



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 982 611 830
Organisasjonsform: Aksjeselskap
Foretaksnavn: PCI BIOTECH AS
Forretningsadresse: Ullernchausséen 64
0379 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ronny Skuggedal
Dato for fastsettelse av årsregnskapet: 26.05.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.06.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Other income	5,6	6 735 000	2 990 000
Sum inntekter		6 735 000	2 990 000
Kostnader			
Research and development	7,8	16 062 000	15 627 000
General and administrative	7,8,9,1 0,13,2 1,22	4 400 000	4 968 000
Sum kostnader		20 462 000	20 595 000
Driftsresultat		-13 727 000	-17 605 000
Finansinntekter og finanskostnader			
Financial income	11	1 601 000	2 056 000
Sum finansinntekter		1 601 000	2 056 000
Financial expenses, intragroup		145 000	499 000
Financial expenses	11,22	95 000	153 000
Sum finanskostnader		240 000	652 000
Netto finans		1 361 000	1 404 000
Resultat før skattekostnad		-12 366 000	-16 201 000
Årsresultat		-12 366 000	-16 201 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Right-of-use assets	22	310 000	297 000
Sum varige driftsmidler		310 000	297 000
Sum anleggsmidler		310 000	297 000
Omløpsmidler			
Varer			
Fordringer			
Other current receivables, intragroup		933 000	0
Other current receivables	16	3 762 000	2 576 000
Sum fordringer		4 695 000	2 576 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14,15, 27	26 529 000	40 128 000
Sum bankinnskudd, kontanter og lignende		26 529 000	40 128 000
Sum omløpsmidler		31 224 000	42 704 000
SUM EIENDELER		31 534 000	43 001 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18	323 000	323 000
Overkurs		24 400 000	35 937 000
Sum innskutt egenkapital		24 723 000	36 260 000



Balanse

Beløp i: NOK	Note	2024	2023
Sum egenkapital		24 723 000	36 260 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	14	0	34 000
Sum annen langsiktig gjeld		0	34 000
Sum langsiktig gjeld		0	34 000
Kortsiktig gjeld			
Leverandørgjeld		1 659 000	701 000
Public duties payables		636 000	772 000
Current lease liabilities	22	336 000	319 000
Other current liabilities, intragroup	19	0	2 538 000
Other current liabilities	20	4 181 000	2 377 000
Sum kortsiktig gjeld	14,19	6 812 000	6 707 000
Sum gjeld	15	6 812 000	6 741 000
SUM EGENKAPITAL OG GJELD		31 535 000	43 001 000



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ANNUAL REPORT 2024

PCI Biotech AS

PCI Biotech AS, Ullemchausséen 64, 0379 Oslo, Norway, Company no: 982611830 VAT
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INTRODUCTION

ABOUT PCI BIOTECH

PCI Biotech AS ("PCI Biotech" or "the Company") is a biotech company headquartered in Norway. The parent company, PCI Biotech Holding ASA, is listed on the Oslo Stock Exchange. The company develops new technologies and novel therapies through its photochemical technology platform originating from world-leading research at the Oslo University Hospital – the Norwegian Radium Hospital.

OUR PLATFORM TECHNOLOGY

The technology platform consists of two elements: a proprietary small molecule photosensitizer and a light source. The technology platform is under development in two different areas. (1) Photochemical lysis (PCL), inducing selective light-triggered cell lysis to enhance yield and purity in viral vector manufacturing, thereby increasing productivity in manufacturing of advanced therapies. (2) Photochemical internalisation (PCI), inducing light-triggered intracellular release, which may unlock the potential of a wide array of therapeutic modalities.

(1) Photochemical lysis (PCL)

Our focus lies in the PCL programme initiated in 2022 to develop a new photochemical technology for increasing yield and reducing impurities in viral vector manufacturing, in particular adeno-associated virus (AAV) gene therapy. There is a great need for novel technologies that enable more effective manufacturing, and PCI Biotech's objective is to replace existing cell lysis methods. As such, the technology shall be applied to extract viral vectors from producer cells while reducing host-cell impurities, by selective disruption of producer cell membranes during the cell lysis process. This may in turn result in a more effective viral vector purification and higher yield addressing the manufacturing capacity shortage.

(2) Photochemical internalisation (PCI)

Several novel classes of drugs (e.g. nucleic acid therapies and certain immunotherapeutics) need access to the inside of their human target cells, such as tumour cells or immune cells, in order to be effective. Pharmaceutical companies struggle to find effective drug delivery methods, to achieve the full therapeutic and commercial potential of their products. The PCI technology may unlock this potential by modifying the intracellular trafficking in target cells, leading to enhanced biological effect of medicinal products. Development of PCI is focussed on dermatological and intratumoural applications. Further development within dermatology is limited to be pursued by collaborations, while intratumoural applications are pursued by an industry PhD candidate grant from the Research Council of Norway.

BUSINESS AREA AND OPERATIONS

BIOPROCESSING

Bioprocessing is the manufacturing of biological drugs, which involves complex processes that are bottlenecks in the endeavour to offer breakthrough therapies to new and larger patient populations. There is a great need for novel technologies that enable more effective bioprocessing with higher yield as well as increased quality.

Gene therapy utilises viruses (viral vectors) to deliver potentially lifesaving genetic medicines to patients. In the manufacturing process, viral vectors are produced by so-called "producer cells" (living cells) that act as "gene therapy factories". The combination of living cells as factories and a complex output (viral vectors) is what makes the manufacturing so challenging.

Manufacturing of viral vectors includes intricate upstream and downstream processes. A critical manufacturing step is AAV extraction from producer cells ("cell lysis"), needed to separate the gene

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therapy material from the cells that produce them. The industry standard for cell lysis is to use chemicals to break open producer cells and release AAV, but these approaches are non-selective and release impurities that complicate the process. In the subsequent downstream process, the viral vectors are separated from various cell debris (host-cell impurities) in sequential purification steps.

Improving manufacturing productivity to make AAV gene therapy more accessible

PCI Biotech's objective is to develop a novel photochemical technology (PCL) for increasing yield and reducing impurities in viral vector manufacturing, in particular manufacturing of adeno-associated viral vectors (AAV). PCL shall be applied in the upstream process to extract viral vectors from producer cells while reducing host-cell impurities. PCL improves extraction of viral vectors by a light-activated photochemical effect that selectively disrupts the producer cell membranes.

