



HALF YEAR FINANCIAL REPORT

2025

(UNAUDITED)



ARCTIC
BIOSCIENCE

THIS IS ARCTIC BIOSCIENCE

Arctic Bioscience is a clinical stage biotechnology company working to develop drug candidates within the areas of autoimmune and inflammatory diseases. The company's unique proprietary extraction technology is used to extract membrane fats from marine raw materials, such as herring roe and algae.

Arctic Bioscience is developing HRO350 – an oral novel investigational drug candidate. HRO350 is being developed for treatment of patients in mild-to-moderate psoriasis. This is a large patient group in need of new effective medicines with a beneficial safety profile.

At the core of Arctic Bioscience is a team of experts with more than 25 years of experience in lipids and marine oils, complemented by a substantial research environment and an internationally experienced commercial and financial apparatus. Since its inception in 2011, the company has demonstrated significant operational prowess, covering the entire spectrum from identifying and analysing lipid sources to manufacturing and quality assurance of the final products.

In addition to its major pharmaceutical efforts, Arctic Bioscience has a dedicated nutraceutical division that develops and sells phospholipid-DHA omega-3 products under the brand name ROMEGA®.

Arctic Bioscience's comprehensive approach, from cutting-edge research to impactful nutraceuticals, positions the company as a key player in the dynamic landscape of autoimmune and inflammatory indications. By delivering on our mission, Arctic Bioscience will create value for patients with an unmet need for treatment, the international pharmaceutical community, and our investors.

HIGHLIGHTS FIRST HALF YEAR 2025

- Encouraging top-line results from the HeROPA clinical study backed by promising data on key secondary endpoints
- New long-term funding of NOK 30 million secured in January 2025
- Nutra revenues in the first half of 2025 totaling NOK 17.2 million (NOK 16.7 million), with a gross margin of 33.4 % (30.6 %)
- Implemented cost-reducing initiatives have given positive outcome, with total operating costs reduced with NOK 6.4 million (from NOK 27.2 in first half 2024 to NOK 20.8 million in first half 2025)
- Improved adjusted EBITDA year to date in 2025, NOK -13.6 million (NOK -20.9 million)
- Positive development in Arctic Algae, higher activity level and participation in exciting R&D projects

KEY FIGURES

Amounts in NOK	Arctic Bioscience Group	
	H1-2025	H1-2024
Revenues from sales	17 229 940	16 746 339
Gross profit	5 750 840	5 130 420
Gross margin %	33.4 %	30.6 %
EBIT	-16 177 539	-24 183 920
EBITDA	-13 604 672	-21 606 194
Adjusted gross profit	5 750 840	5 130 420
Adjusted gross margin %	33.4 %	30.6 %
Adjusted EBIT*	-16 177 539	-23 499 591
Adjusted EBITDA*	-13 604 672	-20 921 865
Cash flow operating activities	-21 457 851	-25 548 747
Cash flow from investment activities	-15 841 933	-33 940 283
Cash flow from financing	36 512 790	-282 161
Net cash flow	-786 994	-59 771 191
Cash and cash equivalents end of period	5 533 146	49 830 878
	30.06.2025	31.12.2024
Total assets	290 345 423	279 741 030
Total equity	195 299 574	210 730 763
Total liabilities	95 045 849	69 010 267
Equity ratio	67%	75%

* Adjustments in 2024 are made for one off costs during the first half year related to incurred costs internal development project

INTERIM REPORT

All figures relate to the Group. Figures in brackets refer to the corresponding period last year and/or balance figures as of end of last year.

Operational review

Pharma

The main focus in Pharma is to develop a novel, oral drug candidate (HRO350) for the treatment of mild-to-moderate psoriasis in the multibillion USD global psoriasis market. The last years, a phase 2b clinical trial (the HeROPA study) has been conducted. In total 521 patients were recruited in UK, Germany, Poland, Norway and Finland.

While the primary endpoint (PASI50 at 26 weeks of the trial) in the 52-week placebo-controlled study was not met due to an unexpectedly high placebo response, the overall data after 12 months of treatment support the potential of HRO350. The 12-month readout, conducted in late second quarter of 2025, showed potential through key secondary endpoint PGA 0/1, where the per protocol population approaches significant ($p = 0.07$) after one year of treatment. Relevant subgroups show statistical significance ($p < 0.05$). Importantly, HRO350 was well tolerated throughout the study, with no safety concerns or drug-related serious adverse events reported.

