



Fourth Quarter & Full Year 2024 Financial Report

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CEO Statement

As we enter 2025, our priorities remain clear: driving profitability through higher-margin growth, executing on our commercial strategy in key markets, and continuing to invest in innovation that differentiates HBC in the marketplace.



The fourth quarter in 2024 ended with a strong momentum, delivering another quarter of solid growth, margin improvements, and strategic advancements across all business segments. Our full-year sales revenues reached NOK 257 million, reflecting a 35% increase from 2023, driven by strong demand in both human and pet nutrition. We continue to execute on our strategy of shifting towards higher-margin segments, particularly in human B2B, where we saw over 100% YoY growth in Q4.

Operationally, our focus on efficiency and cost control continues to yield results. We successfully implemented a restructuring program in Q4, which, while incurring some one-time costs, positions us for a leaner and more scalable organization in 2025. Gross margins improved across the board, with B2B margins reaching 42% in Q4, supported by strong sales of CalGo® and OmeGo®. While ProGo® saw slightly softer margins, this was due to record-high sales volumes. Its growth trajectory reinforces our confidence in this key asset.

Our commercial team continues to deliver. We secured long-term contracts in our pet and feed segment, reinforcing our leadership position despite a challenging commodity pricing environment. In consumer health, we returned to growth in Q4, setting the stage for a stronger 2025. Notably, our expansion in the U.S. market gained further traction with key new hires and strategic retail partnerships, positioning us for accelerated growth in North America. A significant US brand launch of OmeGo® has now been inked at the end of Q1 2025 too, with more details expected soon.

On the R&D front, we continue to make significant strides in expanding the scientific validation and clinical applications of our products. Our recent studies have further substantiated the broad health benefits of OmeGo®, with compelling data on its ability to support immune health and respiratory function in populations exposed to urban pollution. ProGo®'s role in metabolic health continues to be reinforced, with new research confirming its GLP-1 and GIP agonist activity—mechanisms

that align with some of the most advanced approaches to weight management today. This, coupled with our latest clinical findings demonstrating ProGo®'s efficacy at lower doses, opens new opportunities for product development and market expansion.

Our research into CalGo® for bone health is progressing well, with interim analysis indicating its potential in preventing osteoporosis. The ongoing osteoarthritis study is also showing promising early results, reinforcing the therapeutic potential of our bioactive peptides beyond traditional nutrition applications. Meanwhile, our peptide research in oncology is advancing, with animal models demonstrating significant anti-tumor effects of our lead candidate FT-002a. These findings are particularly exciting as we explore new frontiers in targeted bioactive compounds for human health.

As we enter 2025, our priorities remain clear: driving profitability through higher-margin growth, executing on our commercial strategy in key markets, and continuing to invest in innovation that differentiates HBC in the marketplace. With a strong foundation in place, I am confident in our ability to deliver sustainable value for our stakeholders.

A handwritten signature in blue ink, appearing to read 'Jon Olav Ødegård'. The signature is fluid and cursive, written over a white background.

Jon Olav Ødegård, CEO

Key Figures & Highlights

	Q4 2024	Q4 2023	2024	2023
Gross operating revenue	64 885	47 426	265 539	218 511
EBITDA	-26 085	-39 786	-65 300	-66 116
Operating profit/loss	-36 761	-49 279	-105 081	-102 529
Net cash flow	2 198	6 919	1 686	-8 536
Equity ratio	18.0%	10.5%	18.0%	10.5%

HIGHLIGHTS IN THE FOURTH QUARTER

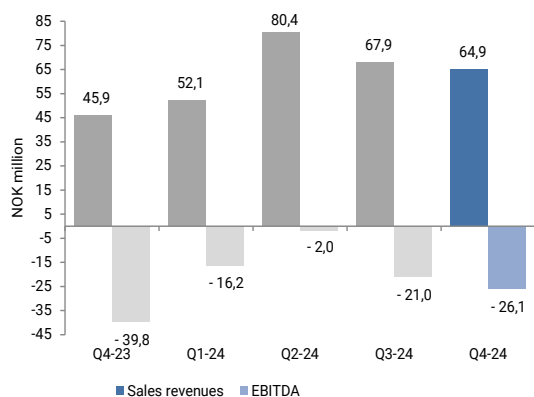
- › HBC achieved full-year sales revenue of NOK 256.8 million, a 35% increase from 2023, with strong momentum in higher-margin B2B human nutrition. The shift towards premium products, particularly CalGo® and OmeGo®, contributed to the revenue boost, while gross margins improved across all segments.
- › The company's restructuring efforts in Q4 led to improved scalability, with cost optimization initiatives streamlining operations. Gross margins strengthened, particularly in B2B, reaching 42.4% in Q4, up from 37.4% last year. Capacity utilization also improved to 89%.
- › HBC secured record-high long-term contracts in the pet and feed segment, while renewed growth in the consumer health division was driven by increased retail distribution and e-commerce traction.
- › Significant progress was made in validating the health benefits of core products. Studies confirmed ProGo®'s metabolic health impact, with new findings supporting its role in weight management. OmeGo® demonstrated strong immune-supporting properties in urban pollution studies.
- › HBC's research into bioactive peptides yielded promising results, particularly in osteoarthritis and oncology. Preclinical studies indicate strong tumor-suppressing effects in prostate cancer, with additional studies underway.
- › In December, HBC announced a Board resolution to start a project to build a second hydrolysis plant in Berkåk through HBC Berkåk AS.

Financial Review

Figures for the corresponding periods in 2023 are given in brackets.

P&L Fourth Quarter and for the year 2024

HBC had gross operating revenues of NOK 64.9m (47.4m) in the fourth quarter and NOK 265.5m (218.5m) for the full year. The operating revenues included net revenues from the sale of patents of NOK 8.2m in Q2 2024 and NOK 23.5m in Q2 2023. Adjusted for sale of assets, operating revenues were NOK 257.4m (194.9m) in the full year.



