ArcticZymes Technologies

Annual Report

www.arcticzymes.com

2024

CEO Statement 2024

Dear Shareholders,

In 2024, ArcticZymes focused on building a strong platform for future growth through strategic investments in our core organic initiatives. We enhanced our competitiveness and positioned the company for renewed momentum in a challenging market.

Our Salt Active Nuclease (SAN) program remained a key priority. We made strong progress toward launching a comprehensive GMP-grade nuclease portfolio by mid-2025. This will uniquely position ArcticZymes to support gene therapies—AAV and Lentivirus—as well as broader biologics like viral vaccines. These advancements set the stage for growth in 2025 and beyond.

The commercial transformation initiated in Q4 2024 is progressing well. We restructured and strengthened our commercial team to better align with customer needs and market opportunities. Our organization is becoming more customer-centric, focused on providing tailored solutions to key customer challenges.

Innovation remains a cornerstone of our strategy. The ADEPT project is driving the development of our first mRNA enzymes, and we will continue to expand our molecular tools offerings with new amplification and sample preparation solutions.

Operationally, we've enhanced our scalability and efficiency through the successful implementation of the Jeeves ERP system in December 2024, supporting both compliance and growth.

Our collaboration with acib has generated valuable real-world insights into viral vector workflows, reinforcing our role as a thought leader in biomanufacturing. More joint publications are expected in 2025.

With a stronger organization, strategic partnerships, innovative launches, and improving market conditions, we are confident in a successful future for the company.

I would like to extend my sincere gratitude to our dedicated employees whose hard work and passion drive our success. I also thank our shareholders for their continued trust and support, which remain vital to our journey forward.

Sincerely,
Michael B. Akoh
CEO
ArcticZymes Technologies ASA

Index

Board of Directors' report 2024

1. About ArcticZymes Technologies

The ArcticZymes Technologies group (hereinafter "the Group", "AZT" or "the Company") 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 collaborations with 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.

The headquarters and laboratories are located at the Science Park in Tromsø, Norway. As ArcticZymes is a global supplier of enzymes, most of the sales and marketing team are located remotely in Central Europe, North-America and Japan. In addition, the Company has established logistic hubs in the United States and the Netherlands to serve its US and EU customers more efficiently.

ArcticZymes Technologies ASA

ArcticZymes Technologies ASA is the holding company of ArcticZymes AS. There are internal agreements between mother and daughter entities regulating allocation of expenses.

ArcticZymes Technologies ASA has been listed on the Oslo Stock Exchange since 2005 under the [AZT] ticker.

Subsidiaries

The Company operates the wholly owned subsidiary ArcticZymes AS.

ArcticZymes AS represents the operational part of the Group where IPR, production, sales and personnel reside.

2. ArcticZymes AS

Product Offering

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:

- 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 dU-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.

- 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.

- 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 also has thermostable polymerase and reverse transcriptase that are commonly used in PCR technologies for infectious disease testing. RNA polymerases are used in a variety of molecular applications and molecular diagnostic assays as well as being a core component in the manufacturing of therapeutic RNA.

- **Proteinase** – For breaking down proteins, offering broad applications ranging from: i) direct lysis of cells in nucleic acid sample preparation (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

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 11.9%) with an estimated market size of USD 6.4 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-encapsulated nucleic acid impurities from therapeutic viruses such as Adenovirus, Adeno-Associated Virus (AAV), and Lentivirus. This reduces the risk of adverse effects in the final vaccine product.

Collectively AAV and Lentivirus represent two-thirds of the vector technologies utilized in the manufacturing of gene therapies. With just the SAN portfolio the Company can capitalize on these two 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 other 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 received a 12 MNOK grant from the Research council of Norway to develop new innovative mRNA enzymes. A consortium has been established together with SINTEF and the University of Tromsø with the aim of developing new enzymatic technologies that can aid the manufacturing of mRNA based therapeutics. The project runs over three years and 2.5 MNOK was expensed on this project in 2024. Furthermore, a new patented RNA restriction enzyme (ET-N1 is under development and is expected to be the Company's first unique 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 GMP 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.

Innovations

ArcticZymes has an ambitious innovation pipeline to broaden its product range. The goal is to be able to provide customers with an extended portfolio of synergistic enzymes within the different markets the Company serves.