The promising results from the 12-month readout are also backed by earlier conducted cellular studies on Mode of Action of HRO350. The cellular data shows anti-psoriatic effect from phospholipid esters from herring roe in immune cells and skin cells, and contribute to the understanding of how HRO350 could impact psoriasis and are supportive data to the results from the clinical development program.

It is believed there is a major market potential for HRO350 in mild-to-moderate psoriasis and the focus going forward is to seek partnerships for further development.

Nutra

The Group's nutraceutical products are named ROMEA®, containing premium phospholipid omega-3 oil based food supplement with a 3:1 ratio of DHA to EPA, and high-quality protein. ROMEA® supplements contain SPMs, which are bioactive lipids that play a crucial role in resolving inflammation and promoting tissue homeostasis. This makes ROMEA® particularly beneficial for inflammation related nutraceutical.

The Group's strategy for sale of nutraceutical products is multi-dimensional, including B2C, B2B and strategic partner sales.

Total sales revenues from the nutraceutical business are slightly higher in 2025 compared to the same period in 2024. In late Q1 2025 a recall issue arose, as reported on in the full year annual report for 2024. The company's customers were quickly informed, and no goods were resold to end customers in the market. During 2025 focus has been put on root cause analysis, and these have provided clarity on the reason for the recall. The recall issue affected planned deliveries in the first half of 2025. It is expected that delays in deliveries in the first half of the year will materialize in the second half year's revenues.

A new exciting consumer product, ROMEA® Skin Refine, has been developed and launched in Norway with international expansion to follow. With this product, Arctic Bioscience is entering a large and growing global product market within beauty, with significant potential for the Company. It is expected to further expand the nutraceutical

business with more B2B customers and with new geographies during the year.

The strategic partnership with Kotler (Tromsø Nutrition Technology LTD.) in the Chinese market continuous to develop well. Based on purchase orders received the revenue prospects for the last six months of 2025 are positive.

Arctic Algae

In Q1 2023 Arctic Bioscience acquired Arctic Algae AS, a biotechnology company specializing in the development and production of micro algae by utilizing innovative reactor technology and core expertise in extraction. The acquisition represented a major opportunity for Arctic Bioscience in continuing designing and extracting marine membrane lipids for application in new pharmaceutical and nutraceutical products. The acquisition has had positive effects in combining the expertise and R&D-environments in the two companies, with new research projects sprung from the collaboration.

During the first half of 2025, Arctic Algae have delivered other income of NOK 1.2 million, divided between sales of services and received government grants. The company's activity level has increased significantly since the acquisition. The company is also involved as a key partner in various R&D projects, an activity that is expected to contribute positively to further development.

Results for H1 2025

Compared to first half year of 2024 the nutra revenues were 2.9 % higher in first half year of 2025. Some delays in delivery of finished goods due to the recall issue held the turnover rate somewhat back in the first half of the year compared to the budget, but is expected to materialize again in second half of 2025. The gross margin development is positive

compared to the same period in 2024, and the total operating cost level has decreased significantly due to cost initiatives implemented in the last part of 2024.

Revenues and other income

The revenues come from sale of the nutraceutical products. For the first six months of the year the revenues were NOK 17.2 million (NOK 16.7 million). The American market had a positive development in the first half year, with a revenue of NOK 5.2 million in first half of 2025 compared to NOK 1.4 million in the same period of 2024. For the first half year this market represents the largest market share with 30 % of the total revenues. The European market, ex. Norway, amounted for 27.7 % of the total revenues, APAC 22 %, and the Norwegian nutraceutical market 20.3 %.

Other income of NOK 1.47 million is a combination of government grants of NOK 1.2 million and NOK 0.25 million in sale of services from Arctic Algae.

Gross profit

Gross profit for the first six months of the year was NOK 5.8 million (NOK 5.1 million), corresponding to a gross margin of 33.4 % (30.6 %). As noted, the gross margin development has been positive compared to 2024, and increased with 2.8 percentage points compared to 2024 in total. The Group has constant focus to ensure that any experienced cost increases, especially related to sub-production costs, are represented in the prices to the customers.

