



HALF YEAR FINANCIAL REPORT

2022

(UNAUDITED)



ARCTIC
BIOSCIENCE

THIS IS ARCTIC BIOSCIENCE

Arctic Bioscience is a biotech company developing and commercializing pharmaceutical and nutraceutical products based on unique bioactive marine compounds.

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

Arctic Bioscience is establishing a platform technology with potential beyond psoriasis, as properties of HRO350 may have relevance in other inflammatory diseases, including a novel drug candidate for brain development in extremely premature infants.

Nutraceuticals from Arctic Bioscience are sold globally, under the ROMEGA® brand, as bulk ingredients to other companies making dietary supplements (B2B) as well as finished goods (B2C).

To support its long-term growth strategy, Arctic Bioscience engages in significant R&D. Access to raw material and proprietary production processes secure control of the value chain.

Arctic Bioscience is led by a team of highly competent people with significant experience in developing marine oils, and extensive experience from global pharmaceutical companies, technology, and financial services companies.

Solid ESG footprint



Creating health-promoting products for pharmaceutical and nutraceutical applications. Developing treatments to significantly improve the quality of life of patients with psoriasis.



Gender balance among employees and management. Women in leading positions and 46 % of employees are female.



Contributing to local industry and infrastructure. Dedicated R&D department developing novel products.



Utilizing residual raw materials and repurposing them for the production of our products.



Optimizing location of production facilities minimizing transportation of raw material.



Using sustainable harvested marine resources.

HIGHLIGHTS FIRST HALF YEAR 2022

- Arctic Bioscience is on track for phase IIb clinical trial, first patients to be enrolled into the clinical trial planned for Q4 2022
- Strong Management team in place, including new CEO, new CFO and new SVP Sales & Marketing. Strengthened the QA focus with the hire of a new Quality Manager
- Total revenue increased 20 % y/y to NOK 14.4 million in H1 2022, from NOK 12 million in H1 2021. Positive revenue prospects for H2 2022, including increased order intake from the Chinese market
- EBITDA H1 2022 of NOK -14.4 million (NOK -19.9 million), with a gross margin of 27.6 % (26.0 %)
- Solid financial position, including available liquidity totaling NOK 177.8 million as of 30 June 2022
- Arctic Bioscience obtained a positive opinion on its Paediatric Investigational Plan from European Medicines Agency (EMA). This plan outlines the development of the oral drug candidate, HRO350, for children with psoriasis
- The Group signed a new and extended strategic partnership agreement with Kotler Marketing Group China. The expansion of the partnership opens for access to a larger part of the Chinese market for Romega products. It further includes a potential collaboration within the Pharma space in China

KEY FIGURES

Amounts in NOK	H1-2022	H1-2021
Total revenue	14 401 951	11 968 256
Gross profit	3 970 643	3 106 101
Gross margin %	27.6 %	26.0 %
EBIT	-16 218 368	-20 765 585
EBITDA	-14 416 062	-19 939 890
Adjusted gross profit	3 970 643	3 745 145
Adjusted gross margin %	27.6 %	31.3 %
Adjusted EBIT	-16 218 368	-11 998 199
Adjusted EBITDA	-14 416 062	-11 172 504
Cash flow operating activities	-18 944 351	-28 129 048
Cash flow from investment activities	-31 399 875	-22 589 473
Cash flow from financing	749 992	296 853 428
Net cash flow	-49 594 234	246 134 907
Cash and cash equivalents end of period	177 768 124	258 735 015
	30.6.2022	31.12.2021
Total assets	327 919 4	341 474 573
Total equity	306 358 605	320 554 030
Total liabilities	21 560 840	20 920 543
Equity ratio	93.4 %	93.9 %

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 activity in Pharma is to develop a novel, oral drug candidate (HRO350) for the treatment of mild-to-moderate psoriasis for adults.

Although the primary focus is on treating adults, all drug development programs in the EU must also present a development plan for the use in children. In first half of 2022 Arctic Bioscience received a positive opinion on its Paediatric Investigational Plan from the European Medicines Agency (EMA) for the Group's oral drug candidate, HRO350.

