Annual Report

BIOARCTIC

2024

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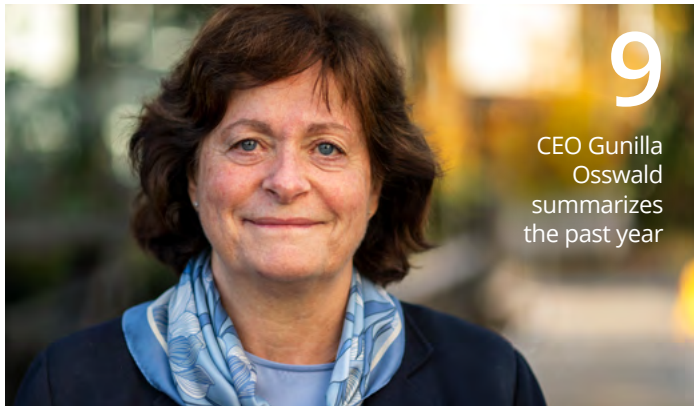

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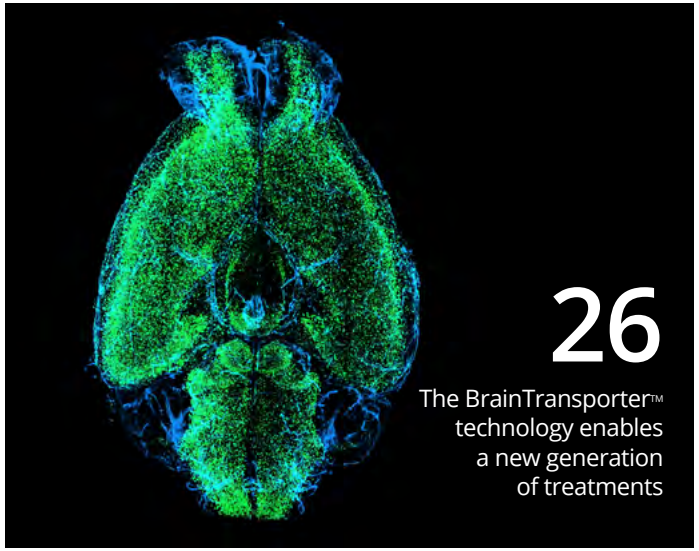

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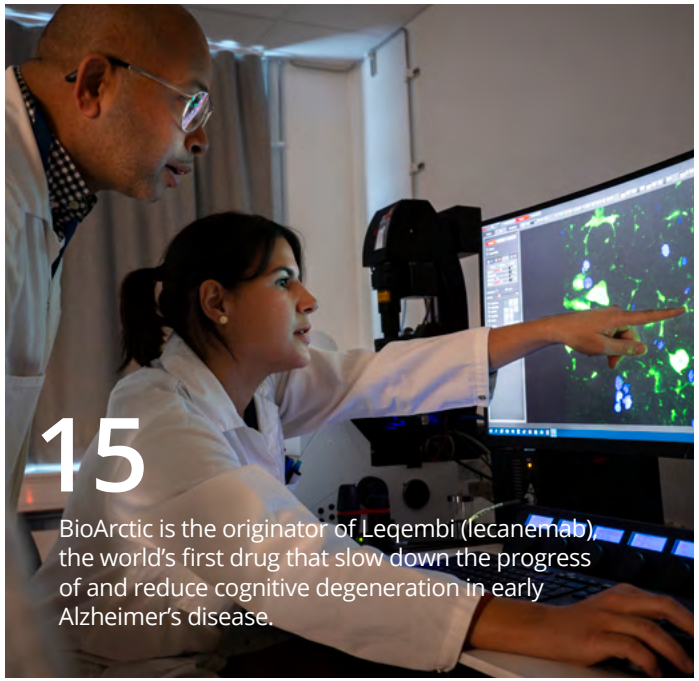

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BioArctic is the originator of Leqembi (lecanemab), the world's first drug that slow down the progress of and reduce cognitive degeneration in early Alzheimer's disease.

BioArctic in 3 minutes

BioArctic AB is an innovative Swedish biopharma company focusing on research into neurodegenerative diseases

In the same way as BioArctic's drug Leqembi (lecanemab) has been proven to delay the progress of Alzheimer's disease, the company's other antibodies against misfolded proteins have the potential to be groundbreaking treatments for other neurodegenerative diseases such as Parkinson's disease and ALS. Moreover, BioArctic's unique BrainTransporter technology enables a more efficient transport of selective antibodies into the brain, and with significantly higher concentrations than has previously been possible.

Antibodies against misfolded proteins

The research of BioArctic's founder Lars Lannfelt laid the foundation for specific, pioneering knowledge regarding the significance of misfolded proteins for the emergence of diseases of the central nervous system, and in how to develop selective antibodies that help the body rid itself of these aggregates of misfolded proteins. What started as groundbreaking research in Alzheimer's disease is now knowledge that is applicable to several neurodegenerative diseases. BioArctic now has a broad project portfolio of selective antibodies against various diseases of the central nervous system.

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.

The BrainTransporter technology is breaking new ground

To further improve the result of treatments against diseases of the brain, BioArctic has developed the BrainTransporter technology. Current antibody treatments enter the brain through diffusion, which leads to relatively low concentrations and uneven dispersal in the brain. By linking with BioArctic's patent pending technology, selective antibodies and other biological treatments can now actively be transported into the brain instead. This allows for significantly higher concentrations that could provide better effects, while a more even distribution in the brain reduces the risk of side effects. BioArctic uses its BrainTransporter technology to develop the company's in-house drug candidates, and the technology is also available to other companies via license agreements.

The first drug to slow Alzheimer's disease

Leqembi (lecanemab) is the world's first fully approved drug for early Alzheimer's disease that slows the progress of the disease and reduces cognitive degeneration. Lecanemab was invented by BioArctic, and has been outlicensed to the Japanese pharma company Eisai since 2007. Leqembi was launched on the market in 2023 and BioArctic is entitled to royalties based on global sales, milestone payments and co-promotion revenue in the Nordic region.

107
employees

BioArctic's operation has expanded in recent years, in all parts of the organization, to ensure that the potential of the company's various projects is fully utilized.

Leqembi approved in 42 countries as of April 15, 2025

Approved

United Arab Emirates
Hong Kong
Israel
Japan
China
Taiwan
Macau
Mexico
Oman
United Kingdom
South Korea
USA[1)]

EU:
Belgium
Bulgaria
Cyprus
Denmark
Estonia
Finland
France
Greece
Ireland
Italy
Croatia
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
Czech Republic
Germany
Hungary
Austria

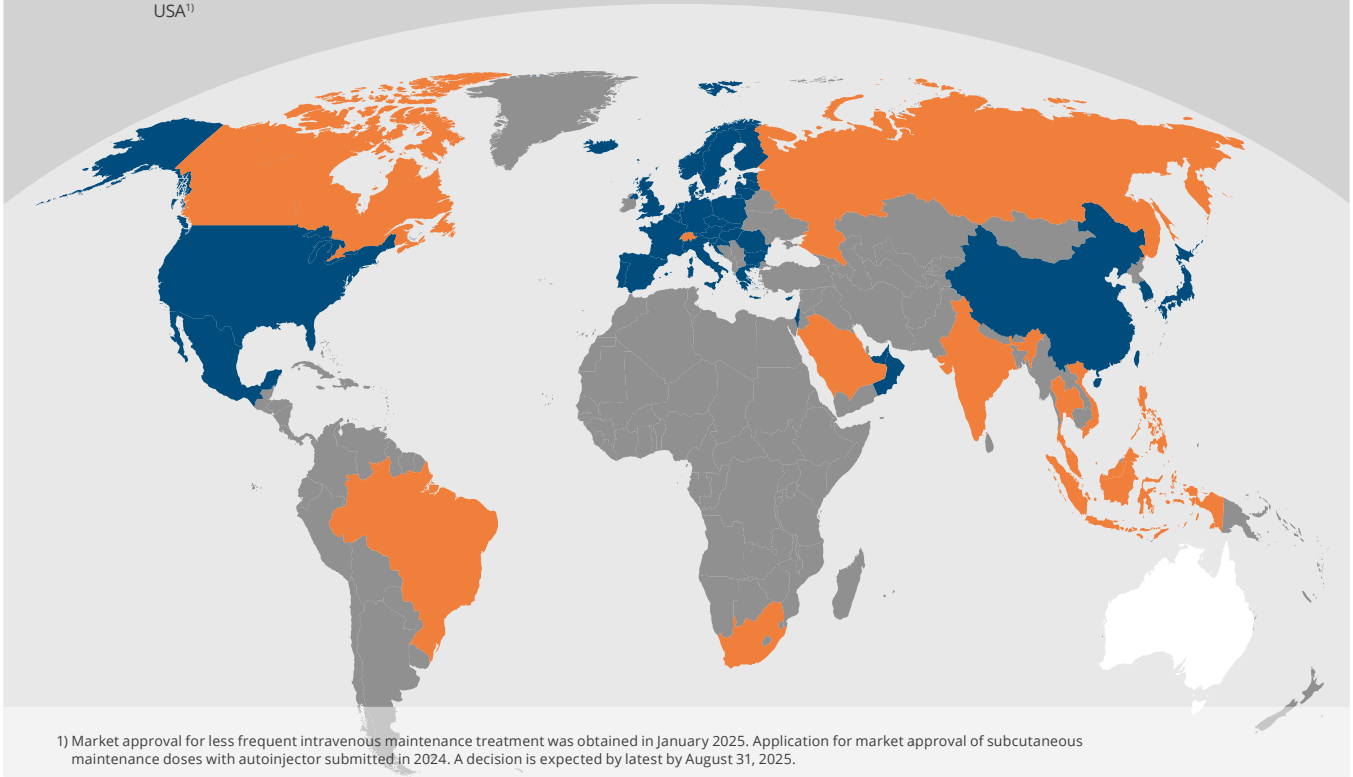
Iceland
Liechtenstein
Norway

Applications submitted

Brazil
Canada
India
Indonesia
Malaysia
Philippines
Russia
Saudi Arabia
Singapore
South Africa
Switzerland
Thailand
Vietnam

Application not approved

Australia



1) Market approval for less frequent intravenous maintenance treatment was obtained in January 2025. Application for market approval of subcutaneous maintenance doses with autoinjector submitted in 2024. A decision is expected by latest by August 31, 2025.

Financial overview 2024

Net revenue, SEK M

257

BioArctic's net sales in 2024 comprised primarily royalties based on Leqembi sales, co-promotion and research agreement revenues linked to the partnership with Eisai.

Operating profit/loss, SEK M

-229

Apart from royalty-based income, BioArctic's operating profit is also impacted by milestone payments, co-promotion revenues and research agreement revenues. In recent years, the company has gradually invested more into research and development, as a result of both an expanded project portfolio and also the projects entering later stages of development. The company reported an operating loss of SEK -229 M in 2024.

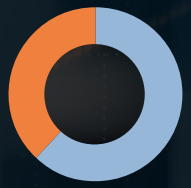
Cash and cash equivalents and current investments, SEK M

779

The strong financial position enables strong investments to advance the company's broad project portfolio with the objective of enabling the efficient treatment of even more patients with disorders of the central nervous system.

Milestone payments (Eisai)

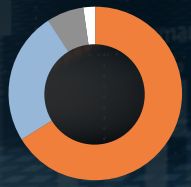
Possible remaining | Received



The total value for possible milstone payments for lecanemab is approximately SEK 2.4 billion (EUR 222 M). Of this, up to SEK 900 M (EUR 84 M) was remaining end of 2024. In addition to this, the market potential for lecanemab (Leqembi) indicates possible royalties of several billion SEK per year when reaching peak sales.

Royalties per country (Leqembi)

US | Japan | China | Other



Sales of Leqembi in 2024 generated SEK 230.4 M in royalties for BioArctic. The largest geographic markets during the year were the US, Japan and China.

	2024	2023
Net revenue, SEK M	257.4	616.0
Royalties	230.4	10.2
Co-promotion	11.5	5.5
Milestone payment	-	592.0
Research collaborations	15.4	8.3
Operating profit/loss, SEK M	-228.5	252.6
Operating margin, %	neg	41.0
Profit/loss for the year, SEK M	-177.1	229.2
Earnings per share before dilution, SEK	-2.00	2.60
Earnings per share after dilution, SEK	-2.00	2.59
Equity per share, SEK	10.13	11.85
Cash flow from operating activities, SEK M	-316.3	309.7
Cash flow from operating activities per share, SEK	-3.58	3.51
Cash, cash equivalents and short term investments, SEK M	778.9	1,111.6
Equity/asset ratio, %	80.5	88.2
Return on equity, %	-18.2	25.0
Share price at end of period, SEK	199.50	267.80

BioArctic's project portfolio

Antibody project

	Partner	Research	Preclinical	Phase 1	Phase 2	Phase 3	Reg. application	Market
Alzheimer's disease								
Lecanemab (IV)[1]	Eisai							
Lecanemab (s.c.)[2]	Eisai							
Lecanemab (presymptomatic treatment)	Eisai							
Lecanemab back-up	Eisai							
BAN1503 (PyroGlu Aβ)	BMS[3]							
Parkinson's disease								
Exidavnemab (α-synuclein)								
Other CNS diseases								
Lecanemab (other indications)								
ND3014 (TDP-43, ALS)								

BrainTransporter

		Research	Preclinical	Phase 1	Phase 2	Phase 3	Reg. application	Market
Alzheimer's disease								
BAN2803 (PyroGlu Aβ with BT)[5]	BMS[3]							
BAN2802	Eisai[4]							
Parkinson's disease								
PD-BT2238 (α-synuclein with BT)								
ALS								
ND-BT3814 (TDP-43 with BT)								
Gaucher disease								
GD-BT6822 (GCase with BT)								

1) Intravenous treatment
2) Subcutaneous treatment
3) A licens agreement was signed with Bristol Myers Squibb on December 19, 2024, and entered into force on February 20th, 2025.
4) Research evaluation agreement with Eisai
5) BrainTransporter technology

Significant events

The successes of Leqembi (lecanemab) in the global market continued in 2024 and the drug was approved in another six markets. Toward the end of the year, positive preclinical data for BioArctic's BrainTransporter technology was presented, while a significant licensing agreement was signed with Bristol Myers Squibb regarding two of BioArctic's antibody programs, one of which is combined with BioArctic's BrainTransporter technology.

Leqembi approved for treatment of Alzheimer's disease in China

Early in January, lecanemab was approved in China – the third country after the US and Japan to grant market approval for Leqembi.

Gunilla Osswald recognized

In February, BioArctic's CEO Gunilla Osswald was awarded the Arthur D. Little Nordic Life Science Award, given to individuals in the Nordic region who have demonstrated exceptional leadership within the life science industry.

New data on lecanemab presented at the AD/PD congress

In March, new data on lecanemab was presented at the International Conference on Alzheimer's and Parkinson's Diseases and Related Neurological Disorders, which was held in Portugal.

BioArctic's sustainability agenda earned the company a place on the OMXS30 ESG Responsibility Index.

In April, BioArctic was included on the newly launched Nasdaq OMX Sweden Small Cap 30 ESG Responsibility Index, which highlights companies that demonstrate ESG leadership in the Swedish stock market.

Supplemental application submitted to FDA

A supplemental application for monthly intravenous maintenance dosing for the treatment of early Alzheimer's disease with Leqembi was submitted by Eisai to the US Food and Drug Administration (FDA) in early April.

Lars Lannfelt awarded La Fondation Recherche Alzheimer's European Grand Prix

In March, Professor Lars Lannfelt received La Fondation Recherche Alzheimer's European Grand Prix for his research on Alzheimer's disease.

BioArctic and Eisai sign collaboration agreement

In addition to the long-standing partnership with Eisai, in late April BioArctic signed a research evaluation agreement regarding BAN2802, a potential new treatment that combines the BrainTransporter technology with a drug candidate against Alzheimer's disease.

Eisai initiated rolling application to FDA for subcutaneous treatment with Leqembi

In mid-May, Eisai initiated a rolling application to the FDA for weekly subcutaneous maintenance dosing with Leqembi via an autoinjector.

South Korea approved Leqembi

The Ministry of Food and Drug Safety in South Korea announced in late May the approval of Leqembi for treatment in patients with mild cognitive impairment or mild dementia due to Alzheimer's disease.

CHMP adopted a negative opinion

The European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) adopted a negative opinion on marketing authorization approval for lecanemab as a treatment of Alzheimer's disease.

Leqembi approved in Israel

In July, the Israeli medical products agency approved Leqembi for treatment of Alzheimer's disease.

Leqembi approved in Hong Kong

In July, the Department of Health in Hong Kong approved Leqembi for the treatment of Alzheimer's disease.

Leqembi launched in China

After approval in January 2024, the sale of Leqembi was launched in late June.

Significant events

Leqembi approved in the United Arab Emirates

The Ministry of Health and Prevention in the United Arab Emirates approved Leqembi for treatment of Alzheimer's disease in August.

Long-term data for lecanemab presented at AAIC

In late July, at the Alzheimer's Association International Conference (AAIC), Eisai presented three-year data showing that treatment with lecanemab continued to yield increasing benefit for patients with early Alzheimer's disease, with maintained safety profile.

Eisai requested re-examination of CHMP opinion

Shortly after the CHMP adopted a negative opinion on marketing authorization approval for lecanemab, Eisai announced that they had requested a review of the decision.

Lars Lannfelt awarded the CTAD Lifetime Achievement Award

In late October, BioArctic's founder Lars Lannfelt was awarded the Lifetime Achievement Award in Alzheimer's Disease Therapeutic Research at the Clinical Trials in Alzheimer's Disease (CTAD) conference.

Eisai requested reconsideration of decision on lecanemab in Australia

Following the announcement by Australia's Therapeutic Goods Administration (TGA) in October of its initial decision not to approve lecanemab for treatment of patients with early Alzheimer's disease, Eisai announced that it had requested reconsideration of the decision.

Great Britain approved Leqembi

In August, the UK Medicines and Healthcare Products Regulatory Agency (MHRA) granted Leqembi marketing authorization for treatment of mild cognitive impairment and mild dementia due to Alzheimer's disease in adult patients who are heterozygotes, or non-carriers, of the ApoE ε4 gene.

Eisai completed rolling application for subcutaneous maintenance dosing with Leqembi in the US

In end of October, Eisai completed its rolling application to the FDA for market approval of lecanemab for weekly subcutaneous maintenance dosing with autoinjector.

BioArctic presented the BrainTransporter platform at PEGS

At the annual Protein & Antibody Engineering Summit (PEGS) in Barcelona, Spain, BioArctic presented the design of its BrainTransporter platform, developed in-house, for the first time, which facilitates the transport of up to 70 times more antibodies across the blood-brain barrier.

CHMP issued positive recommendation

In November, the CHMP issued a positive recommendation regarding approval of lecanemab as a treatment for Alzheimer's disease in adult patients who are heterozygotes, or non-carriers, of the ApoE ε4 gene after a re-examination of a previous negative recommendation in July.

BioArctic and Bristol Myers Squibb signed global license agreement

In December, BioArctic and Bristol Myers Squibb signed a global exclusive license agreement for BioArctic's BAN1503 and BAN2803 antibody programs, of which the latter uses BioArctic's BrainTransporter technology. As part of this agreement, BioArctic, will receive a USD 100 M upfront payment during the first quarter 2025 and up to USD 1.25 billion in milestone payments. BioArctic is also entitled to tiered low double-digit royalties on global sales.

Phase 2 study commenced

In December, the first patient was dosed in the EXIST Phase 2a study, which will evaluate safety and toreability of exidavnemab in patients with Parkinson's disease.

CEO statement

2024 was yet another transformative year for BioArctic. With a another billion-krona deal signed with a global pharmaceutical company, major advances for our BrainTransporter technology, continued launch of Leqembi and the Phase 2a study of exidavnemab in Parkinson's disease in full swing, we have entered a new era. We are now a company that has demonstrated the potential of two groundbreaking innovations: our antibodies and our BrainTransporter technology. Together, these innovations create unique opportunities to help patients with neurodegenerative diseases, while contributing to future value creation for BioArctic's shareholders.

Our partner, Eisai, has now successfully launched Leqembi for early Alzheimer's disease in a large number of countries, and in 2024 Eisai's total sales of the drug totaled JPY 32.4 billion, which resulted in just over SEK 230 M in royalties for BioArctic. After a prolonged decision-making process at the European Medicines Agency, it is fantastic that the drug finally has been approved in Europe. We look forward to the possibility of giving patients in Europe access to treatment. Our Nordic market organization is ready to launch Leqembi in the Nordic region, in partnership with Eisai, and we look forward to playing a part in getting the right patients access to the treatment at the right time.

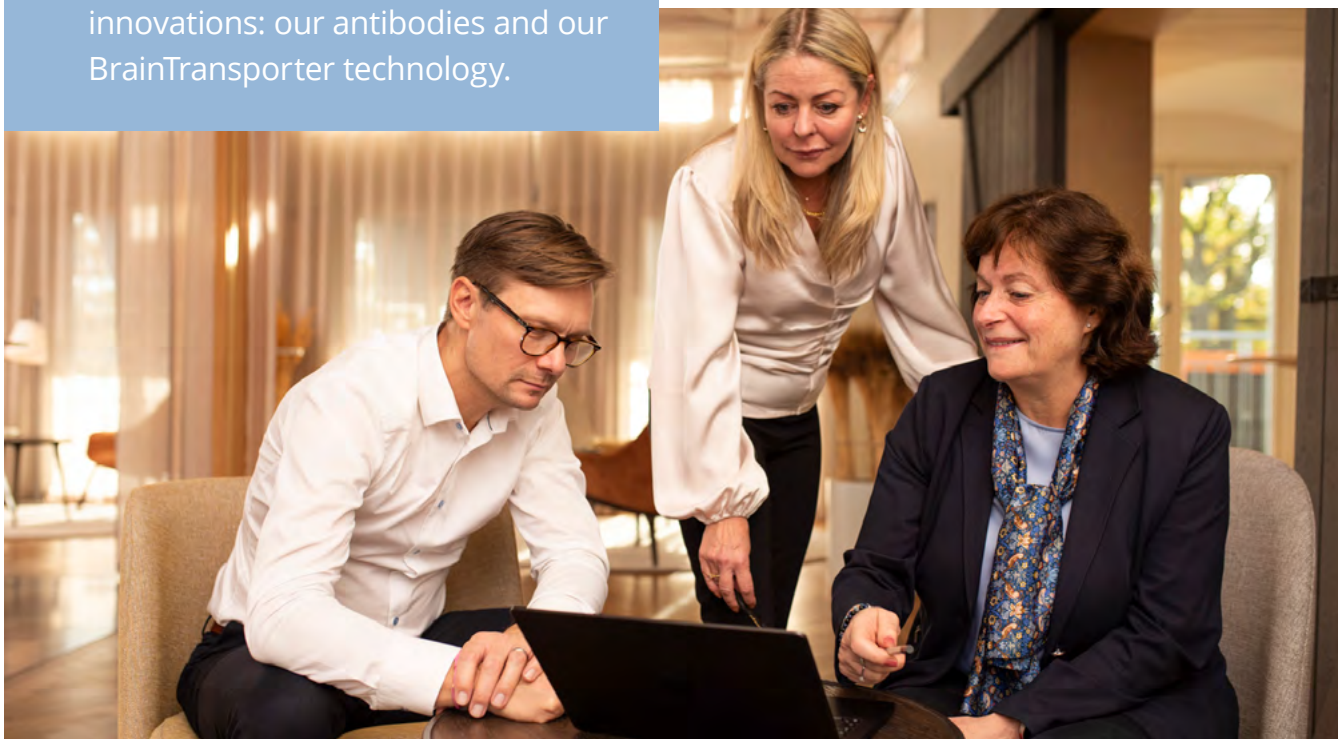
The development of lecanemab is continuing, and in 2024 Eisai submitted two applications to the FDA: one on intravenous maintenance dosing every four weeks, previously every second week, and one for weekly maintenance dosing with an autoinjector. The intravenous maintenance dosing was approved in January 2025 and the PDUFA date (the latest date by which the FDA must notify) for the subcutaneous autoinjector is set for August 31. All steps that facilitate continued maintenance dosing of patients are of great value since data that has been generated to date clearly shows that Leqembi not only removes plaque but also combats Alzheimer's disease through continual elimination of the toxic protofibrils that would otherwise continue to damage the nerve cells of the brain.

While the development of antibodies against diseases in the brain has made great progress in the past decade, one major challenge remains: getting the antibodies into the brain. The blood-brain barrier is a highly effective protective barrier that is difficult to penetrate in a controlled manner. BioArctic has focused on the problem for a long time, and once we glimpsed the embryo of a solution a few years ago we made a strategic investment in the development of our BrainTransporter technology. In the autumn of 2024, we could present externally for the first time what a great success this investment has been. Our innovation can increase the concentration of antibodies in the brain up to 70 times. Moreover, dispersal in the brain is much more even, and the technology is constructed in a manner that appears to reduce the risk of side effects that similar technologies have grappled with. As a result, we see enormous potential in our solution. Additionally, since the platform can be customized for various antibodies, enzymes and other molecules, there are good opportunities and thus great financial potential to license the platform technology to a number of projects within different disease areas.

The potential of the BrainTransporter technology was rapidly validated when, a few weeks after the research results were made public, we signed a global license agreement with Bristol Myers Squibb. The agreement encompasses two antibodies against a truncated form of amyloid beta, with one project – BAN2803 – utilizing our BrainTransporter technology. The antibodies are being developed as a treatment for Alzheimer's disease, and Bristol Myers Squibb is taking over full responsibility for continued development as well as potential subsequent commercialization. In addition to confirming that BioArctic is developing high-quality and attractive drug projects, the agreement also considerably improves our financial position. The agreement encompasses a USD 100 M upfront payment and an additional up to USD 1.25 billion in milestone payments. We also receive royalties upon a potential future launch.

> We have demonstrated the potential of two groundbreaking innovations: our antibodies and our BrainTransporter technology.

The income from the continued global launch of Leqembi and the license agreement with Bristol Myers Squibb broadens our opportunities for the continued development of the other projects in our portfolio. In the autumn of 2024, the first patient was dosed in the EXIST Phase 2a study, which is evaluating our drug candidate exidavnemab in patients with Parkinson's disease. Exidavnemab is an antibody against misfolded alpha-synuclein, a protein that – when it aggregates – could give rise to a range of different diseases known as synucleopathies, such as Parkinson's, Lewy body dementia or multiple system atrophy. The results from the Phase 2a study, which are expected in 2026, will comprise valuable input ahead of the decision on the next step in the program. Synucleopathies are a highly attractive field for the drug industry, and we are seeing significant interest in our program. Our other projects, such as ND3014 against ALS, continued to develop well in 2024, and it is uplifting to follow the advances being made in our professional and efficient research organization.



Based on the successes of recent years, BioArctic has grown rapidly. But there is also a question about how we are growing, both qualitatively and sustainably, while maintaining our corporate culture and pace of innovation. The review we conducted during the year showed that sustainability is deeply embedded into our operation and is an integral part of our long-term goals. Our double materiality assessment shows that our main impact occurs through sustainable innovation in research and drug development, which is also where we are putting the greatest effort for further improvements. We also continually work on our values-based leadership, to maintain our ability to innovate and for the closeness in the organization to remain effective and thereby contribute to generating the research for future (read more on page 38).

BioArctic is a company that has grown from Professor Lars Lannfelt's groundbreaking idea concerning an antibody against Alzheimer's disease. As a result of the company having made the correct strategic decisions, signed pioneering license agreements, never compromised on quality and let every success pave the way for the next, we have gotten to where we are today. With the performance of 2024 behind us, I can conclude that we are continuing in this spirit, and that we have never had as much to build on as we have today.

Gunilla Osswald
CEO, BioArctic

Research & strategy

BioArctic's antibodies

BioArctic specializes in developing selective antibodies against aggregations of misfolded proteins in the central nervous system. Our research has resulted in lecanemab, the world's first fully approved disease-modifying drug against Alzheimer's disease, which is now being offered to patients in large parts of the world. Based on this same principle, BioArctic has built up a broad project portfolio with selective antibodies not only to treat Alzheimer's disease but also antibodies with the potential to slow the progression of Parkinson's disease and other synucleinopathies as well as ALS.

BioArctic develops antibodies against misfolded proteins in the central nervous system

BioArctic is a world leader in the development of innovative antibodies against aggregated and misfolded proteins that cause disorders of the central nervous system. After having developed lecanemab, which is the world's first disease-modifying drug against Alzheimer's disease, the goal is now to continue driving development forward in both Alzheimer's disease and other neurodegenerative diseases.

Alzheimer's disease, Parkinson's disease, Huntington's disease, Creutzfeldt-Jakob's disease, Parkinson's disease dementia, Lewy body dementia, multiple system atrophy (MSA) and ALS are all caused by various proteins – for one reason or another – beginning to misfold. This misfolding leads to the proteins clumping together and forming increasingly larger accumulations called aggregates. With certain diseases, such as Alzheimer's disease, these aggregates finally form such large accumulations that they are no longer soluble but harden and form visible clumps called plaque that can be shown, for example, with PET cameras. The aggregates cause the greatest damage while they are still soluble, since they are biologically active and can impact various functions in the nerve cells. The soluble aggregates are called oligomers, or protofibrils, and are the target goal of BioArctic's drug development. The company focuses on developing antibodies that specifically target these forms to ensure that the healthy forms of the protein are not disrupted.

Antibodies against well-defined targets

To slow or stop neurodegenerative diseases that are caused by misfolded proteins, the harmful accumulations must be cleared away and the production of new aggregates must be prevented. BioArctic is developing antibodies that work by binding to misfolded proteins in the brain. For an antibody treatment of this kind to be effective, it must be clear which misfolded protein causes a particular disease. Only when this is known that an antibody can be developed that is selective toward that specific target and thus efficiently clear away the protein that is engendering the disease without disrupting healthy ones.

It all began with an mutation

BioArctic's first approved drug for early Alzheimer's disease, Leqembi, is an antibody against misfolded aggregates of the protein amyloid beta. The antibody was developed after BioArctic's co-founder, Lars Lannfelt, discovered what is known as the Arctic mutation in a group of patients with hereditary Alzheimer's disease. The discovery of this mutation led to the conclusion that it was aggregates of these specific amyloid beta proteins that drive the progress of the disease. These harmful, soluble aggregates are found in every Alzheimer's patient. The objective thus became developing a selective antibody against this accumulation of harmful misfolded protein.

A broad project portfolio of antibodies

In addition to this discovery leading to what is now the drug Leqembi, this research also laid the foundation for BioArctic now having an entire project portfolio of antibodies that have the potential to slow several different neurodegenerative diseases. In Parkinson's disease, the hypothesis is that misfolded aggregates of the protein alpha-synuclein cause the disease, and in ALS, BioArctic's hypothesis is that the protein TDP-43 is the problem. BioArctic's researchers are continually engaged in identifying new targets where the company's capacity for developing innovative and selective antibodies can make a difference for patients with neurodegenerative diseases.

This is a misfolded protein

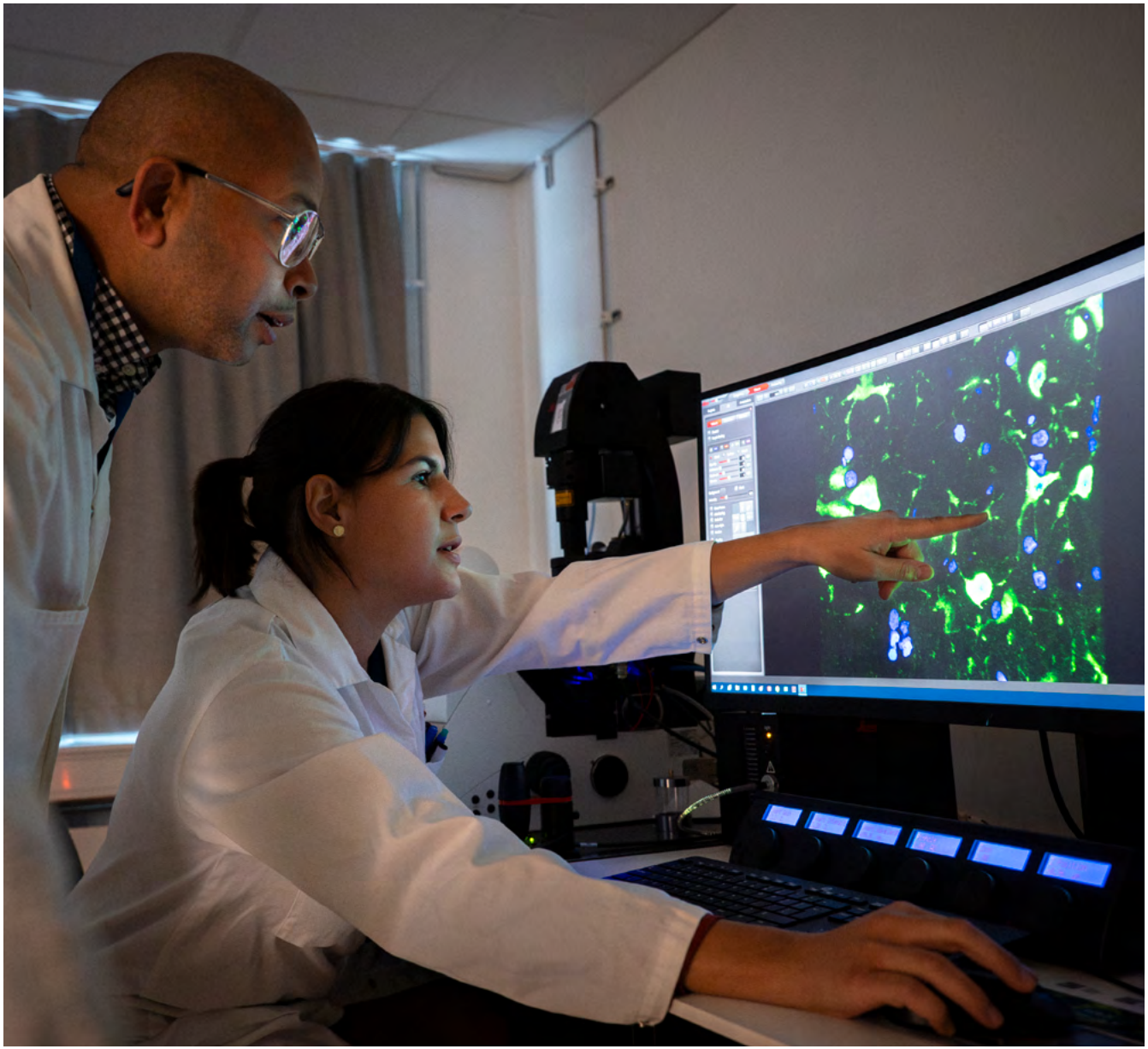
A protein consists of a long chain of amino acids, whose sequence is determined by our DNA. The types of amino acids that are included, and the order in which they are placed, affects the specific three-dimensional form that the protein takes. This form is important for the function of the protein in the body. If one amino acid is replaced, the three-dimensional form and function can change radically. The form of the protein can also be changed depending on the surrounding environment. Once this occurs, the protein may begin to misfold, which could result in it accumulating, becoming harmful, and causing a disease.

Alzheimer's research at BioArctic continues with great intensity

Today, over 30 million people around the world are living with various stages of Alzheimer's disease. Despite intensive research, few new treatments have reached the market in recent decades, and up until the approval of lecanemab in the US in 2023 there had been no treatment that has shown to slow or stop the progression of the disease. Research into Alzheimer's disease continues at BioArctic, both to monitor the long-term effects of lecanemab and to develop the next generation of drugs.

Alzheimer's disease is caused by proteins folding improperly, aggregating and forming what are known as protofibrils, which damage nerve cells. Lecanemab is a monoclonal antibody that slows the progress of the disease by binding specifically to the soluble aggregate forms: protofibrils and oligomers. The body's immune system can thus detect and break them down. The high selectivity for protofibrils specifically is unique for lecanemab. For example, the antibody binds 1,000 times more strongly to these harmful protofibrils than to the harmless monomers, and approximately 10 times more strongly to protofibrils than to fibrils that form plaque. The antibody also reduces plaque in the brain.

The antibody lecanemab, developed by BioArctic, originates from the antibody mab158, which was developed in 2005 by Professor Lars Lannfelt and his research group at Uppsala University. The drug is the first in the world to not only



alleviate the symptoms but has also been shown to slow the progress of the disease and reduce the cognitive and functional decline in adult individuals with early Alzheimer's disease.

Lecanemab available in several markets

Since July 2023, when lecanemab (Leqembi is the brand name in the countries where the drug has been launched) received full approval in the US, the drug has been approved in 42 countries such as Japan, China, Great Britain and the countries in EU, for the treatment of mild cognitive impairment (MCI) or mild dementia due to Alzheimer's disease - collectively known as early Alzheimer's disease. Great Britain was the first in Europe to approve lecanemab, in August 2024. The UK Medicines and Healthcare Products Regulatory Agency (MHRA) chose a somewhat narrower indication than the FDA that does not include persons who are homozygous carriers of the ApoE ε4 gene. The background to this decision is the ARIA-E side effect, a type of edema in the brain that can occur during treatment with anti-amyloid antibodies, being more common among patients who are homozygous carriers of the ApoE ε4 gene. The European Commission chose the same path, approving lecanemab in adult patients with early Alzheimer's disease who are heterozygous, or non-carriers, of the ApoE ε4 gene.

Australia's Therapeutic Goods Administration (TGA) decided in October not to approve lecanemab for treatment of patients with early Alzheimer's disease. Eisai requested a reassessment, but in early March 2025, the decision was taken not to approve the drug.

Applications for approval have also been submitted in several markets such as Brazil, Canada, India, Indonesia, Malaysia, the Philippines, Russia, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand and Vietnam. These regulatory procedures are being managed by the pharma company Eisai, which has held the global licensing rights to lecanemab since 2007. Together with the company's partner Biogen, Eisai is responsible for the sale of lecanemab worldwide except for the Nordic region, where BioArctic and Eisai market jointly. In all

markets where the drug has been approved, lecanemab is marketed under the brand name Leqembi.

Positive statements from clinical praxis

In conjunction with the approval of lecanemab in the US in 2023, the drug also received broad subsidies through national health insurance for all citizens over the age of 65 in accordance with the FDA-approved prescription information. Today, over 10,000 patients in the US have been treated with lecanemab, and data from clinical praxis that has been presented at scientific conferences shows that the side effect profile remain in line with the Phase 3 results. Positive statements have also been presented from Japan, where lecanemab was launched in December 2023.

Another key field in which research is advancing rapidly is the development of measurement methods for blood-based biomarkers that have now also begun to be implemented, primarily in specialist care. The ability to measure biomarkers using a simple blood sample instead of spinal fluid will mean that health care will have more readily available tools that are also easier to manage clinically, which in the next step means that more patients can access the right treatment at earlier stages.

Maintenance dosing with lecanemab approved in the US

In January 2025, the US Food and Drug Administration (FDA) approved a less frequent maintenance dose every fourth week of lecanemab. The treatment is intended to maintain an effective concentration of the drug in order to clear away harmful protofibrils of amyloid beta, which could continue to cause damage to the nerve cells in the brain even after the plaque has been removed.

In early November, Eisai also completed a rolling application to the FDA for market approval of a weekly subcutaneous maintenance dosing with lecanemab using an autoinjector. The FDA has announced that the PDUFA date for this application will be August 31, 2025. Subcutaneous administration will be quicker than the intravenous treatment and does not need to be performed by health care personnel, which would make it easier for both patients and health care as well as reduce the need for medical care in general. The application is based on data from the open extension part of the Clarity AD Phase 3 study and modeling of observable data. Eisai has also presented data showing that subcutaneous dosing of lecanemab yielded a higher exposure and a greater reduction of amyloid plaque than intravenous administration at the dosage tested. Moreover, the subcutaneous dosing showed a better side effect profile, above all as regards infusion reactions.

My Björklund, researcher in Alzheimer's disease

How far do you think research in Alzheimer's will go in ten years?

"In ten years, I think we will have several disease-modifying drugs in the market and in clinical testing. With active transport of drugs across the blood-brain barrier – via the transferrin receptor, for example – the effect will be greater since more of the drug reaches its target in the brain. We are also seeing combination treatments gaining ground. We will likely have expanded knowledge of which patients benefit most from immunotherapy treatments against amyloid beta and, hopefully, it will have become possible for more patients to take their treatment via autoinjectors instead of infusions. Overall, diagnostics and monitoring will be more accurate, and there will be more efficient treatments that improve life for even more patients and their families."

Alzheimer's disease in brief

Alzheimer's disease is characterized by the death of brain cells, which causes a gradual impairment of memory, function and cognitive skills such as intellectual capacity, language, orientation, recognition and learning ability. The disease is caused by the misfolding and clumping together of the protein amyloid beta into increasingly larger aggregates. When amyloid beta circulates as an individual molecule – called a monomer – in tissues, the blood, and other bodily fluids, the protein is harmless. But in Alzheimer's disease, the monomers begin binding to each other and forming larger aggregates. These aggregates accumulate more and more molecules, and when these accumulations – called oligomers or protofibrils – are formed, nerve cells are damaged and the disease develops. Finally, insoluble fibrils are formed that cause plaque in the brain tissue.

Data indicates continued benefit of lecanemab after three years

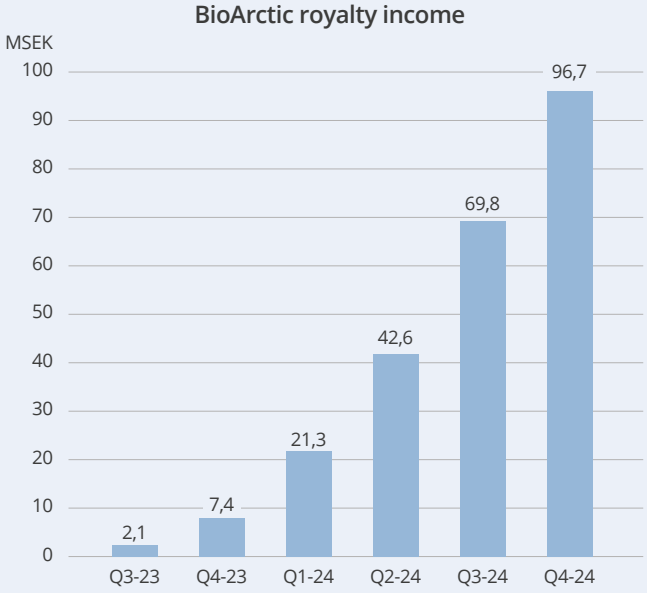
In late July, Eisai presented three-year data showing that treatment with lecanemab continued to yield increasing benefits for patients with early Alzheimer's disease while maintaining the safety profile. During the Alzheimer's Association International Conference (AAIC), data was also presented the patient population with lower levels of the tau protein, which is another protein that aggregates in Alzheimer's disease. In that group, 51 percent of the patients continued to show improvements regarding cognition and function after three years. This was reinforced by additional data that Eisai presented in conjunction with the Clinical Trials on Alzheimer's Disease (CTAD) conference in late October. The results showed that approximately half of the patients who had low amyloid levels when treatment began either became better or remained at the same cognitive level over three years of treatment with lecanemab, which strengthened the benefit of early and long-term treatment in achieving the best possible outcome.

Recruitment to study in asymptomatic disease completed

In October, the final patient was recruited to Eisai's clinical Phase 3 program, AHEAD 3-45, which is studying four years of treatment with lecanemab in individuals with preclinical asymptomatic Alzheimer's disease (i.e. who have not yet developed symptoms but have moderate or elevated levels of aggregate amyloid beta in the brain). The program is being conducted in partnership with the Alzheimer's Clinical Trials Consortium (ACTC), a network for clinical testing in the US whose goal is to identify and treat Alzheimer's disease at an early stage. In total, AHEAD 3-45 encompasses just over 1,400 people who, after joint screening, are included in one of the program's two trials, A3 or A45, depending on amyloid levels in the brain. The program aims to prevent development of clear clinical indications of the disease, and thereby also dementia, at an early stage.

License agreement with Eisai provides revenue to BioArctic

Eisai acquired the global rights to lecanemab for treatment of Alzheimer's disease in 2007 and the rights to lecanemab back-up in 2015. These agreements mean that BioArctic has not incurred any costs for the clinical development of lecanemab, and is granted the right to a maximum of EUR 222 M (approximately SEK 2.4 billion) in milestone payments. As of December 31, 2024, up to EUR 84 M (SEK ~900 M) in milestone payments remained to be received from Eisai. In February 2025, BioArctic received an additional milestone payment from Eisai amounting to EUR 10 M. BioArctic and Eisai have agreed on a joint structure for commercialization and marketing (co-promotion) of lecanemab in the Nordic countries, on the basis of a 50/50 split of costs and income. In addition to milestone payments and co-promotion income, BioArctic will receive royalties. These royalty payments, which have the potential to provide BioArctic with significant revenue, total 9 percent of the global sales of lecanemab excluding sales in the Nordic region.



Additional antibodies under development

In November, BioArctic presented for the first time the design of BrainTransporter, the company's technology for transport of drugs across the blood-brain barrier, as well as validation of the technology in preclinical models. This plattform technology uses the transferrin receptor, a protein that normally transports iron across the blood-brain barrier, in order to facilitate the uptake of antibodies, proteins and other substances in the brain.

The outcomes include the finding that the technology can yield up to 70 times greater brain exposure to amyloid beta antibodies. Thereby the technology could potentially yield better efficacy, fewer side effects and lower doses compared with similar antibodies without BrainTransporter.

During the year, BioArctic and Eisai signed a research agreement to evaluate BAN2802, a potential new treatment that combines BioArctic's BrainTransporter technology with a drug candidate against Alzheimer's disease.

BioArctic has additional antibody projects against Alzheimer's disease in the research or the preclinical phase in its project portfolio. These antibodies have unique mechanisms of action and the potential to be developed into new disease-modifying treatments. BioArctic has also developed antibodies that target PyroGlu- Aβ, which is a truncated form of amyloid beta that has a pronounced tendency to aggregate and establish toxic forms that can cause Alzheimer's disease. Late in 2024, BioArctic signed an agreement with the US pharma company Bristol Myers Squibb on an exclusive global license for BioArctic's antibody program targeted at PyroGlu-Aβ. The program includes BAN1503 and BAN2803, the latter of which utilizes BioArctic's BrainTransporter technology.

Digital tools pave the way for new treatments

The development of methods for measuring blood-based biomarkers for Alzheimer's disease has made great strides in recent years. Dr. Kristian Steen Frederiksen, clinical trials director and clinical research associate professor at the Danish Dementia Research Centre in Copenhagen, and his associates are continuing to piece together the puzzle – using modern molecular methods – that could ultimately lead to more, and better, disease-modifying treatments.

Dr Kristian Steen Frederiksen, clinical trials director at the Danish Dementia Research Centre in Copenhagen

How has the development of new methods for measuring biomarkers for Alzheimer's disease advanced in recent years?

"We have seen tremendous developments in the last five years, especially regarding blood-based biomarkers. When we compare this to how long it took to develop biomarkers in cerebrospinal fluid (CSF), we have seen significant advances in the accumulated research into CSF and diagnostic imaging. These developments have made it possible for us to make significant advances in a short period of time. The journey from using blood-based biomarkers for Alzheimer's disease in clinical research to being close to implementation – at least in specialist clinics – has happened in an impressively short period of time."

What do you think will be the next big breakthrough?

"We are now seeing the beginning of the next stage of development, which is digital biomarkers. I believe that digital tools will play a crucial role in the future, as regards diagnosing and following up on patients with Alzheimer's disease. Essentially all electronic devices that gather digital information – like a smart watch or smart phone – can be used to collect data. This opens the door to new opportunities for assessing and monitoring patients in their daily lives. For example, this could provide a more exact baseline for their condition, since people with Alzheimer's disease in general experience daily variations in their disease. At present, these deviations often present a challenge in clinical testing, since there is a risk that they will return results that do not add up. Ultimately, it could mean that the shape a person is in on the measurement date masks some of the effects of the drug."

How far away do you think precision medicine for Alzheimer's disease is?

"Precision medicine is a tempting concept, and it is something we have been discussing for years. But it has proven very difficult to take concrete steps in the direction that can then be transformed into clinical practice. We often compare ourselves to our colleagues in oncology, who have already begun to apply precision medicine. I believe that in the future, precision medicine will be applied to Alzheimer's disease to a greater degree. However, in my opinion it is still beyond the horizon, and we are missing vital pieces of the puzzle since there is much we still do not understand regarding the pathophysiology and the causal links that are involved in Alzheimer's disease. We are also missing assessment methods to account for how these links and pathologies interact and manifest in individual patients.