Cost of sales (CoGS) amounted to NOK 45.6m (49.4m) in the quarter. Gross margin on products sold in the fourth quarter, excluding inventory corrections etc., was 42.2% (38.7%), up from 40.2% in the third quarter of 2024. B2B gross margin was 42.4% (37.4%) in the quarter up from 41.2% in Q3 2024 and for the full year 2024, gross margin was 41.0%. A slightly softer margin development on ProGo® of 33.5%, is a result of continued high sales volumes of 221.2 tons in the quarter, compared to 69.8 tons in Q4 2023.

Organization re-structuring during the fourth quarter, resulted in one-time cost effects of 1.9m, related to personnel turnover and dismissals. Operating expenses were NOK 23.5m (20.3m) in the quarter, an increase compared to the corresponding quarter last year, but at the same level as the first three quarters of 2024. For the year, operating expenses are at NOK 90.6m (75.6m), an increase compared to last year that is related to higher maintenance costs and added sales support.

The operating loss (EBITDA) for the quarter was NOK -26.1m (-39.8m) and NOK -65.3m (-66.1m) for the full year. Operating result (EBIT) amounted to NOK -36.8m (-49.3m) in the fourth quarter 2024 and NOK -105.1m (-102.5m) for the year. Net fi-

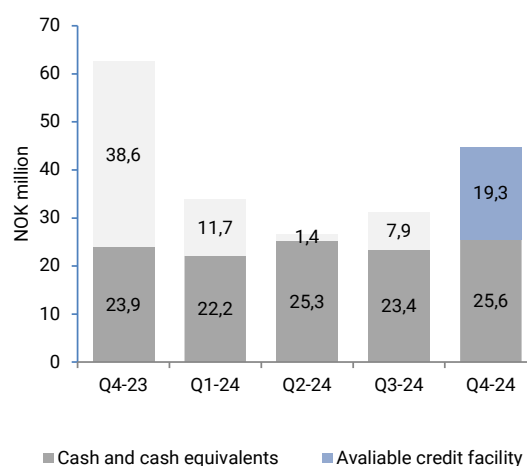
ancial items in the fourth quarter were NOK -5.1m (-2.6m). Net financial items for the full year was NOK -18.3m (-4.2m) for the full year. The increase is a result of higher draw-down on credit lines.

Production volumes ended at 4,774 tons of off-cuts in the fourth quarter and 16,146 tons for the full year. This represents a capacity utilization of 89% in the quarter, up from 78% in the third quarter 2024.

Cash flow

Cash flow from operations during the quarter was positive NOK 0.9m, compared to negative NOK 8.9m in the fourth quarter 2023. Net cash flow from investment activities was NOK -1.2m in the fourth quarter, compared to NOK -8.4m in the corresponding quarter last year. Cash flow from financing activities amounted to NOK 2.6m in the quarter, compared to NOK 24.2m in the fourth quarter 2023. Financing includes draw-down on the company's credit facilities.

Cash and cash equivalents increased by NOK 2.2m during the quarter, leaving a total holding at NOK 25.6m at the end of the year, compared to NOK 23.4m at the end of the third quarter 2024. Including credit facilities, HBC had NOK 44.8m in available liquidity as of the end of 2024.



Financial position

Total assets for HBC were NOK 341.4m (390.1m) at the end

of 2024. Deferred tax asset of estimated NOK 278.2m is not recognized in the statement of financial position.

Total equity amounted to NOK 61.3m (41.1m) corresponding to an equity ratio of 18.0% (10.5%) for the group. HBC are not in breach with any covenants as of the end of 2024.

Sales & marketing

Sales revenues for Q4 2024 were MNOK64.9 vs MNOK45.9 for Q4 2023, up 41% resulting in total FY 24 revenues of MNOK256.8m vs 190.8 MNOK for FY2023, equating to a year-over-year growth of 35%. The business continues to demonstrate steady growth across the range of revenues streams, including pet and human B2B and across multiple geographies. The focus for 2025 will continue to be on growing the higher margin human nutrition businesses and Brilliant B2C finished products, to drive profitability for the group.

For the high margin human B2B segment, Q4 showed continued strong sales growth with revenue increasing by greater than 100% yoy. Growth was driven by continued strong demand in Europe for CalGo®, encouraging new product launches in China for OmeGo® and ProGo® and new sales streams in the US. During the quarter, HBC worked in close collaboration with our distributors and undertook a series of key brand customer meetings in China. HBC attended the successful Foods Ingredients Europe in November, and Supply Side West in Las Vegas, regarded as a key nutritional health event in the US, where we held numerous constructive meetings with our distributors, brand customers and key opinion leaders from the US, Canada, Europe and China.

Importantly, we welcomed Chris Coscino to the Consumer Health sales team as the Head of Business Development for HBC North America in Q4. Chris is based in California and his extensive experience will drive sales engagement across multiple brands, CMO's and retail channels and hopefully accelerate growth in our US franchise. Given Chris' past high profile successes with marine lipid products, his addition is a strong endorsement of the sales potential we have in North America with a significant impact expected over the coming quarters. High profile launches with global leading brands are expected for OmeGo in H1 25 and we expect to be able to provide more information on this during Q1 2025. Q4 also saw HBC win another prestigious award in China for Technological Innovation in Consumer Health at the Nutraceutical fair in Guangzhou in October, helping further position our premium branded ingredients in that market as leading innovators in consumer health.

Of note, Q4 revenue in the Pet and Feed segment reached 34.9 MNOK (LY 26.5 MNOK) with a Gross Margin (GM) of 27.6%, maintaining last year's level. This was achieved despite a significant decline in the commodity fish oil market prices in 2024. This price decline has been particularly pronounced

since late summer. However, a balanced product portfolio helped to limit the weakness in Q4 compared to the previous quarter. Most encouragingly, we secured many 2025 contracts throughout the Q4, resulting in record-high booked long-term volumes with key customers. This demonstrates continued strong and forward-looking demand for our key products in the pet ingredients segment. Notably, our protein products are gaining traction as unique, high-quality offerings, leading to a significant reduction in sales of generic salmon products. All the new contracts were negotiated at higher prices recognizing our differentiated value proposition which in turn has reduced our reliance on generic commodity products and prices that often run the risk of switching



Consumer and Pet Health (B2C)

Q4 returned to growth after a lacklustre Q2 and Q3, driven by improved lead times and organic sales from 2024 launches across both E-Commerce and Bricks-and-mortar retail. Total Q4 revenues grew +33% growth resulting in a FY performance of +6%. We expect the Q4 run rate to continue into 2025.