The phase IIb study for HRO350 is on track. Preparations for start-up of the clinical trial is on schedule, with sites secured in five European countries and a sufficient number of patients to complete the study. Arctic Bioscience has undertaken the endeavor of developing and producing HRO350 for clinical testing, including compiling regulatory documentation for its Clinical Trial Application. During the first half of 2022, the time schedule for manufacturing of clinical materials was somewhat impacted, mainly due to sourcing issues following the pandemic and current geopolitical conditions. These issues have now been successfully resolved. The Clinical Trial Application is expected to be submitted in Q3 2022, allowing the first patients to be enrolled to the clinical trial in Q4 2022.

In addition, Arctic Bioscience has several drug development projects in the pipeline, including a novel drug candidate for support of brain development in extremely premature infants. The project is in collaboration with Smerud Medical Research International (Smerud).

Arctic Bioscience also has a research project ongoing to investigate underlying mechanisms of action for HRO350. The research may be relevant for the treatment of other inflammatory diseases and may open up the possibility of new indications for our drug candidate HRO350 in the future – beyond psoriasis. The project is a collaboration with Møreforskning and the Norwegian Institute of Food, Fisheries and Aquaculture Research (Nofima) and is funded through grant from the Norwegian Research Council.

Technology/R&D

Based on existing knowledge and technology, the Group's R&D scientists are constantly innovating, developing new products and processes for both pharmaceutical and nutraceutical applications. During first half of 2022, our scientists have been focusing on the manufacturing and up-scaling of production of clinical phase II materials. In parallel, the R&D department is working on the Research Council project pertaining to cellular mechanisms of HRO350.

Due to global uncertainties, increased prices on materials and equipment, combined with extended delivery times, the Board of Directors of Arctic Bioscience in April decided to postpone the investment decision for the construction of a full-scale manufacturing facility. The Group has evaluated alternative solutions to secure capacity to manufacture materials for the planned phase III clinical trial. A final decision on next steps is expected during the second half of 2022.

Nutra

The Group's nutraceutical product is ROMEGA®, a premium phospholipid omega-3 food supplement with a 3:1 ratio of DHA to EPA. The Group's strategy for sale of nutraceutical products is multi-dimensional, including B2C, B2B and strategic partner sales.

Revenue development for the nutraceutical products during the first six months was mainly in line with expectations. The total number of subscribers in B2C-customers in Norway have been stable. The company aims to strengthen its sales and marketing capacity, and during the period the B2C-team was strengthened with a new SVP for Sales & Marketing. The B2B-team will be strengthened with a new EVP Nutra Sales B2B from September 2022.

Entering 2022, Covid-19 restrictions remained an issue for the company, impacting the Group's ability to meet with clients and customers. However, the situation improved through the period, enabling company management to participate to important events, and Arctic Bioscience was present at Vitafoods in Geneva. The situation is expected to improve further during the second half of the year, and the Group plans to attend several client's events going forward. The Group's value chain also includes several contract production partners. Challenges due to the current global situation have led to some sourcing issues that has been resolved without severe delays.

During recent years substantial efforts have been made to establish the foundation for future revenue growth in the Chinese market. In June, the strategic partnership with Kotler Marketing Group China, was extended. Arctic Bioscience has seen very positive effects of the Kotler partnership through a strong order intake during H1 2022.

Results for H1 2022

The total result for the first half of 2022 was in line with expectations. The Group experienced a 20 % growth in revenues compared to first half of 2021 and implemented cost initiatives are beginning to prove positive results on the EBITDA. Net result is also positively impacted by currency effects.

Revenues

Revenues for the first six months of the year totaled NOK 14.4 million (NOK 12.0 million), representing a growth of 20 % year over year. Of this, the B2C segment amounted for 12.4 %, and the B2B segment 87.6 %. The largest B2B market during the period was Americas, which amounted for 42.4 % of the total B2B revenue. B2B Europe amounted for 33.5 % of the total B2B revenue, while the Chinese market accounted for 16 %. It is expected that the proportion of revenue from the Chinese market will increase in the second half of 2022.

