BIOARCTIC

INTERIM REPORT

October – December 2021

A time of hope for Alzheimer's patients

EVENTS DURING THE FOURTH QUARTER 2021

- Lecanemab was granted Fast Track designation by the US Food and Drug Administration (FDA), which is a program that is intended to support and expedite the development of new treatments for serious illnesses with significant medical need, such as Alzheimer's disease.
- The clinical section and proposed label, the second of three parts in the rolling submission for lecanemab under the accelerated approval pathway, was submitted to the FDA.
- BioArctic announced that the company's ND3014 drug project is focused on developing antibody drugs against TDP-43, a protein that is considered to play a key role in the development of the rare neurodegenerative disease ALS.
- BioArctic and the company's partner, Eisai, gave several presentations at the CTAD congress, which provided further support for lecanemab and clarified the similarities and key differences in the binding profile of lecanemab compared with other anti-amyloid antibodies.

FINANCIAL SUMMARY OCTOBER – DECEMBER 2021

- Net revenues for the period amounted to MSEK 4.7 (8.4)
- Operating profit amounted to MSEK -39.4 (-30.2)
- Profit for the period amounted to MSEK -19.0 (-13.2) and earnings per share before and after dilution were SEK -0.22 (-0.15)
- Cash flow from operating activities amounted to MSEK -39.3 (-26.8)
- Cash and cash equivalents at the end of the period amounted to MSEK 848 (1,000)

FINANCIAL SUMMARY JANUARY – DECEMBER 2021

- Net revenues for the period amounted to MSEK 23.1 (62.3)
- Operating profit amounted to MSEK -139.7 (-85.0)
- Profit for the period amounted to MSEK -119.8 (-68.5) and earnings per share before and after dilution were SEK -1.36 (-0.78)
- Cash flow from operating activities amounted to MSEK -140.5 (-92.3)
- Cash and cash equivalents at the end of the period amounted to MSEK 848 (1,000)

KEY FINANCIAL PERFORMANCE INDICATORS

	Q4		Jan-Dec	
MSEK	2021	2020	2021	2020
Net revenues	4.7	8.4	23.1	62.3
Other operating income	0.6	1.4	3.5	3.6
Operating profit/loss	-39.4	-30.2	-139.7	-85.0
Operating margin, %	neg	neg	neg	neg
Profit/loss for the period	-19.0	-13.2	-119.8	-68.5
Earnings per share before dilution, SEK	-0.22	-0.15	-1.36	-0.78
Earnings per share after dilution, SEK	-0.22	-0.15	-1.36	-0.78
Equity per share, SEK	8.96	10.30	8.96	10.30
Cash flow from operating activities	-39.3	-26.8	-140.5	-92.3
Cash flow from operating activities per share, SEK	-0.45	-0.30	-1.60	-1.05
Equity/assets ratio, %	87.9	86.4	87.9	86.4
Return on equity, %	-2.38	-1.44	-14.13	-7.28
Share price at the end of the period, SEK	119.20	95.40	119.20	95.40

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

On Christmas Eve, the holiday mood for BioArctic got an extra boost with the announcement that the US FDA had granted Fast Track designation to lecanemab. Lecanemab had obtained Breakthrough Therapy designation earlier in the year, and the drug candidate is thus now covered by two FDA programs intended to support and expedite the development of new treatments for serious illnesses with significant medical need. Our partner Eisai has already submitted two of the three parts of the rolling submission under the accelerated approval pathway that the FDA will use in its assessment of a potential approval of lecanemab. BioArctic contributed to the first part of the application, which covers all preclinical documentation. Now only the part of the documentation that focuses on the production of the drug candidate remains to be submitted. The regulatory procedure for lecanemab thus made great strides in 2021, and we can state that lecanemab now has the potential of becoming the first disease-modifying drug for Alzheimer's disease to obtain full approval in the US, and the first to reach the market in Europe.

At the CTAD Alzheimer's disease conference in November, Eisai and BioArctic presented new data from the open-label extension study with lecanemab that reinforces and confirms the earlier results from the Phase 2b study, which demonstrated a profound elimination of amyloid plaque in the brain, decreased cognitive impairment in persons with early Alzheimer's disease and a low frequency of the ARIA-E side effect.

In a presentation held by Professor Lars Lannfelt, founder of BioArctic, the binding profiles of the antibodies lecanemab, aducanumab and gantenerumab were compared against different types of amyloid beta. Lecanemab distinguished itself through its strong binding to protofibrils and oligomers, the soluble aggregated forms of amyloid beta that research indicates leads to Alzheimer's disease. Moreover, data was presented at the conference that demonstrates the potential for using the biomarkers p-tau181 and Aβ42/40 in the blood to monitor the treatment effect of lecanemab.

We received further recognition of the unique properties of lecanemab when DIAN-TU, a US-based network for clinical studies of dominant hereditary Alzheimer's disease, chose to include lecanemab in competition with other antibodies as the background anti-amyloid treatment in a clinical trial in combination with potential tau treatments in patients with dominant hereditary Alzheimer's disease. The purpose of the Tau NexGen trial is to evaluate whether different treatments or combinations thereof could slow the cognitive decline and improve disease-related biomarkers in the patients. The choice of lecanemab emphasizes the value of the results from the Phase 2b study. The first patient in the study was included in January of 2022.

BioArctic is deeply involved in the development of new drugs against neurodegenerative disorders, and during the past quarter we presented our efforts at developing a drug against amyotrophic lateral sclerosis (ALS). A central protein in the development of the disease is TDP-43, which is found in nearly all patients with ALS. When this protein folds incorrectly, toxic aggregates are formed that cause a gradual breakdown of motor nerve cells in the brain, brain stem and spinal cord. As part of our ND3014 drug project, we are developing selective antibodies against TDP-43 for the purpose of extending and improving life for people suffering from ALS.

2022 will be the most exciting year in the company's history. It is the year we expect the results from the Phase 3 study of lecanemab in patients with early Alzheimer's disease, the completion of the rolling submission under the accelerated approval pathway in the US and AbbVie's commencement of the Phase 2 program with drug candidate ABBV-0805 against Parkinson's disease. At the same time, we look forward to continuing the development of our own expanded project portfolio. Our blood-brain barrier technology demonstrates a drastically increased and improved exposure of antibodies in the brain. With our world-class research, we are doing our utmost, in collaboration with our partners, to develop drugs that could give patients with neurodegenerative disorders a better life.