- **For Molecular Tools:** ArcticZymes' pipeline innovations are focused on developing products in key enzyme classes currently not on offer to deepen the product range to molecular technologies. Key enzyme classes include DNA/RNA polymerases, reverse transcriptases, DNA/RNA ligases, nucleases and proteinases.

- **For Biomanufacturing:** ArcticZymes has had a focus in 2024 to ensure a full portfolio of GMP compliant nucleases. GMP compliance is important for customers specifically in the later stages of drug development. Having GMP will enable the Company to become part of more late-stage projects where the revenue potential is significant.

In supporting the above ambitions, ArcticZymes launched the following products during 2024:

- **SAN HQ GMP** - The new GMP grade salt active nuclease, supported with the filed DMF, was launched January 2024. The SAN HQ GMP has a higher quality grade and documentation reducing the barrier for customers to implement the enzyme into their development and manufacturing processes of viral vector therapeutic products. The SAN HQ GMP enzyme is used for removal of unwanted DNA and RNA from any biological component manufactured using host cells. Its quality grade adheres to the strict requirements for ancillary materials used in advanced therapeutics GMP-compliant manufacturing.

- **SAN HQ GMP neo** - The Company launched SAN HQ GMP neo in December 2024. The new SAN HQ GMP neo delivers a GMP-compliant version of ArcticZymes' widely utilized SAN HQ Triton FREE.

- **SAN HQ ELISA SensoPlus** – A next-generation detection tool for trace amounts of SAN HQ nucleases in therapeutic manufacturing was also launched in December 2024.

A peer-reviews article describing our new novel patented RNA restriction enzyme (ET-N1 (EcoToxN1)) was published in the prestigious journal Nucleic Acids Research. This new enzyme prototype has potential applications in mRNA research, analytics and manufacturing. As RNA is such a large and growing therapeutic class, this is an important part of diversifying our portfolio within advanced therapies.

A joint research project between ArcticZymes and the Austrian Centre of Industrial Biotechnology (acib) was announced and initiated in April 2024. Acib is a globally recognized research center in Graz, Austria. The collaboration project aims to demonstrate the benefits of SAN enzymes in purification of bionanoparticles (BNP's), mainly viral vectors, and innovative methodologies enhancing purity and scalability of such BNP's. The project's anticipated outcome includes scientific documentation to be disseminated at scientific congresses or peer revied journals. The project is partly funded by the COMET (Competence Centers for Excellent Technologies) program, that supports translational research, synergies and innovation in the biotechnology sector.

The war in Ukraine, Middle Eastern instability, and trade tensions

The ongoing war in Ukraine, along with instability in the Middle East, has not had a direct material impact on the Company. ArcticZymes has no existing or potential business in these regions. However, these conflicts contribute to broader economic uncertainty, which may indirectly affect the Company by dampening the global investment climate and slowing overall economic growth.

Additionally, escalating trade tensions and protectionist policies in key markets have led to a more fragmented global trade environment. While ArcticZymes is not directly impacted currently, disruptions to global supply chains and shifting international trade dynamics create further economic uncertainty that could influence the broader business landscape.

Strategic Aspects

The Company remains committed to executing on its strategic growth initiatives.

The three growth levers for the Company are Innovation, commercial execution, and strengthening the infrastructure to enable scaling and compliance. Moreover, the Company is actively pursuing strategic partnerships across the value chain to fuel the growth agenda.

In 2024, the Company closed its laboratory in Forskningsparken, Oslo, to streamline operations and focus its application resources at the main site in Tromsø. This decision enhances efficiency and strengthens collaboration by centralizing key activities at the Company's primary facility.

The focus on becoming an attractive partner within biomanufacturing has demanded investments in the establishment of a DMF (Drug Master File) as well as a GMP upgrades for the Company's SAN portfolio. By H2 2025, the Company will be uniquely positioned as provider of specialized GMP and non-GMP enzymes optimized for the two major classes of gene therapies—AAV and Lenti-virus. These enzymes will also support other biologics, such as viral vaccines, establishing a critical foundation for revenue growth in 2025 and beyond.

The initiated a commercial transformation during 2024 where the focus is on becoming more customer centric and a partner for our customers. This involves additional investment in the commercial team as well as the marketing activities that are conducted.

To further strengthen ArcticZymes' position in though market leadership, we will continue to invest in visibility of our scientific pedigree through posters, publications, and webinars.