Despite this, we are now seeing powerful tools such as proteomics and transcriptomics being used to highlight in detail the exact mechanisms and paths that are involved in specific patient populations. We are already beginning to see the next stage in development, in the form of biomarkers that tell us more about how proteins such as alpha-synuclein and TDP-43 interact and impact the pathology in Alzheimer's disease. This will also take us closer to precision medicine. Meanwhile, blood-based biomarkers comprise a more easily accessible tool that is simple to manage in a clinical context, rather than just increasing precision."

Health economics assessments must be able to manage uncertainty

The introduction of disease-modifying treatments for Alzheimer's disease means that health care and society are being confronted with new adjustments. Linus Jönsson, professor of Health Economics at Karolinska Institutet and specialist in neurodegenerative diseases, notes that even if everyone agrees that new treatments are needed, the transition will take time.

Linus Jönsson, professor at Karolinska Institutet

What are the key health economic aspects to take into account for new treatments against Alzheimer's disease?

"Most important is focusing on whether the drug can prolong the period of health and improve quality of life for both patients and families. If that is the case, there is a clear value that society should be prepared to pay for. At the same time, there are several challenges in the initial assessments. On the one hand, we have the issue of priority. These are large patient populations, and since resources are limited it could mean that resources will need to be re-allocated from other patient populations. On the other hand, at present it is difficult to foresee what the long-term consequences of these treatment will be for health care and society."

How should society manage this uncertainty?

"The focus should be on the health gains for the patient. The data we have now comes from clinical testing, and one of the things we know from this is that the treatments have a very good effect on the patients' quality of life, which is a value that is being created here and now. What the longer-term effects will be for health care is something we will be able to better assess when these treatments begin being used in routine medical care. We have excellent registers for dementia care in Sweden, so the day we begin using new treatments we will very quickly be able to compare against a historical control group. However, these follow-ups will not say much about the value for the specific individual, but more about how care should be planned."

How should the health gains be measured?

"If, for example, we look at progression-free survival and compare that with the cancer drugs that have been approved in Europe in recent years, the efficacy of the new drugs against Alzheimer's disease is on the same level. Clearly, cancer drugs differ from treatments for neurodegenerative diseases. For example, cancer often affects younger people. But in everyday clinical reality, a large proportion of those suffering from cancer are older, so I think comparing how the treatments are measured is relevant. It can then be said that society has at least shown itself to be ready to pay for a similar health gain in the area of cancer."

How do you feel the new treatments for Alzheimer's disease will be received?

"I think it will take a little time for these treatments to have a broader effect, since this is a new way of thinking in care for Alzheimer's disease. It is reminiscent of when the first treatments to slow MS came out. They were also extremely costly to society and initially it could only be demonstrated that the time to wheelchair had been pushed back a few months. Now that more than a decade has passed, no one questions the value of these treatments. They are the standard today. We saw the same thing when new immunotherapies were being introduced against rheumatoid arthritis. It took quite a long time to introduce them owing to the uncertainty that existed. We can hope that we learn from history so that it will not need to take as long before society and health care dare to begin using these treatments against Alzheimer's disease. There are major uncertainties, but we should be able to handle them so as not to delay a potentially highly positive effect for the entire field of medical care."

Unique antibody being tested against Parkinson's disease

BioArctic's unique antibodies for misfolded alpha-synuclein have the potential to be efficacious disease-modifying treatments for Parkinson's disease and other synucleinopathies. Late in 2024, a clinical Phase 2a study with its most advanced antibody, exidavnemab, was initiated in the hope of being able to slow the progress of the disease.

Synucleinopathies are a group of diseases that include Parkinson's disease, Parkinson's disease dementia, Lewy body dementia and MSA. They are all associated with abnormal aggregation of misfolded forms of the protein alpha-synuclein. Parkinson's disease is the most common synucleinopathy. Today, 10 million people are living with the disease and the number of patients continues to increase[1]. The affected patient population is relatively young and most are still of working age when they fall ill, which entails significant costs for society.

Parkinson's disease is caused by the nerve cells that produce dopamine ceasing to function, which in turn is due to alpha-synuclein beginning to misfold and aggregate in the nerve cells.

6% is the expected average annual growth rate (CAGR) in the seven largest markets for Parkinson's disease between 2019 and 2029, with the market volume being measured at USD 3.4 billion in 2019. t[2].

1) Parkinson's Foundation - Understanding Parkinson's, Statistics 2020
2) Global Data

Misfolded alpha-synuclein first forms soluble aggregates called oligomers and protofibrils. Insoluble aggregates known as Lewy bodies are subsequently formed. The soluble aggregate is believed to be the most harmful to nerve cells. These forms can also move among the nerve cells and spread the misfolded proteins to neighboring cells, which could explain how the disease spreads in the brain.

Selective binding to alpha-synuclein protofibrils

In-house and in partnership with researchers at Uppsala University, BioArctic has developed antibodies that selectively bind to the toxic and soluble aggregates of alpha-synuclein. Currently, the company is conducting two antibody projects aimed at Parkinson's disease: exidavnemab and PD-BT2238. The antibodies make it possible for the body's immune system to detect and eliminate the harmful accumulations of

Biljana Rizoska
VP Head of Research

Why did you choose to specialize in research in Parkinson's disease specifically?

"Since my undergraduate years, I have always been fascinated by how the brain works and what happens when it suffers from neurodegenerative diseases such as Parkinson's disease. The physiology of the brain is incredibly complex, and the changes that occur with such diseases are often just as complex. The need for better treatments is significant, since the current alternatives focus mostly on alleviating the symptoms. Being able to contribute to research that could lead to new treatments for Parkinson's disease feels both meaningful and important, since it could potentially improve life for these patients."

alpha-synuclein, which hopefully could lead to the progress of the disease being slowed.

Exidavnemab now being evaluated in a clinical Phase 2a study

Preclinical data shows that exidavnemab, BioArctic's most advanced drug candidate against Parkinson's disease, selectively binds to soluble aggregates of alpha-synuclein, which is expected to have a slowing effect on the progress of the disease. Data from studies of brain tissue from patients with Parkinson's disease also shows that the antibody binds to pathological alpha-synuclein, and careful analyses of the Phase 1 study conducted by BioArctic's former partner AbbVie demonstrated favorable pharmacokinetics and safety profil for the antibody. Data from two Phase 1 studies with exidavnemab were published in the Journal of Clinical Pharmacology in August 2024. The findings showed that exidavnemab had a superior half-life and was generally well tolerated, which confirmed what earlier data showed: continued clinical development was highly justified.

Late in 2024, BioArctic initiated a clinical Phase 2a study with exidavnemab in individuals with Parkinson's disease. The study, named EXIST, focuses on safety, tolerability and pharmacokinetics, and completion is expected in 2026. In addition, a broad spectrum of biomarkers is being studied to identify which patient populations and symptoms are most relevant for the continued development of this drug candidate. At the same time, the company is sounding out partnership opportunities to take the project further. BioArctic has an active Investigational New Drug (IND) application in the US, and a robust manufacturing process for exidavnemab.

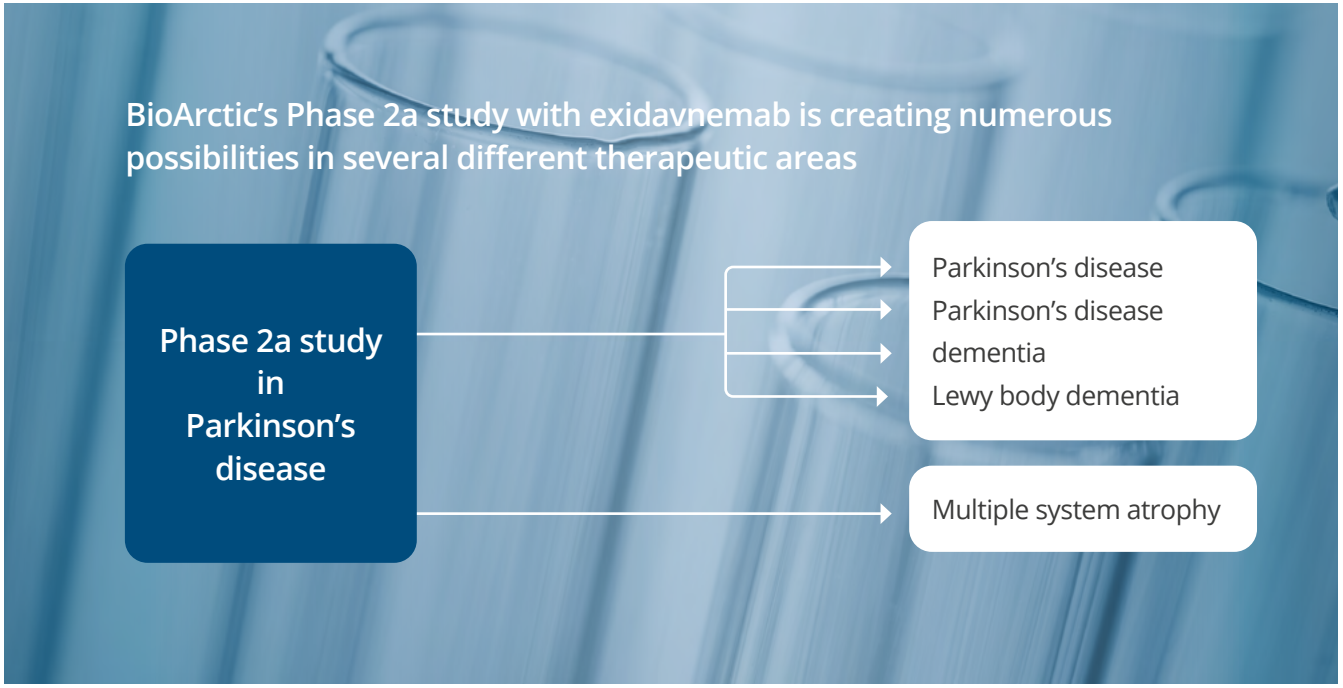
Yet another antibody combined with BrainTransporter technology

In addition to exidavnemab, BioArctic is also developing its drug candidate PD-BT2238, which is a combination of a highly selective alpha-synuclein antibody and BioArctic's BrainTransporter technology. This is being developed for Parkinson's disease as well, and greater exposure of the antibody in the brain is being achieved due to the BrainTransporter technology.

This is Parkinson's disease

Parkinson's disease is normally detected around the age of 60, and approximately one percent of the world's population over the age of 60 will be affected in their lifetime. The initial symptoms are often impaired sleep, mild tremors in one hand, or a decreased sense of smell. As the disease progresses, the tremors worsen, movements become slower and the body's muscles stiffen.

Current treatments only alleviate the symptoms and are often most efficacious in the early stages of the disease. In pace with disease progression, the treatments lose their effect and the patient is gradually forced into a more limited lifestyle. In its later stages, living a normal and independent life becomes increasingly difficult. The annual cost for Parkinson's disease in the US alone is estimated to be USD 54 billion. Half of these costs comprises the cost of direct care, and the other half indirect costs.



Two antibody projects for ALS under development

By using selective antibodies against the TDP-43 protein, BioArctic hopes to develop a drug that treats the underlying cause of ALS, with the potential to slow down the progress of the disease.

Amyotrophic lateral sclerosis (ALS) is a serious disease that affects the central nervous system. It is characterized by the gradual breakdown of motor neurons, the nerve cells that control muscular movement. Although ALS often affects people in their 60s, younger people can also fall ill.

At present, there are drugs that can help manage certain symptoms such as muscle cramps or pain. These treatments can also impact the progress of the disease to some extent, but there is still a lack of treatments that can cure ALS. The development of new and more efficacious drugs that can help those suffering from this disease is thus urgent.

Misfolded TDP-43 in the brains of ALS patients

ALS emerges in the motor neurons of the brain, the brain stem, and the spinal cord, which control the body's movements. As with many other degenerative neurological diseases, the impact of ALS on the motor neurons is linked to an inflammation in the nerve cells. Despite many years of intensive research, the process that leads to ALS has not yet been successfully elucidated, but what is known is that misfolded forms

Up to

1.4 USD billion

is the annual costs for ALS in the US alone[3]

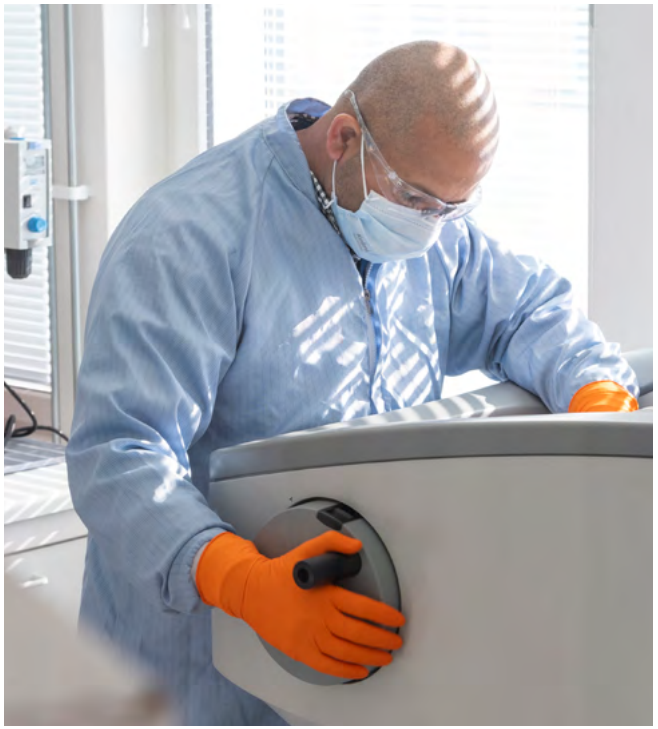
of the DNA-binding protein TDP-43 are a contributing factor in the progress of the disease. Inclusions with accumulations of misfolded forms of the protein TDP-43 are found in the brains of individuals with ALS, and a growing mass of data shows that there is a clear link between misfolded TDP-43 and degeneration of motor neurons. Not only do the protein accumulations hinder the normal function of TDP-43, but they also disrupt various cellular processes, which leads to the nerve cells rapidly dying off. Misfolded TDP-43 has also been shown in many patients with other neurological diseases, including frontotemporal dementia and Alzheimer's disease.

Antibodies will eliminate misfolded TDP-43

In its ND3014 project, BioArctic is endeavoring to develop a unique antibody treatment that target TDP-43. Antibodies make it easier to detect and eliminate the toxic aggregates of misfolded protein, which it is hoped will have a slowing effect on the progress of the disease. Similar to BioArctic's drug candidates for Alzheimer's disease and Parkinson's disease, the antibodies in the ND3014 project target soluble aggregates of misfolded TDP-43 – the oligomers and protofibrils – since these forms are assumed to be the most harmful to the nerve cells. BioArctic is also pursuing the ND-BT3814 project, in which an antibody against TDP-43 is being tested in combination with the company's BrainTransporter technology that facilitates the passage of the antibodies across the blood-brain barrier. Both projects are currently in the research phase.

Significant need for new treatments

ALS is classified as a rare disease, which means that drugs against the disease are developed as orphan drugs. However, a certain increase in incidence has been observed over the past few years[1]. Due to the increasing average age among the world's population, the number of individuals with ALS is expected to exceed 375,000 globally by 2040, corresponding to an increase of 69 percent compared with 2015[2]. A number of the patients affected are in midlife and of working age when they fall ill, which means great suffering for patients and their relatives as well as major costs to society. In the US, the cost of ALS is estimated to total over USD 1 billion per year[3]. The costs in conjunction with ALS are higher than for other neurological diseases, which underscores the need for medical advances in the field.



Gabrielle Åhlberg Hillert, researcher in ALS and Chief Medical Officer

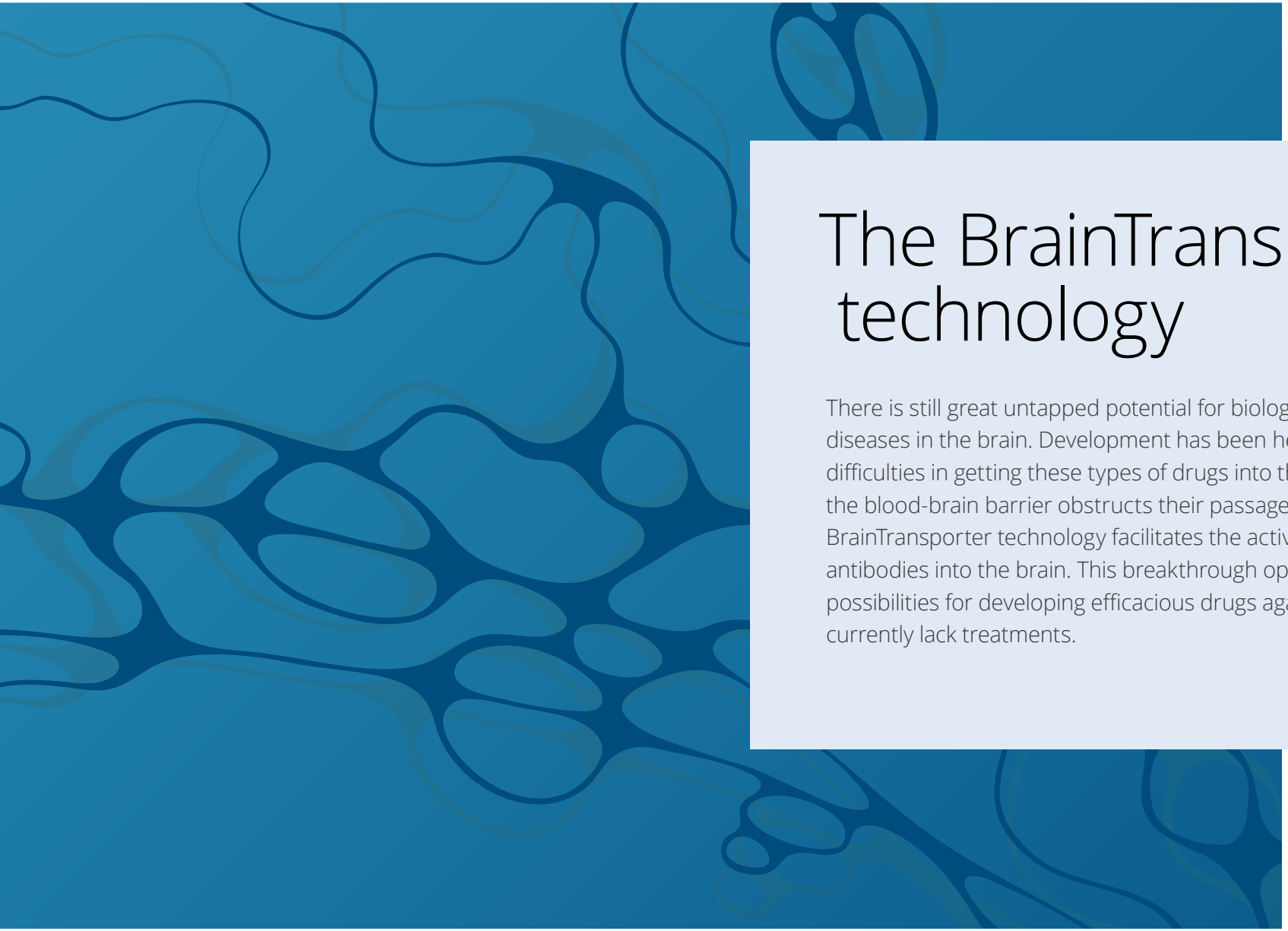
What drew you to BioArctic?

"BioArctic is a unique company with its feet planted firmly in groundbreaking Swedish medical research that has shown that diseases that were previously impossible to slow can in fact be treatable. Being part of contributing to a paradigm shift like this is irresistible for a research physician."

ALS in brief

Amyotrophic lateral sclerosis, or ALS, is a neurodegenerative disease that often progresses rapidly. The brain loses the ability to initiate and control the muscles in the body in pace with the motor neurons dying off. When voluntary muscle movement can no longer be controlled, the ability to speak, eat, move, and breathe is affected. The most common cause of death in ALS is respiratory failure. On average, a person dies within three to five years after the initial onset of the symptoms, but certain forms of ALS develop more slowly; in these cases, the patient can live with the disease for over ten years.

1) Longinetti E, Fang F. (2019) Epidemiology of amyotrophic lateral sclerosis: an update of recent literature.
2) Arthur, K. et al. (2016) Projected increase in amyotrophic lateral sclerosis from 2015 to 2040.
3) Berry, J. D. et al. (2023) Epidemiology and economic burden of amyotrophic lateral sclerosis in the United States: a literature review.



The BrainTransporter technology

There is still great untapped potential for biological drugs against diseases in the brain. Development has been held back by the difficulties in getting these types of drugs into the brain, since the blood-brain barrier obstructs their passage. BioArctic's BrainTransporter technology facilitates the active transport of antibodies into the brain. This breakthrough opens up entirely new possibilities for developing efficacious drugs against diseases that currently lack treatments.

The BrainTransporter technology enables a new generation of treatments for brain diseases

BioArctic's BrainTransporter technology facilitates active transport of biological drugs into the brain, which has the potential to both drastically improve their effect and reduce the risk of side effects. In 2024, BioArctic was able to present validating preclinical results for its BrainTransporter technology, which shows that the company is on the way to solving one of the greatest challenges in the development of new drugs against diseases of the central nervous system.

In recent decades, biological drugs have revolutionized the treatment of several fields, such as cancer and autoimmune diseases. Illnesses that could not previously be treated can today be cured or drastically slowed due to the use of biological drugs to strengthen the body's own capacity to combat the disease. There is a potential for the same revolution in treatments of diseases of the brain. Lecanemab, BioArctic's antibody for treatment of Alzheimer's disease, is a major breakthrough and a step in that direction, but the full potential has so far been held back by the fact that antibodies are too large to efficiently cross the blood-brain barrier, which controls the passage of substances between the circulatory system and the brain.

From passive to active transport

The antibodies that currently pass into the brain do so via passive transport, primarily through diffusion together with spinal fluid. As a result, the antibodies are dispersed unevenly throughout the brain, with large accumulation around the ventricular system, which are the spaces where the spinal fluid is found. Large parts of the brain are thus not fully exposed to the antibodies, and the total amount that reaches the brain is also limited: less than 0.1 percent of the antibodies that are administered via the blood enter the brain.

In recent years, BioArctic has focused on developing the company's BrainTransporter technology, which enables antibodies – instead of diffusing – to be actively transported into the brain. This technology uses the transferrin receptor, a protein that normally

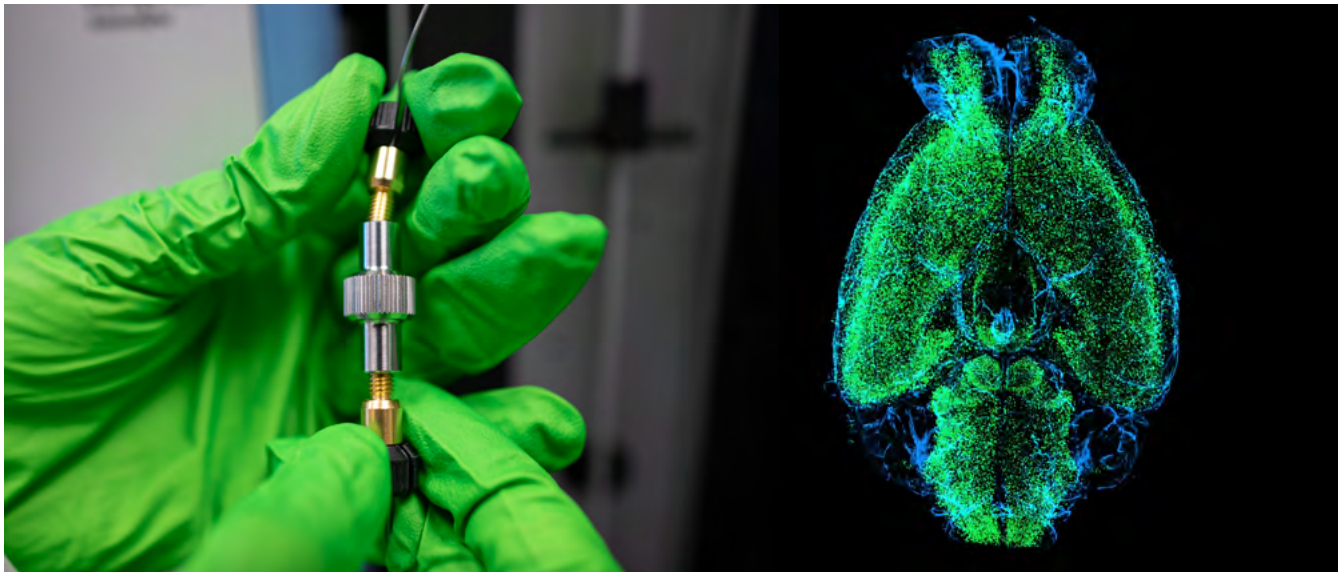
transports iron across the blood-brain barrier. The transferrin receptor is also used by other companies, but the method has long been associated with certain challenges. For example, the transferrin receptor can also be affected in the rest of the body, which could result in serious side effects such as anemia, where the formation of new blood can be disrupted. Other challenges include an immune system reaction through binding to the transferrin receptor in the blood, and the antibodies becoming visible to the immune response.

A refined technology

BioArctic's latest version of its BrainTransporter technology is designed to solve these challenges. The technology itself consists of a molecule, BAT007, that binds to the transferrin receptor. All antibodies that are linked to BAT007 are thus actively transported into the brain via the transferrin receptor.

Good possibilities for more license agreements in the future, with the BrainTransporter technology

The BrainTransporter technology is used in several of BioArctic's internal drug projects, but also has potential applications in a number of fields of therapy, which gives BioArctic many future partnership opportunities An initial research agreement pertaining to the technology was signed in April 2024 between BioArctic AB and Eisai Co., Ltd. to evaluate BAN2802 – a potential new treatment that combines BioArctic's BrainTransporter technology with an unspecified drug candidate in the Alzheimer's domain. In December 2024, a license agreement with Bristol Myers Squibb was signed covering BioArctic's PyroGlu antibody programs BAN1503 and BAN2803, of which the latter uses BioArctic's BrainTransporter technology.



What distinguishes BAT007 from other technologies is where it binds on the transferrin receptor. This unique binding leads to two positive effects: on the one hand, the key natural ligands for the transferrin receptor in the body are not disrupted; on the other, the antibodies that are linked with BAT007 are not visible to the immune system. The hope is that the unique design of BioArctic's BrainTransporter thus solves the problems that other technologies have, with potential anemia or undesirable immunological reactions.

Promising findings presented

At the PEGS conference in Europe in November 2024, BioArctic presented the research findings from advanced preclinical models. These findings show that the BrainTransporter technology yields up to 70 times greater exposure of amyloid beta antibodies in the brain, and that the antibodies are moreover distributed more rapidly and evenly throughout the brain. Nor were any initial signs of abnormal blood formation or impact on the formation of blood cells seen in the preclinical models.

Antibodies given improved properties

If the strong preclinical findings can be duplicated in clinical experiments, there will be great potential in the BrainTransporter technology since it facilitates the development of antibodies with entirely different properties than current treatments. The drastically increased concentration and even distribution of the antibody in the brain could result in both faster and stronger efficacy from an antibody drug. The antibodies could likely also be administered in significantly lower doses, which reduces the volume and opens up possibilities for more user-friendly administration methods. There is also reason to believe that the even distribution of the antibodies in the brain will lead to fewer serious side effects. For example, we know today that the areas that risk giving rise to ARIA-E from treatment with lecanemab lie close to the ventricles and the blood vessels, where lecanemab can accumulate via passive distribution into the brain. Active transport across the blood-brain barrier reduces this type of accumulation since a small but efficacious dose will reach the entire brain and exert its therapeutic effect there.

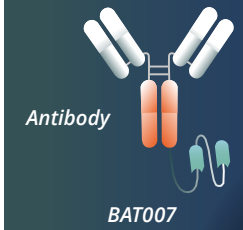
Active transport of drugs into the brain

The challenge

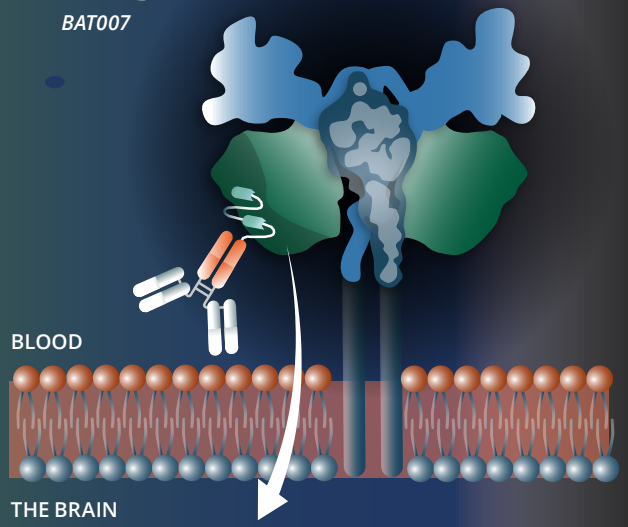
The blood-brain barrier is a 600-kilometer long network that provides energy to and protects the brain. At the same time, the barrier makes the transport of drugs to the brain more difficult. Transporting antibody drugs is especially challenging due to its size and complexity.

BioArctic's solution

The BrainTransporter technology links antibodies with the BAT007 molecule so that the antibodies are transported using the transferrin receptor, which normally transports iron across the blood-brain barrier.



BAT007 has a unique design that allows the antibody to bind to the transferrin receptor without becoming visible to the immune system and without disrupting the natural ligands to the transferrin receptor.

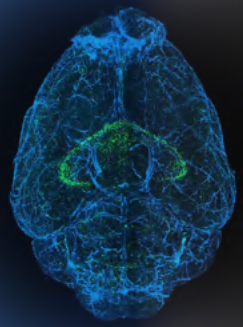


The unique binding has the potentil to reduce the problem that other technologies have with undesirable immunological reactions or potential anemia.

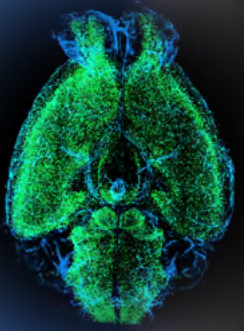
Findings

Preliminary research findings show that the technology yields up to 70 times greater exposure of amyloid beta antibodies in the brain, and the antibodies are moreover distributed more rapidly and evenly throughout the brain.

Images of mouse brains 72 hours after dosing. The antibodies are tinted green.



Antibody without BrainTransporter



Antibody with BrainTransporter

Research and strategy/BrainTransporter technology

Partners can utilize the potential in the BrainTransporter technology

Per-Ola Freskgård, Chief Scientific Officer at BioArctic, has led the development of the BrainTransporter technology. With the increase in possibilities for active transport of biological drugs into the brain, he is seeing a dramatic increase in interest from the industry.

In 2024, you started talking more openly about your BrainTransporter technology. How has interest been?

"It is clear that the entire pharma industry now understands the value of technologies that facilitate active transport across the blood-brain barrier to increase brain exposure. We researchers who have kept at this for a long time have always seen the potential, but it is only recently that BioArctic's platform and other companies' transporter technologies have advanced enough to be relevant for the development of clinical drugs. Now that people see that BioArctic, with our technology, seems to have solved several of the challenges that the field had previously been struggling with, naturally interest is increasing further. I am convinced that more pharma companies will increase their investments in the CNS domain as the development of these transporter technologies continue. Tremendous opportunities are now opening up, after all of the breakthroughs that have been made with biological drugs in other therapeutic areas, to revolutionize treatment of the diseases of the brain."

This technology is being used in some of your own projects but can also be licensed out. What would a partnership agreement of this type look like?

"That depends on what a potential partner needs. There may be companies that have an antibody that is extremely promising, but the dose needed to achieve sufficient clinical efficacy is far too high, or they see limited clinical efficacy. We can then, together with a partner, produce a candidate where we combine their antibody with our BrainTransporter technology to try to increase the efficacy and facilitate the continued development of a promising antibody. In that situation, a partner would need to license the right to use the technology together with the specific antibody in question. For us, that means we can have several parallel license agreements for the technology itself.

Naturally, we can also license out our own antibodies, strengthened with the BrainTransporter technology, since we are working with the technology in all of our therapy areas. The license agreement with Bristol Myers Squibb, which includes the BrainTransporter technology, is a clear validation of the potential."

What other areas could the technology be relevant for?

"There are several therapeutic areas in the brain where we ourselves are not active, but where there are promising antibodies. Oncology is one example. Biological drugs have proven to be extremely effective against certain tumors outside of the brain, but the treatment of brain tumors has not kept up with that development since it is difficult to transport antibodies into the brain in sufficient amounts. The same applies, for example, to certain inflammatory diseases.

Our own project for Gaucher disease also shows the potential of the BrainTransporter technology. People suffering from Gaucher lack a specific enzyme, and a neuropathic form of the disease develops when that deficiency emerges in the brain. This form cannot currently be treated since transporting the enzyme across the blood-brain barrier is impossible. But if we link the enzyme to the technology, the opportunity to develop a functional treatment suddenly opens up."

Per-Ola Freskgård, Chief Scientific Officer at BioArctic

Sustainability

BioArctic's foremost contribution to a global sustainable future is the development of drugs to prevent and treat diseases of the brain, with the goal of improving life for affected patients and their families.

Sustainability – a natural part of BioArctic

BioArctic's main opportunity for promoting a sustainable future is through innovation and development of safe and efficacious drugs for neurodegenerative diseases – areas with significant medical need that affect the brain. Sustainability is deeply integrated into daily activities in order to ensure a sustainable future for the patients and relatives we are helping, for our employees and our owners.

We conduct responsible research of the highest scientific quality, which requires BioArctic to be a responsible and attractive employer. The company's business model, which is built on partnerships, enables the value of our research to impact patients around the world. These principles are summarized in BioArctic under the definition of "sustainable innovation".

BioArctic also endeavors to integrate economic and environmental sustainability at all levels in its operations for the purpose of meeting the requirements in the forthcoming legislation in the field of sustainability. Routine development and application of procedures, quality-assurance systems and monitoring are natural in a regulated market. Through these initiatives, we reduce the negative effects of our operation and strengthen our commitments. Applying and following relevant legislation and regulations, together with the integration and BioArctic's strong commitments are summarized in the concept of "sustainable business".

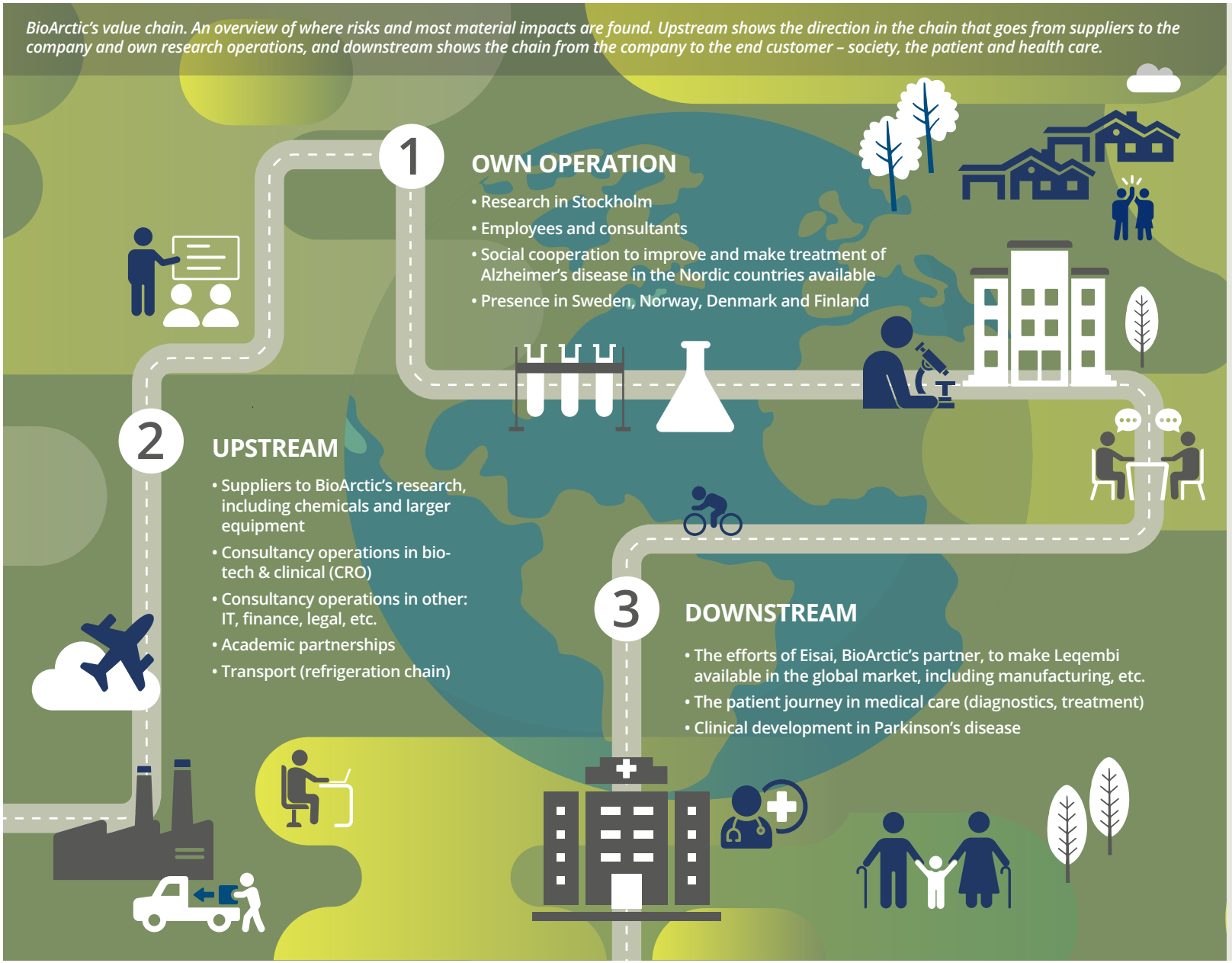
Double materiality assessment

BioArctic has conducted a double materiality assessment based on the European Sustainability Reporting Standards (ESRS), which is part of the new Corporate Sustainability Reporting Directive (CSRD). The assessment was conducted to safeguard and delimit reporting ahead of the CSRD, as well as to lay the foundation for the company's sustainability strategy.

The materiality assessment is based on internal dialogues with various functions in the company, as well as with external stakeholders. The results were presented to and approved by BioArctic's Group Management and Board of Directors. The implementation and significance of sustainability topics are described in more detail in our Sustainability Report on pages 118-142.

BioArctic is a relatively small company, as regards the number of employees and sales, which means that we are not covered by the upcoming legislation in the first stage. However, our business model gives us a significant impact on our surroundings. Our capacity for innovation provides us with a good opportunity to help patients with significant medical needs. At the same time, we are dependent on partnerships with players who have the capacity to conduct clinical studies and commercialize globally. Our business model is mainly built on out-licensing our research and relying on our partners to develop and produce the products. BioArctic subsequently can participate, together with our partners, in making the finished product available in the Nordic countries. BioArctic focuses on the company's strengths in the areas where we have the greatest possibility of creating value and re-invests into further research and new projects.

BioArctic's value chain. An overview of where risks and most material impacts are found. Upstream shows the direction in the chain that goes from suppliers to the company and own research operations, and downstream shows the chain from the company to the end customer – society, the patient and health care.



IMPACT RISKS

1) Own operation

- *Own employees' well-being & development*
- *Business ethics & Anti-corruption*
- *Political impact*

- *Energy consumption (premises)*
- *Chemicals management*
- *Waste*
- *Emissions, cars & business travel*

2) Upstream

- *Knowledge procurement and collaboration (primarily academic)*

- *Energy consumption and carbon emissions*
- *Use of materials*
- *Emissions in the producer stage*
- *Animal testing and biodiversity*

3) Downstream

- *Make new treatments available for areas with significant medical need*
- *Information and know-how on new treatments and their effects*

- *Risk of side effects*
- *Emissions during production*
- *Transportation, logistics, waste during treatment and in connection with care*

Greatest possibility of creating value

The materiality analysis shows that BioArctic has the greatest opportunity to create social and economic value through the company's work to develop and provide innovative, safe, effective medicines for diseases with high medical needs, for the benefit of consumer's (patient's) health.

Greatest risks

The materiality assessment shows that the company's greatest risks are linked to climate change, information-related consequences for consumers (health data), bioethics, responsible business practices and consumer safety (patient safety). Other risks that are not part of financial materiality, but which we monitor, are use of chemicals and waste management.

Sustainability goals and key figures

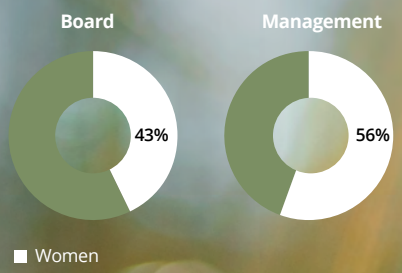
BioArctic had defined a number of sustainability key figures, which are presented in the Sustainability Report on pages 118-142. (page illustrated with selection of key figures according to the list below)

To ensure that we are pushing our operation in a direction that creates more value and reduces our negative impact, we have also established a number of sustainability targets. These are included as part of the long-term remuneration models for senior executives and employees. Our performance relative to these targets, and the measures we are taking to achieve them, are presented in the Sustainability Report.

	Links to strategic priorities:		
Sustainable innovation	>50% investments in Research & Development	2 projects in clinical development, 2030	2 projects in collaboration with partners, 2030
	Environment (E)	**Social (S)**	**Governance (G)**
Sustainable business	- Carbon neutral in own operations, 2025 *(Scope 1&2)* - Carbon neutral in the value chain, 2040 - Net zero 2045	- eNPS score over 50	- Code of Conduct – all employees must confirm the policy annually - Gender equal Board

Key idicators

Gender distribution in the Board and management

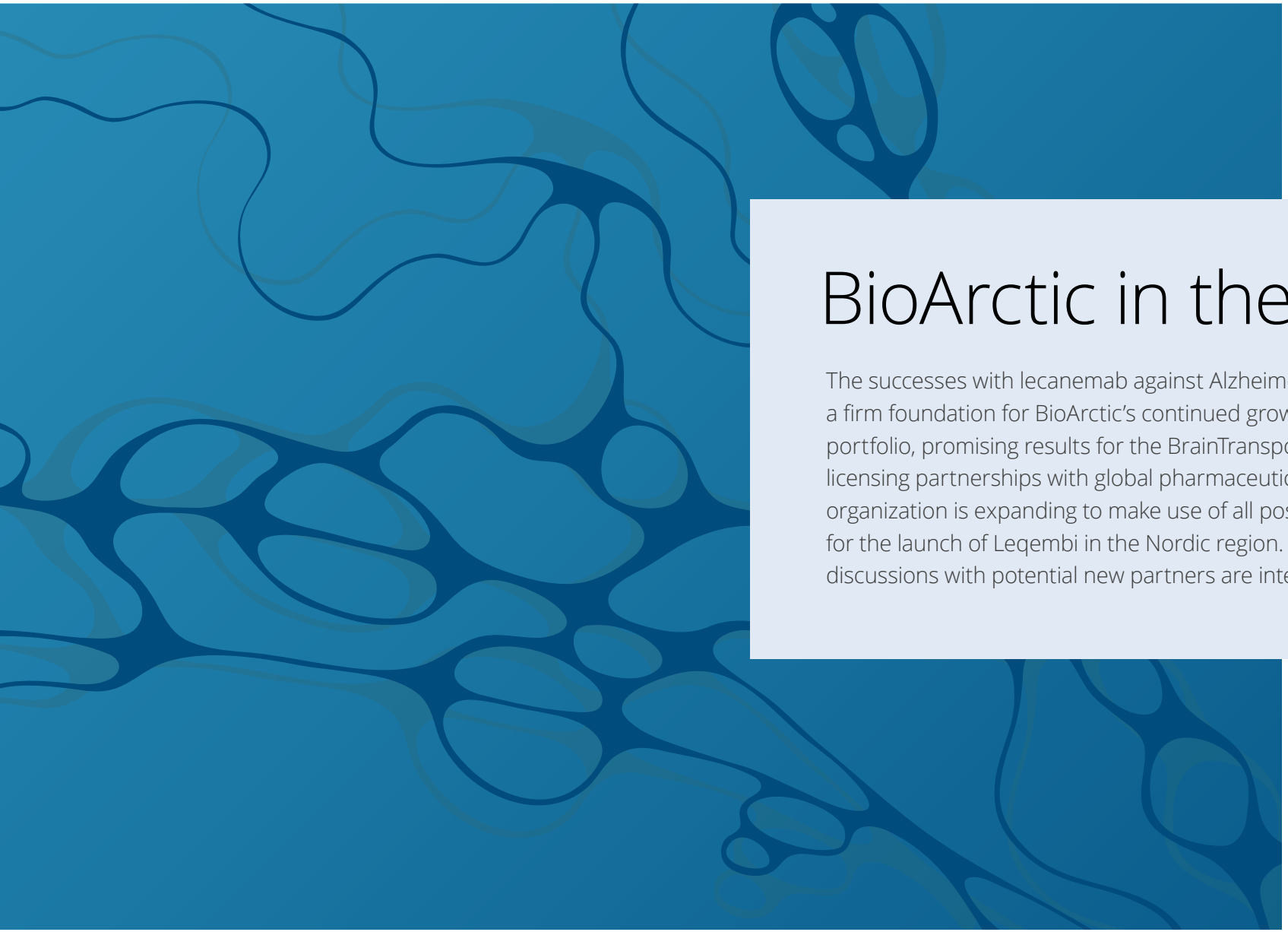


65
eNPS score

68%
invested in R&D in relation to total net sales

42
Number of approved markets for Leqembi

>15
Number of nationalities (employees)



BioArctic in the future

The successes with lecanemab against Alzheimer's disease comprise a firm foundation for BioArctic's continued growth. With a broad portfolio, promising results for the BrainTransporter technology, and licensing partnerships with global pharmaceutical companies, the organization is expanding to make use of all possibilities and prepare for the launch of Leqembi in the Nordic region. At the same time, discussions with potential new partners are intensifying.

Trust and transparency lead to continued value creation

Over the last three years, BioArctic has grown from 49 to 107 employees, expanded its operations into three new countries and begun generating recurring revenue – a major change for an organization that strives to retain the efficiency and creativity of a small company. That is why BioArctic's CEO Gunilla Osswald and CFO Anders Martin-Löf place great importance on growing with care, to ensure that the company continues to create value.

What lies behind the number of employees doubling over just three years?

"It is clear that we are an entirely different company now that we have an approved product in the market. On the one hand, we have recurring revenue, and on the other, we have switched focus to what happens next, beyond lecanemab. We now have the possibility of taking our projects further, and also financing clinical development in those cases where we believe that is the most optimal strategy. We are taking several steps toward becoming an integrated pharma company that, over time, can bring drugs all the way to the market," says Anders Martin-Löf.

"Essentially all parts of the company have grown. The research organization has grown with the advance of our pre-clinical projects, and the development of our BrainTransporter technology has accelerated. We have established a small but efficient organization for clinical development, which is focusing primarily on the ongoing Phase 2a study in Parkinson's disease. In parallel, we have built up a commercial organization to prepare for the launch of lecanemab in the Nordic region. In turn, all this also requires the expansion of all the support structures," says Gunilla Osswald.

What are the greatest challenges in growing the organization?

"It is important that we continue working as a unified company, even though the different parts of the organization have their own specific challenges in their daily activities. I am actually keen on preserving the advantages of a small company. I have led both large and small organizations, and I know from experience that there is tremendous power in a small company. That is why we place great importance on retaining that corporate culture even now, while we are growing," Gunilla Osswald says.

"We also have many employees who applied to BioArctic because they appreciate the advantages of a small company. They want to participate, and feel that they are making a difference. We have to preserve that feeling. For me, having joined the company relatively recently, I can say that much more time is being devoted here than in other companies to keeping all employees informed about what is happening and what considerations are continuosly being made," Anders Martin-Löf says.

How?

