Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 994 191 632 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | ARCTICZYMES AS |
| Forretningsadresse: | Forskningsparken |
| | Sykehusvegen 23 |
| | 9019 TROMSØ |

**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: | Forenklet IFRS |

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Børge Sørvoll |
| Dato for fastsettelse av årsregnskapet: | 30.04.2025 |

**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, 18.06.2025

# Resultatregnskap

| Beløp i: NOK | Note | 2024 | 2023 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Sales revenue | 2 | 104 352 000 | 118 939 000 |
| Other income | 3 | 3 753 000 | 711 000 |
| **Sum inntekter** | | **108 105 000** | **119 650 000** |
| **Kostnader** | | | |
| Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer | 4 | -2 969 000 | -5 795 000 |
| Raw materials and consumables used | 4 | 8 952 000 | 11 721 000 |
| Personnel expenses | 5 | 56 646 000 | 56 922 000 |
| Depreciation and amortisation expenses | 6, 7, 8 | 6 528 000 | 6 339 000 |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 6, 7 | | |
| Other operating expenses | 5, 9 | 28 981 000 | 27 305 000 |
| **Sum kostnader** | | **98 138 000** | **96 493 000** |
| **Driftsresultat** | | **9 967 000** | **23 157 000** |
| **Finansinntekter og finanskostnader** | | | |
| Other financial income | | 1 376 000 | 1 310 000 |
| **Sum finansinntekter** | | **1 376 000** | **1 310 000** |
| Other financial expenses | | 559 000 | 724 000 |
| **Sum finanskostnader** | | **559 000** | **724 000** |
| **Netto finans** | 10 | **817 000** | **586 000** |
| **Resultat før skattekostnad** | | **10 784 000** | **23 743 000** |
| Income tax expense | 11 | 209 000 | 146 000 |
| **Årsresultat** | | **10 575 000** | **23 597 000** |
| **Årsresultat etter minoritetsinteresser** | | **10 575 000** | **23 597 000** |
| **Totalresultat** | | **10 575 000** | **23 597 000** |

# Resultatregnskap

| Beløp i: NOK | Note | 2024 | 2023 |
|---|---|---|---|
| **Overføringer og disponeringer** | | | |
| Konsernbidrag | | 8 860 000 | 22 610 000 |
| Other equity | | 1 715 000 | 987 000 |
| **Sum overføringer og disponeringer** | | **10 575 000** | **23 597 000** |

# Balanse

| Beløp i: NOK | Note | 2024 | 2023 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Development | 6 | 22 039 000 | 16 485 000 |
| Patents, licenses and trademarks | 6 | 11 195 000 | 9 612 000 |
| Utsatt skattefordel | 11 | | |
| Goodwill | 6 | | |
| **Sum immaterielle eiendeler** | | **33 234 000** | **26 096 000** |
| **Varige driftsmidler** | | | |
| Machinery and equipment | 7 | 13 499 000 | 14 855 000 |
| Lease assets | 8 | 8 420 000 | 12 314 000 |
| **Sum varige driftsmidler** | | **21 920 000** | **27 169 000** |
| **Finansielle anleggsmidler** | | | |
| Obligasjoner | | 954 000 | |
| **Sum finansielle anleggsmidler** | | **954 000** | |
| **Sum anleggsmidler** | | **56 108 000** | **53 265 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| **Sum varer** | 4 | **15 840 000** | **12 873 000** |
| **Fordringer** | | | |
| Accounts receivables | 12, 13 | 20 525 000 | 13 784 000 |
| Other assets | 13 | 3 712 000 | 2 490 000 |
| Konsernfordringer | | | 3 275 000 |
| **Sum fordringer** | 13 | **24 237 000** | **19 549 000** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Cash and cash equivalents | 14 | 27 376 000 | 25 876 000 |
| **Sum bankinnskudd, kontanter og lignende** | | **27 376 000** | **25 876 000** |
| **Sum omløpsmidler** | | **67 453 000** | **58 298 000** |

# Balanse

| Beløp i: NOK | Note | 2024 | 2023 |
|---|---|---|---|
| **SUM EIENDELER** | | **123 560 000** | **111 563 000** |

**BALANSE - EGENKAPITAL OG GJELD**

| | | | |
|---|---|---|---|
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Share capital | 15 | 10 938 000 | 10 938 000 |
| Beholdning av egne aksjer | 15 | | |
| Overkurs | | 13 358 000 | 13 358 000 |
| Annen innskutt egenkapital | | 8 985 000 | 4 890 000 |
| **Sum innskutt egenkapital** | | **33 281 000** | **29 186 000** |
| **Opptjent egenkapital** | | | |
| Other equity | | 29 852 000 | 28 137 000 |
| **Sum opptjent egenkapital** | | **29 852 000** | **28 137 000** |
| **Sum egenkapital** | | **63 133 000** | **57 323 000** |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| Utsatt skatt | 11 | 696 000 | 487 000 |
| **Sum avsetninger for forpliktelser** | | **696 000** | **487 000** |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | 13 | | |
| Langsiktig konserngjeld | 13 | 30 000 000 | |
| Lease liability | | 4 247 000 | 8 301 000 |
| **Sum annen langsiktig gjeld** | | **34 247 000** | **8 301 000** |
| **Sum langsiktig gjeld** | | **34 944 000** | **8 788 000** |
| **Kortsiktig gjeld** | | | |
| Lease liability | | 3 922 000 | 4 358 000 |
| Leverandørgjeld | 13 | 4 359 000 | 3 798 000 |
| Tax payable | 11 | | |
| Kortsiktig konserngjeld | | 9 616 000 | 25 683 000 |
| Other current liabilities | 13, 16 | 7 586 000 | 11 614 000 |
| **Sum kortsiktig gjeld** | 13 | **25 483 000** | **45 452 000** |

# Balanse

| Beløp i: NOK | Note | 2024 | 2023 |
|---|---|---|---|
| **Sum gjeld** | | **60 427 000** | **54 241 000** |
| **SUM EGENKAPITAL OG GJELD** | | **123 560 000** | **111 563 000** |

# Annual report

## 2024

for

ArcticZymes AS
994 191 632

Subsidiary of ArcticZymes Technologies ASA

## About the business

ArcticZymes AS is a Norwegian life science company focused on the development, manufacturing, and commercialisation of novel and high-quality recombinant enzymes for use in molecular research, In Vitro Diagnostics (IVD) and biomanufacturing.

The Company is creating value from innovative enzyme technologies which capitalises on more than three decades of world-class research at the Arctic University of Tromsø and in collaboration with other national and international partners to offer niche and high-quality life science products.

ArcticZymes Technologies' products and capabilities are protected via a large portfolio of patents and 20+ years of know-how in innovating and manufacturing enzymes.

