BIOARCTIC

INTERIM REPORT
October – December 2023

Leqembi launched in Japan and approved in China

EVENTS DURING THE FOURTH QUARTER 2023
- Leqembi was launched in Japan on December 20 which meant that the country was the second market in the world after the USA where the drug is available
- Data presented at the CTAD congress further supported Leqembi's disease modifying characteristics and safety profile as well as the subcutaneous formulation
- BioArctic and Eisai have agreed on commercialization and co-promotion for the Nordic countries

EVENTS AFTER THE END OF THE FOURTH QUARTER
- The European Medicines Agency (EMA) announced that its Scientific Advisory Group will convene to discuss the Marketing Authorisation Application of lecanemab. The meeting is expected to take place in the first quarter of 2024
- Leqembi was approved for the treatment of Alzheimer's disease in China – launch expected in the third quarter of 2024
- The Board adopted a new dividend policy and proposed that no dividend is to be paid for the fiscal year 2023

FINANCIAL SUMMARY OCTOBER – DECEMBER 2023
- Net revenues for the period amounted to SEK 11.0 M (2.1)
- Operating profit amounted to SEK -78.1 M (-59.8)
- Profit for the period amounted to SEK -87.2 M (-57.9)
- Earnings per share before and after dilution was SEK -0.99 (-0.66)
- Cash flow from operating activities amounted to a negative SEK 116.8 M (-58.2)
- Cash and cash equivalents and short term investments at the end of the period amounted to SEK 1 112 M (805)

FINANCIAL SUMMARY JANUARY – DECEMBER 2023
- Net revenues for the period amounted to SEK 616.0 M (228.3)
- Operating profit amounted to SEK 252.6 M (-17.3)
- Profit for the period amounted to SEK 229.2 M (-11.2)
- Earnings per share was SEK 2.60 (-0.13) before dilution and SEK 2.59 (-0.13) after dilution
- Cash flow from operating activities amounted to SEK 299.0 M (-31.6)
- Cash and cash equivalents and short-term investments at the end of the period amounted to SEK 1 112 M (805)

KEY FINANCIAL PERFORMANCE INDICATORS [1]

	Q4		Jan-Dec	
SEK M	**2023**	**2022**	**2023**	**2022**
Net revenues	11.0	2.1	616.0	228.3
Other operating income	0.4	-1.0	4.1	0.3
Operating profit/loss	-78.1	-59.8	252.6	-17.3
Operating margin, %	neg	neg	41.0	neg
Profit/loss for the period	-87.2	-57.9	229.2	-11.2
Earnings per share before dilution, SEK	-0.99	-0.66	2.60	-0.13
Earnings per share after dilution, SEK	-0.99	-0.66	2.59	-0.13
Equity per share, SEK	11.85	8.92	11.85	8.92
Cash flow from operating activities	116.8	-58.2	299.0	-31.6
Cash flow from operating activities per share, SEK	1.32	-0.66	3.39	-0.36
Cash, cash equivalents and short term investments	1,112	805	1,112	805
Equity/assets ratio, %	88.2	91.6	88.2	91.6
Return on equity, %	-8.02	-7.13	25.02	-1.42
Share price at the end of the period, SEK	267.80	272.00	267.80	272.00

1 For the definition of financial performance indicators, see page 21

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.

Comments from the CEO

”We are now looking forward to regulatory market approval decisions in 14 additional countries and regions – in particular the UK, Canada and the EU.”

We can look back on yet another successful year for BioArctic and are proud to see that our groundbreaking research has now led to a treatment that slows the disease progression and improves the lives for an increasing number of patients with early Alzheimer’s disease. Since Leqembi received full approval in the US in July 2023, the drug has also been approved in Japan and China. The launch in Japan commenced in late December. Patient interest in Japan is significant, and 100 patients were already on treatment by the end of January. Eisai’s expectation is to reach 7,000 patients in Japan by end of March 2025. In China the launch is planned for the third quarter of 2024. We are now looking forward to regulatory market approval decisions in 14 additional countries and regions – in particular the UK, Canada and the EU, while our partner Eisai is preparing more applications in other parts of the world.

Maximizing the benefit that Leqembi can offer patients and their families requires in-depth knowledge of the drug in the health care setting, as well as establishment of new infrastructure and a transformed patient journey. All of this takes time, and use of the drug will therefore grow gradually but at an increasingly rapid pace. In the fourth quarter, Eisai reported sales of JPY 1.1 billion, which resulted in royalty income of SEK 7.3 M for BioArctic. In the US, a greater number of hospitals have begun dosing patients, and a clear difference in uptake has been noted after diagnosis with PET was granted expanded reimbursement in mid-October. According to Eisai, approximately 2,000 had been treated at the end of January, and around four times as many were waiting to begin treatment. Eisai continues to actively engage in training health care practitioners, and about 4,000 specialist physicians are now ready to prescribe Leqembi. Furthermore, Eisai’s partner Biogen recently announced that they will now realign resources to advance Leqembi. This will add more resources to the Eisai led US sales force going forward. We are still in the early stages of the Leqembi launch, and with the potential addition of new ways to diagnose, subcutaneous administration and maintenance dosing, this drug will continue to grow and could, according to Eisai, serve approximately 100,000 patients as early as 2026.

In addition to ensuring that Leqembi is becoming available to greater numbers of patients, Eisai is continuing to compile new clinical data for purposes that include evaluating lecanemab as a maintenance treatment and as a subcutaneous treatment with an autoinjector. New data is continuously presented at international scientific congresses, most recently at the CTAD Alzheimer’s congress in Boston in October, at which Eisai showed six-month data with the subcutaneous formulation that resulted in an even greater amyloid plaque reduction, fewer infusion reactions and no increase in the incidence of ARIA compared with intravenous treatment. The AD/PD™ conference in Lisbon in March now awaits, where both we and Eisai will present new data.

The success with Leqembi has given us the strength to further intensify our efforts to develop more groundbreaking treatments for neurodegenerative diseases. In the past quarter, we nominated two drug candidates – an important step in the process of preclinical development, which signals the scientific viability of the projects. Both drug candidates, BAN2802 and BAN2803, utilize BioArctic’s Brain Transporter technology and are being developed as disease-modifying treatments for Alzheimer’s disease. Activity levels in our other projects are high as well, especially as regards exidavnemab, our drug candidate for Parkinson’s disease. The project is expected to go into clinical Phase 2 later this year. At the same time, Eisai is preparing regulatory applications for the use of Leqembi as a maintenance treatment of Alzheimer’s disease, and for the subcutaneous drug formulation that would simplify treatment for the patients and their families.

