

To the General Meeting of Arctic Bioscience AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arctic Bioscience AS showing a loss of NOK 22 584 636 in the financial statements of the parent company and loss of NOK 22 590 659 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Arctic Bioscience AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Arctic Bioscience AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other 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 opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs 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 these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Ålesund, 1 February 2021
Contabile AS

Oddvar Sandnes
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Signers:

Name	Method	Date
Nordal, Harald	BANKID_MOBILE	2021-02-02 15:27 GMT+1
Per-Magne Eggesbø	BANKID_MOBILE	2021-02-02 15:31 GMT+1
Vartdal, Jan Endre	BANKID_MOBILE	2021-02-02 15:55 GMT+1
Solevågseide, Asbjørn	BANKID_MOBILE	2021-02-02 21:47 GMT+1
Dalland, Jostein Christian	BANKID_MOBILE	2021-02-02 23:22 GMT+1
Eiksund, Ole Arne	BANKID_MOBILE	2021-02-03 08:05 GMT+1
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Consolidated accounts 2020

Arctic Bioscience AS



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Income statement

Arctic Bioscience AS

Operating income and operating expenses	Note	2020	2019
Revenue		20 496 969	30 038 999
Other operating income		<u>96 116</u>	<u>93 276</u>
Total operating income		20 593 085	30 132 275
Cost of materials	7	21 356 916	19 787 214
Variation in stocks of work in progress and produced goods		-6 174 919	-1 981 894
Personnel expenses	1, 11	10 764 185	5 565 058
Depreciation of operating and intangible assets	5, 6	1 191 952	1 079 883
Other operating expenses	1	<u>15 129 675</u>	<u>8 765 507</u>
Total operating expenses		42 267 809	33 215 767
Operating profit		-21 674 724	-3 083 492
Financial income and expenses			
Other interest income		18 386	47 753
Other financial income		1 185 597	263 172
Other interest expenses		509 630	469 168
Other financial expenses		<u>1 610 289</u>	<u>748 182</u>
Net financial items		-915 935	-906 425
Operating result before tax		<u>-22 590 659</u>	<u>-3 989 916</u>
Ordinary result after tax		-22 590 659	-3 989 916
Annual net profit	8	-22 590 659	-3 989 916
Brought forward			
From other equity		<u>22 590 659</u>	<u>3 989 916</u>
Net brought forward		-22 590 659	-3 989 916



Balance sheet

Arctic Bioscience AS

Assets	Note	2020	2019
Fixed assets			
Intangible assets			
Research and development	3, 5, 12	31 902 631	23 286 762
Concessions, patents, licences and trademarks	5, 12	<u>2 304 458</u>	<u>1 897 266</u>
Total intangible assets		34 207 089	25 184 029
Tangible assets			
Buildings and land	6, 12	4 431 175	2 979 718
Equipment and other movables	6, 12	<u>1 931 080</u>	<u>165 259</u>
Total tangible assets		6 362 255	3 144 977
Total fixed assets		40 569 344	28 329 006
Current assets			
Inventories	7, 12	26 246 067	17 464 930
Debtors			
Accounts receivables	2, 12, 14	11 007 081	11 705 077
Other short-term receivables	2	<u>2 777 135</u>	<u>977 678</u>
Total receivables		13 784 216	12 682 756
Investments			
Cash and bank deposits	10	12 600 108	23 992 564
Total current assets		52 630 391	54 140 249
Total assets		93 199 735	82 469 255



Balance sheet

Arctic Bioscience AS

Equity and liabilities	Note	2020	2019
Paid-up equity			
Share capital	9	1 289 568	1 289 568
Share premium reserve		40 011 855	62 608 083
Unregistered capital increase	8	<u>22 637 784</u>	<u>0</u>
Total paid-up equity		63 939 207	63 897 651
 Total equity	 8	 <u>63 939 207</u>	 <u>63 897 651</u>
Liabilities			
Other long-term liabilities			
Liabilities to financial institutions	2, 12	<u>6 575 584</u>	<u>7 158 517</u>
Total of other long term liabilities		6 575 584	7 158 517
 Current debt			
Liabilities to financial institutions	12	1 879 863	0
Trade creditors		9 930 944	6 466 354
Public duties payable		1 733 092	975 772
Other current debt	13	<u>9 141 045</u>	<u>3 970 960</u>
Total current debt		22 684 945	11 413 086
 Total liabilities		 <u>29 260 528</u>	 <u>18 571 603</u>
 Total equity and liabilities		 <u>93 199 735</u>	 <u>82 469 255</u>

Hovdebygda, 01.02.2021
The board of Arctic Bioscience AS

Harald Nordal
chairman of the board

Jan Endre Vartdal
member of the board

Per Magne Eggesbø
member of the board

Asbjørn Solevågseide
member of the board

Jostein Christian Dalland
member of the board

Ole Arne Eiksund
CEO

Tore Andreas Frøysa Tønseth
member of the board



Accounting principles

The financial statements are set up in accordance with the Accounting Act and NRS 8 - Good accounting practice for small enterprises.