Revenue and profit sales continue to increase on all our core lines. New retail and distribution agreements continued to drive the overall performance, and revenues grew in all territories. Pets at Home UK, our largest account outside of Amazon, achieved record sales in Q4. Premium segment new product development is planned for Summer 2025 to further drive category growth in key need areas, with a UK 1st launch to re-affirm our Number 1 market position in this territory.

In the US our e-commerce business particularly benefited from the Chewy.com listing, which is expected to continue into 2025 supported by Walmart.com, a key strategic priority for the coming year. In Europe, preparation for the execution of Amazon.de and Fressnapf marketplace, a key entry-point into Europe's biggest Pet Retailer who are No.1 in many major European markets, continued as planned.

HBC is also now in the later stages of commercial agreements with a new soft gel manufacturer, which would enable the B2C

development of this proposition in all channels and is expected to drive strong and sustained sales and profit growth in late 2025 and 2026.

R&D Update

In the fourth quarter of 2024, HBC R&D delivered the following:

- i. HBC's study assessing the benefit of OmeGo® in urban dwelling subjects troubled by particulate matter pollution completed recruitment in Q4 2024 and top-line results demonstrate the benefit of the broad inflammation-resolving effects of this unprocessed salmon oil with improved sleep and reduced coughing symptoms. This study builds on the broad anti-inflammatory and immune health benefits demonstrated in our COVID-19 study and will be submitted for publication in a peer-review journal at the start of Q1 2025.
- ii. Following HBC's in vitro tests showing the GLP-1 (glucagon-like peptide) and GIP (glucose-dependent insulinotropic polypeptide) agonist activity of ProGo® a paper has been published in the peer-review journal Marine Drugs (30 October 2024). This is the mode of action behind the weight loss demonstrated in previous clinical trials of ProGo® in overweight adults. This latest publication also includes the characterisation of the peptide fraction containing the GLP-1 / GIP activity and the pancreatic protective effects (anti-diabetic) of the ProGo® peptides.
- iii. HBC's study of ProGo® at 4g per day was published in the journal Functional Foods in Health and Disease (November 21, 2024). This trial confirms that the 4g daily dose provides the same health benefits as higher doses (12g and 16g) of ProGo®. Lab-based work indicates that further dose reductions of ProGo® should deliver the same unique health benefits and trial work will be undertaken to demonstrate the benefit of 2g or lower per day.
- iv. Our CalGo® bone health study will complete follow-up during Q3 2025. The study utilized 2g of CalGo® daily compared to placebo (maltodextrin). An interim analysis of the first forty participant was undertaken during Q4 2024. This showed that CalGo® prevented any further bone thinning with an indication of an increase in bone mass. The full results will be available in Q4 2025 including the prevention of osteoporosis by providing a supplement that contains natural bone calcium and collagen, the key structural elements of bone, as well as trace elements important for bone health.
- v. An animal model of osteoarthritis was undertaken in Q4 2024 to compare the relative joint health healing effects of NT-II™ to UC-II. Initial results look highly encouraging and full analysis will be completed early in 2025 followed by a peer-review publication.
- vi. HBCI continues to progress its research of its lead peptide candidate FT-002a in prostate cancer. Animal studies have shown significant anti-tumour effects when dosed intraperitoneally (I.P.) and this data will be submitted for publication in Q1 2025. Our proprietary (and patent protected) oral formulation, FT-002a-O has shown

Research Pipeline

Product	Product Fraction	IP	Discovery (~1y)	Pre-Clinical (~2y)	Clinical (~2-3y)	Reg.appr. (~1y)
Salmon Protein Hydrolysate (SPH) <i>ProGo</i>	SPH-FTH1	F	Iron Deficiency Anemia Treatment			
	SPH-CollaGo	F	Hair, Nail, Skin Health Treatment & Antioxidant			
	SPH-HO1	F	Gastrointestinal Health			
	SPH-ProGo	N	Healthy Weight loss			
	SPH-X1	P	Cancer Cachexia/ Sarcopenia ¹⁾			
	SPH-X2	P	Pre-Diabetic Co-treatment			
	SPH-X3	P	Rheumatoid Arthritis ²⁾			
Salmon Oil (SO) <i>OmeGo</i>	SO	F	Improved AREDS Formulations for AMD Treatment			
	SO-LP	F	Respiratory Health			
	SO-LP	P	Acne treatment			
	SO-OxLDL-Gp1	F	Cardiovascular Health			
	SO-CoV19	P	Immune Health			
Salmon Bone Powder (SBP) <i>CalGo</i>	SBP-X1	P	Osteoarthritis			
	SBP-CalGo	P	Osteoporosis Treatment			

F=Filed/Approved N=Not applicable P=In Progress

significant anti-tumour effects in models of aggressive prostate cancer. Further studies in different types of prostate cancer are ongoing and results are expected during Q1 2025.

- vii. Analysis of the results from our clinical trial of OmeGo® in allergic asthma is ongoing and the data will be submitted for publication in peer-review journals during 2025. This study will provide further insights into the immune health benefits of OmeGo®.
- viii. Following the successful completion of our initial 2-week preclinical trial of MA-022s (our current lead drug candidate in eosinophilic conditions) in an animal model of asthma a second study of 8 weeks' duration has also now been completed and the results are highly encouraging. A paper will be prepared for publication of these two studies combined in a peer-reviewed scientific journal. MA-022s is a synthetic analogue of the naturally occurring lipopeptide (microcolin A) found in OmeGo® which can be manufactured on a commercial scale.
- ix. Clinical trial work of a novel formulation of SPH (SPHi) in milder forms of inflammatory bowel disease will be initiated in H1 2025, led by Stanford School of Medicine. This trial will treat children, and we therefore need to submit an IND (Investigational New Drug) application to the FDA before initiating the study. IND approval will also allow for more studies to be conducted with SPHi with greater ease and will be greatly valued by potential partners.



