CEO statement

In 2025, BioArctic entered a new phase. Behind us, we left an era that, for just over 20 years, shaped the company we are today. 2025 was a fantastic year for BioArctic, with a breakthrough drug against Alzheimer's disease on the global market, a broad and growing pipeline, several license agreements and a financial year that resulted in record-high profits. It is with pride that I look back on our first year in BioArctic's new era of growth.

During 2025 we announced our 2030 ambitions for BioArctic's operations. We aim to: 1) broaden our pipeline with projects in all stages of development; 2) add additional successful partnerships; 3) establish Leqembi as a treatment for Alzheimer's disease; and 4) ensure a financial position that allows for both investments in growth and recurring dividends to shareholders. During 2025, we made significant progress in all four areas.

To lay the foundation for future growth, we continued to increase investment in our pipeline. The Phase 2a study with exidavnemab continued, and in the spring we were cleared to include patients with multiple system atrophy (MSA) alongside patients with Parkinson's disease. The study results that are expected in 2026 will guide the design of the upcoming Phase 2b study, and help determine which indications to prioritize. The fact that we received orphan drug designations for MSA in both the US and the EU in 2025 will yield more opportunities for us. We also made advances in our early-stage projects. We nominated drug candidates in ALS and Parkinson's disease and started a new project targeting the protein that causes Huntington's disease. In parallel with progress in our antibody platform projects, breakthroughs continued for our second technology platform, BrainTransporter, which significantly improves the uptake of antibodies and other large molecules in the brain. This technology is getting significant international interest, and the patent applications we filed during the year for additional modalities such as enzymes, antisense oligonucleotides and siRNA are especially encouraging. All together, we now have a broad pipeline and a clear plan for advancing our various projects through the development chain over the coming years.

The strength of the pipeline is particularly visible in our three global agreements with Eisai, Bristol Myers Squibb and Novartis, all of which reached important milestones in 2025 and thus generated significant revenues. In addition to the non-recurring payments, the sale of Leqembi generated SEK 503 M in royalties. Now that our business rests on two technology platforms – antibodies and BrainTransporter – we can negotiate agreements that provide a healthy diversification of future revenue as well as support scalability. We can either enter agreements under which a global partner further develops our drug projects, or license out the right to use our BrainTransporter technology in external drug projects.

During the year, an increasing number of patients around the world have gained access to Leqembi for the treatment of Alzheimer's disease. The drug has now been approved in more than fifty countries, and we are of course particularly pleased about the approval in the EU in April. For BioArctic,

this sharpens the focus on ensuring that the drug is available and subsidized in the Nordic countries. The process in Europe, which represents a smaller share of the global market and therefore has a limited financial impact on BioArctic, has progressed more slowly than expected and hoped for – something that is very frustrating and concerning for patients and their relatives.

Globally, there are now tens of thousands of patients being treated with Leqembi. The follow-up reports coming from the US, Japan and China in particular are very reassuring, showing that efficacy is at least as good as that seen in the pivotal Phase 3 study. Side effects are also in line with, or even less than, what was reported in the study. As the use of the drug increases, the results presented become even more important. The presentation at the CTAD Congress in 2025 shows that Leqembi can delay disease progression by up to 8.3 years when treatment is started at an early stage. For those of us who live by the motto "Every day counts", this is a valuable result. It is worth remembering that until recently, Alzheimer's disease was considered more or less untreatable, and that it is a Swedish innovation that has helped make the impossible possible.

At the same time, the development of Leqembi continues, with the aim of simplifying treatment and enabling more patients to receive help earlier. A first step is that the intravenous maintenance treatment after the initial 18 months can be given less frequently, something that the US, China, Japan and the United Kingdom approved during the year. The next big step will be providing the first treatment for Alzheimer's disease that can be administered as a subcutaneous formulation with an autoinjector. The drug Leqembi Iqlik – which is the brand name in the US – was approved in the autumn as a maintenance treatment, and an application for use also as an initial treatment has been submitted to the FDA. In January 2026, the FDA announced that this application had been granted priority review, and a decision is expected by May 24 this year. A subcutaneous formulation would allow patients and their families to choose, right from the outset, whether to take the treatment at home once a week instead of undergoing intravenous treatment at a hospital every two weeks. Not every patient will choose subcutaneous treatment, but when the choice exists, it is likely to significantly reduce the burden on the healthcare system and the costs.

With over SEK 2 billion in cash and cash equivalents, we have a strong financial position, which gives us flexibility to conduct significant investments in growth. 2025 was BioArctic's most profitable year ever with an operating profit of over SEK 1.2 billion. This improvement in earnings year-on-year is largely attributable to the milestone payments we received during the year. At the same time, royalty income rose gradually, increasing by almost 120 percent compared to 2024. Milestone payments will fluctuate, but we expect that royalty income alone makes BioArctic a profitable company. The Board's ambition for BioArctic to become a company that pays recurring dividends has already been realized this year, and the Board proposes to the AGM 2026 a dividend of SEK 2.00 per share.

We have entered a growth era and we have done so at an incredibly fast pace. It is tremendously satisfying to lead an organisation with a constant focus on delivering the highest quality in both research and business development, and to see how we continue together to push the boundaries of what is possible. All of this, with the best interests of patients and their families at heart. I would like to conclude by thanking our employees, partners and investors for a fantastic year.

Gunilla Osswald
CEO, BioArctic