Operating costs and EBITDA

Personnel expenses for the first half year totaled NOK 10.7 million (NOK 12.9 million). During the first half of the year, approximately 13.5 % of the total personnel expenses were capitalized on development projects.

Other operating expenses amounted to NOK 10.1 million (NOK 14.3 million). This is a significant reduction due to implemented cost-reduction initiatives in the Group, and mainly in line with the total budget for 2025. Costs related to the pharmaceutical development projects have mainly been capitalized throughout the year.

Adjusted EBITDA for the first six months of the year was NOK -13.6 million (NOK -20.9 million).

Cash flow statement

Consolidated net cash flow from operating activities was NOK -21.5 million (NOK -25.5 million), mainly driven by the negative operating result.

Net cash flow from investment activities was NOK -15.8 million (NOK -33.9 million), mainly driven by investments in the pharmaceutical development project for HRO350.

Cash flow from financing activities totaled NOK 36.5 million (NOK -0.3 million) during the period. This was driven by new long term loan funding of NOK 30.1 million and change in credit facility of NOK 6.7 million.

Total net cash flow during the first half of 2025 ended at NOK -0.8 million (NOK -59.8 million). At the end of first half year 2025 the Group has an unused credit facility of NOK 3 million. Total available liquidity amounts to NOK 5.5 million.

Financial position

– balance sheet as of 30.6.2025

Total equity on June 30th 2025 amounted to NOK 195.3 million (NOK 210.7 million). This corresponds to an equity ratio of 67 % (75 %).

Total non-current assets as of June 30th 2025 amounted to NOK 235.1 million (NOK

221.9 million). The increase during the first half of the year is mainly related to an increase in intangible assets connected to the pharmaceutical development of HRO350.

The Group has NOK 55.2 million (NOK 57.9 million) in current assets, including NOK 2.5 million in cash and cash equivalents (NOK 3.3 million), NOK 32.6 million (NOK 30.0 million) in inventory and NOK 20.2 million (NOK 25.6 million) in total short-term receivables. In addition to booked cash and cash equivalents the Group has an unused credit facility of NOK 3 million.

The Group has a long-term debt of NOK 1.2 million related to financial leasing agreements, a convertible loan of NOK 12.0 million and a long-term loan of NOK 15 million. Total liabilities amounted to NOK 95.0 million (NOK 69.0 million).

Share information

Arctic Bioscience has been listed on Euronext Growth since February 24th 2021. As of June 30th 2025, the Company had 26 859 340 issued shares, divided between 1 019 shareholders.

Ronja Capital Investment AS was the largest shareholder as of June 30th 2025, with 3 087 999 shares, representing 11.5 %. Note 5 includes a list of the 20 largest holders of the Company's shares.

Business outlook

Given the encouraging results from the 12 months HeROPA readout, Arctic Bioscience will evaluate strategic opportunities for further development and regulatory engagement for HRO350. It is believed there is a major market potential for HRO350 in mild-to-moderate psoriasis and the company will seek partnerships for further development.

The liquidity situation is closely monitored. The dialogue with the Group's financing partners is close and good. The Board is continuously assessing liquidity measures beyond what has already been implemented

and will implement such measures if deemed necessary. Further HRO350 project development, beyond phase 2b, will be funded separately through partnership or specific project funding.

Based on purchase orders received for the second half of 2025 and general order outlook, it is expected an increase in nutraceutical revenues in the second half of the year.

Ørsta, June 30th 2025, August 27th 2025

The Board of Directors and CEO of Arctic Bioscience AS

Harald Nordal
Chairman

Marita Holstad
Board member

Tore A. F. Tønseth
Board member

Jan Endre Vartdal
Board member

Olav Sindre Kriken
Board member

Christer Valderhaug
CEO

INCOME STATEMENT

Amounts in NOK	Note	Arctic Bioscience Group	
		H1-2025	H1-2024
Operating income and operating expenses			
Revenues	1	17 229 940	16 746 339
Other income	1	1 465 637	457 963
Total income		18 695 577	17 204 302
Cost of goods sold		11 479 100	11 615 919
Salaries and other personnel expenses		10 706 074	12 943 781
Depreciation and amortisation expenses	2, 3	2 572 867	2 577 726
Other expenses		10 115 075	14 250 796
Total expenses		34 873 116	41 388 222
Operating profit		-16 177 539	-24 183 920
Financial income and expenses			
Financial income		1 173 886	1 955 083
Financial expenses	3, 6	3 941 312	1 287 234
Net financial items		-2 767 426	667 849
Net profit or loss before tax		-18 944 965	-23 516 071
Net profit or loss after tax		-18 944 965	-23 516 071
Net profit or loss	4	-18 944 965	-23 516 071
Earnings pr. share		-0.71	-0.93