Gross profit

Gross profit for the first six months of the year was NOK 4 million (NOK 3.1 million), corresponding to a gross margin of 27.6 % (26.0 %). The Group has experienced cost increases from suppliers, especially related to sub-production costs and freight. The Group has taken measures to ensure that these cost increases are represented in our prices to our customers.

Operating costs and EBITDA

Personnel expenses for the first half totaled NOK 7.4 million (NOK 9.6 million). During the first half of the year approximately 37 % (38 %) of total personnel expenses were capitalized.

Other operating expenses amounted to NOK 10.9 million (NOK 13.4 million). The first half year 2021 included costs from the listing process. Total operating expenses in the first half of 2022 were below budget, due to increased cost focus throughout the organization. Costs related to the pharmaceutical development and factory design and planning have mainly been capitalized throughout the year.

EBITDA for the first six months of the year was negative NOK 14.4 million (negative NOK 19.9 million).

Cash flow

Consolidated net cash flow from operating activities was negative NOK 18.9 million (negative NOK 28.1 million), mainly driven by increased inventory and accounts receivable, in addition to the negative operating result.

Net cash flow from investment activities was negative NOK 31.4 million (negative NOK 22.6 million). Some NOK 24.5 million were related to the development of HRO350, while NOK 5.9 million were related to design and planning of the new production unit. Due to global unrest and rising material prices, the Board, in the second quarter of 2022, resolved to delay the final investment decision for the construction of a full-scale production unit.

Cash flow from financing activities totaled NOK 0.75 million (NOK 296.9 million) during the period. This was related to a share capital increase and an increase in share premium due to exercise of share options in February 2022.

Total net cash flow during the first half of 2022 ended at negative NOK 49.6 million (NOK 246.1 million). The level of free liquidity at the end of the period remains strong, with available liquidity totaling NOK 177.8 million (NOK 258.7 million).

Financial position

– balance sheet as pr. 30.6.2022

The Group's financial position at the end of the period was strong. Total equity on 30 June 2022 amounted to NOK 306.4 million (NOK 320.6 million). This corresponds to an equity ratio of 93.4 % (93.9 %).

Total non-current assets as of 30 June 2022 amounted to NOK 104.1 million (NOK 74.5 million). The increase during the first half of the year is mainly related to an increase in intangible assets related to the pharmaceutical development of HRO350.

The Group has NOK 223.8 million (NOK 266.9 million) in current assets, including NOK 177.8 million in available liquidity, NOK 32.8 million in inventory and NOK 13.2 million in total short-term receivables.

The Group has no long-term debt. Total liabilities amounted to NOK 21.6 million (NOK 20.9 million) and is all short-term liabilities.

Share information

Arctic Bioscience has been listed on Euronext Growth since 24 February 2021. As of 30 June 2022, the Company had 24 375 719 issued shares, divided between 803 shareholders.

On 23 February 2022 the Board of Arctic Bioscience, on the basis of a board authorization granted by the general meeting, resolved to increase the share capital and numbers of shares issued with 76 180 new shares due to exercise of share options.

Ronja Capital II AS was the largest shareholder pr. 30 June 2022, with 2 104 166 shares, representing 8.63 %. Note 5 includes a list of the 20 largest holders of the Company's shares.

Future prospects

Based on received order intake for the second half of 2022 in the nutraceutical segment and new sales prospects, the Board expects a positive development in total revenue for the remaining of the year. The Group has already received a significant order intake from the Chinese market, and together with sales prospect for the other nutraceutical segments and regions, the forecast for the full year of 2022 shows a total revenue in the range of NOK 33-38 million, representing a 60-70 % revenue increase year-on-year.

Due to delay in roll-over of higher costs to prices it is expected that recent cost increases from suppliers will have negative impact on gross margins going forward.

However, due to strengthened focus on cost awareness it is expected that the operating costs will be somewhat lower than previously anticipated. This is expected to contribute to balancing some of the increase in cost of goods sold. During the second half of 2022 new hires of personnel will be carried out, which will increase the personnel expenses compared to the first half of the year. It is expected that the full year EBITDA will be in the range of negative NOK 30-35 million.