The selective disruption enables the extraction of viral vectors with limited release of undesirable impurities from the producer cell, such as host-cell protein and DNA. This may have several important manufacturing benefits compared to existing technologies. Importantly, by reducing host-cell impurities the subsequent downstream purification process may become more efficient. This may ultimately lead to net increased manufacturing yield, as more viral vectors are retained through the various purification steps.

The PCL patent that was filed in 2022 is pending and the international search report received in 2024 was encouraging.

Development status

PCL's value proposition was confirmed by external field testing at the beginning of the year. Upstream field testing results demonstrated PCL's ability to extract AAVs (viral vectors) with reduced host-cell impurities (DNA and protein) in shake flasks. The field testing represented a 20-40x scale-up from PCI Biotech's ultra scale-down process and was considered an important interim scalability milestone, warranting further development.

For the next phase, PCI Biotech works with a renowned process development service provider in the advanced therapy medicine product (ATMP) sector to advance the technology into mini benchtop bioreactors, representing a >10x scale-up from the field testing in shake flasks. Although commercial manufacturing is performed in larger vessels, mini benchtop bioreactors are considered representative of larger-scale manufacturing. Moreover, they can produce sufficient material to perform downstream processing for assessment of end-to-end manufacturing benefits.

The mini benchtop bioreactor results reported per Q1 2025 achieved matching or increased upstream yield compared to industry standard lysis, along with reduced impurities. We consider PCL's scalability as demonstrated by the encouraging upstream results, an important milestone for PCL. Further, PCL is also considered compatible with standard AAV downstream processes without adding complexity. Matching or increased upstream yield with reduced impurities are expected to translate into increased net manufacturing yield after downstream processing, a highly sought-after feature by the industry.

However, downstream processing variability is a challenge in viral vector manufacturing, and has led to inconclusive net yield results in the limited number of mini benchtop bioreactor test runs performed thus far. More test runs in mini benchtop bioreactors with a more robust downstream process are needed to prove PCL's ability to increase net AAV yield in an end-to-end manufacturing process.

Development plan for 2025

Consistently demonstrating improved yield in mini benchtop bioreactor would cement PCL's robustness and strongly indicate that comparable results can be achieved at commercial scale. PCI Biotech will perform new mini benchtop bioreactor runs to reproduce the recent positive upstream results and seek to perform subsequent downstream processing in a more robust system. Successful

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results demonstrating end-to-end manufacturing benefits may pave the way for external late-stage field testing in 2H 2025 and potentially make the technology ready for the research market.

An internal AAV suspension lab in shake flask scale will be established in Q1 2025. A new senior scientist position was established in December 2024 to accelerate this effort. The new facility will support scale-up activities and bring vital hands-on experience and flexibility for further advancement of photochemical methods for bioprocessing.

Illumination in a commercial-scale manufacturing setting is a critical challenge for commercialisation of the PCL technology. We have identified a commercially available 50L bioreactor with built-in LEDs, suitable for AAV manufacturing, which may enable an accelerated development. We are exploring a development leap from mini benchtop into 50L bioreactors, with a minimum working volume of around 12.5L. The current advancement into mini benchtop bioreactor represents a $\approx 500x$ scale-up since PCL's inception, while going for a 12.5L working volume in the 50L bioreactor represents an additional $\approx 50x$. A best-case accelerated development plan is expected to take 2 years before the PCL technology is ready for the large-scale commercial market.

Research collaborations

Collecting performance and usability feedback from potential customers at an early stage is key to understanding what is required to make the technology commercially attractive. The 2024 upstream early-stage field testing in shake flasks with an external partner confirmed the potential benefit of applying PCL in viral vector manufacturing. These results were important interim scalability milestones warranting further development. The field testing collaboration included an option to mutually determine a potential future business transaction. This option lapsed and feedback underscored that successful advancement into mini benchtop bioreactor is a key milestone for partnering. PCI Biotech continues to pursue new and value-adding collaborative opportunities.

Public funding

In support of external field testing and further development of the PCL technology, PCI Biotech received a public grant of up to NOK 3.5 million from Innovation Norway for 2024.

Market assessment

Virus (AAV) enabled gene therapy is one of the most exciting advancements in modern medicine, offering potential to cure genetic diseases. The AAV manufacturing market is driven by the development and success of AAV therapies. These transformative treatments remain prohibitively expensive, often exceeding \$2 M per treatment. A major challenge lies in inefficient and costly manufacturing processes. Up to 70% of AAV gene therapy material is lost during production, generating a manufacturing capacity shortage we aim to address. More than 200 clinical AAV trials were ongoing as of 2024, with an annual expected growth rate of 15%. Improved manufacturing productivity is a highly sought-after feature by the industry and a potential batch yield increase in the range of 10-50% creates a significant asset value potential for PCL.

Business model

We envision to license PCL to AAV manufacturers (CDMO/pharma/equipment providers) and gene therapy owners (biotech/pharma), generating revenue through access fees, milestone payments and R&D services. By targeting AAV manufacturers as market hubs, the model ensures strong market positioning and long-term value while securing flexibility towards gene therapy owners. A demonstration of increased net AAV yield from mini benchtop bioreactor productions, targeted for 2025, would mark PCL's readiness for the smaller R&D market and lay groundwork for entering the commercial manufacturing market, pending successful scale-up.



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OTHER DEVELOPMENT PROGRAMMES

PCI Biotech has two development programmes utilising the photochemical internalisation (PCI) technology. These are (1) dermatology and (2) intratumoural applications. Development within dermatology is limited to be pursued by collaborations, while intratumoural applications are pursued by an industry PhD candidate grant from the Research Council of Norway. In accordance with the strategic decision to focus efforts on bioprocessing and dermatology the patent portfolio for other applications outside these areas has been trimmed down.

Dermatology

Nucleic acid therapeutics have the potential to improve treatment of dermatological diseases, but delivery to skin lesions remains an obstacle. This is a challenge PCI is uniquely positioned to solve, by achieving site-directed intracellular nucleic acid delivery. Further development is dependent of collaborations.

