BioArctic

INTERIM REPORT
APRIL – JUNE 2024

BIOARCTIC

Lecanemab authorised in Great Britain and EU re-examination in progress

EVENTS DURING THE SECOND QUARTER 2024

- BioArctic and Eisai entered into a research evaluation agreement regarding the drug candidate BAN2802
- Eisai received Fast Track designation and initiated a rolling Biologics License Application (BLA) to the FDA for subcutaneous maintenance dosing of Leqembi®
- Eisai published sales projection for Leqembi for fiscal year 2024 (April 2024 – March 2025) of JPY 56.5 billion
- The U.S. Food and Drug Administration (FDA) accepted Eisai's Supplemental Biologics License Application (sBLA) for less frequent monthly intravenous (IV) maintenance dosing for the treatment of Alzheimer's disease with Leqembi
- Leqembi was approved in South Korea and launched in China

EVENTS AFTER THE END OF THE SECOND QUARTER 2024

- Leqembi was approved for the treatment of Alzheimer's disease in Hong Kong, Israel, United Arab Emirates and Great Britain
- The European Medicines Agency (EMA) adopted a negative opinion on Marketing Authorization Approval for lecanemab as treatment for Alzheimer's disease. BioArctic's partner Eisai has requested a re-examination of the opinion
- Three-year data from the lecanemab extension study show continued increasing patient benefit with maintained safety profile
- Study results from phase 1 studies with exidavnemab published in The Journal of Clinical Pharmacology

FINANCIAL SUMMARY APRIL – JUNE 2024

- Net revenues for the period amounted to SEK 49.8 M (2.7), of which SEK 42.6 M (0.4) in royalties for Leqembi
- Operating profit amounted to SEK -75.8 M (-100.9)
- Profit for the period amounted to SEK -68.4 M (-102.3)
- Earnings per share before and after dilution was SEK -0.77 (-1.16)
- Cash flow from operating activities amounted to a negative SEK -94.3 M (-63.8)
- Cash and cash equivalents and short term investments at the end of the period amounted to SEK 890 M (1,042)

FINANCIAL SUMMARY JANUARY – JUNE 2024

- Net revenues for the period amounted to SEK 79.5 M (396.1), of which SEK 63.9 M (0.4) in royalties for Leqembi
- Operating profit amounted to SEK -148.9 M (199.7)
- Profit for the period amounted to SEK -126.0 M (191.5)
- Earnings per share before dilution was SEK -1.43 (2.17) and after dilution -1.43 (2.16)
- Cash flow from operating activities amounted to a negative SEK -208.7 M (235.2)
- Cash and cash equivalents and short term investments at the end of the period amounted to SEK 890 M (1,042)

KEY FINANCIAL PERFORMANCE INDICATORS [1]

	Q2		Jan-Jun		Jan-Dec
SEK M	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues	49.8	2.7	79.5	396.1	616.0
Other operating income	0.6	0.0	2.5	3.3	4.1
Operating profit/loss	-75.8	-100.9	-148.9	199.7	252.6
Operating margin, %	neg	neg	neg	50.4	41.0
Profit/loss for the period	-68.4	-102.3	-126.0	191.5	229.2
Earnings per share before dilution, SEK	-0.77	-1.16	-1.43	2.17	2.60
Earnings per share after dilution, SEK	-0.77	-1.16	-1.43	2.16	2.59
Equity per share, SEK	10.52	11.27	10.52	11.27	11.85
Cash flow from operating activities	-94.3	-63.8	-208.7	235.2	299.0
Cash flow from operating activities per share, SEK	-1.07	-0.72	-2.36	2.67	3.39
Cash, cash equivalents and short term investments	889.7	1,042.1	889.7	1,042.1	1,111.6
Equity/assets ratio, %	82.1	91.5	82.1	91.5	88.2
Return on equity, %	-7.12	-9.84	-12.75	21.52	25.02
Share price at the end of the period, SEK	228.80	282.00	228.80	282.00	267.80

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

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

Comments from the CEO

It's time to summarize yet another eventful period that included the commercial launch of Leqembi in China, additional regulatory approvals, especially the UK, and two regulatory submissions to the US FDA regarding maintenance treatment with Leqembi, either via infusion or subcutaneously. The EMA's adoption of a negative opinion concerning the approval of lecanemab was a setback however. We were both surprised and very disappointed by the news, especially in light of approvals from other authorities. It is important to remember, though, that this is not the final decision in the EU. Our partner Eisai has already requested a re-examination, and we continue to work together to change the opinion for the final recommendation. We hope for a positive outcome before the end of the year. First and foremost, this opinion is unfortunate news for all Alzheimer patients in the EU who will now have to wait longer for a treatment that can change the course of this devastating disease. We draw strength from the firm support for lecanemab from both researchers and patient organizations from across Europe. Many of them are now getting involved to make their voices heard.

Regardless of the outcome, BioArctic's position is strong. Leqembi has already been approved in the US, Japan, China, South Korea, Hong Kong, Israel, the United Arab Emirates and now in Great Britain as well. According to figures presented by Eisai in March, these markets will account for more than 80% of total revenues by 2032. As a European biopharma company, it would be disheartening for us if our innovation could not help patients in the EU and the Nordics, but the outcome in the EU is not pivotal for the future of BioArctic.

It is highly gratifying to see that we are helping more and more patients around the world. Sales in the US have started to take off and the launches in Japan and China are going better than expected. In Great Britain, a consultation process involving Eisai and other stakeholders will take place before Leqembi can become available for use in the national healthcare system. The reimbursement authority NICE's draft recommendation was that the cost effectiveness did not support routine use. The authority has requested additional information before its final decision. Sales for the second quarter grew fast, resulting in royalties of SEK 43 million to BioArctic. That is twice as much as the previous quarter, and we look forward to continued good growth for many quarters to come.