Along with Eisai, we can take pleasure in several prestigious awards including the prizes for Best New Drug and Clinical Advance of the Year from Scrip, the leading international industry periodical. TIME magazine recognized Leqembi as well, naming it one of the year’s best innovations in the category of medical care. Our co-founder, professor Lars Lannfelt, was awarded the Forska!Sverige research award and I was named Public CEO of the Year within Life Science in Europe at the European Lifestars Awards in London. The increased international interest in BioArctic was reflected in the fact that two renowned banks, Goldman Sachs and Kempen, initiated coverage of our share.

Our value-driven leadership is a key component of BioArctic’s positive performance. We are extremely proud of the outcome in our quarterly employee evaluations of our corporate culture, which continuously give us world-class ratings. I feel these results are particularly gratifying, considering that the organization is in a phase of robust growth.

For us the story of Leqembi is just beginning, and we are looking forward to continuing our efforts to improve the lives of millions of patients and their families around the world our, in close collaboration with our partners.

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 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 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 actively transport antibodies 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

BioArctic's vision is to, through research, create pharmaceutical drugs that improve life for patients with severe diseases and become a world-leading biopharma company in neurodegenerative diseases. Our work is based on groundbreaking scientific discoveries, and the company collaborates with strategic partners such as research groups at universities and major pharmaceutical companies.
BioArctic is a biopharma company that develops, markets, and sells disease-modifying drugs against difficult-to-treat neurodegenerative diseases. Within the company, we have vast experience from scientific excellence as well as drug development from idea to market. Under BioArctic's business model, the company pursues project development internally, and, at an appropriate juncture, seeks to license out commercial rights and development to pharmaceutical companies. Based on BioArctic's core competencies in biological understanding of neurodegenerative diseases, antibody and protein technology, the company develops new improved product candidates for i.a, Alzheimer's disease, Parkinson's disease and ALS as well as a technology that improves transport of biological drugs into the brain.

BioArctic's business model contributes to creating revenue and shareholder value for the company by:

-licensing out proprietary drug candidates

-marketing and selling pharmaceutical drugs in the Nordics and eventually also in the rest of Europe

Three important cornerstones of BioArctic's strategy are:

- **CONTINUE** supporting partnered projects with great potential
- **DEVELOP** our own projects further, up to an appropriate time for partnership or exit
- **EXPAND** the portfolio with new projects and indications with high unmet medical need

Operations

BioArctic mainly conducts its research in four focus areas:

- **Alzheimer's disease**
- **Parkinson's disease**
- **Other CNS disorders**
- **Blood-brain barrier technology**

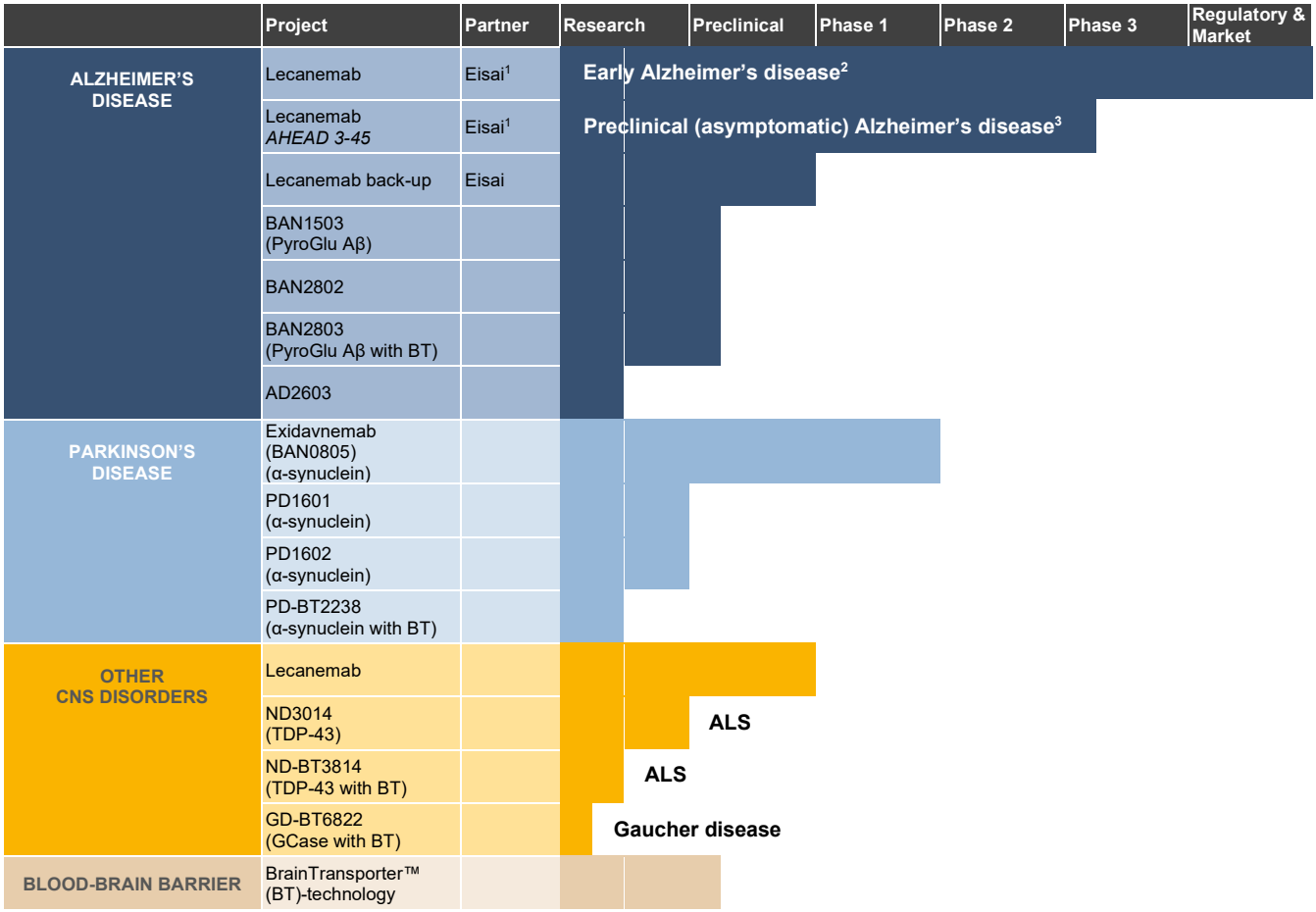
Neurodegenerative disorders are conditions in which cells in the brain degenerate and die. Normally the neurodegenerative processes begin long before any symptoms appear. Neurodegenerative disorders affect the lives of millions of people and constitute a growing global health care problem.