HBC Research

SPHi peptides for Gastro-Intestinal (GI) health

The collaboration with Stanford has shown that SPHi provides

excellent protection against GI tract inflammation in standard models of inflammatory bowel disease (IBD) by upregulating the anti-inflammatory gene system, HMOX1. This results in a rebalancing of the GI immune system with an accelerated recovery in gut and overall health. The proof-of concept clinical trial in IBD patients at Stanford is expected to commence early in 2025 after FDA approval of the IND application. The granting of an NDA will bring greater flexibility in any clinical trial program and greater regulatory certainty for potential partners. There have been no new treatment options for mild forms of IBD for several years to help resolve symptoms and improve quality of life in this patient group and we anticipate significant market demand for SPHi, upon completion of successful clinical trials.

ProGo® peptides for improved body composition and metabolism

We already have two clinical datasets which have assessed the pro-metabolic, fat burning qualities of ProGo®, one with weight reduction as the primary endpoint and the other as a secondary endpoint. In vitro work has further delineated the anti-diabetic and energy-increasing properties of the peptides. In vitro work relating to improved nutrient metabolism via GLP-1 and GIP agonism was published in the peer-reviewed journal, Marine Drugs, during Q4 2024. Clinical trial work is planned to assess lower doses of ProGo® for weight loss in menopausal women.

CalGo® for bone health

Our osteoporosis and osteoarthritis clinical trials are being conducted by the HBC Clinical Trial Unit (CTU) in Ålesund. Osteoarthritis (OA) is a common problem with ageing, impacting mobility, fitness and quality of life. Trial data will be presented in 2025, and a larger joint health study will be initiated in 2025 to build upon these initial results.

The bone health trial is assessing whether CalGo® prevents bone loss in osteopenic woman over 50 years of age. A progressive weakening of bones is seen with ageing, and we expect supplementation with CalGo® which supplies all elements contained in healthy bone (calcium hydroxyapatite, collagen and trace elements) will better support bone health. Previously we have shown CalGo® to have a greater ability to stimulate bone cells to form bone and that CalGo® is more easily absorbed in postmenopausal women. Data from the bone health study is expected in H2 2025 with highly encouraging results from the interim analysis undertaken in Q4 2024.

OmeGo® softgels for immune health and sleep

During Q2 we published (June 2024) our clinical trial of OmeGo® in adults with mild viral infection in the International Journal of Molecular Science. This shows that OmeGo® helps support a more efficient immune response and recovery and provides a deeper understanding of how OmeGo® supports immune health. A follow-on study of urban-dwelling individuals struggling with the effects of particulate matter pollution,

HBCI Update

Pipeline

Pharmaceutical Lead	Target	IP	Discovery (≈1y)	Pre-Clinical (≈2y)	Clinical (≈2-3y)	Reg.appr. (≈1y)
Lipopeptide Analog MA-022	Eosinophil Effector Function	F				
FTH1 Peptides	Iron Metabolism: RLS & P.Ca *)	F				
HMOX1 Peptides	Inflammatory Bowel Disease	F				

F=Filed/Approved N=Not applicable P=In Progress *) RLS=Restless Legs Syndrome P.Ca=Prostate Cancer

in terms of cough and disturbed sleep, completed late Q4 2024 and a paper will be submitted for publication in a peer review journal during Q1 2025.

MA-022s

We have completed a two-week study of MA-022s treatment and a ten-week study in animal models of eosinophilic (allergic) asthma with impressive results: a reduction in lung goblet cell mass, a reduction in smooth muscle hypertrophy and airway obstruction. The goblet cells secrete mucus in the lungs and in asthma they become overactive, increase in number and contribute to the airway obstruction alongside an increase in smooth muscle around the airways. The reduction of these signature lung changes of asthma are exciting findings and indicate that the analogue has good bioavailability and significant target engagement (inhibition of eosinophil overactivity). This would be expected to result in improved lung function. MA-022s is our lead candidate for the treatment of eosinophilic (allergic) asthma.

FTH1 modulation with bioactive peptides derived from SPH

We have identified 8 individual peptides which drive the FTH1 modulatory effects of SPH. The peptides contain the same core amino acid sequence but have structural differences which may alter how they impact FTH1 signalling in different targets in the body. These peptides have the potential to receive novel composition of matter designation which will provide a broad and long-lasting IP protection.

Iron metabolism is important for the survival and spread of numerous cancer types, including prostate and breast cancer, and hence FTH1 modulation with the peptides could potentially improve patient outcomes across several tumour types, at earlier and later stages of the disease process. Preclinical work continues at HBCI to assess the impact of FTH1 modulation in prostate cancer. Animal studies demonstrate signifi-

cant anti-tumour effectiveness.

Ongoing work is assessing the peptides in restless leg syndrome (RLS). RLS has limited treatment options, and many patients continue to suffer symptoms that significantly impair sleep and quality of life.

Our US attorneys, Morrison and Forrester are ensuring optimal intellectual property (IP) protection relating to the peptides for the treatment of cancer as well as in the treatment of RLS.

Share information

HBC shares were traded between NOK 1.16 and 2.18 per share in the fourth quarter and the last closing price on 31 December 2024 was NOK 1.70. Based on 411,081,030 outstanding shares, this values HBC's equity at approximately NOK 699m. As of 31 December 2024, HBC had 1,520 shareholders. The 20 largest shareholders controlled 89.27 per cent of the shares.

Related party transactions

All related party transactions are being made in the ordinary course of the business at arm's length principle. Hofseth International, a related party to HBC, was issued 16m new B-shares in HBC in the first quarter. The B-shares hold no voting rights and will carry a preferential right to receive dividends over the Company's ordinary shares. After a minimum of 5 years, the B-shares can request the B-shares to be converted into ordinary shares at a price at NOK 9 per share.

There were no significant new types of transactions with related parties during the fourth quarter 2024.