In late July/early August, we attended the world's largest annual Alzheimer's congress, AAIC, which was held in Philadelphia this year. Eisai presented three-year data from the phase 3 open label extension study with lecanemab that demostrated continued increasing patient benefit with a maintained safety profile as treatment continues. Moreover, results from the very earliest group of patients showed that over 50 percent of those treated not only reduced their clinical decline but continued to show improvement in cognition and function after 36 months. Although the latter is based on small patient numbers, it is inspiring to think about what this could mean as new diagnostic methods are becoming available. It also means that we are looking forward with confidence to the results of the ongoing AHEAD 3-45 study of lecanemab in people who have not yet developed symptoms of Alzheimer's disease, but have started to show changes in the biomarkers that measure disease progression. Participants in the study, which is expected to be fully enrolled within the next six months, will be treated for four years. Eisai also presented data showing that continuous treatment with lecanemab is important based on data showing that underlying biomarkers of disease progression return to harmful levels if treatment is stopped. Therefore, the regulatory applications that Eisai has initiated in the US regarding both intravenous and subcutaneous maintenance treatment, are very important. A regulatory response is expected in January 2025 for the intravenous version, and for the subcutaneous, for which the final part of the application is expected to be submitted in the fourth quarter, a response is anticipated later in 2025.

The research field is developing rapidly and our early product candidates in Alzheimer's, Parkinson's and ALS are at the forefront. Our most advanced project is exidavnemab in Parkinson's disease, in which we expect to start dosing in the phase 2a study in the fourth quarter. The entire early research portfolio is steadily progressing, and we estimate that several projects will be in clinical development within a few years, bringing with them the potential for new license agreements. The projects are based on our employees' scientific expertise and their tireless efforts to develop treatments for neurological disease where there are few options today. This gives me great comfort and I have good hopes that BioArctic will continue to be a leader in the research field for many years to come.

Finally, I note that we are experiencing increased interest in our sustainability agenda, and we are preparing for the upcoming legal reporting requirements under the CSRD. We have included a sustainability progress report section for the first time in this quarterly report. I can proudly say that we have an excellent platform to stand on. After an intense first half of the year, we look forward to continuing to pursue our promising projects and to being able to help more and more patients around the world. Our journey has only just begun.

Gunilla Osswald
CEO, BioArctic AB

BioArctic in short

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

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

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

Business concept
• Through pioneering research, BioArctic creates and develops biological drugs for patients with neurodegenerative diseases
• BioArctic shall generate revenue and increase the value of the company by out-licensing or commercializing proprietary drugs

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

Research and development:
• BioArctic develop new, innovative product candidates for Alzheimer's disease, Parkinson's disease and ALS based on scientific excellence and evidence in neurodegenerative diseases and scientific knowledge in antibody and protein technology
• BioArctic continuously develops the product portfolio based on scientific and commercial considerations to optimize our scientific competence and financial abilities

Commercialization:
• BioArctic prioritize long-term partnerships that complements our key competences, finances late-phase clinical development, and maximizes the global commercial potential of our products
• We commercialize our treatments in the Nordics and in the future also in Europe

Operations

BioArctic mainly conducts its research in four focus areas:
Alzheimer's disease
Parkinson's disease
Other CNS disorders
Blood-brain barrier crossing technology

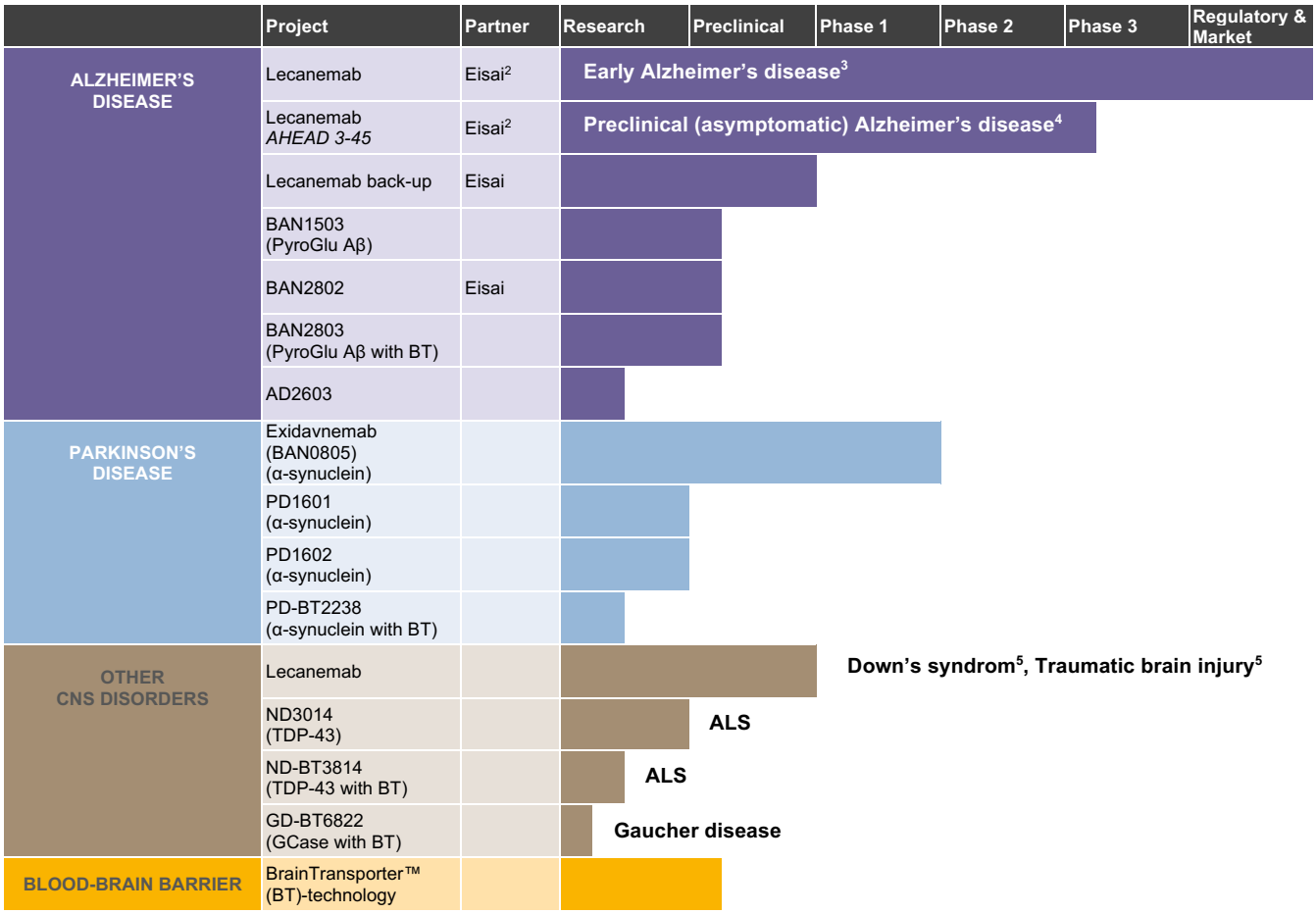
Neurodegenerative disorders are conditions in which cells in the brain degenerate and die. Normally the neurodegenerative processes begin long before any symptoms appear. Neurodegenerative disorders affect the lives of millions of people and constitute a growing global health care problem.