BALANCE SHEET

as at 30.6.2025 / 31.12.2024

Amounts in NOK	Note	Arctic Bioscience Group	
		30.06.2025	31.12.2024
ASSETS			
Non-current assets			
Intangible assets			
Development	2	208 261 094	193 866 520
Concessions, patents, licences and trademarks	2	1 477 732	1 591 033
Goodwill	2	1 634 307	1 931 453
Total intangible assets		211 373 133	197 389 006
Property, plant and equipment			
Building and plot	3, 6	14 200 253	14 047 108
Machines and facilities	3, 6	8 184 608	8 646 974
Equipment and other movables	3, 6	1 371 139	1 771 978
Total property, plant and equipment		23 756 000	24 466 060
Total non-current assets		235 129 133	221 855 066
Current assets			
Inventories	6	32 564 257	28 987 296
Receivables			
Accounts receivable	6	10 525 793	14 573 711
Other current receivables		9 636 131	11 047 853
Total receivables		20 161 924	25 621 564
Investments			
Cash and cash equivalents		2 490 109	3 277 103
Total current assets		55 216 290	57 885 963
TOTAL ASSETS		290 345 423	279 741 030

BALANCE SHEET

as at 30.6.2025 / 31.12.2024

Amounts in NOK	Note	Arctic Bioscience Group	
		30.06.2025	31.12.2024
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	4, 5, 6	2 685 934	2 536 955
Share premium reserve	4, 6	192 613 640	208 193 808
Total paid-in capital		195 299 574	210 730 763
Total equity		195 299 574	210 730 763
Liabilities			
Non-current liabilities			
Convertible loan	6, 7	12 038 436	0
Liabilities to financial institutions	6	16 165 303	1 472 338
Total non-current liabilities		28 203 739	1 472 338
Current liabilities			
Liabilities to financial institutions	6	26 956 963	20 237 138
Accounts payables		15 538 642	18 975 293
Public duties payables		1 362 221	2 076 650
Other current liabilities		22 984 284	26 248 849
Total current liabilities		66 842 110	67 537 929
Total liabilities		95 045 849	69 010 267
TOTAL EQUITY AND LIABILITIES		290 345 423	279 741 030

CASH FLOW STATEMENT

Amounts in NOK	Note	Arctic Bioscience Group	
		H1-2025	H1-2024
Cash flow from operating activities			
Profit/loss before tax		-18 944 965	-23 516 071
Profit/loss from sale of tangible assets	3	-5 000	0
Ordinary depreciation	2, 3	2 572 867	2 577 726
Change in inventory		-3 576 961	2 168 031
Change in accounts receivable		4 047 918	-1 802 446
Change in accounts payable		-3 436 651	889 919
Change in other accrual items		-2 115 059	-5 865 906
Net cash flow from operating activities		-21 457 851	-25 548 747
Cash flow from investment activities			
Payments to buy tangible and intangible assets	2, 3	-15 891 933	-33 940 283
Payments from sale of tangible and intangible assets	3	50 000	0
Net cash flow from investment activities		-15 841 933	-33 940 283
Cash flow from financing activities			
Repayment on long-term debt	3, 6	-307 035	-282 161
Net change in credit facility	6	6 719 825	0
Payment from new long term debt	6, 7	30 100 000	0
Net cash flow from financing activities		36 512 790	-282 161
Net change in cash and cash equivalents		-786 994	-59 771 191
Cash and cash equivalents at the start of the period (1.1)		3 277 103	79 602 069
Cash and cash equivalents at the end of the period (30.6)		2 490 109	19 830 878
Unused credit facility	6	3 043 037	30 000 000
Available liquidity at the end of the period (30.6)		5 533 146	49 830 878

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

Arctic Bioscience AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Industrivegen 42 in Ørsta, Norway. The Group consists of Arctic Bioscience AS, Arctic Algae AS, Romega AS, Arctic Nutrition AS and Arctic BioPharma AS. The Company is listed at Euronext Growth with the ticker ABS.