Gunilla Osswald
CEO, BioArctic AB

BioArctic in short

BioArctic AB (publ) is a Swedish biopharma company developing new drugs based on groundbreaking research for patients with central nervous system disorders. For a global market, the aim is to generate transformative medicines that can stop or slow down the progression of Alzheimer's disease, Parkinson's disease and other neurological diseases. BioArctic was founded in 2003 based on innovative research from Uppsala University, Sweden. BioArctic's B-share is listed on Nasdaq Stockholm Mid Cap (ticker: BIOA B).

Strategy for sustainable growth

BioArctic's vision is to generate innovative medicines that improve life for patients with disorders in the central nervous system. Our work is based on groundbreaking scientific discoveries, and the company's researchers collaborate with strategic partners such as research groups at universities and major pharmaceutical companies.

The company has scientific excellence and vast experience in developing drugs from idea to market. Under BioArctic's business model, the company at an early stage itself pursues project development and then, at an appropriate juncture, licenses commercial rights and late phase development to global pharmaceutical companies. In recent years, BioArctic has successfully developed high quality drug projects that have resulted in strategic license and partnership agreements in two major disease areas with high unmet medical need.

Three important cornerstones of BioArctic's strategy are:

- **CONTINUE** supporting the partnered projects with great market 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 conducts its research in five focus areas:

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

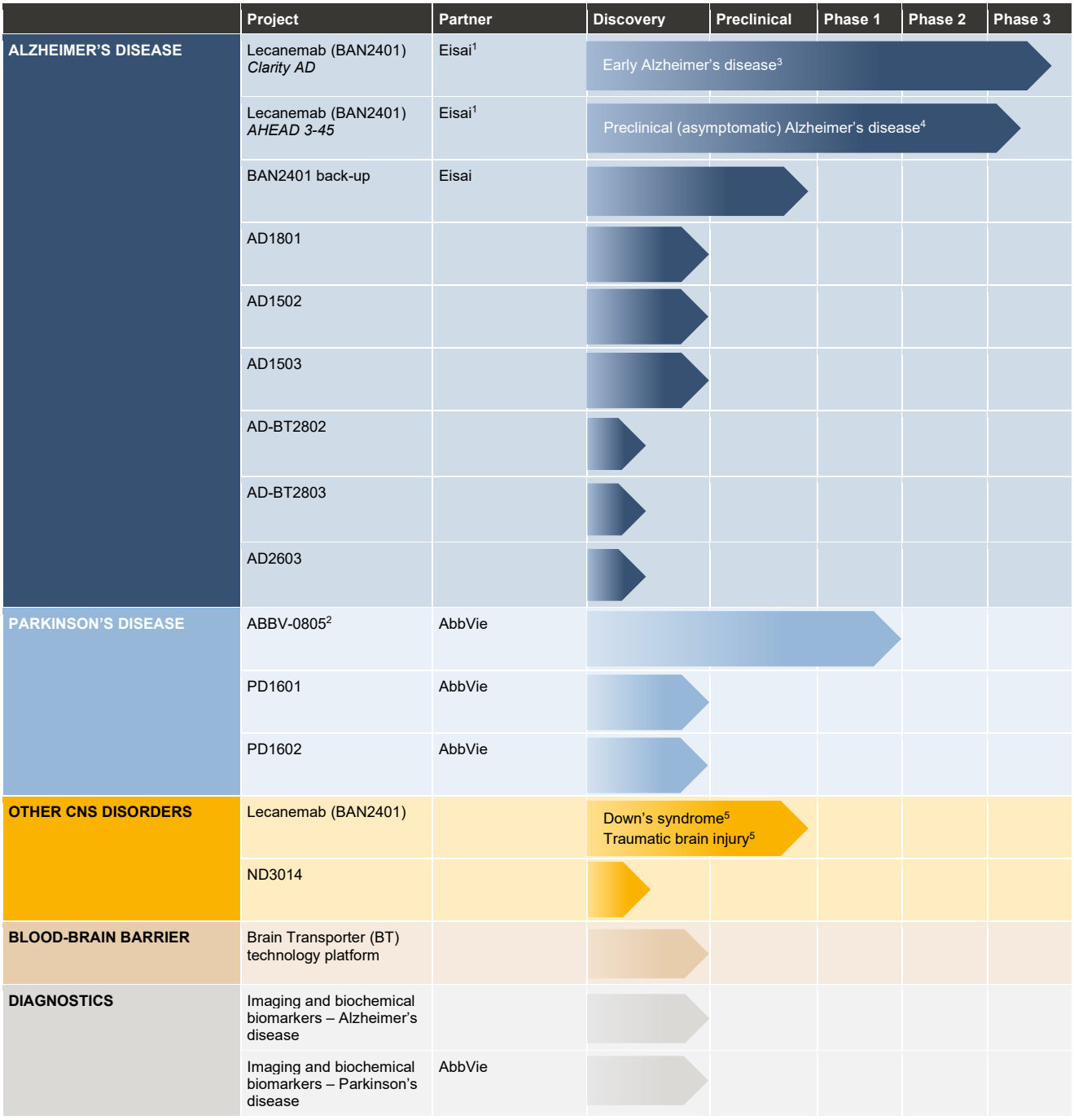
Neurodegenerative disorders are conditions in which cells in the brain degenerate and die. Normally the neurodegenerative processes begin long before any symptoms appear. Neurodegenerative disorders affect the lives of millions of people and constitute a growing global health care problem.

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, while the protein alpha-synuclein (α-synuclein) is involved in Parkinson's disease. 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 of the amyloid beta protein (oligomers/protofibrils) and the alpha-synuclein protein in the brain.

Project portfolio

BioArctic has a balanced, competitive portfolio consisting of unique product candidates, technology platforms and methods for diagnostics. 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 late clinical phase.

As of December 31, 2021, the project portfolio consisted of:



1) Partnered with Eisai for lecanemab for treatment of Alzheimer's disease. Eisai entered partnership with Biogen regarding BAN2401 (lecanemab) in 2014
2) AbbVie in-licensed BAN0805 in late 2018 and develops the antibody with the designation ABBV-0805
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) Dementia and cognitive impairment associated with Down's syndrome and with traumatic brain injury

ALZHEIMER'S DISEASE

BioArctic has developed several unique and selective antibodies with the potential to slow the progress of Alzheimer's disease. The most advanced drug candidate, lecanemab (BAN2401) is currently being evaluated in two Phase 3 studies: Clarity AD for early Alzheimer's disease and AHEAD 3-45 for preclinical (asymptomatic) Alzheimer's disease. Lecanemab previously showed convincing results in a large Phase 2b study in patients with early Alzheimer's disease. 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 the lecanemab back-up in Alzheimer's disease. BioArctic has six additional antibodies projects against Alzheimer's disease in its project portfolio.