Moving into 2025, the Company continues to focus its efforts into organic growth and partnerships whilst remaining opportunistic in regard to potential M&A and in-licensing opportunities.

3. Consolidated financial statements

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 Group's long-term strategic forecasts. The Group's economic and financial position is sound.

The Board is not aware of any matters of significant importance for the Company's financial position beyond what is disclosed in the financial statements.

Consolidated statement of profit and loss

The financial statements for the ArcticZymes Technologies group are prepared in accordance with International Financial Reporting Standards (IFRS). The ArcticZymes Technologies group had sales revenues of NOK 104.4 million in 2024, compared to NOK 119.0 million in 2023.

Sales revenues for the business declined 12 % compared to 2023, explained by challenging market conditions, destocking effects, interest rate increases and capital constraints in the general life science market.

The business had a profit before tax of NOK 10.6 million versus NOK 24.8 million in 2023.

Net profit after tax for the Group was NOK 8.5 million compared to NOK 19.4 million in 2023.

Unallocated corporate overhead expenses for 2024 were NOK 11.4 million compared to NOK 7.4 million in 2024. Increase in expenses is primarily explained by consultancy services related to implementation on new ERP solution in 2024.

Total recognised expenses for R&D within the Group in 2024 was NOK 16.4 million, compared to NOK 21.2 million in 2023. The reduction is mainly explained by reduction of staff and other operating expenses.

NOK 7.6 million was spent on capitalisation of projects related to R&D in 2024, whereas the Company spent NOK 11.5 million in 2023.

Cash Flow

The Group had a cash flow from operating activities of NOK 1.7 million in 2024, compared to NOK 24.4 million in 2023. Cash flow from investing activities in 2024 was NOK -9.9 million against NOK -21.0 million in 2023. For 2024, investing activities is primarily explained by investments in intangible assets. Net cash flow from financing activities was NOK -1.7 million in 2024 compared to NOK -1.3 million in 2022.

Net change in cash during 2024 was NOK -9.9 million, compared to NOK 2.1 million in 2023.

Cash and cash equivalents amounted to NOK 171.0 million year to 31.12.2024, compared to NOK 180.1 million at the end of previous year.

Investments in low-risk interest rate mutual fund was reclassified from Cash and cash equivalents to other assets in 2023, with corresponding adjustment in the Cash Flow statement.

Consolidated statement of financial position

Total equity for the Group amounted to NOK 324.4 million at the end of 2024, compared to NOK 309.3 million at the beginning of the year. Increase in equity is primarily explained by underlying positive performance. The equity ratio was 94 %. The Group has no interest-bearing debt that is payable. All interest-bearing debt is related to lease of premises (IFRS 16 calculations).

The parent company

Sales revenues for the parent Company ArcticZymes Technologies ASA were NOK 4.7 million in 2024. Net profit was NOK 6.8 million, explained by group contribution from the subsidiary ArcticZymes AS of NOK 8.7 million. Sales revenues are intercompany sales of services to the subsidiary.

The 2024 profit in the parent company ArcticZymes Technologies ASA of NOK 6.8 million is transferred to retained earnings.

4. Shareholder matters

The ArcticZymes Technologies share ended 2024 with a closing price of NOK 13.34 per share, compared to NOK 42.00 at the end of 2023. NOK 12.74 was the lowest closing price during the fiscal year, while the highest closing price was NOK 42.75 per share.

Share option programs have been offered to certain employees in the Group since 2010. Former chairman of the board, Marie Roskrow exercised 200,000 options in June/July 2024.

A 5-year Long Term Incentive (LTI) programme was initiated in December 2021 after AGM approval in June 2021. 500,000 options were awarded in 2021. 0 options were awarded in 2022 whereas 250,000 options were awarded in 2023. 370,000 options were voided in 2023. 430.000 options were awarded in 2024. The programme has a maximum potential award of 4% of outstanding shares.
The share option program is described in note 21 to the financial statement and in the remuneration report.

Share options may in extraordinary cases be granted to the Board to attract and retain individuals with international industrial expertise and knowledge that will benefit the Company. The Nomination Committee recommended an award of 315,000 options to Board members at the AGM in 2020 and this was supported by the Company's shareholders. 200,000 share options of this award were exercised in 2024. See the Groups Corporate Governance report for further information.