Intratumoural immunotherapy

PCI is a technology designed for local enhancement of therapeutic effects and is well suited for delivery of immune stimulants to tumour sites. PCI Biotech is exploring intratumoural immunotherapy by an industry Ph.D. candidate grant from the Research Council of Norway. The grant is up to NOK 2.5 million for 2023-2025, aiming at identifying novel treatment combinations to overcome resistance to immune-checkpoint inhibitors and safety-issues associated with such treatments.



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PCI Biotech AS – financial statement

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2024 (1.1 - 31.12)

(figures in NOK 1 000)	Note	2024	2023
Other income	5,6	6 735	2 990
Total income		6 735	2 990
Research and development	7,8	16 062	15 627
General and administrative	7,8,9,10,13,21,22	4 400	4 968
Total operating expenses		20 461	20 595
Operating results		-13 726	-17 605
Financial income	11	1 601	2 056
Interest expense, intragroup		145	499
Financial expenses	11,22	95	153
Net financial results		1 362	1 404
Profit/Loss before income tax		-12 364	-16 201
Income tax	12	-	-
Net profit/loss for the year		-12 364	-16 201
Other comprehensive income, net of tax			
Items that will not be reclassified to income statement		-	-
Items that subsequently may be reclassified to income statement		-	-
Total comprehensive income for the year		-12 364	-16 201



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PCI Biotech AS

BALANCE SHEET

for the year ended 31 December 2024

ASSETS <i>(figures in NOK 1 000)</i>	Note	2024	2023
Non-current assets			
Property, plant and equipment	13	-	-
Right-of-use assets	22	310	297
Total non-current assets		310	297
Current assets			
Other current receivables, intragroup		933	-
Other current receivables	16	3 762	2 576
Total receivables	15	4 696	2 576
Cash and cash equivalents	14,15,17	26 529	40 128
Total current assets		31 224	42 704
Total assets		31 534	43 000




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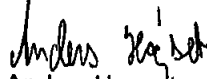
PCI Biotech AS

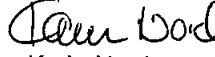
BALANCE SHEET for the year ended 31 December 2024

EQUITY AND LIABILITIES <i>(figures in NOK 1 000)</i>	Note	2024	2023
Equity			
Share capital	18	323	323
Share premium		24 400	35 937
Retained earnings		-	-
Total equity	8	24 723	36 260
Liabilities			
Non-current liabilities			
Other non-current liabilities	14	-	34
Total non-current liabilities		-	34
Current liabilities			
Trade account payables		1 659	701
Current lease liabilities	22	336	319
Public duties payables		636	772
Other current liabilities, intragroup	19	-	2 538
Other current liabilities	20	4 181	2 377
Total current liabilities	14,19	6 811	6 706
Total liabilities	15	6 811	6 740
Total equity and liabilities		31 534	43 000

Oslo, 16 May 2025
Board of Directors and Chief Executive Officer,
PCI Biotech AS


Ronny Skuggedal
Chair, CEO


Anders Høgset
Director


Karin Nord
Director



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PCI Biotech AS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024
(attributable to the parent company)

(figures in NOK 1 000)

	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity 31 December 2022	18	6 142	44 364	-	-	50 506
Loss for the period		-	-8 428	-7 773	-	-16 201
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the period		-	-8 428	-7 773	-	-16 201
Capital changes		-5 819	-	5 819	-	-
Share based payments	8	-	-	1 955	-	1 955
Equity 31 December 2023	18	323	35 937	-	-	36 260
Loss for the period		-	-11 537	-827	-	-12 364
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the period		-	-11 537	-827	-	-12 364
Share based payments	8	-	-	827	-	827
Equity 31 December 2024	18	323	24 400	-	-	24 723



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PCI Biotech AS CASH FLOW STATEMENT for the year ended 31 December 2024

		2024	2023
<i>(figures in NOK 1 000)</i>	Note		
Profit/Loss before income tax		-12 364	-16 201
Depreciation and amortisation	7,14	303	371
Leasing interest cost	22	58	47
Share-based payments	8	827	1 955
Changes in accounts receivables		-1 186	3 563
Changes in account payables		958	212
Changes in other net operating assets and liabilities		1 634	-521
Cash flow from operating activities		-9 771	-10 574
Net transactions intragroup interest-bearing loan		-3 472	-4 824
Payment principal portion of lease liability	22	-357	-442
Net cash flow from financing activities		-3 828	-5 266
Net changes in cash and cash equivalents		-13 599	-15 840
Cash and cash equivalents 1 January		40 128	55 968
Cash and cash equivalents 31 December	17	26 529	40 128
Additional information on operational cash flow			
<i>Interest paid</i>		145	499
<i>Interest received</i>		1 566	2 017



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PCI BIOTECH AS – ACCOUNTING PRINCIPLES 2024

1. Corporate information

The annual financial statement for 2024 for PCI Biotech AS (the Company or PCI Biotech) were approved for publication by the Board of Directors on 16 May 2025.

PCI Biotech AS is a wholly owned subsidiary of PCI Biotech Holding ASA, a public listed company at Oslo Børs and domiciled in Norway. The business of PCI Biotech is associated with research and development of pharmaceutical products and related technical equipment. PCI Biotech AS is registered with office address at Ullernchausséen 64, N-0379 Oslo, Norway.

2. Significant accounting policies

2.1 Basis of preparation

The annual financial statement is prepared in accordance with IFRS Accounting Standards as adopted by the EU as per 31 December 2024.

The annual accounts has been prepared on the basis of historical cost. The financial income statement is presented by function of expense.

NOK (Norwegian kroner) is the functional currency. In the absence of any statement to the contrary, all financial information is reported in whole thousands. As a result of rounding adjustments, the figures in the financial statements may not add up to the totals.

2.2 Summary of significant accounting policies

The accounting policies that are material to the consolidated entity are set out below.

a) Government grants

Government grants are presented as other income. Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

b) Taxes

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

c) Intangible assets - Research and development costs, and patents and trademarks

The Company has currently no development expenditure that qualifies for recognition as an asset under IAS 38 Intangible Assets. Research costs, including costs related to patents and trademarks, are expensed as incurred.

d) Financial instruments

Financial assets at amortised cost are the most relevant category for the Company. The Company does not have financial assets at fair value through profit and loss.

e) Share-based payments

Employees (including executive management) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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The cost of equity-settled transactions is determined by the fair value at the date when the grant of share-options are made using the Black-Scholes valuation model.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted for 2024 are consistent with those of the previous financial year. There are amendments effective for the period beginning 1 January 2024 related to IAS 7, IFRS 7, IFRS 16 and IAS 1. These amendments had no effect on the financial statements.