The liquidity situation at the end of the year is expected to remain strong, and well sufficient to handle the pharmaceutical development. The decision to delay the full factory investment project will lower total capex for the Group going forward. Year-end cash position will still depend on decision on alternative investments regarding production facilities and the progress in the pharmaceutical projects.

During the first half of 2022, the time schedule for production of clinical material was somewhat impacted. These issues have been successfully resolved and preparation for the start-up of the phase IIb clinical trial for HRO350 is on schedule. The Clinical Trial Application is expected to be submitted in Q3 2022, allowing the first patients to be enrolled into the clinical trial in Q4 2022. With a 6-month inclusion period, the Group expects to have the 6-months data read out in second half of 2023. A process regarding pursuing a commercial partner for HRO350 within mild to moderate psoriasis will start in the second half of 2022 and run concurrently with the clinical trial.

Ørsta, 30 June 2022
24 August 2022

The Board of Directors of Arctic Bioscience AS

Harald Nordal, Chairman of the Board
Jostein Christian Dalland
Per Magne Eggesbø
Asbjørn Solevågseide
Tore A. F. Tønseth
Jan Endre Vartdal
Hu Cao
Marita Holstad

Christer L. Valderhaug, CEO

INCOME STATEMENT

Amounts in NOK	Note	Arctic Bioscience Group	
		H1-2022	H1-2021
Operating income and operating expenses			
Revenues	2	14 401 951	11 968 256
Total income		14 401 951	11 968 256
Cost of goods sold		10 431 308	8 862 155
Employee benefits expense		7 471 927	9 653 454
Depreciation and amortisation expenses	4	1 802 306	825 695
Other expenses		10 914 778	13 392 537
Total expenses		30 620 319	32 733 841
Operating profit		-16 218 368	-20 765 585
Financial income and expenses			
Finance income		1 593 361	756
Finance expenses		320 409	463 770
Net financial items		1 272 952	-463 014
Net profit before tax		-14 945 416	-21 228 599
Net profit after tax		-14 945 416	-21 228 599
Net profit or loss	3	-14 945 416	-21 228 599
Earnings pr. share		-0.61	-0.87

BALANCE SHEET

as at 30.6.2022 / 31.12.2021

Amounts in NOK	Note	Arctic Bioscience Group	
		30.06.2022	31.12.2021
ASSETS			
Non-current assets			
Intangible assets			
Research and development	2, 4	79 043 632	56 220 357
Concessions, patents, licenses and trademarks	2, 4	2 653 087	2 327 415
Total intangible assets		81 696 719	58 547 772
Property, plant and equipment			
Building and land	2, 4	18 828 556	13 000 053
Equipment and other movables	2, 4	3 613 013	2 992 894
Total property, plant and equipment		22 441 569	15 992 947
Total non-current assets		104 138 288	74 540 719
Current assets			
Inventories		32 799 967	28 525 893
Receivables			
Accounts receivable		10 531 918	7 704 786
Other current receivables		2 681 148	3 340 817
Total receivables		13 213 066	11 045 603
Investments			
Cash and cash equivalents		177 768 124	227 362 358
Total current assets		223 781 157	266 933 854
TOTAL ASSETS		327 919 445	341 474 573

Amounts in NOK	Note	Arctic Bioscience Group	
		30.06.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	3, 5	2 437 572	2 429 954
Share premium reserve	3	303 921 033	318 124 076
Total paid-in capital		306 358 605	320 554 030
Total equity		306 358 605	320 554 030
Liabilities			
Current liabilities			
Liabilities to financial institutions		0	4 185
Accounts payables		8 011 021	8 359 715
Public duties payables		1 619 011	2 421 915
Other current liabilities		11 930 808	10 134 729
Total current liabilities		21 560 840	20 920 543
Total liabilities		21 560 840	20 920 543
TOTAL EQUITY AND LIABILITIES		327 919 445	341 474 573