Drug candidate lecanemab (collaboration with Eisai)

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. Lecanemab is a drug candidate which functions by eliminating these forms of amyloid from the brain and thereby has the potential to slow down the progression of disease. BioArctic's partner Eisai is responsible for the clinical development of lecanemab in Alzheimer's disease and the project is based on research from Uppsala University, Sweden.

Eisai is conducting two global Phase 3 studies with lecanemab, one in patients with early Alzheimer's disease (Clarity AD) and one in cognitively unimpaired individuals with intermediate or elevated amyloid levels in the brain who have not yet developed symptoms of Alzheimer's disease (AHEAD 3-45).

Clarity AD is the pivotal and confirmatory Phase 3 study. It is based on the Phase 2b study with lecanemab in 856 patients with early Alzheimer's disease which demonstrated dose dependent, clinically meaningful, and statistically significant effects of lecanemab on several clinical endpoints and on biomarkers and showed good tolerability.

Clarity AD is a global placebo-controlled, double-blind, parallel-group, randomized study in 1,795 patients with early Alzheimer's disease i.e. mild cognitive impairment (MCI) due to Alzheimer's disease or mild Alzheimer's disease. Patients are allocated in a 1:1 ratio to receive intravenous infusion twice a month, either with placebo or with lecanemab 10 mg/kg. The primary endpoint is the change from baseline in the cognition and function scale Clinical Dementia Rating-Sum of Boxes (CDR-SB) at 18 months of treatment. Changes in the clinical scales AD composite score (ADCOMS) and AD Assessment Scale-Cognitive Subscale (ADAS-Cog) are key secondary endpoints together with brain amyloid levels as measured by amyloid-PET. According to Eisai, the aim is to obtain the primary endpoint data from the study by the end of September 2022 and thereafter apply for a full market approval.

An open-label extension study, without placebo control, with continued treatment with lecanemab with the highest study dose for eligible participants in the Phase 2b study is in progress. During 2020 Eisai presented data from the study showing that the patients who had previously received placebo in the Phase 2b study had rapidly and continually decreasing amyloid levels in the brain after three, six and twelve months of treatment with lecanemab. Additionally, with treatment with lecanemab less than 10 percent of patients experienced ARIA-E side effects, consistent with previously reported data. This picture was further strengthened in March 2021 when Eisai presented results showing that the effects of lecanemab on reducing amyloid in the brain on average persist for at least two years following discontinuation of treatment. At the same time, it was verified that when lecanemab is administered in a dose of 10 mg/kg every other week, amyloid levels in the brains of more than 80 percent of patients decreased to levels under those that define Alzheimer's disease. These results were achieved in both the primary study and in the open-label extension study. In July 2021, Eisai presented data for the first time from a small cohort of participants in the open-label Phase 2b extension study. The results showed responses to treatment on clinical scales such as ADCOMS, CDR-SB and ADAS-Cog among patients with early Alzheimer's disease who had been recently treated with lecanemab or previously treated with placebo. The data provided additional support for the efficacy results seen in the large placebo-controlled Phase 2b study.

In November, BioArctic and Eisai gave several presentations at the 14th Clinical Trials on Alzheimer's Disease conference (CTAD). New data for lecanemab was presented that reinforces the positive results previously demonstrated in the Phase 2b study and the open-label extension study of lecanemab. Moreover, data was presented that demonstrates the potential for using blood samples for p-tau181 and Aβ42/40 for the purpose of identifying the right patients and monitoring the treatment effect of lecanemab. The data presented also clarifies the similarities and key differences in lecanemab's binding profile compared with other anti-amyloid antibodies against Alzheimer's disease that are in a late stage of development.

Lecanemab has a unique binding profile that distinguishes it from other amyloid beta antibodies and its unique binding profile has been confirmed in laboratory analyses, which are ongoing in parallel with the clinical development program. BioArctic has an ongoing research collaboration with Eisai in order to further deepen the knowledge about the drug candidate lecanemab's unique binding profile.

In September, Eisai initiated a Phase 1 study with the subcutaneous administration of lecanemab. The study was performed during the autumn, and the results are now being analyzed to determine the dosage for those future treatments that will be administered subcutaneously.

Lecanemab was selected by the Alzheimer's Clinical Trials Consortium (ACTC) and Eisai to be evaluated in a second clinical Phase 3 program which aims to evaluate the effects of lecanemab on preclinical asymptomatic Alzheimer's disease (AHEAD 3-45). The program, that was started 2020, include individuals that are at a very early stages of Alzheimer's disease with a high risk of developing the disease. The program consists of two clinical sub-studies: A3 and A45. After a joint screening process, the participants are included in one of the

randomized, double-blind and placebo-controlled sub-studies based on amyloid levels in the brains of the specific individuals. AHEAD 3-45 is a global program that is expected to include approximately 1,400 individuals.

DIAN-TU (Dominantly Inherited Alzheimer Network Trials Unit) has chosen to include lecanemab as the backbone anti-amyloid treatment in a clinical trial in combination with potential tau treatments in patients with dominant hereditary Alzheimer's disease. The aim of the study is to assess the safety and tolerability of certain drug candidates as well as their effect on biomarkers and cognition in patients with hereditary Alzheimer's disease.

In June 2021 lecanemab was granted Breakthrough Therapy designation, an FDA program intended to facilitate and accelerate the development and review of drugs for serious or life-threatening conditions. This status includes more intensive guidance from the FDA on an efficient development program and eligibility for rolling review and review of the application for market approval, and potentially a priority review of the final application. In September 2021, Eisai announced that the company had initiated a rolling application to the FDA for approval of lecanemab in early Alzheimer's disease under the Accelerated Approval Program.

In December 2021, lecanemab was granted Fast Track designation by the FDA, which supports expedited development of treatments for serious illnesses with significant medical need. At the same time, it was announced that two of the three parts in the rolling submission for accelerated approval of lecanemab had been submitted to the FDA. The application is based primarily on clinical, biomarker and safety data from the Phase 2b study of lecanemab in persons with early Alzheimer's disease and confirmed Aβ pathology. Data from the open-label Phase 2b extension study and blinded safety data from Clarity AD has been included to support the application for market approval.

Back-up candidate to lecanemab (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 AD1801, AD1502, AD1503 and AD2603 (owned by BioArctic)

BioArctic has four additional antibody projects against Alzheimer's disease in its project portfolio, all of which are in the research phase. These antibodies have different targets, and each has the potential to become a disease-modifying treatment for Alzheimer's disease. All of them are being developed to treat early Alzheimer's disease. AD1801 is an antibody project where the mechanism of action is linked to ApoE, which is the most common genetic risk factor for Alzheimer's disease. AD1503 is an antibody project against a shorter (truncated) form of amyloid beta, which has a pronounced ability to aggregate and create toxic forms that could cause Alzheimer's disease.