ArcticZymes enzymes are primarily derived from cold-water marine species and organisms from other environments. Each enzyme or product offers novel functionality and other benefits to its customers. Products offered include:

- **Salt Active Nucleases (SANs)** – For removal of nucleic acids during manufacturing of viral vectors, recombinant proteins, and other reagents. SANs are also used in relation to Next Generation Sequencing (NGS) and other molecular biology applications. ArcticZymes offers several different SAN enzymes optimised to support development and manufacturing of different viruses (e.g. Adenovirus, Adeno-Associated Virus (AAV) and lentivirus) and other biomanufacturing processes. Furthermore, ELISA immunoassay kits are sold to provide our customers with a detection solution required to demonstrate SAN levels are reduced to regulatory acceptable levels for the manufacturing of advanced therapeutic products.
- **Shrimp Alkaline Phosphatase (SAP)** – For utilisation in clean-up prior to Sanger sequencing and NGS (Next Generation Sequencing) processes. SAP represents the Company's first product which has been sold since 1995. Even today, SAP still represents the "gold standard" utilised for enzymatic clean-up in Sanger Sequencing processes globally.
- **Cod UNG** – For utilisation in viral and other molecular diagnostic assays for the removal of contaminating DNA providing assurance to avoid false positives tests. Cod UNG has been a key enzyme adopted in numerous commercial diagnostic tests by ArcticZymes' customers; especially in infectious disease testing such as in viral load testing of HIV, HCV, influenza and Coronavirus.
- **Double-strand specific DNases (dsDNases) and derived kits** – enable a broad range of applications and manufacturing processes that require the specific removal of double stranded DNA and genomic DNA. dsDNAses are pivotal to RNA based workflows.
- **DNA/RNA polymerases** – enable technology development for life science, MDx (Molecular Diagnostics), NGS and Synthetic biology (i.e., synthesis of artificial DNA and genomes). ArcticZymes offers several Isothermal Polymerases each offering different features which can be exploited for different applications. Furthermore, ArcticZymes has also Thermostable Polymerase and reverse transcriptase that are commonly used in PCR technologies for infectious disease testing. RNA polymerases are both used in a variety of molecular applications and molecular diagnostic assays as well as a core component in manufacturing of therapeutic RNA.

- **Proteinase** – For breaking down proteins, offering broad application ranging from: i) direct lysis of cells in nucleic acid sample prep (i.e., isolation of DNA/RNA from cells). It enables applications in microbiological diagnostics and liquid biopsies (i.e., DNA/RNA tests using blood, saliva and urine); ii) dissociation of cells in cell therapy applications in combination with other proteolytic enzymes used; iii) RNA therapeutic workflows.
- **Ligases** – For joining nucleic acids. Ligases enable a broad range of molecular biology technologies and applications (e.g., synthetic biology, NGS, molecular diagnostics, DNA/RNA therapeutics) and has a broad utility. To support customers with different requirements, the Company provides ligases with different functionality and specificities.

Furthermore, the Company is developing new enzymes and formulations, second generation enzymes and supportive products based on input and collaboration with its customers. The Company has also initiated projects with partners where AI is applied to speed up development of new novel enzymes.

## Markets served

The Company focuses its efforts on providing molecular biology enzymes in two attractive and growing market areas:

- Molecular Tools (Research & Diagnostics)
- Biomanufacturing

**Molecular tools (research and diagnostics)**
Molecular enzymes are essential tools that are used in molecular biology workflows to perform specific tasks. Such enzymes have common utility in Molecular Research and Molecular Diagnostic (MDx) applications. This includes the entire range of ArcticZymes products and those in the innovation pipeline. Molecular Research and MDx represent highly attractive and growing markets with estimated end-user market values of USD 23.2—30.4 billion (CAGR 5.4%).

The classic and most commonplace technologies are PCR-based methods (Polymerase Chain Reaction) where adoption of DNA polymerases is still growing. Many ArcticZymes' enzymes are used to support PCR-based workflows. Alternative amplification technologies such as LAMP (loop-mediated isothermal amplification) are also attracting great commercial interest. With the expiry of global patents, commercial diagnostic test developers are exploiting LAMP and other isothermal amplification technologies to innovate the next generation of MDx tests. An increase in the adoption of LAMP in molecular diagnostics has been seen, largely driven by the high demand for MDx tests in recent years. ArcticZymes Isothermal BST+ range of enzymes is particularly suited to this application because of the high strand displacement activity of this enzyme. In addition, ArcticZymes glycerol-free formulation of enzymes is suited to diagnostic companies wanting to avoid cold chain shipment by adopting lyophilisation of their assays. ArcticZymes is continuing to expand the offering of enzymes towards PCR and other amplification technologies, and in 2023 the Company launched its first Taq DNA Polymerase.

At the forefront of the industry are fast-paced innovations around Next Generation Sequencing (NGS) technologies with the prospect of wider adoption, accessibility, and clinical utility. All ArcticZymes' existing enzymes, as well as its pipeline innovations, are available for this application and represent integral key components for adoption into NGS technologies by leading international companies. Furthermore, ArcticZymes' ability to customize and tailor enzymes is becoming a more important value driver for NGS platform developers.

Other technology areas ArcticZymes serves through its enzymes include:

- Synthetic Biology - a multidisciplinary area engaged in creating new biological parts, devices, systems relying on a plethora of molecular biology techniques. ArcticZymes' ligase prototypes, polymerases, and pipeline innovations, including DNA assembly, show great promise for future utility in this market.
- Liquid Biopsies – DNA or other diagnostics tests are performed on blood or other body fluids. The market is growing (CAGR 18.1%) with an estimated market size of USD 2.5 Billion. Unlike traditional invasive biopsies, liquid biopsies require a whole new set of molecular techniques to overcome the challenges of isolating tiny amounts of DNA and amplifying it sufficiently to allow diagnostic insights to be derived. ArcticZymes´ proteinase, DNases, and SAN enzymes are already supporting customer efforts in developing such technologies.

Sales in the Molecular Tools segment experienced a 10% annual decline (-6.0 MNOK) and contributed 53% toward total sales during 2024. Geographically, Europe represented the largest market with 71% of total sales while North America contributed about 26% and Asia Pacific about 2.7%. Sales in other regions were negligible.

**Biomanufacturing**

ArcticZymes is serving customers with Salt Active Nuclease (SAN) products who are in different stages of therapeutic or vaccine development. The SAN portfolio of enzymes is used for removing non-encapsidated nucleic acid impurities from therapeutic viruses such as Adenovirus, Adeno-Associated Virus (AAV), and Lentivirus. This reduces the risk of adverse effects.

Collectively AAV and Lentivirus represent two-thirds of the vector technologies utilized in the manufacturing of gene therapies. With just 2 enzymes, SAN HQ and M-SAN HQ, the Company can capitalize on the most utilized vector technologies.

ArcticZymes is supplying SAN products directly to more than 223 customers. In addition, ArcticZymes supplies SAN products to further customers via distributors. Most customers are gene therapy-related and represent a mix of small/medium biotech companies, contract development manufacturing organizations (CDMOs), and large Pharma.

A notable trend in the CGT (Cell and Gene Therapy) space is a growing focus on the Contract Development and Manufacturing Organization (CDMO) model. This shift contrasts sharply with the landscape 5–10 years ago, when many biotech companies were heavily focused on building in-house manufacturing capabilities. Consequently, for ArcticZymes, integrating our nuclease products into CDMO platforms has become increasingly vital for short term revenue and also long-term growth and market presence. Significant progress in having our M-SAN product integrated into a leading viral vector CDMO platform has been made, enabling us to tap into this trend. Our strategy is to build on this initial success with a global CDMO major customer, aligning more closely with all leading advanced therapy CDMO's.

ArcticZymes will strategically position itself to enhance market penetration, drive consistent demand for our nuclease products and help our customers scale more efficiently in an evolving CGT landscape.

ArcticZymes visualises a greater potential by expanding its activities and capabilities to target other high-growth markets that require biomanufacturing or GMP-grade enzymes. There are markets such as:

- **General biomanufacturing tools:** Biologics intended for therapeutic use must adhere to strict requirements for ancillary and raw materials used in their GMP-compliant manufacture. To support this market ArcticZymes has undertaken a significant investment in GMP compliance. In 2024, ArcticZymes has continued to prioritize organic growth initiatives, making significant strides in its SAN (Salt Active Nuclease) program to achieve a comprehensive GMP nuclease portfolio.
- **Cell biology/Cell therapy:** proteolytic enzymes such as ArcticZymes' Proteinase represent essential tools for the dissociation and isolation of cells from patients for *ex vivo* manipulation and treatment.
- **RNA Therapeutics:** The Coronavirus pandemic demonstrated the commercial utility and acceptance of mRNA technology as a therapeutic tool in rapid vaccine manufacturing effective and safe RNA-based vaccines. mRNA technology represents a powerful technology that can be extended to the development of otheBr vaccines or gene therapy applications. Unlike viral vector manufacturing, multiple enzymes are required to manufacture therapeutic mRNAs where the need for novel and high-quality enzymes is in high demand. The Company in 2024 received a 12 MNOK grant from the Research council of Norway to develop new innovative mRNA enzymes. A consortium has been established together with SINTIF and the University of Tromsø with the aim of developing new enzymatic technologies that can aid the manufacturing of mRNA base therapeutics. The project runs over three years and NOK 2.5 was expensed in this project during 2024. Furthermore, a new patented RNA restriction enzyme (ET-N1 is under development and is expected to be the Company's first dedicated enzyme offering within the RNA space.