CASH FLOW STATEMENT

Amounts in NOK	Arctic Bioscience Group	
	H1-2022	H1-2021
Cash flow from operating activities		
Profit/loss before tax	-14 945 416	-21 228 599
Ordinary depreciation	1 802 306	825 695
Change in inventory	-4 274 074	-3 637 063
Change in accounts receivable	-2 827 132	3 937 776
Change in accounts payable	-348 694	-5 378 112
Change in other accrual items	1 648 659	-2 648 745
Net cash flow from operating activities	-18 944 351	-28 129 047
Cash flow from investment activities		
Payments to buy tangible and intangible assets	-31 399 875	-22 589 473
Payments to buy shares and participation in other companies	0	0
Net cash flow from investment activities	-31 399 875	-22 589 473
Cash flow from financing activities		
Repayment of long-term liabilities	0	-540 867
Net change in bank overdraft	0	-4 617 630
Proceeds from equity	749 992	302 011 925
Net cash flow from financing activities	749 992	296 853 428
Net change in cash and cash equivalents	-49 594 234	246 134 908
Cash and cash equivalents at the start of the period (1.1)	227 362 358	12 600 108
Cash and cash equivalents at the end of the period (30.6)	177 768 124	258 735 016

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1: 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, Romega AS, Arctic Nutrition AS and Arctic BioPharma AS. The three subsidiaries are established with minimal capital and have no operations. The Company is listed at Euronext Growth with the ticker ABS.

The Company's Board of Directors approved this consolidated financial report on 24 August 2022. 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 2021 annual report.

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, which will be Norwegian GAAP as applied by small enterprises. The interim financial report is prepared according to NRS 11.

NOTE 2: SEGMENTS

Arctic Bioscience consists of three business segments – Nutra, Pharma and Technology/R&D. The Nutra segment comprises sale of the company's Romega nutraceutical product via the B2C channel in Norway and the sale of bulk oil, customized and private label products via B2B channels globally. The Pharma segment is developing a novel drug candidate (HR0350) for mild-to-moderate psoriasis, and other pharma initiative which the Group has in its pipeline. The Technology/R&D segments supports both Nutra and Pharma, enabling the Group to retain proprietary product know-how, IP and control of the value chain.

Segments first half year 2022

Amounts in NOK	Nutra	Pharma	Technology/ R&D	TopCo	Sum
Revenue	14 401 951	0	0	0	14 401 951
EBITDA	-869 987	-2 653 676	-1 194 997	-9 697 402	-14 416 062
Investments	677 977	23 466 692	7 218 452	36 752	31 399 873

Segments first half year 2021

Amounts in NOK	Nutra	Pharma	Technology/ R&D	TopCo	Sum
Revenue	11 968 256	0	0	0	11 968 256
EBITDA	-3 195 905	-1 465 136	166 381	-15 445 230	-19 939 890
Investments	435 667	17 066 064	5 087 742	0	22 589 473

NOTE 3: EQUITY

Amounts in NOK	Share capital	Share premium reserve	Sum equity
Equity 01.01.2022	2 429 954	318 124 076	320 554 030
Results H1-2022		-14 945 416	-14 945 416
Capital increase H1-2022	7 618	742 374	749 992
Equity 30.06.2022	2 437 572	303 921 033	306 358 605

In February 2022 the former CEO of the Company exercised 76 180 share options. On basis of a board authorization granted by the general meeting, the Board resolved to increase the share capital by subscription of 76 180 new shares with a nominal value of NOK 0.10 per share, at a subscription price of NOK 9.845 per share, including a share premium of NOK 9.745. The share capital increase was registered with the Norwegian Register of Business Enterprises 24. March 2022.

NOTE 4: NON-CURRENT ASSETS

	Research, patents, development	Building and land	Equipment	Total
Acquisition cost 1.1.2022	63 085 190	14 172 520	4 081 864	81 339 574
Access	24 508 852	5 898 851	992 170	31 399 873
Departure	0	0	0	0
Acquisition cost 30.6.2022	87 594 042	20 071 371	5 074 034	112 739 447
Accumulated depreciation	-5 897 323	-1 242 815	-1 461 021	-8 601 159
Booked value per 30.6.2022	81 696 719	18 828 556	3 613 013	104 138 288
Depreciation H1-2022	1 359 908	70 348	372 050	1 802 306

In 2022, the Group has continued to carry out development projects related to the production process, product development and development of drugs for psoriasis. The projects have been granted various public grants.

