BioArctic

INTERIM REPORT
JULY – SEPTEMBER 2024

BIOARCTIC

Over 60 percent higher royalties than previous quarter

EVENTS DURING THE THIRD QUARTER 2024

- Leqembi® received approval and launched in Hong Kong, Israel, United Arab Emirates and Great Britain
- The European Medicines Agency (EMA) issued a negative opinion on the Marketing Authorisation Application for lecanemab. BioArctic's partner, Eisai, has requested a re-examination, with EMA's decision expected shortly
- Data from the lecanemab three-year extension study (OLE) demonstrated continued and increasing patient benefit, with a maintained safety profile

EVENTS AFTER THE END OF THE THIRD QUARTER 2024

- The Australian Medicines Agency (TGA) initially decided not to approve lecanemab. Eisai has requested a reconsideration
- The phase 3 study AHEAD 3-45 in preclinical Alzheimer's disease was fully recruited
- Eisai completed the stepwise application for subcutaneous maintenance therapy with Leqembi in the US
- Additional lecanemab data presented at the CTAD congress strengthened previously communicated three-year data
- BrainTransporter™ technology data was presented, showing a dramatic increase in quantity of antibody delivery to the brain
- Eisai lowered Leqembi outlook for fiscal year 2024 (April 2024 – March 2025). Sales now expected to reach JPY 42.5 billion

FINANCIAL SUMMARY JULY – SEPTEMBER 2024

- Net revenues for the period amounted to SEK 76.6 M (208.8), of which SEK 69.8 M (2.5) in royalties for Leqembi
- Operating profit amounted to SEK -26.1 M (131.0)
- Profit for the period amounted to SEK -19.6 M (124.9)
- Earnings per share before dilution SEK -0.22 (1.42) and after dilution -0.22 (1.41)
- Cash flow from operating activities amounted to a negative SEK -80.3 M (-52.7)

FINANCIAL SUMMARY JANUARY – SEPTEMBER 2024

- Net revenues for the period amounted to SEK 156.1 M (605.0), of which SEK 133.7 M (3.0) in royalties for Leqembi
- Operating profit amounted to SEK -175.0 M (330.7)
- Profit for the period amounted to SEK -145.6 M (316.5)
- Earnings per share before dilution was SEK -1.65 (3.59) and after dilution -1.65 (3.58)
- Cash flow from operating activities amounted to a negative SEK -289.0 M (183.9)
- Cash and cash equivalents and short-term investments at the end of the period amounted to SEK 804 M (998)

KEY FINANCIAL PERFORMANCE INDICATORS [1]

	Q3		Jan-Sep		Jan-Dec
SEK M	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues	76.6	208.8	156.1	605.0	616.0
Other operating income	0.8	0.3	3.3	3.6	4.1
Operating profit/loss	-26.1	131.0	-175.0	330.7	252.6
Operating margin, %	neg	62.7	neg	54.7	41.0
Profit/loss for the period	-19.6	124.9	-145.6	316.5	229.2
Earnings per share before dilution, SEK	-0.22	1.42	-1.65	3.59	2.60
Earnings per share after dilution, SEK	-0.22	1.41	-1.65	3.58	2.59
Equity per share, SEK	10.39	12.78	10.39	12.78	11.85
Cash flow from operating activities	-80.3	-52.7	-289.0	183.9	309.7
Cash flow from operating activities per share, SEK	-0.91	-0.60	-3.27	2.08	3.51
Cash, cash equivalents and short term investments	804.5	997.8	804.5	997.8	1,111.6
Equity/assets ratio, %	84.0	90.9	84.0	90.9	88.2
Return on equity, %	-2.12	11.77	-14.82	33.05	25.02
Share price at the end of the period, SEK	158.50	283.00	158.50	283.00	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

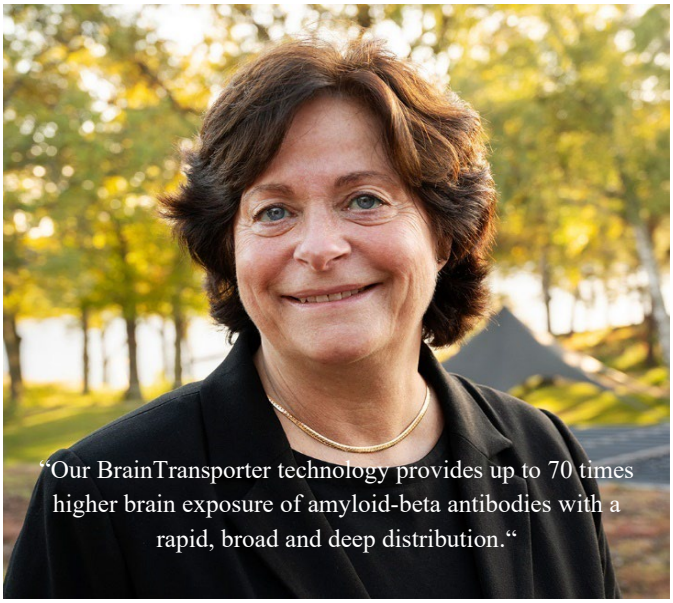
Comments from the CEO

It has, as usual, been a highly eventful period since my last comment. First and foremost, we are very proud that Lars Lannfelt, one of our two founders, has been awarded the prestigious Lifetime Achievement Award presented at the Clinical Trials on Alzheimer's Disease (CTAD) conference. CTAD brings together the world's leading Alzheimer's researchers, so it was especially gratifying to see him being honored there.