Drug projects AD-BT2802 and AD-BT2803 (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 — Brain Transporter, or BT — to facilitate uptake of antibodies in the brain.

PARKINSON'S DISEASE

In the Parkinson's disease treatment area, BioArctic has been collaborating with AbbVie since 2016. In 2018, AbbVie acquired a license to develop and commercialize BioArctic's portfolio of antibodies against alpha-synuclein for Parkinson's disease and other potential indications.

Drug candidate ABBV-0805 (collaboration with AbbVie)

ABBV-0805 is a monoclonal antibody that selectively binds to and eliminates oligomers and protofibrils 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.

In February 2019 FDA approved the application to conduct a clinical study with ABBV-0805 and the Phase 1 study started in March 2019. At the International Congress of Parkinson's Disease and Movement Disorders® (MDS) in September 2021, BioArctic presented preclinical results and AbbVie presented results from the Phase 1 study that support continued development of the antibody in a Phase 2 study with dosing once a month. In November 2021, *Neurobiology of Disease* published an article from BioArctic that describes new preclinical data for the anti-alpha synuclein antibody ABBV-0805. The article contains data demonstrating ABBV-0805's ability to selectively bind harmful soluble alpha-synuclein aggregates. AbbVie drives and finances the continued clinical development of ABBV-0805. The scope of ABBV-0805 may be expanded to include, for example, Lewy body dementia and multiple system atrophy.

Projects PD1601 and PD1602 (collaboration with AbbVie)

The antibody projects PD1601 and PD1602 target alpha-synuclein for treatment of Parkinson's disease. The goal is to develop a disease modifying treatment that stops or slows down disease progression. The projects are included in the collaboration with AbbVie.

OTHER CNS DISORDERS

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 Down's syndrome and traumatic brain injury. BioArctic and Eisai presented at the AD/PD conference 2021 findings suggesting that lecanemab also could be developed into a disease modifying treatment benefiting individuals with Down's syndrome with dementia.

Project ND3014 (owned by BioArctic)

In November 2021, BioArctic announced that its ND3014 drug project is 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 project is in an early research phase.

BLOOD-BRAIN BARRIER TECHNOLOGY (BRAIN TRANSPORTER) (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 the delivery of therapeutic agents to the brain more difficult. BioArctic and researchers at Uppsala University are collaborating on developing technology that facilitates the passage of antibodies across the blood-brain barrier. The second generation of this technology, which has already demonstrated a profound increase in antibodies and improved exposure in the brain, is under development. In 2021, BioArctic combined two earlier projects against Alzheimer's disease, AD-BT2802 and AD-BT2803, with its blood-brain barrier technology. The technology has shown highly encouraging results and has significant potential for many different treatments for various diseases of the brain. Together with Uppsala University, BioArctic received grants from Sweden's Innovation Agency, Vinnova, for continued research in the blood-brain barrier project.

DIAGNOSTICS

Alzheimer's disease diagnostics (owned by BioArctic) and Parkinson's disease diagnostics (in collaboration with AbbVie)

BioArctic is working to develop new methods that could improve and simplify diagnostics and the evaluation of treatments for the company's projects in Alzheimer's disease and Parkinson's disease. BioArctic is pursuing a number of projects in partnership with external commercial and academic partners. Furthermore, the company is active in a project to improve positron emission tomography (PET) imaging of the brains of patients suffering from Alzheimer's disease.
The objective is to create methods and tools that can be used in the company's own projects in order to better diagnose the disease, monitor its progression and objectively measure the effect of drug treatment.

Comments to the financial development

REVENUES AND RESULT

Revenues consist of milestone payments, payments from research agreements and research grants. Because of the nature of the business operations, there may be large fluctuations in revenues for different periods, 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 MSEK 4.7 (8.4). Net revenues for the period January – December amounted to MSEK 23.1 (62.3). The decrease for the full year compared to last year relates a lump sum of MSEK 22.8 was recorded attributable to a remeasurement of the total costs of the Parkinson's program during the first quarter last year and that the scope of the current research collaboration agreement with Eisai is smaller than previous one.

Other operating income relates to research grants and operating exchange rate gains. Other operating income amounted to MSEK 0.6 (1.4) in the fourth quarter and for the full year amounted to MSEK 3.5 (3.6). The increase is mainly attributable to exchange rate gains.

Total operating expenses for the fourth quarter amounted to MSEK -44.6 (-39.9) and for the full year to MSEK -166.4 (-151.0). Project expenses for projects fully owned by BioArctic increased due to a higher activity within those projects. The expenses for personnel for the full year increased somewhat as a result of an increase in the number of employees and cost of bonuses. Other external costs was unchanged both in the quarter as well as for the period. Other operating expenses mainly consist of realized operating exchange rate losses.

Since BioArctic's own projects are in an early research phase they did not meet all the conditions for R&D costs to be capitalized and thus, 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.

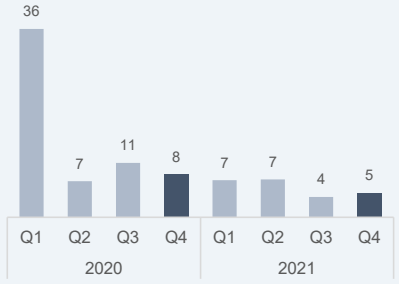
Operating profit before financial items (EBIT) amounted to MSEK -39.4 (-30.2) for the fourth quarter and to MSEK -139.7 (-85.0) for the period January – December. The decrease in operating profit was primarily attributable to lower revenue from the Parkinson's program, from the research collaboration with Eisai and increased external costs and costs of personnel.

Net financial items totaled MSEK -0.3 (-1.1) for the fourth quarter and to MSEK -0.8 (-1.7) for the period January – December. Financial income consists of financial exchange rate gains and financial expenses consists of negative interest on cash and cash equivalents and interest on leasing liabilities.

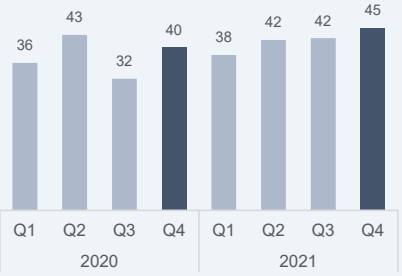
Profit (loss) amounted to MSEK -19.0 (-13.2) for the fourth quarter and to MSEK -119.8 (-68.5) for the full year.

Earnings per share before and after dilution amounted to SEK -0.22 (-0.15) for the fourth quarter and to SEK -1.36 (-0.78) for the full year.