3. Significant accounting estimates and assumptions

The preparation of the Company's annual financial statement requires management to make judgments, estimates and assumptions that affect the reported amounts of other revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Financial risk management and policies, Note 14 Financial risk.

In the process of applying the Company's accounting policies, management has made the following estimates and assumption, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- The fair value of employee options is calculated according to the Black-Scholes method. This method involves the use of estimates and discretionary assessments, as described in more detail in Note 8. The allocation of options to employees of subsidiary is made directly from the parent company and the financial presentation is correspondingly reported in the subsidiary, PCI Biotech AS.
- The Company has not recognised a deferred tax asset related to carry forward losses, as described in more detail in Note 12 Tax.

4. New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted for the annual reporting period ended 31 December 2024.

IFRS 18 Presentation and Disclosure in Financial Statements was issued in 2024, effective for periods beginning on or after 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements and introduce new requirements to help achieve comparability across companies. IFRS 18 will not change how companies recognise and measure items in the financial statements. However, most companies will expect changes in the presentation of the statement of profit or loss and disclosure in the notes. The impact of changes resulting from implementation of IFRS 18 has not yet been assessed for PCI Biotech.



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PCI BIOTECH AS - NOTES FINANCIAL STATEMENT 2024

5 OTHER INCOME

OTHER INCOME

(figures in NOK 1,000)

	2024	2023
SkatteFUNN	2 384	2 148
Grants from the Research Council of Norway	851	746
Grants from Innovation Norway	3 500	-
Other	-	96
Total other income	6 735	2 990

Government grants for R&D purposes are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants are disclosed as other income. The Research Council of Norway have approved a SkatteFUNN and a PhD industry candidate grant for the period from 2023 through 2025, while Innovation Norway has approved a grant for 2024. Grant receivables as of year-end are disclosed in Note 16 Receivables.

6 OPERATING SEGMENTS

The Company has only one operating segment, which is research and development. The accounting principles applied for operating segment and financial reporting purposes, are consistent. The Company had no revenues for the reporting periods. All non-current assets are geographically located to Norway.

7 STATEMENT OF COMPREHENSIVE INCOME ACCORDING TO CLASSIFICATION AND R&D EXPENSES BY CATEGORY

Operating costs according to classification.

(figures in NOK 1,000)

	Note	2024	2023
Salary expenses	8	8 884	9 650
Share option scheme, accounting effect	8	768	2 014
R&D exclusive salary and other operating expenses		9 003	6 179
Depreciation and amortisation	14,22	303	371
Legal, audit, accounting, patents, and other fees		639	3 406
Other operating expenses		864	-1 025
Total operating expenses		20 461	20 595

Of the total salary expenses NOK 4 806 relates to R&D activities (2023: NOK 5 806).

R&D expenses by category:

	2024	2023
Pre-clinical studies	12 303	9 613
CMC and equipment	1 505	2 172
Patents	2 253	3 642
Other expenses	-	200
Total R&D expenses	16 062	15 627

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The Company has no development expenditure that qualifies for recognition of an asset under IAS 38 and intangible assets and all research expenditures are charged through the income statement, in line with previous years. A new batch of the product under development (fimaporfin) was produced in 2019 and an estimated cost value of fimaporfin in stock per year-end is NOK 2.5 million (2023: NOK 2.5 million).

8 SALARY EXPENSES AND OTHER REMUNERATION

(figures in NOK 1,000)

	Note	2024	2023
Wages and Board of Directors remuneration		6 983	7 447
Social security contributions		1 103	1 306
Share-based payments, incl social security		768	2 014
Pension costs	9	697	784
Other expenses		100	112
Total salary expenses		9 652	11 664
No. of full-time equivalent positions		5.2	6.2

Share option programme for employees

Employees (including executive management) of the Company receive remuneration partly in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The employees are employed in the subsidiary, PCI Biotech AS, and the share-based payment is thus accounted for as a P&L effect in the Company accounts and an investment in subsidiary in the parent company accounts. Each share option gives the right to subscribe for or acquire one share upon PCI Biotech Holding ASA's choice. The Black-Scholes method is used for fair value assessment of the share options at grant date. Further details about the share option program can be found in the Group remuneration policy. A total number of 885,000 share options were granted in 2024, and 700,000 in 2023. The Board of Directors has not been granted any share options. See note 21 Related party transactions for further information.

Valuation method for fair value assessment of share options granted

The Black-Scholes method is used for fair value assessment of the share options at grant date. Volatility is calculated based on PCI Biotech Holding ASA's stock market valuation. The exercise price is set at market terms, equal to the average volume weighted share price last five days of trade prior to grant date (5 days VWAP), and no premium for the share options are paid. The risk-free interest rate is based on Norwegian 3-5 years government bond yield. Each option program is assessed separately, and the fair value estimated at grant date is amortised over the vesting term. The share options granted in 2024 and 2023 are granted with a value cap of 20 times the strike price. If the value cap threshold is met, all share options will vest immediately and be available for exercise. The table below shows input values used in the fair value assessment model, and other relevant information.

Share options granted in 2024 and 2023	September 2024	September 2023
Number of share options granted	885 000	700 000
Dividend yield	0	0
Historical volatility (%)	166 %	109 %
Risk free interest rate (%)	3.18%	3.96%
Expected share option lifetime (years)	5	5
Expected level of vesting	81%	78%
Strike price (5 days VWAP)	NOK 1.81	NOK 1.66
Fair value of all share options	NOK 1.7 million	NOK 0.8 million
Vesting term	3 years	3 years
Value cap	20x strike price	20x strike price

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Authorisation from the annual general meeting

The general meeting in the parent company PCI Biotech Holding ASA, held 24 May 2024, authorised the Board of Directors to grant the employees with a total of 2,790,000 share options and the authorisation applies for one year. 2,388,334 share options of the current authorisation have been granted by the Board of Directors at year-end 2024.

