrid	Achieved
*Survey of Scope 1 and 2 emissions, achieved 2024	Achieved
*Survey of Scope 3 emissions, achieved 2025	Ongoing

SOCIAL INFORMATION

BioArctic exercises social sustainability to our employees by providing a thriving and safe workplace and to society and patients by ensuring access to our research and that the drugs we develop are effective, safe and reach the market.

Focus area	Status FY 2024
*Zero workplace accidents	3 non-critical accidents
*Employee satisfaction survey	eNPS average 65, 4 measures (73 Q3 2024)
*Inclusion and diversity survey	1 measure, no deviations
*Total number of market approvals	9

GOVERNANCE INFORMATION

BioArctic operates in a highly regulated environment and has developed a policy framework to support regulatory compliance. During the fourth quarter, a revised anti-bribery and corruption policy was adopted with associated mandatory training. All employees also took part in mandatory GDPR training.

Focus area	Status FY 2024
*Board gender balance at least 40:60	43:57
* Management gender balance at least 40:60	56:44
*Patient safety training	100% completion

OTHER INFORMATION

BioArctic's board adopted long-term climate goals for the business for 2025 and beyond:
*Maintain 100% renewable electricity in own operations
*Validate climate targets according to SBTi 2026
*65% CO_2 reduction by 2035 in the value chain
*Net zero in 2050

As part of the CSRD work, a dual materiality analysis was completed and presented to the audit committee. The analysis was adopted by the board in December 2024 and has also been presented to the company's auditors.

INVITATION TO PRESENTATION OF THE FOURTH QUARTER REPORT FOR OCTOBER – DECEMBER 2024

BioArctic invites investors, analysts, and media to an audiocast with teleconference (in English) today, February 13, at 9:30–10:30 a.m. CET. CEO Gunilla Osswald and CFO Anders Martin-Löf will present BioArctic, comment on the interim report and answer questions.
Webcast:
https://ir.financialhearings.com/bioarctic-q4-report-2024

CALENDAR 2024/2025

Annual report 2024 (Swedish)	April 22, 2025
Quarterly Report Jan-Mar 2025	May 21, 2025, at 08:00 a.m. CEST
Annual General Meeting 2025	May 22, 2025 at 16:30 p.m. CEST
Half-Year Report Jan-Jun 2025	August 28, 2025 at 08:00 a.m. CEST
Quarterly Report Jan-Sep 2025	November 13, 2025 at 08:00 a.m. CEST
Full year Report Jan-Dec 2025	February 18, 2026 at 08:00 a.m. CEST

FOR FURTHER INFORMATION PLEASE CONTACT

Anders Martin-Löf, CFO
anders.martin-lof@bioarctic.com
phone +46 70 683 79 77

Oskar Bosson, VP Communications & Investor Relations
oskar.bosson@bioarctic.com
phone +46 70 410 71 80

Swedish Corporate Identity Number 556601-2679
Warfvinges väg 35, SE-112 51, Stockholm, Sweden
Telephone +46 (0)8 695 69 30
www.bioarctic.com

The interim report is such information as BioArctic AB (publ) is obliged to make public pursuant to the the EU Market Abuse Regulation.

The information was submitted for publication, through the agency of the contact persons set out on this page, at 08.00 CET on February 13, 2025.

This report has been prepared in a Swedish original version and translated into English. In the event of any inconsistency between the two versions, the Swedish language version applies.

Financial statements, Group

CONSOLIDATED INCOME STATEMENT[9]