"The most important tool is the meetings where the entire company is involved. Here, we make a point of informing everyone about what is happening in the various parts of the organization, and we often have something to celebrate. It is important to highlight all the progress we make, and that everyone feels they are part of these successes. Even if you have not actively worked on a certain project, perhaps you have shared resources or supported it in other ways. We always focus on everyone's contribution to the whole," says Gunilla Osswald.

"As CFO, it is easy to think that these meetings are costly – there are a lot of working hours that add up. But I am convinced that it is time well spent. Everyone in the company knows what is going on and what strategic considerations are being made. This means that every employee has significantly better conditions for making the right decision in the adjustments they confront on a daily basis. Because we are always as transparent as we can be and rely on our employees' capacity to make the right decisions, it creates a stronger sense of responsibility and problems can be solved as soon as they arise. But you always have to actively engage with both parts – you cannot be transparent if you do not trust employees to handle it and trust cannot be built if you think that other people know things you yourself do not know," Anders Martin-Löf says.

What do you do to bring new employees quickly into the corporate culture?

"Most of those who start working here stay a really long time, which means we have many strong ambassadors for our values. I meet with all new employees and talk about our focus on self-leadership and our core values. At BioArctic, we are here to develop new, better drugs for patients, and it is a matter of ensuring that everyone focuses on that. You have to want to work this way to function and flourish here. This is tremendously stimulating for most of us, and the researchers who come from academia particularly appreciate the openness and generosity they find here," Gunilla Osswald says.

How do you ensure that you do not sacrifice quality as you grow?

"We work in a strictly regulated industry, so naturally there are quality assurance systems in the organization. The challenge is ensuring that the control systems we already have are relevant, and that new ones are not just being added. The bigger you become, the easier it is to put off revising or deleting an instruction simply because it is hard work. We are always actively engaged in changing the quality systems if this is required to streamline our work – naturally without jeopardizing quality," Anders Martin-Löf says.

In recent years, you have gradually expanded your sustainability efforts. How is that perceived in the organization?

"Our most important contributions to a sustainable society have always been our innovations and ability to develop new drugs based on medical needs. The big change is that we have now begun to more clearly highlight and document our sustainability initiatives. These efforts in and of themselves have made us increasingly aware of the choices we make, and our employees come up with ideas on how we can do different things more sustainably," Gunilla Osswald says.

What is most important for BioArctic to continue delivering?

"We will continue to safeguard the science and our open and transparent approach, even when we become a larger company. We are deeply appreciated, both as a partner and as a workplace, and I see this as a sign that our corporate culture is robust and will continue to generate new ideas," says Gunilla Osswald.

"Moreover, we now have the financial muscle to make use of our ideas. In combination with our deep-rooted cost awareness, this creates the best conditions for continued value development. The sense of security at BioArctic is unique. This company has always grown gradually and never been forced into any abrupt changes. Step by step, the major Swedish pharma company that the founders once envisioned is being built," Anders Martin-Löf concludes.

With a focus on the next partnership

In December 2024, a new license agreement was signed with Bristol Myers Squibb, with a contract value of USD 1.35 billion plus additional royalties. BioArctic is continuing intensive dialogues with potential partners, focusing on its BrainTransporter technology and exidavnemab, says Petter Wereen, Senior Director Business Development.

Petter Wereen, Senior Director Business Development at BioArctic

How is BioArctic's market position?

"It is tremendously strong. BioArctic has received very positive attention in recent years around lecanemab, since it is the first groundbreaking treatment in Alzheimer's disease that is also disease-modifying. The license agreement with Bristol Myers Squibb that was signed for two of BioArctic's projects – one of them with our BrainTransporter technology – has also garnered a great deal of attention in the industry."

Which areas are you prioritizing now as you search for new partners?

"We have a broad portfolio with many projects. Depending on the project and indication, the right time to enter into a partnership could differ. But these are most often lengthy processes, and we build relationships with potential partners well beforehand. Business development can be more likened to a marathon than a sprint. The license agreement with Bristol Myers Squibb that we signed in December 2024 was the result of a long period of relationship-building that later intensified when we could show convincing data. Apart from our Alzheimer's projects, we are continuing to highlight exidavnemab for synucleinopathies – for example, Parkinson's disease – and the BrainTransporter technology, which we launched in the autumn of 2024 and which continues to generate significant interest in several therapeutic areas."

How do you choose which companies to have discussions with?

"We have an explicit business development strategy and a desired profile for new partners. We want a global partner with in-depth internal know-how and experience in neuroscience who genuinely prioritizes these fields of therapy and has a great deal of resources to devote to the development projects. The really big and difficult diseases require tremendously extensive clinical programs, and significant financial muscle is needed – but also that the companies prioritize devoting the resources to this field."

What type of partnerships do you want to see with the next partner?

"That depends on the project and on what type of partnership this potential partner wants. With Eisai, we first had a research collaboration that then transitioned into a license agreement, and we could imagine this type of partnership again. We have much to contribute to development because of the competence and experience that has been built up at BioArctic for many years. But some Big Pharma companies, like our latest partner Bristol Myers Squibb, want to buy a project, take full control and pursue the project entirely on their own – and we are not opposed to that, for the right partner and the right price."

You often participate in partnering conferences around the world. What trends are you seeing?

"One clear trend is that neuroscience is back at Big Pharma. It was a bit like a graveyard after many pharma companies invested a lot of money without success. Now most of the major companies have neurology as a field of therapy they are actively engaged in – both internally, and also by building their portfolios through taking in external projects."

"There is also interest around the BrainTransporter technology and similar platforms. Many major companies want to be there, not only in our traditional diseases but also for broader applications such as oncology. There are many efficacious cancer treatments that cannot get at cerebral metastases since the compound cannot pass the blood-brain barrier. If a technology like this one is added, the possibilities of achieving improved treatment results increase. So there are many stakeholders out scouting around and surveying the field, since they see the need and potential for a technology like this one – developed either in-house or through partnerships."

BioArctic is ready for launch in the Nordic region

BioArctic has gradually built up a strong organization with a presence in all the Nordic countries, and is now following the approval in the EU ready for the next phase of the introduction of Leqembi. The market introduction will take place in partnership with Eisai through joint commercialization in Sweden, Finland, Denmark, Norway and Iceland, says Anna-Kaija Grönblad, Head of Commercial Operations.

Anna-Kaija Grönblad, Head of Commercial Operations, BioArctic

What have you learned from previous launches of Leqembi that you can benefit from here in the Nordics?

"Naturally, we follow launches around the world very carefully, especially in the US and Japanese markets, as well as launches in the private market in China. Further, we study the data around clinical experiences that has been presented by leading clinics in the US and Japan at scientific congresses, for example, about how the infrastructure in health care is developing and what logistics need to be in place for the introduction to work. We also follow reports on safety data from the countries that have launched the treatment and note that they are in line with what we previously seen in clinical studies – no further safety signals have turned up, which is satisfactory."

"The challenges in different countries vary. In the US, to begin with it was mostly issues relating to reimbursement and coverage among insurance companies, as well as whether patients had access to PET scans. Today, the challenges are more about increasing infusion capacity since the patient needs to go to the hospital twice a month to get the infusion. The introduction went extremely well in Japan and China. All countries have different infrastructures for these patients and the subsidy issue was easier in Japan. Additionally, treatments are provided centrally at specific hospitals, which has made matters easier. Naturally, we try to pass these lessons on to health care in the Nordic region, but here as well the challenges can differ so it becomes an issue of being close to hospitals in order to understand their specific situation."

How has Alzheimer's care developed since the FDA approved Leqembi?

"For a few years now, we have noted that the disease and research have come more into focus. In the autumn, many leading specialists and patient representatives in Europe got involved to get the CHMP to re-examine its initial negative opinion on Leqembi. Many physicians and patients felt that they should not be excluded from the possibility of offering treatment to the right patient. With that said, there is a great deal left to do, both as regards necessary resources for the care of these patients and also as regards the way in which they are cared for – for example, everyone should have the right to meet a specialist for assessment and treatment. The introduction of blood biomarkers is also impending, and new processes need to be incorporated into health care. In Sweden, the National Board of Health and Welfare has updated its National Dementia Strategy, and it is hoped this will become a good tool for continued prioritization and resource allocation. Denmark is working on a major health reform and is allocating resources to shorten the waiting times for dementia examinations. Seeing cognitive illnesses, primarily Alzheimer's disease, being discussed more in politics and medical care is extremely positive."

When will Leqembi come out in the European market?

"When EU approval is in place, the market access procedure – which involves health economics analysis and price negotiations – will be initiated, and after that the hope is that Leqembi will be available in most markets in 2026. All European countries have their own process, with Germany and Austria usually being the first countries to launch. There is also a possibility that private caregivers in individual countries could offer treatment to patients who want to pay for it themselves, which is now happening in England. In Sweden the Dental and Pharmaceutical Benefits Agency carried out its health economic assessment, and has thereafter given the New Therapy (NT) Council – appointed by the Swedish Association of Local Authorities and Regions (SARAL) – the task to negotiate pricing. The procedure is similar in the other Nordic countries.

A strong, broad patent portfolio protects BioArctic's scientific successes

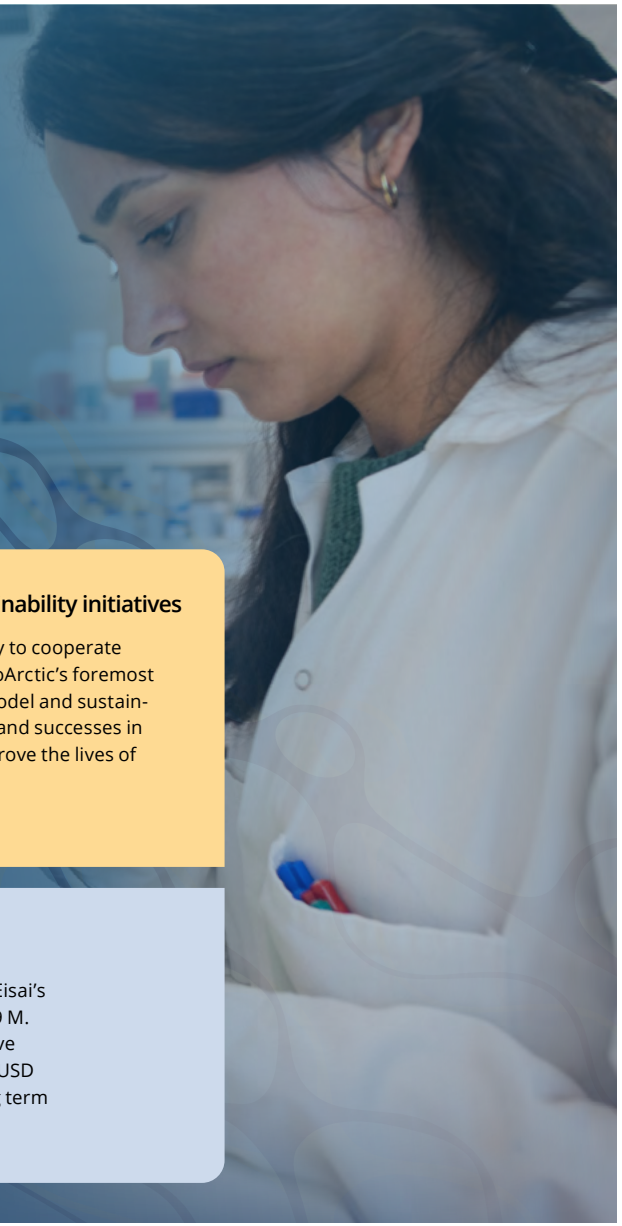
BioArctic pursues an active patent strategy that is intended to create broad intellectual property protection for use and production of the company's drugs and drug candidates in all major geographical markets including the US, the EU, Japan and China. As of December 31, 2024, the patent portfolio encompasses 21 patent families with just over 220 patents granted and over 80 patent applications pending. The patent protection for lecanemab, BioArctic's antibody drug for the treatment of early Alzheimer's disease, extends through 2032, including patent term extensions in territories where applicable. Moreover, there is the possibility of maintaining data exclusivity for lecanemab in the US for 12 years, counting from the date the drug was approved in the US (meaning through 2035) and for 10 to 11 years after approval in Europe. The drug candidate exidavnemab, which is being developed for the treatment of Parkinson's disease and other synucleinopathies, is under patent protection until 2046, including patent term extensions in territories where applicable. Alongside the patent protection for exidavnemab, there is a possibility for data exclusivity for 12 years in the US and 10 to 11 years in Europe. BioArctic has also a number of ongoing patent applications for BrainTransporter, a technology developed in-house with the potential to facilitate transport of drug compounds across the blood-brain barrier. The company's most important patent families as per 2024 are shown in the table below.

Patent family	Area	Status and market	Protection until
AD II	Alzheimer's disease – concept	Granted: US, Canada, Australia	June 2025
AD III	Alzheimer's disease – compound 1 Specific protection for lecanemab	Granted: US, Canada, Europe, Japan, China as well as other countries	March 2027/2032[1)]
AD IV	Alzheimer's disease – compound 2 Specific protection for lecanemab back-up	Granted: US, Europe, Japan, China as well as other countries	July 2035/2040[1)]
PD V	Parkinson's disease – concept	Granted: US, Japan	July 2029
PD VII	Parkinson's disease – compound Specific protection for exidavnemab	Granted: US, Europe, Japan, China, Australia as well as other countries	March 2031/2036[1)]
PD XXV	Specific protection for exidavnemab	Granted: US, Japan, China as well as other countries Pending: Europe as well as other countries	June 2041/2046[1)]
BT III	BrainTransporter technology	Pending: PCT application	March 2044
BT IV	BrainTransporter technology	Pending: PCT application	March 2044

1) Assuming a five-year patent extension is granted where available.

Continued value creation

BioArctic's disease-modifying antibody drug Leqembi (lecanemab) has now been granted regulatory approval in large parts of the world, which gives new hope to individuals with Alzheimer's disease and their families. At the same time, the company is continuing to break new ground. With a broad and well-diversified portfolio of new, unique drug candidates, there are good possibilities for improving life for large patient populations that today have a significant need for improved treatments against a range of neurodegenerative diseases. BioArctic's journey of creating patient benefits, social benefits and shareholder value has only just begun.



Groundbreaking research and a unique technology platform

With the company's extensive knowledge of misfolded proteins and a unique technology platform for improved uptake of drugs in the brain – BrainTransporter – the conditions for continued success in the development of new treatments that can give millions of patients and their families a better life are very good. BioArctic's project portfolio includes antibodies against Alzheimer's disease, Parkinson's disease and ALS.

Distinct core values and responsible sustainability initiatives

Employee competence, commitment and capacity to cooperate with both colleagues and outside partners are BioArctic's foremost assets. The company's clear values, leadership model and sustainability initiatives enable scientific breakthroughs and successes in the development of new treatments that can improve the lives of patients with neurodegenerative diseases.

Strong financial position and increasing income generation

BioArctic's successful partnership with Eisai and the launch of Leqembi have resulted in a very good financial position. BioArctic's royalties from Eisai's global sales of Leqembi totaled SEK 230.4 M in 2024 while the company's cash balances and current investments at year-end added up to SEK 779 M. A new license agreement signed in December 2024 with Bristol Myers Squibb regarding an exclusive global license for BAN1503 and BAN2803 gave BioArctic an initial payment during the first quarter of 2025 of USD 100 M. The total contract value of the agreement with Bristol Myers Squibb is USD 1.35 billion plus royalties. This creates a high degree of flexibility and will ensure well resourced existing and new drug projects, and over the long term enables future dividends for the company's shareholders.

Risks and risk management

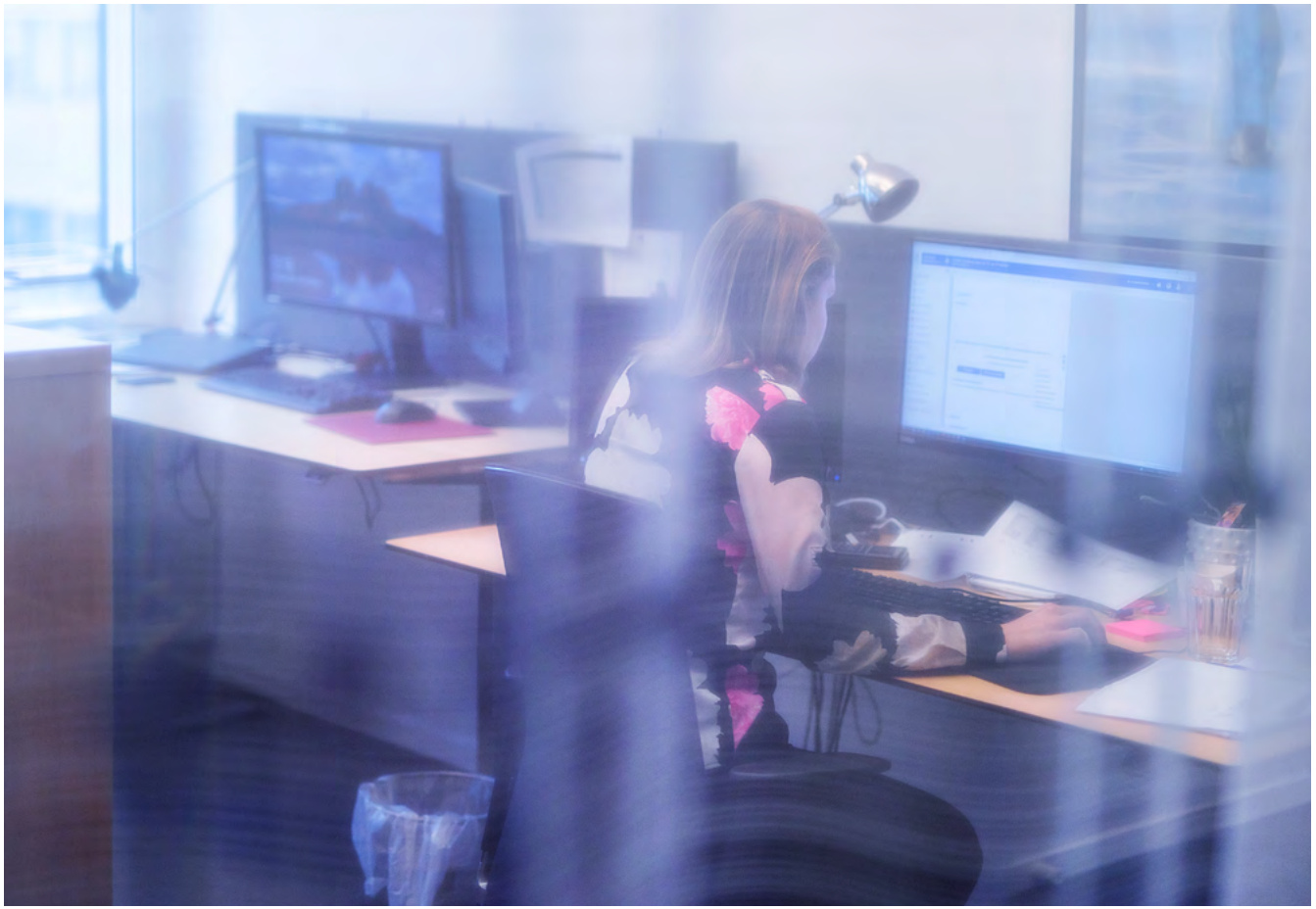
Risk exposure and risk management are a natural part of business operations. Risks are something that could impact BioArctic's operations negatively, but managed correctly could also add value to the company. The focus is on identifying and preventing risks, as well as preparing action plans that facilitate limiting any damage if an undesirable event should occur.

RISKS

One condition for a company's successful operation and development is a clear, well-supported strategy that is continually monitored and evaluated. Moreover, a company's ability to achieve established goals is impacted by the routine efforts to identify and prevent risks. A risk is defined as the greater or lesser probability of the occurrence of a harmful event that could impact the company's ability to reach its established goals. Risks are a natural part of all business operations, and they must be handled effectively by the organization. Company management conducts a risk assessment in which risks that could impact the company's possibility of achieving its goals are identified and evaluated. The company's risk management also includes an assessment of BioArctic's environment, social and governance (ESG) sustainability risks.

RISK MANAGEMENT

Risk management is intended to prepare for, prevent and limit the effects of events that could negatively impact operations. BioArctic's management has identified possible events and scenarios that could negatively impact the company's operations, from both an internal and external perspective. These events are evaluated and compiled into a net list of the risks deemed to be the most relevant. For each risk, measures intended to counter, limit, control and manage the risk are identified. The risk owners are the members of management who routinely work on identifying, managing and preventing risks, both over the long term and in their daily operations. The risks are managed and assessed annually in the management group,



and thereafter in the Audit Committee, which prepares the risk management plan for the Board. In 2024, BioArctic conducted a double materiality assessment for the purpose of identifying external sustainability factors that could result in a negative financial risk or an opportunity for BioArctic, as well as their impact in the value chain. The assessment process was reviewed by an auditor, and the findings from the assessment will comprise the foundation for delimitation of future reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). The findings from the double materiality assessment are presented on page 122.

Control and follow-up

BioArctic conducts routine evaluations of its operations, and reviews and updates the company's instructions and work processes. The outcome of the controls are reported, and form a part of the routine risk management process.

Insurance

BioArctic has insurance protection that is revised annually. The property insurance covers research equipment and cooling facilities, and operations. In addition there is liability insurance for companies, Board members and the Chief Executive Officer.

Crisis management

BioArctic has well-documented crisis management plans with the objective of minimizing negative impact in situations not covered by normal procedural descriptions.

OPERATIONAL AND STRATEGIC RISKS

(A) Negative outcome in the project portfolio

Research and development of drugs is associated with a high level of risk, in the sense that major financial resources are invested in a project that perhaps will never lead to a approved and marketed drug. A large portion of the total number of research projects being conducted in the field are discontinued during the process, since the drug candidates either do not demonstrate the intended effect, turn out to have unacceptable side effects or are deemed to be commercially unprofitable. BioArctic works continually on planning and preparing ahead of various scenarios and possible outcomes. BioArctic spreads its risks by searching to have a well-differentiated project portfolio with projects in various phases of development.

(A 1) Overall portfolio strategy

BioArctic operates in a complex area of research: disorders of the central nervous system. The company's success is affected by strategic decisions regarding future project priorities, positioning and market strategy. The possibility of, and strategy for, out licensing and partnerships with external partners impact the portfolio strategy.

(A2) Outlicensed projects conducted by partners

BioArctic's business model is largely based on out licensing research projects, which creates a position of dependence in relation to an individual partner and its capacity for driving the project forward. Also a partner's choice of development and priorities over time together with commercialization strategies could impact BioArctic. The choice of partner and forms of partnership are therefore of great significance.

In Alzheimer's disease, BioArctic signed research and license agreements with Eisai, which is the party covering the expenses of the clinical studies. This has reduced BioArctic's financial risk exposure substantially. Furthermore, in late 2024 BioArctic signed a global exclusive license agreement with Bristol Myers Squibb for BioArctic's antibody program targeted at a truncated form of amyloid beta (pyroglutamate, or PyroGlu-Aβ). The agreements mean that BioArctic's sustainability risk in these projects needs to be evaluated by a third party. To generate insight into the partner's sustainability initiatives, follow-up occurs yearly or more frequently. The studies that have come furthest in BioArctic's research portfolio are the projects with lecanemab in Alzheimer's disease. Lecanemab has received drug approval in several countries around the world. Another Phase 3 study is also in progress: AHEAD 3-45, with lecanemab for individuals with pre-symptomatic Alzheimer's disease. A significant portion of the value in BioArctic is linked to lecanemab, the ongoing applications for the drug's approval in the world, and the outcome of the ongoing studies with lecanemab. Lecanemab's approval in large parts of the world has resulted in a substantial reduction of risk in the licensed project portfolio.

(A 3) Projects conducted in-house and under own development

BioArctic has a broad research portfolio in the field of CNS. The company conducts in-house research on disorders of the central nervous system, and is developing a technology, called BrainTransporter, for transporting drugs across the blood-brain barrier. The exidavnemab project in Parkinson's disease has shown positive results in the Phase 1 study, and BioArctic has initiated an in-house Phase 2a study with exidavnemab in individuals with Parkinson's disease. The drug projects being conducted in-house, except for exidavnemab, are in earlier phases and smaller in scope with a lower exposure to financial risk.

(B) Impact of outcomes among competitors

BioArctic operates in areas of research with significant medical need and large patient populations. For the company, assessing the risks that exist in the respective research areas and routinely monitoring and evaluating changes in the respective markets is of great importance. Competition can also have a positive impact on the market, especially when healthcare and medical care lack procedures for implementing new treatments and methods. A number of actors with similar interests can contribute to the establishment of new treatment methods. BioArctic routinely works on monitoring competitors and developments in the industry in BioArctic's niche areas. The company generates its own data to show differentiation from competing product candidates, primarily by pointing out differences and more favorable efficacy and/or better side effect profiles. A clear communication strategy with various scenarios based on the outcome of competitors' studies is routinely produced to reduce the risk of a negative impact on the brand and the valuation of the company.

(C) External events outside the company's control

An uncontrollable event is something that impacts the business environment in general that BioArctic could have difficulties protecting itself against. Examples of external events that could have significant global impact – and thus impact on BioArctic's operations – are pandemics, war, natural catastrophes and widespread terrorism.

(D) IT and information security risks, and cyber intrusion

Hacking into the company's IT enviroment could lead to unauthorized access to critical data and/or loss of sensitive data, which could have as a consequence company secrets and/or personal and patient data being made available to unauthorized persons.

The risks are routinely managed through reviews of IT security, clear rules and routines for how information is shared, perimeter security, controls, stress tests and training. To strengthen the protection of personal data, a Data Protection Officer (DPO) has been contracted and an annual company-wide GDPR training course has been introduced for all employees.

(E) Longer outages in operation-critical systems

An outage in operation-critical systems could result in disruptions to operating activities and impact routine reporting. To manage the risk of outages, routine checks are conducted and stringent requirements are imposed for redundancy.

Clear contingency plans and supplementary security storage through offsite server rooms have been implemented.

(F) Partner-related risks

A part of BioArctic's operations and business model is entering into licensing and collaboration agreements with pharma and biopharma companies to develop and sell potential products. As part of this strategy, manufacturing and performance of clinical studies are outsourced to third parties such as contract manufacturing organizations (CMOs) and contract research organizations (CROs) respectively. BioArctic is highly dependent on partners who are significantly larger than BioArctic, and there is a risk that agreements that have been signed could be canceled. Differences of opinion and conflicts could also arise among BioArctic and the company's partners or licensees as regards the conditions of signed agreements such as the interpretation of clinical data, right to milestone payments and other financial remuneration as well as ownership rights of patents and similar rights that were developed as part of these partnerships. This is why BioArctic places great importance on the contract documentation. The business model has been deemed suitable for the phase in which the company finds itself, since it decreases the need for large-scale financial investments with lock-in effects. Extensive efforts are always made in selecting a partner, with an emphasis on science, quality, ability to collaborate, ethics and simplicity in performance. BioArctic's principle is to choose quality over cost, which has led to all the CMOs and CROs being located in Europe and the US. The business model means that BioArctic's sustainability risks must be assessed from a third-party perspective, and a supplier monitoring program is being carried out for the purpose of controlling and monitoring sustainability risks.

(G) Patents, intangible assets and government decisions

BioArctic's success depends largely on the company's ability to receive and maintain protection of the intangible assets attributable to its products. The conditions for patented discoveries in the field of drugs and biotech are generally difficult to assess and encompass complex legal and scientific issues. There is no guarantee that BioArctic can receive and maintain patents for its products or its technologies. Even if a patent is issued, it can be subject to appeal, declared invalid or circumvented, which could limit BioArctic's ability to prevent competitors from marketing similar products and reducing the period during which BioArctic has patent protection for its products or technologies. BioArctic and its partners are impacted by decisions from government agencies such as in relation to the permits necessary to conduct clinical studies and to commercialize drugs as well as changes to regulations that could take place in areas such as pricing, discounting drugs, and changes in circumstances for drug prescriptions.

(H) Product liability and insurance

BioArctic's operations result in product liability, which is unavoidable in conjunction with research and development, preclinical studies, clinical studies, production, marketing, and sales of drugs. Product responsibility is largely regulated by BioArctic's systematic quality-assurance efforts as well as good practice (GxP) regulations for pharmaceuticals. Even if BioArctic deems existing insurance protection to be sufficient, the scope and amount of compensation under the insurance protection is limited. There is therefore no guarantee that BioArctic will be fully compensated for any damage under its existing insurance protection. Nor can it be guaranteed what impact the requirements of product liability or other requirements will have on BioArctic's operations, brand and financial position.

(I) Employee risks

BioArctic is dependent to a great extent on key persons to facilitate high-quality research and drug development and to build an attractive future project portfolio.

The ability to recruit and retain qualified employees is of extreme importance to ensure the level of competence in the company. BioArctic therefore has focus on leadership, collaboration policies, and core values as well as diversity and inclusion, and strives to offer an attractive and sustainable workplace where good health and a proper work environment are fundamental. The company's goal is to offer competitive remuneration and other conditions in order to attract and retain competence. BioArctic routinely invests in training and skill reinforcement of existing personnel to meet future needs. For example, there was a significant investment in the field of AI during the year.

(J) Climate and environmental risks

Climate change is accelerating new legislation, which risks pushing costs outside the company's control – for example, increased energy costs, transportation costs, carbon tax and increased reporting requirements. BioArctic strives to identify environmental risks in its operations and value chain in areas that are considered material or of great importance. BioArctic aim to be a responsible business partner and employer that complies with environmental legislation, applies precautionary principles and works actively with sustainability topics. An analysis of climate risks as part of the Task Force on Climate-related Financial Disclosures (TFCD) is in progress. Environmental risks pertaining to handling of chemicals and biological material, as well as hazardous waste, are continually assessed. The operations are conducted in compliance with the permits issued to BioArctic by the government agencies concerned. The company's sustainability policy describes how the operations are to be carried out in order to reduce environmental impact.

(K) Internal and external regulatory risks

For BioArctic, compliance with applicable laws and other regulations is of great importance, as is conducting operations that are compatible with sound business ethics. Violations or neglect concerning issues in these areas could damage the company's reputation and result in both sanctions and fines. For preventive purposes, BioArctic has prepared and implemented a number of policies that have been integrated into operations. Additionally, a procedure for internal controls together with a quality assurance organization that works for clear procedures and documentation has also been established to ensure compliance with operation-specific regulations. For BioArctic, ethical and moral positions are central to its daily operations. The company's actions as regards to ethics, morals, security, and integrity are crucial to shaping its corporate culture, thereby impacting how the company conducts its operations. The company's Code of Conduct has been further developed, with associated training that is mandatory for all employees.

(L) Risk of corruption

Companies operating in biotech and pharmaceutical interact heavily with individuals from government agencies and public servants, which means a significant risk of corruption. In conjunction with the upcoming commercialization of the company's products, the risk for corruption and market manipulation will increase. The anti-corruption policy has been reworked to clarify the company's zero-tolerance attitude toward bribe and corruption, and to create internal understanding of situations and occasions where the risk of being exposed to corruption is deemed to be greater. Employees are trained annually on issues concerning anti-corruption, with in-depth training for particularly vulnerable individuals.

(M) Risk of errors in financial reporting

BioArctic routinely updates its risk analysis to ensure correct financial reporting. Management and the Board of Directors make decisions annually on which risks are essential to monitor in order to ensure proper internal control in financial reporting. A more detailed description of BioArctic's efforts at internal control can be found in the Corporate Governance Report on pages 111-112.

Risks and risk management

RISK	DESCRIPTION OF RISK	MANAGEMENT
A	Negative outcome in the project portfolio divided into:	
A 1	Overall portfolio strategy*	The risk is managed using a well-differentiated and well-balanced project portfolio focused on central nervous system disorders. The company routinely evaluates various business opportunities to strengthen the potential of its project portfolio.
A 2	Outlicensed projects conducted by partners*	Broad data collection, continual review of the projects and routine contact with external partners.
A 3	Projects conducted in-house and under own development*	Broad data collection, continual review of the projects. Scenario analyses and routine evaluation in pace with the progress of the projects.
B	Impact of outcomes among competitors	Business intelligence. Generation of own data to demonstrate differentiation from competitors. Market analysis. Communication management.
C	External events outside the company's control*	Business intelligence, crisis plans, a clearly defined crisis organization and crisis management exercises as well as clear communication, both internally and externally.
D	IT and information security risks, and risks of cyber intrusion*	Preventive work and controls. High level of awareness concerning security issues.
E	Longer outages in operation-critical systems	Routine checks, high level as regards redundancy. Contingency plans and safety stockpiling.
F	Partner-related risks*	Clear documentation of agreements and close dialogue. Routine evaluation and monitoring.
G	Patents, intangible assets and government decisions	Well-documented patent strategy, internal competence and committed patent counsel. Routine monitoring of developments in the intellectual property field.

RISK	DESCRIPTION OF RISK	MANAGEMENT
H	Product liability and insurance*	Routine reviews of the company's insurance protection and systematic quality-assurance efforts to ensure that the company complies with existing regulations and documentation requirements as regards product liability.
I	Employee risks*	Actively engaged in leadership and maintaining a positive corporate culture. Succession plans prepared and critical roles/functions identified. The company strives to remain an attractive employer and to maintain a safe work environment. BioArctic routinely invests in continuing education and skill reinforcement of existing personnel to meet future needs, for example, in the field of AI.
J	Climate and environmental risks*	The company works to identify environmental risks in its operations and value chain in areas that are considered material or of great importance. The precautionary principle is applied in managing all environmental risks, and circular thinking in utilizing resources is desirable.
K	Internal and external regulatory risks*	BioArctic has a structure for internal control, with checks being conducted by employees who do not work with the procedure being reviewed.
L	Risk of corruption*	BioArctic has policy documents and internal training courses on bribery and anti-corruption that are mandatory for all employees. The company applies the EFPIA Disclosure Code and discloses public transfers of value to health care personnel and health and medical care organizations. The company has a Code of Conduct that is accepted and signed by all employees.
M	Risk of errors in financial reporting	Checks have been implemented to ensure correct reporting. Routine checks of identified areas, and monitoring.

*Risks that are encompassed by BioArctic's sustainability initiatives.

Board of Directors' report

Board of Directors' report

The Board of Directors and the Chief Executive Officer of BioArctic AB (publ), corporate registration number 556601-2679, hereby submit the Annual Report and consolidated financial statements for the 2024 financial year.

OPERATIONS AND STRATEGY

BioArctic AB (publ), based in Stockholm, Sweden, is as of December 31, 2024 the Parent Company in the BioArctic Group, which includes the wholly owned subsidiaries BioArctic Denmark ApS, BioArctic Norway A/S and BioArctic Finland Oy. The company was founded in 2003 based on research from Uppsala University, Sweden, and Karolinska Institutet, Sweden.

BioArctic AB (publ) is a Swedish research-based biopharma company focusing on innovative treatments that can delay or stop the progression of neurodegenerative diseases. The company is the originator of Leqembi (lecanemab) – the world's first drug proven to slow the progression of the disease and reduce cognitive impairment in early Alzheimer's disease. Leqembi was developed in collaboration with BioArctic's partner Eisai, who is responsible for commercialization and regulatory procedures globally. In addition to Leqembi, BioArctic has a broad research portfolio with antibodies against Parkinson's disease and ALS, as well as additional projects against Alzheimer's disease with Bristol Myers Squibb. Several of the projects utilize the company's proprietary BrainTransporter technology, which improves the transport of drugs into the brain. BioArctic's Class B share (BIOA B) is listed on Nasdaq Stockholm Large Cap.

BioArctic's mission is to create drugs through research that improve the lives of patients with serious diseases, and to become an world leading, innovative biopharma company in neurodegenerative diseases. Our work is based on groundbreaking scientific discoveries, and the company's researchers collaborate with strategic partners such as research groups at universities, contracting organizations and global pharma

companies. The company has scientific excellence and extensive experience in developing drugs from idea to market. Under BioArctic's business model, the company pursues research and project development at an early stage in-house and then, at an appropriate juncture, licenses commercial rights and late stage development to global pharma companies.

Alzheimer's disease

In the field of treatments for Alzheimer's disease, BioArctic has been collaborating since 2005 with Eisai, who has signed a research and collaboration agreement and a license agreement regarding the antibodies lecanemab and lecanemab backup, as well as a co-promotion agreement regarding lecanemab. Eisai conducts and essentially funds the clinical trials, which means BioArctic incurs no costs for them and thereby has a lower financial risk. In 2023, Eisai received full approval for lecanemab in the US and Japan. Since then, the drug has also been approved in China, the UK, the EU and a large number of other markets. Applications for market approval have been submitted in many other countries. Furthermore, a subcutaneous formulation of lecanemab has been developed as an alternative to the initial intravenous administration. The application for the subcutaneous maintenance treatment is pending approval from the FDA in the third quarter of 2025. Approval for induction treatment with subcutaneous dosing is expected in the first half of 2026. Eisai is also conducting a Phase 3 study (AHEAD 3-45) for persons who have not yet developed symptoms of Alzheimer's disease but have elevated amyloid levels in the brain.

During the year, BioArctic and Eisai signed a research agreement to evaluate BAN2802, a potential new treatment that combines BioArctic's BrainTransporter technology with a drug candidate against Alzheimer's disease.

In addition to the projects being carried out under the partnership with Eisai, BioArctic has additional antibody projects against Alzheimer's disease in its project portfolio. At the end of 2024, BioArctics signed an out-licensing agreement with Bristol Myers Squibb regarding the antibody projects BAN1503 and BAN2803. The BAN2803 project is combined with the company's BrainTransporter technology.

Parkinson's disease

BioArctic's antibodies for misfolded alpha-synuclein aggregates have the potential to be efficacious disease-modifying treatments for synucleinopathies. The objective of the project portfolio is to develop disease-modifying treatments for synucleopathies such as Parkinson's disease, Lewy body dementia and multiple system atrophy. BioArctic is pursuing the Parkinson's disease projects in-house. One of the projects in BioArctic's research into Parkinson's disease is linked with BioArctic's BrainTransporter technology. An in-house Phase 2 study with exidavnemab for individuals with Parkinson's disease commenced in the fourth quarter of 2024.

Amyotrophic lateral sclerosis (ALS)

The ALS projects are oriented on developing antibody drugs against TDP-43, a protein that is believed to play a key role in the development of this neurodegenerative disease. One of the projects in BioArctic's research into ALS is linked with BioArctic's BrainTransporter technology. The projects are in research phase.

Other indications

BioArctic's goal is to improve the treatments of a number of neurodegenerative diseases. The company's scientists are working systematically on solving the major challenges around the diseases of the brain. BioArctic's knowledge of how to develop antibodies against misfolded proteins can be used against several diseases, and the company is pursuing a number of early research projects to evaluate the possibility of producing new treatments for various neurodegenerative disorders. BioArctic also has a project that focuses on enzyme replacement treatment for Gaucher disease in combination with the company's BrainTransporter technology.

BrainTransporter technology

The blood-brain barrier controls the passage of substances between the blood stream and the brain. It protects the brain from harmful substances, but at the same time it can make the transport of drugs into the brain more difficult. BioArctic's BrainTransporter technology is a technology for facilitating the passage of biological drugs – antibodies, for example – into the brain. BioArctic has developed a new technology that has proven to robustly increase the antibody exposure in the brain. This plattform technology is being used in all areas of the project portfolio as well as in the research evaluation agreement with Eisai for BAN2802 and the license agreement with Bristol Myers Squibb for BAN2803. It has significant potential for treatments of various diseases of the brain.

PARTNERSHIPS, COLLABORATION AND MAJOR AGREEMENTS

An important part of BioArctic's strategy is to enter into partnership and licensing agreements with leading pharma and biopharma companies. In addition to financial compensation, BioArctic benefits from the companies' competence in developing, manufacturing and commercializing drugs.

BioArctic has ongoing agreements with the global Japanese pharma company Eisai, and a global license agreement with the US company Bristol Myers Squibb. Strategic partnerships with leading global companies are are a validation of the quality of BioArctic's research. BioArctic's objective is to sign more agreements that could contribute further funding as well as research and development competence.

Collaborations with universities and contracting organizations are of great importance to BioArctic as well. The company currently collaborates with leading researchers at a number of universities.

Eisai

In 2005, BioArctic inaugurated its first research collaboration with Eisai. BioArctic has granted a global and exclusive license to Eisai for research, development and commercialization of drugs that use the antibodies lecanemab and lecanemab backup for the treatment of Alzheimer's disease. Eisai is responsible on a global basis for the clinical development, applications for market approval and commercialization of lecanemab.

The remuneration that BioArctic receives from Eisai from sales of lecanemab is divided into two parts: royalties of 9 percent to BioArctic on global sales excluding the Nordic region, and remuneration of 1 percent of sales in the US and 1.5 percent of sales in Rest of World that are passed through to LifeArc for the royalty commitments BioArctic has toward the latter company.

BioArctic and Eisai have also agreed on a structure for joint commercialization and marketing (co-promotion) in the Nordic countries, on the basis of a 50/50 split of costs and revenue without royalties. Under this agreement, Eisai is responsible for price, reimbursement and distribution, and BioArctic will provide a larger share of the customer-oriented

organization. Eisai is the holder of the marketing authorization application in Europe, and the intent is for BioArctic to be the local representative in conjunction with a launch. The partnership is governed by a joint Nordic commercialization committee.

The total value of the milestone payments could amount to EUR 222 M (SEK ~2.4 B) in addition to royalty payments. As of December 31, 2024, up to EUR 84 M (SEK ~900 M) in milestone payments remained to be received from Eisai. In 2024, SEK 0 M (592.0) was recorded in milestone payments, SEK 230.4 M (10.2) in royalty income, SEK 11.5 M (5.5) in compensation from Esai for costs of sales in the Nordic region and SEK 15.4 M (8.3) from research collaboration agreements with Eisai.

Bristol Myers Squibb

In December 2024, BioArctic entered into a global exclusive license agreement for BioArctic's antibody program targeted at a truncated form of amyloid beta (pyroglutamate, PyroGlu- Ae) with the US pharma company Bristol Myers Squibb (BMS). The program includes BAN1503 and BAN2803, whereof the latter uses BioArctic's BrainTransporter technology. According to the agreement BioArctic will receive a USD 100 M upfront payment upon closing (on February 20, 2025) and in addition potentially up to USD 1.25 billion in milestone payments. BioArctic is also entitled to tiered low double-digit royalties on global sales.

REVENUE AND OPERATING PROFIT

Revenues consist of milestone payments, royalty, co-promotion and payments from research agreements. Due to 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 for the financial year 2024 amounted to SEK 257.4 M (616.0). Net revenues included SEK 230.4 M (10.2) in royalties for Leqembi sales, mainly in the USA and in Japan, and SEK 15.4 M (8.3) from research collaboration agreements. Co-promotion revenues from commercialization of lecanemab in the Nordic region with Eisai amounted to SEK 11.5 M (5.5). The decrease in net sales is mainly explained by the fact that four milestone payments of SEK 592.0 M, equivalent to EUR 52 M were received during the preceding financial year.

Cost of sales, consisting of royalties paid for the commitments that BioArctic has towards LifeArc for Leqembi, amounted to SEK 27.0 M (15.0).

Other operating income relates to operating exchange rate gains. Other operating income totaled SEK 3.7 M (4.1).

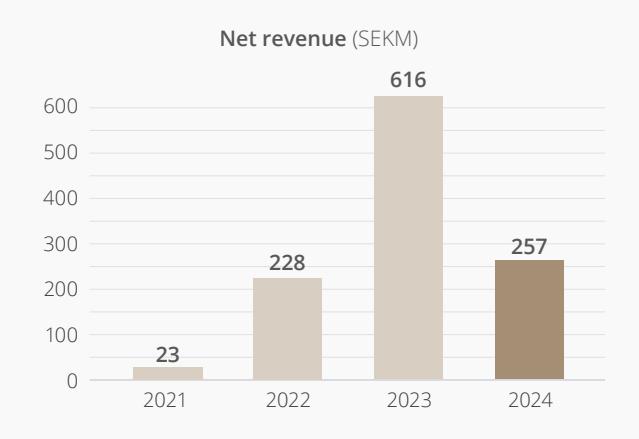
Operational expenses for the business amounted to SEK 458.9 M (348.4). Costs for research- and development increased during the year, SEK 311.1 M (172.1), as several in-house projects have progressed to a later phase. BioArctic's proprietary projects are in an early research phase and do not meet the criteria for capitalization of R&D expenses, which is why all such costs have been charged to the income statement.

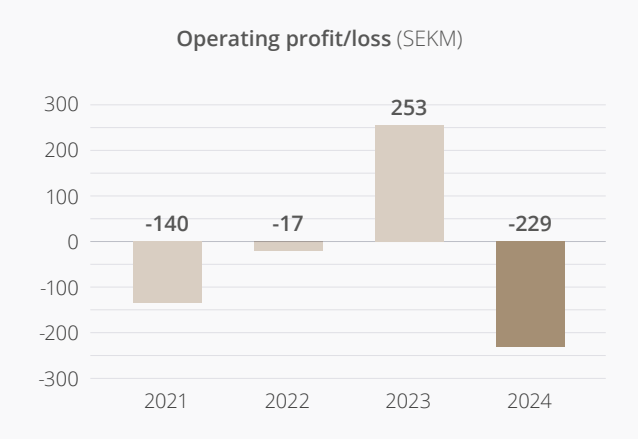
Costs of marketing and sales increased to SEK 55.5 M (43.7) as a consequence of a growing commercial organization and work to prepare for the launch of lecanemab in the Nordics.

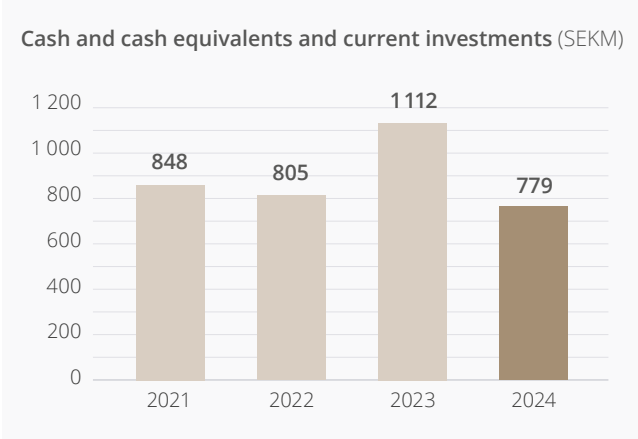
General and administration costs, including costs for central overheads and leases, decreased to SEK 93.4 M (128.5). The decrease compared to the previous January – December period is mainly due to high costs from the repurchase of employee stock options and reallocation of central costs.

Other operating expenses, mainly realized operating exchange rate losses, totaled SEK 2.6 M (8.1).

Operating profit before net financial items (EBIT) amounted







to SEK -228.5 M (252.6). The lowered result for the January – December period is a consequence of milestone revenues being received from Eisai in 2023.

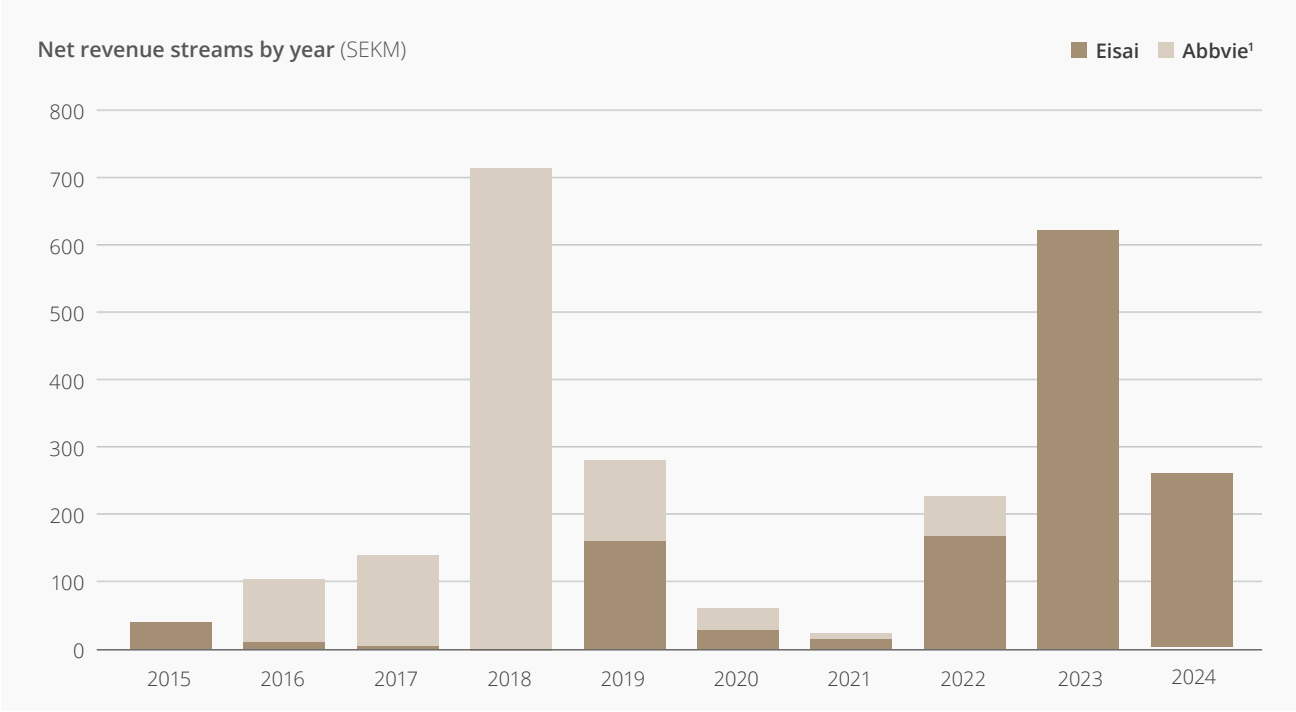
Net financial items totaled SEK 39.0 M (23.8). The increase for the full year period is attributable to higher interest income on short-term investments. Interest expenses and similar items consist of exchange rate losses and interest on leasing liabilities.