The Company's Board of Directors approved this consolidated financial report on 27 August 2025. The figures in the statements have not been audited.

The interim consolidated statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2024 annual report.

The accounts have been prepared in accordance with the Accounting Act and Norwegian GAAP as applied for other companies.

NOTE 1: OPERATING INCOME AND REVENUE SEGMENTS

Amounts in NOK	H1-2025	H1-2024
Total operating income		
Sales revenue	17 229 940	16 746 339
Public grants, services and sale of fixed assets	1 465 637	457 963
Total	18 695 577	17 204 302
Sales revenue - distribution by business area		
B2C	2 388 714	2 401 156
B2B	14 841 225	14 345 183
Total	17 229 940	16 746 339
Sales revenue - geographical distribution		
Norway	3 462 169	3 526 997
Americas	5 197 188	1 361 497
Europe	4 769 621	6 350 752
APAC	3 800 961	5 507 093
Total	17 229 940	16 746 339

Arctic Bioscience's sales revenues come from sale of Romega nutraceutical products via B2C channels in Norway and the sale of bulk oil and protein, customized and private label products via B2B channels globally.

Other operating income		
Public grants	1 210 637	457 963
Sale of services - Arctic Algae	250 000	0
Profit sale of fixed assets	5 000	0
Total	1 465 637	457 963

The Group has several ongoing development projects, which are supported with various public grants.

During first half year of 2025 Arctic Bioscience has received NOK 243 678 from Innovation Norway related to a brand position project. In addition, Arctic Algae has received in total NOK 966 959 in public grants via Regionalt Forskningsfond connected to two different development projects. Since these projects are not recognized in the balance sheet, the public grants have been recognized in the income statement.

NOTE 2: INTANGIBLE ASSETS AND GOODWILL

Amounts in NOK	Development	Patents & trademarks	Goodwill	Total
Acquisition cost 1.1.2025	204 962 351	2 895 085	2 971 465	210 828 901
Access	15 526 016	83 633	0	15 609 649
Departure	0	0	0	0
Acquisition cost 30.6.2025	220 488 367	2 978 718	2 971 465	226 438 550
Accumulated depreciation	-12 227 273	-1 500 986	-1 337 158	-15 065 417
Booked value per 30.6.2025	208 261 094	1 477 732	1 634 307	211 373 133
Depreciation H1-2025	1 131 442	196 935	297 146	1 625 523
Life expectancy	7-10 years	5-20 years	5 years	
Depreciation plan	Linear	Linear	Linear	

During first half of 2025, the group has carried out various research and development projects in connection to the pharma segment and nutraceutical segment. The projects are mainly related to the development of HRO350, production process and other product developments. As of 30.6.2025 NOK 201 856 178 is booked under the accounting line intangible assets in relation to HRO350. All accesses under "Development" in the note above is related to this development project.

Booked values related to development and patents are always fraught with risk. Should the group not achieve its objectives related to the sale and commercialization of various products, this could lead to write-downs in the accounts. The company is of the opinion that there are no indicators of the obligation to write down at present, and that the development work shows results mostly in line with expectations.

The acquiring of Arctic Algae AS in Q1 2023 identified a commercial added value of NOK 2 971 465 not attributable to other balance values at the date of the acquisition. This value is booked as goodwill in the group accounts and is depreciated over a period of 5 years.

The group capitalizes development costs as these are considered to form the basis for future earnings.

NOTE 3: FIXED ASSETS

Amounts in NOK	Building and plots	Machines and facilities	Equipment and other movables	Total
Acquisition cost 1.1.2025	15 560 667	11 276 890	5 981 220	32 818 777
Access	191 922	0	90 363	282 284
Departure	0	-161 094	0	-161 094
Acquisition cost 30.6.2025	15 752 589	11 115 796	6 071 583	32 939 967
Accumulated depreciation	-1 552 336	-2 931 188	-4 700 444	-9 183 968
Booked value per 30.6.2025	14 200 253	8 184 608	1 371 139	23 756 000
Depreciation H1-2025	38 776	417 365	491 203	947 344
Life expectancy	10 - 50 years	10 - 20 years	3 - 6 years	
Depreciation plan	Linear	Linear	Linear	

The group has two leasing agreements at end of first half year of 2025 which are booked as financial leasing. Booked value of the leasing objects as of 30.6.2025 is NOK 2 575 861 and is presented under Machines and facilities in the balance sheet. Depreciation and interest expenses for the leased assets are expensed during the year and constitute respectively NOK 115 416 and NOK 58 659 in the first half year of 2025.