Sales in the Biomanufacturing segment experienced a 14% annual decline (-7.7 MNOK) and contributed 47% toward total sales during 2024. Slowdown from two major accounts represented significant headwinds in 2024, which were partially offset by sales growth in other accounts as well as growth in the overall customer base. Geographically, North America represented the largest market with close to 64% of total sales while Europe contributed about 28%. The Asia Pacific region was the only geographical area exhibiting sales growth on an annual basis (+33%) and constituted the majority of the remaining sales for this segment. India (3.8% of total sales) and China (3.7% of total sales) were the main contributors from the APAC region. Sales in other regions were negligible.

**Customer Centric Focus**

ArcticZymes Technologies initiated a commercial transformation during 2024 to become more client focused and strengthen its foundation—reputation, capabilities, quality, and products. The goal is to make the company known not just for high-quality products but for innovative solutions in advanced therapies and molecular tools by collaborating closely with clients. The new Board of Directors is working closely with management to speed up and heighten these efforts. Today, B2B customers represent majority of total sales. The key advantage in serving B2B customers is the opportunity that ArcticZymes' enzymes may be integrated into their novel kits/products, platform technologies, and manufacturing processes. Once commercialized, their products have a life cycle of 5 - 10+ years which translates into mutual long-term value. For customers who operate in regulated markets such as IVD and therapeutics, their success is highly dependent on forging long-term critical or primary supplier relationships with their component suppliers. Switching out suppliers during the product life cycle is often prohibited from a regulatory perspective and/or costly.

The Company's strategy and business activities are orientated towards accelerating year-on-year growth. Much of the annual growth in sales is through a combination of:

- Improving sales coverage in key markets.
- Entering the market for GMP-compliant products.
- Increasing the customer base.
- Expanding the product range with market-driven, innovative product introductions.
- Serving two attractive and growing markets: molecular tools and biomanufacturing.
- Expanding geographical reach through partnerships.

ArcticZymes has local business development and customer support representatives in Europe, North America, Japan, and China to assist with global business coverage. Local support and its highly skilled business development professionals are a prerequisite for driving B2B sales and maintaining long-term customer relationships. Furthermore, efforts to expand into new geographies through establishing a network of sales agents and specialized distributors in regions where ArcticZymes does not have direct representation are proving fruitful in developing our brand and local presence.

To support sales activities, ArcticZymes has established strategically located warehouses and logistic centres in Europe and the United States. These centres have made it possible to build inventories and safety stocks, improve the cost-effectiveness of logistics, and most importantly, ensure on-demand delivery to customers on a global basis.

## Operations

Throughout the year, most resources in Operations have been targeted against planning and production of the SAN HQ neo. The production batches were successfully completed and through this work, the team has gained further competence and understanding of the GMP requirements, which is of high value for both GMP and non-GMP products.

The Company went through four customer audits under the ISO 13485 and cGMP standards within both the Biomanufacturing (3) and the Molecular Tools segments (1). There were no major non-conformances revealed during the audits, which indicates that AZT maintains a healthy quality system.

The annual ISO 13485 audit was successfully carried out, and certification was granted for another year. This certificate is essential for the long-term continuity of business with IVD customers and for attracting new business from potential diagnostic test developers.

An ERP system project involving finance, production planning, stockholding, and inventory control was completed in 2024. This project has streamlined and integrated finance and operations to enable seamless production data tracking with minimal resourcing in the longer term.

## Company details

At the end of 2024, there were 55 full and part time employees in the Group. This was a decrease of 13 employees during the year.

The main part of the business is run from Tromsø in rented premises, co-located with the parent company ArcticZymes Technologies ASA. In 2022, an R&D department was established in Oslo with 3 employees. This office was shut down early 2024.

The Company's activities have limited negative impact on the environment. Excipients and chemicals that cannot be recycled in the production processes are collected and returned to an approved manufacturer for environmentally and sound recycling. Procedures for the collection of various types of waste from laboratories and for separation by source of waste from other operations are established. This is considered to have minimal impact on the environment. Use of energy in the production process is modest. See the Group's ESG statement for further information. This statement can be found on www.arcticzymes.com.

Lost days due to sick leave in 2024 totaled 508 days, compared to 891 days in the previous year. Accumulated sick leave was 4.0 % compared to 6.6 % in 2023. Two people on long term sickness represented 2.8% of this in 2023. There were no work accidents causing injury to personnel or damage to machinery during 2024.

Ethical guidelines have been established, and all employees have individually confirmed in writing that through their position they will work to prevent discrimination, promote equality, promote human rights and fight all forms of corruption.
See the Group's "Workplace equality and diversity reporting" (Aktivitets- og redegjørelsesplikt) for further information on equlaity. This statement can be found on www.arcticzymes.com.

The Board has established principles for corporate governance and equality and diversity guidelines in line with the Norwegian Accounting Act § 3-3 and the Norwegian Code of Practice for Corporate overnance. A detailed description of these principles can be found in the annual report under Corporate Governance or on the Company's website www.arcticzymes.com. The Company's equality statement and guidelines can also be found on the homepage.

The Company has presented a separate report on the "Transparency Act". The report is published on www.arcticzymes.com.

The Company's board consists of two men and one woman from the group management.

The parent company has board liability insurance which covers the board and managing director of the subsidiary, in the event that the individual becomes personally liable for damages due to negligence. The insurance covers damages of up to NOK 30 million per damage.

## Ownership

ArcticZymes Technologies ASA owns 100.00% of the shares.

## Profit and liquidity

The operating income in 2024 was NOK 108.1 million compared to NOK 119.6 million in 2023. The annual result was a profit of NOK

10.6 million in 2024, compared to a profit of NOK 23.6 million in 2023.

The Cash flow statement confirms satisfactory liquidity in the Company with NOK 27.4 million in cash and cash equivalents. For 2023, cash and cash equivalents were at NOK 25.9 million. NOK 22.6 million was set aside as group contribution and liability in 2023. The liability was settled in 2024. NOK 8.9 million is proposed as group contribution in 2024.

The equity share was 51% at the end of the financial year.

## Risk

The Company is exposed to various types of financial and operational risks.

There are risks associated with development and sales in ArcticZymes. The Company is actively entering new agreements to broaden the revenue base and secure business as a long-term critical component supplier. Success relating to new product introductions is not guaranteed and sales will be dependent on customer implementation. However, ArcticZymes' innovations process is built around voice of customer and prototype testing to ensure that only commercially relevant innovations reach the market.

Future changes in taxes and regulations may represent a risk for the Company having a global scope for both business areas.

The Company seeks to protect its intellectual property through patent protection and trade secrets. There will always be a risk that other companies may dispute such rights or that other players secure rights that could restrict the technological freedom. There is also a risk that the Company must take on costs to defend its rights against patent infringement.

ArcticZymes is a small company, with few employees, a number of whom are critical to the success of the company's' operations. Key personnel are involved in the development of products, technologies, production processes, quality control, purchasing, marketing and quality assurance, as well as other activities. The Company is also dependent on recruiting new, qualified personnel, and there is no guarantee that the Company will be able to retain key personnel or to be able to recruit new key personnel in the future.