Those of you who have followed us for a long time know that, in addition to our flagship Leqembi, I also see great potential in our proprietary BrainTransporter platform. It has possible applications both in neurodegenerative diseases and in other therapeutic areas. I am therefore thrilled that we recently presented data showing preclinical validation of our BrainTransporter platform at the PEGS conference in Barcelona. Among other things, the presentation included results showing that our BrainTransporter technology could provide up to 70 times higher brain exposure of amyloid-beta antibodies, with a rapid, broad, and deep distribution of the antibodies throughout the brain. Thus the technology could potentially provide better clinical efficacy, fewer side effects, and lower doses compared to current treatments. The technology is already being applied in all parts of our project portfolio, and within a couple of years, we expect to have the first BrainTransporter project in the clinic. We also see great interest, which opens up for future partnering opportunities.

In Parkinson's disease, we are now preparing to dose the first patient in the phase 2a exidavnemab study. In October, we visited the study sites, and screening to find the right patients is ongoing. Our plan is that the first patient will start treatment before year-end. This research area is evolving rapidly, and we are well-positioned with both exidavnemab and PD-BT2238, a BrainTransporter-linked alpha-synuclein antibody. We are excited to drive these projects forward.

In Alzheimer's disease, most of the focus has been on Leqembi. In July, the European Medicines Agency, EMA, issued a negative opinion regarding the marketing application for lecanemab. Eisai appealed, and we are awaiting EMA's opinion shortly. Meanwhile, the launch continues in several geographies, and Leqembi is now also available in Great Britain, Hong Kong, Israel and the United Arab Emirates. Sales continue to increase and were over 60 percent higher than in the previous quarter. The US market continues to grow at a good pace, while Japan and China are developing above expectations. There are still bottlenecks in the US healthcare system, mainly related to infusion capacity, something Eisai is working to improve in partnership with different healthcare providers. With this in mind, Eisai last week decreased the sales outlook for Leqembi. Eisai now expects Leqembi sales in their fiscal year 2024, from April 2024 to March 2025, to total JPY 42.5 billion (approximately SEK 3 billion), compared to JPY 56.5 billion announced in May. This would generate approximately SEK 300 M in royalty to BioArctic in the same period, adding close to SEK 200 M to the SEK 112.4 M in royalty we have received so far. Eisai has not, however, changed their view on the medium to long-term potential for Leqembi presented in March this year.


"Our BrainTransporter technology provides up to 70 times higher brain exposure of amyloid-beta antibodies with a rapid, broad and deep distribution."

Diagnostics via blood tests and treatment with subcutaneous dosing will be very important to increase the number of patients who can benefit from the treatment. It is pleasing that Eisai recently announced that they have completed the rolling submission for subcutaneous maintenance dosing to the US FDA, with a potential approval already by next summer. This could combined with better diagnostics, lead to a greater patient uptake. This will be followed by an application for induction treatment with Leqembi subcutaneously, with a potential approval in 2026.

Eisai also continues to publish new data from the open label extension study with lecanemab, which has been positively received by global experts in the Alzheimer field. Data presented at CTAD at the end of October further underline the benefit of early and long-term treatment to achieve the best possible outcome for patients. Eisai showed that about half of the patients who had low amyloid levels (less than 60 centiloids) when treatment begun either improved or remained at the same cognitive level during three years of treatment with lecanemab. These results support the ongoing phase 3 study AHEAD 3-45, in which people who have started to accumulate amyloid in the brain but have not yet developed cognitive symptoms are treated with lecanemab for four years. The study was fully recruited in October. At the CTAD congress, positive results were also presented on the use of Leqembi in clinical practice in the USA and Japan. It is reassuring to see that the safety profile continues to be in line with phase 3 results as thousands of patients are now treated worldwide.

In summary, I am glad to note that BioArctic stands strong. We have rapidly increasing royalty revenues from Leqembi, a strong project portfolio with great partnering opportunities, especially with our BrainTransporter technology, and fantastic employees who continue to deliver high quality innovative research.

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 and other conditions with significant medical needs
• BioArctic shall generate revenue and increase the value of the company by out-licensing or commercializing drugs