Loss before tax was SEK -189.5 M (276.5). Tax costs for the year totaled SEK -12.4 M (47.2), corresponding to an effective tax rate of 6.6 per cent (17.1). As a result of the reversal of untaxed reserves, a total negative tax expense of SEK -12.4 M (47.2) was recognized.

Loss for the year totaled SEK -177.1 M (229.2), corresponding to SEK -2.00 (2.60) per share before dilution and SEK -2.00 (2.59) per share after dilution in 2024.

EXCHANGE RATE FLUCTUATIONS

BioArctic is a Swedish company and reports financial position and earnings in Swedish kronor (SEK). BioArctic's revenue currently consists essentially of royalties on actual sales, with payments being received in EUR, and remuneration from partnership, license and co-promotion agreements with Eisai. BioArctic purchases continuous services in currencies other than SEK, primarily EUR, USD and GBP. The flows of currencies other than SEK in conjunction with the purchase and sale of goods and services are subject to transaction exposure. BioArctic also reconciles the company's currency exports during the year in order to balance the company's commitments.



1) BioArctic previously had a collaboration with AbbVie on Parkinson's disease that was terminated in 2022.

FLUCTUATIONS CONCERNING REVENUE GENERATION

BioArctic signs research, licensing and co-promotion agreements with partners and then receives remuneration for research as well as milestone payments and royalties, which the company uses to fund 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 submission of applications to regulatory authorities, approval and sales targets. Owing to the character of BioArctic's revenue, these revenue streams arise unevenly over time throughout the financial year and between quarters, since revenue is governed by the advances made in the projects.

The remuneration that BioArctic receives from Eisai from sales of lecanemab is divided into two parts: royalties of 9 percent to BioArctic on global sales excluding the Nordic region, and remuneration of 1 percent of sales in the US and 1.5 percent of sales in Rest of World that are passed through to LifeArc for the royalty commitments BioArctic has toward the latter company.

BALANCE SHEET AND FINANCIAL POSITION

BioArctic's balance sheet total at 31 December 2024 was SEK 1,111.7 M (1,186.1).

Non-current assets

BioArctic's non-current assets totaled SEK 39.5 M (23.5). These assets consisted primarily of laboratory equipment and improvement fees on other parties' property. BioArctic's right-of-use assets totaled SEK 57.2 M (7.6). The increase

year-on-year is attributable primarily to a new lease being signed in 2024, which increased right-of-use assets and lease liabilities. The company's financial assets totaled SEK 3.4 M (1.6) and consisted primarily of deposits on leases. The company has no intangible fixed assets.

Since BioArctic's own projects are in the early development phase, they do not meet all the conditions for capitalizing R&D expenses. These costs have therefore been expensed in their entirety.

Current assets

Current assets in BioArctic consist of current receivables, cash and cash equivalents and current investments. The Group's cash and cash equivalents and short-term investments comprise bank balances of SEK 512.9 M (611.6) as well as short-term investments totaling SEK 266.0 M (500.0) thus totaling SEK 778.9 M on December 31, 2024 compared with SEK 1,111.6 M on December 31, 2023. The decrease is attributable to the milestone payments that were received in 2023. In order to hedge currency exposure, a certain amount of liquidity is placed in foreign currencies. This leads to effects in the report in connection with revaluation of currencies at the current exchange rate, which is recognized as finance income and costs.

Investments

Investments for the year totaled SEK -205.6 M (507.5) and pertained to the net dissolution of current investments from the preceding year as well as investments in scientific instruments.

Equity and liabilities

Equity as of December 31, 2024 totaled SEK 894.9 M (1,046.6). Equity per share outstanding totaled SEK 10.13 (11.85). The equity/asset ratio at December 31 was 80.5 percent (88.2). Lease liabilities of SEK 54.3 M (5.0) are related to right-of-use assets. No loans had been taken out as of December 31, 2024, and the Group has no other credit or facilities, which means the Group had a positive net cash balance of SEK 724.7 M (1,106.6) at year-end.

CASH FLOW

The Group's cash flow from operating activities before change in working capital was SEK -253.8 M (296.5). The decrease is attributable to lower milestone payments from Eisai compared to the preceding year. Cash flow from operating activities after changes in working capital totaled SEK -316.3 M (309.7).

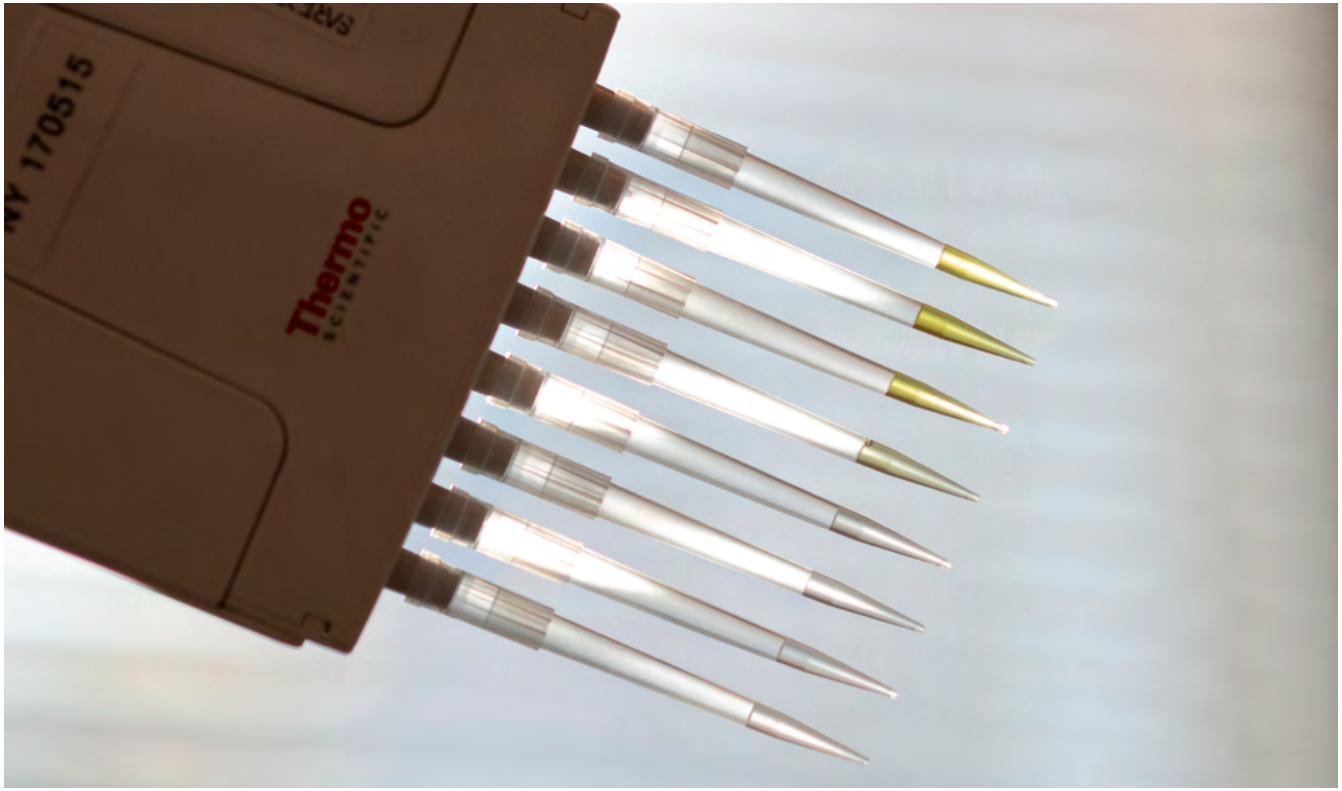
Cash flow from investing activities during the year totaled SEK 205.6 M (-507.5). The positive cash flow is attributable primarily to the expiration of current investments and their addition to cash and cash equivalents.

Cash flow from financing activities during the year totaled SEK 5.7 M (14.1) and pertained to amortization of lease liabilities as well as a new share issue supported by employee stock options.

Cash flow for the year totaled SEK -105.0 M (-183.7). The deterioration year-on-year is attributable to lower operating profit than in the preceding year.

PARENT COMPANY

BioArctic AB (publ), based in Stockholm, Sweden, is the Parent Company in the BioArctic Group. The majority of Group operations are conducted in the Parent Company. The Parent Company's loss for financial year 2024 totaled SEK -130.1 M (180.3).



GROUP

BioArctic AB (publ) is the Parent Company in the BioArctic Group, which includes the wholly owned subsidiaries BioArctic Denmark ApS, BioArctic Norway A/S and BioArctic Finland Oy.

EMPLOYEES

As of December 31, 2024, BioArctic had 107 employees (88). The average number of employees at BioArctic during the year was 97 (80). Gender equality is part of BioArctic's diversity efforts. In 2024, 69 employees (55) – 64 percent (63) – were women and 38 employees (33) – 36 percent (37) – were men. Of the total number of employees, 66 percent (68) worked in research and development.

BioArctic strives to offer competitive salaries and benefits, and applies an individually adjusted wage structure adapted to the local market. BioArctic's ambition is to offer a work environment that promotes health and well-being and a sound balance between work and private life.

RISKS AND UNCERTAINTIES

BioArctic's operation, like all business operations, is associated with risks. Risks are something that could impact BioArctic's operations negatively, but managed correctly could also add value to the company. The goal of the Group's risk management is to identify, prevent, measure, control, and limit the risks in its operation.

BioArctic's operational and business environment risks consist primarily of risks related to research and development, clinical trials, and dependence on key individuals. A detailed description of risk exposure and risk management is provided on pages 42-47. The financial risks are described in Note 3.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

For a detailed description of applicable guidelines regarding remuneration and other terms of employment for the CEO and

Events during financial year 2024

- BioArctic and Bristol Myers Squibb signed a global license agreement for BioArctic's antibody program targeted at a truncated form so amyloid beta. The program includes BAN1503 and BAN2803, whereof the latter uses BioArctic's BrainTransporter technology. As part of the agreement, BioArctic will receive a USD 100 M upfront payment and up to USD 1.25 billion in milestone payments. BioArctic is also entitled to tiered low double-digit royalties on global sales
- The first patient was dosed in BioArctic's EXIST Phase 2a study in Parkinson's disease
- Leqembi (lecanemab) was approved, alongside previous approvals for treatment of Alzheimer's disease in the US and Japan, in China, Hong Kong, Israel, Mexico, South Korea, the UK and the United Arab Emirates
- The European Medicines Agency (EMA) initially issued a negative recommendation regarding the marketing authorization application for lecanemab. BioArctic's partner Eisai requested a re-examination of the recommendation, and late in the year the EMA's Committee for Medical Products for Human Use (CHMP) issued a positive recommendation regarding approval of the marketing authorization application for lecanemab in Europe as treatment of Alzheimer's disease
- New data for BioArctic's BrainTransporter technology showed a dramatic increase in the amount of antibodies reaching the brain
- Additional lecanemab that was presented at the CTAD congress strengthened previously communicated three-year data
- BioArctic's co-founder Professor Lars Lannfelt was awarded the CTAD Lifetime Achievement Award for his pioneering work in Alzheimer's disease
- Eisai completed its rolling BLA submission for subcutaneous maintenance dosing of Leqembi in the US
- Recruitment to the AHEAD 3-45 Phase 3 study in preclinical Alzheimer's disease was completed
- Australia's Therapeutic Goods Administration (TGA) initially decided not to register lecanemab, and Eisai requested a reconsideration
- Three-year data from the extension study of lecanemab showed continued increasing patient benefit with retained safety profile
- BioArctic was included in Nasdaq Stockholm's OMXS30 ESG Responsibility Index
- BioArctic and Eisai signed a research evaluation agreement regarding the drug candidate BAN2802
- BioArctic's CEO Gunilla Osswald won the Arthur D. Little Nordic Life Science Award. This recognition is given to individuals in the Nordic region who demonstrate extraordinary leadership within the life science industry.

other senior executives, refer to page 110 and to Note 7.

Prior to the 2025 Annual General Meeting (AGM), the Board of Directors reviewed the guidelines adopted at the 2022 AGM, and the Board does not propose any changes regarding the policies for remuneration and other terms of employment for Group Management.

LONG-TERM INCENTIVE PROGRAM

BioArctic has three ongoing long-term incentive programs that were resolved on at the AGMs in 2019, 2023 and 2024. These incentive programs are intended for the company's senior executives, researchers and other staff, for more information see page 145. The purpose of these incentive programs is to encourage broad share ownership among BioArctic's employees, facilitate recruitment, retain skilled employees, increase fulfillment of targets and employee motivation.

REWARDS PROGRAMS

BioArctic had two rewards programs in 2024 that were linked to the company's Alzheimer's project. The rewards programs cover all permanent employees excluding the founders. Variable remuneration is paid when the company achieves certain goals linked to regulatory and sales-related milestones. Refer also to Note 7.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

BioArctic's clearest and most important contribution to a globally sustainable future lies in innovation and development of safe and effective drugs against disorders of the central nervous system. To facilitate successful innovation, BioArctic realizes the importance being a good employer and pursuing responsible research of the highest caliber. The company's work with external partners will enable the value of the company's research to reach an even greater number of patients, thereby spreading access to the company's innovations around the world. BioArctic encapsulates these values with the concept Sustainable innovation.

BioArctic endeavors to integrate economic and environmental sustainability at all levels of its operations, to continually develop the company's procedures, quality assurance systems and work environment, and to take action to prevent the environmental impact of its own operations. Expectations on transparency in the area of sustainability, the company's growth and the ongoing preparations to sell lecanemab in the Nordic region contribute to develop BioArctic's sustainability program. BioArctic's compliance with prevailing legislation and demonstrating responsibility is encapsulated in the concept Sustainable business.

During the year, BioArctic considered the forthcoming Corporate Sustainability Reporting Directive (CSRD). BioArctic has carried out a double materiality assessment to identify areas for accounting and reporting in the years ahead. The sustainability activities have been integrated into the company's annual schedule, and a number of policies have been updated and implemented.

The company's sustainability goals have been implemented

based on the Sustainable innovation and Sustainable business strategies. BioArctic presents key ratios and has implemented measurable targets as part of the environment, employeeship, the work environment, ethics and development, all of which are presented in the Sustainability Report (see pages 118-142).

SHARE CAPITAL AND OWNERSHIP

BioArctic's Class B share (BIOA B) is listed on Nasdaq Stockholm Large Cap. The market value at year-end totaled SEK 17.6 Bn (23.6). BioArctic's B share fell 34 percent in value during the year. The share capital at year-end totaled SEK 1,767,781 spread over 88,389,035 shares, of which 14,399,996 were unlisted A shares and 73,989,039 were listed B shares. The number of Class B shares in the company increased by 74,050 during the year as a result of subscription of shares by participants in the 2019/2028 employee stock option program. The Class A share has ten votes per share while the Class B share has one vote per share. The quotient value per share is SEK 0.02. At the end of 2024, BioArctic had 23,833 shareholders (20,697). BioArctic's ten largest shareholders owned shares corresponding to 77.3 percent (78.4) of the capital and 90.8 percent (91.3) of the votes. BioArctic's A shares are owned by Demban AB and Ackelsta AB, which are in turn owned by the founders of BioArctic. Demban AB (Lars Lannfelt) owned 49.2 percent of the votes and 33.4 percent of the capital, and Ackelsta AB (Pär Gellerfors) owned 32.5 percent of the votes and 21.6 percent of the capital.

EVENTS AFTER THE BALANCE SHEET DATE

For key events after the balance sheet date, refer to Note 30.

FUTURE PROSPECTS

As a result of the approval of Leqembi, the company's future income generation is deemed to be very good. The global launch of the drug has commenced and will gradually increasing revenue over the long term. Operating expenses for financial year 2025 are expected to increase due to 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. 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 and have great market potential. The company's ambition is to continue to generate the drugs that improve life for people with disorders of the central nervous system. The company's financial position remains strong, which creates exciting possibilities for the continued development of BioArctic.

DIVIDEND POLICY AND DIVIDEND

The board's goal is to provide shareholders with a dividend that yields a good direct return and robust dividend growth over time. When determining the dividend, the company's earnings development, cash flow, investment needs, and overall financial position should be considered. The dividend should be well-balanced with respect to the company's objectives, scope, and risk.

The Board proposes that no dividend is to be paid for financial year 2024.

APPROPRIATION OF PROFITS

The Board proposes that the consolidated income statement and balance sheet be presented to the AGM on May 22, 2025 for adoption and that the profit for the year as well as the retained profits in the Parent Company be carried forward.

At the disposal of the AGM

Amounts in SEK	**Dec. 31, 2024**
Share premium reserve	587,102.743
Retained earnings	432,588.122
Profit for the year	-130,092.290
Total	**889,598.575**

Five-year summary

Amounts in SEKM	2024	2023	2022	2021	2020
Income statement					
Net revenue	257.4	616.0	228.3	23.1	62.3
Other operating income	3.7	4.1	0.3	3.5	3.6
Expenses	-489.6	-367.4	-246.0	-166.4	-151.0
Operating profit/loss	-228.5	252.6	-17.3	-139.7	-85.0
Profit/loss for the year	-177.1	229.2	-11.2	-119.8	-68.5
Operating margin, %	neg	41.0	neg	neg	neg
Balance sheet					
Non-current assets	101.0	33.3	37.5	35.9	42.0
Current assets excluding cash and cash equivalents	497.7	541.2	15.5	13.4	8.4
Cash and cash equivalents	512.9	611.6	805.4	848.4	999.9
Equity	894.9	1,046.6	786.2	788.7	907.3
Deferred tax liabilities	-	12.4	-	-	20.7
Short-term liabilities	175.7	125.0	70.9	101.3	108.7
Long-term liabilities	41.1	14.5	1.2	7.8	13.6
Cash flow					
From operating activities	-316.3	309.7	-31.6	-140.5	-92.3
From investing activities	205.6	-507.5	-12.8	-4.4	-12.5
From financing activities	5.7	14.1	-2.8	-7.4	-6.6
Cash flow for the year	-105.0	-183.7	-47.2	-152.3	-111.5
Key ratios					
Equity/asset ratio, %	80.5	88.2	91.6	87.9	86.4
Return on equity, %	-18.2	25.0	-1.4	-14.1	-7.3
Data per share, SEK					
Earnings per share, before dilution	-2.00	2.60	-0.13	-1.36	-0.78
Earnings per share, after dilution	-2.00	2.59	-0.13	-1.36	-0.78
Equity per share	10.13	11.85	8.92	8.96	10.29
Cash flow from operating activities per share	-3.58	3.51	-0.36	-1.60	-1.05
Share price at December 31	199.50	267.80	272.00	119.20	95.40

Financial statements

Consolidated income statement

Amounts in kSEK	Note	2024	2023
Operating income, etc.			
Net revenue	5	257,352	615,995
Cost of goods sold		-26,984	-14,988
Gross earnings		**230,369**	**601,007**
Operating expenses			
Research and development costs[1]	7, 14	-311,145	-172,135
Marketing and sales costs[1]	7	-55,461	-43,706
Administrative costs[1]	7, 8, 9, 14	-93,380	-128,477
Other operating income	6	3,740	4,082
Other operating expenses	10	-2,638	-8,132
Total operating expenses		**-458,883**	**-348,368**
Operating profit/loss		**-228,515**	**252,640**
Profit/loss from financial items			
Interest income and similar items	11	40,845	34,228
Interest expenses and similar items	11	-1,849	-10,382
Profit/loss after financial items		**-189,519**	**276,486**
Tax	12	12,440	-47,237
Profit/loss for the year		**-177,079**	**229,249**
Profit/loss for the year attributable to owners of the Parent Company		-177,079	229,249
Earnings per share			
Earnings per share before dilution, SEK	13	-2.00	2.60
Earnings per share after dilution, SEK	13	-2.00	2.59

1) Starting in the first quarter of 2024, BioArctic has transitioned from cost-based accounting to function-based accounting. The reason for the change is that function-based accounting better shows how resources are used in the main functions of the business. More information is provided in Note 2. Costs for the Employee Stock Option 2019/2028 and the Share Rights 2023/2026 incentive programs were reallocated among functions for 2023 and also include the years from 2019 to 2022 since the program in its entirety had previously been recorded as an administrative cost.

Consolidated statement of comprehensive income

Amounts in kSEK	Note	2024	2023
Profit/loss for the year		-177,079	229,249
Exchange rate differences from restatement of foreign operations		42	-26
Comprehensive income for the year attributable to owners of the Parent Company		**-177,038**	**229,223**

Consolidated balance sheet

Amounts in kSEK	Note	Dec. 31, 2024	Dec. 31, 2023
ASSETS			
Tangible assets	14	39,451	23,536
Right-of-use assets	14	57,169	7,590
Deferred tax assets	12	957	566
Other non-current financial assets	16	3,442	1,647
Total non-current assets		**101,018**	**33,340**
Trade receivables	17	71,196	223
Other current receivables	17.18	35,626	6,884
Prepaid expenses and accrued income	19	124,925	34,065
Current investments		265,989	500,000
Cash and cash equivalents	17.20	512,927	611,567
Total current assets		**1,010,663**	**1,152,738**
TOTAL ASSETS		**1,111,681**	**1,186,078**
EQUITY AND LIABILITIES			
Share capital	21	1,768	1,766
Reserves		958	958
Other contributed capital		587,103	580,979
Retained earnings		305,113	462,872
Total equity		**894,942**	**1,046,575**
Deferred tax liabilities	12	-	12,385
Non-current lease liabilities	24	41,079	2,152
Total non-current liabilities		**41,079**	**14,537**
Current lease liabilities	24	13,149	2,827
Trade payables	17	50,453	29,867
Current tax liabilities	12	33,580	33,758
Other current liabilities		10,140	9,665
Accrued expenses and prepaid income	17.26	68,338	48,849
Total current liabilities		**175,660**	**124,966**
TOTAL EQUITY AND LIABILITIES		**1,111,681**	**1,186,078**

Consolidated statement of change in equity

Amounts in kSEK	Note	Share capital	Reserves	Other contributed capital	Retained earnings incl. profit for the year	Total equity
Opening balance at January 1, 2023		**1,763**	**958**	**566,001**	**217,520**	**786,241**
Profit/loss for the year		-	-	-	229,249	229,249
Other comprehensive income		-	-	-	-29	-29
Consolidated comprehensive income		**-**	**-**	**-**	**229,220**	**229,220**
New share issue through exercise of employee stock options		4	-	14,978	-	14,982
Share-based remuneration	7	-	-	-	16,132	16,132
Closing balance at December 31, 2023		**1,766**	**958**	**580,979**	**462,872**	**1,046,575**
Opening balance at January 1, 2024		**1,766**	**958**	**580,979**	**462,872**	**1,046,575**
Profit/loss for the year		-	-	-	-177,079	-177,079
Other comprehensive income		-	-	-	42	42
Consolidated comprehensive income		**-**	**-**	**-**	**-177,037**	**-177,037**
New share issue through exercise of employee stock options		1	-	6,124	-	6,125
Share-based remuneration	7	-	-	-	19,280	19,280
Closing balance at December 31, 2024		**1,768**	**958**	**587,103**	**305,113**	**894,942**

Consolidated cash flow statement

Amounts in kSEK	Note	2024	2023
Operating profit/loss		-228,515	252,640
Adjustment for non-cash items	28	-57,383	9,895
Interest received		34,505	34,228
Interest paid		-1,849	-379
Income tax paid		-520	156
Cash flow from operating activities before change in working capital		**-253,762**	**296,540**
Increase (-) / Decrease (+) in operating receivables		-105,225	-11,979
Increase (+) / Decrease (-) in operating liabilities		42,655	25,132
Cash flow from operating activities		**-316,332**	**309,694**
Investments in tangible assets	14	-26,635	-7,443
Change in non-current financial assets		232,267	-500,042
Cash flow from investing activities		**205,633**	**-507,485**
Amortization of liability		-329	-917
New share issue through exercise of employee stock options		6,016	14,982
Cash flow from financing activities		**5,686**	**14,064**
Cash flow for the year		**-105,013**	**-183,727**
Cash and cash equivalents at January 1		611,567	805,386
Exchange rate differences in cash and cash equivalents		6,374	-10,093
Cash and cash equivalents at December 31	20	**512,927**	**611,567**

Parent Company income statement

Amounts in kSEK	Note	2024	2023
Operating income, etc.			
Net revenue	5	257,352	615,995
Cost of goods sold		-26,984	-14,988
Gross earnings		**230,368**	**601,007**
Operating expenses			
Research and development costs[1]	7, 14	-311,145	-172,135
Marketing and sales costs[1]	7	-57,149	-42,868
Administrative costs[1]	7, 8, 9, 14	-94,450	-131,218
Other operating income	6	3,781	4,124
Other operating expenses	10	-2,579	-8,132
Total operating expenses		**-461,542**	**-350,230**
Operating profit/loss		**-231,173**	**250,777**
Profit/loss from financial items			
Interest income and similar items	11	40,815	34,225
Interest expenses and similar items	11	-119	-10,011
Profit/loss after financial items		**-190,477**	**274,992**
Appropriations			
Change in tax allocation reserve		55,900	-55,900
Change in accelerated depreciation		4,222	-4,222
Profit/loss before tax		**-130,356**	**214,870**
Tax	12	263	-34,538
Profit/loss for the year		**-130,092**	**180,332**

1) Starting in the first quarter of 2024, BioArctic has transitioned from cost-based accounting to function-based accounting. The reason for the change is that function-based accounting better shows how resources are used in the main functions of the business. More information is provided in Note 2. Costs for the Employee Stock Option 2019/2028 and the Share Rights 2023/2026 incentive programs were reallocated among functions for 2023 and also include the years from 2019 to 2022 since the program in its entirety had previously been recorded as an administrative cost.

There are no items in the Parent Company recognized as other comprehensive income, thus comprehensive income conforms to profit for the year.

Parent Company balance sheet

Amounts in kSEK	Note	Dec. 31, 2024	Dec. 31, 2023
ASSETS			
Non-current assets			
Tangible assets			
Leasehold improvements	14	11,721	2,439
Equipment	14	27,686	21,037
Total tangible assets		**39,407**	**23,476**
Financial assets			
Shares in subsidiaries	15	90	140
Other non-current financial assets	16	3,421	1,627
Deferred tax assets	12	797	533
Total financial assets		**4,308**	**2,301**
Total non-current assets		**43,715**	**25,777**
Current assets			
Short-term receivables			
Trade receivables	17	71,196	315
Other current receivables	18	35,415	8,164
Prepaid expenses and accrued income	19	128,487	36,770
Current investments		265,989	500,000
Total short-term receivables		**501,087**	**545,250**
Cash and bank balances	20	**509,301**	**609,417**
Total current assets		**1,010,388**	**1,154,667**
TOTAL ASSETS		**1,054,103**	**1,180,444**

Parent Company balance sheet *cont.*

Amounts in kSEK	Note	Dec. 31, 2024	Dec. 31, 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	21	1,768	1,766
Statutory reserve		958	958
Total restricted equity		**2,726**	**2,724**
Non-restricted equity			
Share premium reserve	22	587,103	580,979
Retained earnings	22	432,588	233,607
Profit/loss for the year	22	-130,092	180,332
Total non-restricted equity		**889,599**	**994,918**
Total equity		**892,324**	**997,642**
Untaxed reserves	23	-	**60,122**
Current liabilities			
Trade payables	17	51,937	32,262
Current tax liabilities	12	33,461	33,597
Other current liabilities		9,746	9,071
Accrued expenses and prepaid income	26	66,635	47,750
Total current liabilities		**161,778**	**122,680**
TOTAL EQUITY AND LIABILITIES		**1,054,103**	**1,180,444**

Parent Company statement of change in equity

		Restricted equity		*Non-restricted equity*		
Amounts in kSEK	Note	Share capital	Statutory reserve	Share premium reserve	Other non- restricted equity	Total equity
Opening balance at January 1, 2023		**1,763**	**958**	**566,001**	**218,077**	**786,798**
Comprehensive income						
Profit/loss for the year		-	-	-	180,332	180,332
Total comprehensive income		**-**	**-**	**-**	**180,332**	**180,332**
Transactions with shareholders						
New share issue through exercise of employee stock options		4	-	14,978	-	14,982
Share-based remuneration	7	-	-	-	15,530	15,530
Total transactions with shareholders		**4**	**-**	**14,978**	**15,530**	**30,512**
Closing balance at December 31, 2023		**1,766**	**958**	**580,979**	**413,939**	**997,642**
Opening balance at January 1, 2024		**1,766**	**958**	**580,979**	**413,939**	**997,642**
Comprehensive income						
Profit/loss for the year		-	-	-	-130,092	-130,092
Total comprehensive income		**-**	**-**	**-**	**-130,092**	**-130,092**
Transactions with shareholders						
New share issue through exercise of employee stock options		1	-	6,124	-	6,125
Share-based remuneration	7	-	-	-	18,649	18,649
Total transactions with shareholders		**1**	**-**	**6,124**	**18,649**	**24,774**
Closing balance at December 31, 2024		**1,768**	**958**	**587,103**	**302,496**	**892,324**

Parent Company cash flow statement

Amounts in kSEK	Note	2024	2023
Operating profit/loss		-231,173	250,777
Adjustment for non-cash items	28	-58,083	9,146
Interest received		34,471	34,225
Interest paid		-115	-9
Income tax paid		-136	338
Cash flow from operating activities before change in working capital		**-255,036**	**294,478**
Increase (-) / Decrease (+) in operating receivables		-104,565	-13,682
Increase (+) / Decrease (-) in operating liabilities		41,387	25,796
Cash flow from operating activities		**-318,214**	**306,591**
Investments in tangible assets	14	-26,635	-7,384
Change in non-current financial assets		232,267	-500,112
Cash flow from investing activities		**205,633**	**-507,495**
New share issue through exercise of employee stock options		6,125	14,982
Cash flow from financing activities		**6,125**	**14,982**
Cash flow for the year		-106,456	-185,923
Cash and cash equivalents at January 1		609,417	805,342
Exchange rate differences in cash and cash equivalents		6,340	-10,002
Cash and cash equivalents at December 31	20	**509,301**	**609,417**

Notes

NOTE 1 General information

BioArctic AB (publ), corporate identity number 556601-2679, is the Parent Company in a Group focused on neurodegenerative disorders. The company has leading competence in research and development of innovative biological drugs, such as antibodies, that address high unmet medical needs. The shares of BioArctic AB have been listed on Nasdaq Large Cap since January 2, 2023. BioArctic is a limited liability company with its registered office at Warfvinges väg 35, SE-112 51 Stockholm, Sweden. The annual accounts and consolidated financial statements were approved by the Board of Directors on April 22, 2025 and have been submitted for ratification at the Annual General Meeting on May 22, 2025.

NOTE 2 Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary accounting rules for groups, the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The income statement is classified according to nature of expenses. The Group's financial statements have been prepared based on historical costs, which means that assets and liabilities are recognized at these values and, where appropriate, certain financial instruments are measured at fair value. The financial statements have been prepared on the assumption that the Group pursues its operation in accordance with the going concern principle, which entails the premise that the Group will be able to settle its debts as they mature. To confirm the assumption of a going concern in preparing the financial reports, the Group has taken the following specific factors into account:

- The Group's liquidity is deemed to remain stable
- The Group does not have any external loan financing
- The Group's financial position is good, with a high debt/equity ratio of 80.5 percent
- As of December 31, 2024, up to MEUR 84 in milestone payments remained to be received from Eisai. Apart from the milestone payments, royalty payments are due to BioArctic based on the global sales of lecanemab, which have the potential to provide significant revenue.
- Management prepares an annual budget and long-term strategy plans, including an assessment of the Group's cash-flow needs, and continues to monitor actual outcome against budget and strategy plans throughout the reporting period.

Based on these factors, management is of the opinion that the Group has and will continue to have adequate resources to continue its operations for the foreseeable future. The financial statements have also been prepared with the application of the accrual basis of accounting. The functional currency of the Parent Company, including all its subsidiaries, and the reporting currency of the Group is the Swedish krona (SEK). All amounts are indicated in thousands of Swedish kronor (kSEK) unless otherwise indicated. Amounts in parentheses refer to the previous year. Negative figures are either expenses or payments (cash flow). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Furthermore, the Board of Directors and company management are required to make certain assessments in applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

CLIMATE-RELATED ISSUES

The material assumptions, assessments, and estimations that form the basis of preparation for the report are deemed not to have been substantially impacted by climate-related issues. As of the balance-sheet date, management has not identified any material risks to the Group that originate from climate change and could adversely affect the Group's financial reports. Going forward, the company will prepare for measuring significant parts that are impacted by the new European Corporate Sustainability Reporting Directive (CSRD) such as suppliers, employee travel, and so on.

NEW AND AMENDED STANDARDS FROM 2023

Changes to IAS 1 Presentation of Financial Statements. This change means that the requirement in IAS 1 for disclosure of significant accounting policies has been replaced with a requirement for material accounting policies. The Group has analyzed and adapted its accounting policies based on the materiality criteria in IASB's Practice Statement 2.

NEW AND AMENDED STANDARDS FROM 2024 ONWARD

A number of new standards and changes to interpretations of existing standards will enter force for financial years beginning after January 1, 2025, that were not applied in advance in preparing the Group's financial statements. New and amended standards with future application are deemed to have no material effect on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements will be applicable for financial years beginning January 1, 2027 or later. The standard will replace IAS 1 Presentation of Financial Statements and introduce new requirements that will promote the attainment of comparability in earnings reporting for similar companies, giving users more relevant information and transparency. IFRS 18 will not impact the reporting or valuation of items in the financial statements, meaning it will not have any effect on net earnings. In 2025, the management team will begin evaluating the consequences of the application of the new standard. No other standards, changes and interpretations

Note 2, cont.

regarding standards that have not yet entered force are expected to have any material effect on BioArctic's financial statements.

CONSOLIDATION

Subsidiaries are all companies over which the Group has a controlling interest. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its holdings in the company and has the ability to influence those returns through its power in the company. Subsidiaries are included in the consolidated financial statements as of the date controlling interest was transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Gains and losses resulting from inter-company transactions and which are recognized among assets are also eliminated. The accounting policies for subsidiaries have been changed where necessary to ensure consistent application of Group policies.

Functional accounting

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 97.

SEGMENT REPORTING

An operating segment is a part of the Group that conducts operations from which revenue can be generated and incurs costs, and for which independent financial information is available. The highest executive decision-maker in the Group monitors operations at the aggregate level, which means the operations constitute the same segment and no separate segment information is therefore presented. The Board of Directors has been identified as the highest executive decision-maker in the Group.

FOREIGN CURRENCY TRANSLATION

Functional and reporting currency Items included in the financial statements for the different units in the Group are measured in the currency used in the financial environment where the respective companies primarily operate (functional currency). The consolidated financial statements use Swedish kronor (SEK), which is the Parent Company's functional and reporting currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

REVENUE

The Group's revenue consists primarily of revenue from licensing and collaboration agreements, with the revenue streams coming primarily from milestone payments, royalties and remuneration from collaboration agreements regarding cost coverage for own research and for own commercial operations.

Licensing and collaboration agreements

Revenue from licensing and collaboration agreements comprises remuneration from research agreements, milestone payments, non-recurring and licensing remuneration and royalties. In addition, BioArctic may have contractual rights to remuneration for costs incurred. The transaction price is established based on what the Group expects to receive from each agreement in exchange for transfer of the goods or services agreed on. The revenue is recognized either at a given point in time or over time when (or if) the Group fulfills its performance obligations by transferring the goods or services promised to the customer. The Group recognizes a contract liability when it has received the payment obtained regarding its unfulfilled performance obligations and recognizes these amounts as deferred income in the balance sheet. In the same way, if the Group fulfills a performance obligation before compensation is received, it recognizes either accrued income or a receivable in the balance sheet, depending on if any aspect other than time determines when remuneration falls due.

Research collaborations (remuneration from research agreements) Revenue recognition reflects earnings under the specific terms of the agreement and is applied individually to each transaction. The revenue is recognized over time based on fulfillment of the performance obligations. The Group measures the course of events toward complete fulfillment by continually evaluating the degree of completion based on costs incurred in the research collaborations.

Milestone payments

Revenue for achieved milestones is recognized at a given point in time, when performance obligations are fulfilled, and consists of a transaction price agreed on in advance.

Non-recurring and licensing remuneration

Non-recurring remuneration upon signing of an agreement is normally without a repayment obligation and is recognized at a given point in time. It normally pertains to the right to develop, register, market and sell BioArctic's patented products within a given geographical area and within a given indication. Non-recurring remuneration can also consist of remuneration for technology or transfer of knowledge to the partner, or consist of remuneration for the right to acquire a license in the future.

Note 2, cont.

Royalty income
Royalty income normally arises continually when distributors recognize sales. This recognition occurs in the same period as the sales.

Remuneration for costs incurred and sale of products
Remuneration for costs incurred (i.e. costs invoiced onward to the customer) is recognized in the period when it arises. Revenue from sales of products is recognized at the point in time when control transfers to the customer.

Other operating income
Primarily operational foreign exchange gains are reported as other operating income.

EXPENSES, FINANCIAL ITEMS AND TAXES
Cost of goods sold
Cost of goods sold comprises the royalty indicated for the commitments that BioArctic has toward LifeArc with regard to Leqembi.

Research and development costs
Pertains to external expenses and personnel expenses, and the amortization of associated research and development. This item thus contains costs for BioArctic's research and drug development in preclinical and clinical studies as well as regulatory operations. Development costs that have been expensed cannot be recognized as an asset in subsequent periods. BioArctic has no expenditures that fulfill all the criteria, and all research and development costs have therefore been expensed.

Marketing and sales costs
Pertains to external expenses and personnel expenses associated with BioArctic's commercial organization, which is preparing ahead of the launch of lecanemab in the Nordic countries.

Administrative costs
Pertain to external expenses and personnel expenses and depreciation associated with BioArctic's administration, and includes units in communications, accounting and HR.

Other operating expenses
Primarily operational foreign exchange losses are reported as other operating expenses.

Remuneration to employees
In 2023, BioArctic had a rewards program that covers all permanent employees, which means there is a variable remuneration component that can be paid out, in addition to the fixed remuneration, in conjunction with the fulfillment of certain targets linked to the clinical research programs. Refer to the information provided in Note 7. The variable remuneration is not pensionable. BioArctic has no agreements covering post-employment benefits.

Defined-contribution pension plans
The Group's pension plans are defined-contribution, and pertain to the fees the company pays to the plan or to the insurance company and the return on capital the fees generate. Consequently, the employee bears the actual risk (that the payment will be lower than expected) and the investment risk (that the assets invested will be insufficient to generate the expected payments). The Group has no defined-benefit pension plans.

Share-based remuneration
BioArctic has a share-based remuneration program for its employees in the form of employee stock options and settled in the form of equity instruments. The program runs over 5.5 years and requires the employee to remain in their employment for the term of the program. When the employee receives share-based remuneration, the fair value of the employees' services is determined at the fair value of the equity instrument allotted. The fair value is calculated at the time of allotment using the Black & Scholes model. The fair value of the warrants allotted is recognized as a personnel expense with a corresponding increase in retained earnings, and spread over the vesting period based on the best possible estimate of the number of share warrants expected to be vested. The effect of amended estimates for the number of share warrants vested is recognized in the period in question. Social security contributions attributable to share-based instruments for employees as remuneration for services purchased are expensed across the vesting period. The provision is based on fair value of the warrants and remeasured at every reporting date based on an estimate of the fees that could be paid when the instruments are redeemed.

Additionally, BioArctic has two performance share programs for its employees that are share-based remuneration programs, settled in the form of equity instruments. The programs run over three years and requires the employee to remain in their employment for the term of the program. When the employee receives share-based remuneration, the fair value of the employees' services is determined at the fair value of the equity instrument allotted. The fair value is calculated at the time of allotment using the Monte Carlo model. The fair value of the performance share rights allotted is recognized as a personnel expense with a corresponding increase in retained earnings, and spread over the vesting period based on the best possible estimate of the number of performance share rights expected to be vested. The effect of amended estimates for the number of performance share rights vested is recognized in the period in question. Social security contributions attributable to share-based instruments for employees as remuneration for services purchased are expensed across the vesting period. The provision is based on fair value of the performance share rights and remeasured at every reporting date based on an estimate of the fees that could be paid when the instruments are redeemed.

Other operating expenses
Operational foreign exchange losses and losses in connection with divestment of tangible assets are recognized as other operating expenses.

Note 2, cont.

Financial income

Financial income pertains to interest income on bank funds and receivables, as well as dividend income where applicable and positive foreign exchange differences on financial items. Financial income is recognized in the period to which it pertains.

Financial expenses

Financial expenses pertain to interest and other costs arising in conjunction with borrowing, and are recognized in profit or loss in the period to which they pertain. Negative foreign exchange differences on financial items and negative interest on cash and cash equivalents are also included in financial expenses.

Taxes

Tax for the period consists of current tax and deferred tax. Taxes are recognized in profit or loss, except when the underlying transaction is recognized in other comprehensive income or directly against equity, when the associated tax effect is also reported on this line. Current tax is the estimated tax on the taxable earnings for the period. Taxable earnings differ from recognized earnings by having been adjusted for non-taxable and non-deductible items. Current tax is tax to be paid or received as regards the current year, adjusted for any current tax attributable to earlier periods. Foreign tax held is recognized in the balance sheet to the extent it is deemed it can be settled against Swedish corporate tax. Deferred income tax is recognized using the balance sheet method, which means that deferred tax liabilities are recognized in the balance sheet for all temporary differences arising between the carrying amount and taxable value of assets and liabilities. If the temporary difference arose upon the initial recognition of assets and liabilities constituting an asset acquisition, on the other hand, the deferred tax is not recognized. Deferred tax assets regarding deductible temporary differences and loss carry forwards are only recognized to the extent it is likely that the amount can be utilized against future taxable surplus. Deferred tax is determined in accordance with statutory tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

RESEARCH AND DEVELOPMENT / INTANGIBLE ASSETS

Expenditures regarding development are capitalized and recognized in the balance sheet as intangible assets only if the criteria for recognition in the balance sheet under IAS 38 Intangible assets are met. As of December 31, 2024 there are no expenditures in the Group that meet the criteria for being recognized as an asset, since the current projects are in an early stage and thus associated with the risk that they cannot be completed. These expenses for development are therefore charged to earnings, and owing to the uncertainty in legislation and other circumstances, this is almost without exception the case before a drug has been approved by the relevant supervisory authority. This may change in the future, and costs attributable to development projects are recognized as intangible assets when all the following criteria are met:

1. It is technically feasible for the company to complete the intangible asset so that it will be available for use or sale.
2. The company intends to complete the intangible asset and use or sell it.
3. The company has the potential to use or sell the intangible asset.
4. The company can demonstrate how the intangible asset will generate probable economic benefits.
5. There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
6. The company can reliably estimate the expenditures attributable to the intangible asset during its development.

TANGIBLE ASSETS

Tangible assets are recognized at cost less accumulated depreciation and write-downs. The cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is likely that future economic benefits associated with the item will fall to the Group and the cost of the item can be measured reliably. The useful life for inventory and equipment is deemed to be five years. Leasehold improvements are written-off based on the estimated useful life. Right-of-use assets (leases) reported separately in the balance sheet are described in Note 14.

LEASED ASSETS

The Group as lessee

An agreement is assessed as to whether or not it is a lease. A lease is defined as "an agreement that transfers the right of use of the underlying asset for a given period in exchange for remuneration." The agreements are assessed as to whether they fulfill the three criteria below in order to be considered as meeting the definition of a lease:

1. The agreement contains an identified asset
2. The Group has the right to all the material economic advantages arising through use of the identified asset throughout the entire lease period
3. The Group has the right to control the use of the identified asset throughout the entire lease period

Right-of-use assets and lease liabilities are recognized separately in the balance sheet.

FINANCIAL INSTRUMENTS

A financial instrument is any form of agreement that gives rise to a financial asset or financial liability. Financial assets in the balance sheet pertain to trade receivables and other

Note 2, cont.

receivables as well as cash and cash equivalents. In 2024, the Group chose to lock parts of its cash and cash equivalents into fixed interest-rate accounts for up to 12 months, and these are thus recognized under Current assets excludinig cash and cash equivalents. Financial liabilities pertain to trade payables, lease liabilities and contractual accrued expenses. The Group holds no derivatives.

TRADE RECEIVABLES

Trade receivables are reported net after reserves for expected credit losses. The expected duration of trade receivables is short, which is why the value is recognized at a nominal amount without discounts using the amortized cost method. The Group uses a simplified method for recognizing trade and other receivables as well as contract assets, and recognizes expected credit losses for the remaining duration. In this calculation, the Group uses its historical experience, external indicators and forward-looking information to estimate the expected credit losses. The amount reserved is recognized over profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank balances and, where appropriate, other current investments with a due date within three months. Cash and cash equivalents are recognized at the nominal amount.

TRADE PAYABLES

These amounts represent liabilities for goods and services provided to the Group that are unpaid prior to the end of financial year. Trade payables are categorized as other financial liabilities. Since trade payables have a short expected duration, the value is recognized at the nominal amount.

EQUITY

Share capital represents the nominal value of shares issued. Transaction costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings comprise profit carried forward and share-based remuneration to employees for the current and previous financial years. Share premium reserve is recognized as other contributed capital and statutory reserves are recognized as reserves.

CASH FLOW STATEMENT

Cash flow from operating activities is prepared using the indirect method, whereby profit or loss is adjusted with transactions of a non-cash nature and items of income or expense associated with investing and/or financing cash flows.

ALTERNATIVE PERFORMANCE MEASURES

The Group applies ESMA guidelines for alternative performance measures. In accordance with these guidelines, the Group's alternative performance measures are defined in Note 32. The Group applies alternative performance measures since the company believes they provide valuable supplementary information to management and investors, as they are central to understanding and evaluating the Group's operations.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company complies with the Swedish Annual Accounts Act and the recommendation of the Financial Reporting Council, RFR 2 Accounting for legal entities. The application of RFR 2 means that in the annual report for the legal entity, the Parent Company applies all IFRS and opinions approved by the EU to the extent possible as part of the Annual Accounts Act and the Pension Obligations Vesting Act, and taking into account the connection between reporting and taxation. The recommendation indicates which exceptions from and additions to IFRS can be made. Consequently, the Parent Company applies the principles presented in Note 2 of the consolidated financial statements, with the exceptions indicated below. The principles have been consistently applied to all the years presented, unless otherwise stated. Assets, provisions and liabilities have been measured at cost unless otherwise stated.

Presentation formats

The income statement and balance sheet follow the presentation format indicated in the Annual Accounts Act. This entails certain differences compared with the consolidated financial statements – for example, sub-items under equity have different designations.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognized at cost, less any impairments.

Deferred income tax

Amounts allocated to untaxed reserves constitute taxable temporary differences. Owing to the connection between reporting and taxation, however, the deferred tax liability on untaxed reserves in a legal entity is reported as part of the untaxed reserves. Appropriations of profits in profit or loss are also reported including deferred tax.