	Q4		Jan-Dec	
kSEK	**2024**	**2023**	**2024**	**2023**
Net revenues (note 4)	101,236	11,024	257,352	615,995
Cost of sales	-11,849	-730	-26,984	-14,988
Gross margin	**89,388**	**10,295**	**230,369**	**601,007**
Research and development cost	-96,275	-52,644	-311,145	-172,135
Marketing and sales cost	-15,572	-14,050	-55,461	-43,706
General and administration cost	-30,914	-23,252	-93,380	-128,477
Other operating income	395	448	3,740	4,082
Other operating expenses	-519	1,115	-2,638	-8,132
Total operating expenses	**-142,885**	**-88,383**	**-458,884**	**-348,368**
Operating profit/loss	**-53,498**	**-78,088**	**-228,514**	**252,639**
Interest income and similar items	10,250	10,946	40,845	34,228
Interest expenses and similar items	-659	-8,512	-1,849	-10,382
Financial items net	**9,592**	**2,434**	**38,995**	**23,846**
Profit/loss before tax	**-43,906**	**-75,654**	**-189,519**	**276,485**
Tax	12,444	-11,589	12,440	-47,237
Profit/loss for the period	**-31,462**	**-87,244**	**-177,079**	**229,248**
Earnings per share				
Earnings per share before dilution, SEK	-0.36	-0.99	-2.00	2.60
Earnings per share after dilution, SEK	-0.36	-0.99	-2.00	2.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-Dec	
kSEK	**2024**	**2023**	**2024**	**2023**
Profit/loss for the period	-31,462	-87,244	-177,079	229,248
Exchange rate differences connected to foreign operations	34	-26	42	-26
Comprehensive income for the period	**-31,427**	**-87,269**	**-177,038**	**229,222**

[9] From the first quarter of 2024, BioArctic transitioned from a cost-type to a function-type accounting. The reason for the change is that a function-divided accounting better shows how resources are consumed within the main functions of the business. More information can be found in note 2. Costs for the incentive programs Stock Option Program 2019/2028 and Performance Share Unit (PSU) program 2023/2026 have been redistributed between functions in 2023 including the years 2019-2022 as the program in its entirety was previously booked as an administration cost.

CONSOLIDATED BALANCE SHEET (CONDENSED)

kSEK	31 Dec 2024	31 Dec 2023
Assets		
Tangible fixed assets	39,451	23,536
Right-to-use assets	57,169	7,590
Deferred tax assets	957	566
Other financial assets	3,442	1,647
Current assets excluding cash and cash equivalents	497,735	541,172
Cash and cash equivalents	512,927	611,567
Total assets	**1,111,681**	**1,186,078**
Equity and liabilities		
Equity	894,942	1,046,575
Deferred tax liabilities	-	12,385
Non-current lease liabilities	41,079	2,152
Current lease liabilities	13,149	2,827
Other current liabilities	94,173	73,290
Accrued expenses and deferred income	68,338	48,849
Equity and liabilities	**1,111,681**	**1,186,078**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (CONDENSED)

kSEK	31 Dec 2024	31 Dec 2023
Opening balance at 1 January	1,046,575	786,241
Comprehensive income for the period	-177,079	229,249
Share issue connected to exercised employee warrants	6,125	14,978
Share capital	-	4
Share-based payments	19,280	16,132
Exchange rate differences	42	**-29**
Closing balance	**894,942**	**1,046,575**

CONSOLIDATED STATEMENT OF CASH FLOW (CONDENSED)[10]

	Q4		Jan-Dec	
kSEK	**2024**	**2023**	**2024**	**2023**
Operating profit	-53,498	-78,088	-228,515	252,640
Adjustment for non-cash items	-17,583	-5,729	-57,383	9,895
Interest received/paid	6,306	10,828	32,655	33,849
Income tax paid	-1,127	-563	-520	156
Cash flow from operating activities before changes in working capital	**-65,901**	**-73,552**	**-253,762**	**296,540**
Change in working capital	38,534	199,375	-62,570	13,153
Cash flow from operating activities after changes in working capital	**-27,367**	**125,822**	**-316,332**	**309,694**
Cash flow from investing activities	**-68,866**	**-204,634**	**205,633**	**-507,485**
Cash flow from financing activities	**1,353**	**1,061**	**5,686**	**14,064**
Cash flow for the period	**-94,880**	**-77,751**	**-105,013**	**-183,727**
Cash and cash equivalents at beginning of period	604,472	697,785	611,567	805,386
Exchange rate differences in cash and cash equivalents	3,336	-8,469	6,374	-10,093
Cash and cash equivalents at end of period	**512,927**	**611,566**	**512,927**	**611,566**

[10] The line item adjustment for non-cash items includes adjustment for accrued income, adjustment for costs related to incentive programs, adjustment for depreciation, and adjustment for unrealized operating exchange rate gains.