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 projects are a combination of fully funded projects run in partnership with global pharmaceutical companies and innovative in-house projects with significant market- and out-licensing potential. The projects are in various phases: from discovery to market.

As of December 31, 2023, the project portfolio consisted of:



[1] Partner with Eisai for lecanemab for treatment of Alzheimer's disease since 2007. Eisai entered partnership with Biogen regarding BAN2401 (lecanemab) in 2014
[2] Mild cognitive impairment due to Alzheimer's disease and mild Alzheimer's disease
[3] Normal cognitive function with intermediate or elevated levels of amyloid in the brain
[4] 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. The most advanced drug candidate is lecanemab, which is the first and only fully approved disease-modifying drug for Alzheimer's disease. The drug is approved in the US, Japan and China 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. 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[1] 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.

Furthermore, the safety profile of lecanemab was in line with expectations based on the Phase 2b study. 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 also conducted a Phase 1 study for subcutaneous dosing of lecanemab and the subcutaneous formulation is currently being evaluated in the open-label extension study of Clarity AD.

In addition, since July 2020, Eisai's Phase 3 clinical 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. AHEAD 3-45 is conducted as a public-private partnership between the Alzheimer's Clinical Trial Consortium that provides the infrastructure for academic clinical trials in Alzheimer's disease and related dementias in the U.S, funded by the National Institute on Aging, part of the National Institutes of Health and Eisai.

Since January 2022, the Tau NexGen clinical study for Dominantly Inherited AD (DIAD) is ongoing, where lecanemab is given as a background anti-amyloid treatment when exploring combination therapies with an intracellular protein anti-tau treatment. The study is conducted by Dominantly Inherited Alzheimer Network Trials Unit (DIAN-TU).

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

Process of approval of Leqembi in the world:

USA

- On July 6, 2023, FDA granted Leqembi traditional approval for the treatment of Alzheimer's disease. In conjunction with the approval the Centers for Medicare and Medicaid Services, CMS, announced that Medicare will provide broad coverage of Leqembi according to the FDA approved label

EU

- On January 9, 2023, Eisai submitted applications for marketing authorization in the EU. In January 2024 the European Medicines Agency (EMA) announced that the Scientific Advisory Group (SAG) will discuss the Marketing Authorisation Application (MAA) of lecanemab. The SAG meeting is expected to take place in the first quarter of 2024 and if a positive opinion from the EMA is subsequently obtained by March 31, 2024, Eisai expects a decision on the MAA of lecanemab in the EU in the second quarter of 2024

Japan

- On September 25, 2023, Leqembi was approved in Japan for the treatment of Alzheimer's disease and subsequently launched towards the end of 2023

China

- On January 9, 2024, Leqembi was approved in China for the treatment of Alzheimer's disease. Eisai is preparing for a launch in the third quarter of 2024

The rest of the world

- Eisai has also submitted applications for approval of lecanemab in Canada, Great Britain, Australia, Switzerland, South Korea, Israel, Singapore, Taiwan, Brazil, Hong Kong, Russia, Saudi Arabia and India. In Israel, the applications have been designated for priority review, and in Great Britain, lecanemab has been designated for the Innovative Licensing and Access Pathway (ILAP), which aims to reduce the time to market for innovative medicines

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.

Projects BAN1503 and AD2603 (owned by BioArctic)

BioArctic has two additional antibody projects against Alzheimer's disease in its project portfolio in research phase. These antibodies have the potential to become a disease-modifying treatments for Alzheimer's disease. BAN1503 is an antibody project against a shorter (truncated) form of amyloid beta (PyroGlu-Aβ). That form of Aβ has a pronounced ability to aggregate and become toxic.

Drug projects BAN2802 and BAN2803 (blood-brain barrier technology owned by BioArctic)

BioArctic has two antibody projects against Alzheimer's disease that are being combined with the blood-brain barrier technology — BrainTransporter, or BT — to facilitate uptake of antibodies in the brain. BAN2803 target a shorter (truncated) form of amyloid beta (PyroGlu-Aβ) and is linked to the company's project BAN1503.

PARKINSON'S DISEASE

In Parkinson's disease, BioArctic has a portfolio of potential disease-modifying antibodies against alpha-synuclein. Exidavnemab (BAN0805) is a monoclonal antibody that selectively binds to and eliminates neurotoxic aggregated forms of alpha-synuclein.

Drug candidate Exidavnemab (BAN0805) and drug projects PD1601, PD1602 and PD-BT2238

The objective of the project portfolio is to develop disease-modifying treatments for 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 results from the Phase 1 study that support continued development of the antibody in a Phase 2 study with dosing once a month were presented. In November 2021, Neurobiology of Disease published an article from BioArctic that describes new preclinical data for the anti-alpha synuclein antibody exidavnemab. The article contains data demonstrating the antibody's ability to selectively bind toxis soluble alpha-synuclein aggregates. In May 2022, an additional drug substance patent for exidavnemab was granted in the US, which is valid until 2041, with a possible extension until 2046. In August 2023, an extended drug substance patent for exidavnemab was granted in Japan, which is valid until 2041, with a possible extension until 2046.

The board of BioArctic has decided to initiate a phase 2a study of exidavnemab in individuals with Parkinson's disease. The study is expected to start in the second half of 2024.

The PD1601 and PD1602 antibody projects also target alpha-synuclein for treatment of Parkinson's disease.

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 its 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.