Currency risks arise since most of the Company's revenues are in USD and Euro, while most expenses are accrued in NOK. A higher exchange rate for the USD and Euro against the Norwegian krone will affect the outcome in a positive direction, while lower rates will have the opposite effect. Exposure to currency will in the long run be altered if new product releases provide a change in the currency mix and if there is a change in customer locations.

Financial investments are carried out only in the form of bank deposits, certificates, or money market funds with short maturities. The Company is thus not very exposed to interest rate risk. The Company shall not be exposed to any material financial risk in the stock market. The Company has limited credit risk and recognised insignificant losses on accounts receivable in both 2024 and 2023.

The war in Ukraine is not considered to impact the business in a material way. The Company does not have any customers nor suppliers that origin from either Ukraine, Russia or Belarus.

## Still operating

In accordance with the Accounting Act § 3-3a, the financial statements have been prepared under the assumption of a going concern. This assumption is based on profits in 2024, forecasts for the year 2025 and the Company's long-term strategic forecasts.

### Outlook

The board considers that the Company has a solid foundation for future growth through organic and inorganic expansion.

The board believes that the annual accounts provide a fair overview of the development and results of ArcticZymes' operations and financial position.

The accounting figures for ArcticZymes AS are included in the consolidated accounts for ArcticZymes Technologies ASA.

Tromsø, 30.04.2025

| | | | |
|---|---|---|---|
| Børge Sørvoll | Marit Sjo Lorentzen | Olav Lanes | Michael Akoh |
| Chairman of the board | Board member | Board member | General Manager/CEO |

# Financial statement of profit & loss
## ArcticZymes AS

| OPERATING INCOME AND OPERATING EXPENSES | NOTE | 2024 | 2023 |
|---|---|---|---|
| Sales revenue | 2 | 104 352 | 118 939 |
| Other income | 3 | 3 753 | 711 |
| **Total income** | | **108 105** | **119 650** |
| | | | |
| Raw materials and consumables used | 4 | 8 952 | 11 721 |
| Change in inventories of finished goods and work in progress | 4 | -2 969 | -5 795 |
| Personnel expenses | 5 | 56 646 | 56 922 |
| Depreciation and amortisation expenses | 6, 7, 8 | 6 528 | 6 339 |
| Other operating expenses | 5, 9 | 28 981 | 27 305 |
| **Total operating expenses** | | **98 138** | **96 493** |
| | | | |
| **Operating profit** | | **9 967** | **23 157** |
| | | | |
| **FINANCIAL INCOME AND EXPENSES** | | | |
| Other financial income | | 1 376 | 1 310 |
| Other financial expenses | | 559 | 724 |
| **Net financial items** | **10** | **817** | **586** |
| | | | |
| Net profit before tax | | 10 784 | 23 743 |
| Income tax expense | 11 | 209 | 146 |
| **Net profi/loss (-)** | | **10 575** | **23 597** |
| | | | |
| **Total comprehensive income** | | **10 575** | **23 597** |
| | | | |
| **Transfers and disposition** | | | |
| Intra-group contribution given | | -8 860 | -22 610 |
| Other equity | | 1 715 | 987 |
| **Total allocated** | | **10 575** | **23 597** |

# Statement of financial position
## ArcticZymes AS

| ASSETS | NOTE | 2024 | 2023 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| **INTANIGBLE ASSETS** | | | |
| Development | 6 | 22 039 | 16 485 |
| Patents, licenses and trademarks | 6 | 11 195 | 9 612 |
| **Total intangible assets** | | **33 234** | **26 096** |
| **PROPERTY, PLANT AND EQUIPMENT** | | | |
| Machinery and equipment | 7 | 13 499 | 14 855 |
| Lease assets | 8 | 8 420 | 12 314 |
| **Total property, plant and equipment** | | **21 920** | **27 169** |
| Other receivables | | 954 | - |
| **Total non-current financial assets** | | **954** | **-** |
| **Total non-current assets** | | **56 108** | **53 265** |
| **CURRENT ASSETS** | | | |
| Inventories | 4 | 15 840 | 12 873 |
| **DEBTORS** | | | |
| Accounts receivables | 12, 13 | 20 525 | 13 784 |
| Accounts receivables group companies | | - | 867 |
| Other assets | 13 | 3 712 | 2 490 |
| Receivables from group companies | | - | 2 408 |
| **Total receivables** | **13** | **24 237** | **19 549** |
| **INVESTMENTS** | | | |
| Cash and cash equivalents | 14 | 27 376 | 25 876 |
| **Total current assets** | | **67 453** | **58 298** |
| **Total assets** | | **123 560** | **111 563** |

## Statement of financial position
## ArcticZymes AS

| EQUITY AND LIABILITIES | NOTE | 2024 | 2023 |
|---|---|---|---|
| **EQUITY** | | | |
| **PAID-IN CAPITAL** | | | |
| Share capital | 15 | 10 938 | 10 938 |
| Share premium reserve | | 13 358 | 13 358 |
| Other paid-in capital | | 8 985 | 4 890 |
| **Total paid-in equity** | | **33 281** | **29 186** |
| **RETAINED EARNINGS** | | | |
| Other equity | | 29 852 | 28 137 |
| **Total retained earnings** | | **29 852** | **28 137** |
| **Total equity** | | **63 133** | **57 323** |
| **LIABILITIES** | | | |
| Deferred tax | 11 | 696 | 487 |
| **Total deferred tax** | | **696** | **487** |
| **OTHER NON-CURRENT LIABILITIES** | | | |
| Non-current liabilities to group companies | 13 | 30 000 | - |
| Lease liability | | 4 247 | 8 301 |
| **Total non-current liabilities** | | **34 247** | **8 301** |
| **CURRENT LIABILITIES** | | | |
| Lease liability | | 3 922 | 4 358 |
| Trade payables | 13 | 4 359 | 3 798 |
| Liabilities to group companies | | 9 616 | 25 683 |
| Other current liabilities | 13, 16 | 7 586 | 11 614 |
| **Total current liabilities** | **13** | **25 483** | **45 452** |
| **Total liabilities** | | **60 427** | **54 241** |
| **Total equity and liabilities** | | **123 560** | **111 563** |

Tromsø, 30.04.2025
The board of ArcticZymes AS

Børge Sørvoll
Chairman of the board

Olav Lanes
Member of the board

Marit Sjo Lorentzen
Member of the board

Michael Benjamin Akoh
CEO

# Cash flow statement
## ArcticZymes AS

| | NOTE | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit/loss before tax | | 10 784 | 23 743 |
| Adjustment lease assets | | -21 | 9 |
| Ordinary depreciation | | 6 528 | 6 339 |
| Employees' options, share-based payment expense | | 4 095 | 3 177 |
| Interes expenses lease liability | | 538 | 691 |
| Change in inventory | | -2 967 | -5 795 |
| Changes in account receivables and other receivables | | -4 687 | -2 305 |
| Change in accounts payable | | 561 | 69 |
| Changes in account payable and other current liabilities | | -6 344 | 2 104 |
| **Net cash flows from operating activities** | | **8 487** | **28 033** |
| | | | |
| **CASH FLOWS FROM INVESTMENT ACTIVITIES** | | | |
| Payments tangible assets | | -895 | -1 641 |
| Payment intangible assets | | -8 588 | -17 546 |
| Other long term receivables | | -954 | - |
| **Net cash flows from investment activities** | | **-10 437** | **-19 187** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from the issuance of new long-term liabilities | | 30 000 | - |
| Payment lease liability | | -3 402 | -3 383 |
| Payment lease interest | | -538 | -691 |
| Payment of Group contributions | | -22 610 | -55 306 |
| **Net cash flows from financing activities** | | **3 450** | **-59 380** |
| | | | |
| **Net change in cash and cash equivalents** | | **1 500** | **-50 534** |
| Cash and cash equivalents at the start of the period | | 25 876 | 76 410 |
| **Cash and cash equivalents at the end of the period** | | **27 376** | **25 876** |