Residual liability as of 30.6.2025 related to the financial lease agreements is NOK 1 165 303 and is presented as non-current liabilities in the balance sheet. The lease agreements have a duration from 2021 until 2027.

NOTE 4: EQUITY

Amounts in NOK	Share capital	Share premium reserve	Sum equity
Equity 01.01.2025	2 536 955	208 193 808	210 730 763
Results H1-2025		-18 944 965	-18 944 965
Debt conversion H1-2025	148 979	3 361 014	3 509 993
Option scheme effect H1-2025		3 783	3 783
Equity 30.06.2025	2 685 934	192 613 640	195 299 574

NOTE 5: SHAREHOLDERS

The share capital in Arctic Bioscience pr. 30.6.2025 consists of:

	Quantity	Denomination	Booked
Ordinary shares	26 859 340	0.10	2 685 934
Sum	26 859 340		2 685 934

Shareholders	Total shares	% owned
Ronja Capital Investment AS	3 087 999	11.50%
Capra Invest AS	1 544 450	5.75%
MRFK Holding AS	1 313 960	4.89%
J.P. Morgan SE	1 179 448	4.39%
Vartdal Holding AS	1 040 286	3.87%
Brødrene Vartdal AS	803 601	2.99%
Kotler Equity Investment Limited	667 330	2.48%
Hawk Infinity AS	605 201	2.25%
Stette Invest AS	602 375	2.24%
Kjølås Stansekniver AS	574 859	2.14%
Life Capitol AS	558 531	2.08%
Ajea Invest AS	555 359	2.07%
Eros AS	520 240	1.94%
Strand Fiskeriselskap AS	473 342	1.76%
Gold Coast Nutrition NUF	460 000	1.71%
Nordnet Livsforsikring AS	411 822	1.53%
Altitude Capital AS	394 455	1.47%
Triplenine Vedde AS	340 000	1.27%
Melesio Invest AS	315 000	1.17%
EM-KA AS	292 771	1.09%
Other	11 118 311	41.39%
Sum	26 859 340	100%

NOTE 6: NON-CURRENT LIABILITIES AND ESTABLISHED CREDIT FACILITY

No part of the non-current liabilities falls due more than 5 years after the balance date. The non-current liabilities to financial institutions are related to financial leasing agreements (see also note 3) and a long-term loan from Innovation Norway of NOK 15 million.

The financial leasing agreements are related to the group company Arctic Algae AS. The Parent Company has provided a self-debtor guarantee for these liabilities, for an amount up to NOK 4.55 million.

The agreement with Innovation Norway regarding the long-term loan of NOK 15 million was entered into in January 2025. The loan is guaranteed by the European Investment Fund (EIF) and has a duration of 5 years, where the first two years have no installments. The loan has ordinary floating market interest rates.

Arctic Bioscience has an established credit facility of NOK 30 million. The credit facility has been entered into on ordinary market terms and has a duration of 1 year with annual renewal. As of 30.6.2025 the credit facility is utilized with NOK 26 956 963.

Arctic Bioscience has pledged the following assets as security for the non-current liabilities:

Amounts in NOK	30.06.2025	31.12.2024
Debt secured by pledged assets:	41 956 963	20 237 138
Booked value pledged assets:		
Building and plot	4 605 840	4 452 694
Equipment and other movables	1 246 689	1 587 498
Inventories	32 564 257	28 987 296
Accounts receivable	10 425 793	14 613 902
Total booked values	48 842 579	49 641 390

The assets are also pledged as collateral for:

Unused credit facility	3 043 037	3 737 795
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In addition, Export Finance Norway, has provided additional security via an export guarantee, corresponding to 50% of the size of the credit facility, NOK 15 million.

In January 2025 agreements with a consortium of existing share owners and new investors of a long-term convertible loan were established. In total NOK 15.1 million was received via these agreements. The maturity of the loans is 36 months after the date of the last tranche. Annual interest rate is set at 10% p.a. The loan, which is not repaid, including accrued interests, is convertible by Lender at any time after the deposit into freely tradable shares delivered T+2+ from the date of the conversion notice. Conversion price per share is the lower of 75% x previous 5 trading days VWAP (T+1) from the date the conversion notice is sent, including the coupon make-whole, or NOK 3.