As of 31.12.2024, the Company has 51.071.390 shares registered with a nominal value of NOK 1.00, distributed on 3,028 VPS-registered shareholders.

5. Risk

The Group 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 Group having a global scope.

The Group 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 Group must take on costs to defend its rights against patent infringement.

The ArcticZymes Technologies group is a small company, with few employees, several of whom are critical to the success of the Group'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. The Group's 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 Group 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 Group 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.

The Board considers the liquidity situation to be satisfactory. Positive cash flow from operations and limited investment activities gives a solid financial position. If an in-organic event should occur, the Company might have to raise money in the external market to secure funding for this event.

6. The working environment and staff

At ArcticZymes Technologies, we are committed to fostering a positive, inclusive, and dynamic working environment where our employees can thrive. Our success is driven by a talented and diverse team dedicated to innovation, collaboration, and excellence.

We prioritize employee well-being by providing a safe, supportive, and inspiring workplace. Our culture encourages professional growth, continuous learning, and knowledge-sharing, ensuring that our staff have the resources and opportunities they need to develop their skills and advance their careers. We value diversity and inclusion, promoting equal opportunities for all employees and fostering a culture of respect and teamwork.

Health and safety are fundamental to our operations, and we adhere to occupational safety standards to ensure a secure work environment. Additionally, we emphasize work-life balance, offering flexible arrangements that support both professional and personal well-being.

At ArcticZymes Technologies, we believe that an engaged and motivated workforce is key to driving innovation and achieving our long-term goals.

At the end of 2024, there were 55 full and part time employees in the Group. All employees were hired in ArcticZymes AS. There was a decrease of 13 employees during the year.

Lost days due to sick leave in 2024 totalled 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.

The Company is committed to recruit and develop employees of all genders. Equality between the genders is practiced in a way that all genders are considered equal regarding career opportunities and salary. At the end of 2024, the Board consists of 4 directors, of which 2 are women. The employee-elected representative is a female and there is female employee elected observer. In the senior management team 3 out of 8 are female.

See the Group's "Workplace equality and diversity reporting" (Aktivitets- og redegjørelsesplikt) for further information. This statement can be found on www.arcticzymes.com.

The Company has a Board liability insurance covering the Board of Directors and the CEO in case the individual should become personally liable for damages on the basis of negligence. The insurance covers damages up NOK 30 million per claim.

7. Natural environment

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.

8. Principles of corporate governance /equality

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 Governance. 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.

9. Corporate social responsibility/ESG

At ArcticZymes Technologies, we are committed to upholding the highest Environmental, Social, and Governance (ESG) standards as part of our responsibility to stakeholders, society, and the environment. Our ESG strategy aligns with our mission to deliver high-quality enzyme technologies while ensuring sustainable and ethical business practices.

Environmental Responsibility

We recognize the importance of environmental stewardship and actively work to minimize our ecological footprint. Our initiatives include responsible sourcing of raw materials, energy-efficient manufacturing processes, waste reduction programs, and adherence to stringent environmental regulations. We continuously seek innovative solutions to improve sustainability within our operations.

Social Commitment

We prioritize ethical business practices, employee well-being, and community engagement. We foster a diverse and inclusive workplace, ensuring fair labor practices, professional development opportunities, and a safe working environment. Additionally, we engage with local communities to support scientific research, education, and sustainability initiatives.

Governance & Ethical Business Practices

ArcticZymes Technologies is dedicated to maintaining transparency, accountability, and integrity in all aspects of our business. We comply with regulatory requirements, uphold strong corporate governance structures, and enforce ethical conduct across our operations. Our leadership ensures ESG principles are integrated into decision-making processes, reinforcing our long-term commitment to responsible business growth.

We continuously evaluate and enhance our ESG efforts to create value for our stakeholders while contributing to a more sustainable future.

See the Group's ESG statement for further information. This statement can be found on www.arcticzymes.com.

The Company has a separate report on the "Transparency Act". This report can be found on www.arcticzymes.com.

10. Outlook

The commercial transformation initiated in Q4 is progressing well. The commercial team has been restructured and strengthened with the addition of three experienced Business Development Managers and a Marketing Director. Efforts are underway to build a more customer-centric organization, shifting the focus from simply delivering products to providing solutions that address key customer challenges.