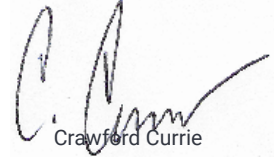
Hofseth BioCare ASA Board of Directors
Ålesund, 14 February 2025



Linda Christin Hoff
Chair of the board



Maria Bech
Board member



Crawford Currie
Board Member



Christoph Baldegger
Board member



Amy Novogratz
Board member



Roger Hofseth
Board member



Jon Olav Ødegård
CEO

Glossary

Acne - A skin condition that occurs when hair follicles plug with oil and dead skin cells causing "pimples" in the skin. These often become infected causing swelling, redness and a discharge of pus. Healing may result in scarring. Acne is most common in teenagers and young adults.

Analog (structural) - a chemical analogue or simply an analogue, is a compound having a structure similar to that of another compound but differing from it in respect to a certain component. This will give the analog a modified profile, including therapeutic effect or duration of activity.

Assay - An assay is an investigative procedure in laboratory medicine, mining, pharmacology, environmental biology, and molecular biology for qualitatively assessing or quantitatively measuring the presence, amount, or functional activity of a target entity.

Asthma - is an inflammatory condition of the lung airways. The airways are narrowed and produce extra mucus, causing wheezing and difficulty in breathing. Asthma can interfere with daily activities and in some cases, it may even result in a life-threatening attack.

Bioactivity (biological activity) - In pharmacology, biological activity describes the beneficial or adverse effects of a drug on living matter.

CalGo® - Commercial name for HBC'S Calcium Collagen Complex ingredient derived from the bones of freshly harvested Norwegian Atlantic salmon.

COPD - A group of lung diseases - emphysema and chronic bronchitis - that result from uncontrolled inflammation typically the consequence of long-term smoking. The inflammation results in progressive destruction of the lungs with difficulty in breathing the end result. Treatments centres around inhaled steroids and aims to reduce the symptoms and perhaps the speed of decline of lung function.

Co-treatment - Treatment with two or more agents simultaneously

CRO - Contract Research Organisation - is a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.

DKSH - Also known as DiethelmKellerSiberHegner, is a Swiss holding company specialising in market expansion services whose main focus is Asia.

Enzymatic hydrolysis - is a process in which enzymes facilitate

the cleavage of bonds in molecules with the addition of the elements of water. It plays an important role in the digestion of food, for instance peptidases to break protein into smaller peptides.

Eosinophils (Eosinophilic inflammation) - Eosinophils are a type of disease-fighting white blood cell. However, eosinophils can also over-react to external stimuli such as pollen, animal fur, house dust mite etc and produce allergic-type inflammation. Eosinophilic airway inflammation is seen commonly in asthma and COPD and a number of other associated conditions.

Fractionation - Fractionation is a separation process in which a certain quantity of a mixture is divided during a phase transition, into a number of smaller quantities in which the composition varies according to a gradient.

FTH1 gene - is the gene that encodes the heavy chain of ferritin, the protein that stores iron in a soluble, non-toxic, readily available form. Important for the production of hemoglobin and energy metabolism.

Gene Regulation - Gene regulation refers to the mechanisms that act to induce or repress the expression of a gene.

HDM study - House Dust-mite study - House dust mites are tiny creatures related to ticks, chiggers, and spiders and a common trigger for allergic asthma. This is the most commonly used preclinical model to assess asthma treatments

IBD - Inflammatory bowel disease (IBD) is an umbrella term used to describe disorders that involve chronic inflammation of the digestive tract. Types of IBD include: 1) Ulcerative colitis - This condition involves inflammation and sores (ulcers) along the superficial lining of the large intestine (colon) and rectum. 2) Crohn's disease. This type of IBD is characterized by inflammation that can affect any part of the digestive tract. It can involve the deeper layers of the digestive tract.

IDA - Iron Deficiency Anemia occurs when one has a decreased level of hemoglobin in red blood cells (RBCs). Hemoglobin is the protein in the RBCs that is responsible for carrying oxygen to the tissues for energy metabolism. IDA is the most common type of anemia, and it occurs when the body doesn't have enough of the mineral iron or is losing blood faster than it can be replaced. The body needs iron to make hemoglobin. Fatigue is the most common symptom.

IMCD - A global leader in the formulation, sales and distribution of speciality chemicals and ingredients.

IP - Intellectual Property

Lipo-peptides - is a molecule consisting of a lipid connected to a peptide. They are able to self-assemble into different

structures.

MA-022 – HBC’s analog derived from a unique lipo-peptide found in OmeGo.

Molecule - a group of two or more atoms that form the smallest identifiable unit into which a pure substance can be divided and still retain the composition and chemical properties of that substance.

Nf- λ B - is an important inflammatory signalling pathway that results in the release of drivers of inflammation including TNF- α . It is an important pathway in numerous inflammatory diseases including inflammatory bowel disease, rheumatoid arthritis, asthma and COPD as well as atherosclerosis (furring of the arteries). It has also been implicated in the development of some cancers such as colorectal cancer.

NOFIMA - Norway’s leading food research institute and engage in applied research and development within the fields of aquaculture, fisheries and the food industry.

Nutraceutical v Pharmaceutical ingredients - pharmaceuticals are the result of clinical trials aimed at treating specific diseases. Nutraceuticals are food-based substances, used for the prevention of diseases. Depending on what ails you, both may be able to relevant to enhance health. Examples of nutraceutical ingredients used in the dry form are vitamins, amino acids, prebiotic & probiotic premixes, proteins, and some minerals such as zinc and folic acid.

OmeGo[®] – HBC’s proprietary fresh, unrefined Salmon Oil.

Osteoarthritis - Osteoarthritis is the most common form of arthritis, affecting millions of people worldwide. It occurs when the protective cartilage that cushions the ends of the bones wears down over time. Although osteoarthritis can damage any joint, the disorder most commonly affects joints in your hands, knees, hips and spine. Most common symptoms are pain, stiffness and aching joints.

Osteoporosis - Osteoporosis results from a progressive loss of bone mass, weakening the bones, making them fragile and more likely to break. It develops slowly over a number of years and is often only diagnosed when a fall or sudden impact causes a bone to break (fracture).