Leases

Lease fees are expensed on a linear basis over the term of the lease. No right of use or lease liability is recognized in the balance sheet.

NOTE 3 Financial risk management

FINANCIAL RISK FACTORS

Through its operations, the Group is exposed to various financial risks. The overall goal of financial risk management is to minimize the risks of negative impact on the Group's earnings.

Foreign exchange risk

Foreign exchange risk pertains to the risk of impact on the Group's earnings and financial position as a consequence of changes in exchange rates. The Group has no loans in foreign currencies, and is therefore not exposed to any foreign exchange risk in connection with borrowing. Purchases and revenue in foreign currencies give rise to transaction exposure. Purchases in foreign currencies are primarily in EUR, USD, GBP, NOK, DKK and CHF. Purchases in foreign currencies for 2024 totaled kEUR 7,932 (3,793), kUSD 4,367 (1,516), kGBP 804 (492), kNOK 7,757 (4,276), kDKK 6,621 (4,584) and kCHF 2,046 (363). Revenue in foreign currencies for 2024 totaled kEUR 21,195 (52,789 and kUSD 1,050 (—). The table to the right shows the material balance sheet items in foreign currencies that the Group had as of December 31, 2024 and what impact a 10-percent change in the net amount in EUR, GBP, USD, DKK, NOK and CHF would have on earnings.

Amounts in kSEK per Dec. 31, 2024

					+/- 10%	
Currency	Trade receivables	Cash and cash equivalents	Accounts payable	Net per currency	Before tax	After tax
EUR	70,995	28,978	-22,262	77,711	7,771	534
GBP	0	10,324	0	10,324	1,032	820
USD	0	5,264	-11,227	-5,963	-596	-473
DKK	0	1,652	-1,021	630	63	48
NOK	0	755	-46	708	71	55
CHF	0	7,093	-1,509	5,584	558	443
Total	**70,995**	**54,067**	**-36,066**	**88,995**	**8,900**	**1,427**

Amounts in kSEK per Dec. 31, 2023

					+/- 10%	
Currency	Trade receivables	Cash and cash equivalents	Accounts payable	Net per currency	Before tax	After tax
EUR	0	145,818	-8,931	136,887	13,689	10,869
GBP	0	1,403	-489	914	91	73
USD	0	396	-2,195	-1,800	-180	-143
DKK	0	2,218	-424	1,794	179	141
NOK	0	255	-22	233	23	18
CHF	0	1,238	-1,223	15	2	1
Total	**0**	**151,328**	**-13,285**	**138,043**	**13,804**	**10,959**

Interest rate risk

The Group has significant holdings in banks that are impacted by interest rate levels, which means that the Group is exposed to interest rate risk on its cash and cash equivalents and its current investments. At December 31, 2024, the Group had cash and cash equivalents of kSEK 512,927 (611,567) and current investments of kSEK 265,989 (500,000). A change of 0.5 percentage points in the interest rate would entail an annual impact on earnings of kSEK 2,565 (5,558) before tax and kSEK 2,036 (4,413) after tax. As of December 31, 2024 the Group had no external loan financing, and thus has no interest rate risk for such commitments.

Financing risk

The financing risk, meaning the risk that financing the Group's capital requirements becomes more difficult or more expensive, is deemed to be low. BioArctic's financial position is strong, since the company has no external loan financing and has a positive net cash balance. The access to capital is impacted by several different factors, including the performance of current research and development projects as well as partnership and license agreements. The point in time and scope of further financing needs depend not only on how milestone payments fall due, but also on whether the Group succeeds in signing new collaboration agreements and on market reception of potential future products. It is vital that the Group's partners continue to collaborate with BioArctic, since future revenue is currently dependent on these partnerships. General access to credit and BioArctic's creditworthiness also impact the financing risk.

Liquidity risk

Liquidity risk (i.e. the risk that the Group does not have sufficient cash funds to meet the needs of operating activities) is deemed to be low over the short and medium term, since the Group has a positive net cash balance and thereby good access to cash and cash equivalents. Group Management actively monitors the liquidity situation to call attention to liquidity risks in a timely manner. The Group has no financial investments apart from bank balances.

Note 3, cont.

Credit risk

Credit risk is the risk that a counterparty does not fulfill an obligation toward the company. BioArctic's credit risk is low, since the Group does not have any external loan financing and thereby does not run any credit risk for bank loans it has signed. The Group also has limited credit exposure in relation to customers, including outstanding receivables. The Group has a significant amount of cash and cash equivalents with the Group's banks, but the counterparty risk is deemed to be very low.

OPERATIONAL AND STRATEGIC RISKS

Refer to the "Risks and risk management" section in the Board of Directors' Report for a description of the most important operational and strategic risks. The risks that the Group has identified are related to outcomes in outlicensed projects being conducted by the company's partners, and projects being conducted in-house. In addition, there are risks in the overall portfolio strategy, risks related to the company's partners, impact from competitors, events beyond the company's control such as pandemics, government decisions, IT and information security risks, product responsibility and insurances, patent protection and employee risks as well as climate, sustainability and environmental risks.

SENSITIVITY ANALYSIS

Sensitivity analyses have been prepared concerning foreign exchange risk and interest rate risk as described above.

CAPITAL MANAGEMENT

The Group's objective as regards capital management is to safeguard its ability to continue as a going concern, so that it can continue to generate returns for shareholders and benefits for other stakeholders. An optimal capital structure promotes keeping the costs of capital down. To maintain or adjust the capital structure, the Group can issue new shares, or alternately pay a dividend to its shareholders.

NOTE 4 Significant accounting estimates and judgments

To prepare financial statements in accordance with IFRS, Group Management and the Board of Directors must make assessments and assumptions. These impact recognized asset and liability items, and revenue and expense items as well as other information submitted. The assessments are based on experiences and assumptions that Group Management and the Board deem to be reasonable under the prevailing circumstances. Actual outcome may then differ from these assessments if other conditions emerge. The assessments that are most material to the preparation of the consolidated and Parent Company financial statements are described below.

Royalties
Assessments that impact the reporting of royalty revenue are carried out as part of the existing agreements between the parties. Revenue pertaining to royalties is recognized based on actual sales, and in the period when the sales occurred. Currency translations are carried out in accordance with agreements, and impact the revenue that is recognized in local currency.

Revenue from co-promotion
The agreement with Eisai that forms the basis for co-promotion regulates how resources are to be added jointly from the companies in order to sell lecanemab in the Nordic countries. The earnings from this partnership are divided equally between the parties. Recognition of revenue from co-promotion is built on costs incurred for personnel and other external expenses. Assessments that impact the reporting of co-promotion revenue are carried out as part of the existing agreements between the parties.

Revenue from research collaborations
Recognition of revenue from research collaborations is based on the degree of completion as regards fulfillment of performance obligations. These performance obligations may change over time as a result of certain sub-operations being terminated while others may need to be added or reworked. This could lead to changes in the amount assessed against complete fulfillment of the performance obligations, which could entail an adjustment of revenue. The Group reviews all projects on a quarterly basis to ensure that revenue is based on the most likely course of events toward a complete fulfillment of the performance obligations.

For further information on revenue recognition, refer to Note 5.

NOTE 5 Net revenue

The table shows the distribution of revenue by geographic market and revenue type.

	Group		*Parent Company*	
Amounts in kSEK	**2024**	**2023**	**2024**	**2023**
Net revenue by geographic market				
Europe	11,660	5,472	11,660	5,472
North America	144,515	10,095	144,515	10,095
Asia	101,130	600,427	101,130	600,427
Rest of World	47	-	47	-
Total net revenue	**257,352**	**615,995**	**257,352**	**615,995**
Net revenue by type				
Royalties	230,410	10,203	230,410	10,203
Co-promotion	11,530	5,472	11,530	5,472
Milestone payment	-	592,017	-	592,017
Research collaborations	15,412	8,303	15,412	8,303
Total net revenue	**257,352**	**615,995**	**257,352**	**615,995**

For financial years 2023 and 2024, one individual customer accounted for more than 10 percent of sales.

BioArctic's net revenue comprises royalties based on the sale of lecanemab, co-promotion revenue, milestone payments and remuneration from research collaboration agreements with Eisai in Alzheimer's disease.

Net revenue in fiscal year 2024 amounted to MSEK 257.4 (616.0), and the decrease is attributable primarily to four milestone payments totaling MSEK 592.0, corresponding to MEUR 52, being recognized in revenue in 2023.

Sales of lecanemab generate royalties for BioArctic, and royalties totaling MSEK 230.4 (10.2) were recognized as revenue in 2024. The remuneration that is received from Eisai is divided into two parts: royalties of 9 percent to BioArctic on global sales excluding the Nordic region, and remuneration of 1 percent of sales in the US and 1.5 percent of sales in Rest of World, which BioArctic pays onward to LifeArc for the royalty commitments BioArctic has toward the latter company.

BioArctic has a co-promotion agreement with Eisai pertaining to commercialization of lecanemab in the Nordic countries, with the companies jointly adding resources for the purpose of selling lecanemab in the Nordic countries. The earnings from this partnership are divided equally between the parties. For full-year 2024, revenue from this agreement totaled MSEK 11.5 (5.5). The remuneration for the costs incurred is intended for preparations ahead of launch.

For milestone payments, fixed payments can be received at an amount determined in advance based on contractual milestones. No milestone payments were recognized in revenue in 2024. In 2023, MSEK 592.0 was recognized in revenue.

In 2024, MSEK 15.4 (8.3) from the ongoing research collaboration agreement with Eisai was recognized in revenue.

The Group did not have any prepaid income as of December 31, 2024.

NOTE 6 Other operating income

	Group		*Parent Company*	
Amounts in kSEK	**2024**	**2023**	**2024**	**2023**
Operational foreign exchange gains	3,740	3,812	3,781	3,527
Costs invoiced onward and other remuneration	-	270	-	597
Total other operating income	**3,740**	**4,082**	**3,781**	**4,124**

NOTE 7 Employees

Remuneration to CEO and senior executives

CEO Gunilla Osswald received remuneration of kSEK 4,703 as fixed annual salary in 2024, which included benefits and amendments pertaining to annual leave owed. Over and beyond that, there is an additional pension provision of 35 percent. The CEO is covered by the rewards program covering all employees; see below. In 2024, the CEO had variable remuneration of up to 40 percent of annual salary. Between the company and the CEO, there is a notice period of 12 months by the company and 6 months by the CEO. Upon termination by the Company, the company has the right to relieve the employee during the notice period.

Group Management comprises nine senior executives. Senior executives except the CEO receive normal market remuneration and individually negotiated premiums for service pension or alternately premiums under the terms of the company's pension plan. All other employees receive market salaries, and premiums are allocated to the occupational pension in accordance with the terms of the company's pension plan. All employees have a contractual mutual notice period of three months or alternately in accordance with the Employment Protection Act.

Severance pay is not applied. For non-executive Board members, fees have been paid pursuant to the resolutions of the Annual General Meeting.

BioArctic has one rewards program covering all permanent employees. One condition for receiving variable remuneration is that the employee has been employed for more than six months at the time when the goal that forms the basis for payment of variable remuneration is reached. The goals are linked to milestones achieved under the research program for Alzheimer's disease. The potential variable remuneration to the employee amounts to one month's salary per milestone. The variable remuneration is not pensionable.

Share-based remuneration to employees

BioArctic has three ongoing long-term incentive programs that were resolved on at the Annual General Meetings in 2019, 2023 and 2024.

The 2019/2028 employee stock option program covers at most 1,000,000 employee stock options. To facilitate the company's delivery of shares under the 2019/2028 employee stock option program, the AGM resolved on a directed issue of 1,000,000 warrants.

The maximum dilution effect of the 2019/2028 employee stock option program is estimated to be 1.1 percent of share capital and 0.5 percent of the voting rights in the company (calculated based on the number of existing shares in the company), provided that all employee stock options are fully exercised. The employee stock options can be exercised for subscription of shares between three and five years after allocation. The program extends over five years and six months from the point in time of allocation for the respective employees. The stock options gives participants the right to exercise 60 percent of the allotted share rights after three years, a further 20 percent after four years and the remaining 20 percent after five years, provided that the participant remains employed in the Group.

On the balance sheet date (December 31, 2024), 915,000 employee stock options had been granted, and no further grants will take place. No employee stock options were granted in 2024. The total number of stock options lapsed on December 31, 2024 was 15,000, and the number of stock options exercised was 389,050, which means that 510,950 employee stock options were outstanding at the end of the year, corresponding to a maximum dilution effect of 0.6 percent of the shares at the end of the year.

The 2023/2026 Performance Share Unit (PSU) is a three-year incentive program covering a maximum of 125,000 PSUs which, provided that the share price increases at least 30 percent over a three-year period, grants participants the right to receive shares, free of charge or cash payment. At the end of 2024, 117,500 PSUs had been granted, and no further grant will take place. 500 PSUs were lapsed in 2024, and 117,000 PSUs remain. If the Board of Directors chooses to exercise all of the warrants for delivery of B shares or for financing the company's costs for the incentive program, the dilution effect could total a maximum of 0.13 percent of the number of shares at the end of the period.

The 2024/2027 Performance Share Unit (PSU) is a three-year incentive program covering a maximum of 160,000 PSUs which, provided that certain conditions are met, grants participants the right to receive B shares, free of charge. The program contains an performance target of an increase in the share price of at least 30 percent over a three-year period (30 percent of total), a target pertaining to the company's research and development and/or partnerships (60 percent of total) and sustainability targets (10 percent of total). 149,000 PSUs were granted, and no further allocation will take place. No PSUs were lapsed. Upon full exercise of warrants issued, the number of B shares will increase by 210,000, corresponding to a dilution of 0.24 percent of the number of shares.

Guidelines for remuneration to senior executives

The guidelines cover the Chief Executive Officer, the Executive Vice President (if applicable) and the individuals who are members of Group Management at any given time. To the extent that the Board members of the company perform work for BioArctic alongside their Board assignments, these guidelines will also apply to any remuneration paid to the Board member for such work. The guidelines adopted at the 2023 Annual General Meeting are applicable to remuneration that is contracted, and to changes that are made to previously contracted remuneration. The guidelines also cover remuneration that is paid out under the company's existing milestone-based incentive program. Transfer of securities and granting of rights to the future acquisition of securities from BioArctic are equally considered remuneration.

The guidelines do not cover remuneration resolved on by

Note 7, cont.

the General Meeting (e.g. share-based incentive programs). The General Meeting can decide, outside and independently of these guidelines, on share-based and similar remuneration. BioArctic has two ongoing long-term incentive programs that were resolved on at the Annual General Meetings in 2019, 2023 and in 2024. Executives who hold posts as members or deputy members of the board of directors of the Group company will not receive separate Board fees for this.

Overview of previously adopted guidelines
Ahead of the 2022 Annual General Meeting, the Board of Directors reviewed the guidelines for remuneration to senior executives that were adopted by the 2020 Annual General Meeting.

The Board found that the guidelines needed to be adapted to BioArctic's existing and future milestone-based rewards program.

In brief, the changes to the guidelines mean that remuneration in accordance with existing and future milestone-related rewards programs will not be included in the guidelines on the share of variable remuneration in relation to fixed salary. The guidelines adopted will remain in force until the 2026 Annual General Meeting at the longest.

How the guidelines promote BioArctic's business strategy, long-term interests and sustainability
BioArctic AB is a Swedish research-based biopharma company focusing on disease-modifying treatments for neurodegenerative disorders such as Alzheimer's disease, Parkinson's disease, and ALS. BioArctic focuses on innovative treatments in areas with high unmet medical needs. BioArctic has a balanced, competitive portfolio consisting of unique product candidates, as well as advanced technology for facilitating the passage of drugs across the blood-brain barrier. The project portfolio is a combination of fully funded projects pursued in partnership with global pharma companies and innovative in-house projects with significant market and outlicensing potential.

BioArctic's vision is to generate innovative drugs that improve the life for patients with disorders of the central nervous system. Our work is based on groundbreaking scientific discoveries, and the company's researchers collaborate with strategic partners such as research groups at universities and major pharma companies. BioArctic has a great deal of scientific competence and years of experience in developing drugs from idea to market. BioArctic's business model involves initially pursuing project development in-house and, once the project has reached a phase of development requiring more resources or competence, entering research collaborations and signing collaboration agreements or outlicensing certain commercial rights to global pharma companies.

Successful implementation of BioArctic's strategy and safeguarding of the company's long-term interests presupposes that BioArctic can recruit and retain management with the competence and capacity to achieve the goals that have been set. This requires BioArctic to be able to offer competitive remuneration. These guidelines promote the BioArctic's business strategy, long-term interests and sustainability by providing the company with the possibility of offering competitive remuneration to senior executives.

Forms of remuneration
BioArctic's remuneration system must be market-based and competitive. Remuneration can be paid out in the form of fixed salary, variable remuneration, pensions and other benefits.

Fixed salary
Fixed salary will be individual for each executive and based on the roll of the executive, responsibility, competence, experience and performance. The senior executive can be offered the possibility of a salary exchange between fixed salary and pension and other benefits, respectively, on condition that it is cost-neutral for the company.

Variable remuneration
Variable remuneration will be related to the outcome of BioArctic's goals and strategies and based on predefined and measurable criteria designed to promote long-term value creation. The share of total remuneration that comprises variable remuneration may vary depending on position. At most, however, variable remuneration – except for remuneration under the company's milestone-based rewards program – can correspond to 50 percent of the senior executive's annual fixed salary. Variable remuneration must be non-pensionable to the extent it does not otherwise follow from compulsory provisions in collective bargaining agreements. The Board of Directors must have the opportunity in accordance with either law or agreement and the limitations that follow therefrom to recall variable remuneration that was erroneously paid out. For 2024, the CEO had the right to variable remuneration of 40 percent of the annual salary and the senior executives had the right to variable remuneration between 20 and 25 percent of their annual salaries.

BioArctic has a milestone-based rewards program in Alzheimer's disease that is linked to regulatory milestones, and to milestones that are based on future potential sales. A previously determined amount will be disbursed if and when BioArctic achieves certain pre-defined regulatory milestones, and milestones that are based on future potential sales. The achievement of such milestones is typically associated with significant uncertainty. Variable remuneration under the milestone-based rewards program is disbursed – to the extent it is paid – on an irregular basis in pace with the milestones being achieved. Moreover, remuneration of this kind can be expected to display highly significant variation from one year to another. The design of and uncertainty around the milestone-based rewards programs justify the fact that existing and future programs of a similar design are not covered by the guidelines on the proportion of the variable remuneration in relation to fixed salary.

Note 7, cont.

Criteria for payment of variable remuneration
The criteria that form the basis for payment of variable remuneration, with the exception of the company's milestone-based rewards program, are to be established yearly by the Board of Directors for the purpose of ensuring that the criteria are in line with BioArctic's current business strategy and earnings targets. The criteria may be individual or shared, financial or non-financial, and must be designed to promote BioArctic's business strategy, sustainability strategy and long-term interests. The criteria can, for example, be linked to: BioArctic achieving certain goals as part of its clinical tests, BioArctic initiating or concluding a certain step or achieving a certain research result as part of its drug development, BioArctic initiating research collaboration with a certain partner, or BioArctic signing a certain agreement. The criteria can also be linked to the employee themselves, for example, the person needing to have worked for BioArctic for a certain period of time. Variable remuneration under milestone-based rewards programs must be linked to pre-defined milestones in BioArctic's development projects or achieving the commercialization of the company's drug candidates.

The period that forms the basis for assessing whether or not the criteria have been met must total at least one year, with the exception of the milestone-based rewards program where payments are based on the achievement of pre-defined milestones. The extent to which the criteria have been met will be assessed once the measurement period has concluded.

Assessment of whether financial criteria have been met will be based on the release of the latest financial information by BioArctic. The Board will decide on payment of any variable remuneration after preparation in the Remuneration Committee.

Pension benefits
Pension benefits must be defined-contribution to the extent the executive is not covered by defined-benefit pension under compulsory provisions in collective bargaining agreements. At most, pension premiums for defined-contribution pensions can correspond to 40 percent of the senior executive's annual fixed salary.

Other benefits
Other benefits can include a company car, occupational health services, life and health insurance and other similar benefits. Other benefits will comprise a smaller share of total remuneration and at most can correspond to 10 percent of the senior executive's annual fixed salary.

Consultancy fees
Consultancy fees must be market-based. To the extent consulting service are performed by a Board member of BioArctic, the Board member concerned does not have the right to take part in the preparation by the Board (or the Remuneration Committee) of questions concerning remuneration for the consulting services in question.

Salary and conditions of employment for employees
In order to assess the reasonableness of the guidelines, the Board of Directors took salaries and conditions of employment for BioArctic's employees into consideration when preparing the proposal for these guidelines. With that, the Board studied information pertaining to the employees' total remuneration, the forms this remuneration took, how remuneration levels have changed over time and the rate at which they changed.

Notice period and severance pay
As regards the CEO, the notice period upon termination by BioArctic will be a maximum of twelve months, while the notice period upon resignation by the CEO will be a maximum of six months.

As regards senior executives other than the CEO, the notice period upon termination by BioArctic will be a minimum of three months and a maximum of twelve months, while the notice period upon resignation by the senior executive will be a minimum of three months and a maximum of six months, if not otherwise prescribed by law.

Severance pay can be paid to senior executives upon termination by BioArctic. Total fixed salary during the notice period and severance pay will not exceed an amount corresponding to two years of the fixed salary.

Remuneration may be paid for a commitment to restriction of competition. Remuneration of this type will compensate for any potential loss of income and will only be paid to the extent that the former senior executive does not have the right to severance pay. At most, the remuneration can total 60 percent of the senior executive's fixed salary upon termination, if nothing else follows from compulsory provisions in collective bargaining agreements.

Remuneration of this type can be paid out during the period the commitment to restriction of competition is in effect, which can be a maximum of 12 months after the termination of employment, with the possibility of deduction against other income from services or in accordance with consultancy agreements.

The decision-making process for establishing, reviewing and implementing the guidelines
The Board of Directors has established a Remuneration Committee, which has been tasked with preparing the Board's decisions on issues concerning remuneration policies, remuneration and other conditions of employment for company management; monitoring and evaluating programs both ongoing and concluded during the year for variable remuneration to company management; and monitoring and evaluating application of the guidelines for remuneration to senior executives that the General Meeting is to resolve on, as well as remuneration structures and remuneration levels in effect at BioArctic. The tasks of the Committee also include preparing Board decisions on proposals for guidelines for remuneration to senior executives.

Note 7, cont.

The Board of Directors will draw up proposals for new guidelines in the event substantial changes to the guidelines are needed, though at least once every four years. The Board of Directors will present the proposal for resolution at the AGM. The guidelines will remain in effect until new guidelines have been adopted by the General Meeting.

In order to avoid conflicts of interest, senior executives will not be present at the Board of Directors' handling of and decisions on issues related to remuneration to the extent they are impacted by these issues.

Departures from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines if in an individual case there are particular reasons to do so and a departure is necessary in order to serve BioArctic's long-term interests and sustainability or to ensure the company's financial stability.

Particular reasons could, for example, consist of a departure being deemed necessary in order to recruit or retain key persons, or in connection with extraordinary circumstances such as BioArctic achieving a certain desired result in a shorter time than planned, BioArctic successfully signing a certain agreement in a shorter time and on better terms than predicted, or BioArctic increasing in value or increasing its sales or profits to a greater extent than forecast.

AVERAGE NUMBER OF EMPLOYEES

	Group		*Parent Company*	
Number of	2024	2023	2024	2023
Women[1]	62	50	60	48
Men[2]	35	30	32	28
Total	**97**	**80**	**92**	**76**

1) Of which 2 (2) women in Denmark

2) Of which average number of 2 men in Finland (1.5) and 1 in Norway (0.5)

BOARD MEMBERS AND SENIOR EXECUTIVES

	2024		*2023*	
Number of	Balance sheet date	Of whom women	Balance sheet date	Of whom women
BioArctic AB				
Board members	7	3	8	2
CEO and other senior executives	9	5	9	4

SALARIES, REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

	Group		*Parent Company*	
Amounts in kSEK	2024	2023	2024	2023
Salaries and remuneration				
Board of Directors, CEO and other senior executives[3]	36,508	58,777	36,508	58,777
(of which, variable)	(4,809)	(9,437)	(4,809)	(9,437)
Other employees	97,229	73,120	87,521	65,318
Total salaries and remuneration	**133,737**	**131,897**	**124,029**	**124,095**
Social security contributions[4]	21,717	44,857	21,324	44,663
Pension costs	17,760	16,631	16,417	15,684
(of which Board of Directors, CEO and other senior executives)	(5,486)	(5,468)	(5,486)	(5,468)
Total salaries, remuneration and social security contributions	**173,213**	**193,385**	**161,770**	**184,442**

3) This amount for 2024 includes invoiced fees of kSEK 69 (91).

4) The decrease in social security contributions is due primarily to the fall in share price leading to an MSEK 12.8 reduction in reserved social security contributions linked to the incentive programs. The decrease is also due to a milestone bonus being paid out in 2023.

The company has no outstanding pension obligations.

Note 7, cont.

REMUNERATION AND OTHER BENEFITS, 2024

Amounts in kSEK	Fixed salary/ Fees	Variable remunera-tion	Pension	Share-based remu-neration	Total
Board of Directors					
Eugen Steiner	830	-	-	-	830
Lars Lannfelt[1]	1,969	-	399	-	2,367
Pär Gellerfors	387	-	-	-	387
Ivar Verner (until June 30)	205	-	-	-	205
Mikael Smedeby	338	-	-	-	338
Håkan Englund (until June 30)	130	-	-	-	130
Lotta Ljungqvist	338	-	-	-	338
Cecilia Edström	361	-	-	-	361
Anna-Lena Engwall (from June 1)	204	-	-	-	204
Senior executives					
CEO Gunilla Osswald	4,743	1,793	1,566	1,695	9,797
Other senior executives (8 persons)	14,803	3,015	3,521	5,699	27,038
Total remuneration and other benefits	**24,306**	**4,808**	**5,486**	**7,394**	**41,994**

REMUNERATION AND OTHER BENEFITS, 2023

Amounts in kSEK	Fixed salary/ Fees	Variable remunera-tion	Pension	Share-based remu-neration	Total
Board of Directors					
Wenche Rolfsen (chairman until June 2023)	308	-	-	-	308
Lars Lannfelt[1]	2,115	-	429	-	2,544
Pär Gellerfors	390	-	-	-	390
Eugen Steiner (chairman as of June 2023)	621	-	-	-	621
Ivar Verner	406	-	-	-	406
Mikael Smedeby	316	-	-	-	316
Håkan Englund	256	-	-	-	256
Lotta Ljungqvist	318	-	-	-	318
Cecilia Edström, as of June 1	187	-	-	-	187
Senior executives					
CEO Gunilla Osswald	4,422	2,764	1,564	13,628	22,378
Other senior executives (8 persons)	12,883	6,673	3,475	13,490	36,522
Total remuneration and other benefits	**22,221**	**9,437**	**5,468**	**27,119**	**64,245**

1) Lars Lannfelt is active in the company and is employed at 100% of full-time service. Lars was part of the management group until August 31, 2023 but was reported only in the Board of Directors in the table above so as not to be double-counted.

Note 7, cont.

2019/2028 stock option program

The Black & Scholes model was used to calculate the value of the stock options. The volatility used in calculating the value of the stock options was established based on a comparison with similar companies, and has been set at 40 per cent. During the period, an interest rate corresponding to a five-year government bond was used, and no dividend has been assumed. Apart from the above, no other assumptions have been taken into account when calculating the fair value.

2019/2028 STOCK OPTION PROGRAM	Number of shares
Outstanding as of January 1, 2023	763,414
Allotted	70,000
Forfeited	-
Redeemed	-243,414
Due	-
Outstanding as of December 31, 2023	**590,000**
Outstanding as of January 1, 2024	590,000
Allotted	-
Forfeited	-5,000
Redeemed	-74,050
Due	-
Outstanding as of December 31, 2024	**510,950**
Redeemable as of December 31, 2023	107,000
Redeemable as of December 31, 2024	**153,950**

2019/2028 STOCK OPTION PROGRAM

Allotment	Allotment date	Vesting period concludes	Weighted average remaining contract period	Number of warrants alloted	Share price at allotment date, SEK	Fair value per warrant at allotment date, SEK	Exercise price, SEK
Allotment 1	Sep. 11, 2019	Sep. 11, 2024	0.2 years	435,000	62.90	17.20	83.60
Allotment 2	Sep. 11, 2019	Sep. 11, 2024	0.2 years	25,000	62.90	17.46	82.46
Allotment 3	Dec. 1, 2019	Dec. 1, 2024	0.4 years	20,000	98.00	47.14	67.75
Allotment 4	Feb. 3, 2020	Feb. 3, 2025	0.6 years	5,000	86.90	26.14	105.37
Allotment 5	May 4, 2020	May 4, 2025	0.8 years	25,000	67.15	26.62	60.19
Allotment 6	Dec. 7, 2020	Dec. 7, 2025	1.4 years	35,000	94.20	34.01	94.19
Allotment 7	Jan. 15, 2021	Jan. 15, 2026	1.5 years	10,000	100.30	35.74	101.76
Allotment 8	Aug. 15, 2021	Aug. 15, 2026	2.1 years	30,000	135.80	52.74	124.80
Allotment 9	Jan. 10, 2022	Jan. 10, 2027	2.5 years	170,000	109.20	33.50	129.82
Allotment 10	Apr. 25, 2022	Apr. 25, 2027	2.8 years	20,000	80.80	19.73	113.34
Allotment 11	Nov. 1, 2022	Nov. 1, 2027	3.3 years	70,000	232.60	99.57	161.71
Allotment 12	Feb. 28, 2023	Feb. 28, 2028	3.6 years	70,000	311.40	97.00	314.77
Total warrants allocated as of December 31, 2024				**915,000**			

Note 7, cont.

2023/2026 Performance Share Unit (PSU) program
The value of the Performanc Share Units (PSUs) was calculated through a Monte Carlo simulation. The volatility used in calculating the value of the PSUs was established based on expected future volatility derived from observed historical volatility for the BioArctic share, and was set at 55 per cent. During the period, an estimated three-year interest rate was used based on observed interest rates for two- and five-year government bonds, and no dividend has been assumed. Apart from the above, no other assumptions have been taken into account when calculating the fair value.

2023/2026 PSU PROGRAM	Number of PSUs
Outstanding as of January 1, 2023	-
Allotted	117,500
Forfeited/ Redeemed/ Due	-
Outstanding as of December 31, 2023	**117,500**
Outstanding as of January 1, 2024	117,500
Allotted	-
Forfeited	-500
Redeemed/Due	-
Outstanding as of December 31, 2024	**117,000**
Redeemable as of December 31, 2023	-
Redeemable as of December 31, 2024	**-**

2024/2027 PSU PROGRAM	Number of PSUs
Outstanding as of January 1, 2024	-
Allotted	149,000
Forfeited/ Redeemed/ Due	-
Outstanding as of December 31, 2024	**149,000**
Redeemable as of December 31, 2024	-

2024/2027 Performance Share Unit (PSU) program
The value of the PSUs was calculated through a Monte Carlo simulation. The volatility used in calculating the value of the PSUs was established based on expected future volatility derived from observed historical volatility for the BioArctic share, and was set at 57 per cent for allocation 1 and 59 percent for allocation 2. During the period, an estimated three-year interest rate was used based on observed interest rates for two- and five-year government bonds, and no dividend has been assumed. Apart from the above, no other assumptions have been taken into account when calculating the fair value.

2023/2026 PSU PROGRAM

Allotment	Allotment date	Maturity date	Fair value per PSU at allotment date, SEK	Number of shares the program corresponds to	Vesting rate
Allotment 1	Jun. 1, 2023	Jun. 1, 2026	217.41	107,000	53%
Allotment 2	Aug. 31, 2023	Aug. 31, 2026	203.40	10,500	44%
Total number of PSUs allocated as of December 31, 2024				**117,500**	

2024/2027 PSU PROGRAM

Allotment	Allotment date	Maturity date	Fair value per PSU at allotment date, SEK	Number of shares the program corresponds to	Vesting rate
Allotment 3	Jun. 1, 2024	Jun. 1, 2027	164.64	138,500	19%
Allotment 4	Aug. 31, 2024	Aug. 31, 2027	103.35	10,500	11%
Total number of PSUs allocated as of December 31, 2024				**149,000**	

NOTE 8 Remuneration to the auditors

	Group		*Parent Company*	
Amounts in kSEK	**2024**	**2023**	**2024**	**2023**
Grant Thornton				
Audit engagement	1,830	759	1,611	680
Audit services in addition to audit engagement	154	226	154	226
Tax advisory service	16	160	16	160
Other services	8	105	8	105
Total remuneration to Grant Thornton	**2,009**	**1,250**	**1,789**	**1,171**

Audit assignment refers to the review of the Annual Report and the accounts, as well as of the administration by the Board of Directors and the CEO, and to other work tasks that it is the business of the company's auditor to perform as well as consultancy or other assistance occasioned by observations in conjunction with such reviews or the performance of other such work tasks.

Audit services in addition to audit engagement pertain primarily to a general audit of interim financial statements.

Tax advisory service includes consultancy on income tax and VAT.

Other services pertain to consultancy not attributable to any of the categories of service named above.

NOTE 9 Commitments

LEASE COMMITMENTS

The Group applies IFRS 16 Leases, which means that leases are recognized in the balance sheet as a right-of-use asset and a lease liability. Both expensed and future lease commitments belong to the Parent Company and pertain to rent for office premises under non-cancelable leases as well as lease payments for company cars where the remaining term of the lease is between 1 and 3 years. For more information on leases, refer to Note 24.

EXPENSED MINIMUM LEASE PAYMENTS

	Parent Company	
Amounts in kSEK	**2024**	**2023**
Lease fees, premises	14,472	11,285
Lease fees, vehicles	1,532	990
Total	**16,003**	**12,275**

FUTURE MINIMUM LEASE PAYMENTS FOR NON-CANCELABLE LEASES

	Parent Company	
Amounts in kSEK	**2024**	**2023**
Within one year	17,783	17,276
Later than one year but not later than five years	52,247	60,618
Later than five years	-	4,968
Total	**70,030**	**82,862**

In 2023, the Parent Company signed a new lease that commenced in May 2024. The total future cash outflow for leases totaled kSEK 65,614.

OTHER COMMITMENTS

BioArctic has undertaken to conduct research operations to reach predefined milestones. The Group does not have any prepaid income as of December 31, 2024.

NOTE 10 Other operating expenses

	Group		Parent Company	
Amounts in kSEK	2024	2023	2024	2023
Operational foreign exchange losses	2,638	8,132	2,579	8,132
Total other operating expenses	**2,638**	**8,132**	**2,579**	**8,132**

NOTE 11 Finance income and expenses

	Group		Parent Company	
Amounts in kSEK	2024	2023	2024	2023
Interest charged	40,845	34,228	40,815	34,225
Total financial income	**40,845**	**34,228**	**40,815**	**34,225**
Non-current lease liabilities		-328	-	-
Foreign exchange losses	-1,849	-10,003	-119	-10,002
Financial expenses		-51		-9
Total financial expenses	**-1,849**	**-10,382**	**-119**	**-10,011**
Total financial income and expenses	**38,996**	**23,846**	**40,696**	**24,214**

NOTE 12 Tax

	Group		Parent Company	
Amounts in kSEK	2024	2023	2024	2023
Current tax	-336	-34,822	-	-34,618
Deferred tax	12,776	-12,415	263	80
Total tax on profit for the year	**12,440**	**-47,237**	**263**	**-34,538**

RECONCILIATION OF EFFECTIVE TAX

In the table below, reported tax is reconciled against tax based on the Swedish tax rate of 20.6% (20.6%).

RECONCILIATION OF EFFECTIVE TAX

	Group		Parent Company	
Amounts in kSEK	2024	2023	2024	2023
Profit/loss before tax	-189,519	276,486	-130,356	214,870
Tax under applicable tax rate, 20.6% (20.6%)	39,370	-56,751	26,853	-44,263
Tax under applicable tax rate in subsidiaries	-329	-205	-	-
Non-deductible expenses	-333	-392	-322	-386
Non-taxable income	118	11	118	11
Standard income on tax allocation reserve	-302	-	-302	-
Tax effect on loss carry-forward capitalized[1]	-	10,100	-	10,100
Tax effect on loss carry-forward not capitalized[1]	-26,084	-	-26,084	-
Total tax	**12,440**	**-47,237**	**263**	**-34,538**
Effective tax, %	6.6%	17.1%	0.2%	16.1%

1) Taxable loss for 2024 was MSEK 186.7 (0.0).

Note 12, cont.

CURRENT TAX LIABILITIES

	Group		Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Current tax liabilities	33,580	33,758	33,461	33,597
Total current tax liabilities	**33,580**	**33,758**	**33,461**	**33,597**

DEFERRED TAX

Deferred tax consists of tax items to be settled in the future. The table below specifies deferred tax receivables and tax liabilities regarding temporary differences between the carrying amount of assets and liabilities and their taxable value.

DEFERRED TAX ON TEMPORARY DIFFERENCES

	Group		Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Leasehold improvements	797	533	797	533
Deferred tax, IFRS 16	160	33	-	-
Total deferred tax assets	**957**	**566**	**797**	**533**
Tax allocation reserve	-	-11,515	-	-
Accelerated depreciation	-	-870	-	-
Total deferred tax liabilities	**-**	**-12,385**	**-**	**-**
Total net deferred tax	**957**	**-11,819**	**797**	**533**

CHANGE IN DEFERRED TAX

	Group			Parent Company		
Amounts in kSEK	Jan. 1, 2024	Recognized in profit or loss	Dec. 31, 2024	Jan. 1, 2024	Recognized in profit or loss	Dec. 31, 2024
Leasehold improvements	533	263	797	533	263	797
Deferred tax, IFRS 16	33	127	160	-	-	-
Total deferred tax assets	**566**	**391**	**957**	**533**	**263**	**797**
Tax allocation reserve	-11,515	11,515	-	-	-	-
Accelerated depreciation	-870	870	-	-	-	-
Total deferred tax liabilities	**-12,385**	**12,385**	**-**	**-**	**-**	**-**
Total net deferred tax	**-11,819**	**12,776**	**957**	**533**	**263**	**797**

	Group			Parent Company		
Amounts in kSEK	Jan. 1, 2023	Recognized in profit or loss	Dec. 31, 2023	Jan. 1, 2023	Recognized in profit or loss	Dec. 31, 2023
Leasehold improvements	453	80	533	453	80	533
Deferred tax, IFRS 16	143	-110	33	-	-	-
Total deferred tax assets	**596**	**-30**	**566**	**453**	**80**	**533**
Tax allocation reserve	-	-11,515	-11,515	-	-	-
Accelerated depreciation	-	-870	-870	-	-	-
Total deferred tax liabilities	**-**	**-12,385**	**-12,385**	**-**	**-**	**-**
Total net deferred tax	**596**	**-12,415**	**-11,819**	**453**	**80**	**533**

NOTE 13 Earnings per share and share data

Earnings per share is calculated by dividing earnings for the year attributable to Parent Company shareholders by a weighted average of the number of ordinary shares outstanding during the period. As of the balance-sheet date, 915,000 warrants have been allocated, of which 510,950 warrants are outstanding after deductions for forfeited, exercised and repurchased warrants. These outstanding warrants correspond to a maximum dilution effect of 0.6 percent of the shares at year end. At the balance sheet date, 149,000 share rights had been allocated and were outstanding at the end of the year. These outstanding share rights correspond to a maximum dilution effect of 0.2 percent of the shares at year end.

	Group	
Amounts in kSEK	**2024**	**2023**
Loss for the year attributable to owners of the Parent Company, kSEK	-177,079	229,249
Weighted average number of shares outstanding before dilution	88,347,345	88,230,640
Earnings per share before dilution, SEK	**-2.00**	**2.60**
Earnings per share after dilution, SEK[1]	**-2.00**	**2.59**
Proposed dividend per share, SEK	0.00	0.00
Number of shares outstanding as of the balance sheet date	88,389,035	88,314,985
Number of warrants and share rights outstanding	659,950	707,500

1) No dilution effect for 2024 since the company reported negative earnings.

NOTE 14 Tangible assets

	Group			
Amounts in kSEK	**Leasehold improvements**	**Equipment**	**Total**	**Right-of-use assets**
Cost at January 1, 2024	6,517	57,109	63,625	44,816
Acquisitions	11,271	15,364	26,635	62,681
Remeasurement	-	-	-	1,013
Disposal	-	-	-	-40,420
Cost at December 31, 2024	**17,788**	**72,473**	**90,260**	**68,090**
Depreciation at January 1, 2024	-4,078	-36,012	-40,090	-37,226
Disposal	-	-	-	39,972
Depreciation	-1,989	-8,730	-10,719	-13,668
Depreciation at December 31, 2024	**-6,067**	**-44,741**	**-50,808**	**-10,921**
Carrying amount at January 1, 2024	**2,439**	**21,097**	**23,536**	**7,590**
Carrying amount at December 31, 2024	**11,721**	**27,731**	**39,451**	**57,169**

	Group			
Amounts in kSEK	**Leasehold improvements**	**Equipment**	**Total**	**Right-of-use assets**
Cost at January 1, 2023	6,517	50,326	56,843	41,077
Acquisitions	-	7,444	7,444	3,922
Remeasurement	-	-	0	3,995
Disposal	-	-660	-660	-4,179
Cost at December 31, 2023	**6,517**	**57,109**	**63,626**	**44,816**
Depreciation at January 1, 2023	-3,364	-29,947	-33,311	-29,345
Disposal	-	660	660	3,108
Depreciation	-714	-6,725	-7,439	-10,988
Depreciation at December 31, 2023	**-4,078**	**-36,012**	**-40,090**	**-37,226**
Carrying amount at January 1, 2023	**3,153**	**20,379**	**23,531**	**11,733**
Carrying amount at December 31, 2023	**2,439**	**21,097**	**23,536**	**7,590**

Note 14, cont.

	Parent Company		
Amounts in kSEK	Leasehold improvements	Equipment	Total
Cost at January 1, 2024	6,517	57,049	63,566
Acquisitions	11,271	15,364	26,635
Cost at December 31, 2024	**17,788**	**72,413**	**90,201**
Depreciation at January 1, 2024	-4,078	-36,012	-40,090
Depreciation	-1,989	-8,715	-10,704
Depreciation at December 31, 2024	**-6,067**	**-44,727**	**-50,794**
Carrying amount at January 1, 2024	**2,439**	**21,037**	**23,476**
Carrying amount at December 31, 2024	**11,721**	**27,686**	**39,407**

	Parent Company		
Amounts in kSEK	Leasehold improvements	Equipment	Total
Cost at January 1, 2023	6,517	50,326	56,843
Acquisitions	-	7,384	7,384
Sale/disposal	-	-660	-660
Cost at December 31, 2023	**6,517**	**57,049**	**63,566**
Depreciation at January 1, 2023	-3,364	-29,947	-33,311
Disposal	-	660	660
Depreciation	-714	-6,725	-7,439
Depreciation at December 31, 2023	**-4,078**	**-36,012**	**-40,090**
Carrying amount at January 1, 2023	**3,153**	**20,378**	**23,531**
Carrying amount at December 31, 2023	**2,439**	**21,037**	**23,476**

NOTE 15 Shares in subsidiaries

	Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023
Opening cost	140	50
Acquisition/Divestment	-50	90
Closing cost	**90**	**140**

SPECIFICATION OF PARENT COMPANY'S SHARES AND PARTICIPATIONS IN SUBSIDIARIES

Subsidiary/Corp. ID No./Reg. office	Share owned, %[1]	Equity	Profit for the
BioArctic Denmark ApS, 43775154, Copenhagen	100.0%	1,461	445
BioArctic Finland Oy, 3345860-8, Helsinki	100.0%	1,321	437
BioArctic Norway AS, 930931349, Oslo	100.0%	517	333

1) Pertains to ownership share of capital, which also corresponds to the proportion of voting rights for the total number of shares.

2) Profit for the year in the foreign subsidiaries pertains to intra-Group services

NOTE 16 Other non-current financial assets

	Group		*Parent Company*	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Deposit	3,442	1,647	3,421	1,627
Total other non-current financial assets	**3,442**	**1,647**	**3,421**	**1,627**

Pertains to deposit for rental contract in the form of restricted cash; refer to Note 27.

NOTE 17 Overview of financial instruments

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The Group's financial assets and liabilities are fully attributable to cash and cash equivalents, current investments, trade receivables, other current receivables, trade payables, contractual accrued expenses and tax liabilities. The Group has no foreign exchange contracts or listed securities.

Dec. 31, 2024 Amounts in kSEK	Note	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
Financial assets				
Trade receivables		71,196		
Other current receivables	18	35,626	-	-
Contractual accrued revenue	19	100,281	-	-
Current investments		265,989		
Cash and cash equivalents	20	512,927	-	-
Total financial assets		**986,020**	-	-
Financial liabilities				
Trade payables		-50,453	-	-
Tax liabilities	12	-33,580	-	-
Contractual accrued expenses	26	-22,862	-	-
Total financial liabilities		**-106,895**	-	-
Total financial instruments (assets + / liabilities -)		**879,125**	-	-

Dec. 31, 2023 Amounts in kSEK	Note	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
Financial assets				
Trade receivables		223		
Other current receivables	18	-	-	-
Contractual accrued revenue	19	14,942	-	-
Current investments		500,000		
Cash and cash equivalents	20	611,567	-	-
Total financial assets		**1,126,732**	-	-
Financial liabilities				
Trade payables		-29,867	-	-
Tax liabilities	12	-33,758	-	-
Contractual accrued expenses	26	-6,323	-	-
Total financial liabilities		**-69,948**	-	-
Total financial instruments (assets + / liabilities -)		**1,056,784**	-	-

THE GROUP'S MATURITY STRUCTURE FOR UNDISCOUNTED FINANCIAL LIABILITIES

Amounts in kSEK	2025	2026	2027	2028	2029
Trade payables	50,453	-	-	-	-
Lease liabilities	17,783	16,555	15,503	15,142	5,047
Contractual accrued expenses	22,862	-	-	-	-
Total	**91,098**	**16,555**	**15,503**	**15,142**	**5,047**

NOTE 18 Other current receivables

	Group		Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
VAT receivables	3,654	3,857	3,444	3,498
Tax account	32,470	3,027	32,470	3,027
Other	-498	-	-498	1,640
Total other current receivables	**35,626**	**6,884**	**35,415**	**8,165**

NOTE 19 Prepaid expenses and accrued income

	Group		Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Prepaid rent	3,991	2,763	3,991	2,763
Other prepaid expenses	14,205	6,639	17,768	9,345
Accrued interest income	6,447	9,721	6,447	9,721
Contractual accrued revenue	100,281	14,942	100,281	14,942
Total prepaid expenses and accrued income	**124,925**	**34,065**	**128,487**	**36,770**

NOTE 20 Cash and cash equivalents

	Group		Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Cash and bank balances	512,927	611,567	509,301	609,417
Total cash and cash equivalents	**512,927**	**611,567**	**509,301**	**609,417**

NOTE 21 Share capital

Class of share	Number of shares	Share capital, SEK	Quotient value, SEK	Votes per share	Total votes
A shares	14,399,996	288,000	0.02	10	143,999,960
B shares	73,989,039	1,479,781	0.02	1	73,989,039
Total	**88,389,035**	**1,767,781**			**217,988,999**

DEVELOPMENT OF SHARE CAPITAL

Year	Event	Number of new shares	Number of A shares	Number of B shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
2000	Company founded	1,000	1,000	-	1,000	100,000	100,000
2002	Split 1000:1	999,000	1,000,000	-	1,000,000	-	100,000
2002	Split 4:1	3,000,000	4,000,000	-	4,000,000	-	100,000
2002	Reclassification of A shares to B shares	-	3,000,000	1,000,000	4,000,000	-	100,000
2004	Rights issue	133,333	3,133,333	1,000,000	4,133,333	3,333	103,333
2005	Rights issue	66,666	3,199,999	1,000,000	4,199,999	1,667	105,000
2011	Subscription through warrants	4,000	3,199,999	1,004,000	4,203,999	100	105,100
2017	Stock dividend issue	-	3,199,999	1,004,000	4,203,999	1,156,100	1,261,200
2017	Split 15:1	58,855,986	47,999,985	15,060,000	63,059,985	-	1,261,200
2017	Reclassification of A shares to B shares	-	14,399,996	48,659,989	63,059,985	-	1,261,200
2017	Rights issue	25,000,000	14,399,996	73,659,989	88,059,985	500,000	1,761,200
2022	New share issue through exercise of employee stock options	71,586	14,399,996	73,731,575	88,131,571	1,431	1,762,631
2023	New share issue through exercise of employee stock options	183,414	14,399,996	73,914,989	88,314,985	3,669	1,766,300
2024	New share issue through exercise of employee stock options	74,050	14,399,996	73,989,039	88,389,035	1,481	1,767,781
		88,389,035				**1,767,781**	

Regarding changes in equity, refer to the consolidated and Parent Company statements of changes in equity.