During the first half year of 2025 a total of NOK 3.5 million of the total convertible loan, plus accrued interests, have been converted into new shares and equity. During the first half of the year, NOK 448 436 has been expensed as interest expense related to the convertible loan.

NOTE 7: RELATED PARTY TRANSACTIONS

Upon entering into the total convertible loan of NOK 15.1 million, see also note 6, the following current primary insiders participated in the investor consortium:

- Ronja Capital Investment AS, a company closely related to Board Member Tore Tønseth, NOK 3.0 million
- Vartdal Holding AS, a company closely related to Board Member Jan Endre Vartdal, NOK 1.0 million
- Brødrene Vartdal AS, a company closely related to Board Member Jan Endre Vartdal, NOK 1.0 million
- Siglar AS, a company closely related to Chairman of the Board Harald Nordal, NOK 0.15 million
- Clu Invest AS, a company closely related to CEO Christer L. Valderhaug, NOK 0.1 million
- Runhild Gammelsæter, Medical Director, NOK 0.05 million

NOTE 8: EVENTS AFTER THE BALANCE DATE

There have not been any events after 30. June 2025 that would have a material effect on the financial statements.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Alternative performance measures, meaning financial performance measures not included within the applicable financial reporting framework, are used by Arctic Bioscience to provide supplemental information by excluding items that in management's view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from a period to the next, and management uses these measures internally when driving performance in terms of long- and short-term forecasts. The measures are adjusted Norwegian GAAP for other companies measures, and are defined, calculated and consistently applied in the Group's financial reporting. Arctic Bioscience focuses on EBITDA and adjusted EBITDA when presenting the period's financial result internally and externally. Adjusted EBITDA is adjusted for special operating items.

Financial APMs should not be considered as a substitute for measures of performance in accordance with the applicable financial reporting framework.

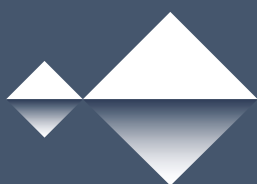
Arctic Bioscience uses the following APMs in the reporting:

- **EBITDA:** Operating profit before depreciation, amortization, write-downs and impairments
- **Adjusted EBITDA:** Operating profit before depreciation, amortization, write-downs and impairment, and special operating items
- **EBIT:** Operating profit
- **Adjusted EBIT:** Operating profit before special operating items
- **Gross Profit:** Total sales revenues minus cost of goods sold
- **Adjusted Gross Profit:** Total sales revenues minus cost of goods sold before special operating items
- **Gross Margin %:** Gross profit as a % of total sales revenues
- **Adjusted Gross Margin %:** Gross profit as a % of total sales revenues before special operating items

"EBITDA" and "Adjusted EBITDA" are used as APMs to facilitate operating performance comparisons from period to period, and the others are relevant key figures mainly in connection with the mentioned performance measures. The significant items of income and expenditure represent the difference between EBITDA and adjusted EBITDA and are labeled "special operating items".

The following table reconciles adjusted EBITDA to operating profit and net income (loss) in the condensed consolidated statements of profit or loss:

Amounts in NOK	Arctic Bioscience Group	
	H1-2025	H1-2024
Adjusted EBITDA		
Net income	-18 944 965	-23 516 071
Net financial items	-2 767 426	667 849
Operating profit	-16 177 539	-24 183 920
Depreciation	2 572 867	2 577 726
EBITDA	-13 604 672	-21 606 194
Special operating items	0	684 329
Adjusted EBITDA	-13 604 672	-20 921 865
Adjusted EBIT		
Adjusted EBITDA	-13 604 672	-20 921 865
Depreciation	2 572 867	2 577 726
Adjusted EBIT	-16 177 539	-23 499 591
Adjusted gross profit		
Revenues	17 229 940	16 746 339
Cost of goods sold	11 479 100	11 615 919
Gross profit	5 750 840	5 130 420
Special operating items	0	0
Adjusted gross profit	5 750 840	5 130 420
Adjusted gross margin %	33.4 %	30.6 %
Special operating items include:		
Pre-concept new production line	0	684 329
Sum	0	684 329



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