Currency

Monetary items in foreign currency are valued in accordance with the exchange rate at the end of the financial year. The company does not hedge sales in foreign currency.

Sales revenue

Revenue from the sale of goods and services is valued at the fair value of the consideration, net after deduction of VAT, returns, discounts and other discounts. Revenue recognition from the sale of goods takes place at the time of delivery. Services are recognized as income as they are performed.

Tax

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can be reversed in the same period are offset and netted. According to the exemption rules for small enterprises, no deferred tax asset is recognized in the balance sheet.

Classification and assessment of balance sheet items

Assets intended for permanent ownership or use are classified as fixed assets. Assets related to the product cycle are classified as current assets. Receivables are classified as current assets if they are to be repaid within one year. For debt, analogous criteria are used. First-year installments on long-term receivables and long-term debt are nevertheless not classified as current assets and short-term debt.

Intangible assets

The company capitalizes development costs if it is considered probable that these will give the company a future positive cash flow. If there are indicators of impairment, impairment tests are performed. Capitalized development costs are depreciated over their expected useful lives.

Fixed assets

Plots are not depreciated. Property, plant and equipment are capitalized and depreciated on a straight-line basis over the expected useful lives of the fixed assets if they have an estimated useful life of more than 3 years and have a cost price exceeding NOK 15,000. Maintenance of fixed assets is expensed on an ongoing basis. Expenses or improvements are added to the fixed asset's cost price and depreciated in line with the fixed asset. The difference between maintenance and cost / improvement is calculated in relation to the condition of the fixed asset when purchasing the fixed asset. Expenses for renting fixed assets are expensed.

Prepayments are capitalized as prepaid expenses and are distributed over the rental period.

Impairment of fixed assets

If there is an indication that the book value of a fixed asset is higher than the fair value, a test for impairment is performed. The test is performed for the lowest level of fixed assets that have independent cash flows. If the book value is higher than both sales value and value in use (present value for continued use / ownership), a write-down is made to the higher of sales value and value in use.

Previous write-downs, with the exception of write-downs of goodwill, are reversed if the conditions for the write-down are no longer present.

Shares in subsidiaries

Subsidiaries are companies over which the parent company has control, and thus a decisive influence on the unit's financial and operational strategy, normally by owning more than half of the voting capital.

The following companies are included in the group 31.12: Romega AS 100% and Arctic Biopharma AS 100%



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Consolidation principles

Subsidiaries are consolidated from the time control is transferred to the group (acquisition date).

In the consolidated financial statements, the item shares in subsidiaries is replaced by the subsidiary's assets and liabilities. The consolidated financial statements are prepared as if the group were one financial unit. Transactions, unrealized profits and balances between the companies in the group are eliminated.

Goods

Inventories of purchased goods are valued at the lower of acquisition cost and net sales value. Work in progress and finished goods are valued at the lower of variable manufacturing cost and net sales value.

Receivables

Accounts receivable and other receivables are entered at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the individual receivables.



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Note 1 Labour costs, number of employees, remuneration, loans to employees etc.

Labour costs	2020	2019
Salaries	7 447 383	3 809 923
Employer's national insurance contributions	2 291 111	1 223 517
Pension costs	0	555 322
Other pay-related benefits	1 025 691	-23 705
Sum	10 764 185	5 565 058

Employed man-years	13	8
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Benefits for leading people	Managing Director	Board
Salary/board fee	2 026 527	540 000
Pension expenses	0	0
Other remuneration	1 510	0
Sum	2 028 037	540 000

At the end of 2020, the CEO has earned a bonus of NOK 375,000. Provisions have been made for an obligation.

In 2020, 5,559,884 have been capitalized in wage costs related to research and development. The amount has been reduced to salaries as above. The corresponding activation in 2019 was 4,331,678.

In addition to its own employees, the company has hired consultants corresponding to 7 positions.

No loan / security has been granted to the CEO, the chairman of the board or other related parties.