NOTE 22 Proposed appropriation of retained earnings

The Board of Directors proposes that available funds amounting to SEK 889,598,575 be disposed of as follows:

Amounts in SEK	Dec. 31, 2024
Dividend to shareholders	0
Carried forward	889,598,575
Total	**889,598,575**

NOTE 23 Untaxed reserves

	Parent Company	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023
Tax allocation reserves	-	55,900
Accelerated depreciation	-	4,222
Total untaxed reserves	**-**	**60,122**

NOTE 24 Leases

Lease liabilities presented in the balance sheet are allocated as follows:

	Group	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023
Current	13,149	2,827
Non-current	41,079	2,152
Total lease liabilities	**54,228**	**4,979**

For 2024, interest paid on leases totaled SEK 1,654,799 (328,382) and the total cash flow for leases in 2024 was SEK 16,003,396. The table below describes the Group's leases based on the type of right of use recognized in the statement of financial position:

Right-of-use assets	Number of right-of-use assets	Interval, duration remaining	Average remaining lease period	Number of contracts with warrants to extend	Number of contracts with warrants to purchase	Number of contracts with variable fees pegged to an index	Number of contracts with warrants to cancel
Office premises	1	1–5 years	4 years	1	0	1	0
Garage spaces	1	1 year	1 year	1	0	1	1
Employee vehicles	17	0–3 years	1.7 years	17	17	0	0

Note 24, cont.

The table shows a specification of acquisitions, depreciation, remeasurements and disposals of right-of-use assets by type of right of use.

	Right-of-use assets		
Amounts in kSEK	**Premises**	**Employee vehicles**	**Total**
Cost at January 1, 2024	40,089	4,727	44,816
Acquisitions	59,516	3,166	62,681
Remeasurement	1,200	-187	1,013
Disposal	-39,256	-1,164	-40,420
Cost at December 31, 2024	**61,548**	**6,542**	**68,090**
Depreciation at January 1, 2024	-36,044	-1,181	-37,226
Disposal	39,256	716	39,972
Depreciation	-12,167	-1,501	-13,668
Depreciation at December 31, 2024	**-8,955**	**-1,966**	**-10,921**
Carrying amount at January 1, 2024	**4,044**	**3,546**	**7,590**
Carrying amount at December 31, 2024	**52,593**	**4,576**	**57,169**

	Right-of-use assets		
Amounts in kSEK	**Premises**	**Employee vehicles**	**Total**
Cost at January 1, 2023	36,405	4,672	41,077
Acquisitions	1,001	2,503	3,504
Remeasurement	4,405	8	4,413
Disposal	-1,723	-2,456	-4,179
Cost at December 31, 2023	**40,089**	**4,727**	**44,816**
Depreciation at January 1, 2023	-27,645	-1,700	-29,345
Disposal	1,676	1,432	3,108
Depreciation	-10,075	-913	-10,989
Depreciation at December 31, 2023	**-36,044**	**-1,181**	**-37,226**
Carrying amount at January 1, 2023	**8,761**	**2,972**	**11,733**
Carrying amount at December 31, 2023	**4,044**	**3,546**	**7,590**

LEASES NOT RECOGNIZED AS LIABILITIES

The Group has chosen not to recognize a lease liability regarding short-term leases (leases with an expected term of 12 months or less) or low-value leases. Payments concerning such leases are expensed on a linear basis. The Group did not have any short-term leases in either 2024 or 2023. Furthermore, the recognition of certain lease fees as lease liabilities is not permitted, which is why they are also routinely expensed.

NOTE 25 Reconciliation of liabilities attributable to financing operations

Amounts in kSEK	Lease liabilities
Jan. 1, 2024	**4,979**
Cash items	
Amortization	-329
Non-cash items	
Cost	23,274
Amortization	26,304
Dec. 31, 2024	**54,228**

Amounts in kSEK	Lease liabilities
Jan. 1, 2023	**10,039**
Cash items	
Amortization	-917
Non-cash items	
Cost	3,738
Amortization	-7,881
Dec. 31, 2023	**4,979**

NOTE 26 Accrued expenses and prepaid income

	Group		*Parent Company*	
Amounts in kSEK	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Accrued personnel expenses	45,255	42,955	43,773	41,982
Contractual accrued expenses	22,862	6,323	22,862	6,323
Other accrued expenses and prepaid income	220	-428		-555
Total accrued expenses and prepaid income	**68,338**	**48,849**	**66,635**	**47,750**

No revenue was recognized during the year from fulfilled or partially fulfilled performance obligations from earlier periods.

NOTE 27 Pledged assets and contingent liabilities

PLEDGED ASSETS

The pledged assets in the table below pertain to deposits for office premises and for leased company vehicles.

	Group		*Parent Company*	
Amounts in kSEK	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**
Restricted cash	3,261	1,500	3,261	1,500
Deposit, lease and premises	180	147	160	127
Total pledged assets	**3,442**	**1,647**	**3,421**	**1,627**

CONTINGENT LIABILITIES

The contingent liabilities below have been identified as applying to both the Group and the Parent Company:

- BioArctic has agreed with a former partner that if BAN0805 reaches the market, a payment obligation will arise in relation to the contracting party pertaining to a low single-digit percentage royalty on global sales. This obligation lies far in the future and is time-limited.

All projects are proceeding according to plan, and there are no indications that repayment obligations or other obligations could arise. The same assessment was made in 2023.

NOTE 28 Disclosures on the cash flow statement

ADJUSTMENT FOR NON-CASH ITEMS

	Group		*Parent Company*	
Amounts in kSEK	**2024**	**2023**	**2024**	**2023**
Depreciation of tangible assets and right-of-use assets	10,719	7,439	10,704	7,439
Accrued income	-85,339	-14,942	-85,339	-14,942
Unrealized foreign exchange gains (-) / losses (+)	-2,096	1,261	-2,096	1,261
Share-based remuneration	19,334	16,137	18,649	15,530
Other non-cash items	-	-	-	-143
Total adjustment for non-cash items	**-57,383**	**9,895**	**-58,083**	**9,146**

NOTE 29 Transactions with affiliated parties

Remuneration to the Group's senior executives during the year was paid in accordance with applicable guidelines. This includes allocation of share rights in accordance with the resolution by the 2024 Annual General Meeting on the introduction of a share rights program. The company had costs of MSEK 0.1 (0.1) during the year pertaining to consulting services from Ackelsta AB, which is owned by Board member Pär Gellerfors. All transactions were concluded under market conditions. For further information, refer to Note 7.

NOTE 30 Events after the balance sheet date

- The US Food and Drug Administration (FDA) accepted the Biologics License Application for subcutaneous maintenance dosing of Leqembi in the US.
- The FDA approved less frequent IV maintenance dosing of Leqembi for the treatment of early Alzheimer's disease in the US.
- Sales of Leqembi reached EUR 200 million, which means that the first sales milestone has been achieved. BioArctic thus received a payment of EUR 10 million.
- The EU Committee for Medicinal Products for Human Use (CHMP) reaffirmed its positive opinion for lecanemab in the EU as a treatment for early Alzheimer's disease.
- BioArctic's global license agreement with Bristol Myers Squibb for the pyroglutamate amyloid-beta antibody program went into effect after antitrust clearance and closing.
- Australia's Therapeutic Goods Administration (TGA) decided in October not to register lecanemab for treatment of early Alzheimer's disease. BioArctic's partner Eisai will continue its efforts to give Australian patients access to lecanemab.
- BioArctic received Orphan Drug Designation for exidavnemab in the US for the treatment of Multiple System Atrophy (MSA).
- BioArctic's partner Eisai published a simulation of potential future sales for Leqembi. According to Eisai's simulation, Leqembi sales will reach JPY 250 to 280 billion for their financial year (FY) 2027, which ends in March 2028.
- The European Commission communicated that it has granted Marketing Authorization of Leqembi (lecanemab) in the European Union (EU). This is the first therapy targeting an underlying cause of Alzheimer's disease to be granted an MA in the EU. The regulatory approval in the EU entitles BioArctic to a milestone payment of EUR 20 M.

NOTE 31 Information on purchases and sales within the Group

The Parent Company's income from Group companies totaled MSEK 0.0 (0.3) for the full year and pertained to costs invoiced onward. The Parent Company's costs from Group companies totaled MSEK 20.9 (12.7) for full-year 2024 and pertained to services performed.

NOTE 32 Definition and reconciliation of key ratios

Key ratios	Definition
Net revenue	Income attributable to BioArctic's normal operations
Cost of goods sold	Costs for royalties indicated for BioArctic's commitments regarding Leqembi
Gross earnings	Net sales less cost of goods sold
Operating profit/loss	Profit/loss before financial items
Operating margin, %	Operating profit/loss divided by net revenue
Profit/loss for the year	Profit/loss after financial items and tax
Earnings per share before dilution, SEK	Profit divided by number of shares outstanding before dilution
Earnings per share after dilution, SEK	Profit divided by number of shares outstanding after dilution
Equity per share	Adjusted equity divided by the number of shares at the end of the period
Cash flow from operating activities per share, SEK	Cash flow from operating activities divided by the weighted average number of shares outstanding
Equity/asset ratio, %	Adjusted equity divided by the balance sheet total
Return on equity	Earnings after tax divided by the average adjusted equity

Note 32, cont.

Amounts in kSEK	2024	2023	2022	2021	2020
Operating margin					
Operating profit/loss	-228,515	252,640	-17,442	-139,723	-85,012
Net revenue	257,352	615,995	228,291	23,146	62,347
Operating margin, %	**neg**	**41.0%**	**neg**	**neg**	**neg**
Earnings per share before dilution					
Profit/loss for the year	-177,079	229,249	-11,179	-119,789	-68,517
Weighted average number of shares outstanding before dilution	88,347,345	88,230,640	88,074,302	88,059,985	88,059,985
Earnings per share before dilution, SEK	**-2.00**	**2.60**	**-0.13**	**-1.36**	**-0.78**
Earnings per share after dilution					
Profit/loss for the year	-177,079	229,249	-11,179	-119,789	-68,517
Weighted average number of shares outstanding after dilution	88,523,690	88,487,401	88,682,985	88,579,985	88,177,985
Earnings per share after dilution, SEK	**-2.00**	**2.59**	**-0.13**	**-1.36**	**-0.78**
Equity per share					
Equity	894,942	1,046,575	786,241	788,676	907,299
Number of shares outstanding	88,389,035	88,314,985	88,131,571	88,059,985	88,059,985
Equity per share	**10.13**	**11.85**	**8.92**	**8.96**	**10.29**
Cash flow from operating activities per share					
Cash flow from operating activities	-316,332	309,694	-31,638	-140,457	-92,341
Weighted average number of shares outstanding before dilution	88,347,345	88,230,640	88,074,302	88,059,985	88,059,985
Cash flow from operating activities per share	**-3.58**	**3.51**	**-0.36**	**-1.60**	**-1.05**
Equity/asset ratio					
Adjusted equity	894,942	1,046,575	786,241	788,676	907,299
Balance sheet total	1,111,681	1,186,078	858,307	897,730	1,050,313
Equity/asset ratio, %	**80.5%**	**88.2%**	**91.6%**	**87.9%**	**86.4%**
Return on equity					
Profit/loss for the year	-177,079	229,249	-11,179	-119,789	-68,517
Average adjusted equity	970,759	916,408	787,459	847,988	940,898
Return on equity, %	**-18.2%**	**25.0%**	**-1.4%**	**-14.1%**	**-7.3%**

Signatures of the Board of Directors and CEO

The Board of Directors and the CEO hereby assure that the consolidated accounts and annual report were prepared as per the International Financial Reporting Standards (IFRS) as adopted by the EU, and generally accepted accounting principles, respectively, and provide a true and fair view of the development of the Group's and Parent Company's financial position and performance, and that the Board of Directors' report provides a true and fair view of the Group's and Parent Company's operations, financial position and performance as well as describing material risks and uncertainties faced by the companies that are part of the Group. The income statements and balance sheets of the Parent Company and the Group are subject to adoption by the Annual General Meeting on May 22, 2025.

STOCKHOLM, APRIL 22, 2025

Eugen Steiner
Chairman of the Board

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

Our audit report was submitted on April 22, 2025
Grant Thornton Sweden AB

Therese Utengen
Authorized public accountant
Auditor in charge

Auditor's report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

To the general meeting of the shareholders of BioArctic AB (publ)Corporate identity number 556601 - 2679

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of BioArctic AB (publ) for the year 2024.

The annual accounts and consolidated accounts of the company are included on pages 48 - 98 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period, and include, among other things, the most important assessed risks of material misstatement. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

The Group's reported revenues as at December 31, 2024 is kSEK 257 352, and mainly includes royalty and compensations related to collaborations. Since the Group's revenues are of material amount and consist of different revenue streams which are reported as revenue at a point in time or over time and include elements of assessments, revenues have been assessed as a key audit matter. For further information on accounting policies for revenue recognition, see note 2 and note 5 in the annual report of BioArctic AB (publ).

Our audit has included the following audit procedures but were not limited to these:

- Understanding and assessment of the company's routines and controls related to revenue recognition,
- Examination of recognized revenue related to royalty and collaborations against agreements received payments and royalty report,
- Examination of project accounting, examination of project expenses and examination of the assessments made by management related to fulfillment of performance obligations in major research collaborations,
- Examination and assessment that applied accounting principles are in accordance with IFRS and whether information disclosed in the annual report is in all material respect sufficient in accordance with the Annual Accounts Act and IFRS.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-47 and 118-150. The other information also consists of the renumeration report, which we have had access to prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

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We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must

also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regu-lation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BioArctic AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted

auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for BioArctic AB (publ) for the year 2024. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BioArctic AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts. Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Grant Thornton Sweden AB, Kungsgatan 57, 103 94 Stockholm, was appointed auditor of BioArctic AB (publ) by the general meeting of the shareholders on the 22 May 2024 and has been the company's auditor since the 22 June 2016.

Stockholm April 22, 2025.
Grant Thornton Sweden AB

Therése Utengen
Authorised Public Accountant

Corporate governance

Chairman's comments

After the successes with lecanemab, the main focus for the Board will be ensuring future revenues beyond lecanemab. The course of events in 2024 shows that the successful journey has only just begun, and our strategic investments are paying off.

In the autumn of 2023, the Board made an important strategic decision: we will use the successes with lecanemab to accelerate the development of our clinical and preclinical projects. In 2024, we began to realize this strategy, for example by making significant investments in several promising projects.

It is gratifying to see how the investments in the company's research and development in recent years have already led to new successes. Our BrainTransporter technology gained international attention during the autumn of 2024 when our researchers were able to demonstrate the potential in this technology, which yields up to 70 times greater brain exposure for amyloid beta antibodies. The multi-billion dollar agreement that we signed with Bristol Myers Squibb that included a BrainTransporter project shows that BioArctic has great value to offer.

At the same time, in 2024 we were able to follow our partner's management of the commercial challenges that are always associated with the introduction of entirely new therapies. In the US, it took longer than Eisai initially forecast to build up the infrastructure that is required to provide large patient populations with access to lecanemab. In Europe, we ran up against a surprising delay during the summer when the European Committee for Medicinal Products for Human Use initially seemed to be on the way to rejecting the first disease-modifying drug against early Alzheimer's disease that could demonstrate clinically relevant effects. After several rounds, it was very gratifying that the European Commission recently also approved lecanemab. This means that European patients and their physicians will soon have access to the treatment. Also worth noting is that the launches in China and Japan were more successful than Eisai had initially forecast.

From the Board's perspective, we see these early successes and setbacks as a natural part of a global launch. Of course we will learn from our experiences with lecanemab, but above all we will maintain our focus on the overall vision that our founders, Lars Lannfelt and Pär Gellerfors, formulated 22 years ago and on the potential that exists in the basic scientific principles that both lecanemab and the BrainTransporter technology rest on. In the same way that lecanemab selectively and effectively helps the body remove the harmful protein structures that lead to Alzheimer's disease, our other antibodies under development have the potential to clear the body from the harmful structures that lead to diseases such as Parkinson's disease and ALS. The treatment of serious diseases that degrade the brain is facing a major breakthrough: diseases that to date were devastating can be transformed into chronic illnesses that people can live with for a long time and could even – over the long term – be cured. BioArctic is an increasingly central player in this development.

At present, BioArctic has a long history of using each success to advance and further broaden its research and development. The Board is firmly committed to continue in this spirit. BioArctic's continued acceleration of the development of the next generation of antibodies against CNS diseases will most likely lead to an even brighter future for both patients, their relatives and shareholders.

Stockholm, April 22, 2025

Eugen Steiner
Chairman of the Board

> The crucial focus for the Board will be ensuring future revenue beyond lecanemab.

Corporate governance

Bodies, regulations and governance

INTRODUCTION

Active control of risks and a well-functioning corporate culture promote the creation of value for stakeholders. Corporate governance refers to the rules and decision-making hierarchies that efficiently and in a controlled manner promote management and governance as well as the ability to monitor developments within the company.

BioArctic AB, corporate registration number 556601-2679, is a Swedish limited company with its head office in Stockholm. The BioArctic share has been listed on Nasdaq Stockholm since 2017; since the beginning of 2024 in the Large Cap segment. The Corporate Governance Report, which is a part of the company's Board of Directors' report, has been reviewed by the company's auditor, Grant Thornton Sweden AB, and the results of the review are presented in their statement on page 117 of this Annual Report.

GOVERNANCE DOCUMENTS

Corporate governance in BioArctic is regulated through both external and internal regulations. The external regulations include the relevant laws and ordinances (including the Companies Act, the Annual Accounts Act, the Market Abuse Regulation and IFRS), stock market regulations in the market where the company's shares are admitted for trading (the Nordic Main Market Rulebook for Issuers of Shares), and the Swedish Corporate Governance Code (the "Code").Internal regulations include the company's Articles of Association, as well as internal instructions and guidelines. Examples of internal instructions and guidelines include the rules of procedure for the Board of Directors and sub committees and instructions to the CEO. In addition, the Board of Directors of BioArctic has adopted a number of policies and guidelines that control the company's operations, and instructions for financial reporting are documented in the company's finance handbook.

THE SWEDISH CORPORATE GOVERNANCE CODE

BioArctic applies the Swedish Corporate Governance Code, and no deviations from the Code occurred during the year. The Company was not subject to any decision of the Nasdaq Stockholm disciplinary board or any statement by the Swedish Securities Council during the year.

THE GOVERNANCE MODEL

Governance, management and control of BioArctic is exercised by the shareholders through the Annual General Meeting, the Board of Directors, the CEO and the auditors in accordance with the Swedish Companies Act and the Articles of Association.

SHAREHOLDERS AND SHARES

BioArctic's B share (BIOA B) has been traded on Nasdaq Stockholm since 2017. At December 31, 2024 the share capital in BioArctic amounted to 1,767,781 SEK divided into 14,399,996 Class A shares (number of votes: 10) and 73,989,039 Class B shares (number of votes: 1), each with a quotient value of SEK 0.02. The number of shares in the company increased by 74,050 during the year as a result of subscription of shares by participants in the 2019/2028 employee stock option program. According to ownership data from Monitor by Modular Finance, the number of shareholders at year-end was 23,833 (20,697) and the ten largest shareholders owned 90.8 percent (91.3) of the votes and 77.3 percent (78.4)

GOVERNANCE MODEL

of the capital in the company. Provided that the attendees of the Annual General Meeting have registered in the prescribed order, each owner will have the right at the AGM to vote for all owned, directly registered, and represented shares.

There are no provisions in BioArctic's Articles of Association that limit the right to transfer shares or how many votes each shareholder can cast at a general meeting. For further information on BioArctic's share and ownership structure, see the BioArctic share section on pages 144-146 or visit www.bioarctic.com.

GENERAL MEETING

The General Meeting is BioArctic's highest decision-making body, at which the stakeholders have the right to pass resolutions on issues affecting the company. An Annual General Meeting (AGM) is held on a yearly basis, within six months of the end of the financial year. At the AGM, the balance sheet and income statement are presented, as well as the consolidated balance sheet and income statement, and resolutions are passed on such matters as appropriation of the Company's earnings, election of Board members and fees to Board members and auditors, and other matters submitted to the AGM in accordance with the law.

The Articles of Association do not contain any specific provisions relating to the amending of the Articles of Association.

2024 Annual General Meeting

The AGM of BioArctic was held on May 22, 2024. The Board of Directors decided, by virtue of the Articles of Association, that shareholders could exercise their voting rights at the meeting through physical participation, by proxy or by postal voting. A total of 197,075,308 votes were present at the meeting out of 217,922,649 votes overall according to the meeting records, corresponding to 90.4 percent of the votes. 67,475,344 shares were registered at the AGM, or 76.4 percent of the total number of shares. The minutes and other documentation from the General Meeting are available on BioArctic's website, www.bioarctic.com.

2025 ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, May 22, 2025 at Harlingen Conferences in Stockholm, Sweden. Shareholders registered in the share register maintained by Euroclear Sweden as of May 14, 2025 and who have registered in accordance with the instructions in the notice to attend the AGM will have the right to attend the meeting.

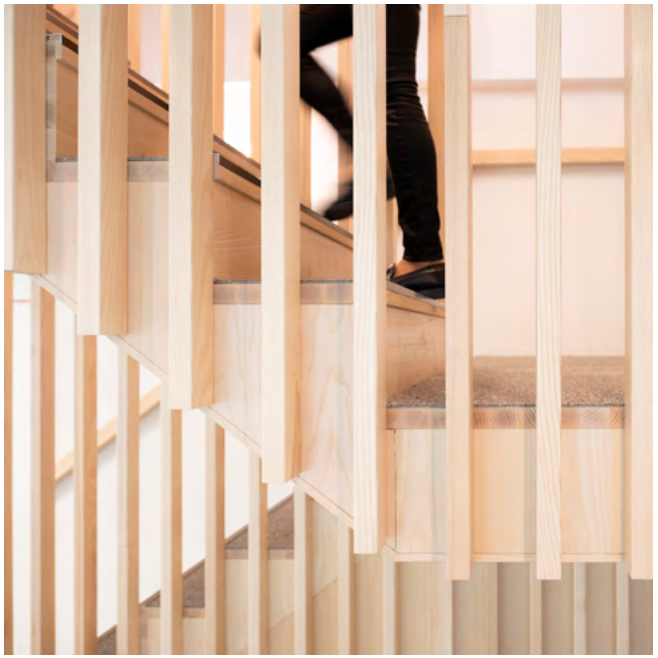
NOMINATION COMMITTEE

The task of the Nomination Committee is to ensure that the members of the Board of Directors of BioArctic jointly possess

Resolutions at the 2024 AGM included:

- that no dividend would be paid for the 2023 financial year, and that profits at the disposal of the General Meeting would be carried forward
- the discharge of the Board members and CEO from liability for the 2023 financial year
- the re-election of Board members Eugen Steiner (chairman), Cecilia Edström, Pär Gellerfors, Lars Lannfelt, Lotta Ljungqvist, and Mikael Smedeby, and the election of Anna-Lena Engwall as a new Board member
- that total fees determined yearly, including fees for committee work, of SEK 2,610,000 are to be paid to the Board
- the appointment of Grant Thornton Sweden AB as the auditing company, with Therese Utengen as auditor in charge
- the passing of a resolution on the process for establishing a Nomination Committee and guidelines for the Committee's work, and approving the proposal for a decision on the adoption of instructions for the Committee's work
- the passing of a resolution on approval of the remuneration report pertaining to the 2023 financial year
- the passing of a resolution on authorization to issue shares, warrants and/or convertibles
- the passing of a resolution on incentive plans, involving a) resolutions on introducing the incentive plan and b) resolutions on hedging measures owing to the incentive plan

The complete minutes are available on BioArctic's web site.



the knowledge and experience that are relevant for enabling the satisfactory performance of the company over time. The Nomination Committee presents a proposal to the AGM regarding the number of Board members and the composition of the Board as well as proposals regarding fees to the Board of Directors, including fees for committee work.

The Nomination Committee will also present a proposal concerning the Chairman of the Board and the AGM, as well as the auditors and their remuneration.

Under the Code, the Nomination Committee must have at least three members, a majority of which must be independent in relation to the company and Group Management. The basis for the activities of the Committee consists of the annual assessment of the activities of the Board, as well as the company-specific needs in BioArctic. The proposals of the Nomination Committee are presented in the notice to attend the AGM, and a justification for the Nomination Committee's proposals is published on BioArctic's website. All shareholders have the right to present proposals to the Nomination Committee via e-mail to arsstamma@bioarctic.se.

According to the resolution at the AGM of BioArctic on May 22, 2024, the members of the Nomination Committee for the 2025 AGM shall be appointed ahead of the AGM by the Chairman of the Board contacting the three largest shareholders in terms of voting rights according to Euroclear Sweden AB's transcription of the share register as of September 30, 2024 and asking each of them to appoint a member of the Nomination Committee. In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee, further shareholders should be contacted until the Nomination Committee consists of three members.

The Nomination Committee prior to the 2025 Annual General Meeting

A Nomination Committee was appointed in October 2024. The owners who are included on the Nomination Committee based on the company's ownership structure as of September 30, 2024 are Demban AB, Ackelsta AB and the Fourth AP Fund. The company's Chairman of the Board, Eugen Steiner, has been co-opted onto the Nomination Committee. All members have been deemed independent in relation to the company and Group Management. The Nomination Committee has held 2 (7) meetings as well as informal contacts up until the time for the AGM. No remuneration has been paid for the activities of the Nomination Committee.

Composition of the Nomination Committee

Name	Representing	Share of votes as of Sep 30, 2024, %
Margareta Öhrvall	Demban AB	49.2
Claes Andersson	Ackelsta AB	32.6
Jannis Kitsakis	The Fourth AP Fund	2.4

BOARD OF DIRECTORS

Tasks and responsibilities of the Board

The Board of Directors is BioArctic's second highest decision-making body after the General Meeting. The Board has overall responsibility for the suitability of the company's organization, and that operations are carried out in accordance with the Articles of Association, the Companies Act, and other applicable laws and regulations. The Board endeavors to create long-term value for shareholders and other stakeholders, and is responsible together with company management for the overall strategy as well as the company's financing, financial position and sustainability initiatives, and works to ensure the Company has proper risk management and internal control. The tasks of the Board also include issues of reporting, audits, and remuneration.

Composition of the Board

Under BioArctic's Articles of Association, the Board shall consist of no less than three and no more than eight ordinary members elected by the General Meeting, with no deputies. The members, who are normally elected annually at the AGM for the period until the close of the next AGM, must provide competence and experience that benefit BioArctic's performance. The Board must strive for an equitable gender composition, where the underrepresented gender will comprise at least 40 percent of its members. The Articles of Association do not contain any specific provisions relating to the appointment or dismissal of Board members.

At present, the Board consists of seven regular members with no deputies. The members were elected at the AGM on May 22, 2024. CEO Gunilla Osswald and CFO Anders Martin-Löf are present at all Board meetings. Anders Martin-Löf is secretary of the Board. Other senior executives participate as rapporteurs in connection with particular issues.

For a summary and presentation of the Board members, see pages 113-114.

Independence of the Board

Six of the seven Board members are independent in relation to both the company and its management, and five of the seven Board members are independent in relation to the major shareholders. The company's two founders, Lars Lannfelt and Pär Gellerfors, who are also Board members and primary owners, cannot be considered independent in relation to major

shareholders. Lars Lannfelt is employed by the company and is part of the company's Research and Development Leadership Team, and therefore cannot be considered independent in relation to the company and to management.

Pär Gellerfors has provided support around contractual issues and patents via Ackelsta AB. Ackelsta AB submitted invoices during the year totaling SEK 0.1 M (0.1) for market-based remuneration of consultant services.

BioArctic herewith meets the requirements from Nasdaq Stockholm and the Code regarding the independence of Board members.

Board activities

The Board will carry out its activities jointly, under leadership of the Chairman. The Board of Directors' rules of procedure are revised annually and adopted at the inaugural Board meeting every year.

The rules of procedure govern such aspects as Board functions, work tasks, the decision-making procedure within the company, the Board's meeting agenda, the Chairman's duties and the allocation of responsibilities between the Board and the CEO. The Board also establishes instructions for the Board's committees and the CEO. The Chairman, who is selected by the AGM, has an expanded responsibility for governing and managing the work of the Board and of ensuring that the Board's work is efficiently carried out, that the Board fulfills its commitments in accordance with the Companies Act and the Board's rules of procedure, and that the decisions of the Board are implemented in an efficient manner. The Chairman is also responsible for conducting an annual Board evaluation, which is also presented to the Nomination Committee.

The Board meets according to a meeting schedule that is established yearly. At each regular Board meeting, an update on the operations and a financial follow-up is given.

During the year, matters regarding the company's overall, long-term strategy were also discussed, as well as issues regarding the development of the company's research portfolio. Planning for the start of a Phase 2a study and preparatory activities ahead of clinical testing were also discussed. The continued expansion of the Nordic sales and marketing organization remained on the Board's agenda during the year, as did planning for future partnerships. The Board trained in sustainability on several occasions during the year, and studied and discussed the company's double materiality assessment. The Board has decided on focus areas and targets in each area to facilitate follow-up of the work and to prepare for future legislation in the area. Collaboration with current and potential partners, as well as the organization and competence needs, were other issues that were addressed.

In 2024, the Board held 17 (14) meetings, one of which was an inaugural meeting in connection with the AGM on May 22, 2024. The company's auditor participated in one of these meetings. The minutes taken at these meetings record decisions that have been taken.

Remuneration to the Board

Fees and other remuneration to the Board members are established at the AGM. The AGM on May 22, 2024 resolved that the total fees to Board members, including committee work, would increase somewhat year-on-year, totaling SEK 2,610,000 (2,745,000). The actual decrease compared to the preceding year is attributable to there being one less member on the Board. The fee is to be allocated as follows:

- Fees to Chairman of the Board Eugen Steiner totaling SEK 800,000 (775,000)
- For regular Board members not employed by the company (i.e. five members excluding Lars Lannfelt) fees totaling SEK 290,000 (260,000) each
- Fees in the Audit Committee are unchanged, totaling SEK 100,000 to the Chairman and SEK 60,000 to the other non-executive committee members
- Fees in the Remuneration Committee are unchanged, totaling SEK 60,000 to the Chairman and SEK 40,000 to the other non-executive committee members
- No fees are paid to the Research Committee

Composition of the Board, 2024 financial year

Name	Elected	Independent in relation to company and management	Independent in relation to major shareholders	Audit Committee	Remuneration Committee	Board of Directors	Audit Committee	Remuneration Committee
Eugen Steiner	2017	Yes	Yes	—	Yes	17/17	—	7/7
Cecilia Edström	2023	Yes	Yes	Yes	—	17/17	5/5	
Anna-Lena Engwall[1)]	2024	Yes	Yes	Yes	—	10/17	3/5	—
Pär Gellerfors	2003	Yes	No	—	Yes	17/17	—	7/7
Lars Lannfelt	2003	No	No	—	—	16/17	—	—
Lotta Ljungqvist	2021	Yes	Yes	—	Yes	17/17	—	7/7
Mikael Smedeby	2018	Yes	Yes	Yes	—	17/17	5/5	—

1) Anna-Lena Engwall elected to the Board of Directors and the Audit Committee at the AGM May 22, 2024

AUDIT COMMITTEE

The primary task of the Audit Committee is to support the Board in its work of fulfilling its financial reporting responsibilities including accounting, audits, internal control, internal audits and risk management. During the year, the Audit Committee was also assigned responsibility for monitoring and safeguarding the company's sustainability initiatives. The Audit Committee also routinely ensures contact with the Company's auditor and stays informed and active in decisions concerning financial issues, risks, the company's Annual and Sustainability Report, quarterly reports and internal control.

The Audit Committee works in accordance with instructions established by the Board of Directors. The company's auditor reports on the orientation and scope of the audit, as well as its views on the company's risks, in the committee meetings. The tasks of the Audit Committee also include establishing guidelines for which services, other than the audit, the company can procure from the company's auditor. The Audit Committee works in accordance with instructions established by the Board of Directors. All meetings of the Audit Committee are minuted and the minutes are reported in connection with the meetings of the Board.

Audit Committee members, 2024–2025
- Cecilia Edström (Chairman)
- Anna-Lena Engwall (member)
- Mikael Smedeby (member)

The Audit Committee met 5 (4) times. The company's auditor participated in three of these meetings.

REMUNERATION COMMITTEE

The primary task of the Remuneration Committee is to submit proposals to the Board regarding remuneration to the CEO and principles of remuneration and other conditions of employment for management as well as monitoring and evaluating variable remuneration and long-term incentive programs. The Remuneration Committee will monitor and assess

application of the guidelines for remuneration to senior executives that the AGM resolved on. The Remuneration Committee works in accordance with a formal work plan established by the Board of Directors.

Remuneration Committee members, 2024–2025
- Lotta Ljungqvist (Chairman)
- Pär Gellerfors (member)
- Eugen Steiner (member)

The Remuneration Committee met 7 (6) times.

RESEARCH COMMITTEE

BioArctic's operations have a scientific focus, with drug projects in both early and late phases. The company has a Research Committee that focuses on addressing scientific issues.The Research Committee works according to rules of procedure adopted by the Board and has an advisory capacity in relation to the Board and the CEO. The Research Committee has one ordinary member, with BioArctic's Senior Science Advisor Christer Möller and Chief Scientific Officer Per-Ola Freskgård as co-opted members. In addition, internal and external researchers take part depending on the area being discussed. The role of the Research Committee is primarily to identify and evaluate research areas and disease indications where BioArctic can develop commercially successful products.

Research Committee members, 2024–2025
- Lars Lannfelt (Chairman)

The Research Committee met 8 (9) times.

AUDITORS

The auditor is appointed by the AGM in accordance with proposals from the Nomination Committee. The auditor is to review BioArctic's annual report and financial statements,

as well as the administration of the company. The auditor also reviews whether the company has made any necessary preparatory efforts ahead of a future audit of its sustainability initiatives. After each financial year, the auditor will submit an Auditor's Report and a Group Auditor's Report to the AGM. The external audit of the financial statements is to be carried out in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The company's auditor, Grant Thornton Sweden AB, was first elected at the 2016 Annual General Meeting. The current mandate is for the period up until the end of the 2025 Annual General Meeting, and Therese Utengen is the auditor in charge. An authorized public accountant, Therese Utengen is a member of FAR, the association of Swedish professional accountants. Grant Thornton Sweden AB may be responsible for the audit until 2027, or until 2037 if a new procurement is carried out after ten years, before a new auditor is chosen in accordance with the rules in force.

In addition to the assignment in BioArctic, Therese Utengen is auditor in charge for companies including Redivide AB and Livestock AB. For information on remuneration to auditors, refer to Note 8 in the 2024 Annual Report.

CEO AND MANAGEMENT GROUP

The Management Group of BioArctic consisted end of 2024 of the CEO and eight other individuals, four of whom are men and five are women. Management meets twice a month for discussion and decisions concerning the ongoing operations, and holds at least one strategy meeting annually. The members of the Management Group develop the annual business plan, which the Board decides on at the end of the year, and prepare material in their respective areas that is presented to the Board.

For a summary and presentation of the Management Group, see pages 115-116.

BioArctic's research and development operations are led by the company's Research and Development Leadership Team. In addition to CEO Gunilla Osswald, the team consists of six directors in BioArctic's research organization. The Group leads the research efforts at BioArctic and reports back to the company's Group Management.

BioArctic's sustainability initiatives are integrated into its operations through the company's strategy for sustainability, which takes its starting point in sustainable innovation and business culture. Management is responsible for presenting this strategy to the Board of Directors, monitoring the efforts and reporting the outcome of these efforts. A double materiality assessment of the impact of the operation on its business environment was conducted during the year, as were training courses and workshops, to prepare ahead of forthcoming sustainability legislation. The company's Sustainability Director reports to the VP Head of IR and Communications, who in turn is responsible for sustainability topics in Group management.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Updated guidelines for remuneration to senior executives were adopted at the 2022 AGM and are valid up until the 2026 AGM. The 2024 AGM did not adopt any changes to these guidelines. The guidelines cover the CEO as well as the members of company management. The guidelines do not cover remuneration that is to be resolved on by the General Meeting (e.g., fees to Board members or share-based incentive programs). The guidelines will be applied to remuneration that is agreed on – and to changes made to remuneration that was previously agreed on – after the guidelines were adopted by the 2022 AGM. The guidelines also cover remuneration paid out under BioArctic's existing milestone-related incentive programs in accordance with resolutions by the General Meeting. The guidelines govern the decisions on remuneration that are taken by the Remuneration Committee and Board of Directors.

BioArctic's remuneration system must be market-based and competitive. Remuneration can be paid out in the form of fixed salary, variable remuneration, pensions and other benefits. Fixed salary will be individual for each executive and based on the executive's position, responsibility, competence, experience and performance. Variable remuneration will be related to the

outcome of BioArctic's goals and strategies and based on predefined and measurable criteria designed to promote long-term value creation. The share of total remuneration that comprises variable remuneration may vary depending on position, but can total a maximum of 50 percent of fixed salary with the exception of milestone based rewards. The guidelines that were resolved on by the 2022 AGM have been complied with, and all previously decided remuneration that has not yet been paid out is within the framework indicated above.

For the complete guidelines as resolved, refer to Note 7 on pages 78-84.

BOARD PROPOSALS FOR NEW GUIDELINES FOR REMUNERATION TO GROUP MANAGEMENT

No changes to the policies for remuneration and other terms of employment for Group Management have been proposed ahead of the 2025 AGM.

The report of the Board on internal control regarding financial reporting

In accordance with the Companies Act and the Swedish Code of Corporate Governance (the Code), the Board is responsible for the company having well-designed control and functional procedures so that the company's financial reporting, administration and operation are monitored and controlled in a satisfactory manner. The report has been prepared in accordance with the Annual Accounts Act and the Code.

The CEO of BioArctic is ultimately responsible for monitoring whether the work on the company's internal control is being carried out in accordance with the form decided on by the Board of Directors. BioArctic's work on internal control pertaining to financial reporting is led by the CFO. The overall purpose of the internal control is to ensure, to a reasonable degree, that the company's operating strategies, targets and defined risks are monitored and that the owners' investments are protected. Furthermore, the internal control shall ensure, with reasonable certainty, that external financial reporting is reliable and prepared in accordance with accepted accounting practices in Sweden, that applicable laws and regulations are followed, and that the requirements that are set on listed companies are complied with.

Framework for internal control

Internal control at BioArctic is based on the Committee of Sponsoring Organizations of the Threadway Commission (COSO) model, the framework of which has been applied to the company's operations and conditions. The framework comprises five components:

- control environment
- risk assessment
- control activities
- information and communication
- monitoring

Control environment

The control environment constitutes the basis for internal control concerning financial reporting. Clearly defining and communicating the company's decision-making paths, authority and responsibility in the organization, as well as making governing documents in the form of policies, instructions and manuals available, is important. The objective of internal control is to identify, assess, and manage BioArctic's risks. Using effective risk management, the work can concentrate on the areas that are most important for reducing the Company's total risk exposure.

The Board of Directors of BioArctic has established a work procedure and rules of procedure for its work and the Board's committee activities. For monitoring and quality assurance of the financial reporting, the Board has inaugurated an Audit Committee. To create a foundation for proper internal control and to maintain a high standard in the company, the Board has adopted a number of fundamental governing documents including rules of procedure for the Board and the CEO, instructions for financial reporting, an authorization instruction, a finance policy, a Code of Conduct, and an Information Policy.

In addition to the above-described internal control pertaining to financial reporting, there is also internal, operation-specific control of data regarding research and development and quality control systems, including systematic monitoring and evaluation of the company's research and manufacturing work and products.

Risk assessment

BioArctic continually evaluates the risks that could lead to errors in the financial reporting in order to ensure proactive management of these risks and proper internal control over risk-taking.

The Board's Audit Committee takes decisions in which risks are essential to monitor in order to ensure proper internal control in financial reporting. This is done by identifying key procedures in financial administration, project reporting, and company-wide areas, and defining controls for these.

In addition, the Audit Committee conducts an annual risk analysis pertaining to operational and strategic risks. For a more detailed description of risks and risk management, refer to pages 42-47.

Control activities

The Company's organization and procedures are designed to manage the risks that the Board deems to be essential for internal control of financial reporting. At BioArctic, the company's control structure consists of an organization with clear roles that facilitate an efficient and suitable allocation of responsibilities as well as specific control activities designed to detect, manage, and proactively prevent risks of errors in the reporting. Examples of control activities are decision-making processes in connection with important decisions or investments and routine monitoring of procedures as regards earnings analyses, payments, VAT and tax accounting, spot checks, and reconciliation. The items and key processes that are linked to the risks identified are routinely subject to tests. Review of the design of the internal controls with regard to quality and efficiency is carried out every year. The test results are reported to the Audit Committee, where they are prepared to be presented to the Board.

Information and communication

All of BioArctic's governing documents such as policies, instructions, and procedural descriptions are communicated and are available via a validated electronic document management system. The finance handbook comprises a governing document that contains guidelines and procedural descriptions for the routine work in the finance department. The finance handbook is routinely updated based on changes to both internal and external requirements. For communication with internal and external parties, there is an Information Policy that contains guidelines for disseminating information pertaining to internal and external reporting of financial information. The purpose of the policy is to ensure that all of BioArctic's disclosure obligations are met correctly and completely.

Monitoring

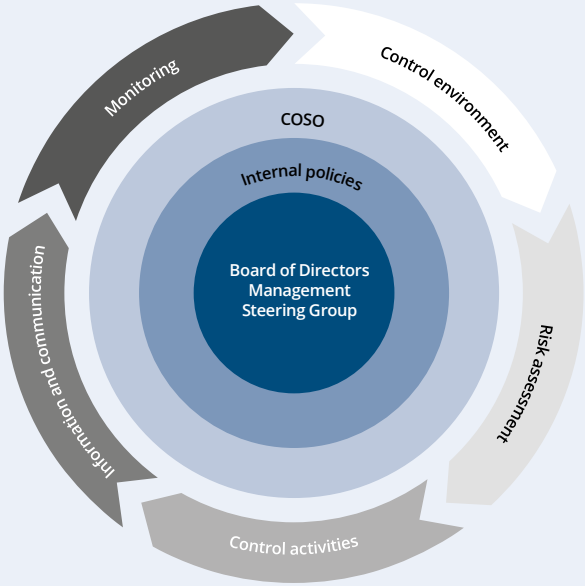
The internal control work constitutes support for the Board, the Audit Committee and senior management in their assessment and evaluation of areas of material risk in financial reporting. Suitable measures can be taken thereafter and follow-ups selected to ensure reliable financial reporting.

Areas of focus during the year

The activities that strengthened internal control during the year include:

- a change of business system that facilitates a higher degree of automation, more efficient procedures and thus strengthened internal control
- reviews and updates of BioArctic's internal control descriptions, with a focus on identifying key controls and enhancing their efficiency
- annual update of selected governing documents

Stockholm April 22, 2025
Board of Directors of BioArctic AB



Evaluation of specific review function

The Board of Directors of BioArctic has evaluated the need for a special review function, meaning an internal audit function. BioArctic has a review function that is carried out internally within the company. Through the internal review function, it is the opinion of the Audit Committee and the Board of Directors that monitoring, documentation and review of the company's internal control fulfills the function of a special review function.

Board of Directors

1. Eugen Steiner
2. Cecilia Edström
3. Anna-Lena Engwall
4. Pär Gellerfors
5. Lars Lannfelt
6. Lotta Ljungqvist
7. Mikael Smedeby

1. Eugen Steiner

Chairman

Born: 1954

Nationality: Swedish

Other assignments: Chairman of the board of Empros Pharma AB. Board member of Inbox Capital AB and Stockholm School of Entrepreneurship. Member of Royal Swedish Academy of Engineering (IVA) and deputy chairman of its Division X, Biotechnology.

Education: Karolinska Institutet (Medical degree and Doctor of Clinical Pharmacology).

Experience and prior assignments: CEO or acting chairman of the board in several life science companies in Sweden, Norway, Iceland, the UK and the US for more than 35 years.

Member since: 2017 (Chairman of the Board since 2023)

Committee membership: Remuneration Committee

Independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 89,000 Class B shares.

2. Cecilia Edström

Board member

Born: 1966

Nationality: Swedish

Other assignments: Founder and CEO, ceed konsult AB. Board member of Flerie AB and A3P Biomedical AB. Advisory Board Member, European Patient Safety Foundation (EUPSF). Chairman of the board of Perspetivo AB.

Education: Master of Business Administration, Stockholm School of Economics, Sweden.

Experience and prior assignments: More than 30 years of experience in various industries, including life science. Executive roles including CEO and CFO at Bactiguard, member of management groups of TeliaSonera and Scania (and corporate finance at SEB).

Member since: 2023

Committee membership: Chairman of the Audit Committee

Independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 6,500 Class B shares.

3. Anna-Lena Engwall

Board member

Born: 1971

Nationality: Swedish

Other assignments: Global Commercial Vice President Cardiovascular at Strangeness, based in Cambridge, UK

Education: B. Sc in Nursing, Karolinska Institutet and DIHM, Marketing and Business.

Experience and prior assignments: More than 25 years of experience in the life science and pharmaceutical industries, with executive roles in commercialization, marketing, and drug and business development, and during her career has held several positions at Shire and Novartis, both in Sweden and internationally.

Member since: 2024

Committee membership: Audit Committee

Independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 448 Class B-shares.

4. Pär Gellerfors

Board member

Born: 1947

Nationality: Swedish

Other assignments: Founder and board member of Ackelsta AB, LPB Sweden AB.

Education: Bachelor degree in chemistry; PhD in chemistry; Associate Professor of Biochemistry. All at Stockholm University, Sweden.

Experience and prior assignments: Founder of BioArctic in 2003, CEO of the company until 2013. CEO and board member of Swenora Biotech AB; founder and research director at Zymenex AS; founder and board member of LPB Sweden Holding AB; board member of Sigrid AB. Founder and CEO of MPG Medical AB.

Member since: 2003

Committee membership: Remuneration Committee

Independent in relation to the company and company management. Not independent in relation to major shareholders in the company.

Total holdings* in BioArctic: 5,759,998 Class A shares through Ackelsta AB. 13,343,201 Class B shares through Ackelsta AB.

5. Lars Lannfelt

Board member

Born: 1949

Nationality: Swedish

Other assignments: Founder and board member of Demban AB and LPB Sweden AB.

Education: Medical degree (specialist in psychiatry) and doctoral thesis at Karolinska Institutet, Stockholm, Sweden; Associate Professor of Neurogenetics at Karolinska Institutet, specialist in geriatrics.

Experience and prior assignments: More than 35 years of experience in research into Alzheimer's disease and other neurodegenerative diseases. Professor of Geriatrics at Uppsala University; member of the Royal Swedish Academy of Sciences. Founder of BioArctic in 2003, Chairman of the Board of BioArctic until 2017 and a number of assignments and roles in the company.

Member since: 2003

Not independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 8,639,998 Class A shares through Demban AB. 20,885,052 Class B shares through Demban AB. Owns 7,000 Class B shares privately.

6. Lotta Ljungqvist

Board member

Born: 1961

Nationality: Swedish

Other assignments: Board member of Atlas Antibodies AB, Genovis AB, NorthXBiologics AB and BioLamina AB.

Education: Degree in biochemistry from KTH Royal Institute of Technology in Stockholm, Sweden. Doctorate in biochemical technology.

Experience and prior assignments: CEO of Testa Center, Cytiva (formerly GE Healthcare Life Sciences). Executive roles as CEO, head of business area, head of research and project manager for biopharma projects at GE Healthcare Life Sciences, Biovitrum and Pharmacia. Board member of several life science companies.

Member since: 2021

Committee membership: Chairman of the Remuneration Committee

Independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 3,159 Class B shares.