**Statement of changes in equity capital**

| | Share capital | Share premium | Other paid-in equity capital | Other equity capital | Total equity capital |
|---|---|---|---|---|---|
| **Equity capital 01.01.2023** | **10 938** | **13 358** | **1 713** | **27 150** | **53 159** |
| Result for the year | | | | 23 597 | 23 597 |
| Group contribution | | | | -22 610 | -22 610 |
| Employees`s share options | | | 3 177 | | 3 177 |
| **Equity capital 31.12.2023** | **10 938** | **13 358** | **4 890** | **28 137** | **57 323** |
| Result for the year | | | | 10 575 | 10 575 |
| Group contribution | | | | -8 860 | -8 860 |
| Employees`s share options | | | 4 095 | | 4 095 |
| **Equity capital 31.12.2024** | **10 938** | **13 358** | **8 985** | **29 852** | **63 133** |

## Principles and notes 2024 for ArcticZymes AS

**Principles for accounting:**
ArcticZymes AS is a Norwegian-registered company with headquarters in Science Park Tromsø, Sykehusveien 23, 9294 Tromsø.
The company is 100% owned by Arcticzymes Technologies ASA, which shares the same business address as Arcticzymes. ArcticZymes AS is included in the parent company's consolidated financial statements, which can be downloaded from the group's website at www.arcticzymes.com or by contacting the company's headquarters.

The annual accounts have been prepared in accordance with Section 3-9 of the Accounting Act and regulations on simplified IFRS established by the Ministry of Finance 7/2/2022.

Arcticzymes AS has adopt simplified IFRS in the Company accounts according to the Norwegian Accounting Act § 3-9. Simplified adoption of IFRS in the Company accounts means that value estimates and accounting principles applied in the consolidated financial statements for the Group also apply to the subsidiary Arcticzymes AS. Regarding lay-out and note information, a simplified adoption of IFRS allows this to be in accordance with the Norwegian Accounting Act. The lay-out of the statement and the notes for the subsidiary are thus prepared in accordance with the above mentioned, with the exception of comprehensive income which is in accordance with IFRS and group contributions which is in accordance with IFRS § 3-1 nr 3 ( IAS 10 nr. 12 og 13, IAS 27.12, IFRS 9.5.7.1 A og IFRIC 17 nr. 10).

**Simplifications according to chapter 3 of the regulations:**
Group contributions are booked in line with §3-1 no. 3 of the Regulations and the requirements in IAS 10.12-13 and IFRIC 17 no. 10 are waived so that dividends and group contributions can be accounted for in accordance with the general provisions of the Accounting Act.
The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

**Accounting estimates and judgements**
Estimates and judgments undergo continuous evaluation based on historical experience and other factors, including expectations of future events believed to be reasonable under the present circumstances.

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are based on parameters available when the financial statements were prepared, but these assumptions may change due to market changes or circumstances arising beyond the control of the Company. These changes are reflected in assumptions when they occur.
Estimates and assumptions that might have a significant risk for adjustment in the carrying value in the following years are addressed below:

*Assessment of capitalisation of development:*
Capitalisation of development expenses of a defined product assumes that future cash flows from sales of this product exceed the expenses of development. The expected future cash flows are still subject to uncertainties, and may, if reduced, result in impairment of capitalised development expenses. During most of the development phase of a new product there is a significant uncertainty whether the product under development will be suitable for commercialisation. Because of this, the development projects will usually not qualify or recognition as an intangible asset before the latest stages of the development phase. See note 6 for projects that are capitalised.

*Assessment of useful life of intangible assets:*
Useful life of intangible assets is based on an assessment of each individual asset. Maximum expected useful lifetime for capitalised development expense and patents are 10 years, which is the estimated useful life for each asset.

*Assessing start up for amortisation of intangible assets:*

Amortisation of intangible assets related to capitalised development costs begins when the prototype is ready for distribution / sales. Amortisation of other intangible assets starts with acquisitions.

*Options*
Options are measured at the fair value of the equity instruments at the grant date. Calculation of fair value involves estimates and assumptions. Measurement inputs include share price on measurement date, strike price, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. At the end of each reporting period, the Company revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**Classification and assessment of financial position**
Current assets, liabilities and other short-term liabilities include items due for payment within one year of the balance sheet date. Other items are classified as fixed assets/long-term liabilities. Fixed assets are valued at acquisition cost.

**Financial risk factors**
The Company is exposed to financial risks such as currency risk, credit risk, interest rate risk and liquidity risk. The company's main pricing strategy is to minimize the risk of unwanted effects in the markets. The Company has no interest-bearing debt in the reporting period. Financial instruments are not used for speculative purposes.

**Currency**
Transactions in foreign currency are converted at the exchange rate at the time of the transaction. Monetary items in foreign currency are converted to Norwegian kroner by using the exchange rate at the time of the transaction. Non-monetary items measured at fair value expressed in foreign currency, is converted at the exchange rate determined at the time of measurement. Exchange rate changes are recognized in the income statement on an ongoing basis under other operating costs (purchases, sales and other operating costs) and other financial items (finance).

Revenues for 2024 are mainly denominated in USD and EUR; distributed 75% at USD and 24% at EUR. A majority of the Group's cost base is denominated in NOK.
A weaker NOK against the USD or EUR will influence the operating profit in a positive direction, while a stronger NOK against the USD or EUR will have the opposite effect.
By using an equivalent exchange rate in 2024 as 2023, sales revenues in 2024 would have been NOK 2.0 million lower for the year as the NOK weakened towards the USD especially.

If NOK relative to USD was 5% stronger / weaker at 31 December 2024 and all other variables held constant, this would lead to a higher/lower operating profit of NOK 623.000. For EUR would such currency changes have affected the result by NOK 164.000. The impact on equity would be correspondingly. The calculated effect is based on a net 5% change in receivables and payables denominated in USD and EUR as of 31.12.2024.

The Group exchanges foreign currency into NOK on a regular basis. The Group tries to minimise the balance of foreign currencies in its accounts.

**Credit risk**
The company's credit risk is mainly linked to the company's accounts receivable. There is no significant credit risk linked to a single counter party or several counter parties that can be perceived as a group due to similarities in the credit risk. The company's credit risk is considered low. The company has guidelines to sell only to customers who have not previously had significant payment problems and that outstanding receivables have been paid.
The Company has booked insifignicant losses on trade receivables in recent years.

**Liquidity risk**
Liquidity risk is the risk that the group will not be able to service its financial obligations when they fall due,

also in the event of extraordinary events, without risking unacceptable losses or the group's reputation. Based on planned activities and the current cash position, the liquidity risk is considered to be low.

**CASH FLOW STATEMENT**
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits..

**Note 1 Events after balance sheet date**

There are no events to the financial statement for the period from the financial position date to the date of approval; 30.04.2025.

**Note 2 Sales revenue**

**Principles for accounting:**
The operating segment aligns with the internal reporting provided to the top decision-maker. The operational decision-maker, responsible for resource allocation and assessing the performance of business segments, is identified as the board.

Revenue recognition follows IFRS 15, which defines when control over goods or services is transferred to a customer. Control is transferred based on agreed delivery terms for each order. These terms are based on Incoterms 2020 issued by the International Chamber of Commerce, and the company uses FCA, where the customer arranges and pays for the main transportation. Control transfers when goods are collected by a carrier engaged by the customer.

Goods are typically sold with standard warranties, ensuring compliance with agreed specifications. The Company has no other significant obligations for returns or refunds. Freight services are included in sales revenues.