CONSOLIDATED QUARTERLY DATA

	2024	2024	2024	2024	2023	2023	2023	2023
SEK M	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Income statement								
Net revenues	101	77	50	30	11	209	3	393
Cost of sales	-12	-8	-5	-2	-1	-0	-0	-14
Total operating expenses	-143	-95	-121	-101	-88	-78	-104	-79
Operating profit/loss	-53	-26	-76	-73	-78	131	-101	301
Operating margin, %	neg	neg	neg	neg	neg	62.7	neg	76.4
Profit/loss for the period	-31	-20	-68	-58	-87	125	-102	294
Balance sheet								
Fixed assets	101	103	102	43	33	28	31	34
Current assets	498	385	540	603	541	516	13	15
Cash and cash equivalents	513	604	490	491	612	698	1,042	1,106
Equity	895	919	929	993	1,047	1,129	994	1,085
Deferred tax liabilities	-	12	12	12	12	-	-	-
Lease liabilities	54	56	60	4	5	3	6	8
Current liabilities	163	106	131	127	122	110	86	62
Cash flow								
From operating activities	-27	-80	-94	-114	126	-53	-64	301
From investing activities	-69	192	96	-13	-205	-302	-1	-0
From financing activities	1	4	-1	2	1	11	1	1
Cash flow for the period	-95	116	-0	-126	-78	-344	-65	302
Key ratios								
Equity/asset ratio, %	80.5	84.0	82.1	87.4	88.2	90.9	91.5	94.0
Return on equity, %	-3.5	-2.1	-7.1	-5.6	-8.0	11.8	-9.8	31.4
Data per share								
Earnings per share before dilution, SEK	-0.36	-0.22	-0.77	-0.65	-0.99	1.42	-1.16	3.33
Earnings per share after dilution, SEK	-0.36	-0.22	-0.77	-0.65	-0.99	1.41	-1.16	3.32
Equity per share, SEK	10.13	10.39	10.52	11.24	11.85	12.78	11.27	12.31
Cash flow operating activities per share, SEK	-0.31	-0.91	-1.07	-1.30	1.42	-0.60	-0.73	3.41
Share price at the end of the period, SEK	199.50	158.50	228.80	215.40	267.80	283.00	282.00	251.40
Number of shares outstanding, thousands	88,389	88,375	88,335	88,323	88,315	88,299	88,226	88,181
Average number of shares outstanding, thousands	88,382	88,355	88,329	88,319	88,307	88,263	88,204	88,156

Financial statements, Parent company

PARENT COMPANY INCOME STATEMENT[11]

	Q4		Jan-Dec	
kSEK	**2024**	**2023**	**2024**	**2023**
Net revenues (note 4)	101,236	11,024	257,352	615,995
Cost of sales	-11,849	-730	-26,984	-14,988
Gross margin	**89,388**	**10,295**	**230,368**	**601,007**
Research and development cost	-96,275	-52,644	-311,145	-172,135
Marketing and sales cost (note 5)	-15,962	-13,991	-57,149	-42,868
General and administration cost	-31,273	-24,126	-94,451	-131,218
Other operating income (note 5)	395	496	3,781	4,124
Other operating expenses	-521	1,115	-2,579	-8,132
Total operating expenses	**-143,636**	**-89,150**	**-461,542**	**-350,230**
Operating profit/loss	**-54,248**	**-78,856**	**-231,173**	**250,777**
Interest income and similar items	10,244	10,943	40,815	34,225
Interest expenses and similar items	-19	-8,394	-119	-10,011
Financial items net	**10,225**	**2,549**	**40,696**	**24,215**
Profit/loss after financial items	**-44,023**	**-76,307**	**-190,477**	**274,992**
Change in tax allocation reserves	60,122	-60,122	60,122	-60,122
Profit/loss before tax	16,099	-136,428	-130,356	214,870
Tax	87	934	263	-34,538
Profit/loss for the period	**16,186**	**-135,495**	**-130,092**	**180,332**

There are no items recognized as other comprehensive income in the Parent Company. Accordingly, total comprehensive income matches profit for the year.

PARENT COMPANY BALANCE SHEET (CONDENSED)

kSEK	**31 Dec 2024**	**31 Dec 2023**
Assets		
Tangible fixed assets	39,407	23,476
Deferred tax assets	797	533
Other financial assets	3,511	1,767
Current assets excluding cash and cash equivalents	501,087	545,250
Cash and cash equivalents	509,301	609,417
Total assets	**1,054,103**	**1,180,444**
Equity and liabilities		
Equity	892,324	997,642
Tax allocation reserve	-	60,122
Other current liabilities	95,144	74,930
Accrued expenses and deferred income	66,635	47,750
Equity and liabilities	**1,054,103**	**1,180,444**

[11] From the first quarter of 2024, BioArctic transitioned from a cost-type to a function-type accounting. The reason for the change is that a function-divided accounting better shows how resources are consumed within the main functions of the business. More information can be found in note 2. Costs for the incentive programs Stock Option Program 2019/2028 and Performance Share Unit (PSU) program 2023/2026 have been redistributed between functions in 2023 including the years 2019-2022 as the program in its entirety was previously booked as an administration cost.