Expensed remuneration to auditor	2020	2019
Revision	107 500	59 400
Assistance annual accounts and tax papers	30 700	20 300
Various consultations and other assistance	20 500	9 300
Control actions public support	10 500	20 750
Control actions capital increases	5 500	6 000
Sum	174 700	115 750

Option agreements

There are the following option agreements with key employees:

Ole Arne Eiksund (CEO): 15,236

Hogne Hallaråker (CSO): 3.003

Per Christian Sæbø (COO): 5,739

Daniele Mancinelli (CTO): 10,157

Runhild Gammelsæter(Global Medical Director): 10,157

KAD Group AS (CFO): 10,157

Global Nutrios Consulting LLC (EVP Business development): 10,000



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Lauren Jensen (SVP Sales & Marketing) 4.000

North Star Ingredients Inc. (US Sales Consultant): 3,750

The purpose of options is to stimulate key people to contribute to a healthy and long-term value creation in Arctic Bioscience AS and otherwise contribute to creating value for shareholders based on the company's results, strategic development and reputation.

In addition, 27,127 options have been issued to non-employees.

Option agreements entered into for employees presuppose resolutions at the General Meeting. In the event that a positive decision is not made, the company is obliged to pay the above-mentioned key persons cash consideration.

The CEO has a bonus agreement related to successful registration on Euronext Growth which is linked to an option agreement and is to be used to exercise the option program. This presupposes listing by the end of Q3. Furthermore, the CEO has a Stay-On bonus for being in the position until the end of Q1 2022.

Bonus agreements have also been established for several of the company's senior employees.

Note 2 Receivables and liabilities

	2020	2019
Receivables due later than one year	0	0
Long-term liabilities due later than 5 years	1 010 998	1 750 000

The company's accounts receivable have different credit terms within certain segments.

Note 3 Public grants

The company has several ongoing research and development projects (R&D), which are supported with various public grants. In 2019, the company received a commitment of NOK 14 million in grants from Innovation Norway in connection with the production of the clinical material (GMP production). In 2020, the company has been granted a grant of NOK 12.5 million related to the design of the production unit. In the future, the company will be active in applying for grants from both Norwegian and international organizations.

In 2020, the company recognized other public support as income, NOK 2,800,000 and the SkatteFUNN scheme with, NOK 298,989. The amounts have been entered in their entirety as a reduction of capitalized costs related to the projects. The company uses net recognition of public subsidies.



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Note 4 Tax

Calculation of deferred tax/deferred tax assets:

Temporary differences:

	2020	2019	Change
Property, plant and equipment	-4 518 360	-4 544 223	-25 862
Inventory of goods	-333 361	0	333 361
Receivables	-40 191	-40 191	0
Net temporary differences	-4 891 912	-4 584 414	307 499
Accumulated carry-on deficit	-65 345 790	-42 827 282	22 518 508
Basis for calculation of deferred tax	-70 237 703	-47 411 696	22 826 007
Deferred tax assets (22%)	-15 452 295	-10 430 573	5 021 721
Of which, deferred tax assets are not recognised in the balance sheet	15 452 295	10 430 573	-5 021 722
Deferred tax on the balance sheet	0	0	0

Basis for tax expense, change in deferred tax and tax payable

	2020	2019
Taxable income:		
Profit before tax	-22 590 659	-3 989 916
Permanent differences	-235 347	-622 399
Change in temporary differences	307 499	-164 077
Taxable income	-22 518 508	-4 776 392

	2020	2019
Tax payable:		
Tax payable on profit for the year	0	0
Tax payable on the balance sheet	0	0

	2020	2019
This year's tax expense:		
Tax payable on profit for the year	0	0
Too much, little allocated in previous years	0	0
Total tax payable	0	0
Change in deferred tax assets	0	0
This year's tax expense	0	0

Reconciliation of this year's tax charge: Pre-tax profit	-22 590 659	-3 989 916
Calculated tax on pre-tax profit	-4 969 945	-877 782
Tax expense in the income statement	0	0
Difference	4 969 945	877 782
Tax effect of permanent differences	-51 776	-136 928
Other differences	5 021 721	1 014 710
Total explained difference	4 969 945	877 782



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Note 5 Intangible assets

	R&D purchased	R&D developed	Patents	Sum
Acquisition cost 01.01.2020	500 000	25 140 394	2 362 163	28 002 557
Access	0	9 532 607	457 988	9 990 595
Departure	0	0	0	0
Acquisition cost 31.12.2020	500 000	34 673 001	2 820 151	37 993 152
Accumulated depreciation	500 000	2 770 370	515 693	3 786 063
Book value as of 31.12.2020	0	31 902 631	2 304 458	34 207 089
Write-offs of the year	0	916 739	50 796	967 535
Expected financial life	8y	7-20y	5-20y	
Depreciation plan	Linear	Linear	Linear	

In 2020, the company has carried out various research and development activities. The projects are mainly related to the production process, product development and development of drugs for psoriasis. Several of the projects have been granted various public grants.