Share option scheme income statement effect and year-end balance sheet items

	2024	2023
Income statement effect	NOK -0.8 million	NOK -2.0 million
Other non-current liability	-	NOK 34 thousand

The potential social security liability for future exercises is calculated based upon share options that are in-the-money per reporting date and recognised as a current- or non-current liability in the balance sheet depending on vesting date of the underlying share options.

Share options outstanding at the end of the period have the following expiry date, exercise prices, and average remaining lifetime:

Expiry date	Exercise price in NOK per share	Number of share options		Average remaining lifetime (years)	
		2024	2023	2024	2023
2024 - Q3	25.78	-	150 000	-	0.7
2025 - Q3	50.36	130 000	130 000	0.7	1.7
2026 - Q3	19.41	136 667	136 667	1.7	2.7
2027 - Q3	1.90	556 667	556 667	2.7	3.7
2028 - Q3	1.66	680 000	680 000	3.7	4.7
2029 - Q3	1.81	885 000	-	4.7	-
Total		2 388 334	1 653 334		

Options granted to employees, average exercise price and transactions during the year is listed below:

	2024		2023	
	Number	Average exercise price in NOK per share	Number	Average exercise price in NOK per share
Outstanding at the beginning of the year	1 653 334	9.23	1 000 000	14.41
Granted during the year	885 000	1.81	700 000	1.66
Lapsed during the year	150 000	25.78	46 666	6.80
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at year-end	2 388 334	5.44	1 653 334	9.23
Exercisable options at year-end	864 445	11.89	570 000	21.99



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9 PENSION EXPENSES

(figures in NOK 1,000)

	2024	2023
Total pension cost from contribution schemes	697	784

The contribution pension scheme is in compliance with Norwegian public requirements and a total of 6 employees are included in the scheme at year-end 2024 (2023: 7 employees). The contributions are ranging from 7% to 21% of the employee's ordinary salary up to 12 times the basic amount (G) of the Norwegian National Insurance scheme.

10 AUDITORS FEE

AUDITOR FEES

(figures in NOK 1,000)

	2024	2023
Statutory audit	76	65
Other assurance services	33	0
Total	109	65

11 FINANCIAL INCOME AND EXPENSES

(figures in NOK 1,000)

	2024	2023
Interest income	1 566	2 056
Other financial income	35	0
Total financial income	1 601	2 056

Interest expense	-	105
Interest expense leasing	58	47
Interest expense intragroup	145	499
Other financial expense	36	0
Total financial expense	239	652



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12 TAX

(figures in NOK 1,000)

	2024	2023
Comprehensive income before tax	-12 364	-16 201
Expected nominal rate of tax (2024: 22% / 2023: 22%)	-2 720	-3 564
Permanent differences charged through P&L	-352	-53
Deferred tax asset not recognised in the balance sheet	3 073	3 618
Total tax expense for the year	0	0

Specification of basis for deferred tax asset / liability

	2024	2023
Temporary differences:		
<i>Fixed assets</i>	-2 823	-3 529
<i>Right of use asset / lease liability</i>	-26	-22
<i>Social security liabilities share option scheme</i>	0	-59
Tax loss carry forward	-683 794	-669 067
Temporary differences and tax loss carry forward	-686 643	-672 677
Deferred tax assets not recognised	-151 061	-147 989
Deferred tax assets recognised	0	0

The Company has no history of taxable profits and due to uncertainty of future utilisation, deferred tax assets have not been recognised in the balance sheets. The corporate tax rate in Norway was 22% in 2024 and 2023. The carry forward loss has no time limit according to current tax legislation.

13 FIXED AND INTANGIBLE ASSETS

(figures in NOK 1,000)

	Device	Office equipment	Total
Acquisition cost per 31 December 2023	9 609	392	10 001
Acquisition cost per 31 December 2024	9 609	392	10 001
Accumulated depreciation per 1 January 2023	9 609	375	9 984
Ordinary depreciation 2023	-	18	18
Accumulated depreciation per 31 December 2023	9 609	392	10 001
Ordinary depreciation 2024	-	-	-
Accumulated depreciation per 31 December 2024	9 609	392	10 001
Book value per 31 December 2023	0	0	0
Book value per 31 December 2024	0	0	0

14 FINANCIAL RISK

This note describes the Company's various financial risks and the management of these. In addition, numerical tables for risk associated with financial risks are also presented.

(I) Organisation of financial risk management

PCI Biotech has an international business operation and is exposed to currency risk, interest risk, liquidity risk and credit risk. The Company has not utilised any derivatives or other financial instruments to reduce these risks during the accounting period. The responsibility for managing

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financial risk is at group level. The risk associated with centralised activities such as financing, interest rate and currency management is managed at group level. In addition, the group manages the risks associated with the business processes. The financial risk management is monitored by the Board of Directors.

Centralised risk management

PCI Biotech has a centralised risk management policy. The most important tasks within risk management are to ensure the Company's financial freedom to act both in a short- and long-term perspective, and to monitor and manage financial risk in cooperation with the individual units in the group.

Financial risk

This section describes the most important risk factors within each business area and the management of these. In this context, financial risk is understood as risk associated with financial instruments. These can either be hedging instruments for underlying risk or be considered themselves as a source of risk. Market risk is not hedged with financial instruments.

Research and development activities

PCI Biotech carries out research and development for new innovative medical products based on the company's patented technology. The currency risk in research and development is limited to the purchase of services, primarily related to pre-clinical studies. The Company's expenses are incurred in multiple currencies. The Company is therefore exposed to fluctuations in exchange rates and the risk is assessed on a regular basis. PCI Biotech is currently not using any financial hedging instruments.

(II) Classes of financial risk

Interest rate risk

Except for interest-bearing leasing liabilities, PCI Biotech does not have any interest-bearing debt, and the company's interest rate risk is primarily associated with cash positions and cash equivalents. This risk is managed at group level. The main strategy is to diversify the risk and invest in cash deposits with fixed or spot interest rates or money market funds with low risk, high liquidity and short duration. All funds are placed as cash deposits per year-end 2024 and 2023.