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

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

Operations

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

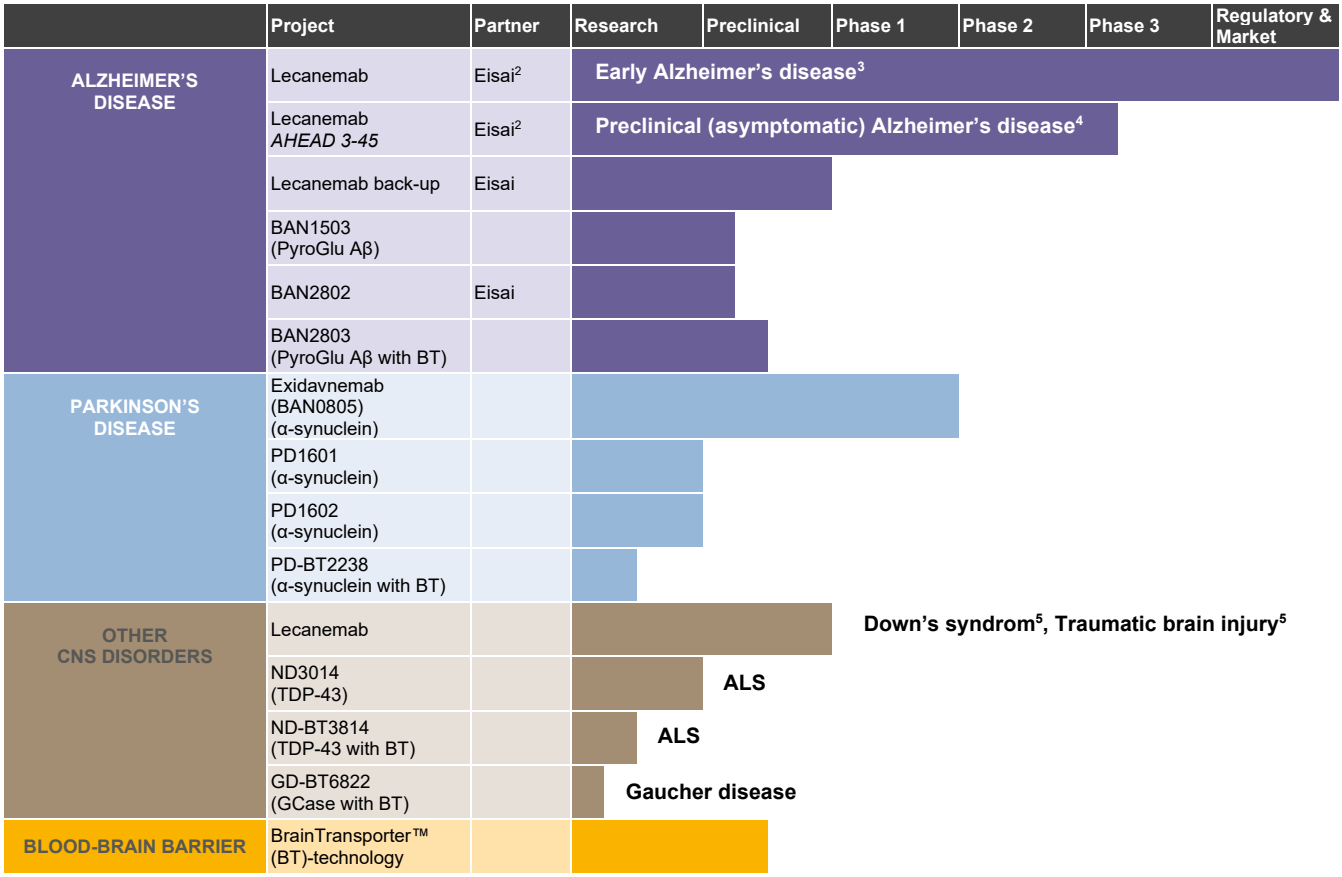
Neurodegenerative disorders are conditions in which cells in the brain degenerate and die. Normally the neurodegenerative processes begin long before any symptoms appear. Neurodegenerative disorders affect the lives of millions of people and constitute a growing global health care problem.

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

Project portfolio

BioArctic has a balanced, competitive portfolio consisting of unique product candidates and technology platforms. All projects are focused on disorders of the central nervous system. The company's project portfolio consists of a combination of fully funded projects run in partnership with the 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. BioArctic continuously evaluates the project portfolio based on both scientific and commercial considerations.

As of September 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.

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

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

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

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

In addition, since July 2020, Eisai's phase 3 study (AHEAD 3-45) for individuals with preclinical Alzheimer's

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

disease, having intermediate or elevated levels of amyloid in their brains but no symptoms, is ongoing.

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

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

Process of approval of Leqembi in the world:

USA

- In July 2023, FDA granted Leqembi traditional approval for the treatment of Alzheimer’s disease and the drug was launched. In May, Eisai received Fast Track designation and initiated a rolling BLA to the FDA for subcutaneous maintenance dosing of Leqembi, an application that was completed in November. 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) 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 requested a re-examination of the opinion, and EMA’s opinion is expected shortly.

Japan

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

China

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

The rest of the world

- In August 2024, Leqembi® was approved for the treatment of Alzheimer’s disease in the United Arab Emirates and was launched in September 2024. It was also approved in Great Britain and launched in October 2024. In July 2024, Leqembi® received approval in Hong Kong and was launched in August 2024. It was also approved in Israel and launched in July 2024. In May 2024, the drug was approved in South Korea. In October 2024, Eisai requested a reconsideration of the initial decision made by the Therapeutic Goods Administration (TGA) of Australia not to approve lecanemab. Eisai has also submitted applications for approval of lecanemab in several other countries, including Canada, 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.

Project BAN1503 (owned by BioArctic)

BioArctic has an additional antibody project targeting Alzheimer’s disease within its research portfolio. This antibody holds the potential to become a disease-modifying treatment for Alzheimer’s disease. BAN1503 is an antibody project aimed at a shorter (truncated) form of amyloid beta (PyroGlu-Aβ), which 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 enhance the uptake of drug in the brain.