Notes

NOTE 1 GENERAL INFORMATION

This interim report for the period January – December 2024 covers the Swedish Parent Company BioArctic AB (publ), Swedish Corporate Identity Number 556601-2679, and the fully owned subsidiaries LPB Sweden AB, BioArctic Denmark ApS, BioArctic Finland Oy and BioArctic Norway A/S. During the fourth quarter, liquidation of the dormant subsidiary LPB Sweden AB was completed. The Group's business operations are mainly conducted in the Parent Company. The Nordic subsidiaries belong to the commercial organization whose main activity is aimed at preparing for the launch of lecanemab in the Nordics. BioArctic is a Swedish limited liability company registered in and with its registered office in Stockholm. The head office is located at Warfvinges väg 35, SE-112 51, Stockholm, Sweden.

NOTE 2 ACCOUNTING PRINCIPLES

The consolidated financial statements for BioArctic AB (publ) have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the EU, the Annual Accounts Act and the Swedish Financial Reporting Board's RFR 1 Supplementary Accounting Rules for Groups. The Parent Company's financial statements are presented in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The interim report for the period January – December 2024 is presented in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34 are presented both in notes and elsewhere in interim report. The accounting principles and calculation methods applied are in accordance with those described in the Annual Report 2023. New and amended IFRS standards and interpretations applied from 2024 have not had a material impact on the financial statements.

IFRS 18 Design and disclosures in financial reports becomes applicable for fiscal years beginning on or after January 1, 2027. The standard will replace IAS 1 The presentation of financial statements and introduce new requirements that will help achieve comparability in the performance reporting of similar companies and provide users with more relevant information and transparency. IFRS 18 will not affect the accounting or valuation of items in the financial statements, i.e. have no effect on the net result. In 2025, management will begin evaluating the consequences of the application of the new standard. No other standards, amendments and interpretations concerning standards that have not yet entered into force are expected to have any material effect on BioArctic's financial statements.

The guidelines of the European Securities and Markets Authority (ESMA) on alternative performance measures have been applied. This involves disclosure requirements for financial measures that are not defined by IFRS. For performance measures not defined by IFRS, see the Calculations of key figures section.

From the first quarter of 2024, BioArctic transitioned from reporting by cost-type to using a breakdown by function. The reason for the change is partly that a function-divided accounting better shows how resources are used within the main functions of the business, and partly that such a form facilitates comparison with other companies. The change has not resulted in any changed historical key figures according to the definitions on page 21.

From the first quarter of 2024, royalties and co-promotion per geographic market in note 4 are reported based on where the revenue is generated, rather than in which part of the world the customer is based. The change is also applied to the comparative figures.

NOTE 3 SEGMENT INFORMATION

An operating segment is a part of the Group that conducts operations from which it can generate income and incur costs and for which independent financial information is available. The highest executive decision-maker in the Group follows up the operations on aggregated level, which means that the operations constitute one and the same segment and thus no separate segment information is presented. The Board of Directors is identified as the highest executive decision maker in the Group.

NOTE 4 NET REVENUES

	Q4		Jan-Dec	
kSEK	**2024**	**2023**	**2024**	**2023**
Geographic breakdown of net revnues				
Europe	3,050	1,907	11,660	5,472
North America	54,754	7,144	144,515	10,095
Asia	43,398	1,973	101,130	600,427
Others	34	-	47	-
Total net revenues	**101,236**	**11,024**	**257,352**	**615,995**
Net revenues per revenue type				
Royalty	96,667	7,251	230,410	10,203
Co-promotion	2,920	1,907	11,530	5,472
Milestone payments	-	-	-	592,017
Research collaborations	1,650	1,866	15,412	8,303
Total net revenues	**101,236**	**11,024**	**257,352**	**615,995**