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 company's project portfolio consists of a combination of fully funded projects run in partnership with the global Japanese pharma company Eisai and innovative in-house projects with significant market- and out-licensing potential. The projects are in various phases: from discovery to commercialization.

As of June 30, 2024, the project portfolio consisted of:



[2] Partner with Eisai for lecanemab for treatment of Alzheimer's disease since 2007 Eisai entered partnership with Biogen regarding BAN2401 (lecanemab) in 2014
[3] Mild cognitive impairment due to Alzheimer's disease and mild Alzheimer's disease
[4] Normal cognitive function with intermediate or elevated levels of amyloid in the brain
[5] Dementia and cognitive impairment associated with Down's syndrome and with traumatic brain injury

ALZHEIMER'S DISEASE

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

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

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

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

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

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

Notably, lecanemab slowed functional deterioration by 37 percent as measured by the ADCS MCI-ADL scale, which measures how well the patient manages activities in daily life, and positively affected biomarkers for amyloid, tau[6] 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 presented three-year data from the extension study showing that treatment with lecanemab continues to provide increasing benefit in patients with early Alzheimer's disease with a maintained safety profile. In addition, data from the very earliest patient group show that 51% of patients continued to show improvement in cognition and function after three years.

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

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

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

protein anti-tau treatment. The study is conducted by Dominantly Inherited Alzheimer Network Trials Unit (DIAN-TU).

Process of approval of Leqembi in the world:

USA

- In July 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. In May, Eisai received Fast Track designation and initiated a rolling BLA to the FDA for subcutaneous maintenance dosing of Leqembi. In June 2024, the U.S. Food and Drug Administration (FDA) began its review of Eisai's Supplemental Biologics License Application (sBLA) for less frequent monthly intravenous (IV) maintenance dosing for the treatment of Alzheimer's disease with Leqembi.

EU

- In January 2023, Eisai submitted applications for marketing authorization in the EU. In July 2024 (CHMP) of the European Medicines Agency (EMA) gave a negative opinion on Marketing Authorization Approval (MAA) for lecanemab as treatment for Alzheimer's disease. BioArctic's partner Eisai has sought a re-examination of the opinion.

Japan

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

China

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

The rest of the world

- In August 2024, Leqembi was approved for the treatment of Alzheimer's disease in United Arab Emirates and Great Britain. Hong Kong and Israel were approved in July 2024. In May the drug was approved in South Korea. Eisai has also submitted applications for approval of lecanemab in Canada, Australia, Switzerland, Singapore, Taiwan, Brazil, Russia, Saudi Arabia and India.

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 (research evaluation agreement with Eisai) and BAN2803 (owned by BioArctic)

BioArctic has two potential new antibody treatments against Alzheimer's disease that are being combined with the blood-brain barrier technology — BrainTransporter, or BT — to facilitate uptake of drug in the brain.

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

BAN2803, so far being operated in-house by BioArctic, targets a shorter (truncated) form of amyloid beta (PyroGlu-Aβ), that have a central role in Alzheimer's disease.

PARKINSON'S DISEASE

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

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

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

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

At the International Congress of Parkinson's Disease and Movement Disorders® (MDS) in September 2021, preclinical results and 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 toxic 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. In August 2024, results from the two phase-1 studies with exidavnemab were published in The Journal of Clinical Pharmacology, showing that exidavnemab was generally well-tolerated, with an excellent half-life of approximately 30 days.

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 during the forth quarter of 2024.

The PD1601 and PD1602 antibody projects also target alpha-synuclein.

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

BioArctic's BrainTransporter technology is a technology for facilitating the passage of biological drugs as for example antibodies into the brain. The technology is being applied to select in-house drug projects and is applied in the research evaluation agreement with Eisai regarding BAN2802. In the future the technology may also become part of future collaborations with other pharma companies.

BRAINTRANSPORTER™ TECHNOLOGY (owned by BioArctic)

The blood-brain barrier controls the passage of substances between the blood and the brain. It protects the brain from harmful substances, but at the same time it can make it difficult for drugs to reach the brain.

BioArctic 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 and payments from research agreements. 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 second quarter amounted to SEK 49.8 M (2.7). Net revenues included SEK 42.6 M (0.4) in royalties for Leqembi sales, mainly in the USA and in Japan, and SEK 4.5 M (2.3) from research collaboration agreements. Further co-promotion revenues from commercialization of lecanemab in the Nordic region with Eisai amounted to SEK 2.7 M (-). Net revenues for the first half of the year amounted to SEK 79.5 M (396.1). During the first quarter last year three milestone payments were received, amounting to a total of SEK 391.1 M, equivalent to EUR 35 M. No milestone payments were received in the first half of 2024.

Cost of sales, consisting of royalties paid for the commitments that BioArctic has towards LifeArc,ed to SEK 4.8 M (0.0) during the second quarter and to SEK 7.0 M (14.0) for the first half of the year.