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

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

In 2020, the Group started to design and the planning of a new production unit. MNOK 5.9 have been activated under building and land associated with this project in first half 2022. Due to global unrest and rising material prices, the Board, in second quarter of 2022, resolved to delay the final investment decision for construction of a full-scale production unit.

NOTE 5: SHAREHOLDERS

The share capital in Arctic Bioscience pr. 30.6.2022 consists of:

	Quantity	Denomination	Booked
Ordinary shares	24 375 719	0.10	2 437 572

Shareholders	Total shares	% owned
Ronja Capital II AS	2 104 166	8.63 %
Capra Invest AS	1 544 450	6.34 %
Møre og Romsdal Såkornfond AS	1 313 960	5.39 %
Fjarde AP-Fonden	1 200 000	4.92 %
Hawk Infinity AS	1 045 450	4.29 %
Vartdal Holding AS	1 040 286	4.27 %
Altitude Capital AS	941 670	3.86 %
Verdipapirfondet Delphi Nordic	844 163	3.46 %
Brødrene Vardal AS	803 601	3.30 %
Kotler Equity Investment Limited	667 330	2.74 %
Life Capitol AS	655 420	2.69 %
Stette Invest AS	602 375	2.47 %
Kjølås Stansekniver AS	574 859	2.36 %
AJEA Invest AS	555 359	2.28 %
Eggesbø Eiendom AS	520 240	2.13 %
Eros AS	520 240	2.13 %
Strand Fiskeriselskap AS	473 342	1.94 %
Gold Coast Nutrition	450 000	1.85 %
Triplenine Vedde AS	340 000	1.39 %
Melesio Invest AS	315 000	1.29 %
Other	7 863 808	32.26 %
Sum	24 375 719	100.00 %

In March 2022 the Group's new CEO, Christer L. Valderhaug, was granted a total of 250 000 share options, at an exercise price of NOK 17,798 per share. These share options may be exercised when the share price is above NOK 31 for 10 executive trading days on Euronext Growth. Duration of the options is set to three years from the start of the exercising period, and shares acquired from exercise of the options are subject to a 3-year lock in.

NOTE 6: RELATED PARTY TRANSACTIONS

There have not been any transactions with related parties in the first half year of 2022.

NOTE 7: EVENTS AFTER THE BALANCE DATE

There have not been any events after 30 June 2022 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 performance reporting framework, are used by the Company 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 small enterprises measures, and are defined, calculated, and consistently applied in the Group's financial reporting.

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

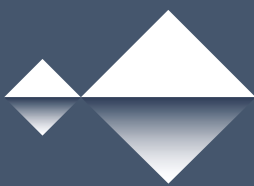
The Group uses the following APMs in the reporting:

- **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 revenue minus cost of goods sold
- **Adjusted Gross Profit:** Total revenue minus cost of goods sold before special operating items
- **Gross Margin %:** Gross profit as a % of total revenue
- **Adjusted Gross Margin %:** Gross profit as a % of total revenue 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 expenditures 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 condensed consolidated statements of Profit & loss:

Amounts in NOK	Arctic Bioscience Group	
	H1-2022	H1-2021
Adjusted EBITDA		
Net income	-14 945 416	-21 228 599
Net financial items	1 272 952	-463 014
Operating profit	-16 218 368	-20 765 585
Depreciation	1 802 306	825 695
EBITDA	-14 416 062	-19 939 890
Special operating items	0	8 767 386
Adjusted EBITDA	-14 416 062	-11 172 504
Adjusted EBIT		
Adjusted EBITDA	-14 416 062	-11 172 504
Depreciation	1 802 306	825 695
Adjusted EBIT	-16 218 368	-11 998 199
Adjusted gross profit		
Revenue	14 401 951	11 968 256
Cost of goods sold	10 431 308	8 862 155
Gross profit	3 970 643	3 106 101
Special operating items	0	639 074
Adjusted gross profit	3 970 643	3 745 175
Adjusted gross margin %	27.6 %	31.3 %
Special operation items include:		
Listing related costs	0	8 128 312
Cost of goods sold	0	639 074
Sum	0	8 767 386



ARCTIC
BIOSCIENCE

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