Interest rate sensitivity

	Interest rate change	Effect on financial result	
		2024	2023
Bank deposits	+2%	297	499
	-2%	-297	-499
	+5%	742	1 249
	-5%	-742	1 249



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Liquidity risk

The biotech industry is a resource demanding industry, and product development can be both labour and cash intensive. One of the main objectives of PCI Biotech's financial policy is to ensure that the company has sufficient short- and long-term financial flexibility to achieve strategic and operational objectives. PCI Biotech's goal is to at least have sufficient funds to cover the expected capital need for the next 12 months, as well as a strategic reserve. This goal is not achieved as of year-end 2024. The Company closely monitors cash flows based on short- and long-term forecasts.

The cash burn rate depends mainly on the level of activity in the development projects. PCI Biotech has no external debt with financial covenants or material long-term debt. Current operations do not involve substantial long-term commitments for the Group, allowing flexibility for adjusting operational activities and the corresponding cash burn rate.

PCI Biotech's most important sources of financing are future royalty and milestone payments associated with potential licensing agreements, government grants, and the capital market. PCI Biotech is a pre-commercial stage biotech, meaning that the Company mainly relies on the ability to raise funds via the equity capital market and government grants.

The capital market is foreseen to be used as a source of liquidity when this is appropriate, but no assurance can be made about PCI Biotech's ability to raise such financing. For further information about the going concern assessment, please refer to Note 23 Going concern.

(figures in NOK 1,000)

	Remaining period				
	Less than 1 month	1-3 months	3-12 months	1-5 years	Total
31.12.2024					
Trade accounts payables	1 659	-	-	-	1 659
Current lease liabilities	-	-	336	-	336
Public duties payables	523	-	113	-	636
Other current liabilities	822	1 736	1 623	-	4 181
Total liabilities	3 004	1 736	2 071	-	6 811
31.12.2023					
Other non-current liabilities	-	-	-	34	34
Trade accounts payables	701	-	-	-	701
Current lease liabilities	-	-	319	-	319
Public duties payables	541	96	136	-	772
Other current liabilities	280	957	1 140	-	2 377
Other current liabilities, intragroup	-	-	2 538	-	2 538
Total liabilities	1 521	1 052	4 133	34	6 740

Other non-current liabilities relate to estimated social securities for potential future share option exercises in the group's remuneration incentive program.

Credit risk

PCI Biotech has no sales or receivable balances based on sales and faces therefore no credit risk, and no bad debt provision has been recognised during 2024 or 2023. The majority of the Company's financial assets are cash and cash equivalents and these funds are placed in cash deposits in different banks with satisfactory credit ratings. The credit risk for these funds is assessed to be low and no impairment test are performed for 2024 or 2023.



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Foreign currency risk

As NOK is the Company's functional currency, PCI Biotech is exposed to foreign currency risk associated with foreign net exchange rate exposure. Expenses accrue in various currencies, primarily NOK and EUR. PCI Biotech is therefore exposed to fluctuations in foreign exchange rates and evaluates whether measures should be taken to reduce the foreign currency risk through hedging for significant transactions and projects.

The following table details the Company's sensitivity to potential changes in the foreign currency exchange rate, with all other factors constant. The changes in exchange rates of +/-10% is considered to be a reasonably possibly change. The calculation assumes an equal change in exchange rates against all relevant foreign currencies. The estimated effect on operating result is due to changes in value of monetary items in the balance sheet per year-end, with no effect on Other Comprehensive Income.

	Changes in exchange rates - Euro	Effect on operating result (NOK 1,000)
2024	+/- 10 %	+/- 213
2023	+/- 10 %	+/- 49

15 CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial assets are governmental grant receivables, and the financial liabilities are accounts payables and other current liabilities. The financial liabilities include liabilities to the parent company PCI Biotech Holding ASA. All these financial assets and liabilities are classified as financial instruments at amortised costs, and no financial assets or liabilities are classified at fair value through profit and loss.

Financial assets and liabilities at amortised costs are measured at their nominal amount, as the nominal amount is assessed to be fair value due to the immaterial discounting effect for short-term maturities, except for lease liabilities which are measured and disclosed at amortised cost.

16 RECEIVABLES

Receivables are measured by the amortised cost method, but due to the assets being current receivables the non-discounted contractual payments are disclosed.

Other current receivables - specification

(Figures in NOK 1,000)

	31.12.2024	31.12.2023
Recognised not received government grants	3 368	2 394
Other	-	28
VAT receivables	395	154
Total other current receivables	3 762	2 576



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17 CASH AND CASH EQUIVALENTS

(Figures in NOK 1,000)

	31.12.2024	31.12.2023
Cash and cash equivalents, restricted ⁽¹⁾	376	385
Cash and cash equivalents, non-restricted	26 153	39 742
Total	26 529	40 128

(1) Restricted cash and cash equivalents are security for the employees' withholding tax and bank deposits.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. The cash and cash equivalents are primarily placed in cash deposits in NOK in different banks with satisfactory credit ratings. The credit risk for these funds is assessed to be low and no impairment test are performed for 2024 or 2023.

18 SHARE CAPITAL

	No. of shares	Nominal value per share in NOK	Share capital in NOK
Share capital as per 31.12.2022	3 232 600	1,90	6 141 940
Share write down in 2023	-	-1,80	-5 818 680
Share capital as per 31.12.2023	3 232 600	0,10	323 260
Transactions in 2024	-	-	-
Share capital as per 31.12.2024	3 232 600	0,10	323 260

All shares have equal voting rights and otherwise have equal rights in the company and one share represents one voting right. Ordinary shares are classified as equity and only one class of shares exists. Expenses that are directly attributable to the issue of ordinary shares are disclosed as reduction of equity.

As proposed by the board, an extraordinary general meeting on 27th September 2023 decided that a write-down of the share capital was to be carried out by way of a reduction of the nominal value of the Company's shares in order to establish a capital structure that is sound and reasonable for the business PCI Biotech currently operates. The write-down was completed and duly registered on 6 December 2023.



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Shares owned in the parent company PCI Biotech Holding ASA, directly or indirectly, by members of the board of PCI Biotech Holding ASA and PCI Biotech AS, and executive management and their personally related parties per 31.12.2024 and per 31.12.2023:

Name	Position	Number of shares	
		31.12.2024	31.12.2023
Hans Peter Bøhn	Chair	123 662	123 662
Lars Viksmoen	Board member	12 966	12 966
Hilde Furberg (Borkenholm AS)*	Board member	8 000	8 000
Anders Høgset	CSO	64 800	64 800
Ronny Skuggedal	CFO	55 000	55 000
Total		264 428	264 428

*Hilde Furberg's shares are owned via Borkenholm AS, which is a related party to Hilde Furberg.