Other operating income relates to operating exchange rate gains. Other operating income amounted to SEK 0.6 M (0.0) in the second quarter and for the first half of the year to SEK 2.5 M (3.3).

Operational costs for the business amounted to SEK 120.9 M (103.5) for the second quarter and to SEK 221.4 M (182.4) for the first half of the year. Costs for research- and development increased to SEK 83.5 M (40.8) during the quarter, SEK 146.5 M for the six-month period (88.1), due to that several projects are in a later phase. Since BioArctic's proprietary projects are in an early research phase they do not meet the criteria for capitalization of R&D expenses, which is why all such costs have been charged to the income statement.

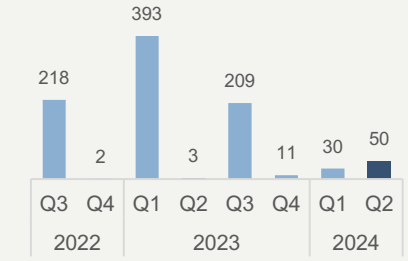
Costs of marketing and sales in the quarter increased to SEK 15.5 M (10.2) as a consequence of a growing Nordic commercial organization and intensified work to prepare for the launch of lecanemab in the Nordics. This work continues during the re-examination process regarding market approval in the EU, which is now underway and where further information is expected in the fourth quarter of 2024. The work continues for the final decision by EMA on Marketing Authorization Approval in the EU, expected during the fourth quarter 2024. For the first half of the year the costs amounted to SEK 28.1 M (19.3).

General costs and administration, including costs for central overhead and rents, decreased to SEK 21.4 M (52.0) for the quarter, SEK 47.7 M (75.3) for the half year period. The decrease compared to the previous year is mainly due to high costs from the repurchase of employee stock options in the second quarter of 2023. Other operating expenses, mainly realized operating exchange rate losses, decreased during the quarter and for the period to SEK 1.0 M (0.5) and SEK 1.7 M (3.0) respectively.

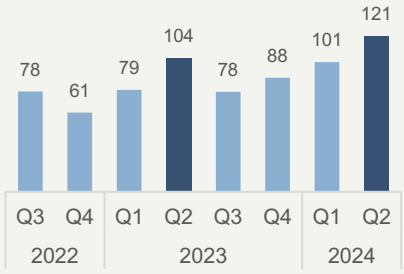
Operating loss before net financial items (EBIT) amounted to SEK -75.8 M (-100.9) for the second quarter and to SEK -148.9 M (199.7) for the first half year. The increase in profit during the second quarter was due to increased royalties. The lowered result during the first half of the year is a consequence of milestone revenues being received in the first quarter of 2023.

Net financial items totaled SEK 7.4 M (8.5) for the second quarter and SEK 23.0 M (11.8) for the half year period. The increase for the half year period is attributable to higher interest income on short-term investments.

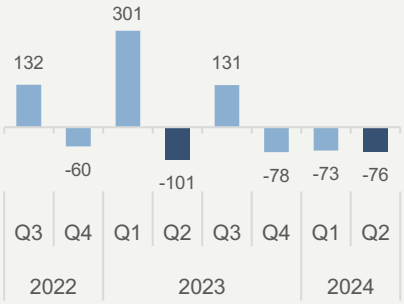
Net revenues (SEK M)



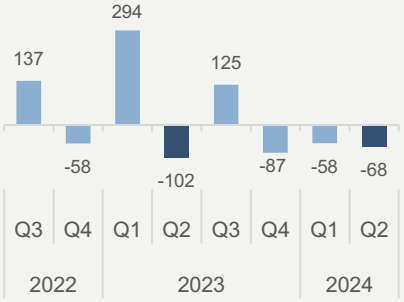
Operational costs (SEK M)



Operating profit/loss (SEK M)



Profit/loss for the period (SEK M)



Interest income and similar items consists of interest income on investments. Interest expenses and similar items consist of exchange rate losses and interest on leasing liabilities.

Tax related cost totaled SEK 0.0 M (9.9) for the second quarter and SEK 0.0 M (20.0) for the first half year.

The profit for the period amounted to SEK -68.4 M (-102.3) for the second quarter and to SEK -126.0 M (191.5) for the first half period.

Profit per share before and after dilution amounted to SEK -0.77 (-1.16) for the second quarter. For the first half period of the year profit per share before dilution amounted to SEK -1.43 (2.17) and to SEK -1.43 (2.16) after dilution.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the second quarter amounted to a negative SEK 94.3 M (neg.: 63.8) and to SEK neg. 208.7 M (235.2) for the six-month period. The main explanation for the reduced cash flow during the quarter is an increase in accounts receivable compared to the same period last year. The explanation for the change for the six-month period compared with the equivalent period last year is a lower result, as no milestone payments were received during the period.

Cash flow from investing activities for the second quarter amounted to SEK 95.5 M (neg.: 0.9). For the half-year period cash flow from investing activities amounted to SEK 82.0 M (neg.: 1.0). The increase is explained by the expiration of SEK 100 M in short term investments during the second quarter. The amount has instead been transferred to cash. The investments were also related to purchase of laboratory equipment.

Cash flow from financing activities amounted to SEK neg. 1.3 M (0.8) for the second quarter and to SEK 0.8 M (2.1) for January – June and was related to amortization of leasing debt, as well as new share issue with the support of employee options during the second quarter.

LIQUIDITY AND FINANCIAL POSITION

Equity amounted to SEK 929.4 M as of June 30, 2024, compared with SEK 1,046.6 M as of December 31, 2023. This corresponds to equity per outstanding share of SEK 10.52 (11.85). The equity/asset ratio was 82.1 percent as of June 30, 2024, compared with 88.2 percent as of December 31, 2023.

The Group's cash and cash equivalents consist of bank balances of SEK 489.7 M. Short-term investments, classified as current assets excluding cash and cash equivalents, amount to SEK 400.0 M (500.0). Cash and cash equivalents and short-term investments amount to a total of SEK 889.7 M as of June 30, 2024 compared with SEK 1,111.6 M as of December 31, 2023. There were no loans as of June 30, 2024, and no loans have been taken since this date. The Group has no other credit facility or loan commitments.