During the end 2022, BioArctic's project portfolio was expanded with a new 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 (BRAINTRANSPORTER™) (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 is now developing the second generation of this technology, which has already demonstrated a profound increase and improved exposure of antibodies in the brain. The technology is now being used in five earlier projects, two against Alzheimer's disease, BAN2802, 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 for many treatments for diseases of the brain.

Comments to the financial development, revenues and result

Revenues consist of milestone payments, royalty, co-promotion, payments from research agreements and research grants. Because of 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 11.0 M (2.1). Net revenues included SEK 7.3 M (-) in royalties for Leqembi sales. Net revenues for the full year January – December amounted to SEK 616.0 M (228.3), of which Leqembi royalties from amounted to SEK 10,2 M (-). The increase is mainly explained by four milestone payments received, amounting to a total of SEK 592.0 M, equivalent to EUR 52 M.

Other operating income relates to operating exchange rate gains, forwarded costs and research grants. Other operating income amounted to SEK 0.4 M (-1.0) in the fourth quarter and for the full year to SEK 4.1 M (0.3).

Total operating expenses for the fourth quarter amounted to SEK 89.6 M (60.9) and for January – December to SEK 367.4 (246.0). Project expenses for BioArctic's proprietary projects increased during the quarter and for the year due to that several projects are in a later phase and that the pace of the development of the projects has increased. Also, expenses for personnel increased to SEK 40.2 M (32.2) for the fourth quarter and to SEK 200.3 M (115.7) for the full year. The increase for the year can mainly be explained by one-off effects from variable remuneration to the employees linked to achieved milestones, repurchase of employee stock options from the CEO, increased costs for the incentive programs and, in addition, an increase in the number of employees. Other external costs increased during the quarter and for the year as a result of an increase in the scope of the business. Other operating expenses mainly consist of realized operating exchange rate losses.

Since BioArctic's proprietary projects are in an early research phase they do not meet the criteria for capitalization of R&D expenses so all such costs have been charged to the income statement. The external projects are owned by our partners and BioArctic has no costs for the clinical programs. Operating profit before net financial items (EBIT) amounted to SEK -78.1 M (-59.8) for the fourth quarter and to SEK 252.6 M (-17.3) for the full year period. The decrease in profit during the fourth quarter is mainly due to a larger operation and, in addition, increased costs. The improvement compared to the previous year was primarily attributable to received milestone payments.

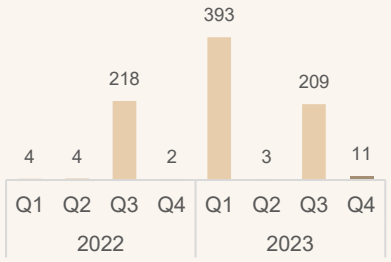
Net financial items totaled SEK 2.4 M (1.9) for the fourth quarter and to SEK 23.8 M (6.2) for the full year. The increase is attributable to higher interest rates. Financial income consists of interest income and financial expenses consist of exchange rate losses and interest on leasing liabilities.

Tax related cost totaled SEK 11.6 M (0) for the fourth quarter and SEK 47.2 M (0) for the full year.

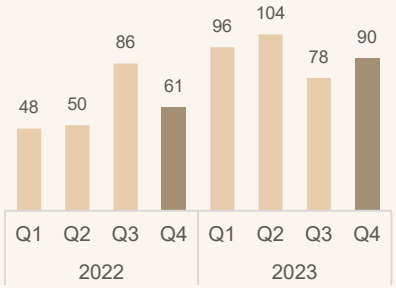
The profit for the period amounted to SEK -87.2 M (-57.9) for the fourth quarter and to SEK 229.2 M (-11.2) for the full year period.

Profit per share before and after dilution amounted to SEK -0.99 (-0.66) for the fourth quarter. For the full year period profit per share amounted to SEK 2.60 (-0.13) before dilution and to SEK 2.59 (-0.13) after dilution.

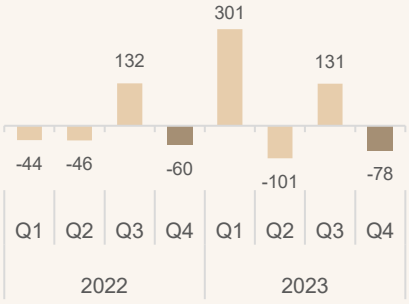
Net revenues (SEK M)



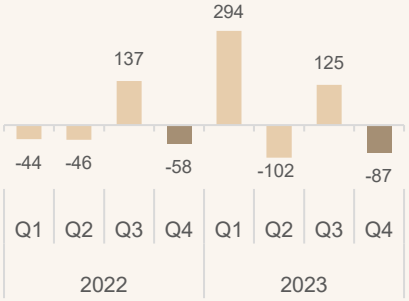
Operating expenses (SEK M)



Operating profit/loss (SEK M)



Profit/loss for the period (SEK M)



LIQUIDITY AND FINANCIAL POSITION

Equity amounted to SEK 1,046.6 M as of December 31, 2023, compared with SEK 786.2 M as of December 31, 2022. This corresponds to equity per outstanding share of SEK 11.85 (8.92). The equity/asset ratio was 88.2 percent as of December 31, 2023, compared with 91.6 percent as of December 31, 2022.

The Group's cash and cash equivalents consist of bank balances of SEK 611.6 M. Short-term investments, classified as current assets excluding cash and cash equivalents, amount to SEK 500.0. Cash and cash equivalents and short-term investments amount to a total of SEK 1,111.6 M as of December 2023 compared with SEK 805.4 M as of December 31, 2022. The increase is attributable to milestone payments received. There were no loans as of December 31, 2023, 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.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the fourth quarter amounted to SEK 116.8 M (neg.: 58.2) and to SEK 299.0 M (neg.: 31.6) for the full year period. The increase for the full year period is mainly explained by the larger received milestone payments.

Cash flow from investing activities for the fourth quarter amounted to a negative SEK 204.0 M (neg.: 3.7). During the quarter, BioArctic invested in short-term placements of SEK 200.0 M and the remainder were mainly related to laboratory equipment. For the full year period cash flow from investing activities amounted to a negative SEK 506.8 M (neg.: 12.8). Cash flow from financing activities amounted to SEK 1.1 M (3.3) for the fourth quarter and to SEK 14.1 M (neg.: 2.8) for January – December and relates to the amortization of leasing liabilities and the share issue connected to exercised employee warrants.