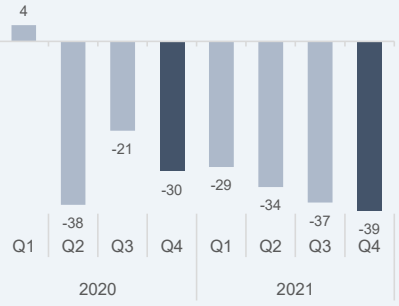
Net revenues (MSEK)



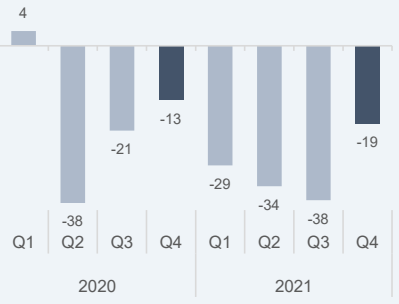
Operating expenses (MSEK)



Operating profit/loss (MSEK)



Profit/loss for the period (MSEK)



LIQUIDITY AND FINANCIAL POSITION

Equity amounted to MSEK 788.7 as of December 31, 2021 compared with MSEK 907.3 as of December 31, 2020. This corresponds to equity per outstanding share of SEK 8.96 (10.30). The equity/asset ratio was 87.9 percent as of December 31, 2021compared with 86.4 percent as of December 31, 2020.

The Group's cash and cash equivalents consist of bank balances that at the end of the year amounted to MSEK 848.4 compared with MSEK 999.9 as of December 31, 2020. There were no loans as of December 31, 2021 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 reporting effects in connection with the recalculation of currency to the current rate. These effects are recognized in the operating profit and in financial income and expenses.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the fourth quarter amounted to MSEK -39.3 (-26.8) and to MSEK -140.5 (-92.3) for the full year.

For the fourth quarter cash flow from investing activities amounted to MSEK -1.9 (-7.4) and to MSEK -4.4 MSEK (-12.5) for the full year. The investments were mainly related to laboratory equipment. Cash flow from financing activities amounted to MSEK -1.9 (-1.3) for the fourth quarter and to MSEK -7.4 (-6.6) for January - December and relates to the amortization of leasing liabilities.

PARENT COMPANY

All of the Group's business operations are conducted in the Parent Company.

EVENTS DURING THE YEAR

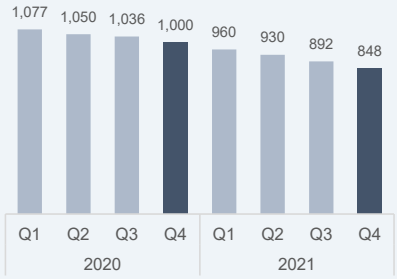
FOURTH QUARTER 2021

- Lecanemab was granted Fast Track designation by the US Food and Drug Administration (FDA), which is a program that is intended to support and expedite the development of new treatments for serious illnesses with significant medical need, such as Alzheimer's disease.
- The second of three parts in the rolling submission under the accelerated approval pathway was submitted to the FDA.
- BioArctic announced that the company's ND3014 drug project is oriented on developing antibody drugs against TDP-43, a protein that is considered to play a key role in the development of the rare neurodegenerative disease ALS.
- BioArctic and the company's partner, Eisai, gave several presentations at the CTAD congress, which provided further support for lecanemab and clarified the similarities and key differences in the binding profile of lecanemab compared with other anti-amyloid antibodies.
- DIAN-TU (Dominantly Inherited Alzheimer Network Trials Unit) chose to include lecanemab as a backbone anti-amyloid treatment in a clinical trial as a combination treatment with potential tau treatments in people with dominant hereditary Alzheimer's disease. The aim of the study is to assess the safety and tolerability of certain drug candidates as well as their effect on biomarkers and cognition in patients with hereditary Alzheimer's disease.

THIRD QUARTER 2021

- Eisai has initiated a rolling submission of the BLA to the US FDA for market approval for lecanemab, through an accelerated approval process.
- Data from the Phase 2b open-label extension study of lecanemab presented at the Alzheimer's Association International Conference provided further support for the clinical effects of the drug candidate. The baseline characteristics for the Clarity AD and AHEAD 3-45 Phase 3 studies were also presented, as well as the possibility of using specific blood biomarkers to monitor the effects of the drug in individual patients.
- In September, Eisai initiated a Phase 1 study with the subcutaneous administration of lecanemab. The study was performed during the autumn.

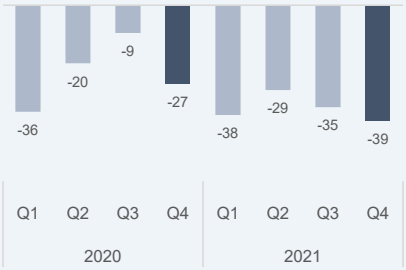
Cash and cash equivalents (MSEK)



Financial position (MSEK)

	31 Dec 2021	31 dec 2020
Non-current lease liabilities	7.8	13.6
Current lease liabilities	8.1	7.1
Cash and cash equivalents	848.4	999.9
Net cash position	**832.5**	**979.2**

Cash flow from operating activities (MSEK)



Cash position (MSEK)
848

- At the International Congress of Parkinson's Disease and Movement Disorders® (MDS), BioArctic presented the preclinical results and AbbVie presented results from the Phase 1 study that support continued development of the antibody.

SECOND QUARTER 2021

- The US FDA granted Breakthrough Therapy designation for lecanemab in Alzheimer's disease.
- BioArctic supports research into physical activity and brain health in an eight-year research project being conducted by the Swedish School of Sport and Health Sciences.
- BioArctic received a Japanese patent for new antibodies against Alzheimer's disease.
- Lecanemab Phase 2b study results in early Alzheimer's disease published in peer-reviewed journal, Alzheimer's Research and Therapy, and lecanemab confirmatory Phase 3 Clarity AD clinical trial completed enrollment with 1,795 patients.

FIRST QUARTER 2021

- BioArctic presented findings at the AD/PD conference suggesting that lecanemab also could be developed into a disease modifying treatment benefiting individuals with Down's syndrome with dementia.
- New preliminary results that Eisai presented at the AD/PD conference from the ongoing open-label extension of the Phase 2b study in early Alzheimer's disease continued to support the effect of lecanemab on brain amyloid levels.
- Eisai increased the number of participants in Clarity AD with 200 patients to ensure a robust dataset. Eisai expects readout by end of September 2021.
- BioArctic received patent approval from the European Patent Office for antibodies against truncated amyloid beta, which are linked to the AD1503 project.

Other information

EVENTS AFTER THE REPORTING PERIOD

- The first individual in the Tau NexGen study was included in January 2022 (DIAN-TU, a US-based network for clinical studies of dominant hereditary Alzheimer's disease, has chosen to include lecanemab as a background anti-amyloid treatment in the study).