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

BAN2803, currently managed in-house by BioArctic, targets a shorter (truncated) form of amyloid beta (PyroGlu-Aβ), which plays a central role in Alzheimer’s disease. The project is in the preclinical phase, with preparations underway to commence clinical trials by the end of 2026.

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

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

The PD1601 and PD1602 antibody projects are also targeting 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.

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

BLOOD-BRAIN BARRIER TECHNOLOGY

BioArctic's BrainTransporter technology facilitates the passage of biological drugs, such as antibodies, into the brain. This technology is being applied to select in-house drug projects and is included in the research evaluation agreement with Eisai regarding BAN2802. In the future, this technology may also become part of collaborations with other pharmaceutical 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 has developed a BrainTransporter technology, which has 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 third quarter amounted to SEK 76.6 M (208.8). Net revenues included SEK 69.8 M (2.5) in royalties for Leqembi sales, mainly in the USA and in Japan, and SEK 3.8 M (1.8) from research collaboration agreements. Further co-promotion revenues from commercialization of lecanemab in the Nordic region with Eisai amounted to SEK 3.0 M (3.6). Net revenues for the nine-month period amounted to SEK 156.1 M (605.0). The decrease of SEK 132.2 M for the third quarter was mainly related to a milestone payment of SEK 201.0 M (EUR 17.0 M) during 2023.
During the nine-month period last year four milestone payments were received, amounting to a total of SEK 592.0 M, equivalent to EUR 52 M. No milestone payments were received in the nine-month period of 2024.

Cost of sales, consisting of royalties paid for the commitments that BioArctic has towards LifeArc for Leqembi, amounted to SEK 8.1 M (0.3) during the third quarter and to SEK 15.1 M (14.3) for the nine-month period.

Other operating income relates to operating exchange rate gains. Other operating income amounted to SEK 0.8 M (0.3) in the third quarter and for the nine-month period to SEK 3.3 M (3.6).

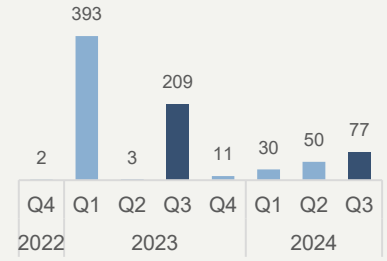
Operational costs for the business amounted to SEK 94.6 M (77.6) for the third quarter and to SEK 316.0 M (260.0) for the nine-month period. Costs for research- and development increased to SEK 68.4 M (32.7) during the quarter, SEK 214.9 M for the nine-month period (120.8), due to that several projects are in a later phase. BioArctic's proprietary projects are in an early research phase and do not meet the criteria for capitalization of R&D expenses, which is why all such costs have been charged to the income statement.

Costs of marketing and sales in the quarter increased to SEK 11.8 M (10.4) as a consequence of a growing Nordic commercial organization and 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 a decision is expected shortly. For the January – September period the costs amounted to SEK 39.9 M (29.7).

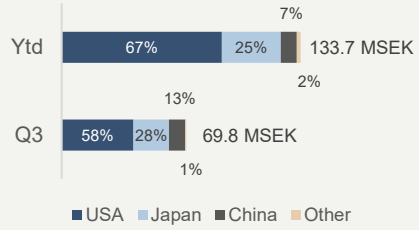
General costs and administration, including costs for overhead and rents, decreased to SEK 14.8 M (28.5) for the quarter, SEK 62.5 M (103.9) for the nine-month period. The reason for the cost decrease is mainly related to the allocation of central costs in 2024 and to one-off effects from variable remuneration to the employees linked to achieved milestones in 2023. The decrease compared to the previous January – September period is mainly due to high costs from the repurchase of employee stock options from CEO 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 0.5 M (6.3) and SEK 2.1 M (9.2) respectively.

Operating loss before net financial items (EBIT) amounted to SEK -26.1 M (131.0) for the third quarter and to SEK -175.0 M (330.7) for the nine-month period. The lowered result for the quarter and for the January – September period is a consequence of milestone revenues being received in 2023.

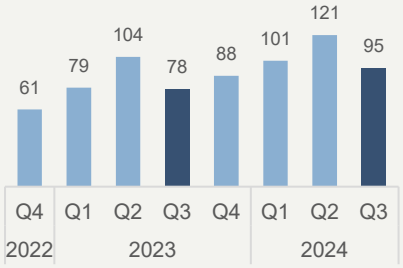
Net revenues (SEK M)



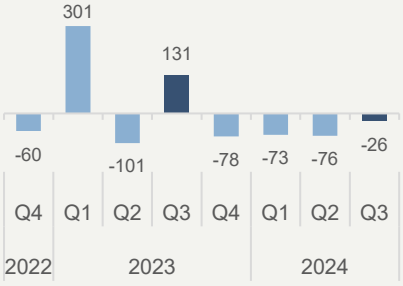
Royalties by country (SEK M)



Operational costs (SEK M)



Operating profit/loss (SEK M)



Net financial items totaled SEK 6.4 M (9.6) for the third quarter and SEK 29.4 M (21.4) for the nine-month period. The increase for the nine-month period is attributable to higher interest income on short-term investments. 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 (15.6) for the third quarter and SEK-0.0 M (35.6) for the nine-month period.