PARENT COMPANY

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

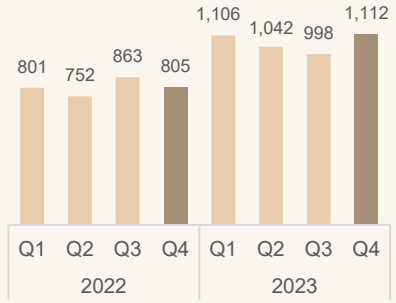
EVENTS DURING THE FIRST QUARTER 2023

- BioArctic was as of January 2, 2023, moved to Nasdaq Stockholm's marketplace for large companies (Large cap)
- On January 6, the FDA approved Leqembi via the accelerated approval pathway for the treatment of Alzheimer's disease
- Eisai filed for full approval for lecanemab in the US, EU, Japan and China. The submissions have all been accepted for review with the ones in the US, Japan and China being granted priority review
- The approval in the US and submissions in the EU and Japan entitled BioArctic to milestones of MEUR 35 in total
- The subsidiaries BioArctic Denmark ApS, BioArctic Finland Oy and BioArctic Norway A/S were formed
- U.S. Veterans' Health Administration decided to provide coverage for Leqembi for veterans with early Alzheimer's disease
- New lecanemab-data was presented at the AD/PD congress with a focus on health-related quality of life outcomes, safety and the unique binding profile of the antibody
- Eisai published three articles regarding lecanemab's phase 2b study which further strengthens previously published data

EVENTS DURING THE SECOND QUARTER 2023

- The U.S. Food and Drug Administration's (FDA) Advisory Committee voted unanimously that the data from Eisai's Phase 3 Clarity AD clinical trial confirms the clinical benefit of Leqembi
- Eisai submitted applications for marketing authorization for lecanemab to the pharmaceutical authorities in South Korea and Great Britain
- Health Canada initiated the review of New Drug Submission for lecanemab as treatment for early Alzheimer's disease
- A published modeling study based on Phase 3 data showed that treatment with lecanemab resulted in a 2 to 3 years delay in the average time to progress to more severe stages of Alzheimer's disease
- Anders Martin-Löf was hired as new Chief Financial Officer. Current CFO Jan Mattsson has transitioned to a newly established role as VP Finance

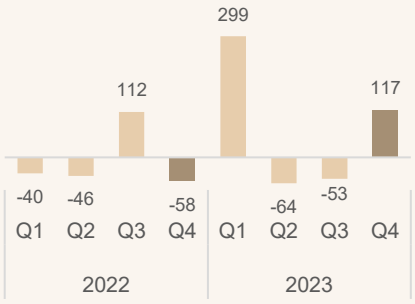
Cash, cash equivalents and short-term investments (SEK M)



Financial position (SEK M)

	31 Dec 2023	31 dec 2022
Non-current lease liabilities	2.2	1.2
Current lease liabilities	2.8	8.9
Cash, cash equivalents and short term investments	1,111.6	805.4
Net cash position	**1,106.6**	**795.3**

Cash flow from operating activities (SEK M)



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

1,112

EVENTS DURING THE THIRD QUARTER 2023

- In July, the FDA approved Leqembi for the treatment of Alzheimer's disease in the US and the Centers for Medicare and Medicaid Services, CMS, announced that Leqembi will be reimbursed according to the FDA approved label
- In September, Leqembi was approved for the treatment of Alzheimer's disease in Japan. The approval entitled BioArctic to a milestone payment of EUR 17 M, equivalent to SEK 201.0 M
- The board has decided to initiate a Phase 2a study of exidavnemab in Parkinson's disease. The study is expected to start in the second half of 2024

EVENTS DURING THE FOURTH QUARTER 2023

- Leqembi was launched in Japan on December 20 which meant that the country was the second market in the world after the USA where the drug is available
- Data presented at the CTAD congress futher supported Leqembi's disease modifying characteristics and safety profile as well as the subcutaneous formulation
- BioArctic and Eisai have agreed on commercialization and co-promotion for the Nordic countries

Other information

EVENTS AFTER THE END OF THE FOURTH QUARTER

- The European Medicines Agency (EMA) announced that the Scientific Advisory Group will convene to discuss the Marketing Authorisation Application of lecanemab. The meeting is expected to take place in the first quarter of 2024
- Leqembi was approved for the treatment of Alzheimer's disease in China - launch expected during the third quarter of 2024
- The Board adopted a new dividend policy and proposed that no dividend is to be paid for the fiscal year 2023

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 2023, BioArctic's patent portfolio consisted of 16 patent families with 250 granted patents and more than 90 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 Japanese global pharma company Eisai and previously also with the American global biopharma company AbbVie. 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 BioArctic's 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 licensing agreements concerning the lecanemab and lecanemab back-up antibodies. The total value of these agreements may amount to EUR 222 M in addition to royalty. As of 31 December 2023, up to EUR 84 M in milestone payments remains from Eisai.

BioArctic and Eisai have during the fourth quarter 2023 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 the 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.

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 2022 on pages 49-52.

2023 has been affected by high inflation and rising interest rates. BioArctic has no loans and, has as a result of the

character of its business, a limited influence from the above stated macroeconomic factors.

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 the 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

We are of the opinion that, as a result of the approval of the drug lecanemab, the company's future income generation is very good. The global launch of the drug has commenced and, it is felt, will enable gradually increasing revenue over the long term. Operating expenses for financial year 2024 are expected to increase as a result of 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 that the company has signed. All of BioArctic's therapeutic areas, such as Alzheimer's disease, Parkinson's disease, ALS and other neurodegenerative diseases are areas with significant medical need for effective treatments and have great market potential. The company's ambition is to generate the drugs of the future that improve life for people with disorders of the central nervous system. The company's financial position remains strong, which creates possibilities for the continued exciting development of BioArctic.

EMPLOYEES

At the end of the fourth quarter, the number of full-time employees was 88 (61) of which 55 (37) women and 33 (24) are men. 68 percent of the employees work in R&D and of these 82 percent are PhDs.

ANNUAL GENERAL MEETING 2024

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

NOMINATION COMMITTEE

In accordance with the resolution at the 2023 AGM, the Nomination Committee for the 2024 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 of directors in BioArctic has adopted a new dividend policy that applies until further notice.