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 the year, BioArctic's patent portfolio consisted of 14 patent families with more than 230 granted patents and 60 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 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 additional 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 BAN2401 back-up antibodies. The total value of these agreements may amount to MEUR 222 in addition to royalties. To date, approximately MEUR 66 has been received and recognized.

BioArctic has been collaborating with AbbVie in the field of Parkinson's disease since 2016, when a research agreement was signed that included products such as the antibody BAN0805, now designated ABBV-0805. At the end of 2018, AbbVie exercised its option to license BioArctic's alpha-synuclein antibody portfolio for Parkinson's disease and other potential indications. BioArctic has had primary responsibility for the preclinical development work and AbbVie is responsible for the clinical development. The total value of the agreement could amount to MUSD 755 in addition to royalty payments. To date, MUSD 130 has been received. For more information regarding BioArctic's two large collaboration partners, please see the Annual Report 2020 on pages 22, 29, 43 and 44.

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 the risks of the business. 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. During the year, the Board of Directors of BioArctic was able to state that even though covid-19 continued to affect society and people's daily lives, the virus has had no major impact on the company's operations.

A detailed description of exposure and risk management is presented in the Annual Report 2020 on pages 50 - 53. In all material respects, the risks identified in conjunction with the 2020 Annual Report remain unchanged.

FLUCTUATIONS IN REVENUE GENERATION

Currently, BioArctic does not have any drugs on the market. The company develops a number of drug candidates and diagnostics for Alzheimer's and Parkinson's diseases in collaboration with global pharmaceutical companies. The company also conducts research for wholly owned projects including new potential antibody treatments, diagnostics, 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 royalties, 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.

FUTURE PROSPECTS

The company enjoys a strong financial position and has a business model in which its revenue and earnings are currently primarily based on non-recurring revenue from research and licensing agreements the company signed. The company's liquidity facilitates continued development of the projects covered by strategic partnership agreements as well as financing of the company's own projects in early phase and therefore are less costly. BioArctic's focus areas comprise unique drug candidates, innovative blood-brain barrier technology and diagnostics, areas with high unmet medical need. All projects are focused on disorders of the central

nervous system and have great market potential. BioArctic's ambition is to generate the medicines of the future for patients with central nervous system disorders.

EXPECTED DEVELOPMENT OF OPERATING EXPENSES

Operating expenses are expected to be in the range of MSEK 220 – 260 for the fiscal year January – December 2022. During 2021 operating expenses were MSEK 166, which was within the range of the forecast of MSEK 160 – 190. During the last three years the average annual level of the operating expenses has been approximately MSEK 170. The build-up of the commercial organization prior to the potential launch of lecanemab, and costs for the expanded in-house project portfolio, explain the expected higher level of costs for 2022.

EMPLOYEES

At the end of the year, the number of employees was 49 (45) of which 19 (18) are men and 30 (27) women. Just over 80 percent work in R&D and just over 70 percent are PhDs.

A cost-efficient organization at BioArctic is achieved by hiring consultants for specific assignments and tasks in competence areas that the company lacks or only has need for periodically. As of December 31, 2021, these corresponded to 11 (12) full-time positions.

THE SHARE AND SHAREHOLDINGS

The share capital in BioArctic amounts to SEK 1,761,200 divided by 88,059,985 shares which is split between 14,399,996 A-shares and 73,659,989 B-shares. 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, 2021[1]

	Number		Share of (%)	
	A-shares	B-shares	capital, %	votes, %
Demban AB (Lars Lannfelt)	8,639,998	22,628,052	35.5	50.1
Ackelsta AB (Pär Gellerfors)	5,759,998	15,086,301	23.7	33.4
Fourth AP-Fund	-	4,300,000	4.9	2.0
Third AP-Fund	-	2,994,097	3.4	1.4
Swedbank Robur Funds	-	2,984,683	3.4	1.4
Unionen	-	2,391,835	2.7	1.1
Handelsbanken Funds	-	1,471,572	1.7	0.7
Investment AB Öresund	-	1,330,000	1.5	0.6
Wellington Management	-	1,240,709	1.4	0.6
SEB Funds	-	1,154,633	1.3	0.5
Tot. 10 largest shareholder	**14,399,996**	**55,581,882**	**79.5**	**91.8**
Other	-	18,078,107	20.5	8.2
Total	**14,399,996**	**73,659,989**	**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).

ANNUAL GENERAL MEETING 2022

BioArctic's Annual General Meeting will take place on May 5 at 16:30. More details about the meeting and whether the meeting, due to the development of covid-19, will be held physically or only by advance voting, so-called postal voting method, will be presented in more detail in a notice.

NOMINATION COMMITTEE

In accordance with the resolution at the 2021 AGM, the Nomination Committee for the 2022 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 Wenche Rolfsen is co-opted in the nomination committee.

DIVIDEND

The Board proposes that no dividend be paid for the 2021 financial year.

LONG-TERM INCENTIVE PROGRAMS

The Annual General Meeting 2019 approved the Board of Directors' proposal for resolution concerning an employee warrant program for the company's management, researchers and other staff, a directed issue of warrants and the transfer of warrants or shares in the company to the participants in the employee warrant program.

The employee warrant program 2019/2028 include not more than 1,000,000 warrants. To enable the company's delivery of shares under the employee warrant program 2019/2028, the Annual General Meeting approved a directed issue of a maximum of 1,000,000 warrants.

The dilutive effect of the employee warrant program 2019/2028 is estimated to be a maximum of 1.1 percent of the share capital and 0.5 percent of the votes in the company (calculated on the number of existing shares in the company), assuming full exercise of all employee warrants. The employee warrants can be exercised three years after allocation at the earliest. As of the end of the period, 580,000 employee warrants were allocated. No warrants were allocated in the fourth quarter 2021. The allocation of employee warrants had a dilutive effect corresponding to 550,000 shares, or 0.6 percent, at the end of the period. However, these options are not included in the calculation of earnings per share after dilution since the company is reporting negative earnings. More information is available on www.bioarctic.com

The information was submitted for publication, though the agency of the named contact persons, at 8:00 a.m. CET on February 3, 2022.

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

Stockholm, Sweden, February 3, 2022

Gunilla Osswald
CEO, BioArctic AB (publ)

INVITATION TO PRESENTATION OF THE FULL YEAR REPORT FOR JANUARY – DECEMBER 2021

BioArctic invites investors, analysts, and media to an audiocast with teleconference (in English) today, February 3, at 9:30–10:30 a.m. CET. CEO Gunilla Osswald and CFO Jan Mattsson will present BioArctic, comment on the interim report and answer questions.