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

PARENT COMPANY

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

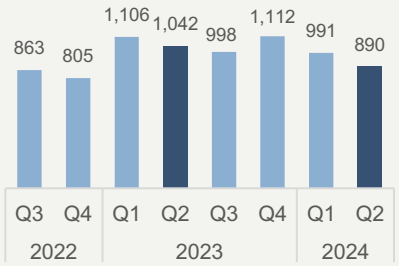
EVENTS DURING THE FIRST QUARTER 2024

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

EVENTS DURING THE SECOND QUARTER 2024

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

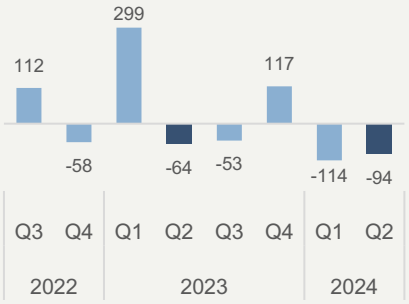
Cash, cash equivalents and short-term investments (SEK M)



Financial position (SEK M)

	30 Jun 2024	31 dec 2023
Non-current lease liabilities	46.8	2.2
Current lease liabilities	13.0	2.8
Cash, cash equivalents and short term investments	889.7	1,111.6
Net cash position	**830.0**	**1,106.6**

Cash flow from operating activities (SEK M)

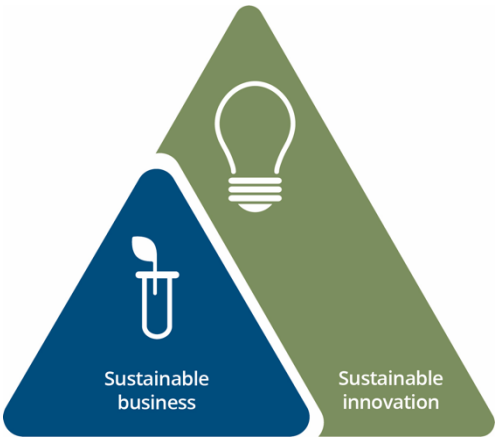


Cash, cash equivalents and short-term investments (SEK M)

890

Sustainability

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



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

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

General information

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

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

ENVIRONMENTAL INFORMATION

BioArctic aims to align energy and climate ambitions with our commitments to UN Global Compact, the industry association and Sweden's overarching aims. Currently, we are conducting surveys to understand the company's emissions, thereafter, we will communicate reduction targets.

Focus area	Status H1 2024
*Vehicle fleet 100% electric or plug-in hybrid	Achieved
*Survey of Scope 1 and 2 emissions, achieved 2024	Ongoing
*Survey of Scope 3 emissions, achieved 2025	Ongoing

SOCIAL INFORMATION

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

Focus area	Status H1 2024
*Zero workplace accidents	Zero, maintained
*Employee satisfaction survey	eNPS 76, 2 performed
*Inclusion and diversity survey	1 performed, no deviations
*Market approvals	2 (China, South Korea)

GOVERNANCE INFORMATION

BioArctic operates in a highly regulated environment and has developed a strong policy framework to support this. In Q2, Board instructions were updated to include sustainability strategy and reporting in accordance with CSRD.

Focus area	Status H1 2024
*Board gender balance at least 40:60	43:57
*Patient safety training	100% completion

OTHER INFORMATION

BioArctic has increased the interaction with external sustainability analyses. MSCI lowered BioArctic's rating to B in the second quarter of 2024. MSCI's valuation was based on available data for 2022 as the analysis took place before BioArctic's annual report for 2023 including sustainability data was published.

Other information

EVENTS AFTER THE END OF THE SECOND QUARTER

- Leqembi was approved for the treatment of Alzheimer's disease in Hong Kong, Israel, United Arab Emirates and Great Britain
- The European Medicines Agency (EMA) adopted a negative opinion on Marketing Authorization Approval for lecanemab as treatment for Alzheimer's disease. BioArctic's partner Eisai has requested a re-examination of the opinion
- Three-year data from the lecanemab extension study show continued increasing patient benefit with a maintained safety profile
- Study results from phase 1 studies with exidavnemab published in The Journal of Clinical Pharmacology

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 June 2024, BioArctic's patent portfolio consisted of 18 patent families with approx. 220 granted patents and more than 80 ongoing patent applications.

PARTNERSHIPS, COLLABORATIONS AND MAJOR AGREEMENTS

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

BioArctic has been collaborating with Eisai in the field of Alzheimer's disease since 2005. The company has signed research and/or licensing agreements concerning lecanemab, lecanemab back-up and BAN2802. The total value of lecanemab and lecanemab back-up agreements may amount to EUR 222 M in addition to royalty. As of 30 June 2024, up to EUR 84 M in milestone payments remains from Eisai under existing agreements.

BioArctic and Eisai have agreed on commercialization and co-promotion for the Nordic countries based on a fifty-fifty profit share for the region and thus no sales royalty is received as in other markets. According to the agreement Eisai will be responsible for pricing and reimbursement as well as distribution whereas BioArctic will take on a larger responsibility for 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 2023 on pages 53-57.

FLUCTUATIONS IN REVENUE GENERATION

BioArctic is developing a number of drug candidates for chronic neurodegenerative diseases in partnership with global pharma companies. The company also conducts research for proprietary projects including new potential antibody treatments as well as a blood-brain barrier technology platform. The company signs research and licensing agreements with partners and then receives remuneration for research as well as milestone payments and royalty, which the company uses to finance current and new projects. Milestone payments are normally received when 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 continue 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 second quarter, the number of full-time employees was 96 (75) of which 61 (47) women and 35 (28) are men. 67 (70) percent of the employees work in R&D and of these 83 (85) percent are PhDs. The turnover rate in the quarter was 0.0 (0.0) percent.