7. Mikael Smedeby

Board member

Born: 1968

Nationality: Swedish

Other assignments: Lawyer and partner at Advokatfirman Lindahl. Chairman of the board of Coeli Holding AB (including subsidiaries), Sallengruppen AB (including subsidiaries) and Uppsala Akademiförvaltning. Board member of Rarity Bioscience AB, Sirius Fotboll and Mikael Smedeby Advokat AB.

Education: Master of Laws, Uppsala University, Sweden. Reserve officer training at the Swedish Infantry Officers' College and the Swedish Infantry Combat School.

Experience and prior assignments: Special experience in corporate law, mergers and acquisitions, financing and licensing. Held executive positions at Advokatfirman Lindahl 2010–2019, including Managing Partner and chairman of the board. Member of the Board of Directors of BioArctic, 2014–2017.

Member since: 2018

Committee membership: Audit Committee

Independent in relation to the company and management, and to major shareholders in the company.

Total holdings* in BioArctic: 2,000 Class B shares.

* Includes own holdings, related-party holdings, holdings in companies and capital insurance accounts as of March 31, 2025.

Senior Executives

1. Oskar Bosson
2. Anna-Kaija Grönblad
3. Gunilla Andersson
4. Anders Martin-Löf
5. Mikael Moge
6. Gabrielle Åhlberg Hillert
7. Gunilla Osswald
8. Johanna Fälting
9. Leif Gallo

1. Oskar Bosson

Head of Investor Relations & Communications

Born: 1976

Nationality: Swedish

Employed since: 2020

Education: Engineering degree in molecular biotechnics and bachelor's degree in business administration from Uppsala University.

Experience and prior assignments: Over 20 years of experience globally in communications. Has previously held senior positions in companies such as Sobi, Ovako and Elekta.

Member of BioArctic Group Management since: 2020

Total holdings* and warrants in BioArctic: 10,957 Class B shares. Employee stock options that grant acquisition rights to 4,000 Class B shares (2019/2028 program). 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

2. Anna-Kaija Grönblad

Chief Commercial Officer.

Born: 1968

Nationality: Swedish

Employed since: 2021 (contracted since 2020)

Other assignments: —

Education: B.Sc. in business administration from Uppsala University.

Experience and prior assignments: More than 25 years of experience in executive commercial roles in the global pharma industry. Former CEO of Sanofi AB and board member of Läkemedelsindustriföreningen (LIF) and Index Pharmaceuticals AB.

Member of BioArctic Group Management since: 2021

Total holdings* and warrants in BioArctic: 11,000 Class B shares. Employee stock options that grant acquisition rights to 20,000 Class B shares (2019/2028 program). 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

3. Gunilla Andersson[1)]

Vice President, Head of HR

Born: 1961

Nationality: Swedish

Employed since: 2019 (contracted since 2014).

Other assignments: Manages her own consulting firm in HR.

Education: B.Sc. in Human Resource Development and Labor Relations with a specialization in labor rights from Lund University, Sweden.

Experience and prior assignments: Over 30 years of experience as HR consultant and HR manager in educational organizations and pharma companies such as Pharmacia and Novartis.

Member of BioArctic Group Management since: 2019

Total holdings* and warrants in BioArctic: 0 shares. 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

4. Anders Martin-Löf

CFO

Born: 1971

Nationality: Swedish

Employed since: 2023

Other assignments: Board member of Cantargia AB and Affibody Medical AB.

Education: Master's degree in Engineering Physics from KTH Royal Institute of Technology in Stockholm, and bachelor's degree in Economics from Stockholm University.

Experience and prior assignments: Lengthy experience as CFO for life science companies listed on the Stockholm Stock Exchange, and was previously CFO for Oncopeptides, Wilson Therapeutics and RaySearch Laboratories. Also Head of Investor Relations and held various business development positions at Swedish Orphan Biovitrum.

Member of BioArctic Group Management since: 2023

Total holdings* and warrants in BioArctic: 2,000 Class B shares. Employee stock options that grant acquisition rights to 20,000 Class B shares (2019/2028 program). 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

5. Mikael Moge

Vice President Chemistry, Manufacturing & Control

Born: 1967

Nationality: Swedish

Employed since: 2012

Education: Master of Chemical Engineering, KTH Royal Institute of Technology; Ph.D. in organic chemistry, KTH; Stockholm, Sweden.

Experience and prior assignments: Over 25 years of experience in drug development and more than 20 years of experience as R&D director in process development and GMP manufacturing. Former section manager in Process R&D at AstraZeneca.

Member of BioArctic Group Management since: 2012

Total holdings* and warrants in BioArctic: 11,970 shares. 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

6. Gabrielle Åhlberg Hillert

CMO, Head of Clinical & Regulatory Affairs

Born: 1961

Nationality: Swedish

Employed since: 2023

Education: Medical degree from Karolinska Institutet, PhD from Karolinska Institutet, neurologist certified by the Swedish Society of Medicine, diploma in pharmaceutical medicine from Karolinska Institutet/The Swedish Medical Products Agency.

Experience and prior assignments: Over 20 years of experience in the pharma industry, in leading positions in clinical research at AstraZeneca and H. Lundbeck. Chief Specialist ICR Neurology H Lundbeck A/S (2017–2023)

Member of BioArctic Group Management since: 2024

Total holdings* and warrants in BioArctic: 400 Class B shares. Employee stock options that grant acquisition rights to 20,000 Class B shares (2019/2028 program). 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

7. Gunilla Osswald

President and CEO of BioArctic AB

Born: 1961

Nationality: Swedish

Employed since: 2013, CEO since 2014

Other assignments: Board member of Egetis Therapeutics AB.

Education: Pharmacist; Ph.D. in biopharmacy and pharmacokinetics at Uppsala University, Sweden.

Experience and prior assignments: Over 35 years of experience in drug development. Executive positions at Astra/AstraZeneca, including Vice President responsible for the project portfolio in neurodegenerative diseases. Board member of SP Process Development AB.

Member of BioArctic Group Management since: 2013

Total holdings* and warrants in BioArctic: 84,800 Class B shares. Employee stock options that grant acquisition rights to 50,000 Class B shares (2019/2028 program). 10,000 performance share rights (2023/2026 share rights program). 10,000 performance share rights (2024/2027 share rights program).

8. Johanna Fälting[2)]

Chief R&D Officer, Head of Research & Development

Born: 1972

Nationality: Swedish

Employed since: 2012

Other assignments: Member of the Swedish Research Council, expert for medicine and health. Board member of Syntetic MR.

Education: Ph.D. in Physiology, Stockholm University; Licentiate degree in physiology, Stockholm University; Master's degree in biology, Stockholm University, Sweden.

Experience and prior assignments: Over 20 years of experience in drug development in executive positions in R&D, and development in the global pharma and biotech industry.

Member of BioArctic Group Management since: 2012

Total holdings* and warrants in BioArctic: 20,855 Class B shares. 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

9. Leif Gallo[3)]

General Counsel, Head of Legal & IP

Born: 1959

Nationality: Swedish

Employed since: 2020 (contracted since 2018)

Education: Master's degree in Law, Uppsala University, Sweden.

Experience and prior assignments: Nearly 30 years of experience from senior and executive roles as corporate counsel in the research-oriented global pharma industry (e.g., Astra/AstraZeneca and own consulting firms).

Member of BioArctic Group Management since: 2023

Total holdings* and warrants in BioArctic: 0 shares. Employee stock options that grant acquisition rights to 8,000 Class B shares (2019/2028 program). 3,000 performance share rights (2023/2026 share rights program). 3,000 performance share rights (2024/2027 share rights program).

* Includes own holdings, related-party holdings, holdings in companies and capital insurance accounts as of March 31, 2025.

1) Gunilla Andersson was replaced by Rebecca Kastell on February 1, 2025

2) Johanna Fälting took on a new role as Chief R&D Officer, Head of Research & Development on March 1, 2025. At the same time, Biljana Rizoska took on the role of Vice President Research, Head of Research and is thus part of the Group Management.

3) Leif Gallo was replaced by Emilie Ankarcrona Smith on April 1, 2025

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in BioArctic AB (publ), corporate identity number 556601-2679

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 103-116 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm the 22nd of April 2025

Grant Thornton Sweden AB

Therese Utengen
Authorized public accountant

Sustainability Report

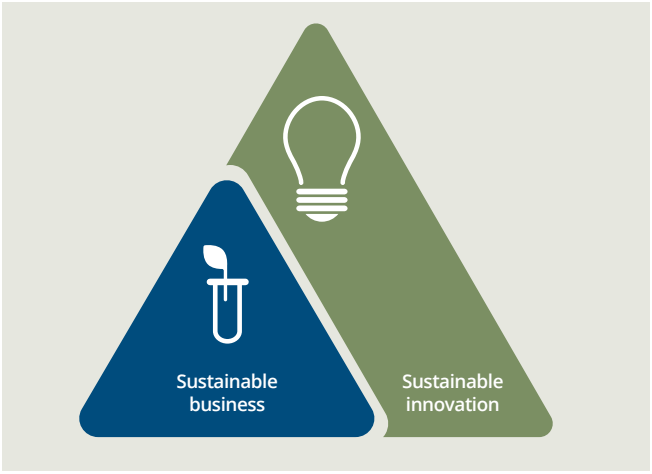
Sustainability Report 2024

The operations BioArctic conducts are characterized by transparency, creativity and respect for the equal worth of all. BioArctic's strategy for a sustainable future is encapsulated in the concepts of Sustainable innovation and Sustainable business. This sustainability report summarizes and systematizes the company's sustainability efforts, in order to increase transparancy and fulfill the expectations of our stakeholders.

BioArctic's clearest and most important contribution to a globally sustainable future lies in the company's innovative research and the development of safe and effective drugs against diseases of the brain. To achieve the innovations and world-class research of tomorrow, being a good employer and pursuing responsible research of the highest quality is of crucial significance for BioArctic. The company's strategy of collaborating with partners will enable the value of the company's research to reach an even broader audience and facilitate access to the company's innovations around the world. This is the way BioArctic will create value for society. We designate these values with the term "Sustainable Innovation".

BioArctic endeavors to integrate sustainability into all levels of its operations, to continually improve the company's procedures and quality management systems, and to take action to prevent the environmental impact of its own operations as well as to minimize risks and negative impact. Compliance with current legislation and taking responsibility fall under the term "Sustainable Business".

Sustainable innovation	Sustainable business
Employees and work environment	Compliance with legislation
Research and bioethics	Environmental management and climate initiatives
Patients and access to drugs	Suppliers
Product safety	



The forthcoming legislation in the area of sustainability, stakeholder expectations, the company's growth and the realization of the strategy to market drugs in the Nordic region have created a need to review and develop the company's sustainability program. This Sustainability Report is a step in defining areas that the company deems material. As the European legislation on sustainability reporting is yet to be decided for companies of our size, BioArctic will adopt the general reporting structure, but does not aspire to present a CSRD-compliant report at this time.

Governance

BioArctic's sustainability strategy is an integral part of the company's overall business strategy.

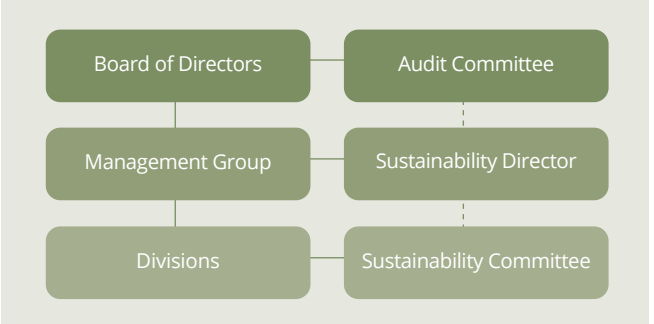
The Board of Directors bears overall responsibility for the sustainability initiatives, with issues being prepared in the Audit Committee, the work being represented in the management group by the Vice President Investor Relations & Communications, and the work itself being routinely pursued by the company's Sustainability Director. Since sustainability matters have been integrated into the organization, a Sustainability Committee has been established and is led by the Sustainability Director. The Committee comprises representatives from Human Resources, Legal, Finance, Research & Development, Quality Assurance and the marketing organization. Management is regularly informed on the sustainability initiatives.

The Board of Directors approves the company's sustainability strategy and the majority of policies, and examines the company's risk assessment and decides on the corporate governance. The Audit Committee is tasked with reviewing the company's processes for risk management, governance and control, as well as ensuring that the procedure for sustainability reporting is managed in accordance with the work procedure that has been established for the financial year.

The Board of Directors and the management group are continually trained in sustainability matters to ensure the necessary competence in this field. The company's Board of Directors and management also oversee the progress of the work, and ensures that sustainability practices are developed in line with the company's strategy. In 2024, three training sessions were held with the Board of Directors and management.

The company's sustainability governance is defined in the following policies:

- Rules of Procedure for the Board of Directors and CEO
- Rules of Procedure for the Audit Committee
- Sustainability Policy



The following are functions with critical roles and responsibilities for BioArctic's material sustainability matters and for implementing the sustainability strategy:

- The Sustainability function conducts materiality assessments, produces guidelines, proposes and supports the implementation of the strategy and reports on the results.
- The Legal function is responsible for the implementation of the Anti-corruption Policy, the Collaboration with Health and Medical Care Policy, data privacy, the review of third-party risks and the whistleblower function.
- Research and development function is responsible for environmental compliance in the company's internal operations and to be a driving force in supplier sustainability initiatives.
- Finance function controls data and evaluates and improves procedures concerning management, internal control and risk.
- Human Resources function manages personnel-related topics and procedures and occupational health and safety.
- The business units pursue operations in accordance with the Code of Conduct and other policies, implements the sustainability strategy and pursues local development in sustainability.

METHOD FOR DOUBLE MATERIALITY ASSESSMENT	
Definition of the areas	The starting point in the efforts to define the scope was all of the categories in ESRS and other ESG rankings that our stakeholders follow, e.g. MSCI and Sustainalytics. In addition, an analysis was conducted of regulatory frameworks, and sustainability reporting from select pharma companies.
Stakeholders	Eight stakeholder groups were identified throughout the value chain, both internally and externally. Stakeholders comprise: Industry associations, the Swedish Medical Products Agency, corporate management, employees, property owners, investors and banks, Alzheimer's and Parkinson's patient organizations and our partner Eisai.
Involvement	Stakeholders are involved through interviews and/or analysis of reports published by the stakeholders. Dialogues focused on the overall areas that ESRS encompasses without specifically letting the regulations steer the conversation, since the general public may perceive them as difficult to interpret. The responses were subsequently analyzed on the basis of the ESRS.
IRO identification	The company's operations were reviewed on the basis of impacts, risks and opportunities (IRO) for all ESRS areas.
Analysis of the results	The results of the stakeholder dialogues and IRO were evaluated against the company's own estimated impact and external financial impact, and were assigned a score between 0 and 5. The outcome of the analysis can be examined in the materiality matrix (refer to image on page 122).
Approval	The analysis was adopted by BioArctic's Group Management and Board of Directors, and forms the foundation of BioArctic's sustainability strategy. The efforts and outcome have been presented to the company's auditor.

Scope of the report and operations

Sustainability reporting covers the BioArctic Group, including subsidiaries, and is presented annually in a report. BioArctic presents quarterly reports on performance toward the overall goals that have been adopted by the Board.

The company has its registered office and laboratory in Stockholm, Sweden, where the majority of its employees are active. Since 2023, the company has had subsidiaries in Denmark, Finland and Norway, which are carrying out preparatory activities for commercial operations.

The company's value chain and its impacts, risks and opportunities are described on page 33. The company engages in research and development of biological drug candidates for the treatment of neurodegenerative diseases. At present, BioArctic is developing drugs up until clinical testing in phase 2, and intends to – either before or after that – license these products for further development for commercial use. The company has also developed a platform technology that is intended for licensing to other pharma company developers. BioArctic does not have its own commercial manufacturing, but engages external partners for this purpose.

In 2024, BioArctic did not market, or provide any products, to the market but is preparing for a commercial launch in the Nordic region together with the partner Eisai in coming years. The company collaborates with and has signed license agreements with other partners globally, which means that BioArctic has a very limited impact on its partners' operations (refer to Partnerships and suppliers on page 142 for a description of partnership models). BioArctic's revenue originates to the greatest extent from these partnerships.

An ongoing dialogue is conducted with representatives of the company's stakeholders, such as physicians and other healthcare professionals, patient representatives, authorities, politicians, current and future partners, as well as analysts and investors.

Double materiality assessment

In 2023 and 2024, BioArctic conducted a double materiality assessment based on the European Sustainability Reporting Standards (ESRS), which is part of the new Corporate Sustainability Reporting Directive (CSRD).

A sustainability matter or domain meets the criteria for double materiality if it has impact materiality, financial materiality, or both. Our definition of double materiality conforms to the definition that is described in ESRS 1: General requirements.

The methodology and procedures that were applied in evaluating the company's materiality assessment were based on BioArctic's own judgement and third-party advice.

The materiality assessment is based on internal dialogues with various functions in BioArctic's organization, as well as in dialogues with external stakeholders. This dialogue included interviews and workshops with management and the Board as well as external individuals who represented industry advocates, government authorities and shareholders. In 2024, an analysis was written of reports and interviews with patient representatives such as the Alzheimer's Disease International World Alzheimer's Report, interviews with Alzheimer's Europe and Parkinson's Europe as well as ESG analysts and suppliers. In addition, an analysis was conducted of regulatory frameworks, ESG rankings and sustainability reporting from select pharma companies – both large industry players ranked best in class and smaller companies with more comparable operations. Since BioArctic is continually developing and changing, the company intends to conduct supplementary stakeholder dialogues within two years to ensure that the operations are reflected in accordance with current conditions.

BIOARCTIC'S DOUBLE MATERIALITY ASSESMENT

Material and financial impact

The outcome of the stakeholder dialogue showed that focus on innovation, employees and transparency, and ensuring that patients have access to drugs are key areas for the company. This outcome corresponds with the company's own priority areas. Environmental matters are considered to be material, since both investors and reporting require transparency, but on the other hand BioArctic's relative impact on the environment is not significant.

The illustration above clarifies how the ESRS areas that were identified in the analysis relate to each other and to materiality for the company.

The company intends to report on the following ESRS topics:	
ESRS 1	General requirements
ESRS 2 and ESRS 2 MDR	General disclosures
ESRS E1	Climate change
ESRS S1	Own Workforce
ESRS S4	Consumers and End-users
ESRS G1	Business conduct

Permits

Drug research is carried out at BioArctic's premises in Stockholm. The operations comply with the permits issued to BioArctic by the government authorities concerned. These include:

- Registration of the facility for research purposes and development of drugs with the Swedish Board of Agriculture
- Contained used of genetically modified microorganisms (GMM) with the Swedish Work Environment Authority
- Permits for import and use of samples for research with the Swedish Board of Agriculture
- Biobank permits with the Swedish Health and Social Care Inspectorate
- Human ethics permits with the Swedish Ethical Review Authority
- Animal ethics permits with the Swedish Board of Agriculture
- Exemption to requisition drugs from non-institutional pharmacies from the Swedish Medical Products Agency

Strengths and areas for improvement

BioArctic operates in a strictly regulated market with extensive regulations concerning quality and safety regarding both products and patients, which means that numerous sustainability areas are completely integrated into operations. In addition to the regulated areas, BioArctic has prioritized employeeship and work environment for many years. Research is being conducted in areas with significant medical need where disease-modifying treatments are lacking.

BioArctic pursues regulated and responsible operations. The company is in a phase of growth and development, and this change means that efforts at routinely adjusting structures, approaches and policies are continually in progress.

The company has a responsible risk-prevention approach toward its suppliers, and is currently working to implement fully developed procedures for active monitoring beyond the work that takes place in partnership with the company's key suppliers. Efforts at systematic supplier evaluation and monitoring were initiated in 2024 and are expected to be implemented in 2025.

Composition of the Board	2024	2023	2022
Men	5	6	6
Women	3	2	2 (chairman)
Nationalities	1	1	1
30–50	0	0	0
Over 50	8	8	8
Committee chairs (3 committees)			
Men	1 (3) – Research Committee	2 (3)	2 (3)
Women	2 (3) – Audit Committee, 1 (3) – Remuneration Committee	1 (3)	1 (3)

Composition of executive management	2024	2023	2022
Men	4	5	6
Women	5 (CEO)	4 (CEO)	4 (CEO)
Nationalities	1	1	1
30–50	1	1	2
Over 50	8	8	7

BioArctic has been a signatory to the UN Global Compact since January 2024.

Composition of Board and executive management

BioArctic's Board of Directors, which is elected annually at the AGM for the period until the close of the next AGM, must provide competence and experience that benefit BioArctic's performance. The CEO and CFO are in attendance at all Board meetings. The CFO is secretary and other senior executives participate as rapporteurs in connection with specific matters. The Board must strive for an equitable gender distribution, with the underrepresented gender comprising at least 40 percent of members. The Board's responsibilities, independence and activities during the year are described in the Corporate Governance Report on pages 105-117.

BioArctic promotes the following UN Sustainable Development Goals:

- SDG 3 – Good health and well-being (targets 3.4, 3.8, 3.B)
- SDG 5 – Gender equality (target 5.5)
- SDG 8 – Decent work and economic growth (target 8.8)
- SDG 9 – Industry, innovation and infrastructure (target 9.5)
- SDG 12 – Responsible consumption and production (targets 12.2, 12.5)
- SDG 13 – Climate action (target 13.2)
- SDG 17 – Partnerships for the goals (target 17.17).

Environment

Environmental and climate impact

The company's environmental and climate impact is the result of direct and indirect activities in the value chain and in its own operations. BioArctic applies the precautionary principle in order to reduce the company's impact on the environment and the climate.

BioArctic deems its carbon footprint to be limited in comparison to other pharmaceutical companies and is caused by operations on the premises, business travel and the purchase of manufacturing and distribution services upstream in the value chain. A survey of emissions is in progress for the purpose of specifying carbon emissions in accordance with the expectations from the Science Based Targets initiative (SBTi), and the company has set a goal of carrying out validation in accordance with the SBTi in 2026, with 2024 as the base year. For financial year 2024, BioArctic presents the available data reported in accordance with the spend method, but makes no pledge that the data is complete or comprehensive.

The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows toward a more sustainable economy. BioArctic's assessment is that the Group's main economic activity is not covered by the Climate Delegated Act, which means that the company is not covered by the reporting requirements for the Taxonomy that are related to the first two environmental objectives (Climate change mitigation and Climate change adaptation). During the year, BioArctic will evaluate how the company is covered by the Environmental Delegated Act, which includes climate targets three through six. The Sustainability Report for 2024 will therefore not cover the EU Taxonomy. Instead, the impact on future reports will be assessed.

The environmental impact originates primarily from laboratory work and covers waste management as well as the consumption of energy, water and chemicals. BioArctic's drugs and drug candidates consist solely of biological preparations, and under the guidelines of European medical products agencies

for environmental risk assessment of pharmaceuticals, these compounds are considered as having an insignificant negative environmental impact and are exempted from the requirements for risk assessment.

BioArctic is of the opinion that the company's impact on biodiversity is negligible, but not nonexistent.

Policies concerning BioArctic's environmental management

The company's environmental management is an integrated part of the GxP pharmaceutical framework and is built on – but not certified under – the ISO 14001 standard.

In accordance with Swedish environmental legislation, BioArctic is registered with the Stockholm County Administrative Board (Sv. Länsstyrelsen) to conduct its operations. All handling of chemicals in the company's operations is described in detail in the work instructions and monitored from a risk perspective. BioArctic is not involved in any environmental disputes.

BioArctic complies with Swedish environmental legislation in all existing operations. Beyond legislation, the following policies and instructions act together to reduce the company's climate impact:

- Sustainability Policy
- Code of Conduct, and Code of Conduct for Suppliers
- Quality Policy
- Car Policy
- Several SOP's for laboratory work

1) Scope 1 includes only leased company vehicles. No other production or emissions from own sources.

2) Scope 2 includes purchased electricity, district heating and district cooling for the head office, supplier-specific data from energy suppliers and through the landlord. CO2 emissions factor for the property were higher in 2023 than 2024 due to the energy crisis in 2023. The total energy consumption and size of premises increased in 2024. Other office premises are considered leased assets and are intended for reporting in Scope 3, Category 8: Upstream Leased Assets.

3) Purchased transportation according to the shipping company's calculations (supplier-specific). Transport originating from Category 1: goods and services calculated with standard amount for estimated share of spend.

4) Adjustment from previously reported amount owing to access to more complete data.

5) BioArctic recieves 9% royalty from total sales of Leqembi, totalling 0.4% of Eisai total sales in 2024 and 0.02% in 2023. Eisai reports total emissions, not product-specific emissions.

6) Calculated using emissions data for 2023 fiscal year.

Climate targets

Year	Area	Target	Progress
2024	Emissions, Scope 1 and 2	Complete survey Vehicle fleet, 100% electric or hybrid Maintain 100% renewable electricity in own operations (currently 100% solar)	Achieved
2025	Emissions, Scope 1, 2 and 3	Survey of the value chain according to materiality, in order to set baseline values Communicate reduction targets	As planned
2026	Emissions, Scope 1, 2 and 3	Validate climate targets in accordance with SBTi	As planned
2035	Emissions, Scope 1, 2 and 3	65% CO_2 reduction	
2050	Emissions, Scope 1, 2 and 3	Net zero	

Carbon emissions in the value chain

Emissions (metric tons CO_2)	2024	2023	Source and calculation method
Scope 1[1]			
Company vehicles	1.0	5.8	WLTP
- Total number	*19*	*15*	*Target achieved in 2024 - 100% electric or hybrid*
- Of which, plug-in hybrid electric vehicles (PHEV), %	*8 (42%)*	*7 (47%)*	
- Of which electric vehicles, %	*11 (58%)*	*6 (40%)*	
Scope 2[2]			Operation of the company's head office
Property electricity (Market based)	6.0	7.3	Percentage of property use
Direct purchased electicity (Location based)	1.87	1.23	100% renewable solar energy, supplier specific
Property – district heating and cooling	0	0	Location based
Scope 3			
Category 1: Goods and services	6,556	2,866	Spend-based, calculated on CO_2 emissions for "research and development services"
Category 2: Capital goods	1,093	476	Spend-based, calculated on CO_2 emissions for "research and development services"
Category 3: Fuel and energy related activities	5.8	3.4	Includes purchased heat, cooling and electricity
Category 4: Transport upstream	29.5[3]	7.1	Combination of supplier-specific and spend-based calculations
Category 5: Waste	2.1	1.0[4]	Supplier-specific
Category 6: Business travel	233.2	197.5[4]	Flights + hotels, travel agency-specific, DEFRA
Category 7: Commuting	12	49	2024: 80% response frequency (2023: 70%)
Category 8: Leased properties upstream	0.1	0.1	Supplier-specific – Finland, Norway
Category 14: Franchises[5]	2,790[6]	139[6]	BioArctic's portion of Eisai's total CO_2 emissions

Emissions from the value chain (Scope 3)

For products and services, BioArctic has not reported emissions during 2024 separately based on actual goods purchased. Instead, all costs in Category 1 (consumable goods and services) and Category 2 (capital goods) are calculated using the spend-based method for emissions values for "research-based services" for the purpose of obtaining an indication of the scope of the emissions. During 2024, BioArctic more than doubled project spend and capital investments in scientific equipement and office refurbishment, which resulted in higher emissions in categories 1 and 2 respectively compared the previous year. In 2025, BioArctic intends to report emissions based on specific emissions values for individual or groups of products and services.

Business travel occurs primarily to suppliers, collaboration partners and clinical trial sites (all categories primarily located in Europe), international scientific conferences, and investor meetings. The efforts in preparation for the commercial launch in the Nordic region has entailed increased travel between the Nordic countries. BioArctic attends the annual Clinical Trials in Alzheimer's Disease (CTAD) conference (Spain 2024, US 2023 and 2022) and the international conference for Alzheimer's and Parkinson's disease (AD/PD), which is normally arranged in Europe. The 2023 AD/PD conference was held in Gothenburg, Sweden, so travel by train was possible, while the 2024 meeting was held in Portugal. In the last two years, the Alzheimer's Association International Conference (AAIC) took place in the US. BioArctic travelled to San Francisco during the J. P. Morgan conference for the first time in 2024, for the purpose of finding new partners for the company's projects. All of these meetings were deemed central to the company's operations, and the outcome – as well as the number of actual meetings – are continually evaluated to keep an eye on both costs and environmental impact.

For the second consecutive year, a commuting survey was carried out among the entire staff (response frequency 80%). Commuting to and from the office is primarily by public transportation and has increased in share this year. The initiative to offer employees to lease staff bicycles also promotes sustainable commuting habits from the perspectives of both personal health and the environment.

BioArctic's future revenues are largely deemed to comprise royalties from sales of products that are based on the company's research and patents. BioArctic does currently not control sales of products downstream in the value chain. This is entirely under the partners' control and decision-making. BioArctic therefore chooses to report carbon emissions linked to revenue via royalties under GHG Protocol Category 14: Franchises, since the company "grants licenses to other entities to sell or distribute its goods or services in return for payments, such as royalties". This category is considered suitable for BioArctic's business model, since it encompasses emissions of activities that BioArctic does not have direct control over. BioArctic receives 9 percent royalty share from its partner company Eisai's total sales of Leqembi. In 2024, Eisai reported total corporate emissions and did not provide product-specific emissions for Leqembi.

Activities to reduce emissions

Several measures were taken during the year to reduce carbon emissions in own operations.

When BioArctic evaluated AI solutions in 2024, both energy consumption and energy sources were taken into account. The chosen solution provides the possibility of monitoring consumption over time, and which energy is being used. Strategies for reducing data and energy use over time have been evaluated. The chosen AI solution, which is based on collective AI models such as Microsoft's Azure Open AI, applies trained models and optimized technologies to obtain more relevant results with less energy consumption.

In conjunction with an extensive renovation of the head office, the company worked very closely with the landlord to reduce the climate impact of the renovation. The project chose to use wall studs made of compressed paper instead of traditional steel studs, a material choice that enabled a radical reduction of CO_2 emissions compared with conventional solutions. Emissions were further reduced by re-using both glass walls and office equipment. The emissions reduction was 50 percent of what new purchases would have caused - new materials estimated 101 tonnes CO_2, actual result 51.6 tonnes CO_2.

During the year, the transition to LED lighting at the head office was completed. BioArctic has analyzed, and is monitoring, energy consumption of low-temperature freezers (-80° C) and has replaced older models with more energy-efficient freezers. This initiative was part of a student project in sustainable development at KTH Royal Institute of Technology.

Hazardous waste bins are a large source of single-use plastics and carbon emissions. Regulations state that these bins must be collected and incinerated, which contributes to the company's emissions. During the year, BioArctic replaced all fossil-based hazardous waste bins with bio-based hazardous waste bins (Woodsafe®), which produce 66 percent fewer carbon emissions than the previous bins. This measure has reduced the company's Scope 3 emissions by 1.6 tonnes CO_2.

BioArctic's head office is certified under LEED O+M, level Gold, and through a green lease BioArctic and its landlord have undertaken to use only renewable or climate-neutral energy. BioArctic purchases only green electricity with a certified origin (solar) for its main office. The offices in Finland and Norway are also equipped with renewable electricity in accordance with certificates from suppliers and landlords.

The company's Car Policy allows only electric and hybrid vehicles, and since 2024 the entire vehicle pool is comprised of these vehicles (11 electric, 8 hybrid).

Computers, cell phones and monitors are collected, wiped and re-used to the greatest extent possible. Since the company does not have large amounts of these devices, electronic waste is collected every other year. 73 devices were collected for 2023–2024, of which 74 percent could be re-used and 26 per cent was sent to recycling. This led to savings of 8.6 tonnes CO_2.

Water and marine resources

Water consumption encompasses the company's premises in Stockholm. Water use comes solely from areas with a low water stress index.

Water, m^3	2024	2023
Water	1,132	1,107

BioArctic's drugs and drug candidates comprise solely biological preparations, and under the guidelines of the Swedish Medical Products Agency for environmental risk assessment of pharmaceuticals, these compounds are considered as having an insignificant negative environmental impact. The company's products in development thus can wavier the forthcoming EU Urban Waste Water Treatment Directive.

BioArctic is of the opinion that the company's impact on marine resources and biodiversity is negligible, but not non-existent. Hematological products from horseshoe crabs are used in the drug development and manufacturing process as reagents for endotoxin. Testing for contaminants (endotoxins) is a crucial part of ensuring the safety of drug products. There is a potential animal welfare and sustainability impact in collecting these materials from wild crab populations. BioArctic complies with industry recommendations for reducing impact on vulnerable populations, and has inaugurated efforts to investigate the possibilities of minimizing these risks and finding alternate analysis methods.

Waste

Laboratory work with biological materials is associated with consumption of single-use materials from non-recycled plastic. BioArctic works continually to increase the proportion of recycled plastic and decrease the use of single-use plastic in its operations, as well as to recycle whatever is possible.

All waste is sorted and taken care of to either be recycled or incinerated in accordance with applicable regulations. Computers and furniture are re-used. A very small proportion of the company's laboratory waste can be re-used as a result of legislation, which means that the majority must either be recycled or destroyed. BioArctic's management of waste from laboratory work is described in detail in the work instructions and continually monitored from a risk perspective. Around 30 percent of the waste that is managed in Stockholm is collected for materials recycling or biological processing. The remainder is almost exclusively sent for incineration and energy extraction.

Waste management is coordinated with neighboring operations, which reduces the number of transport journeys and thereby also CO_2 emissions compared with a traditional recycling system.

(kg)	2024	2023	Comments
Total waste	6,510	4,880	
Non-hazardous waste			
Recycling	3,404	2,955	
Incineration[1]	424	56	
Landfill	92	2	Ceramics etc.
Hazardous waste			
Recycling	447	605	Electronics, lighting sources, household chemicals
Incineration	2,143	1,262	Chemically contaminated and contagious laboratory waste
Re-use	56 items	-	Electronics – computers, monitors

1) Incineration waste in Stockholm is converted into electricity and district heating.

Social

Own workforce

Statistics in BioArctic's Sustainability Report encompass all employees, including the five employees working at the company's foreign subsidiaries in Norway, Denmark and Finland. The company's employees and full-time employees are shown in Table S1: Own workforce. They are defined as those who, in all material respects, could be impacted by the company's operations.

None of the geographic areas where BioArctic operates or the company's operations as such are deemed to comprise an area of risk for the company's employees. The findings from the materiality assessment, which took areas such as human rights, reasonable living wages and forced or child labor into account, indicate a very low risk, for which reason BioArctic will not prepare a detailed report in these areas.

BioArctic is in a phase of expansive growth. 23 new employees were hired in 2024, and one employee left the company. 66 percent of the company's employees are active in research and development, and 62 percent of these have a PhD.

Employees	Total	Women	Men	Under 30	30–49	50+
Permanent employees (FTE[1])	107	69	38	1	59	47
Senior executives	9	5	4	0	1	8
Managers with personnel responsibilities	19	12	7	0	5	14
New recruitments	23	17	6	1	11	11
Departures	1	1	0	0	1	0
Personnel turnover[2]	0.8%					
Number of nationalities	>15					
PhD	66	39	27	0	40	26
Consultants[3]	11	5	6	0	4	7

1) All employees are employed full time (40 hours per week)
2) All resignations were voluntary
3) Consultants employed from 10 to 100% of full-time capacity.

Policies concerning BioArctic's employer role

Occupational health and safety is governed in accordance with a Health and Safety Policy, which is based on Swedish work environment legislation. BioArctic's CEO, who bears primary responsibility for occupational health and safety efforts, has delegated the work tasks related to work environment in writing to employees in managerial positions in the organization. All employees at BioArctic have a responsibility to take part in health and safety work by, for example, complying with rules and instructions, using the protective devices that have been set up, observing the caution that is otherwise required to prevent ill health and accidents, reporting risks, illnesses and serious incidents or accidents, promoting well-being and a sense of community and providing suggestions for improvements.

The following policies and instructions act together to ensure a safe and secure work environment for BioArctic's employees:

- Health and Safety Policy and Health and Safety Instructions
- Fire Safety Policy and Fire Safety Instructions
- Office Safety Instructions
- Several instructions that describe working safely in the laboratory
- Alcohol and Drug Policy
- Working with laboratory animals (instruction)
- Diversity and Equality Policy and Plan
- Rehabilitation Policy
- Car Policy

A work environment group with representatives from various parts of the organization has been appointed to structure and coordinate the systematic occupational health and safety initiatives at BioArctic. The company's diversity and equality initiatives are described in its Diversity and Equality Policy and Diversity and Equality Plan.

BioArctic's Diversity and Equality Plan has its legal basis in several Swedish laws:

- The Discrimination Act (SFS 2008:567) prohibits discrimination and instructs employers to pursue systematic efforts to prevent discrimination
- The Work Environment Act (1977:1160) requires employers to create a safe and healthy work environment where all employees can flourish and develop without being exposed to harassment or discrimination
- The Parental Leave Act (1995:584) ensures that both women and men have the right to go on parental leave with no negative impact on their working conditions

Employee involvement

All of BioArctic's employees have the right to form, participate in or refrain from participation in trade-union organizations. The company's employees fall under the category of salaried employees, and an academic trade union association works for the benefit of its members. BioArctic has not signed any collective bargaining agreement, but offers terms that are on par with such agreements. The academics' association at the company holds open meetings and collects employees' views ahead of regular collaboration meetings with the company's CEO or heads of research and HR. These meetings take place four times a year. In the event significant organizational changes are made, employee representatives are summoned to extraordinary collaboration meetings to be informed and involved.

During the annual planning and performance reviews, all employees are asked about the company's work environment and any occurrences of victimization. BioArctic seeks to promote open dialogue, and employees are encouraged to communicate any situations that arise and may require action by their immediate supervisor, HR, or Legal. BioArctic also has a whistleblower service (see page 142) as a potential reporting channel in the event the employee wishes to remain anonymous.

The company conducts quarterly employee satisfaction surveys as well as two surveys a year regarding discrimination and inclusion (Table S2: Employee surveys). The results are followed up with managers and employees in order to identify any emerging situations at an early stage. The results indicate a high level of satisfaction among our employees.

Employee surveys – outcomes	2024	2023	2022
eNPS score	65	76	75
Number of employee surveys	4 + 2	4 + 2	4 + 2
Number of employees who reported experiencing cases of discrimination	0	0	0
Number of employees who reported experiencing sexual harassment	0	0	0

The Employee Net Promoter Score (eNPS) is a measurement of employee engagement and whether employees would recommend working at the company to others. The eNPS score ranges between -100 and +100, with a score above 30 being very good. BioArctic has set a target to never fall below an average eNPS of 50, but is striving to retain the current higher level (65) even in the growth phase that the company currently finds itself in.

BioArctic arranged four conference days in 2024 for all employees and consultants at the company – "BioArctic Days" – to highlight joint company and employee issues. The themes of this year's Employee Days included introduction and training in such fields as anti-corruption, AI and self-leadership.

Transparent information sharing is a key facilitator for collaboration, innovation, fairness and inclusion. The company language is English, and all of the company's general informational meetings and key policies are in English. Several channels such as semi-weekly informational meetings, BioArctic's intranet (BANet) and other regular meetings are used to ensure that information is shared with employees. Transparent information sharing is a cornerstone of our corporate culture, and information dissemination receives very high marks from the respondents in the employee surveys.

Competence needs

The need for competence is continually being evaluated. When competence gaps are identified, they are mitigated through training and development of existing personnel, recruitment of new competence or by bringing in consultants with specialized skills. BioArctic operates in an industry with long turnaround times, and has very low personnel turnover. This means that, as a rule, succession planning and identification of competence gaps take place at an early stage.

Recruitment in some areas of expertise may be challenging due to the specialist field that BioArctic operates in, but to date the company has been very successful in employee recruitment, with significant interest from applicants in all areas.

BioArctic has a well-developed, defined and documented competence-based recruitment process. All recruitments presuppose that the criteria are well defined, and several different methods are used to determine which candidates are chosen. This encompasses interviews, personality tests, logical tests, background checks and taking references. When external recruitment consultants are used, the importance of a non-discriminatory approach is emphasized.

To promote continued good conditions for access to competence over the long term, the company actively participated during the year in discussions with industry representatives and politicians that focused on competence supply, workforce immigration and training. BioArctic also participates in activities at institutions of higher education for the purpose of attracting more people to the industry and the company.

Within the organization there is a need to hire specialist consultants, since the relatively early stage of development in the company's research portfolio sets requirements for flexibility and competence in different phases of growth. BioArctic is a growing organization, and part-time consultants are used in cases where full-time positions cannot be justified. Consultants are also brought on to replace employees on parental leave. Consultants are covered by the company's Code of Conduct, undergo some mandatory training and participate under the same conditions as permanent employees in conjunction with company-wide activities.

Where possible, the company endeavors to transition the consultants and temporary employees who are already working at the company into permanent employment. During the year, six consultants and two individuals in temporary employment were transitioned to permanent employment.

BioArctic has introduced an expanded career ladder and specialist roles in its research organisation to provide more employees with the opportunity for career development in the company.

Remuneration principles

All conditions of employment and benefits are clearly specified and available for all employees in a personnel handbook, which

can be reached via the HR system.

BioArctic's objective is to offer market-based conditions that facilitate recruitment and retention of employees without setting the industry standard for salaries. All employees are offered full-time employment. Parents have the possibility of cutting back on their hours in accordance with the law. Working hours are trust-based, which gives the individual employee the possibility – within certain frameworks – to adjust their working hours according to needs and tasks. The employee also has the possibility of working from home up to two days a week, if their work permits.

BioArctic encourages health-promoting activities and the company's employees are insured against work-related injuries during work hours. They are offered defined-contribution pension provisions and sickness insurance in line with collective bargaining agreements, even during parental leave. All employees are covered by insurance in the event of workplace injuries, and during business travel. Subsidiaries in Denmark, Finland and Norway offer similar terms and conditions adapted to the local markets' standards. The opportunity to sign private health and medical care insurance is offered to all permanent employees. Preventive initiatives and rehabilitation are also offered. In 2024, employees in Sweden were offered a gender-neutral parental leave supplement in line with collective bargaining agreements in order to guarantee 90 percent of the salaries for up to 6 months, depending on length of employment.

The company's salary structure is built on gender-neutral values, and salaries are set based on:

1) effort and results achieved (fulfillment of targets)
2) degree of the employee's compliance with the company's core values
3) the degree of difficulty of the work
4) experience and education

The employee's goals and development plan for the coming year, as well as salary adjustments, are discussed with their immediate supervisor on an annual basis. To ensure that no systematic salary gaps arise, BioArctic conducts one salary survey every year. No unjustifiable gaps in salary between the genders were identified in 2024. Remuneration to the CEO and senior executives can be found in Note 7, page 78.

BioArctic applies target-based bonuses that cover all employees. These bonuses are, and have been, linked to milestones achieved and are strongly linked to the company's capacity for innovation and therefore also to its sustainability goals. In 2024, the AGM resolved to introduce a long-term incentive plan in the form of a share rights program for all permanent employees in the company. In the Board's opinion, this strengthens interest in BioArctic's operations and increases motivation and a sense of community with the company and its shareholders among the participants. The incentive program for 2024, which was resolved on by the shareholders at the AGM, encompasses ESG-related goals for the company and its employees.

All employees in Sweden are given the opportunity to sign a beneficial agreement on staff vehicles (electric or hybrid) and electric bicycles. Parking opportunities with charging stations are available at the head office.

Lifelong learning

All employees who were employed during the first quarter of 2024 participated in an annual planning and performance review with their immediate supervisor, during which the employees were given the opportunity to design and influence their development plans. In

Training and development plan	Who is covered	Frequency	Completion by active employees (%)
Planning and performance reviews	All	Yearly	100
Quality Management System (QMS)	All	Upon employment, follow-up every 3 years	100
Code of Conduct	All	Upon employment, follow-up every 3 years	100
Anti-bribery and anti-corruption	All	Upon employment, follow-up annually	100
Anti-bribery and anti-corruption – transparency reporting	Personnel vulnerable to risk: Commercial, management	Yearly	100
Standard operating procedures (SOP) according to work instructions	Relevant personnel	Upon employment	100
Internal or external training according to individual work descriptions	Relevant personnel	Before work is initiated	100
Fire safety	All	Upon employment, follow-up bi-annually	100
Artificial intelligence	All	Upon employmnet	89
Pharmacovigilance – Safety reporting of drugs	All	Upon employment, follow-up annually	100
Pharmaceutical GxP training	R, CMC and QA	Upon employment, follow-up annually	100
Work environment	Managers	New managers, follow-up every 3 years	100
GDPR	All	Upon employment, follow-up bi-annually	100
First aid	All	Every 3 years	56

2024, BioArctic initiated a special initiative for training all employees in artificial intelligence (AI) with lectures and two mandatory digital training courses on the company's AI Policy, security, ethics and the use of the implemented AI tool.

BioArctic has a number of mandatory training courses as a consequence of the pharmaceutical responsibility that is incumbent on the company. The courses are monitored, and their completion is documented in the company's quality management system. In 2024, it was estimated that each employee had spend at minimum 100 hours on training initiatives.

During the same year, BioArctic commenced the work on introduction of an electronic learning platform, including an induction program for new employees, which is available to all employees. The platform, which provides the opportunity for reporting hours spent on training courses, will strengthen BioArctic's possibility of indicating how much time is being invested in training.

Health and safety work

BioArctic has adopted the following goals for its health and safety work:

Target	Metric	Evaluation/commentary
BioArctic's health and safety work will be continually pursued in collaboration between employers, employees and safety delegates, and will ensure that health and safety initiatives will become part of daily work under applicable work environment legislation and ordinances	At least six meetings per year in the health and safety group. The Health and Safety Policy and instructions are based on statutory requirements as well as on BioArctic's vision and overall goal of its health and safety work	Goal achieved
All managers with personnel responsibilities will undergo training in systematic health and safety work	New managers in six months (minimum e-learning), experienced managers updating at least every three years	Goal achieved
All new employees are to participate in an introductory program adapted to their role, including introduction to health and safety work	Percentage of new employees who have begun (undergone) an introductory program. Reporting by recruiting manager	Goal achieved, HR follows up with everyone after three months Documented in the HR system
BioArctic's work environment is to be evaluated through regular safety inspections and employee surveys, during employee planning and performance reviews between managers and employees, and at function-specific meetings	• At least two scheduled safety inspections per year • At least four employee surveys completed per year (including survey on victimization) • eNPS score >50	All interim targets fulfilled (three safety rounds, seven surveys, eNPS=65)
BioArctic will continually conduct documented risk assessments in order to prevent and eliminate any risks or ill health in the operations.	Documented risk assessments available before potentially risky work is commenced (e.g. implementation of new instruments, methods, procedures, reorganization, reconstruction etc.)	80% of the highest priority risks in the lab have been assessed, otherwise 100%
Serious incidents and workplace accidents are to be reported and communicated so that BioArctic can actively pursue improvement efforts concerning the company's security and minimize risks of accidents	Number of reported serious incidents to decrease Number of accidents = 0	Three workplace accidents of lesser severity were reported. Action plans implemented to prevent repeated accidents.
The systematic health and safety work will be evaluated and reviewed on an annual basis, with reporting to the management group	Report available and communicated in the first quarter of the following year	Goal achieved

Physical work environment

As a research company, BioArctic has always maintained systematic occupational health and safety management. The company has a work environment group that consists of employees and managers, and a safety delegate has been appointed by employees. BioArctic pursues systematic fire prevention initiatives and conducts annual safety and fire safety inspections.

Work environment training with a focus on the psychosocial work environment was held for new and existing managers during the year. The CEO delegates work environment tasks to managers in writing after they have undergone work environment training. The work environment is one part of the introductory program for all employees, and work instructions and policies have been upgraded to mandatory for all employees.

Three workplace accidents of a less severe nature were reported to the Swedish Work Environment Authority in 2024. The accidents were reviewed in the health and safety group, and measures were taken to avoid a repeat.

Work environment	2024	2023	2022
Workplace accidents	3 (lesser severity)	0	0
Sick leave resulting from workplace injuries	0	0	0
Lost workday rate (LWDR)[1]	1.8	0	0
Lost time incident rate (LTFIR)[2]	4.5	0	0

1) Number of days per 100 employees
2) (LTIR) Number of injuries resulting in loss of work per 1,000,000 hours worked

To promote diversity and support various physiological needs, it is important that the design of office furniture and technical aids is adapted to individual employees. Ergonomic reviews with individual needs assessments are normally conducted annually, and specific risk assessments are conducted in conjunction with reconstruction work. The latest review was conducted in 2024, and the results from the review describe a workplace with a healthy ergonomic work environment.