The profit for the period amounted to SEK -19.6 M (124.9) for the third quarter and to SEK -145.6 M (316.5) for the nine-month period.

Profit per share before dilution amounted to SEK -0.22 (1.42) and after dilution to -0.22 SEK (1.41) for the third quarter. For the nine-month period of the year profit per share before dilution amounted to SEK -1.65 (3.59) and to SEK -1.65 (3.58) after dilution.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the third quarter amounted to a negative SEK 80.3 M (neg. 52.7) and to SEK neg. 289.0 M (183.9) for the nine-month period. The explanation for the change for the quarter and the nine-month period compared with the equivalent period last year is a lower result, as no milestone payments were received during the quarter or nine-month period.

Cash flow from investing activities for the third quarter amounted to SEK 192.5 M (neg. 301.8). For the nine-month period cash flow from investing activities amounted to SEK 274.5 M (neg. 302.9). The increase is mainly explained by the expiration of SEK 300 M in short term investments during the nine-month period, which have been converted to cash. During 2024, a new lease agreement for office premises was entered into, which increased right-of-use assets by SEK 58.5 M and increased lease liabilities by SEK 58.6 M.

Cash flow from financing activities amounted to SEK 3.5 M (10.9) for the third quarter and to SEK 4.3 M (13.0) for January – September and was related to amortization of leasing debt, as well as new share issue with the support of employee options.

LIQUIDITY AND FINANCIAL POSITION

Equity amounted to SEK 918.6 M as of September 30, 2024, compared with SEK 1,046.6 M as of December 31, 2023. This corresponds to equity per outstanding share of SEK 10.39 (11.85). The equity/asset ratio was 84.0 percent as of September 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 604.5 M. Short-term investments, classified as current assets excluding cash and cash equivalents, amount to SEK 200 M (300). Cash and cash equivalents and short-term investments amount to a total of SEK 804.5 M as of September 30, 2024 compared with SEK 1,111.6 M as of December 31, 2023. There were no loans as of September 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.

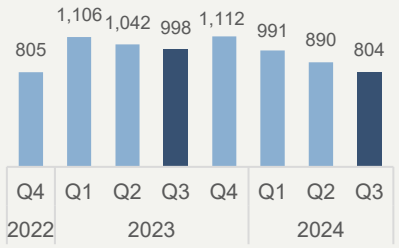
EVENTS DURING THE FIRST QUARTER 2024

- 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

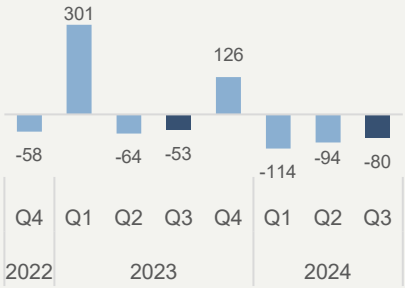
Cash, cash equivalents and short-term investments (SEK M)



Financial position (SEK M)

	30 Sep 2024	31 dec 2023
Non-current lease liabilities	43.5	2.2
Current lease liabilities	12.8	2.8
Cash, cash equivalents and short term investments	804.5	1,111.6
Net cash position	**748.2**	**1,106.6**

Cash flow from operating activities (SEK M)



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

804

- 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

EVENTS DURING THE THIRD QUARTER 2024

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

Other information

EVENTS AFTER THE END OF THE THIRD QUARTER

- The Australian Medicines Agency (TGA) initially decided not to approve lecanemab. Eisai has requested a reconsideration
- The phase 3 study AHEAD 3-45 in preclinical Alzheimer's disease was fully recruited
- Eisai completed the stepwise application for subcutaneous maintenance therapy with Leqembi in the US
- Additional lecanemab data presented at the CTAD congress strengthened previously communicated three-year data
- The BrainTransporter™ technology was presented, showing a dramatic increase in quantity of antibody delivery to the brain
- Eisai lowered Leqembi outlook for fiscal year 2024 (April 2024 – March 2025). Sales now expected to reach JPY 42.5 billion

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 September 2024, BioArctic's patent portfolio consisted of 22 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 September 2024, up to EUR 84 M in milestone payments remains from Eisai under existing agreements.

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

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 Leqembi, 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 third quarter, the number of full-time employees was 104 (83) of which 67 (53) women and 37 (30) are men. 66 (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.

On September 1, 2024, Gabrielle Åhlberg Hillert became the new Chief Medical Officer and took a seat in BioArctic's group management.

ANNUAL GENERAL MEETING 2025

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

NOMINATION COMMITTEE

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

THE SHARE AND SHAREHOLDINGS

The share capital in BioArctic amounts to SEK 1,767,491 divided by 88,374,535 shares which is split between 14,399,996 A-shares and 73,974,539 B-shares. The number of shares increased during the third quarter by 39,050 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 SEPTEMBER 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 Pension Fund	-	5,115,694	5.8	2.4
RA Capital Management LP	-	3,117,736	3.5	1.4
Nordea Funds	-	2,342,805	2.7	1.1
Handelsbanken Funds	-	2,193,867	2.5	1.0
Unionen	-	2,100,000	2.4	1.0
Third AP-Fund	-	1,965,896	2.2	0.9
Lannebo Kapitalförvaltning AB	-	1,379,960	1.6	0.6
Vanguard	-	1,281,479	1.5	0.6
Tot. 10 largest shareholders	**14,399,996**	**53,725,690**	**77.1**	**90.7**
Other	-	20,248,849	22.9	9.3
Total	**14,399,996**	**73,974,539**	**100.0**	**100.0**