Strategic partnerships are a key pillar of this transformation. Starting in Q2 2025, a leading viral vector CDMO will integrate M-SAN HQ into its manufacturing platform. As a result, new viral vector manufacturing programs initiated by the CDMO will utilize M-SAN. This partnership reinforces the uniqueness of the SAN portfolio and is expected to be a long-term revenue driver.

The market for Salt Active Nucleases (SANs) is evolving, with new competitors entering the space. However, ArcticZymes nuclease portfolio is more competitive than ever, backed by significant investments in 2023 and 2024 to develop GMP-compliant versions and a drug master file for SAN HQ GMP. By mid-2025, the SAN portfolio will be fully GMP-compliant, including the launch of a new M-SAN HQ GMP-grade nuclease. These GMP products are expected to drive long-term growth as they become embedded in later-stage drug development over time. The increasing number of unique customers in this segment provides a solid foundation for further expansion.

Internal and external innovation programs remains a priority. ArcticZymes is advancing the development of its first mRNA enzymes, a key growth area, while also expanding its molecular tools portfolio with new solutions for amplification and sample preparation.

With a strengthened commercial organization, strategic partnerships on the horizon, the completion of a full GMP-grade SAN portfolio, and improving market conditions, ArcticZymes expects to return to growth in 2025.

The Board would like to thank all employees for their efforts and achievements in 2024.

Tromsø, Norway, 30 April 2025

Frank Mathias
Chairman

Sharon Brownlow
Director

Petter Dragesund
Director

Terese Solstad
Director – employee elected

Michael B. Akoh
CEO

Principles
of Corporate
Governance

1. Statement on corporate governance

In accordance with NUES's recommendation for good Corporate Governance and Article 3-3b of the Norwegian Accounting Act, the Board of Directors in ArcticZymes Technologies has prepared this policy statement on Corporate Governance. If the Company deviates from NUES recommendation, AZT will adhere to the "comply or explain" principle for each and every clause in the recommendation.

2. Business

ArcticZymes Technologies ASA (hereinafter "AZT") is a is a Norwegian life science company focused on the development, manufacturing, and commercialization 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 capitalise 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 products.

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

ArcticZymes Technologies supports the UN's 17 Sustainable Development Goals and have decided to report company efforts in accordance with the Global Reporting Initiative (GRI) framework. Through this report the Company will show how employees, enzyme, society and the future affects business processes and our response to the challenges encompassed in sustainability.

The Board of Directors has developed a plan where targets, risk assessment and strategies are evaluated at least on an annual basis.

The Company's activities are also described in Article 3 of the Articles of Association and are posted on the Company's website and published in the current annual report.

3. Equity and profits

As of 31. December 2024, the Company's equity amounted to NOK 324 million. The Board believes that end of year equity is satisfactory.

The Board does not recommend payment of dividends to its shareholders as the Company intends to grow the Company both organically and inorganically.

At the Annual General Meeting on 26. June 2024, the Board was authorized to issue up to 300,000 shares in connection with employee share schemes. The authorization is valid until the Annual General Meeting in 2025 but not later than 30. June 2025. As of 01. February 2025, 200,000 shares have been issued under this authorization.

At the Annual General Meeting in 2025, the Board will propose a one-year renewal of the authorization to cover all exercisable options until the Annual General Meeting in 2026.

4. Equal treatment of shareholders and transactions with related parties

ArcticZymes Technologies ASA has only one class of shares. Each share carries one vote. In the event of capital increases, shareholders' pre-emption rights may be waived in accordance with current authorisations, depending on situation and needs. Transactions may deviate from current market price as exercise price on employee options were determined at allocation.

All material or extraordinary transactions between the Company and shareholders, directors, management, or close associates of any such parties shall be evaluated independently by a third party. According to article §3–9 in the Norwegian Accounting Act, all transactions with close associates will be published in both quarterly as well as annual reports.

The Directors and senior management are also obliged to notify the Board if they have a material interest in any transaction entered into by the Company.

5. Free marketability

The Company's Articles of Association place no restrictions on trading of shares or voting rights.