A general safety assessment of the laboratory is conducted annually and documented. Specific risk assessments of the work environment and working conditions are conducted for employees who are pregnant or nursing. If the findings of the risk assessment show that there is a risk of a harmful impact on pregnancy or nursing, employees are offered the opportunity to adjust their work or a temporary placement in other work tasks without impacting their normal job.

All protective equipment that is required at the workplace is provided by the company. There may be work with biological materials in the laboratory, and all personnel who handle these materials are offered vaccinations. All employees who work with animals are offered a medical examination before the work begins.

Psychosocial work environment

BioArctic is described by employees and managers as a company with a good atmosphere that is characterized by empathy. There have been no formal or informal reports, rumors or observations of offensive, discriminatory or otherwise objectionable language.

BioArctic conducts pulse surveys four times a year. These are followed up and discussed with managers, and the findings are presented openly. Issues that are followed up include stress, mandate, competence, discrimination, and harassment. To date, the findings bear witness to a healthy working climate that is greatly appreciated.

BioArctic's personnel and projects has grown requiring more office space and there was some concern that the design of the office – with workspaces distributed among four different floors – would lead to a decrease in collaboration and interaction. Great care has been put into the planning of the extensive renovation that was carried out in 2024 in order to find continued opportunities for collaboration and interaction in daily activities. Collaboration also takes place through joint projects and company-wide meetings, and interaction is promoted in the shared cantine.

The workplace provides access to resting rooms equipped with saftey alarm.

Well-being and sense of community

BioArctic encourages health-promoting activities. All employees are being offered one physical fitness hour per week, and a physical fitness allowance to promote more sustainable employeeship. Bicycle storage rooms and changing rooms are available at the head office. In addition, several physical fitness activities are offered, often initiated by employees at the company. These activities promote a sense of community and inclusion in a context outside of formal work.

Employees at BioArctic have the opportunity to voluntarily donate blood during working hours.

Diversity and inclusion

BioArctic does not tolerate any form of victimization such as discrimination, bullying and sexual harassment. BioArctic is a workplace where all employees are treated equally and respectfully regardless of ethnic affiliation, disability, gender, transgender identity or expression, religion or other expression of faith, sexual orientation or age.

BioArctic's guidelines and procedures for preventing bullying, harassment and sexual harassment contain exhaustive and clear instructions for how to manage the work environment – for example, what could constitute bullying, who bears responsibility in this context and what to do if you have been subjected to such situations.

BioArctic produces a Diversity and Equality Plan on an annual basis, in partnership with trade-union representatives. The plan encompasses such fields as working conditions, provisions and practices concerning salaries and other conditions of employment, recruitment and promotions, training and other competence development, and possibilities for combining work and parenthood. In addition, guidelines and routines are evaluated in order to prevent victimization, harassment and sexual harassment. The plan also contains a situation analysis and suggestions for activities. No complaints based in discrimination were submitted in 2024.

The pulse survey and annual planning and performance reviews include questions about harassment, discrimination, bullying and sexual harassment. To date, no employee has reported being subjected to this kind of treatment.

Several activities took place in 2024 to ensure that BioArctic's values-based leadership was implemented into daily activities. Leadership training courses were held on a regular basis on a range of topics including work environment, labor rights and recruitment.

BioArctic has a well-defined and structured recruitment process that is built on skills- and evidence-based methods, and is non-discriminatory. BioArctic strives for an equitable gender distribution at all levels of the company. An equitable gender distribution is considered to exist when the proportion of the under-represented gender in a group is at least 40 percent. In several areas – in research and development in particular – women are over-represented. Several possibilities are being evaluated to attract more men to apply for advertised positions, and in 2025 the company will retain its focus on achieving a more equitable gender distribution.

Researchers from around the globe are applying to BioArctic and at present the company has employees from more than 15 countries. Since 2021, BioArctic has been offering courses in the Swedish language for employees whose native language is not Swedish. The purpose of this course includes facilitating the integration of individuals into Swedish society and enabling employees to feel included in contexts where Swedish is spoken at the company. Eight employees took the course in 2024.

Our contribution to society

BioArctic's most important contribution to a sustainable society has been our innovation and research, which has the objective of developing treatments for neurodegenerative diseases and other conditions with significant medical need.

In 2024, BioArctic re-invested MSEK 311 into the company's research, corresponding to 68 percent of the total costs.

Policies that protect our stakeholders

BioArctic has a Quality Management System (QMS) that meets the requirements for the pharma industry. This system fulfills both regulatory requirements as well as requirements from partners and customers. The purpose of the system is to minimize risk and ensure patient safety, product quality and reliability in deliveries. The QMS has been structured using BioArctic's Quality Policy and the company's Quality Manual, as well as a number of standard procedures, instructions and other documents. The system is built on the ISO 9001 standard for quality management systems. The system promotes systematic monitoring of measurable targets related to product development, manufacturing, quality control, supplier control, regulatory requirements, audit programs and customer feedback. The QMS is subject to continual improvements. Since BioArctic is undergoing a significant phase of growth and development, the efforts to design and monitor the QMS will have a continued impact in coming years.

The QMS for development and manufacturing of drugs encompasses regulations for Good Clinical Practice (GCP), Good Laborative Practice (GLP) and Good Manufacturing Practice (GMP), which are summarized as GxP regulations described in guidelines from the EU Commission, OECD and ICH, and which BioArctic complies with.

No inspections of the company's operation were performed by the authorities in 2024.

Patient safety is part of the GxP framework, which stipulates a number of routines to ensure product quality, reporting of side effects, product complaints and suspected product forgery. BioArctic is expected to report all suspected side effects that we are made aware of within 24 hours to the person responsible at BioArctic and our partner Eisai, who holds the marketing authorization for Leqembi (lecanemab) in markets with regulatory approval. In preparation for commercialization in the Nordic region, since 2024 BioArctic has held a mandatory annual training course in patient safety and product management in the introductory training for all employees and full-time and temporary consultants.

No product recalls were issued in 2024.

BioArctic applies a document management system that classifies documents into various types and systematizes processing, approval and archiving. All documents regarding quality are stored electronically in a validated system, the Electronic Document Management System (eDMS).

Patients and access to drugs

Alzheimer's disease, which deteriorates the brain, is a neurodegenerative disease that affects 30 million people around the

world. This disease entails a great deal of suffering for patients and their families, as well as major costs for society. Due to an aging population, the number of people who fall ill yearly is expected to increase. Leqembi, the drug that BioArctic has developed against Alzheimer's disease, is the company's first drug that has been approved and launched in several countries by the company's partner, Eisai. BioArctic's research portfolio contains additional drug candidates for neurodegenerative diseases – such as Parkinson's disease, ALS and others – that currently have no treatments that counter the progress of these diseases.

BioArctic has a limited geographic reach for commercializing the drugs the company is researching and making them available to all the patients in the world. Collaboration with partners is an explicit strategy, and in the case of Leqembi a partnership in the Nordic region is being pursued with the company's partner Eisai.

Eisai's recruitment strategy for the Clarity AD Phase 3 study involved a broad inclusion of patients in order to reflect the population of early Alzheimer's patients in society to the greatest extent possible, which meant that patients with a broad spectrum of other diseases and co-medication with other drugs such as blood thinners have been included in the study. Moreover, individuals from minority groups were included in the US trial, which resulted in approximately 25 percent of the total study population in the US comprising individuals with a Latino or African-American background. Patients in the EU, Japan, China and South Korea have also been included.

As of April 15, 2025, Leqembi has been approved in 42 countries, including the US, Japan, China, Great Britain and the EU. Applications are under review in several other countries and regions. A number of the geographies – including the Philippines, Thailand, Vietnam, Malaysia and Indonesia – are considered low- to medium income countries (LMIC).

Eisai has released their pricing model for the drug in the US. For this pricing to be sustainable, it is based on what the treatment means for patients and their families, health and medical care, and society as a whole. The idea is that treatment in conjunction with early Alzheimer's disease will provide a better quality of life for patients and families and make a positive contribution to health economics. The price of the drug should correspond to less than half of the total value that the drug can provide, viewed over a ten-year period. With this pricing as a basis, Eisai has secured access to treatment covered under Medicare in the US, and Eisai also provides support for those who do not have either insurance or support.

BioArctic's partner Eisai is continuing the development of Leqembi for the purpose of reducing the burden on medical care and making the treatment simpler for the patient. In January 2025, the US Food and Drug Administration approved the supplemental application for market approval of Leqembi as an intravenous maintenance treatment every four

The following policies and instructions act together to safeguard quality, patient safety and confidence in our research:

Policy	Purpose	Owner
The Information Security Policy, the Privacy Policy and the Personal Data Instruction	Minimize operational risks linked to information that concerns people, procedures, and systems.	IT
Quality Management Policy with associated SOP frameworks that regulate:	Guidelines for providing safe, efficacious and high-quality drugs that comply with laws, regulations and customer requirements	CEO
- Clinical studies	Regulate performance and monitoring	R&D
- Information to study participants and patients	Provision of clear and accessible information so that study participants can provide informed consent to participation in studies	R&D
- Counterfeit drugs	Reduce risks of counterfeit drugs	R&D
- Review of quality among suppliers	Ensure quality among suppliers	R&D
- Information on and marketing of drugs	Ensure that information on and marketing of drugs complies with industry ethical frameworks on reliability, etc.	Commercial
- Monitoring of safetyreporting on drugs	Reporting of side effects, safety signals and product quality during use	R&D
- Distribution and management of drugs	Ensure that the product is managed in a manner that maintains its quality	R&D
- Recall of drugs/product	Efficient management of products and information in conjunction with recall	R&D
- Roles, responsibilities and authorizations	Clarify responsibilities for patient safety	R&D
Invention and patent policy and Publication approval	Protects the company's patents and research	R&D
Code of Conduct	Provide BioArctic's employees with guidance based on the company's core values – respect, commitment, collaboration, and responsibility – in their daily work	IR & Communications
Whistleblowing Policy	Clarifies opportunities for external stakeholders to report suspected improprieties	Legal

weeks, which means that patients who undergo the initiation phase with treatment every two weeks for 18 months have the possibility of switching over to treatment every four weeks. Development and regulatory review of a subcutaneous formulation of the product – which will facilitate administration by enabling administartion at home, increase access, and reduce the administration burden – is in progress.

There is a great need for improving the patient journey from diagnosis to treatment. Furthermore, the need for training in order to ensure the expected change in medical practices that covers the diagnosis and treatment of previously untreatable conditions is significant. Both of these issues have been the focus of discussions with political and public sector representatives during the year.

BioArctic has commenced the preparatory work for marketing and selling the drug in the Nordic region together with Eisai. Since disease-modifying treatments of persons with Alzheimer's disease is an entirely new field, a great deal of new knowledge will become available. BioArctic will monitor and incorporate this new knowledge for the purpose of promoting further development and innovation in Alzheimer's disease.

Patient-oriented activities

BioArctic is working to expand the knowledge of Alzheimer's disease among decision-makers through active participation in social debates. One example is the company's participation in political week in the town of Almedalen on Gotland, as well as participation in other meetings with a similar focus during the year. BioArctic supports patient-oriented activities in neurodegenerative diseases for the purpose of creating interactions and platforms for obtaining knowledge about the people who are living with the diseases that the company is researching. As an example, BioArctic has sponsored the annual conference of the Alzheimer Europe patient association for the second consecutive year. Guests and patients were invited during the year to give lectures to all employees on living with a neurodegenerative disease or being a family member of a person suffering from one. BioArctic marked Alzheimer's Month and Parkinson's Day internally. Over 45 employees partcipated in the Alzheimer's Race to raise awareness of the work of the Swedish Alzheimer's Fund.

In 2024, BioArctic provided financial support to the following organizations:	
Queen Silvia Nursing Award (Sweden)	SEK 178,500
Alzheimer Society of Finland (Muistiliitto)	EUR 2,000
Alzheimer Europe	EUR 7,500
Alzheimerforeningen (Denmark)	DKK 125,000
Alzheimer Life (Sweden)	SEK 50,000

Product safety and quality assurance

In a unique case, BioArctic was held responsible for a violation of the Swedish Medical Product Agency's ethics regulations to a normal degree regarding the marketing of drugs to the public, in conjunction with a statement by the CEO to a finance journalist. In January 2025, BioArctic was sentenced to pay SEK 55,000 because of this.

There are no cases of labeling violations of the product.

Dissemination of knowledge and community involvement

BioArctic aims to promote development of knowledge and research. BioArctic's employees attended approximately 15 scientific conferences to further their training and provide information on BioArctic's research in the field of neurodegenerative diseases.

Making research accessible	2024	2023
Presentations at scientific conferences	6	4
Poster presentations at scientific conferences	6	1
Articles published in peer-reviewed journals	7	6
Scientific doctoral dissertations	0	1
Partnerships with academia	3	2

Making knowledge available can play a material role in creating equal access to medical care and to health. After having secured the necessary patents, BioArctic's guiding light has been transparency with the results of research and clinical development even if the results do not measure up to the desired outcome. BioArctic and its employees routinely present select data via scientific articles, oral presentations, lectures at universities and higher education institutions, abstracts, posters and at scientific conferences. Seven scientific publications were published in 2024. BioArctic also has a number of academic partnerships with universities for both education and research.

BioArctic is connected to and collaborates closely with academia, and one of the company's founders – Lars Lannfelt – is a Professor Emeritus at Uppsala University. The company routinely brings on researchers during their postdoctoral research. Employees have taken part in courses and shared their know-how of the company's areas of research and knowledge to target groups such as students in high school and at Uppsala University as well as researchers at KTH Royal Institute of Technology, Karolinska Institutet and Neurocenter Finland, and have shared their knowledge in vocational training courses.

Since 2023, BioArctic has been a member of the PROMINENT Consortium, led by Karolinska Institutet. The intent of this project is to create a digital platform for precision medicine and improved diagnosis and treatment of neurodegenerative diseases with a focus on Alzheimer's disease. The project will run for five years, and BioArctic has contributed MEUR 1.9.

During 2024, Professor Lars Lannfelt received several eminent awards for his work, including the Fondation Recherche Alzheimer's major European prize for his contribution to research and treatment of Alzheimer's disease, and the CTAD Life Achievement Award for his pioneering scientific work in Alzheimer's disease.

The importance of physical fitness and BioArctic's focus on this field also find expression in the company's external relationships. For example, BioArctic participates in the E-PABS partnership with the Swedish School of Sport and Health Sciences (GIH) in Stockholm, in which businesses collaborate to develop knowledge around how physical activity can promote brain health. The project is intended to produce blood markers for early detection of neurodegenerative diseases such as Alzheimer's disease, and study how life habits such as physical activity can prevent or slow the progress of these diseases.

As one of Sweden's fastest growing biopharma companies, BioArctic feels that contributing to the regrowth of Swedish life science is important. BioArctic also participated in the debate to secure the competitiveness of the Swedish life science industry in view of the reform of EU drug legislation.

Research and bioethics

BioArctic is primarily a research company whose strategy of future growth focuses on innovation and the development of safe and effective drugs against disorders of the central nervous system. BioArctic conducts research and preclinical development at its in-house laboratory located in Stockholm, Sweden. Production and clinical product development takes place primarily in collaboration with partners and contracted companies.

The use of primary cell cultures is an important step in understanding cellular biology in an entire organism. BioArctic uses embryonic cells from mice to create primary cultures of the nervous system.

Patents

Applications for patents are submitted when it is considered useful and appropriate. BioArctic invests in patenting its discoveries to create value, create a legal platform through which projects can be controlled and protected from being exploited by third parties, and to ensure future freedom for commercial activities. Securing ownership rights for discoveries through patent applications, and maintaining granted patents, lays the foundation for BioArctic's return on investments and is a necessary condition for signing license agreements and other structural agreements with interested parties. Moreover, this improves the opportunities for participating in collaborative research with third parties since the patented discoveries can be shared as a background to further research under safe and controllable conditions.

Biodiversity

BioArctic has limited impact on biodiversity, but there are areas that are of significance for the research pharma industry that are therefore monitored by the company.

Human rights

BioArctic has undertaken to support and respect internationally declared human rights including the Declaration of Helsinki, a set of ethical principles regarding human experimentation, including research on identifiably human material and data. The company has zero tolerance toward all forms of forced labor, slavery, trafficking and child labor. All of BioArctic's employees have the right to form, participate in or refrain from participation in trade-union organizations. This is stated in the company's Code of Conduct. The company expects the same perspective from its sub-suppliers and other third parties.

Governance

Governance and corporate culture

BioArctic's policy documents describe how, and toward which goals, the company is to be guided, and these documents are often supplemented with more detailed instructions. The Board of Directors, the CEO and management decide on policies and instructions. These documents are archived and routinely managed in the company's validated document management systems. The document managers are responsible for producing policies and instructions, keeping them up to date, disseminating them to all concerned, and communicating new documents and changes to employees.

The Quality Policy is adopted by company leadership and requires all employees to possess suitable competence and to continually train, and further their training, in order to perform their work. Employees' competence is routinely documented and monitored at least once yearly.

BioArctic promotes a good, ethical corporate culture with high levels of quality awareness by maintaining and improving efficiency in the company's quality management system (QMS) through continually striving for measurable goals related to product development, monitoring supplier quality, monitoring clinical testing, governing safety data and compliance with requirements (e.g. audits, corrective and preventive measures, change management and management reviews). The company continually follows up on all employees having the right competence and being trained to perform their work, and that every person is aware of their areas of responsibility to ensure product quality and patient safety. The CEO and the company's leadership are responsible for ensuring that efficient pharmaceutical quality management systems are provided and for ensuring that quality targets are defined. This responsibility also includes efficient auditing of the QMS, resource allocation and rapid implementation of decisions with high levels of quality awareness.

Policy structure

The table below lists policies with a bearing on BioArctic's sustainability agenda, and which division is responsible for their implementation. All these policies encompass the entire company and all employees unless otherwise stated. A number of policies were added or updated in 2024 to more clearly also include a number of sustainability areas. New policies are marked with (new) and updates with * in the table. The majority of these policies are available in summary form on the company's web site.

Policy	Purpose	Owner	Approved by
AI Policy	Framework for secure, ethical, legal and efficient use of AI	Communication and IR	Group Management
Rules of Procedure for the Board of Directors and CEO*	Pertains to the responsibility of the Board of Directors and executive management for sustainability (covers only CEO and Board)	Board of Directors	Board of Directors
Work Environment Policy	Maintain a good physical and psychosocial work environment	HR	Group Management
Data Privacy Policy	Clarifies application of the GDPR and individual rights	Finance/IT	Group Management
Ethical Animal Policy	Guidance in the principles of animal ethics in studies that involve laboratory animals	Research	Group Management
Sustainability Policy	Framework for sustainability activities at all levels, with a focus on employeeship, use of resources and compliance with laws	Communication and IR	Board of Directors
Information Security Policy	Minimize operational risks linked to information that concerns people, procedures, and systems.	Finance/IT	Group Management
IT Policy	Support a good, secure IT environment and reduce cybersecurity risks	Finance/IT	Group Management
Quality Policy	Guidelines for providing safe, efficacious and high-quality drugs that comply with laws, regulations and customer requirements	CEO	Group Management
Diversity and Equality Policy	Actively counteract discrimination and promote equal rights and opportunities	HR	Group Management
Discoveries and Patents Policy	Framework for identifying and patenting discoveries, and for remunerating employees for discoveries	IP/Legal	Group Management
Anti-bribery and Anti-corruption Policy*	Framework for preventing all forms of bribery and corruption	Legal	Board of Directors
Rehabilitation Policy	Help sick and injured employees recover the best functionality possible, and conditions for a normal working life	HR	Group Management
Tax Policy	Ensure responsible tax practices	Finance	Board of Directors
Code of Conduct	Provide BioArctic's employees with guidance based on the company's core values – respect, commitment, collaboration, and responsibility – in their daily work	Group Management	Board of Directors
Code of Conduct for Suppliers	Sustainability requirements for suppliers	Finance	Group Management
Whistleblowing Policy*	Maintain an open business climate, a high level of business ethics, and see opportunities for improvement	Legal	Board of Directors

Anti-corruption

BioArctic's Code of Conduct clarifies the company's zero-tolerance approach to corruption and bribery. In 2024, the anti-bribery and anti-corruption policy was revised by the Board of Directors in order to better reflect the existing expectations in the company stemming from preparations for the market launch of the company's first drug candidate, and thereby also increased contact with decision-makers and persons in authority.

BioArctic ensures that its employees and consultants are equipped to make well-informed, relevant and thoroughly considered decisions through a combination of anti-corruption training, policies and internal support. It is mandatory for all employees to undergo introductory training in anti-corruption when their employment begins at BioArctic, followed by an annual update to reinforce ethical business methods. Those employees with roles that are deemed to entail a greater risk of being confronted with issues where corruption may occur – for example, employees in commercial operations and company management – are given specialized in-depth training adapted to their areas of responsibility. This recurring and company-wide training program ensures that employees are aware of acceptable behavior and are supported in making ethical decisions in accordance with laws and regulations in force. In 2024, all employees were trained in these principles and all active employees and full-time consultants have read and approved the policy.

	At-risk employees	Other employees
Number participating in training	100%	100%
Type of training		
Classroom	2 hrs	2 hrs
Digital	0.5 hrs (Policy)	0.5 h (Policy)
Frequency	Yearly	Yearly
Areas of focus		
Definition of corruption	X	X
Policy	X	X
Reporting	X	X
Industry practice and reporting of transfers	X	

BioArctic encourages a transparent culture where it is safe to ask questions and express concerns. Reporting of actual or suspected violations of this policy to the Legal department, or anonymously through the whistleblower channel, is encouraged. BioArctic investigates all reported or suspected cases of corruption or other incidents. In the event that a derogation from the policy is determined, BioArctic will take suitable disciplinary action. Violations of the law will be reported to the relevant authorities.

	2024	2023
Number of reported cases of suspected corruption	0	0
Number of established cases of corruption	0	0
Number of cases for the whistleblower service	0	0

BioArctic's four ethical anti-corruption principles are:

- Zero tolerance toward corruption
- Compliance with laws, regulations and industry standards
- Maintenance of high ethical standards and taking personal responsibility
- Avoidance of conflicts of interest

BioArctic implements internal controls to reduce risks of corruption. All suppliers are reviewed before they are accepted and entered into the company's supplier register, and related-party transactions are checked through quarterly comparisons with the supplier register. All payments are reviewed in several stages.

As a member of Lif, the Swedish pharma industry association, BioArctic complys with and maintains the EFPIA Disclosure Code, a set of guiding principles under which pharma companies publicly announce value transfers to healthcare personnel and health and medical care organizations. Value transfers are reported annually on the Lif web site. For financial year 2024, transfers will be released on the Lif web site in June 2025.

BioArctic does not make any donations for political purposes. BioArctic participates indirectly in activities that are intended for political lobbying through membership in the Nordic industry associations: Lif Sweden, SwedenBio, Lif Norway and Pif Finland. The cost of participation corresponds to statutory membership fees. The area of influence where BioArctic actively participated in 2024 cover the set-up of tax incentives for research companies, the design of the EU's forthcoming drug legislation and re-working of the national care program for dementia.

Data safety

All processing of personal data at BioArctic fulfills the regulatory requirements of the General Data Protection Regulation (GDPR) and other related legislation. BioArctic has a Data Protection Group and a Data Protection Officer.

BioArctic safeguards the personal integrity of its employees, and the processing of personal data is described in the internal Data Privacy Notice. It is also of the greatest importance that BioArctic correctly handles all personal data that the company processes for external individuals, and this is described in the Data Privacy Notice for external parties and shareholders. No incidents occurred in 2024.

A mandatory annual recurring training course in GDPR was launched in 2024 and will be supplemented with in-person training in coming years.

BioArctic's strategy for identifying, assessing and managing significant cybersecurity risks is an integral part of the company's overall risk management strategy. Incidents in the domains of IT or cybersecurity are deemed to be significant risks. Measures have been taken to reduce these risks, and their efficiency is monitored and reported regularly to Group Management. Incidents are managed and reported through BioArctic's incident management framework for cybersecurity, which has been integrated into the company's crisis management protocol. Annual reviews are conducted to assess cybersecurity risks. Over the last two years, significant advances have been made in the field of IT security. Improvements include incident management and monitoring of cybersecurity, strategies to ensure critical systems and procedures, plans for catastrophe recovery and data restoration, continuity plans for IT system faults, internal audits of IT security checks, external situation analyses and penetration tests, and mechanisms for detecting and protecting IT systems and business procedures.

Implemented improvements have markedly strengthened the company's capacity for protecting critical systems and data, which makes the company better equipped to manage

cybersecurity incidents. Cybersecurity risks have not significantly impacted the company's business strategy, operating earnings or financial position.

Protection for whistleblowers

BioArctic provides a whistleblowing channel, available on the web site and intranet, in protection of reporters of business misconduct in accordance with the Law (2023:890) in protection of individuals who report misconduct. The whistleblower service is provided by an external party, and

BioArctic undertakes to initiate an immediate investigation of alleged situations and when needed, take suitable corrective measures and/or disciplinary action. The whistleblower legislation covers individuals with a work-related relationship to BioArctic. The Whistleblower Committee meets as needed to manage incoming reports, though at least once per year. The Whistleblower Committee comprises the chair of the Audit Committee, representatives from HR and Legal, as well as deputies that the Committee appoints as needed. If necessary, the Committee can bring in external specialists as support – for example, auditors, lawyers or security experts.

The Committee is responsible for maintaining the whistleblower system in accordance with the policy and legislation. This includes ensuring correct and easily accessible information on reporting procedures and how reporting individuals are protected. Furthermore, the committee monitors and manages feedback on and measures for reported cases and evaluated the whistleblower system. It also includes keeping minutes of the Committee's meetings and documentation of the handling of whistleblower cases.

In 2024, the Whistleblower Committee met one time and no cases were reported.

Partnerships and suppliers

Since 2005, BioArctic has had a lengthy collaboration with Eisai on research, development and commercialization of drugs for the treatment of Alzheimer's disease. Eisai is responsible for clinical development, applications for market approval, production and commercialization of Leqembi. This partnership is governed through quarterly steering group meetings, with both companies reporting on their respective areas of responsibility. The parties also hold regular working meetings pertaining to joint research projects, communication, commercialization and collaboration. Eisai's sustainability initiatives have been recognized for several years in a row, and this collaboration is marked by mutual understanding and cooperation.

Like large parts of the pharma industry, BioArctic makes use of contract development and manufacturing organizations (CDMOs) and contract research organizations (CROs). BioArctic strives to maintain close collaboration with partners, which has led to proximity being a key principle of choice. Adding quality over cost, these factors have led to all the CDMOs and CROs currently being located in western Europe and the US. This selection process also means that BioArctic has chosen to work with suppliers who have well-developed sustainability practices and transparent reporting. Extensive efforts are put into selecting a partner, with an emphasis on ability to collaborate, quality and ethics. BioArctic's management system clearly states that responsibilities can never be transferred; on this basis, suppliers in GxP-controlled areas are systematically monitored with regularly recurring audits. BioArctic conducted three audits of contract research organizations in 2024, all with approved results.

In the field of sustainability, there is as yet no systematic follow-up of suppliers. Efforts have begun to facilitate reporting starting in financial year 2025. A due diligence process with sustainability requirements has been introduced in conjunction with the review process for new agreements of material importance. A Code of Conduct for Suppliers has also been implemented.

Animal rights issues

Studies in research animal models are required by government authorities before a drug candidate can be tested in humans. BioArctic's research uses animal models only in studies that enable increased knowledge of the diseases BioArctic intends to treat, and in studies intended to evaluate the efficacy of or the safety profile of drug candidates. BioArctic carefully considers each use of animals in research and to reduce the need, follows the "3R" principle: Replace – Reduce – Refine.

BioArctic does not perform any animal experiments at its own premises. Experiments are conducted by approved and validated external partners in accordance with national regulations after ethical assessments, with humane principles being taken into account.

Other

The share and shareholders

BioArctic's market value at year end totaled SEK 17.6 billion. The share price decreased 26 percent during the year while the number of shareholders in the company continued to increase.

Trading and market value

The BioArctic share is traded on Nasdaq Stockholm's Large Cap under the symbol BIOA B. In 2024, around 55.4 million (88.8) B shares were traded at an aggregate value of roughly SEK 10.4 billion (25.5). The average daily volume during the year totaled SEK 41.5 M (101.0). 57 percent of trading in the share took place on Nasdaq Stockholm. In addition to trading on the Stockholm stock market, 35 percent of trading took place on the Cboe marketplace, 4 percent in the LSE Group, 2 percent on Aquis, and other trading venues accounted for 2 percent of trading. The market value at year-end was SEK 17.6 billion (23.6).

Share performance in 2024

BioArctic's share price decreased 26 percent during the year. The closing price on 30 December was SEK 199.50. The highest price paid, SEK 288.40, was noted on January 9, 2024, and the lowest price, SEK 137.70, was noted on November 8, 2024.

Share capital

The share capital at year-end totaled SEK 1,767,781 spread over 88,389,035 shares, of which 14,399,996 are unlisted A shares and 73,989,039 are listed B shares. The number of shares in the company increased by 74,050 during the year as a result of subscription of shares by participants in the 2019/2028 employee stock option program. The A share has

The ten largest shareholders as of December 31, 2024

Owner	Number of A shares (10 votes per share)	Number of B shares (1 vote per share)	Share of capital (%)	Share of 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	32.5
The Fourth Swedish National Pension Fund	-	5,418,493	6.1	2.5
RA Capital Management LP	-	3,117,736	3.5	1.4
Unionen	-	2,500,000	2.8	1.1
Nordea Fonder	-	2,312,058	2.6	1.1
Handelsbanken Fonder	-	2,036,840	2.3	0.9
Lannebo Kapitalförvaltning	-	1,847,899	2.1	0.8
Vanguard	-	1,282,054	1.5	0.6
The Third Swedish National Pension Fund	-	1,194,212	1.4	0.5
Total	**14,399,996**	**53,937,545**	**77.3**	**90.8**

ten votes per share while the B share has one vote per share. The quotient value per share is SEK 0.02.

Ownership structure

At year-end, BioArctic had 23,833 shareholders (20,697). The shareholding in Sweden totaled 92.4 percent of the capital and 96.9 percent of the votes. Of foreign ownership, shareholders in the US represented 6.7 percent of the capital, shareholders in Finland represented 2.6 percent and shareholders in Norway represented 1.5 percent. Owners with unknown geographic domiciles represented negative 4.2 percent of the capital. The share ownership was dominated by the category Other shareholders with 63.4 percent of the capital, followed by fund companies with 18.1 percent and private individuals with 11.5 percent of the capital. BioArctic's ten largest shareholders owned shares corresponding to 77.3 percent of the capital and 90.8 percent of the votes. BioArctic's A shares are owned by Demban AB and Ackelsta AB, which are in turn owned by the founders of BioArctic.

Dividends and dividend policy

The board's goal is to distribute a dividend to the shareholders that provides a good dividend yield and dividend growth over time. When the dividend is determined, the company's profit development, cash flow, investment needs and financial position in general must be considered. The dividend shall be well balanced with regards to the business's goals, scope and risk.

In the 2024 financial year, BioArctic reported an increase in royalty revenue from sales of drugs, which means that the company's revenue and earnings, alongside non-recurring revenue from the research, licensing and co-promotion agreements the company had signed, also comprised regular sales revenue. However, the company reported a loss during the full year, and in light of this the Board proposes that no dividend be paid for financial year 2024.

Share-based incentive programs

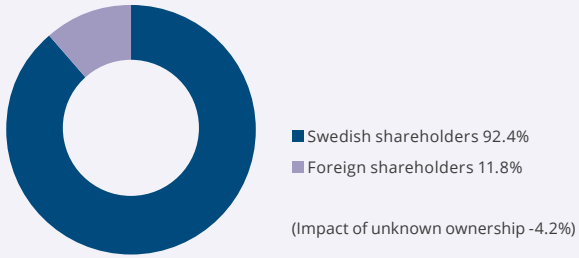
BioArctic has three ongoing long-term incentive programs that were resolved on at the AGMs in 2019, 2023 and 2024.

The 2019/2028 employee stock option program covers at most 1,000,000 employee stock options. The employee stock options can be exercised for subscription of shares between three and five years after allocation. At the end of the year, 915,000 employee stock options had been allocated, and no further allocation will take place. The total number of warrants forfeited and repurchased on December 31, 2024 was 75,000, and the number of warrants redeemed was 329,050, which means that 510,950 employee stock options were outstanding at December 31, corresponding to a maximum dilution effect of 0.58 percent of the shares at the end of the year.

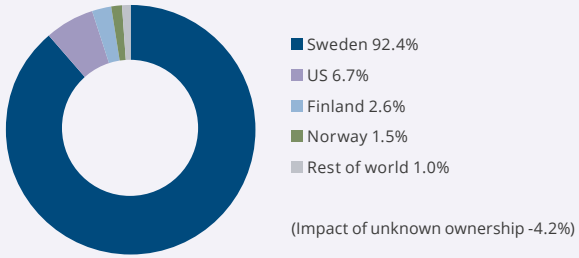
The 2023/2026 share rights program is a three-year incentive program covering at most 125,000 performance share rights which, provided that the share price increases at least 30 percent over a three-year period, grants participants the right to receive shares, free of charge or cash payment. 117,500 share rights were allocated, and no further allocation will take place. The total number of performance share rights forfeited on December 31, 2024 was 500, which means that 117,000

BioArctic share data	2024
Number of shares at year-end	88,389,035
Market value at year-end (SEK billion)	17.6
Price change since listing (%)	731
Number of shareholders	23,833
Share price at year-end (SEK)	199.50
Year high (SEK)	288.40
Year low (SEK)	137.70
Share of ownership, capital, 10 largest shareholders (%)	77.3

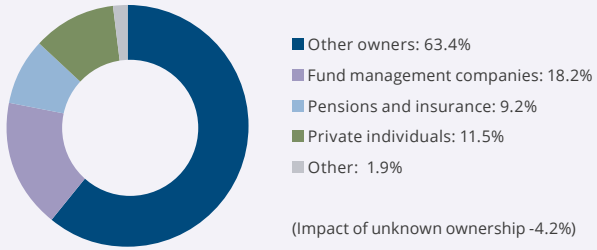
Distribution of Swedish and foreign shareholding at December 31, 2024



Distribution of capital by geography at December 31, 2024



Distribution of capital by ownership category at December 31, 2024



employee stock options were outstanding at December 31, corresponding to 0.13 percent of the shares at the end of the year.

The 2024/2027 share rights program is a three-year incentive program covering at most 160,000 performance share rights which, provided that the conditions are met, grants participants the right to receive B shares, free of charge. 149,000 performance share rights were allocated, and no further allocation will take place. No performance share rights were forfeited.

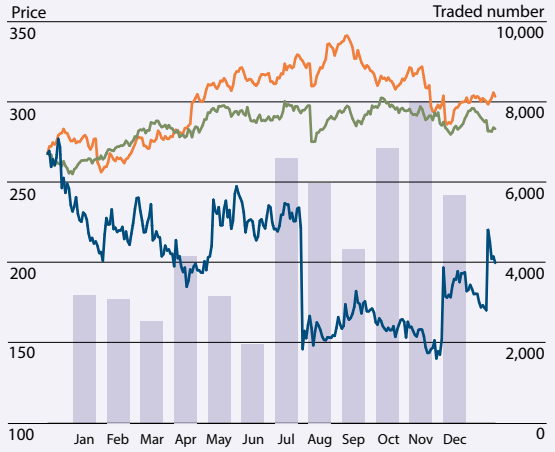
Upon full exercise, the number of B shares will increase by 210,000, corresponding to a dilution of 0.24 percent of the number of shares.

In total, the maximum dilution effect of the three incentive programs was 0.95 percent of the shares at year-end.

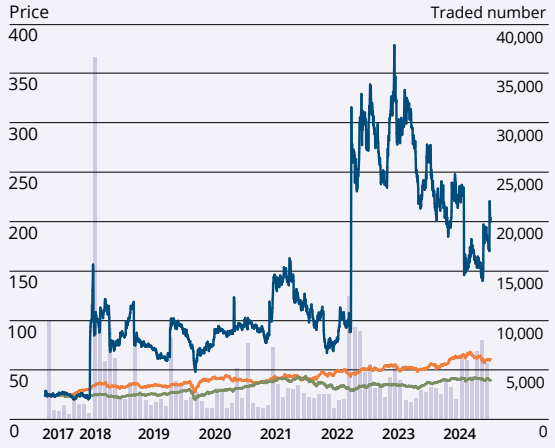
Share structure at December 31, 2024

Number of shares	Number of shareholders	A shares	B shares	Shares (%)
1–500	20,881	—	1,901,225	2.2
501–1,000	1,360	—	1,090,256	1.2
1,001–5,000	1,215	—	2,624,195	3.0
5,001–10,000	155	—	1,139,199	1.3
10,001–20,000	102	—	1,431,497	1.6
20,001–	120	14,399,996	69,511,611	94.9
Size of holding unknown	0	—	-3,708,944	-4.2
Total, December 31, 2024	**23,833**	**14,399,996**	**73,989,039**	**100**

Share price trends and volume, BioArctic 2024



Historic share price performance for BioArctic



Traded number of shares in 1 000s per month
BioArctic
OMX Stockholm PI
OMX Stockholm Pharmaceuticals and Biotechnology PI

Shareholder information

BioArctic's web site

BioArctic's web site (bioarctic.com) provides information for investors and other stakeholders who want to expand their knowledge of the company's operation. The web site contains information on the company's operation, vision, mission, business concept, and project portfolio as well as a description of the company's strategy and how BioArctic collaborates with partners. The web site also contains financial information, press releases, information on corporate governance, Group management, and the Board of Directors as well as the company's sustainability initiatives. In addition, there is information on the performance of BioArctic's share over time as well as information on the owners of the shares. Furthermore, there is information on the Annual General Meeting as well as a service that makes it possible to subscribe to press releases and financial reports via e-mail.

Financial information

BioArctic's financial reports – such as quarterly reports and annual reports – are available on the company's web site. The web site also contains an archive of financial reports since 2017, when BioArctic was listed on Nasdaq Stockholm. The financial reports are distributed in digital form only via the web site. Those wishing to do so can choose to subscribe to the financial reports via e-mail using the subscription service found on the web site. In conjunction with its interim reports and year-end reports, BioArctic hosts an online conference in English where news and results are presented.

Communication and activities in Investor Relations

In order to increase knowledge of BioArctic's operation, the information that the company disseminates to shareholders, investors, and analysts must be open, relevant, and correct. Investor Relations provides the capital market, investors, shareholders and other stakeholders with relevant information in accordance with applicable legislation, Nasdaq Stockholm regulations, the Swedish Code of Corporate Governance, and BioArctic's Information Policy. In conjunction with the communication of its quarterly interim reports, BioArctic presents the company and its financial development and hosts online conferences. Additionally, important events that occur in the company are published through the distribution of press releases. BioArctic endeavors to maintain a high level of accessibility for existing shareholders, potential shareholders, analysts, media. and other stakeholders. The company participates in industry-specific conferences and seminars, and holds regular meetings with investors and analysts.

FINANCIAL CALENDAR

May 21, 2025	Interim Report January – March
May 22, 2025	AGM 2025
August 28, 2025	Interim Report April – June
November 13, 2025	Interim Report July – September
February 18, 2026	Year-end Report 2025

ANALYSTS WHO MONITOR BIOARCTIC:

Carnegie	Erik Hultgård
DNB	Patrik Ling
Goldman Sachs	Rajan Sharma
Nordea	Viktor Sundberg
Redeye	Fredrik Thor
Royal Bank of Canada (RBC)	Alistar Campbell
RX Securities	Joseph Heddan
Van Lanschot Kempen	Luisa Morgado

* Payment analysis

CONTACT

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2025 Annual General Meeting

The 2025 Annual General Meeting of BioArctic AB (publ) will be held at 4:30 p.m. (CEST) on Thursday, May 22, 2025 at Lindhagen Konferens in Stockholm, Sweden. Registration will begin at 4:00 p.m.

Registration

Those shareholders registered in the share register maintained by Euroclear Sweden AB as of May 14, 2025, and have reported their intent to participate in the meeting to the company by 5:00 p.m. on May 20 have the right to participate in the AGM. More information will be provided in the notice to attend the Annual General Meeting.

Shareholders who shares are nominee-registered, in addition to registering their participation in the meeting, must temporarily register their shares in their own name in the share register (voting rights registration) in order to have the right to participate in the meeting. Re-registration must be completed by May 16 and should be requested from the bank or fund manager well in advance of this date.

IMPORTANT DATES FOR THE 2025 AGM

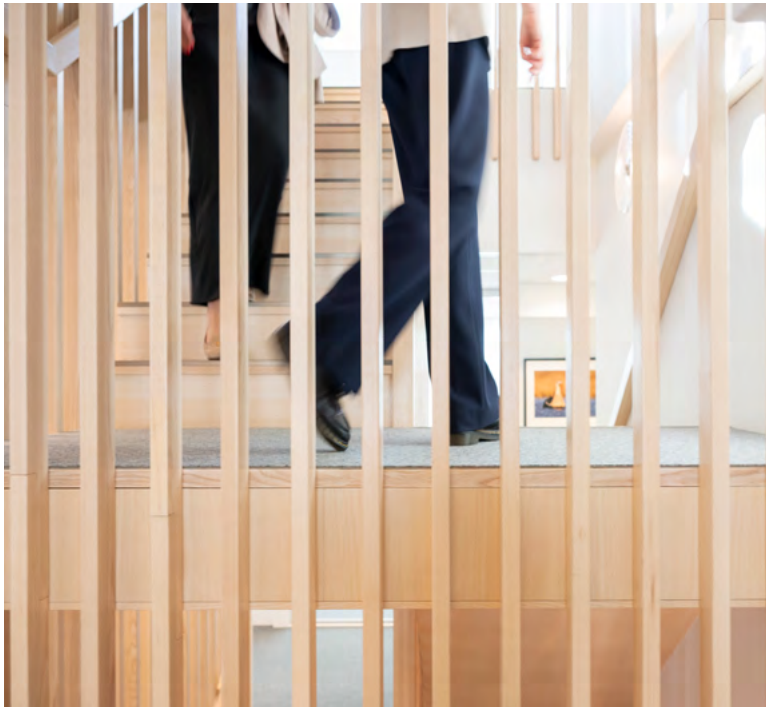
May 14 – record date for the 2025 AGM
May 20 – final registration date for participation in the AGM
May 22 – admittance to the AGM begins, 4:00 p.m.
May 22 – the AGM begins, 4:30 p.m.

Dividend

The goal of the Board of Directors is to provide shareholders with a dividend that produces a healthy dividend yield and good dividend growth over time. When the dividend is determined, the company's profit development, cash flow, investment needs and financial position in general must be considered. The dividend shall be well balanced with regards to the business's goals, scope and risk. The Board proposes that no dividend is to be paid for financial year 2024.

Notice to attend the Annual General Meeting

The notice to attend the Annual General Meeting is issued via an announcement in Post- och Inrikes Tidningar and Svenska Dagbladet, and through being made available on the company's web site. Documents that are to be presented at the Annual General Meeting are made available on the company's web site. They are also sent to shareholders who request it and provide their mailing address.



Glossary

A

Accelerated approval pathway
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.

Alpha-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 rare and difficult neurodegenerative illness that impacts the body's ability to control muscular activity.

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

Amyloid PET
A diagnostic imaging method used to identify the presence and prevalence of harmful accumulations of amyloid beta in the brain.

Amyloid pathology
A condition in which harmful accumulation of amyloid beta is the underlying cause.

Antibodies
Biological molecules originating in the immune system that bind to a target molecule with a high degree of accuracy.

ApoE *(Apolipoprotein E)*
ApoE is a protein that transports fats in the blood and 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
Cerebral microbleeds, cerebral macrobleeds and superficial siderosis.

Arctic mutation
A mutation in the gene for the amyloid precursor protein (APP) that promotes certain hereditary cases of Alzheimer's disease. Discovered by Professor Lars Lannfelt and his research group, and gave the company its name.

B

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

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

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

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

C

China's National Medical Products Administration (NMPA)
China's medical products agency.

Clinical studies
Drug trials performed in human subjects.

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

CHMP *(Committee for Medicinal Products for Human use)*
The European scientific committee for human medicinal products and advisory body of the European Commission.

CMS *(Centers for Medicare and Medicaid Services)*
US government agency responsible for subsidizing and monitoring state-financed health care programs.

CSRD *(Corporate Sustainability Reporting Directive)*
The EU's new legislation on integrated sustainability reporting.

D

Department of Health in Hong Kong
Hong Kong's medical products agency

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 a higher dose.

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

E

Early Alzheimer's disease
Mild cognitive impairment as a consequence of Alzheimer's disease and mild Alzheimer's disease.

Exidavnemab
A highly selective antibody against aggregate forms of alpha-synuclein, in clinical Phase 2a. Has demonstrated an inhibiting effect on the development of Parkinson's disease in a preclinical model.

ESG *(Environment, social, and governance)*
A standard in the finance industry to measure how sustainable a company is, based on the three main criteria of environment, society and governance.

F

Fast track designation
An FDA program intended to facilitate and accelerate the development and review of drugs for serious or life-threatening conditions.

FDA *(US Food and Drug Administration)*
The US Food and Drug Adminstration.

I

Indication
A medical condition in conjunction with which the administration of a specific treatment has been approved.

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

Intravenous
Most often refers to supplying a drug directly into the blood through injection (syringe) or infusion (drip).

J

Japan Pharmaceuticals and Medical Devices Agency (PMDA)
Japan's medical products agency

K

Korea Ministry of Food and Drug Safety (MFDS)
South Korea's medical products agency

L

Lecanemab-irmb
Lecanemab has been assigned the suffix -irmb by the FDA as part of the approval process in the US. The suffix is used to distinguish the original version of biological products from related biological products and biosimilars that contain
similar drug compounds.

Leqembi
Brand name for lecanemab.

Lewy bodies
Accumulations of misfolded alpha-synuclein in brain cells. Leads to conditions such as Parkinson's disease and certain dementia-related illnesses.

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

M

Medicines and Healthcare Products Regulatory Agency (MHRA)
The UK's medical products agency

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

Misfolded proteins
Proteins that have folded themselves incorrectly, aggregate and thus risk causing diseases.

Monomer
An molecule with a physiological function that can bind to other similar molecules to form larger structures such as oligomers and protofibrils.

Mutation
A change to genetic makeup – DNA – that could give rise to disease.

N

Neurodegenerative diseases
Diseases that entail a gradual breakdown and degeneration in brain and nervous system function.

O

Oligomer
Harmful, soluble molecule consisting of a small number of monomers.

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

P

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

PET ***(positron emission tomography)***
A type of diagnostic method using imaging for medical assessment.

Phase 1 study
Studies the safety and tolerability of a drug candidate in a limited number of healthy volunteers or patients.

Phase 2 study
Studies the safety and efficacy of a drug candidate in a limited number of patients. Later stages of Phase 2 studies can be called Phase 2b, and evaluate the optimal dosage of the drug being studied.

Phase 3 study
Confirmatory study of the safety and efficacy of a drug candidate in a large number of patients.

Placebo-controlled
A study design in research that entails some of the patients receiving an inactive compound to obtain a relevant control group.

Precision medicine
Precision medicine (also known as individualized, personalized or customized medicine) is intended to provide patients with care and treatment that is customized to the patient's own conditions and needs.

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 on humans.

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

Protofibrils
A harmful, soluble 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, that gives rise to Parkinson's disease.

PyroGlu Aβ
Truncated forms of amyloid beta that have a pronounced tendency to aggregate and create toxic forms that could cause Alzheimer's disease.

R

Randomized study
A random division of test subjects into predetermined treatment groups or placebo groups in a clinical trial.

Receptor
A protein structure that initiates a biochemical chain reaction in the body once activated.

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

Royalty
Remuneration when someone uses or sells a product onward.

S

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

Subcutaneous treatment
Supply of a drug to the patient through an injection under the skin.

T

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).

TDP-43
A protein that is found misfolded in several degenerative diseases such as ALS, Alzheimer's disease and frontotemporal dementia.

Titration of dose
Stepwise increase in drug dose in order to achieve a 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.

Transferrin receptor
A carrier protein in the blood-brain barrier that normally transports iron into the brain.

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