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 2023.

THE SHARE AND SHAREHOLDINGS

The share capital in BioArctic amounts to SEK 1,766,300 divided by 88,314,985 shares which is split between 14,399,996 A-shares and 73,914,989 B-shares. The number of shares increased during the fourth quarter by 15,500 shares and for the full year 2023 by 183,414 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, 2023[1]

	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	32.6
Fourth Swedish National Pension Fund	-	4,327,349	4.9	2.0
Third Swedish National Pension Fund	-	3,348,378	3.8	1.5
Swedbank Robur Fonder	-	3,131,849	3.5	1.4
RA Capital Management LP	-	3,117,736	3.5	1.4
Handelsbanken Fonder	-	2,019,067	2.3	0.9
Nordea Funds	-	1,830,157	2.1	0.8
Unionen	-	1,610,223	1.8	0.7
Vanguard	-	1,235,877	1.4	0.6
Tot. 10 largest shareholders	**14,399,996**	**54,848,889**	**78.4**	**91.3**
Other	-	19,066,100	21.6	8.7
Total	**14,399,996**	**73,914,989**	**100.0**	**100.0**

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

LONG-TERM INCENTIVE PROGRAMS

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

A maximum of 1, 000,000 stock options may be granted within the Stock Option Program 2019/2028. To enable the company's delivery of shares under program, the Annual

General Meeting approved a directed issue of a maximum of 1,000,000 warrants. The employee stock options may be exercised three to five years after grant. As of the end of the year, a total of 915,000 options have been granted, and no further grants may occur. The number of lapsed and repurchased options amounted to 70,000 and the number of exercised options amounted to 255,000 as of December 31, which means that 590,000 employee stock options remain outstanding at the end of the year corresponding to a dilutive effect of up to 0.7 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. 117,500 performance share units were allocated during the year and no further allocation will take place. The dilutive was 0.1 per cent of the share capital outstanding at the end of the year. In total, the maximum dilution effect of the two incentive programs amounted to 0.8 percent of the shares at the end of the year.

REVIEW AND SUBMISSION OF REPORT

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

Stockholm, Sweden, February 14, 2024
Gunilla Osswald, CEO BioArctic AB (publ)

INVITATION TO PRESENTATION OF THE FOURTH QUARTER REPORT FOR OCTOBER – DECEMBER 2023

BioArctic invites investors, analysts, and media to an audiocast with teleconference (in English) today, February 14, 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-2023

CALENDAR 2024

Annual Report 2023 (Swedish)	April 18, 2024
Quarterly Report Jan-Mar 2023	May 17, 2024, at 08:00 a.m. CET
Annual General Meeting 2024	May 22, 2024, at 16:30 p.m. CET
Half-Year Report Jan-June 2024	August 29, 2024, at 08:00 a.m. CET
Quarterly Report Jan-Sep 2024	November 14, 2024, at 08:00 a.m. CET
Full Year Report Jan-Mar 2024	February 13, 2025 at 08:00 a.m. CET

FOR FURTHER INFORMATION, PLEASE CONTACT

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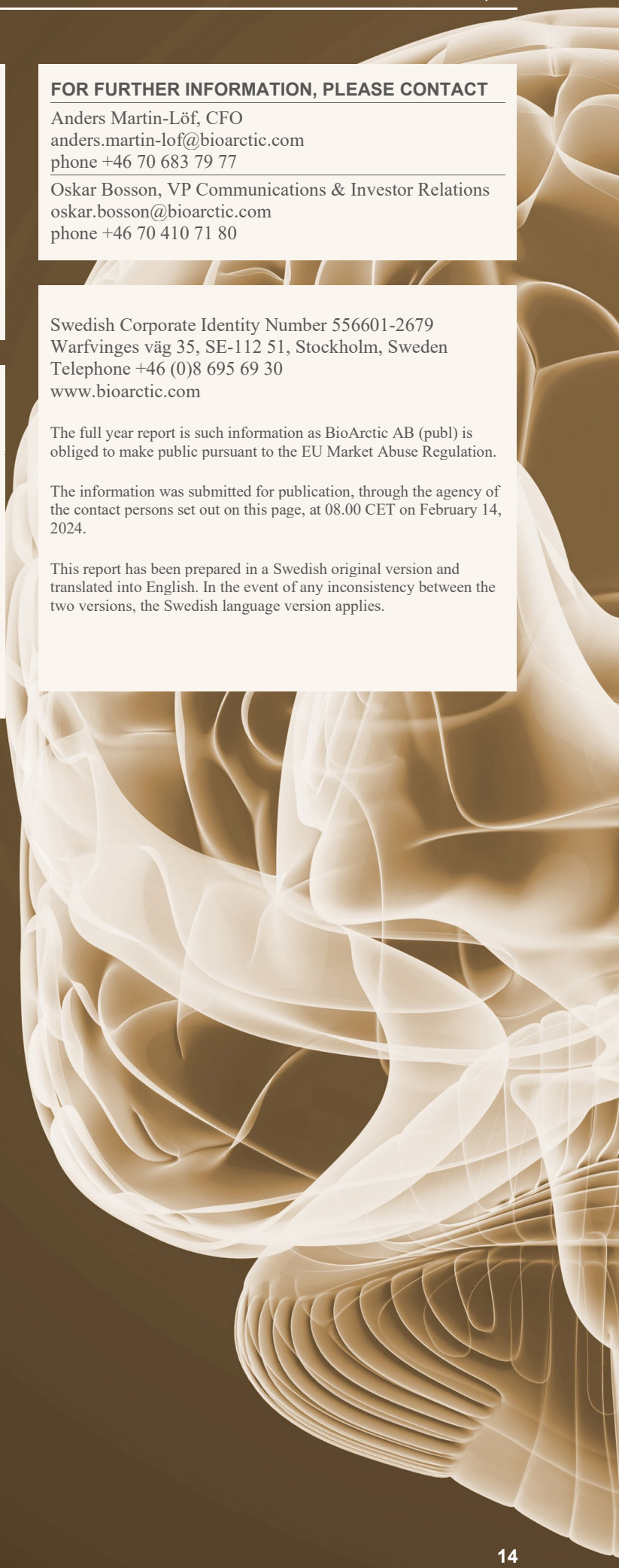
www.bioarctic.com

The full year report is such information as BioArctic AB (publ) is obliged to make public pursuant to 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 14, 2024.