6. General Meetings

Through General Meetings, shareholders are guaranteed participation in the body that is the highest authority in the Company. This is where the Company's Articles of Association are adopted. Notice of General Meeting's shall be distributed to shareholders no later than 21 days prior to the meeting and shall be posted on the Company's website. In general, supporting documents will only be posted on the Company's website. The registration deadline for General Meetings is normally the day before the meeting. Shareholders who cannot attend the meeting may vote by proxy. The Company will propose a person to vote as a proxy for shareholders and will facilitate proxies at the General Meetings so that shareholders can authorise the proxy in each case. The supporting documents describe procedures that apply for participation, proxy forms, procedures for submitting proposals for discussion and information on where documents are available. Generally, the Chairman of the Board opens the meeting and suggests a person to chair the meeting. Normally, members of the Board, election committee, auditor and management will attend the meeting. Minutes of General Meetings will be made available on the Company website and on the stock exchange.

7. Nomination Committee

The Company has a Nomination Committee consisting of three members elected by the Annual General Meeting for two-year terms. According to article 6 of the Articles of Association, the members of the Committee shall be shareholders or representatives of shareholders. The Nomination Committee shall arrange for shareholders to propose candidates to the Board of Directors. The Annual General Meeting elects the chair of the Nomination Committee and determines the remuneration of its members. At the Annual General Meeting in 2024, Jon Sandberg was elected chairman, while Arne Handeland and David Zetterlund were elected as members. The election committee is independent of the Board and management in the Company. Instructions for the Nomination Committee have been adopted by the Annual General Meeting and are available on the Company's website.

8. Corporate assembly and Board, composition and independence

The Company has no corporate assembly. According to the Articles of Association, the Board must consist of between 3 and 8 members. The Board has currently 4 members, whereas 3 are elected by shareholder and 1 is elected by employees. The Board members are considered independent of the Company's main shareholders.

Directors of the Board and the Chairman are elected by the Annual General Meeting in accordance with the Company's Articles of Association. The Director's term (election period) should not exceed two years. Information about the Directors are available on the Company's website.

9. The Work of the Board of Directors

The Board has the overall responsibility for managing, supervising the daily management and operations of the Company. Instructions have been prepared for the Board's work. Each year, the Board determines a plan for its work covering matters the Board is required by legislation and regulation to consider and other topics that are essential for the Board to follow-up in the following year. There subsists job descriptions for the CEO and other senior managers. The Board evaluates its own work and competence at least once a year. The evaluation is submitted to the Nomination Committee.

The Board had 10 board meetings in 2024, which were a combination of virtual and physical meetings.

The Board has established a Compensation Committee and an Audit Committee. Both committees have independent members chosen amongst the Board members. The Audit Committee is a preparatory body to assist the Board in meeting its responsibilities with regard to financial reporting, auditing and internal control while the Compensation Committee consider reimbursement for the CEO and senior managers. This includes evaluating the achievement of pre-defined and agreed goals. Specific instructions have been prepared for the work of both Committees.

Senior management representatives of the parent Company have been appointed as Directors of the subsidiary, ArcticZymes AS.

10. Risk management and internal control

Together with the Company's auditor, the Audit Committee and the Board carries out an annual review of the Company's internal controls. A financial handbook describing the Company's financial management is established. The Company's quality system safeguards procedures for risk management and internal control processes and products in accordance with applicable regulations and customer requirements. The enzyme operation and subsidiary ArcticZymes AS is ISO13485 approved and has annual audits to uphold the registration. The Board is of the opinion that the Company's internal control is sufficient. There exists various levels of risk related to the Company's operations. The Board considers that the Company's main areas of risk relate to:

- General risks associated with government regulation and competition
- Financial risks related to currency fluctuations
- Risks associated with the result and commercial adaptation of long-term product development
- Patent risks
- Risks related to key personnel and the possibility of losing this type of personnel
- Product liability
- Key suppliers and dependence thereon
- Legal disputes which may arise

Procedures have been established for handling insider information and infringement of internal policies and procedures, which apply to all employees. The procedures reflect the guidelines of the Oslo Stock Exchange and MAR regulations. Procedures have also been established for the regular reporting of financial statements. Furthermore, management reports to the Board on the progress of the Company's development and other operational processes at least once a month

11. Remuneration of the Board

The Annual General Meeting, based on a proposal from the Election Committee, determines the Board's remuneration. The level of remuneration should reflect the Board of Directors' responsibility, expertise, the complexity of the Company, as well as time spent and the level of activity in both the Board of Directors and any board committees.