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

Book values related to R&D and patents are always fraught with risk. Should the company not achieve its objectives related to the sale and commercialization of various products, this could lead to write-downs in the accounts. The board is of the opinion that there are no indicators of the obligation to write down at the present time, despite reduced turnover in 2020.

Note 6 Property, plant & equipment

	Buildings and Plots	Operating equipment and machines	Total
Acquisition cost 01.01.2020	3 870 792	910 741	4 781 533
Access	1 592 153	1 849 542	3 441 695
Departure	0	0	0
Acquisition cost 31.12.2020	5 462 945	2 760 283	8 223 228
Accumulated depreciation	-1 031 770	-829 203	-1 860 973
Book value 31.12.2020	4 431 175	1 931 080	6 362 255
Depreciation of the year	140 696	83 721	224 417
Expected economic life	2% building and 10% technical Facilities	6 years	
Depreciation plan	Linear	Linear	

In 2020, the company started a preliminary project related to the construction of a production unit. 1,592,153 have been activated under buildings and plots associated with this project.



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Note 7 Goods

	2020	2019
Raw materials	12 067 065	9 127 486
Goods under production	6 005 002	2 798 757
Self-produced finished goods	8 174 000	5 538 687
Sum	26 246 067	17 464 930

	2020	2019
Inventory carried at acquisition cost	26 579 428	17 464 930
Provision for obsolescence	-333 361	0
Sum	26 246 067	17 464 930

The company buys the necessary raw materials and sends these to its contract manufacturer abroad for processing. The company's agreement with the contract manufacturer gives the company the opportunity to settle only when the end customer receives the item. Consequently, a provision is made for accrued costs related to the processed warehouse at the end of the year. The agreed production cost is added to the value of work in progress and finished goods. When pricing stock, the daily price on the production date is used as a basis. Liabilities are adjusted for the exchange rate at the end of the year. The obligation to the contract producer at the end of the financial year amounts to NOK 6,684,498. The difference between cost price and production and converted liability is recognized as a currency loss / gain.

Tests carried out on the company's products show good durability and the board considers that there is no risk of reduced quality due to storage time. A small provision has been made for obsolescence related to goods that are considered to have a lower value than cost price.

Note 8 Equity

	Share capital	Premium	Other deposits Equity	Other Equity	Sum Equity
Equity 01.01.2020	1 289 568	62 608 083	0	0	63 897 651
Profit for the year	0	-22 590 659	0	0	-22 590 659
Cost foundation	0	-5 569	0	0	-5 569
Not registered capital increase	0	0	22 637 784	0	22 637 784
Equity at 31.12.2020	1 289 568	40 011 855	22 637 784	0	63 939 207

Approved non-registered capital increase was registered in Brønnøysund on 07.01.2021. Shares subscribed for in this issue are first registered in VPS upon registration in the Register of Business Enterprises.

The company has completed a capital increase on 27.01.2021 by NOK 18,618,507. 66,733 shares have been subscribed for. The issue has been paid for.



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Note 9 Shareholders

The share capital in Arctic Bioscience AS as of 31.12 consists of:

	Quantity	Par	Posted
Ordinary shares	1 387 861	1,0	1 387 861
Sum	1 387 861		1 387 861

Ownership structure

The largest shareholders in % as at 31.12 were:

	Ordinary	Stake	Vote share
Pir IV Invest AS	218 825	15,8	15,8
Capra Invest AS	154 445	11,1	11,1
Møre Og Romsdal Såkornfond AS	131 396	9,5	9,5
Hawk Invest AS	114 545	8,3	8,3
Ronja Capital II AS	95 831	6,9	6,9
Vartdal Holding AS	89 177	6,4	6,4
Total >5% interest	804 219	57,9	57,9
Total other	583 642	42,1	42,1
Total number of shares	1 387 861	100,0	100,0

Shares and options owned by members of the Board of Directors and CEO:

Name	Role	Ordinary
Ole Arne Eiksund	CEO	5 027
Total number of shares		5 027

The CEO has an option to subscribe for 15,236 shares. See note 1 for discussion. The chairman of the board owns shares in the company through the companies Capra Invest AS and Life Capitol AS. Board member Per Magne Eggesbø owns shares in the company through Eggesbø Eiendom AS and Eros AS. Board member Jan Endre Vartdal owns shares through Vartdal Holding AS and Brødrene Vartdal AS. Board member Asbjørn Solevågseide owns shares through Pir Invest IV AS. Unregistered capital increase is included in the list of shareholders on 31 December 2020. 98,293 shares have been issued in this capital increase.