ANNUAL GENERAL MEETING 2024

BioArctic's Annual General Meeting took place on May 22.

- The board members Eugen Steiner, Pär Gellerfors, Lars Lannfelt, Lotta Ljungqvist, Mikael Smedeby and Cecilia Edström were re-elected and Anna-Lena Engwall was elected as new member of the board. Eugen Steiner was elected as chairperson of the board of directors.
- The Annual General Meeting resolved to authorise the board of directors to resolve on issues of new shares, warrants and/or convertibles in accordance with the board of directors' proposal.
- The Annual General Meeting resolved to introduce an incentive program for the company's employees and resolved on hedging arrangements for the incentive program in accordance with the board of directors' proposal.

THE SHARE AND SHAREHOLDINGS

The share capital in BioArctic amounts to SEK 1,766,709 divided by 88,335,485 shares which is split between 14,399,996 A-shares and 73,935,489 B-shares. The number of shares increased during the second quarter by 12,800 shares as a result of the subscription of shares by participants in the employee stock option program 2019/2028. The quotient value for both A- and B-shares is SEK 0.02. The A-share has 10 votes per share and the B-share has 1 vote per share.

LARGEST SHAREHOLDERS AS OF JUNE 30, 2024[7]

	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 Pen	-	4,993,337	5.7	2.3
RA Capital Management LP	-	3,117,736	3.5	1.4
Third Swedish National Pensi	-	3,033,952	3.4	1.4
Handelsbanken Fonder	-	2,313,932	2.6	1.1
Swedbank Robur Fonder	-	2,240,256	2.5	1.0
Nordea Funds	-	1,994,450	2.3	0.9
Unionen	-	1,618,950	1.8	0.7
Vanguard	-	1,257,682	1.4	0.6
Tot. 10 largest shareholders	**14,399,996**	**54,798,548**	**78.3**	**91.2**
Other	-	19,136,941	21.7	8.8
Total	**14,399,996**	**73,935,489**	**100.0**	**100.0**

LONG-TERM INCENTIVE PROGRAMS

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

A maximum of 1, 000,000 stock options may be granted within the Stock Option Program 2019/2028. The employee stock options may be exercised three to five years after grant. As of the end of the second quarter 2024, a total of 915,000 options had been granted, and no further grants may occur. The number of lapsed and repurchased options amounted to 75,000 and the number of exercised options amounted to 275,500 as of June 30, which means that 564,500 employee stock options remain outstanding at the end of the quarter corresponding to a dilutive effect of up to 0.64 percent of the share capital at the end of the reporting period.

The Performance Share Unit (PSU) program 2023/2026 is a three-year incentive program including a maximum of 125,000 PSUs that, provided that the share price increases by at least 30 percent during a three-year period, entitles the participants to receive shares free of charge or a cash payment. A total of 117,500 performance share units have been granted, and no further grants may occur. The number of lapsed and repurchased performance share units amounted to 500 as of June 30, which means that 117,000 shares units remain outstanding corresponding to a dilutive effect of up to 0.13 percent of the share capital at the end of the reporting period.

The Performance Share Unit (PSU) program 2024/2027 is a three-year incentive program including a maximum of 160,000 PSUs that, provided that, certain conditions are met, entitles the participant to receive B shares free of charge. Allocation has taken place with 138,500 performance share rights and further allocation may take place. No performance share rights are forfeited. In the event of full utilization of issued shares, the number of B shares will increase by 210,000, corresponding to a dilution of 0.24 percent of the number of shares.

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

In total, the maximum dilution effect of the three incentive programs amounted to 1.01 percent of the shares as of June 30 2024.

REVIEW AND SUBMISSION OF REPORT

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

Stockholm, Sweden, August 29, 2024

Eugen Steiner
Chairperson

Cecilia Edström
Board member

Anna-Lena Engwall
Board member

Pär Gellerfors
Board member

Lars Lannfelt
Board member

Lotta Ljungqvist
Board member

Mikael Smedeby
Board member

Gunilla Osswald
CEO
BioArctic AB (publ)

INVITATION TO PRESENTATION OF THE SECOND QUARTER REPORT FOR APRIL – JUNE 2024

BioArctic invites investors, analysts, and media to an audiocast with teleconference (in English) today, August 29, 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-q2-report-2024

FOR FURTHER INFORMATION PLEASE CONTACT

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CALENDAR 2024/2025

Quarterly Report Jan-Sep 2024	November 14, 2024, at 8:00 a.m. CEST
Full Year Report Jan-Dec 2024	February 13, 2025 at 8:00 a.m. CEST
Quarterly Report Jan-Mar 2025	May 21, 2025, at 08:00 a.m. CEST
Half-Year Report Jan-Jun 2025	August 28, 2025 at 08:00 a.m. CEST
Quarterly Report Jan-Sep 2025	November 13, 2025 at 08:00 a.m. CEST
Full year Report Jan-Dec 2025	February 18, 2026 at 08:00 a.m. CEST

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

Financial statements, Group

CONSOLIDATED INCOME STATEMENT[8]

	Q2		Jan-Jun		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues (note 4)	49,844	2,706	79,483	396,132	615,995
Cost of sales	-4,811	-44	-7,047	-14,007	-14,988
Gross margin	**45,033**	**2,663**	**72,435**	**382,126**	**601,007**
Research and development cost	-83,523	-40,845	-146,497	-88,139	-173,479
Marketing and sales cost	-15,543	-10,246	-28,077	-19,279	-43,706
General and administration cost	-21,400	-52,006	-47,678	-75,344	-127,133
Other operating income	559	39	2,543	3,338	4,082
Other operating expenses	-968	-474	-1,667	-2,986	-8,132
Total operating expenses	**-120,874**	**-103,531**	**-221,376**	**-182,410**	**-348,368**
Operating profit/loss	**-75,842**	**-100,869**	**-148,940**	**199,715**	**252,640**
Interest income and similar items	7,872	7,912	23,595	13,360	34,228
Interest expenses and similar items	-460	568	-573	-1,533	-10,382
Financial items net	**7,412**	**8,479**	**23,022**	**11,827**	**23,846**
Profit/loss before tax	**-68,430**	**-92,390**	**-125,918**	**211,542**	**276,485**
Tax	5	-9,925	-69	-20,000	-47,237
Profit/loss for the period	**-68,425**	**-102,314**	**-125,987**	**191,542**	**229,249**
Earnings per share					
Earnings per share before dilution, SEK	-0.77	-1.16	-1.43	2.17	2.60
Earnings per share after dilution, SEK	-0.77	-1.16	-1.43	2.16	2.59