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

	Q4		Jan-Dec	
kSEK	**2023**	**2022**	**2023**	**2022**
Net revenues (note 4)	11,024	2,090	615,995	228,291
Other operating income (note 5)	448	-980	4,082	334
Operating revenues	**11,472**	**1,110**	**620,077**	**228,625**
Operating expenses				
Project related expenses	-28,497	-14,141	-89,627	-74,326
Other external expenses	-17,098	-9,850	-50,931	-33,015
Personnel expenses	-40,238	-32,214	-200,320	-115,650
Depreciations of tangible assets	-4,842	-3,853	-18,428	-14,633
Other operating expenses (note 5)	1,115	-835	-8,132	-8,337
Operating expenses	**-89,560**	**-60,892**	**-367,437**	**-245,961**
Operating profit/loss	**-78,088**	**-59,782**	**252,640**	**-17,336**
Financial income (note 5)	10,946	3,124	34,228	8,285
Financial expenses (note 5)	-8,512	-1,214	-10,382	-2,117
Profit/loss before tax	**-75,654**	**-57,872**	**276,486**	**-11,168**
Tax	-11,589	-6	-47,237	-11
Profit/loss for the period	**-87,243**	**-57,878**	**229,249**	**-11,179**
Earnings per share				
Earnings per share before dilution, SEK	-0.99	-0.66	2.60	-0.13
Earnings per share after dilution, SEK	-0.99	-0.66	2.59	-0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-Dec	
kSEK	**2023**	**2022**	**2023**	**2022**
Profit/loss for the period	-87,243	-57,878	229,249	-11,179
Exchange rate differences connected to foreign operations	-26	-	-26	-
Comprehensive income for the period	**-87,269**	**-57,878**	**229,223**	**-11,179**

CONSOLIDATED BALANCE SHEET

kSEK	**31 Dec 2023**	**31 Dec 2022**
Assets		
Tangible fixed assets	23,536	23,531
Right-to-use assets	7,590	11,733
Deferred tax assets	566	596
Other financial assets	1,647	1,606
Current assets excluding cash and cash equivalents	541,172	15,454
Cash and cash equivalents	611,567	805,386
Total assets	**1,186,078**	**858,307**
Equity and liabilities		
Equity	1,046,575	786,241
Deferred tax liabilities	12,385	-
Non-current lease liabilities	2,152	1,182
Current lease liabilities	2,827	8,857
Other current liabilities	73,290	26,919
Accrued expenses and deferred income	48,849	35,108
Equity and liabilities	**1,186,078**	**858,307**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (CONDENSED)

kSEK	31 Dec 2023	31 Dec 2022
Opening balance at 1 January	786,241	788,676
Comprehensive income for the period	229,249	-11,179
Share issue connected to exercised employee warrants	14,978	5,985
Share capital	4	-
Share-based payments	16,132	2,760
Exchange rate differences	-29	-
Closing balance	**1,046,575**	**786,241**

CONSOLIDATED STATEMENT OF CASH FLOW (CONDENSED)

	Q4		Jan-Dec	
kSEK	**2023**	**2022**	**2023**	**2022**
Operating profit	-78,088	-59,782	252,640	-17,336
Adjustment for non-cash items (note 5)	-6,389	2,876	9,235	-41,340
Interest received/paid	6,402	2,403	22,586	1,784
Income tax paid	-563	-439	156	340
Cash flow from operating activities before changes in working capital	**-78,638**	**-54,941**	**284,617**	**-56,552**
Change in working capital	195,407	-3,256	14,415	24,914
Cash flow from operating activities after changes in working capital	**116,768**	**-58,198**	**299,032**	**-31,637**
Cash flow from investing activities	**-203,973**	**-3,709**	**-506,825**	**-12,763**
Cash flow from financing activities	**1,061**	**3,278**	**14,064**	**-2,808**
Cash flow for the period	**-86,144**	**-58,629**	**-193,729**	**-47,209**
Cash and cash equivalents at beginning of period	697,785	863,159	805,386	848,405
Exchange rate differences in cash and cash equivalents (note 5)	-74	856	-91	4,190
Cash and cash equivalents at end of period	**611,567**	**805,386**	**611,567**	**805,386**

CONSOLIDATED QUARTERLY DATA

	2023	2023	2023	2023	2022	2022	2022	2022
SEK M	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Income statement								
Net revenues	11	209	3	393	2	218	4	4
Other operating income	0	0	0	3	-1	1	0	0
Operating expenses	-90	-78	-104	-96	-61	-86	-50	-48
Operating profit/loss	-78	131	-101	301	-60	132	-46	-44
Operating margin, %	neg	62.7	neg	76.4	neg	60.7	neg	neg
Profit/loss for the period	-87	125	-102	294	-58	137	-46	-44
Balance sheet								
Fixed assets	33	28	31	34	37	35	37	39
Current assets	541	516	13	15	15	8	6	7
Cash and cash equivalents	612	698	1,042	1,106	805	863	752	801
Equity	1,047	1,129	994	1,085	786	837	700	745
Deferred tax liabilities	12	-	-	-	-	-	-	-
Lease liabilities	5	3	6	8	10	10	12	14
Current liabilities	122	110	86	62	62	58	82	88
Cash flow								
From operating activities	117	-53	-64	299	-58	112	-46	-40
From investing activities	-204	-302	-1	-0	-4	-1	-2	-6
From financing activities	1	11	1	1	3	-2	-2	-2
Cash flow for the period	-86	-344	-64	300	-59	108	-49	-48
Key ratios								
Equity/asset ratio, %	88.2	90.9	91.5	94.0	91.6	92.5	88.1	88.0
Return on equity, %	-8.0	11.8	-9.8	31.4	-7.1	17.8	-6.3	-5.8
Data per share								
Earnings per share before dilution, SEK	-0.99	1.42	-1.16	3.33	-0.66	1.55	-0.52	-0.50
Earnings per share after dilution, SEK	-0.99	1.41	-1.16	3.32	-0.66	1.54	-0.52	-0.50
Equity per share, SEK	11.85	12.78	11.27	12.31	8.92	9.51	7.95	8.46
Cash flow operating activities per share, SEK	1.32	-0.60	-0.72	3.39	-0.66	1.27	-0.52	-0.45
Share price at the end of the period, SEK	267.80	283.00	282.00	251.40	272.00	271.60	77.45	103.20
Number of shares outstanding, thousands	88,315	88,299	88,226	88,181	88,132	88,060	88,060	88,060
Average number of shares outstanding, thousands	88,307	88,263	88,204	88,156	88,096	88,060	88,060	88,060