BioArctic's net revenues consist of royalties based on sales of lecanemab, co-promotional income, milestone payments and payments from research collaborations with Eisai in Alzheimer's disease. Revenues reported are divided as:

- In total royalty income amounted to SEK 96.7 M (7.3) in the fourth quarter. The compensation received from Eisai includes two parts; royalty income to BioArctic of 9 percent on global sales, excluding the Nordics, and compensation of 1 percent of sales in the USA and 1.5 percent of sales in the rest of the world which BioArctic pays to LifeArc for the royalty commitments BioArctic has towards LifeArc. For the full year period the royalties amounted to SEK 230.4 M (10.2).
- BioArctic has a collaboration agreement with Eisai, co-promotion, where the parties contribute with resources with the aim of jointly selling lecanemab in the Nordic countries. The result from the collaboration is split evenly between the parties. In the fourth quarter compensation from this agreement for incurred costs amounted to SEK 2.9 M (1.9). For the full year period the amount was SEK 11.5 M (5.5). The incurred costs that are reimbursed aim to prepare for launch.
- No milestone payments were recognized during 2024. During 2023, SEK 592.0 M was recognized as revenue.
- During the fourth quarter BioArctic had two ongoing research collaboration agreements with Eisai. During the quarter SEK 1.6 M (1.9) was recognized as revenue from these collaboration agreements. For the full year period the amount was SEK 15.4 M (8.3).

NOTE 5 INTRA-GROUP PURCHASES AND SALES

The parent company had no income from group companies during the fourth quarter (0.1) and for the full year period the amount was SEK 0.0 M (0.3). Income from group companies consisted of forwarded costs. The parent company's costs from group companies related to services rendered amounted to SEK 5.1 M (5.8) for the fourth quarter and to SEK 20.9 M (12.7) for the full year period.

NOTE 6 RELATED PARTY TRANSACTIONS

Remuneration to senior management has been paid in accordance with current policies. This includes allocation of share rights from the decision of the 2024 Annual General Meeting on the issuance of the share rights program. During the fourth quarter the company had expenses regarding consulting services from Ackelsta AB, which is owned by board member Pär Gellerfors of SEK 0.0 M (0.0). For the full year period the costs amounted to SEK 0.1 M (0.1). All transactions have been carried out at market conditions.

Definition of key ratios

In this financial report BioArctic reports key financial ratios, some of which are not defined by IFRS. The Company's assesses that these key ratios are important additional information, since they enable investors, securities analysts, management of the company and other stakeholders to better analyze and evaluate the company's business and financial trends. These key ratios should not be analyzed separately or replace key ratios that have been calculated in accordance with IFRS. Neither should they be compared to other key ratios with similar names applied by other companies, as key ratios cannot always be defined in the same way. Other companies may calculate them in a different way than BioArctic.

The key ratios "Net revenues", "Result for the period", "Earnings per share" and "Cash flow from operating activities" are defined according to IFRS.

Key ratios	Definition
Other income	Other income than net revenue
Operating profit	Result before financial items
Operating margin, %	Operating profit divided by net revenues
Cash flow from operating activities per share, SEK	The cash flow from operating activities for the period divided by the weighted number of shares
Cash and cash equivalents and short term investments	Bank balances and short term investments with a term no longer than one year
Equity/asset ratio, %	Adjusted equity divided by total assets
Return on equity, %	Net income divided by equity expressed as a percentage
Equity per share	Adjusted equity divided by the number of shares at the end of the period

Glossary

Accelerated approval
An application process which gives an opportunity for an early approval of a drug candidate, where the company at a later stage is required to present additional data to verify clinical effect in order to receive full marketing approval.

Alfa-synuclein (α-synuclein)
A naturally occurring protein in the body that, in conjunction with Parkinson's disease, misfolds and forms harmful structures in brain cells.

ALS
Amyotrophic lateral sclerosis, a group of motor neuron diseases.

Amyloid beta (Aβ)
A naturally occurring protein in the brain that, in conjunction with Alzheimer's disease, misfolds into harmful structures in brain cells. Amyloid beta form the plaque around brain cells visible in patients with Alzheimer's disease.

Antibody
A biological molecule originating in the immune system that binds to a target molecule with a high degree of accuracy.

ApoE (Apolipoprotein E)
ApoE transports fats in the blood. ApoE comes in three forms. Individuals expressing the ApoE4 form are at greater risk of developing Alzheimer's disease.