The Company's sales revenues consist of enzymes used in molecular research, in vitro diagnostics, and biomanufacturing. Most goods are delivered to the USA and Europe. All goods are invoiced when the Group transfers control over the goods to a customer, usually upon leaving the warehouse. Invoice terms vary from 30 to 90 days, depending on the customer. The majority of revenues come from quotes or non-binding delivery agreements with pre-agreed prices. Other operating revenues include Skattefunn (tax incentives) and grants from the Research Council.

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| **By business area** | | |
| Enzymes | 104 352 | 118 939 |
| **Total sales revenue** | **104 352** | **118 939** |
| | | |
| **Geographic breakdown** | | |
| Norway | 241 | 224 |
| Europe | 53 047 | 61 044 |
| USA | 44 925 | 53 149 |
| Rest of world | 6 139 | 4 522 |
| **Total sales revenue** | **104 352** | **118 939** |

Sales revenues from the largest customer in 2024 is NOK 29.5 million (2023: NOK 34.5 million)

**Note 3 Other income**

**Principles for accounting:**
Other income are different kind of grants.
Government grants are recognised at fair value when it is reasonable sure that the grant will be received and that the Company will fulfil the conditions attached to the grant. The grants are recognised as other income in the period in order to match expenses they are intended to compensate. Government grants relating to the purchase of fixed assets are recorded as a reduction in the carrying cost. They are expressed in the profit and loss statement through lower annual depreciation over the expected life of the relevant fixed assets.

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| From UIT-The Arctic University of Norway: | | |
| Adept | 2 525 | |
| Tax grants | 1 207 | 741 |
| Other adjustments | 21 | -30 |
| **Total income** | **3 753** | **711** |

**Note 4 Inventory and cost of materials**

**Principles for accounting:**
Inventories are valued at average acquisition cost. Value of finished goods and work in progress comprises the expense of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Stocks of raw materials and purchased semi-finished goods | 16 | 101 |
| Stocks of goods in manufacture | 13 385 | 7 316 |
| Stocks of self-produced finished goods | 2 439 | 5 455 |
| **Total inventory** | **15 840** | **12 873** |
| | | |
| **Cost of goods** | | |
| Cost of materials | 8 950 | 11 721 |
| Change in inventory | -2 967 | -5 795 |
| **Total cost of goods** | **5 983** | **5 926** |

**Cost of materials:**
Total cost of materials include direct materials, services provided by contract manufactures and packaging suppliers, products freights and distribution costs. Royalties for in licensing of technology and rights from other parties are excluded from cost of goods and included in other operating expenses.

**Note 5 Personnel expenses**

**Principles for accounting:**
Payroll and related expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided.

The Company has a defined contribution plan for all employees in Norway compliant to requirements for compulsory occupational pension in Norway under which the Company pays a fixed percentage contribution of members' salaries. The Company has no further payment obligations once the contributions are made. The employer's contribution plan are 7% for salaries between 0 G and 7.1 G, and 10% for salaries between 7.1 G and 12 G. Per 31 December 2024, the Company paid for 49 members inf the scheme.

The Group recognises liabilities and expenses for bonuses based on a review of key performance indicators. The Group recognises a provision for bonuses based on contractually and probable liabilities.

There were no related party disclosures for 2024.

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Salaries | 45 214 | 44 636 |
| Employer`s social contribution | 3 992 | 5 272 |
| Pension costs | 2 934 | 3 026 |
| Share options granted to employees | 4 095 | 3 177 |
| Other benefits | 411 | 811 |
| | | |
| **Total personnel expense** | **56 646** | **56 922** |
| Number of man-year Norway 31.12 | 50,0 | 56,2 |
| Number of man-year abroad 31.12 | 6,3 | 5,5 |

Remuneration senior management:

| (Amounts in NOK 1 000) | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Salaries paid | Bonus paid | Pension cost | Other benefits | Salaries paid | Bonus paid | Pension Cost | Other benefits |
| Michal Akoh, CEO | 1 858 | | 171 | 1 | 543 | | 39 | 100 |
| Børge Sørvoll, CFO | 1 656 | 53 | 120 | 8 | 1 413 | 85 | 124 | 6 410 |
| Olav Lanes, VP R&D and Application | 1 232 | 36 | 95 | 7 | 1 191 | 38 | 94 | 13 |
| Marit S. Lorentzen, VP Operations | 1 234 | 59 | 95 | 9 | 1 187 | 38 | 94 | 13 |
| Grethe Ytterstad, VP Quality | 1 107 | 141 | 83 | 8 | 930 | 30 | 95 | 12 |
| Paul Blackburn, VP Sales | 553 | | | | | | | |
| Jeremy Gillespie, VP Corp. Dev. and Prod.mgt | 1 571 | 20 | 47 | 60 | 793 | | 24 | |
| Ruth Hendus-Altenburger, PMO Manager | 869 | 8 | 61 | 4 | | | | |
| Dirk Hahneiser, former VP BD and marketing | 1 506 | 19 | 11 | 24 | 1 933 | | 34 | |
| Jethro Holter, former CEO | | | | | 1 814 | 188 | 104 | 9 |
| Darren Ellis, former CSO | | | | | 1 382 | | 147 | 9 |

No remuneration has been paid to the board.

**Shares in the mother company ArcticZymes Technologies controlled by senior management or close associates per 31.12.2024:**

| Name | Shares |
|---|---|
| Marit Sjo Lorentzen, VP Operations | 25 331 |
| Olav Lanes, VP R&D and Applications | 7 000 |
| Børge Sørvoll, CFO | 100 428 |
| Grete Ytterstad, VP Quality | 7 269 |
| Michael Akoh, CEO | 7 660 |

**Share options**
The Company has a share-based option scheme related to shares in the mother company. The fair value of the services received from the employees in return for the options granted is recognised as an expense in the consolidated profit & loss statement. Total expense for the options is accrued over the contract period based on the fair value of the options granted, excluding impact of any vesting conditions. Criteria not reflected in the market, affect the assumptions about the number of options expected to be vested. At the end of each reporting period, the Company revises its estimates of the number of options expected to be vested. It recognises the importance of the revision of original estimates in the consolidated profit & loss statement with a corresponding adjustment in equity. For 2024, the Company expensed NOK 4.1 million in connection with share options.

The net value of proceeds received less directly attributable transaction expenses are credited to the share capital (nominal value) and the share premium when the options are exercised.

**Share options in the mother company ArcticZymes Technologies controlled by senior management or close associates:**

| | 2024<br>Number of share options | 2023<br>Number of share options |
|---|---|---|
| Michael Akoh, CEO | 275 000 | 200 000 |
| Børge Sørvoll, CFO | 330 000 | 180 000 |
| Marit Sjo Lorentzen, VP Operations | 150 000 | 115 000 |
| Olav Lanes, VP R&D and Applications | 135 000 | 100 000 |
| Grethe Ytterstad, VP Quality | 35 000 | |
| Jeremy Gillespie, VP Corp. Dev. and Prod.mgt | 35 000 | |
| Paul Blackburn, VP Sales | 35 000 | |
| Ruth Hendus-Altenburger, PMO Manager | 35 000 | |
| **Outstanding per 31.12** | **1 030 000** | **595 000** |

Expiry date, exercise price, and outstanding options at year end:

| | 2024 | | 2023 |
|---|---|---|---|
| Expiry date | Average exercise price | Number of share options | Number of share options |
| 2025, 14 May | 10,19 | 15 000 | 15 000 |
| 2026, 30 November | 89,52 | 330 000 | 330 000 |
| 2028, 28 February | 42,38 | 50 000 | 50 000 |
| 2028, 30 November | 26,94 | 200 000 | 200 000 |
| 2029, 28 February | 38,43 | 100 000 | |
| 2029, 30 November | 15,00 | 335 000 | |
| **Outstanding at 31.12** | | **1 030 000** | **595 000** |
| **Exercisable options at 31.12** | | **15 000** | **15 000** |

The fair value of employee options (2029 Feb award) are calculated according to the Black-Scholes method. The most important parameters
are share price at grant date (NOK 27.70 per share), risk free rate (3.69%), expected term of 5 years, expected dividend yield (0%),
excercise price (NOK 38.23 per share) and volatility last 5 years (63.21%). The options were valued at NOK 13.49 per share option at award.
The fair value of employee options (2029 Nov award) are calculated according to the Black-Scholes method. The most important parameters are share price at grant date (NOK 13.50 per share), risk free rate (3.58%), expected term of 5 years, expected dividend yield (0%), excercise price (NOK 15.00 per share) and volatility last 5 years (63.77%). The options were valued at NOK 7.31 per share option at award.