LONG-TERM INCENTIVE PROGRAMS

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

A maximum of 1,000,000 stock options may be granted within the Stock Option Program 2019/2028. The employee stock options may be exercised three to five years after grant. A total of 915,000 options has been granted, and no further grants may occur. The number of lapsed and repurchased options amounted to 75,000 and the number of exercised options amounted to 314,550 as of September 30, which means that 525,450 employee stock options remain outstanding at the end of the quarter corresponding to a dilutive effect of up to 0.59 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 September 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. The program contains sub-goals for the share price to increase by at least 30 percent over a three-year period (30 percent), goals regarding the company's research and development and/or partnership (60 percent) and sustainability-related goals (10 percent). Allocation has taken place with 149,000 performance share rights and no further allocation may take place. No performance share rights are forfeited. In the event of full utilization of issued shares, the number of B shares will increase by 210,000,

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

corresponding to a dilution of 0.24 percent of the number of shares.

In total, the maximum dilution effect of the three incentive programs amounted to 0.96 percent of the shares as of September 30 2024.

REVIEW AND SUBMISSION OF REPORT

This interim report has been subject to review by BioArctic's auditors.

Stockholm, Sweden, November 14, 2024

Gunilla Osswald
CEO
BioArctic AB (publ)

Sustainability

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

BioArctic's greatest 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 BioArctic's research and innovations available to patients around the world. When our partners gain new market approvals it contributes to the well-being of patients and to society, which is an important part of our social responsibility.

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

General information

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

Sustainability reporting covers the BioArctic Group, including subsidiaries, and is reported annually. BioArctic will report advancements towards the annual targets on a quarterly basis. During the third 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 YTD 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 YTD 2024
*Zero workplace accidents	2 non-critical accidents
*Employee satisfaction survey	eNPS average 73 (66 Q2 2024)
*Inclusion and diversity survey	1 performed, no deviations
*Market approvals	6 (China, South Korea, Israel, Hong Kong, UAE, Great Britain)

GOVERNANCE INFORMATION

BioArctic operates in a highly regulated environment and has developed a policy framework to support regulatory compliance. During the third quarter, a company-wide AI policy was implemented, and an associated two-step training was launched.

Focus area	Status YTD 2024
*Board gender balance at least 40:60	43:57
* Management gender balance at least 40:60	55:45
*Patient safety training	100% completion

OTHER INFORMATION

BioArctic has increased the interaction with external sustainability analysts. During the third quarter, BioArctic was rated by S&P CSA, Sustainlytics and a re-evaluation of data points from the previously reported analysis by MSCI was carried out.

INVITATION TO PRESENTATION OF THE THIRD QUARTER REPORT FOR JULY – SEPTEMBER 2024

BioArctic invites investors, analysts, and media to an audiocast with teleconference (in English) today, November 14, at 9:30–10:30 a.m. CET. CEO Gunilla Osswald and CFO Anders Martin-Löf will present BioArctic, comment on the interim report and answer questions.
Webcast:
https://ir.financialhearings.com/bioarctic-q3-report-2024

CALENDAR 2024/2025

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

FOR FURTHER INFORMATION PLEASE CONTACT

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www.bioarctic.com

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

The information was submitted for publication, through the agency of the contact persons set out on this page, at 08.00 CET on November 14, 2024.

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

Report on Review of Interim Financial Information

INTRODUCTION

We have reviewed the accompanying balance sheet of BioArctic AB (publ) as of September 30, 2024 and the related statements of income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at September 30, 2024, and of its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34 and the Annual Accounts Act.

Stockholm November 14, 2024

Grant Thornton Sweden AB

Therese Utengen
Authorized Public Accountan

Financial statements, Group

CONSOLIDATED INCOME STATEMENT[8]

	Q3		Jan-Sep		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues (note 4)	76,633	208,838	156,116	604,970	615,995
Cost of sales	-8,088	-251	-15,135	-14,258	-14,988
Gross margin	**68,546**	**208,587**	**140,981**	**590,712**	**601,007**
Research and development cost	-68,374	-32,708	-214,870	-120,847	-173,479
Marketing and sales cost	-11,811	-10,377	-39,888	-29,656	-43,706
General and administration cost	-14,788	-28,525	-62,466	-103,869	-127,133
Other operating income	802	297	3,345	3,634	4,082
Other operating expenses	-452	-6,261	-2,119	-9,247	-8,132
Total operating expenses	**-94,623**	**-77,574**	**-315,998**	**-259,985**	**-348,368**
Operating profit/loss	**-26,077**	**131,012**	**-175,016**	**330,727**	**252,640**
Interest income and similar items	6,999	9,923	30,594	23,283	34,228
Interest expenses and similar items	-617	-337	-1,191	-1,870	-10,382
Financial items net	**6,381**	**9,585**	**29,403**	**21,412**	**23,846**
Profit/loss before tax	**-19,695**	**140,598**	**-145,614**	**352,140**	**276,485**
Tax	65	-15,648	-4	-35,648	-47,237
Profit/loss for the period	**-19,630**	**124,949**	**-145,618**	**316,492**	**229,249**
Earnings per share					
Earnings per share before dilution, SEK	-0.22	1.42	-1.65	3.59	2.60
Earnings per share after dilution, SEK	-0.22	1.41	-1.65	3.58	2.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3		Jan-Sep		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Profit/loss for the period	-19,630	124,949	-145,618	316,492	229,249
Exchange rate differences connected to foreign operations	-24	-38	7	-	-26
Comprehensive income for the period	**-19,655**	**124,911**	**-145,611**	**316,492**	**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 (CONDENSED)