ARIA-E
A form of cerebral edema that occurs in some patients treated with anti-amyloid monoclonal antibodies for Alzheimer's disease.

ARIA-H
Combined cerebral microhemorrhages, cerebral macrohemorrhages, and superficial siderosis.

Binding profile
A binding profile specifies in which way, and to which forms of a protein (such as amyloid beta or alpha-synuclein) an antibody binds.

Biomarker
A measurable molecule, the levels of which can indicate a change in the body and enable diagnosis of a patient or measurement of the effect of a drug.

Blood-brain barrier
A structure of tightly bound cells that surround blood vessels in the brain. This barrier regulates the exchange of nutrients and waste and protects against bacteria and viruses.

BrainTransporter™-technology
BioArctic's technology that promotes the passage of biological drugs to the brain and increases and improves the exposure of the antibodies in the brain.

CNS - Central nervous system
The part of the body's nervous system comprising the brain and spinal cord.

Clinical studies
Drug trials performed in human subjects.

Disease modifying treatment
A treatment that interferes with the processes of the disease and changes it in a positive way.

Dose dependent
Increased effect at higher dose.

Drug candidate
A drug under development that has not yet gained marketing approval.

Early Alzheimer's disease
Mild cognitive impairment due to Alzheimer's disease and mild Alzheimer's disease.

Fast Track Designation
Fast Track designation is an FDA program intended to facilitate and expedite the development and review of drugs for serious or life-threatening conditions.

FDA
The US Food and Drug Administration.

Lecanemab -irmb
Lecanemab has been given the -irmb add-on by the FDA for the approved substance. -irmb is a suffix assigned by the FDA. Suffixes are used to differentiate originator biological products, related biological products, and biosimilar products containing related drug substances

Licensing
Agreement where a company that has invented a drug gives another company the right to further develop and sell the drug for certain payments.

Milestone payment
Financial remuneration received as part of a project or collaboration agreement once a specified goal has been achieved.

Monomer
An individual molecule with the ability to bind to other similar molecules to form larger structures such as oligomers and protofibrils.

Neurodegenerative disease
A disease that entails a gradual breakdown and degeneration in brain and nervous system function.

Oligomer
Molecules consisting of a number of monomers.

Open-label extension study
Clinical study conducted after a completed randomized and placebo-controlled study in which all patients receive active substance.

Pathology
The study of diseases and how they are diagnosed, through analysis of molecules, cells, tissues and organs.

Phase 1 studies
Studies the safety and tolerability of a drug. Performed in a limited number of healthy human volunteers or patients.

Phase 2 studies
Studies the safety and efficacy of a drug. Performed in a limited number of patients. Later stages of phase 2 studies can be called phase 2b and evaluate the optimal dose of the studied drug.

Phase 3 studies
Confirms the efficacy and safety of a drug. Performed in a large number of patients.

Placebo-controlled
A study design in research which means that some of the patients receive inactive compound to obtain a relevant control group.

Preclinical (asymptomatic) Alzheimer's disease
Normal cognitive function but with intermediate or elevated levels of amyloid in the brain.

Preclinical phase
Stage of development where preclinical studies of drug candidates are conducted to prepare for clinical studies.

Preclinical studies
Studies conducted in model systems in laboratories prior to conducting clinical trials in humans.

Product candidate
A product under development that has not yet gained marketing approval.

Protofibril
A harmful aggregation of amyloid beta formed in the brain, which gives rise to Alzheimer's disease, or a harmful aggregation of alpha-synuclein formed in the brain and gives rise to Parkinson's disease.

Research phase
Early research focused on studying and elucidating the underlying molecular disease mechanisms and generation of potential drug candidates.

Selective binding
The affinity of a molecule for binding to a specific receptor.

Subcutaneous treatment
That the drug is given to the patient through an injection under the skin.

Tau
A protein which aggregates intracellularly in Alzheimer's disease, which damages the function and survival of neurons. Tau can be measured in plasma, cerebrospinal fluid and with positron emission tomography (PET).

Titration of dose
Stepwise increase in medication dose in order to achieve a certain beneficial effect with a delay with the aim of reducing the risk of side effects.

Tolerability
The degree of side effects from a drug that can be tolerated by a patient.

Truncated amyloid beta
Shortened (truncated) forms of the amyloid beta protein.