Webcast: https://tv.streamfabriken.com/bioarctic-q4-2021

To participate in the conference, please call: +46 8 505 583 75 (Sweden), +45 823 331 94 (Denmark), +31 207 219 496 (Netherlands), +47 235 002 36 (Norway), +41 225 675 632 (Switzerland), +44 333 300 92 64 (UK), +49 692 222 391 66 (Germany) or +1 646 722 4902 (USA)

CALENDAR 2022

Annual report in Swedish published	March 31, 2022
Interim report Jan-Mar 2022	April 28, 2022, at 8:00 a.m. CET
Annual General Meeting 2022	May 5, 2022, at 4:30 p.m. CET
Interim report Jan-Mar 2022	July 12, 2022, at 8:00 a.m. CET
Interim report Jan-Sep 2022	October 20, 2022, at 8:00 a.m. CET
Full Year Report Jan-Dec 2022	February 3, 2023, at 08:00 a.m. CET

FOR FURTHER INFORMATION, PLEASE CONTACT

Gunilla Osswald, CEO, gunilla.osswald@bioarctic.se, phone +46 8 695 69 30
Jan Mattsson, CFO, jan.mattsson@bioarctic.se, phone + 46 70 352 27 72
Oskar Bosson, VP Communications & Investor Relations, oskar.bosson@bioarctic.se, phone +46 70 410 71 80

BioArctic AB (publ)

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

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	2021	2020	2021	2020
Net revenues (note 4)	4,706	8,360	23,146	62,347
Other operating income	569	1,359	3,542	3,597
Operating revenues	**5,275**	**9,719**	**26,688**	**65,943**
Operating expenses				
Project related expenses	-16,528	-13,376	-55,067	-50,242
Other external expenses	-7,418	-6,084	-24,851	-23,370
Personnel expenses	-17,078	-16,523	-72,499	-62,977
Depreciations of tangible assets	-3,253	-3,076	-13,108	-11,013
Other operating expenses	-355	-818	-886	-3,353
Operating expenses	**-44,632**	**-39,877**	**-166,411**	**-150,955**
Operating profit/loss	**-39,357**	**-30,158**	**-139,723**	**-85,012**
Financial income	40	-227	194	7
Financial expenses	-305	-866	-984	-1,686
Profit/loss before tax	**-39,622**	**-31,251**	**-140,512**	**-86,691**
Tax	20,666	18,052	20,722	18,174
Profit/loss for the period	**-18,955**	**-13,198**	**-119,789**	**-68,517**
Earnings per share				
Earnings per share before dilution, SEK	-0.22	-0.15	-1.36	-0.78
Earnings per share after dilution, SEK	-0.22	-0.15	-1.36	-0.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-Dec	
kSEK	2021	2020	2021	2020
Profit/loss for the period	-18,955	-13,198	-119,789	-68,517
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**-18,955**	**-13,198**	**-119,789**	**-68,517**

CONSOLIDATED BALANCE SHEET

kSEK	31 Dec 2021	31 Dec 2020
ASSETS		
Tangible fixed assets	16,963	18,120
Right-to-use assets	16,785	21,820
Deferred tax assets	608	452
Other financial assets	1,588	1,562
Current assets excluding cash and cash equivalents	13,380	8,420
Cash and cash equivalents	848,405	999,940
TOTAL ASSETS	**897,730**	**1,050,313**
EQUITY AND LIABILITIES		
Equity	788,676	907,299
Deferred tax liabilities	-	20,666
Non-current lease liabilities	7,785	13,627
Current lease liabilities	8,092	7,141
Other current liabilities	15,737	17,887
Accrued expenses and deferred income	77,438	83,692
EQUITY AND LIABILITIES	**897,730**	**1,050,313**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (CONDENSED) [1]

kSEK	31 Dec 2021	31 Dec 2020
Opening balance at 1 January	907,299	974,497
Correction of opening balance	-402	-
Comprehensive income for the period	-119,789	-68,517
Share-based payments	1,567	1,319
Closing balance	**788,676**	**907,299**

CONSOLIDATED STATEMENT OF CASH FLOW (CONDENSED)[2]

	Q4		Jan-Dec	
kSEK	2021	2020	2021	2020
Operating profit	-39,357	-30,158	-139,723	-85,012
Adjustment for non-cash items	1,560	1,767	5,230	-19,991
Interest received/paid	-71	-859	-597	-1,679
Income tax paid	-425	-367	-309	-12,217
Cash flow from operating activities before changes in working capital	**-38,293**	**-29,617**	**-135,398**	**-118,899**
Change in working capital	-961	2,846	-5,059	26,558
Cash flow from operating activities after changes in working capital	**-39,254**	**-26,771**	**-140,457**	**-92,341**
Cash flow from investing activities	**-1,888**	**-7,447**	**-4,412**	**-12,524**
Cash flow from financing activities	**-1,936**	**-1,257**	**-7,388**	**-6,598**
Cash flow for the period	**-43,078**	**-35,475**	**-152,257**	**-111,463**
Cash and cash equivalents at beginning of period	891,525	1,036,295	999,940	1,112,770
Exchange rate differences in cash and cash equivalents	-42	-881	723	-1,367
Cash and cash equivalents at end of period	**848,405**	**999,940**	**848,405**	**999,940**

1) A minor error was discovered during the transition to a new system for translation in accordance with IFRS 16, which affects the opening balance for equity by MSEK 0.4, corresponding to 0.05%.
2) For the comparison period Jan-Dec 2020, an adjustment of kSEK 1,460 has been made between the lines Change in working capital and Cash flow from investing activities compared with the Full Year Report 2020.