kSEK	30 Sep 2024	30 Sep 2023	31 dec 2023
Assets			
Tangible fixed assets	39,586	20,789	23,536
Right-to-use assets	59,500	5,299	7,590
Deferred tax assets	818	554	566
Other financial assets	3,441	1,648	1,647
Current assets excluding cash and cash equivalents	385,251	516,162	541,172
Cash and cash equivalents	604,472	697,785	611,567
Total assets	**1,093,068**	**1,242,237**	**1,186,078**
Equity and liabilities			
Equity	918,630	1,128,713	1,046,575
Deferred tax liabilities	12,385	-	12,385
Non-current lease liabilities	43,543	1,183	2,152
Current lease liabilities	12,832	1,866	2,827
Other current liabilities	53,498	59,487	73,290
Accrued expenses and deferred income	52,180	50,987	48,849
Equity and liabilities	**1,093,068**	**1,242,237**	**1,186,078**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (CONDENSED)

kSEK	30 Sep 2024	30 Sep 2023	31 dec 2023
Opening balance at 1 January	1,046,575	786,241	786,241
Comprehensive income for the period	-145,618	316,492	229,249
Share issue connected to exercised employee warrants	4,915	13,555	14,978
Share capital	-	3	4
Share-based payments	12,751	12,426	16,132
Exchange rate differences	7	-6	-29
Closing balance	**918,630**	**1,128,713**	**1,046,575**

CONSOLIDATED STATEMENT OF CASH FLOW (CONDENSED)

	Q3		Jan-Sep		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating profit	-26,077	131,012	-175,016	330,728	252,640
Adjustment for non-cash items	-26,356	-816	-39,800	15,624	9,895
Interest received/paid	7,263	10,291	26,349	23,021	33,849
Income tax paid	-803	-573	607	720	156
Cash flow from operating activities before changes in working capital	**-45,973**	**139,914**	**-187,861**	**370,093**	**296,540**
Change in working capital	-34,288	-192,568	-101,104	-186,221	13,153
Cash flow from operating activities after changes in working capital	**-80,261**	**-52,654**	**-288,964**	**183,872**	**309,694**
Cash flow from investing activities	**192,465**	**-301,847**	**274,499**	**-302,851**	**-507,485**
Cash flow from financing activities	**3,525**	**10,944**	**4,333**	**13,003**	**14,064**
Cash flow for the period	**115,730**	**-343,556**	**-10,133**	**-105,976**	**-183,727**
Cash and cash equivalents at beginning of period	489,679	1,042,111	611,567	805,386	805,386
Exchange rate differences in cash and cash equivalents	-937	-769	3,038	-1,625	-10,093
Cash and cash equivalents at end of period	**604,472**	**697,785**	**604,472**	**697,785**	**611,566**

CONSOLIDATED QUARTERLY DATA

	2024	2024	2024	2023	2023	2023	2023	2022
SEK M	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Income statement								
Net revenues	77	50	30	11	209	3	393	2
Cost of sales	-8	-5	-2	-1	-0	-0	-14	-0
Total operating expenses	-95	-121	-101	-88	-78	-104	-79	-61
Operating profit/loss	-26	-76	-73	-78	131	-101	301	-60
Operating margin, %	neg	neg	neg	neg	62.7	neg	76.4	neg
Profit/loss for the period	-20	-68	-58	-87	125	-102	294	-58
Balance sheet								
Fixed assets	103	102	43	33	28	31	34	37
Current assets	385	540	603	541	516	13	15	15
Cash and cash equivalents	604	490	491	612	698	1,042	1,106	805
Equity	919	929	993	1,047	1,129	994	1,085	786
Deferred tax liabilities	12	12	12	12	-	-	-	-
Lease liabilities	56	60	4	5	3	6	8	10
Current liabilities	106	131	127	122	110	86	62	62
Cash flow								
From operating activities	-80	-94	-114	126	-53	-64	301	-58
From investing activities	192	96	-13	-205	-302	-1	-0	-4
From financing activities	4	-1	2	1	11	1	1	3
Cash flow for the period	116	-0	-126	-78	-344	-65	302	-59
Key ratios								
Equity/asset ratio, %	84.0	82.1	87.4	88.2	90.9	91.5	94.0	91.6
Return on equity, %	-2.1	-7.1	-5.6	-8.0	11.8	-9.8	31.4	-7.1
Data per share								
Earnings per share before dilution, SEK	-0.22	-0.77	-0.65	-0.99	1.42	-1.16	3.33	-0.66
Earnings per share after dilution, SEK	-0.22	-0.77	-0.65	-0.99	1.41	-1.16	3.32	-0.66
Equity per share, SEK	10.39	10.52	11.24	11.85	12.78	11.27	12.31	8.92
Cash flow operating activities per share, SEK	-0.91	-1.07	-1.30	1.42	-0.60	-0.73	3.41	-0.66
Share price at the end of the period, SEK	158.50	228.80	215.40	267.80	283.00	282.00	251.40	272.00
Number of shares outstanding, thousands	88,375	88,335	88,323	88,315	88,299	88,226	88,181	88,132
Average number of shares outstanding, thousands	88,355	88,329	88,319	88,307	88,263	88,204	88,156	88,096