Note 10 Restricted funds

	2020	2019
Of which restricted bank deposits	1 173 440	579 463

Note 11 Pensions

Arctic Bioscience AS has a group pension insurance that covers all of the company's employees. The scheme is a defined contribution scheme. This year's pension premium, adjusted for any contributions to or deductions from the defined contribution fund, is accounted for as a pension expense. Premium paid in 2020 amounts to NOK 835,513.



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Note 12 Mortgages and guarantees etc.

Liabilities secured by collateral etc.	2020	2019
Liabilities to credit institutions	8 455 447	7 158 517
Other long-term liabilities	0	0
Sum	8 455 447	7 158 517
Carrying amount of assets pledged for own debt		
Land for sale, buildings	4 431 175	2 979 718
Items	26 579 428	17 464 930
Operating accessories	1 931 080	165 259
Accounts receivable	11 007 081	11 611 607
Intangible assets	34 207 089	25 184 029
Sum	78 155 853	57 405 543

Note 13 Other short-term debt

	2020	2019
Holiday pay owed	1 260 306	805 974
Accruing of accrued production cost	6 684 498	2 797 140
Accrued wages	375 000	0
Provision for accrued costs	821 241	359 277
Sum	9 141 045	3 962 391

Note 14 Accounts receivable

	2020	2019
Accounts receivable at face value	11 047 272	11 745 268
Provision for losses	40 191	40 191
Carrying amount of accounts receivable 31.12	11 007 081	11 705 077

The company has a long credit period for significant parts of the customer portfolio. Of accounts receivable in the balance sheet, NOK 6.986,826 is overdue. The company has regular and stable customers and the board is of the opinion that overdue claims do not represent a risk of loss in excess of what has been allocated in the accounts by NOK 40,000. For all significant receivables, there is a good dialogue with the customer about payment.

After the balance sheet date, a dialogue was initiated with the customer about opportunities to repurchase parts of the sold inventory in connection with the customer's strategic reorganization. This relationship has not been clarified and will represent a possible repurchase that will be settled by offsetting the outstanding so that the trade receivable is not settled in cash. When submitting the annual settlement, it has not been clarified whether such an agreement may be entered into or on what conditions. Outstanding receivables from this customer amount to NOK 3,529,425 as of 31.12.2020



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Note 15 Continued operation

Arctic Bioscience AS has met several important milestones in 2020, but the effect of the Corona pandemic has also led to challenges in marketing and sales.

Arctic Bioscience AS received positive feedback on requests for scientific advice from European Medicines Agency, EMA, on the group's plan for the development of the drug candidate HRO350 for treatment of mild and moderate psoriasis. The results of the Haukeland study have been published in two international publications and the group's assessment of the market potential has been verified by the consulting company IQVIA Inc.

Through 2020, plans and necessary funding for the implementation of the HRO350 development were detailed and the board considers it realistic to assume that funding can be secured during 2021. The development of the necessary GMP process to produce HRO 350 has developed according to plan and this will also contribute to increased margins for dietary supplement products under the brand name Romega in the long run.

Existing shareholders and strategic partner Kotler Marketing Group, China, participated in a share issue during 2020.

Revenue from the sale of Romega has been lower in 2020 compared to 2019 and also below budget. International sales in particular were affected by the Corona pandemic. Arctic Bioscience AS has in 2020 invested in the building of a sales & marketing organization for the nutraceutical product Romega. Launch was affected by the Corona pandemic, but the board considers that a foundation has been laid for future growth. The cost of this initiative is reflected in the 2020 increase in staff costs and expenditure.

The group is preparing a fundraising to primarily finance the development of HRO350 and plans to apply for listing of Arctic Bioscience AS shares at Euronext Growth, Oslo during 2021. Some costs associated with this work are included in the accounts for 2020.

In the Board's opinion, the company is well positioned for further operations and growth.



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