OxLDL-GP1 - Oxidized low Density Lipoprotein is a highly inflammatory form of “bad cholesterol” and an independent risk factor for cardiovascular disease such as heart attack, stroke and angina.

Peptides - Peptides are short chains of amino acids linked by peptide bonds. Chains of fewer than ten or fifteen amino acids are called oligopeptides, and include dipeptides, tripeptides, and tetrapeptides. Peptides are the commonest way that

the body sends signals to control different aspects of bodily functions such as a number of hormones, enzymes and neurotransmitters.

PetGo – is HBC’s commercial name for PHP

PHP – Partially hydrolysed protein. This is the non-soluble protein fraction produced at HBC also referred to at PetGo Salmon Meal.

ProGo[®] - is HBC’S commercial name for the “Bioactive Peptides” or salmon protein hydrolysate produced with HBC’s proprietary enzymatic hydrolysis process.

QSAR model - Quantitative structure–activity relationship models are regression or classification models used in the chemical and biological sciences and engineering. QSAR models first summarize a supposed relationship between chemical structures and biological activity in a dataset of chemicals.

Sarcopenia - Sarcopenia is a syndrome characterized by progressive and generalized loss of skeletal muscle mass and strength, greater than would be expected for the age of the individual. It is strongly correlated with physical disability, poor quality of life and death

SO – Salmon Oil (or OmeGo)

SPH – Salmon Protein Hydrolysate also known as ProGo or Bioactive Peptides.

Synthesis - the production of a substance by the union of chemical elements, groups, or simpler compounds or by the degradation of a complex compound.

TNBS/DDS induced model – TNBS / trinitrobenzene sulfonic acid is commonly used in animal models to induce gut inflammation with similar properties to inflammatory bowel disease. DDS / dextran sulphate sodium is toxic to colonic epithelial cells and also induces inflammation of the bowel akin to inflammatory bowel disease.

TNF- α - Tumour necrosis factor (TNF)-alpha inhibitors. TNF inhibitors suppress the immune system by blocking the activity of TNF, a substance in the body that can cause inflammation and lead to immune-system diseases, such as Crohn’s disease, ulcerative colitis, rheumatoid arthritis, ankylosing spondylitis, psoriatic arthritis and plaque psoriasis.

US/PCT patent filing - The Patent Cooperation Treaty (PCT) assists applicants in seeking patent protection internationally for their inventions, helps patent offices with their patent granting decisions, and facilitates public access to a wealth of technical information relating to those inventions.

Interim Financial Statements

Consolidated



Consolidated statement of comprehensive income

(figures in NOK 1 000, except EPS)	Q4 2024	Q4 2023	2024	2023	Notes
Sales revenue	64 926	45 888	256 825	190 815	8
Other revenue	48	1 538	592	4 059	8
Gain on sale of assets	-89	0	8 122	23 637	8
Gross operating revenue	64 885	47 426	265 539	218 511	
Cost of sales	45 572	49 431	169 553	150 686	9
Salaries and other payroll costs	21 903	17 492	70 670	58 275	11
Other operating expenses	23 495	20 290	90 617	75 665	
EBITDA	-26 085	-39 786	-65 300	-66 116	
Depreciation and Write-down	10 676	9 493	39 781	36 413	
Operating profit/loss (EBIT)	-36 761	-49 279	-105 081	-102 529	
Results from investments in associated companies/JVs	-1 940	-2 486	-5 591	2 542	13
Financial income	2 667	2 039	9 015	6 597	13
Financial expenses	5 791	2 167	21 749	13 293	13
Net financial items	-5 063	-2 614	-18 326	-4 155	13
Profit/loss before taxes	-41 823	-51 894	-123 407	-106 684	
Tax expense	0	0	0	0	
Profit for the period	-41 823	-51 894	-123 407	-106 684	
Total comprehensive income for the period attributable to:					
Non-controlling interests	-0	0	-2	-1	
Shareholders in HBC (majority)	-41 823	-51 894	-123 405	-106 683	
Total	-41 823	-51 894	-123 407	-106 684	
Earnings per share (EPS)	-0.10	-0.13	-0.30	-0.27	
Basic earnings per share (NOK)	-0.10	-0.13	-0.30	-0.27	

The interim financial information has not been subject to audit.

Consolidated condensed statement of financial position

(figures in NOK 1 000)	2024	2023	Notes
Research, patents etc.	42 430	55 284	5
Property, plant and equipment	137 983	165 703	6
Financial assets	48 895	38 130	7
Total non-current assets	229 309	259 116	
Inventories	55 917	82 542	10
Trade receivables	18 853	14 849	12
Other current assets	11 715	9 721	
Cash and cash equivalents	25 577	23 890	
Total current assets	112 062	131 003	
Total assets	341 371	390 119	
Share capital	4 111	3 951	14
Other Paid in equity (+) Uncovered losses (-)	57 882	37 876	
Non-controlling interests	-689	-687	
Total equity	61 304	41 140	
Non-current liabilities interest bearing	111 643	97 102	
Total non-current liabilities	111 643	97 102	
Other Interest-bearing loans, leasing and borrowings	59 238	39 687	
Trade payables	93 629	55 161	
Other current liabilities	15 557	157 029	
Total current liabilities	168 424	251 877	
Total equity and liabilities	341 371	390 119	

The interim financial information has not been subject to audit.

Consolidated condensed statement of changes in equity

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023	Notes
Equity at start of period	103 073	94 056	41 140	148 030	
Other changes in equity	54	-808	-137	9	
Issue new shares 04.01.2024	0	0	144 000	0	
Share issue costs	0	-215	-292	-215	
Profit/loss for the period	-41 823	-51 894	-123 407	-106 683	
Other comprehensive income/expenses	0	0	0	0	
Total comprehensive income	-41 823	-51 894	-123 407	-106 683	
Equity at the end of period	61 304	41 140	61 304	41 140	

Earnings per share

(figures in 1 000, except EPS)	Q4 2024	Q4 2023	2024	2023
Number of shares end of period	411 081	395 081	411 081	395 081
Weighted average number of shares	411 081	395 081	410 906	395 081
Effect of employee stock options and warrants	1 000	1 172	1 000	1 172
Weighted average number of shares diluted	412 081	396 253	411 906	375 737
Basic earnings per share (NOK)	-0.10	-0.13	-0.30	-0.27
Diluted earnings per share (NOK)	-0.10	-0.13	-0.30	-0.27

The 16 mill B-shares hold no voting rights and will carry a preferential right to receive dividends over the Company's ordinary shares.