CONSOLI DATED STATEMENT OF COMPREHENSIVE INCOME

	Q2		Jan-Jun		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Profit/loss for the period	-68,425	-102,314	-125,987	191,542	229,249
Exchange rate differences connected to foreign operations	-21	38	32	38	-26
Comprehensive income for the period	**-68,446**	**-102,276**	**-125,956**	**191,581**	**229,223**

[8] From the first quarter of 2024, BioArctic transitioned from a cost-type to a function-type accounting. The reason for the change is that a function-divided accounting better shows how resources are consumed within the main functions of the business. More information can be found in note 2.

CONSOLIDATED BALANCE SHEET

kSEK	30 Jun 2024	30 Jun 2023	31 dec 2023
Assets			
Tangible fixed assets	35,027	20,810	23,536
Right-to-use assets	63,092	8,297	7,590
Deferred tax assets	679	568	566
Other financial assets	3,440	1,651	1,647
Current assets excluding cash and cash equivalents	540,060	13,123	541,172
Cash and cash equivalents	489,679	1,042,111	611,567
Total assets	**1,131,976**	**1,086,561**	**1,186,078**
Equity and liabilities			
Equity	929,365	994,005	1,046,575
Deferred tax liabilities	12,385	-	12,385
Non-current lease liabilities	46,755	1,529	2,152
Current lease liabilities	12,950	4,588	2,827
Other current liabilities	69,046	43,548	73,290
Accrued expenses and deferred income	61,475	42,892	48,849
Equity and liabilities	**1,131,976**	**1,086,561**	**1,186,078**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (CONDENSED)

kSEK	30 Jun 2024	30 Jun 2023	31 dec 2023
Opening balance at 1 January	1,046,575	786,241	786,241
Comprehensive income for the period	-125,988	191,542	229,249
Share issue connected to exercised employee warrants	1,651	7,530	14,978
Share capital	-	-	4
Share-based payments	7,148	8,643	16,132
Exchange rate differences	-21	48	-29
Closing balance	**929,365**	**994,005**	**1,046,575**

CONSOLIDATED STATEMENT OF CASH FLOW (CONDENSED)

	Q2		Jan-Jun		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating profit	-75,842	-100,869	-148,940	199,716	252,640
Adjustment for non-cash items	-4,120	11,396	-13,444	16,440	9,235
Interest received/paid	8,633	8,479	19,086	11,827	22,586
Income tax paid	-704	28	1,410	1,292	156
Cash flow from operating activities before changes in working capital	**-72,032**	**-80,966**	**-141,888**	**229,275**	**284,617**
Change in working capital	-22,268	17,143	-66,816	5,918	14,415
Cash flow from operating activities after changes in working capital	**-94,299**	**-63,823**	**-208,704**	**235,193**	**299,032**
Cash flow from investing activities	**95,501**	**-865**	**82,033**	**-1,004**	**-506,825**
Cash flow from financing activities	**-1,316**	**783**	**808**	**2,059**	**14,064**
Cash flow for the period	**-114**	**-63,905**	**-125,862**	**236,248**	**-193,729**
Cash and cash equivalents at beginning of period	491,031	1,106,000	611,567	805,386	805,386
Exchange rate differences in cash and cash equivalents	-1,238	16	3,975	477	-91
Cash and cash equivalents at end of period	**489,679**	**1,042,111**	**489,679**	**1,042,111**	**611,567**

CONSOLIDATED QUARTERLY DATA

	2024	2024	2023	2023	2023	2023	2022	2022
SEK M	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Income statement								
Net revenues	50	30	11	209	3	393	2	218
Cost of sales	-5	-2	-1	-0	-0	-14	-0	-8
Total operating expenses	-121	-101	-88	-78	-104	-79	-61	-78
Operating profit/loss	-76	-73	-78	131	-101	301	-60	132
Operating margin, %	neg	neg	neg	62.7	neg	76.4	neg	60.7
Profit/loss for the period	-68	-58	-87	125	-102	294	-58	137
Balance sheet								
Fixed assets	102	43	33	28	31	34	37	35
Current assets	540	603	541	516	13	15	15	8
Cash and cash equivalents	490	491	612	698	1,042	1,106	805	863
Equity	929	993	1,047	1,129	994	1,085	786	837
Deferred tax liabilities	12	12	12	-	-	-	-	-
Lease liabilities	60	4	5	3	6	8	10	10
Current liabilities	131	127	122	110	86	62	62	58
Cash flow								
From operating activities	-94	-114	117	-53	-64	299	-58	112
From investing activities	96	-13	-204	-302	-1	-0	-4	-1
From financing activities	-1	2	1	11	1	1	3	-2
Cash flow for the period	-0	-126	-86	-344	-64	300	-59	108
Key ratios								
Equity/asset ratio, %	82.1	87.4	88.2	90.9	91.5	94.0	91.6	92.5
Return on equity, %	-7.1	-5.6	-8.0	11.8	-9.8	31.4	-7.1	17.8
Data per share								
Earnings per share before dilution, SEK	-0.77	-0.65	-0.99	1.42	-1.16	3.33	-0.66	1.55
Earnings per share after dilution, SEK	-0.77	-0.65	-0.99	1.41	-1.16	3.31	-0.66	1.55
Equity per share, SEK	10.52	11.24	11.85	12.78	11.27	12.31	8.92	9.51
Cash flow operating activities per share, SEK	-1.07	-1.30	1.32	-0.60	-0.72	3.39	-0.66	1.27
Share price at the end of the period, SEK	228.80	215.40	267.80	283.00	282.00	251.40	272.00	271.60
Number of shares outstanding, thousands	88,335	88,323	88,315	88,299	88,226	88,181	88,132	88,060
Average number of shares outstanding, thousands	88,329	88,319	88,307	88,263	88,204	88,156	88,096	88,060