The remuneration of the Board of Directors shall not be linked to the Company's performance.

The Annual General Meeting in 2024 set the remuneration for the Chairman of the Board to NOK 600,000 and NOK 350,000 for each of the members. The remuneration of the employee representative constitutes 50% of the remuneration for the regular board member. The employee observer does not receive any remuneration. Remuneration for the Chairman of the Audit Committee is NOK 75.000 whereas compensation for chairman of the Compensation Committee is at NOK 50.000. Members in each committee receives NOK 25.000. Expenses related to meetings are reimbursed on a cost basis. The defined remuneration for the Board and subcommittees shall apply from the decision date until the next Annual General Meeting.

At the Annual General Meeting in 2020, the Chairman of the Board received 200,000 options whereas the two other board members received 100,000 and 15,000 options, respectively. The options had 5 years to maturity, exercise period from year 3-5 and a strike of NOK 10.19 per share. This award was in breach with NUES recommendation for good corporate governance, but it was proposed and recommended by the Nomination Committee. 300,000 of these options have been exercised.

Any consideration paid to members of the Board of Directors in addition to their board remuneration are specifically identified in the annual report.

Severance or pension schemes have not been established for the Board members.

12. Remuneration for senior managers

The Board shall establish guidelines for the remuneration of senior executives, which shall be presented to the Annual General Meeting at least every 4th year. The Board shall determine the remuneration of the CEO in accordance with these guidelines. The CEO in consultation with the Board shall determine the remuneration of other senior executives. The Board's decision on remuneration of the CEO and the principles for reimbursement of other senior executives are based on proposals from the Compensation Committee. The Board determines the charter for the Compensation Committee. The Compensation Committee shall seek schemes to encourage long-term value creation in the Company. Overall remuneration shall be competitive with comparable companies. Option schemes have been established.

According to the Public Limited Liabilities Act § 6-16b, remuneration of senior executives is described in a separate report to the annual report.

13. Information and communication

The Board has established guidelines for information and reporting to the stock exchange. The guidelines have been formulated in accordance with applicable legislation and stock exchange regulations. The Company strives to provide equal and simultaneous information to the stock market. The Company holds investor presentations in connection with the publication of quarterly reports. Generally, these quarterly presentations are published as webcasts. Notifications are posted on the Company's website at the same time the information is disseminated to the market. The Board has also established guidelines for communication with the media.

In addition to the Board of Directors' dialogue with the Company's shareholders in the general meetings, the Board of Directors shall make suitable arrangements for shareholders to communicate with the Company at other times to enable the Board of Directors to develop and understand which matters affecting the Company from time to time are of particular concern to its shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in consideration of the principle of equal treatment of the Company's shareholders. In accordance with internal procedures, the CEO is the main contact for communication with shareholders.