19 FINANCING STRUCTURE

Except for interest-bearing leasing debt, the Company had no external interest-bearing debt as of year-end 2024 or 2023.

20 OTHER CURRENT LIABILITIES BY YEAR-END

(Figures in NOK 1,000)

	31.12.2024	31.12.2023
Accruals for incurred external R&D expenses	2 466	840
Accruals for employee bonus, holiday payments, board remuneration etc.	1 715	1 537
Total other current liabilities	4 181	2 377

Other current liabilities are measured by the amortised cost method, but due to the liabilities being current liabilities the non-discounted contractual payments are disclosed.

21 RELATED PARTIES TRANSACTIONS

Figures for remuneration are expensed amounts in the financial year. All board remunerations are accounted for in the parent company.

Executive remuneration (NOK 1,000)	2024	2023
Management team remuneration	4 142	4 164

The management team per year-end 2023 consists of a combined CEO and CFO position, and a CSO, totalling 2 persons.

It is not given additional remuneration for special services outside the normal functions of a senior executive, and no remunerations are made for board positions in PCI Biotech AS for 2024 or 2023.

The senior executives participate in the Company's pension plan that is a defined contribution plan which entails payment of 7% to 21% of the employee's annual salary up to 12 times the basic National Insurance amount (G). The pension scheme also covers in the event of disability.

The CEO is entitled to six months' notice and has an agreement of additional six months' salary on certain terms. There are no agreements beyond the statutory requirements for other senior executives.

There are no loans or pledges to senior executives, board of directors, employees or other persons in

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elected corporate bodies. For more details about PCI Biotech's remuneration policy, please see the parent company's, PCI Biotech Holding ASA, established guidelines on the determination of salaries and other remuneration of executive management in accordance with § 6–16a of the Norwegian Public Companies Act.

Senior executive's shareholdings in the parent company PCI Biotech Holding ASA are disclosed in note 18 Share capital.

Allocation, exercise and holdings of share options in the parent company, PCI Biotech Holding ASA, for senior executives are presented in the table below:

Overview share options, Senior executives	Total holdings 31.12.2023	Allocated	Lapsed	Exercised	Expired	Total holdings 31.12.2024	Average exercise price in NOK
Ronny Skuggedal, CEO / CFO	660 000	400 000	-	-	40 000	1 020 000	5.03
Anders Høgset, CSO	370 000	130 000	-	-	40 000	460 000	8.60
Total	1 030 000	530 000	-	-	80 000	1 480 000	

Other related parties:

PCI Biotech Holding ASA:

The parent company, PCI Biotech Holding ASA, has no employees and group operations are therefore managed through PCI Biotech AS. These operations include services like management, offices, finance, and investor relation functions for the group. All transactions are performed at market terms.

The parent company has been charged for operations according to the service agreement of NOK 1.6 million in 2024 (2023: NOK 1.7 million). The parent company has charged PCI Biotech AS interest expenses for intercompany loans of NOK 0.1 million during 2024 (2023: NOK 0.5 million). Net current receivables from the parent company PCI Biotech Holding ASA were NOK 0.9 million per year-end 2024. Net current liabilities to the parent company PCI Biotech Holding ASA at year-end 2023 were NOK 2.5 million.

22 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

PCI Biotech has entered into a lease agreement with Oslo Cancer Cluster Incubator, Ullernchausséen 64 Oslo, Norway. In 2024 the lease agreement was amended to reflect reduced office space and a 6 month rolling lease term. The lease agreement is subject to annual adjustment according to changes in the consumer price index. Right-of-use assets and lease liabilities are measured according to the amortised cost model, applying an incremental borrowing rate of 12% (2023: 12%). Nominal amounts of minimum lease payment for the non-cancellable operating leases are NOK 0.2 million (non-discounted contractual payments) per year-end 2024 (2023: NOK 0.5 million).

Payments for the principal portion of the lease liabilities are not charged to profit and loss and will only have cash flow effects.

Right-of-use asset - office lease

Accumulated acquisition costs 01.01.2023	3 151
Adjustments FY2023	-56
Accumulated acquisition costs 31.12.2023	3 095
Additions FY2024	316
Accumulated acquisition costs 31.12.2024	3 411

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Accumulated depreciation and impairment as of 01.01.2023	2 447
Depreciation FY 2023	352
Accumulated depreciation and impairment as of 31.12.2023	2 799
Depreciation FY 2024	303
Accumulated depreciation and impairment as of 31.12.2024	3 103
<hr/>	
Total right-of-use assets – office lease as of 31.12.2023	297
Total right-of-use assets – office lease as of 31.12.2024	310

Lower of remaining lease term or economic life – 2023	1.0 years
Lower of remaining lease term or economic life - 2024	1.0 years
Depreciation method	Linear

Lease liabilities - office

Accumulated lease liabilities 01.01.2023	770
De-recognition during 2023	-56
Payments principal portion of the lease liability FY 2023	-442
Interest expenses on the lease liability FY 2023	47
Accumulated lease liabilities 31.12.2023	319
Recognition during 2024	316
Payments principal portion of the lease liability FY 2024	-357
Interest expenses on the lease liability FY 2024	58
Total lease liabilities for office as of 31.12.2024	336

Whereof:

Current lease liabilities < 1 year 2024 / 2023	336 / 319
Non-current lease liabilities > 1 year 2024 / 2023	0 / 0

The Company applies the short-term lease recognition exemption for leases related to office equipment and parking facilities at the office in Oslo. Lease payments for this category of leases are consequently charged directly through profit and loss.

<u>Income statement effects leasing</u>	2024	2023
Depreciation of right-of-use asset	-303	-352
<u>Effect on Operating results net of tax</u>	-303	-352
Interest expenses on the lease liabilities	-58	-47
<u>Effect on Net financial result net of tax</u>	-58	-47
<u>Comprehensive income effect net of tax</u>	-361	-400

The Company had total cash outflows related to leases of NOK 0.4 million in 2024 (2023: NOK 0.5 million).