Financial statements, Parent company

PARENT COMPANY INCOME STATEMENT[9]

	Q2		Jan-Jun		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues (note 4)	49,844	2,706	79,483	396,132	615,995
Cost of sales	-4,811	-44	-7,047	-14,007	-14,988
Gross margin	**45,033**	**2,663**	**72,435**	**382,126**	**601,007**
Research and development cost	-83,523	-40,845	-146,496	-88,139	-173,639
Marketing and sales cost (note 5)	-16,017	-9,708	-29,001	-18,685	-42,868
General and administration cost	-21,671	-52,930	-48,097	-76,670	-129,715
Other operating income (note 5)	572	202	2,584	3,501	4,124
Other operating expenses	-922	-474	-1,622	-2,986	-8,132
Total operating expenses	**-121,561**	**-103,755**	**-222,632**	**-182,979**	**-350,230**
Operating profit/loss	**-76,529**	**-101,092**	**-150,197**	**199,147**	**250,777**
Interest income and similar items	7,860	7,912	23,577	13,360	34,225
Interest expenses and similar items	-8	648	-45	-1,340	-10,011
Financial items net	**7,852**	**8,559**	**23,532**	**12,020**	**24,215**
Profit/loss after financial items	**-68,676**	**-92,533**	**-126,665**	**211,167**	**274,992**
Change in tax allocation reserves	-	-	-	-	-60,122
Profit/loss before tax	**-68,676**	**-92,533**	**-126,665**	**211,167**	**214,870**
Tax	59	-9,896	91	-19,931	-34,538
Profit/loss for the period	**-68,617**	**-102,429**	**-126,574**	**191,236**	**180,332**

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

PARENT COMPANY BALANCE SHEET (CONDENSED)

kSEK	**30 Jun 2024**	**30 Jun 2023**	**31 dec 2023**
Assets			
Tangible fixed assets	34,976	20,810	23,476
Deferred tax assets	624	494	533
Other financial assets	3,560	1,770	1,767
Current assets excluding cash and cash equivalents	543,602	16,500	545,250
Cash and cash equivalents	486,458	1,041,263	609,417
Total assets	**1,069,219**	**1,080,837**	**1,180,444**
Equity and liabilities			
Equity	879,573	994,207	997,642
Tax allocation reserve	60,122	-	60,122
Other current liabilities	69,869	43,192	74,930
Accrued expenses and deferred income	59,656	43,438	47,750
Equity and liabilities	**1,069,219**	**1,080,837**	**1,180,444**

[9] From the first quarter of 2024, BioArctic transitioned from a cost-type to a function-type accounting. The reason for the change is that a function-divided accounting better shows how resources are consumed within the main functions of the business. More information can be found in note 2.

Notes

NOTE 1 GENERAL INFORMATION

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

NOTE 2 ACCOUNTING PRINCIPLES

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

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

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

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

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

NOTE 3 SEGMENT INFORMATION

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

NOTE 4 NET REVENUES

	Q2		Jan-Jun		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Geographic breakdown of net revnues					
Europe	2,665	-	5,586	-	5,472
North America	31,197	437	49,481	437	10,095
Asia	15,981	2,269	24,415	395,695	600,427
Total net revenues	**49,844**	**2,706**	**79,483**	**396,132**	**615,994**
Net revenues per revenue type					
Royalty	42,634	437	63,929	437	10,203
Co-promotion	2,665	-	5,586	-	5,472
Milestone payments	-	-	-	391,058	592,017
Research collaborations	4,545	2,269	9,968	4,637	8,303
Total net revenues	**49,844**	**2,706**	**79,483**	**396,132**	**615,994**

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

- In total royalty income amounted to SEK 42.6 M (0.4) in the second quarter. The compensation received from Eisai includes two parts; royalty income to BioArctic of 9 percent on global sales, excluding the Nordics, and compensation of 1

percent of sales in the USA and 1.5 percent of sales in the rest of the world which BioArctic pays to LifeArc for the royalty commitments BioArctic has towards LifeArc. For the half year period the royaltys amounted to SEK 63.9 M (0.4).

- 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 second quarter compensation from this agreement for incurred costs amounted to SEK 2.7 M (-). For the half year period the amount was SEK 5.6 M (-). The incurred costs that are reimbursed aim to prepare for launch.
- No milestone payments were recognized during 2024. During the first half of 2023, SEK 391.1 M was recognized as revenue.
- During the second quarter BioArctic had two ongoing research collaboration agreements with Eisai. During the quarter SEK 4.5 M (2.3) was recognized as revenue from these collaboration agreements. For the half year period the amount was SEK 10.0 M (4.6).

NOTE 5 INTRA-GROUP PURCHASES AND SALES

The parent company's income from group companies amounted to SEK 0.0 M (0.2) for the second quarter and consisted of forwarded costs. For the half year period the amount was SEK 0.0 M (0.2). The parent company's costs from group companies related to services rendered amounted to SEK 5.6 M (2.2) for the second quarter and to SEK 11.1 M (3.0) for the half year period.

NOTE 6 RELATED PARTY TRANSACTIONS

Remuneration to senior management has been paid in accordance with current policies. During the second quarter, the company had expenses amounting to SEK 0.00 M (0.00) regarding consulting services from Ackelsta AB, which is owned by board member Pär Gellerfors. For the half year period the costs amounted to SEK 0.1 M (0.1). All transactions have been carried out at market conditions.

Definition of key ratios

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

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

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

Clinical studies
Drug trials performed in human subjects.

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

Dose dependent
Increased effect at higher dose.

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

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

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

FDA
The US Food and Drug Administration.

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

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

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

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

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

Oligomer
Molecules consisting of a number of monomers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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