Financial statements, Parent company

PARENT COMPANY INCOME STATEMENT[9]

	Q3		Jan-Sep		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Net revenues (note 4)	76,633	208,838	156,116	604,970	615,995
Cost of sales	-8,088	-251	-15,135	-14,258	-14,988
Gross margin	**68,546**	**208,587**	**140,981**	**590,712**	**601,007**
Research and development cost	-68,374	-32,708	-214,870	-120,847	-173,479
Marketing and sales cost (note 5)	-12,186	-10,192	-41,187	-28,877	-42,868
General and administration cost	-15,080	-29,067	-63,177	-105,737	-129,875
Other operating income (note 5)	802	128	3,386	3,629	4,124
Other operating expenses	-437	-6,261	-2,059	-9,247	-8,132
Total operating expenses	**-95,274**	**-78,101**	**-317,906**	**-261,079**	**-350,230**
Operating profit/loss	**-26,729**	**130,486**	**-176,925**	**329,633**	**250,777**
Interest income and similar items	6,989	9,922	30,566	23,282	34,225
Interest expenses and similar items	-51	-277	-95	-1,617	-10,011
Financial items net	**6,939**	**9,646**	**30,471**	**21,666**	**24,215**
Profit/loss after financial items	**-19,790**	**140,132**	**-146,454**	**351,299**	**274,992**
Change in tax allocation reserves	-	-	-	-	-60,122
Profit/loss before tax	**-19,790**	**140,132**	**-146,454**	**351,299**	**214,870**
Tax	86	-15,541	176	-35,472	-34,538
Profit/loss for the period	**-19,704**	**124,591**	**-146,278**	**315,827**	**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 Sep 2024**	**30 Sep 2023**	**31 dec 2023**
Assets			
Tangible fixed assets	39,539	20,789	23,476
Deferred tax assets	709	513	533
Other financial assets	3,511	1,767	1,767
Current assets excluding cash and cash equivalents	388,958	519,987	545,250
Cash and cash equivalents	601,146	696,639	609,417
Total assets	**1,033,863**	**1,239,696**	**1,180,444**
Equity and liabilities			
Equity	868,646	1,128,610	997,642
Tax allocation reserve	60,122	-	60,122
Other current liabilities	54,247	60,767	74,930
Accrued expenses and deferred income	50,848	50,320	47,750
Equity and liabilities	**1,033,863**	**1,239,696**	**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 – September 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 – September 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

	Q3		Jan-Sep		Jan-Dec
kSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Geographic breakdown of net revnues					
Europe	3,024	3,565	8,610	3,565	5,472
North America	40,280	2,514	89,761	2,951	10,095
Asia	33,317	202,759	57,732	598,454	600,427
Others	13	-	13	-	-
Total net revenues	**76,633**	**208,838**	**156,116**	**604,970**	**615,995**
Net revenues per revenue type					
Royalty	69,815	2,514	133,744	2,951	10,203
Co-promotion	3,024	3,565	8,610	3,565	5,472
Milestone payments	-	200,959	-	592,017	592,017
Research collaborations	3,795	1,800	13,762	6,437	8,303
Total net revenues	**76,633**	**208,838**	**156,116**	**604,970**	**615,995**

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

- In total royalty income amounted to SEK 69.8 M (2.5) in the third 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 nine-month period the royaltys amounted to SEK 133.7 M (3.0).

- 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 third quarter compensation from this agreement for incurred costs amounted to SEK 3.0 M (3.6). For the nine-month period the amount was SEK 8.6 M (3.6). The incurred costs that are reimbursed aim to prepare for launch.
- No milestone payments were recognized during 2024. During the nine-month period of 2023, SEK 592.0 M was recognized as revenue.
- During the third quarter BioArctic had two ongoing research collaboration agreements with Eisai. During the quarter SEK 3.8 M (1.8) was recognized as revenue from these collaboration agreements. For the nine-month period the amount was SEK 13.8 M (6.4).

NOTE 5 INTRA-GROUP PURCHASES AND SALES

The parent company's income from group companies amounted to SEK - M (0.1) for the third quarter and consisted of forwarded costs. For the nine-month 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 4.7 M (3.8) for the third quarter and to SEK 15.8 M (6.9) for the nine-month year period.

NOTE 6 RELATED PARTY TRANSACTIONS

Remuneration to senior management has been paid in accordance with current policies. This includes allocation of share rights from the decision of the 2024 Annual General Meeting on the issuance of the share rights program. During the third quarter the company didn’t have any expenses regarding consulting services from Ackelsta AB, which is owned by board member Pär Gellerfors. During the third quarter last year the expenses regarding consulting services from Ackelsta AB amounted to SEK 0.0 M. For the nine-month 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.