23 GOING CONCERN

The financial statements for 2024 have been prepared under the going concern assumption in accordance with § 4-5 of the Norwegian Accounting Act (NAA).

The cash position at year-end 2024 is not expected to support the planned operations for the next twelve months. PCI Biotech AS is dependent on financial support from the parent company, PCI

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Biotech Holding ASA, which finalised a capital increase with gross proceeds of NOK 360 million in October 2018. Major parts of the proceeds have been transferred to PCI Biotech AS during 2018-2024, by capital increases and intragroup debt. The parent company, PCI Biotech Holding ASA, will continue to financial support PCI Biotech AS as this entity is the operational unit within the PCI Biotech group and the company has not reached commercial stage per date of this financial statement. Per year-end 2024 the parent company, PCI Biotech Holding ASA, has limited cash to support the subsidiary and future support via cash transfers depends on PCI Biotech Holding ASA's ability to raise funds in the capital market.

PCI Biotech group has no external debt with financial covenants or material long-term debt. Current operations do not involve substantial long-term commitments for the PCI Biotech group, allowing flexibility for adjusting operational activities and the corresponding cash burn rate. The PCI Biotech group will continue to explore financing and strategic opportunities to secure continued operations beyond the next twelve months from the date of this report. The capital market is foreseen to be used as a source of liquidity by the PCI Biotech group when this is appropriate, but no assurance can be made about PCI Biotech group's ability to raise such financing. The uncertainty around access to financing indicates that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

24 SUBSEQUENT EVENTS

A total of 75,000 share options were allotted to Morten Luhr connected to his promotion to Chief Scientific Officer and member of the executive team in January 2025. The current authorisation to the Board of Directors, granted by the Annual General Meeting in May 2024, for the employee share option program allows for a total of 2,790,000 share options, of which 2.463.334 share options have been granted by the Board of Directors per date of this report.

PCI Biotech is not aware of any other subsequent events since year-end 2024 which are of material significance to the financial statements as of 31 December 2024.



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To the General Meeting of PCI Biotech AS

Independent Auditor's Report

Opinion

We have audited the financial statements of PCI Biotech AS (the Company), showing a loss of TNOK 12 364. The financial statement comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 23 in the financial statements, which indicates that the Company's cash position at year-end 2024 is not expected to support the planned operations for the next twelve months. As stated in Note 23 the parent company, PCI Biotech Holding ASA, has limited cash to support PCI Biotech AS for the next twelve months. Note 23 disclose uncertainty regarding access to further capital for the next twelve months subsequent to the period end date 31 December 2024. This indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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RSM Norge AS (organisasjonsnummer 982316588), RSM Advokatfirma AS (organisasjonsnummer 914095573), RSM Norge Kompetanse AS (organisasjonsnummer 925107492). RSM Norge AS er medlem av RSM-nettverket og driver under navnet RSM. RSM er forretningsnavnet som brukes av medlemmene i RSM-nettverket. RSM Advokatfirma AS og RSM Norge Kompetanse AS er selskaper tilknyttet RSM Norge AS. Hvert medlem i RSM-nettverket er et selvstendig revisjons- og rådgivningsfirma med uavhengig virksomhet. RSM-nettverket er ikke selv en egen juridisk person av noen form i noen jurisdiksjon.





Independent Auditor's Report 2024 for PCI Biotech AS



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appear to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





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- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 16 May 2025
RSM Norge AS

Marthe Lise Drolsum
State Authorised Public Accountant





Enabling advanced therapies

OTHER INFORMATION

DEFINITIONS AND GLOSSARY

AAV:	Adeno associate virus
ATMP:	Advanced Therapy Medicine Product
Fimaporfin:	Generic name of the photosensitiser active ingredient TPCS2a
IFRS:	International Financial Reporting Standards
NAA:	Norwegian Accounting Act
PCI:	Photochemical internalisation
PCL:	Photochemical lysis
PCIB:	The parent company PCI Biotech Holding ASA's ticker at Oslo Børs
R&D:	Research and Development

FORWARD LOOKING STATEMENTS

This Report contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, and are sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Report, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that are expressed or implied by statements and information in the Report, including, among others, risks or uncertainties associated with the Company's business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, and fluctuations in currency exchange rates and interest rates. None of the Company or any of its subsidiaries or any such person's directors, employees or advisors provide any assurance that the assumptions underlying forward-looking statements expressed in this Report are free from errors nor does any of them accept any responsibility for the future accuracy of such forward-looking statements.



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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 22.08.2014	Vår dato 09.09.2014
Telefon 22078139	Deres referanse Per Walday	Vår referanse 2014/586078

PCI BIOTECH HOLDING ASA
Strandveien 55
1366 LYSAKER

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 22 August 2014, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the following companies;

PCI Biotech Holding ASA org. nr. 991 036 393
PCI Biotech AS org. nr. 982 611 830

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that PCI Biotech Holding ASA and PCI Biotech AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

PCI Biotech Holding ASA is listed at Oslo Axess. PCI Biotech Holding ASA is granted exemption from the Norwegian language requirement at Oslo Axess. PCI Biotech Holding ASA has one wholly owned subsidiary, PCI Biotech AS, where all employees within the group are located and all operations take place. PCI Biotech's largest shareholder is Photocure ASA, which is a professional player in the international life science industry. The second largest shareholder is The Norwegian Radium Hospital Research Foundation, which is a professional investor within the industry. The majority of the remaining shares are held by professional large investment funds. The above shareholders sum up to 70 % of the shareholder base. PCI Biotech is a Norwegian biopharmaceutical company developing a novel light directed treatment system based on its patented photochemical internalization (PCI) technology. PCI Biotech is currently an R&D focused company doing both pre-clinical and clinical studies. All clinical and most pre-clinical studies are done abroad through international service providers, and the business language is consistently English. Furthermore, the life science industry is an international industry and all potential

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counterparts for commercial related agreements are international. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized the majority of the shareholder are professional investors. The company is granted exemption from the Norwegian language requirement at Oslo Axess. English is the preferred language for internal and external communication. Further, the working language is English.



We kindly request you to mention "our reference" in written communication with The Norwegian Tax Authorities.

Med hilsen

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