Financial statements, Parent company

PARENT COMPANY INCOME STATEMENT

	Q4		Jan-Dec	
kSEK	**2023**	**2022**	**2023**	**2022**
Net revenues (note 4)	11,024	2,090	615,995	228,291
Other operating income (note 5, 6)	496	-980	4,124	334
Operating revenues	**11,520**	**1,110**	**620,119**	**228,625**
Operating expenses				
Project related expenses	-28,497	-14,141	-89,627	-74,326
Other external expenses (note 6)	-24,475	-12,246	-73,050	-41,955
Personnel expenses	-36,630	-32,214	-191,095	-115,650
Depreciations of tangible assets	-1,887	-1,701	-7,439	-6,621
Other operating expenses (note 5)	1,115	-835	-8,132	-8,337
Operating expenses	**-90,376**	**-61,136**	**-369,342**	**-246,890**
Operating profit/loss	**-78,856**	**-60,027**	**250,777**	**-18,265**
Financial income (note 5)	10,943	3,124	34,225	8,285
Financial expenses (note 5)	-8,394	-1,098	-10,011	-1,557
Profit/loss after financial items	**-76,307**	**-58,001**	**274,992**	**-11,537**
Change in tax allocation reserves	-60,122	-	-60,122	-
Profit/loss before tax	**-136,428**	**-58,001**	**214,870**	**-11,537**
Tax	934	21	-34,538	65
Profit/loss for the period	**-135,495**	**-57,980**	**180,332**	**-11,472**

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 2023	31 Dec 2022
Assets		
Tangible fixed assets	23,476	23,531
Deferred tax assets	533	453
Other financial assets	1,767	1,656
Current assets excluding cash and cash equivalents	545,250	17,842
Cash and cash equivalents	609,417	805,342
Total assets	**1,180,444**	**848,825**
Equity and liabilities		
Equity	997,642	786,798
Other current liabilities	74,930	26,919
Accrued expenses and deferred income	47,750	35,108
Equity and liabilities	**1,180,444**	**848,825**

Notes

NOTE 1 GENERAL INFORMATION

This interim report for the period January – December 2023 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. The Group's business operations are mainly conducted in the Parent Company. 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 2023 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 2022. New and amended IFRS standards and interpretations applied from 2023 have not had a material impact on the 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.

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	**2023**	**2022**	**2023**	**2022**
Geographic breakdown of net revnues				
Europe	-	-	-	58,478
Asia	11,024	2,090	615,995	169,813
Total net revenues	**11,024**	**2,090**	**615,995**	**228,291**
Net revenues per revenue type				
Royalty	7,251	-	10,203	-
Co-promotion	1,907	-	5,472	-
Milestone payments	-	-	592,017	161,460
Research collaborations	1,866	2,090	8,303	66,831
Total net revenues	**11,024**	**2,090**	**615,995**	**228,291**

BioArctic's net revenues have mainly consisted of milestone payments and income from the research collaborations within Alzheimer's disease with Eisai and within Parkinson's disease with AbbVie, which ended in 2022. With effect from 2023 BioArctic receives co-promotions, revenues and royalty generated by the sales of lecanemab. Revenues reported are divided as:

- In total royalty income amounted to SEK 7.3. M (-) in the fourth quarter and SEK 10.2 M (-) for full year period. 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.
- 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 1.9 M (-). The incurred costs that are reimbursed aim to prepare for launch. For the full year 2023, the revenue from the co-promotion agreement amounted to SEK 5.5 million (-).
- No revenues were recognized as revenue from milestone payments from Eisai during the fourth

quarter. For the full year 2023 period the amount was SEK 592.0 M (161.5).

- BioArctic has a research collaboration agreement with Eisai. In the fourth quarter SEK 1.9 M (2.1) was recognized as revenue and for the full year period SEK 8.3 M (4.3) was recognized. For 2022 revenues from the ended collaboration with AbbVie amounted to SEK 58.5 M.

NOTE 5 ADJUSTED COMPARATIVE FIGURES

The comparative figures for other operating income, other operating expenses, financial income and financial expenses for the fourth quarter of 2022 and the full year of 2022 respectively have been changed due to the reclassification of exchange rate gains and exchange rate losses between exchange rate results of an operating nature and exchange rate results of a financial nature. The reclassification also affected adjustment for non-cash items. The adjustment increased operating profit by SEK 0.9 M and decreased financial items by SEK 0.9 M for the fourth quarter of 2022.

For the full year period of 2022 the effect of the adjustment was an increase in operating profit by SEK 0.1 M and a decrease in financial items by SEK 0.1 M. Profit or loss after financial items was not affected either for the fourth quarter of 2022 or the full year period of 2022.

NOTE 6 INTRA-GROUP PURCHASES AND SALES

The parent company's income from group companies amounted to SEK 0.1 M (0.0) for the quarter and SEK 0.3 M (0.0) for the full year period and referred to forwarded costs. The parent company's costs from group companies amounted to SEK 5.8 M (0.0) for the quarter and SEK 12.7 M (0.0) for the full year period and was related to services rendered.

NOTE 7 RELATED PARTY TRANSACTIONS

Remuneration to senior management has been paid in accordance with current policies. In addition, the board decided in May to repurchase stock options from the CEO for a consideration amounting to SEK 13.6 M. Furthermore, the company has purchased consulting services during the year amounting to SEK 0.1 M from Ackelsta AB, owned by the board member Pär Gellerfors, and research consumables amounting to SEK 0.1 M from Genovis AB where the board member Lotta Ljungqvist is a board member.

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.

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.

Breakthrough therapy designation
The breakthrough therapy designation is an FDA program intended to facilitate and accelerate the development and review of drugs for serious or life-threatening conditions.

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.

CMS - Centers for Medicare and Medicaid
A federal agency in the US Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid.

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.