**AUDITOR**
Remuneration to the auditor is distributed as follows:

| (Amount in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Statutory audit | 291 | 188 |
| Other attestation services | 22 | 17 |
| **Total auditor expenses** | **313** | **205** |

Amounts are before VAT.

**Note 6 Intangible assets**

**Principles for accounting:**
Research and development, patents and licenses are intangible assets treated in accordance with IAS 38. The assets are depreciated by the linear method, depreciating the acquisition expense to the residual value over the estimated useful life, which are for each group of assets:

| | |
|---|---|
| Own product development | 10 years |
| License and patents | 5-10 years |

Capitalised development costs are tested by indication for impairment in accordance with IAS 36.

The Company has historically capitalised development expenses for rSAP, HL-dsDNase, SAN Elisa-kit, Sa HQ and Polymerases. Other development costs are expensed when incurred. The Company expensed MNOK 16.4 in R&D during 2024

| (Amounts in NOK 1 000) | R&D | Patents | Total |
|---|---|---|---|
| Acquisition cost 01.01.2023 | 8 155 | 3 462 | 11 617 |
| Inflow of self-produced intangible assets | 11 533 | 6 154 | 17 687 |
| **Acquisition cost 31.12.2023** | **19 688** | **9 616** | **29 304** |
| Accumulated depreciation 31.12 | 3 206 | 4 | 3 210 |
| **Book value 31.12.2023** | **16 484** | **9 612** | **26 096** |
| | | | |
| Acquisition cost 01.01.2024 | 19 688 | 9 616 | 29 304 |
| Inflow of self-produced intangible assets | 7 601 | 2 029 | 9 630 |
| Capitalised grants (Skattefunn) | -1 041 | | -1 041 |
| **Acquisition cost 31.12.2024** | **26 248** | **11 645** | **37 893** |
| | | | |
| This year's depreciation | 1 005 | 445 | 1 450 |
| **Depreciations and write-downs 2024** | **1 005** | **445** | **1 450** |
| Accumulated depreciations 31.12 | 4 211 | 449 | 4 660 |
| **Book value 31.12.2024** | **22 039** | **11 196** | **33 234** |

**Note 7 Tangible assets**

**Accounting principle:**
Tangible assets are entered on the balance sheet and depreciated over the assets' expected economic life. Direct maintenance of operating assets are expensed on an ongoing basis under operating costs, while costs or improvements are added to the operating asset's cost price and is depreciated in line with the operating asset.

| | |
|---|---|
| Permanent fixtures | 10 years |
| Machinery/Equipment | 3-10 years |

| (Amounts in NOK 1 000) | Permanent fixtures | Machinery | Equipment and other movables | Total |
|---|---|---|---|---|
| Acquisition cost 01.01.2023 | 1 845 | 16 261 | 5 218 | 23 324 |
| Inflow of purchased tangible assets | - | 1 314 | 327 | 1 641 |
| **Acquisition cost 31.12.2023** | **1 845** | **17 575** | **5 545** | **24 965** |
| Accumulated depreciation 31.12 | 366 | 7 115 | 2 630 | 10 111 |
| **Book value 31.12.2023** | **1 478** | **10 462** | **2 914** | **14 855** |
| Acquisition cost 01.01.2024 | 1 845 | 17 575 | 5 545 | 24 965 |
| Inflow of purchased tangible assets | 42 | 498 | 354 | 894 |
| **Acquisition cost 31.12.2024** | **1 887** | **18 073** | **5 899** | **25 859** |
| This year's depreciation | 188 | 1 523 | 539 | 2 250 |
| **Depreciations and write-downs 2024** | **188** | **1 523** | **539** | **2 250** |
| Accumulated depreciation 31.12 | 554 | 8 638 | 3 169 | 12 361 |
| **Book value 31.12.2024** | **1 332** | **9 437** | **2 730** | **13 499** |

**Note 8 Financial assets and lease liabilities**

**Principles for accounting**

The Company rents premises from the parent Company ArcticZymes Technologies (AZT) in the SIVA Innovation Centre, Tromsø. The company has four contracts for offices and lab facilities. In addition, the Company is invoiced with a surcharge of 5%. The contracts for office premises expires in 2026 and the contract for lab facilities expires in 2031. All contracts are extended 2 times.

| (Amounts in NOK 1 000) | Lease assets |
|---|---|
| Historic cost | 15 913 |
| Accumulated depreciation | -3 599 |
| **Book value at 31.12.2023** | **12 314** |
| Adjustment net present value 01. 01 | 228 |
| Cancellation Share Lab Oslo | -1 294 |
| Depreciation | -2 827 |
| **Book value at 31.12.2024** | **8 420** |
| Historic cost | 14 847 |
| Accumulated depreciation | -6 426 |
| **Book value at 31.12.2024** | **8 420** |

**Lease liability:**

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Book value at 31.12 (preceding year) | 12 659 | 13 763 |
| Net present value adjustment 01.01 | 228 | 160 |
| Revises lease and additional premises Siva, Tromsø | | 987 |
| Revised lease and additional premises Oslo Tech | | 1 132 |

| | | |
|---|---|---|
| Interest expense | 538 | 691 |
| Cancellation Share Lab Oslo | -1 316 | |
| Lease payments additional premises SIVA | -3 940 | -4 074 |
| **Book value at 31.12** | **8 170** | **12 659** |
| Where of Current liabilities | 3 922 | 4 358 |
| Where of Non-current liabilities | 4 247 | 8 301 |

| Maturity analysis - contractual undiscounted cash flow | 2024 | 2023 |
|---|---|---|
| Less than one year | 3 922 | 4 358 |
| One to five years | 4 496 | 8 368 |
| More than five years | 1 201 | 2 289 |
| **Total undiscounted lease liabilities at 31.12** | **9 619** | **15 014** |

| **Summary of other leased assets presented in the consolidated profit & loss statement** | **2024** | **2023** |
|---|---|---|
| Overhead expenses related to premises | - | 648 |
| **Total leased assets included in other expenses at 31.12** | **-** | **648** |

**Short-term leases**
Overhead expenses related to premises in the contracts are expensed when they occur.

**Note 9 Other operating expense**

**Principles for accounting;**
Expenses are recognised in the statement of profit and loss in the period which the related costs are incurred or services are provided. Net currency related to sales and settlements of other operating expenses are recognised under other operating expenses.

| **(Amounts in NOK 1 000)** | **2024** | **2023** |
|---|---|---|
| Maintenance premises | 2 523 | 5 415 |
| Office equipment and IT | 3 114 | 1 807 |
| External service | 8 321 | 4 043 |
| Marketing expenses | 708 | 1 292 |
| Patent and licensing expenses | 2 006 | 2 522 |
| Other operating expenses | 7 573 | 7 098 |
| Internal administration expenses | 4 736 | 5 128 |
| **Total other operating expenses** | **28 981** | **27 305** |

Internal operating costs are part of the regular operations and are invoiced from the parent company to the subsidiary with a 5% markup. These costs include expenses related to IT, rent, and office expenses.