Consolidated condensed cash flow statement

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023
Cash flow from operational activities				
Profit before taxes	-41 823	-51 895	-123 407	-106 684
Depreciation and write-off	10 676	9 493	39 781	36 413
Gain on sale of assets	89	149	-8 122	-23 488
Res associated company	-1 940	2 541	-5 591	2 541
Changes in Inventory	7 391	19 022	26 626	33 983
Changes in trade debtors	9 935	1 436	-4 004	-777
Changes in trade creditors	26 973	-1 984	38 468	-90 591
Changes in other current bal. sheet items	-15 093	11 877	-133 254	141 870
Capital increase without cash effect	0	0	144 000	0
Classified as financial activities	4 644	430	15 685	9 493
Net cash flow from operational activities	851	-8 931	-9 818	2 760
Cash flow from investment activities				
Investments in tangible assets	-208	-4 777	-2 444	-8 194
Investments in intangible assets	-1 012	-3 561	-1 629	-5 868
Other investments	0	0	0	-930
Net cash flow from investment activities	-1 220	-8 338	-4 074	-14 992
Cash flow from financing activities				
Issurance of share capital	0	0	0	0
Transaction cost on issue of shares	0	-215	-292	-215
Payment of interest	-4 627	-430	-15 685	-9 493
Proceeds from borrowings	11 374	28 353	44 497	28 353
Repayment of borrowings	-4 180	-3 520	-12 942	-14 950
Net cash flow from financing activities	2 567	24 188	15 578	3 696
Net change in cash and cash equivalents	2 198	6 919	1 686	-8 536
Cash and cash equivalents at the beginning of the period	23 379	16 971	23 890	32 427
Cash and cash equivalents at the end of the period	25 577	23 890	25 577	23 890
Available unused credit facility	19 250	38 647	19 250	38 647
Total cash and unused credit facility	44 827	62 538	44 827	62 538

Selected notes to the condensed financial statements

1. General information and basis for preparation

This report has been prepared in accordance with IAS 34 Interim Financial Statements. The interim condensed consolidated financial 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 annual consolidated financial statements as of 31 December 2023.

2. Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgments when choosing and applying accounting principles. Further, IFRS requires the management to make estimates based on judgments, and that estimates, and assumptions are realistic. All estimates are considered to be the most likely outcome based on the management's best knowledge.

The Group's most significant accounting estimates and areas of judgment are the following: a) Going concern, b) Allocation of production costs in manufacturing cost of finished product cost, c) Transactions with related parties, d) Recognition of intangible assets, e) Depreciation, amortization and impairment of fixed assets and intangible assets, f) Deferred tax asset, g) Inventory – obsolescence and h) Assessment of losses on ac-

counts receivables

Going Concern

In accordance with section 3-3a of the Accounting Act, it is confirmed that the assumptions regarding continued operations are present and that the interim report has been prepared under the assumption of continued operation.

It is emphasized that in general there is uncertainty associated with continuing operations, considering the Group's ability to sell the products with sufficiently high margins. The Board of Directors is continuously reviewing the cash balance and equity of the Company and will implement appropriate measures in form of loans or equity, if needed, to ensure continuous operations and sufficient cash to execute on planned activities to generate positive cash flow and profitability. As of 31.12.2024, HBC are in compliance with all financial covenants.

3. Taxes

Deferred tax assets are not recognized in the financial statements. Estimated value is NOK 278.2m.

4. Transactions with related parties

Transactions with related parties are governed by market terms and conditions in accordance with the "arm's length" principle.

5. Intangible assets

(figures in NOK 1 000)	R&D	Systems	Patents	Total
Book value at 30.09.2024	39 736	4 110	476	44 322
Additions	1 012	0	0	1 012
Sold assets	0	0	0	0
Depreciations for the period	2 785	66	53	2 904
Book value at 31.12.2024	37 963	4 044	423	42 430
Economic life	10 years	5 years	5-10 years	

6. Property, plant and equipment

(figures in NOK 1 000)	Machines and Equipment	Total
Book value at 30.09.2024	44 409	44 409
Additions	208	208
Depreciations for the period	4 658	4 658
Book value at 31.12.2024	39 959	39 595
Economic life	5-10 years	
Method of depreciation	straight line	

Leased objects

(figures in NOK 1 000)	Rented buildings	Machinery and equipment	Total
Book value at 30.09.2024	63 663	37 475	101 138
Additions	0	0	0
Depreciations for the period	1 852	1 262	3 114
Book value at 31.12.2024	61 811	36 213	98 024
Economic life	13 years	5-10 years	
Method of depreciation	straight line	straight line	

7. Financial assets

(figures in NOK 1 000)	2024	2023
Atlantic Delights Limited	1 999	3 443
HBC Immunology Llc.	45 649	34 247
Investments in other companies	25	25
Other	1 222	414
Total Financial Assets	48 895	38 130

HBC Immunology Llc. is a joint venture (50/50 controlled) between HBC and GPH Biotech Llc. in the US

8. Segments

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023
Per product				
Salmon oil	41 572	31 926	157 386	129 428
Hydrolysed Protein	12 837	5 707	59 724	23 896
Calcium	853	151	5 431	2 603
Partly Hydrolysed Protein	9 255	7 950	33 694	33 254
Gain on sale of asset	-89	0	8 122	23 637
Insurance settlement	0	1 265	0	3 260
Other	456	427	1 183	2 433
Total revenues	64 885	47 426	265 539	218 511

9. Cost of sales

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023
Cost of goods sold	44 821	30 793	166 074	130 186
Net obsolete cost/writedowns inventory	751	18 638	3 479	20 501
Net cost of sales	45 572	49 431	169 553	150 686