CONSOLIDATED QUARTERLY DATA

MSEK	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Income statement								
Net revenues	5	4	7	7	8	11	7	36
Other operating income	1	1	1	2	1	1	-2	3
Operating expenses	-45	-42	-42	-38	-40	-32	-43	-36
Operating profit/loss	-39	-37	-34	-29	-30	-21	-38	4
Operating margin, %	neg	neg	neg	neg	neg	neg	neg	10.4
Profit/loss for the period	-19	-38	-34	-29	-13	-21	-38	4
Balance sheet								
Fixed assets	36	37	39	40	42	36	35	37
Current assets	13	6	5	5	8	4	14	29
Cash and cash equivalents	848	892	930	960	1,000	1,036	1,050	1,077
Equity	789	807	844	879	907	920	940	978
Deferred tax liabilities	-	21	21	21	21	39	39	39
Lease liabilities	16	18	19	19	21	22	23	25
Current liabilities	93	90	89	87	102	95	98	101
Cash flow								
From operating activities	-39	-35	-29	-38	-27	-9	-20	-36
From investing activities	-2	-2	-0	-1	-7	-3	-1	-0
From financing activities	-2	-2	-2	-2	-1	-1	-2	-3
Cash flow for the period	-43	-38	-31	-40	-35	-14	-23	-39
Key ratios								
Equity/asset ratio, %	87.9	86.3	86.7	87.3	86.4	85.5	85.5	85.6
Return on equity, %	-2.4	-4.5	-4.0	-3.3	-1.4	-2.2	-4.0	0.4
Data per share								
Earnings per share before dilution, SEK	-0.22	-0.43	-0.39	-0.33	-0.15	-0.23	-0.43	0.04
Earnings per share after dilution, SEK	-0.22	-0.43	-0.39	-0.33	-0.15	-0.23	-0.43	0.04
Equity per share, SEK	8.96	9.17	9.59	9.98	10.30	10.45	10.68	11.11
Cash flow operating activities per share, SEK	-0.45	-0.39	-0.33	-0.43	-0.30	-0.11	-0.22	-0.41
Share price at the end of the period, SEK	119.20	162.60	137.80	91.00	95.40	88.95	73.35	61.50
Number of shares outstanding at the end of the period, thousands	88,060	88,060	88,060	88,060	88,060	88,060	88,060	88,060
Average number of shares outstanding before dilution, thousands	88,060	88,060	88,060	88,060	88,060	88,060	88,060	88,060
Average number of shares outstanding after dilution, thousands	88,610	88,585	88,560	88,560	88,332	88,105	88,092	88,070

Financial statements, Parent company

PARENT COMPANY INCOME STATEMENT

	Q4		Jan-Dec	
kSEK	2021	2020	2021	2020
Net revenues	4,706	8,360	23,146	62,347
Other operating income	569	1,359	3,542	3,597
Operating revenues	**5,275**	**9,719**	**26,688**	**65,943**
Operating expenses				
Project related expenses	-16,528	-13,376	-55,067	-50,242
Other external expenses	-9,531	-8,095	-33,224	-31,161
Personnel expenses	-17,078	-16,523	-72,499	-62,977
Depreciations of tangible assets	-1,360	-1,241	-5,604	-3,829
Other operating expenses	-354	-818	-885	-3,353
Operating expenses	**-44,851**	**-40,053**	**-167,279**	**-151,561**
Operating profit/loss	**-39,576**	**-30,335**	**-140,591**	**-85,618**
Financial income	40	-227	194	7
Financial expenses	-120	-642	-145	-707
Profit/loss after financial items	**-39,656**	**-31,203**	**-140,542**	**-86,318**
Change in tax allocation reserves	94,809	81,865	94,809	81,865
Profit/loss before tax	**55,153**	**50,662**	**-45,733**	**-4,453**
Tax	8	22	63	75
Profit/loss for the period	**55,160**	**50,684**	**-45,670**	**-4,378**

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 2021	31 Dec 2020
ASSETS		
Tangible fixed assets	16,963	18,120
Deferred tax assets	388	325
Other financial assets	1,638	1,612
Current assets excluding cash and cash equivalents	15,353	9,882
Cash and cash equivalents	848,359	999,892
TOTAL ASSETS	**882,702**	**1,029,831**
EQUITY AND LIABILITIES		
Equity	789,526	833,628
Tax allocation reserve	-	94,809
Other current liabilities	15,737	17,702
Accrued expenses and deferred income	77,438	83,692
EQUITY AND LIABILITIES	**882,702**	**1,029,831**

Notes

NOTE 1 GENERAL INFORMATION

This Full Year Report for the period January – December 2021 covers the Swedish Parent Company BioArctic AB (publ), Swedish Corporate Identity Number 556601-2679, and the fully owned subsidiary LPB Sweden AB, Swedish Corporate Identity Number 559035-9112. All the Group's business operations are 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 Full Year Report for the period January – December 2021 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 2020. New and amended IFRS standards and interpretations applied from 2021 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	2021	2020	2021	2020
Geographic breakdown of net revnues				
Europe	1,926	2,291	8,466	33,805
Asia	2,780	6,069	14,681	28,541
Total net revenues	**4,706**	**8,360**	**23,147**	**62,347**
Net revenues per revenue type				
Milestone payments, recognized at a given point in time	-	-	-	-
Income from research collaborations, recognized over time	4,706	8,360	23,147	62,347
Total net revenues	**4,706**	**8,360**	**23,147**	**62,347**

BioArctic's net revenues essentially consist of income from the research collaborations concerning Parkinson's disease with AbbVie and Alzheimer's disease with Eisai. Under the collaboration agreement with AbbVie, BioArctic received an initial payment of MSEK 701.6, or MUSD 80, during the third quarter 2016. This payment is related to compensation for the preclinical development work that BioArctic will carry out under the agreement. Of the initial payment, MSEK 70.4 was reported as a one-time payment in 2016. The rest of the payment will be accrued based on the costs incurred up until the completion of the project. The project is continuously evaluated with the regard to status and remaining costs. In conjunction with a restatement of the total costs of the Parkinson's program in light of better performance than originally planned, a positive lump sum of MSEK 22.8 in revenue has been recorded during the first quarter 2020. As of December 31, 2021, MSEK 643.2 has been recognized as revenue and the remaining amount to be recognized as a revenue up until the completion of the project is MSEK 58.5. MSEK 1.9 was recognized as revenue in fourth quarter 2021.

Current research collaboration agreement with Eisai refers to the period July 2021 to June 2022. The revenue for the research collaboration is recognized over time based on the fulfillment of the performance obligation. At December 31, 2021, MSEK 4.9 had been recognized as revenue, of which MSEK 2.8 was recognized as revenue in the fourth quarter 2021.

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
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 market approval.

ADAS-Cog
ADAS-Cog (Alzheimer's Disease Assessment Scale cognitive subscale) is a well-established cognition scale whereof parts are included in ADCOMS.

ADCOMS
Alzheimer's Disease Composite Score – A cognition scale consisting of parts from three different scales (CDR-SB, ADAS-cog and MMSE) developed by Eisai. The cognition scale enables a sensitive detection of changes in clinical functions of symptoms in early Alzheimer's disease.

ADCS-ADL-MCI
ADCS-ADL-MCI (Alzheimer's Disease Cooperative Study - Activities of Daily Living - Mild cognitive impairment) is a clinical scale focusing of activities of daily living particularly relevant in mild cognitive impairment.

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.

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.

CDR-SB
CDR-SB (Clinical Dementia Rating Sum of Boxes) is a cognition and function scale which is part of ADCOMS.

Central nervous system (CNS)
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.

Interim analysis
A statistical analysis conducted during an ongoing clinical trial to evaluate preliminary findings.

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.

PET
Positron emission tomography, an imaging method used to perform medical examinations.

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.

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.