**Note 10 Financial interest and -expenses**

**Principles for accounting:**
The company's interest income and interest expense are mainly interest from bank deposits and lease obligations.

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Interest income | 767 | 1 517 |
| Net currency gain/loss (-) | 609 | -208 |
| Gain lease liability | | - |
| **Sum financial income** | **1 376** | **1 310** |
| Interest lease liability | -538 | -691 |
| Other financial expense | -21 | -33 |
| **Sum financial expenses** | **-559** | **-724** |
| | | |
| **Sum net finance** | **817** | **586** |

**Note 11 Tax**

**Principles for accounting:**
The tax charge in the profit and loss statement consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Entered tax on ordinary profit/loss: | | |
| Changes in deferred tax | 204 | 146 |
| **Tax expense on ordinary profit/loss** | **204** | **146** |
| | | |
| Taxable income: | | |
| Result before tax | 10 784 | 23 743 |
| Permanent differences | -1 935 | -570 |
| Changes in temporary differences | 36 | -563 |
| Provided intra-group contribution | -8 860 | -22 610 |
| **Taxable income** | **25** | - |
| | | |
| Payable tax in the balance: | | |
| Payable tax on this year's result | 1 955 | 4 974 |
| Payable tax on provided Group contribution | -1 949 | -4 974 |
| **Total payable tax in the balance** | - | - |
| | | |
| Calculation of effective tax rate | | |
| Profit before tax | 10 784 | 23 743 |
| Calculated tax on profit before tax | 2 372 | 5 224 |
| Tax effect of permanent differences | -426 | -125 |
| Adjustment capitalisation tax grants | 217 | 22 |
| **Total** | **2 164** | **5 120** |
| Effective tax rate | 20 % | 22 % |

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

| (Amounts in NOK 1 000) | 2024 | 2023 | Difference |
|---|---|---|---|
| Tangible assets | 1 428 | 2 115 | 687 |
| Lease agreements brought to the balance | 251 | -345 | -596 |
| Allocations and more | -6 | -62 | -55 |
| **Total temporary differences** | **1 672** | **1 708** | **36** |
| | | | |
| Not included in the deferred tax calculation | 1 468 | 506 | -961 |
| **Basis for deferred tax** | **3 140** | **2 215** | **-926** |
| | | | |
| **Deferred tax (22 %)** | **691** | **487** | **-204** |

**Note 12 Accounts receivables and other assets**

**Accounting principle:**
Accounts receivable and other assets are listed in the statement of financial position at face value. Receivables in foreign currency are assessed at the statement of financial position date's exchange rate.

| (Amounts in NOK 1000) | 2024 | 2023 |
|---|---|---|
| Accounts receivables | 20 525 | 13 784 |
| Provisions for estimated losses on accounts receivables | 0 | 0 |
| | | |
| **Book value of accounts receivables 31.12** | **20 525** | **13 784** |
| | | |
| Tax grants | 2 248 | 853 |
| VAT | 557 | 485 |
| Prepayments | 907 | 1 152 |
| **Sum other assets** | **3 712** | **2 490** |
| | | |
| **Sum account receivables and other assets** | **24 236** | **16 274** |

Age breakdown of Accounts receivable per 31.12.2024:

| Not yet due | 1 – 30 days | 31 – 60 days | 61 – 90 days | Over 90 days | Total |
|---|---|---|---|---|---|
| 16 469 | 2 768 | 943 | 131 | 214 | 20 525 |

A majority of accounts receivables overdue on 31 December have been settled subsequently.

Age breakdown of Accounts receivable per 31.12.2023:

| Not yet due | 1 – 30 days | 31 – 60 days | 61 – 90 days | Over 90 days | Total |
|---|---|---|---|---|---|
| 12 768 | 704 | 213 | 17 | 82 | 13 784 |

**Note 13 Group receivables and group liabilities**

| (Amounts in NOK 1 000) | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Receivables** | | |
| Customer receivables within the group | - | 867 |
| Other short-term receivables within the group | - | 2 408 |
| **Total receivables** | **-** | **3 275** |
| | | |
| **Liabilities** | | |
| Debt to suppliers within the group | 727 | 3 073 |
| Loan from Arcticzymes Technologies | 30 000 | |
| Other short-term liabilities within the group | 3 952 | 3 857 |
| Group contributions | 8 860 | 22 610 |
| **Total liabilities** | **43 539** | **29 540** |

See note 5

The Company has entered into a loan agreement of NOK 30.000.000 with the mother company ArcticZymes Technologies ASA. It is a two year loan agreement with 4.99% in interest rate.

**Note 14 Cash and cash equivalents**

| (Amounts in NOK 1 000) | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash and cash equivalents | 25 975 | 23 980 |
| Tax withdrawal accounts | 1 401 | 1 896 |
| **Total cash and cash equivalents** | **27 376** | **25 876** |

**Note 15 Shareholders**

| Share capital per 31.12.2024 | Outstanding shares | Face value | Total share capital |
|---|---|---|---|
| Ordinary shares | 109 380 | 100 | 10 938 000 |

| Shareholders per 31.12.2024 | Shares | Owner interest | Share of votes |
|---|---|---|---|
| ArcticZymes Technologies ASA | 109 380 | 100% | 100% |

**Note 16 Other current liabilities**

| (Amounts in NOK 1 000) | 2024 | 2023 |
|---|---|---|
| Accrued salaries and holiday payment | 4 117 | 4 519 |
| Public duties payable | 2 413 | 3 391 |
| Bonus | 251 | 1 781 |
| Royalties | 695 | 1 046 |
| Other accrued costs | 109 | 876 |
| **Total other current liabilities** | **7 586** | **11 614** |

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To the General Meeting of ArcticZymes AS

# Independent Auditor's Report

### Opinion

We have audited the financial statements of ArcticZymes AS (the Company), which comprise the statement of financial position as at 31 December 2024, the financial statement of profit & loss, statement of changes in equity capital and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. 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 in the Board of Directors' report.

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### 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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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

Tromsø, 30 April 2025
**PricewaterhouseCoopers AS**

Ørjan Renø
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning

**Signers:**

| ***Name*** | ***Method*** | ***Date*** |
|---|---|---|
| Renø, Ørjan | BANKID | 2025-04-30 22:24 |

The Norwegian Tax Administration

| Our date | Your date | Case officer |
|---|---|---|
| 27.02.2024 | | Vibeke Horne |
| 800 80 000 skatteetaten.no | Your reference | Telephone +4748123176 |
| Org. nr: 974761076 | Our reference 2024/5065255 | Postal address P.O. Box 9200 Grønland 0134 Oslo |

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Att.Børge Sørvoll
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9294 TROMSØ
Norge

*Callers from abroad, please call +47 22 07 70 00*

## Permission to prepare the annual accounts and directors' report in English language for Arcticzymes AS, org. no 994 191 632

With reference to your letter of 26 January 2024 with respect to the above matter regarding Arcticzymes AS.

Based on a total evaluation, the view of the tax office is that Arcticzymes 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 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**
Arcticzymes AS is a private limited company owned by a Norwegian company.

The company's purpose is to identify, manufacture, market and sell components for molecular research and diagnostics based on marine biochemicals. The company has a significant part of its operation outside Norway, working with existing and potential business partners, foreign authorities and R&D partners globally. The common working language is English.

**Condition for the permission**
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."

One of the main goals 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 tax office has emphasized that the company has a professional owner. Furthermore, all key players and partners in this industry understand and use English.
Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne
The Norwegian Tax Administration

*This document has been electronically approved and therefore has no handwritten signatures.*