10. Inventory

(figures in NOK 1 000)	2024	2023
Per product		
Raw material	9 509	9 990
Finished goods	42 144	68 280
Spare parts equipment	4 264	4 272
Total inventory	55 917	82 542

11. Salaries and other payroll costs

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023
Salaries incl social security and pension	22 521	18 454	71 857	60 369
Activated costs	-618	-963	-1 188	-2 093
Salaries and other payroll costs	21 903	17 492	70 670	58 275

12. Trade receivables

(figures in NOK 1 000)	2024	2023
Trade receivables	18 853	14 849
Total receivables	18 853	14 849

Accounts receivable are not interest-bearing receivables and general terms and conditions for payment are from 7 to 90 days. All significant accounts receivables are credit secured by Coface, limited to NOK 29m with a coverage rate of 90 %. Historical credit losses for customers over the past five years are approx. NOK 0.5m.

13. Finance

(figures in NOK 1 000)	Q4 2024	Q4 2023	2024	2023
Income from investment in associated companies/JVs	0	761	0	5 789
Loss from investment in associated companies/JVs	1 940	3 247	5 591	3 247
Interest expense	4 627	427	15 685	7 543
Interest income	774	547	790	550
Net currency exchange	730	-248	2 161	298
Net financial items	-5 063	-2 614	-18 326	-4 154

Income of 5 789 in associated company in 2023 is a revaluation of HBCI following a private placement to new investors in the company.

14. Shareholders

Largest shareholders as of 31 December 2024. Total number of shareholders: 1,520

Shareholder	Account Type	A-shares	% stake	B-shares	Sum % stake
SIX SIS AG	Nominee	91 475 100	23.15		23.15
RH INDUSTRI AS	Ordinary	69 300 190	17.54		17.54
HOFSETH INTERNATIONAL AS	Ordinary	59 611 772	15.09	16 000 000 ^{*)}	15.09
YOKOREI CO. LTD	Ordinary	40 951 333	10.37		10.37
GOLDMAN SACHS INTERNATIONAL	Nominee	22 450 000	5.68		5.68
BRILLIANT INVEST AS	Ordinary	11 000 000	2.78		2.78
UBS SWITZERLAND AG	Nominee	10 978 069	2.78		2.78
GOLDMAN SACHS & CO. LLC	Nominee	9 251 830	2.34		2.34
CITIBANK, N.A.	Nominee	8 015 022	2.03		2.03
JPMORGAN CHASE BANK, N.A., LONDON	Nominee	4 606 816	1.17		1.17
BOMI FRAMROZE HOLDING AS	Ordinary	3 453 370	0.87		0.87
LGT BANK AG	Nominee	3 248 329	0.82		0.82
SAXO BANK A/S	Nominee	3 190 979	0.81		0.81
BNP PARIBAS	Nominee	2 827 628	0.72		0.72
CLEARSTREAM BANKING S.A.	Nominee	2 322 933	0.59		0.59
VERDIPAPIRFONDET DNB SMB	Ordinary	2 317 100	0.59		0.59
ØDEGÅRD PROSJEKT AS	Ordinary	2 174 039	0.55		0.55
INTERACTIVE BROKERS LLC	Nominee	2 135 280	0.54		0.54
SINKABERG AS	Ordinary	1 764 107	0.45		0.45
CITIBANK, N.A.	Nominee	1 627 423	0.41		0.41
Total 20 largest		352 701 320	89.27	16 000 000	89.27
Total other		42 379 710	10.73	0	10.73
Total no. of outstanding shares		395 081 030	100.00	16 000 000	100.00

^{*)} No voting rights

This is Hofseth BioCare

HBC is a Norwegian consumer and pet health company founded on the core values of sustainability, optimal utilization of natural resources and full traceability. It upcycles the side streams of the salmon industry by taking fresh filleted salmon and converting it from a waste product into ingredients to improve human and pet health.

These ingredients are ProGo®, a mix of bioactive peptides and collagen, OmeGo®, a whole salmon oil, with all the fatty acid fractions contained in fish, and CalGo® / NT-II® salmon bone powder containing calcium hydroxyapatite and undenatured collagen for bone and joint health.




HBC places scientific evidence at the forefront which has led to important academic partnerships and the identification of unique health benefits. This includes the demonstration of improved iron metabolism by boosting the body's ability to take up and use iron resulting in increased energy and vitality with ProGo® as well as the activation of the GLP-1 receptor with fat reduction in overweight adults. OmeGo® has shown important immune health benefits including recovery from viral infection and improved res-

piratory health and sleep in adults troubled by particulate matter pollution. Finally, CalGo® has shown both bone and joint health benefits to support healthy ageing and active lifestyles. This work has also resulted in the granting of a number of patents protecting these discoveries. It has also led to the discovery of potential therapeutics and HBC has spun out a biotech-focused company,

HBC Immunology (HBCI) has raised external finance, and the lead program is in prostate cancer followed by ovarian cancer. A separate molecule is targeted as an oral, steroid-sparing therapy for asthma. HBC's headquarters are in Ålesund, Norway with branches in Oslo, London, Zürich, New Jersey and Palo Alto.

HBC is listed on Oslo Stock Exchange with ticker "HBC".

OUR PRODUCTS AND INGREDIENTS

Ingredient	About	Finished products
	Fresh unrefined salmon oil. Produced with 4 years shelf life, full spectrum of omegas and natural antioxidants.	Cardio Salmon Oil™ for human consumption and Brilliant Salmon Oil™ for pets
	Salmon protein hydrolysate. Peptides for fast uptake, and documented BMI reduction, hemoglobin and energy increase.	Endurance Protein™ series as sports nutrition for athletes, active and people looking for a high quality, hypoallergenic protein source
	Marine bone powder, as hydroxyapatite form of calcium for best bone growth and density increase.	Strength Calcium™ as tablets for human consumption

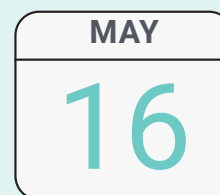
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