14. Acquisition

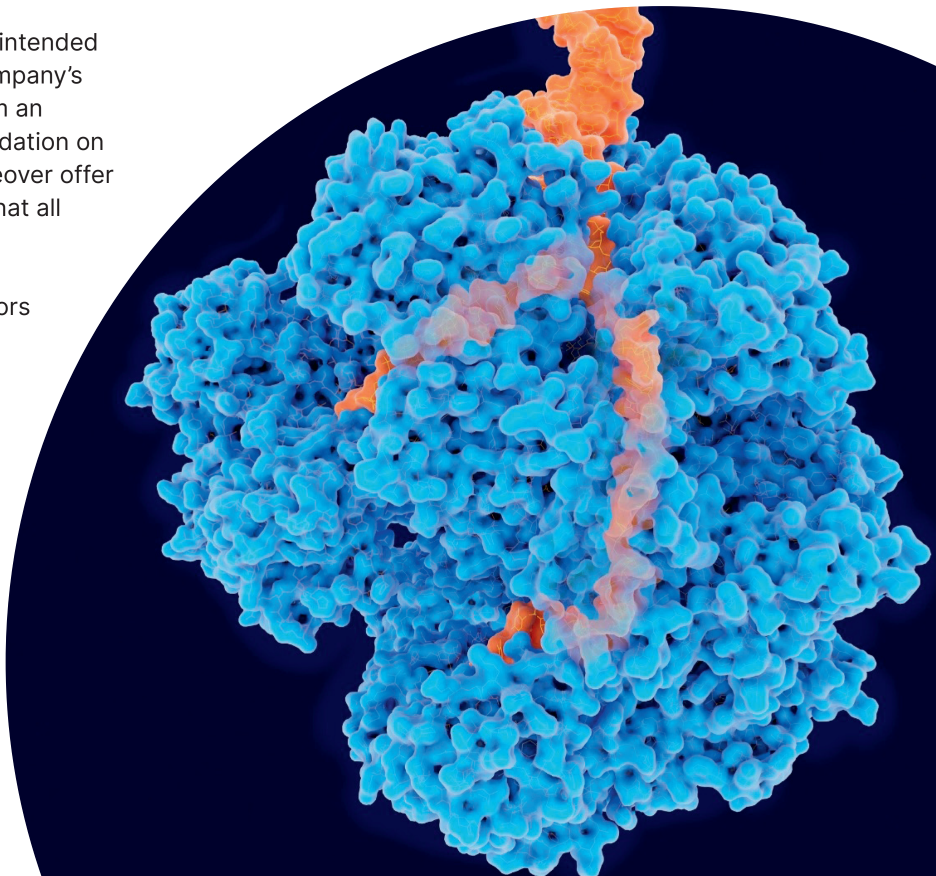
The Board has not implemented measures intended to prevent or impede any offers for the Company's shares. The Board will obtain valuation from an independent expert and issue a recommendation on whether shareholders should accept a takeover offer or not. The Board is committed to ensure that all shareholders are treated equal.

In a take-over process, the Board of Directors and executive management each have an individual responsibility to ensure that that there are no unnecessary interruptions to the Company's business activities. The Board of Directors has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

15. Audit

The Company's auditor, PWC, was elected at the Annual General Meeting in 2019. The responsible partner is Ørjan Renø. The auditor's plan for the audit work shall be presented to the Audit Committee. The Company's internal control procedures must be reviewed once a year in a meeting between the auditors, the Board and the Audit Committee. The auditor shall participate in Board meetings concerning the annual report. The Board and auditors shall meet once a year without the presence of the administrative management. The auditor has provided a written statement regarding compliance with independence requirements.

An overview of the services the auditor carries out in addition to the audit is presented and approved by the Board in connection with the annual report. The Annual General Meeting shall be informed about how the remuneration of the auditor is divided between auditing and other services. The auditor shall participate in the Annual General Meeting if this is considered necessary.



Remuneration report

According to the Public Limited Companies Act § 6-16b, the Board of Directors shall prepare a report on remuneration to the CEO, other senior executives and members of the board. The report shall account for the executive remuneration policy and guidelines in the company which were approved by the Annual General Meeting in May 2021. They guidelines shall be revised every 4th year with corresponding approval by the Annual General Meeting in 2025.

Introduction - highlights

2024 was a year defined by continued challenging global market conditions. ArcticZymes experienced negative growth for the second year in row compared to previous years. The organisation was downsized and the Oslo office closed in the beginning of 2024 to reduce operating expenses.

The ArcticZymes Technologies group had sales revenues of NOK 104.4 million in 2024, compared to NOK 119.0 million in 2023. Net profit after tax for the Group was NOK 8.5 million compared to NOK 19.4 million in 2023

Marie Roskrow and Jane Theaker withdrew from the board in May 2024 whereas Edgar Koster withdrew from the board in April 2024. A new board consisting of Chairman, Frank Matias and board members, Petter Dragesund and Sharon Brownlow was elected at the Annual General Meeting in 2024. Petter Dragesund was elected as the Chairman of the Audit Committee whereas Frank Matias was elected as Chairman of the Remuneration Committee.

In 2024, the main focus and ambition of the Company was towards the following performance targets: Sales, EBITDA, the release of SAN HQ GMP neo, release of new Elisa kit, AI (Artificial Intelligence) collaboration, innovation of new products, ERP implementation, in-licensing deal and increased awareness on GMP compliance. Some of targets were fully completed whereas the other targets were only partially met. Due to lower-than-expected sales and EBITDA per end of the year, it was decided by the Board of Directors together with CEO that no bonus should be awarded to executive management.

An option program was approved by the Annual General Meeting in May 2021. At any time, the number of allocated options is limited to 4% of the outstanding shares. 430,000 options were awarded to senior executives in 2024 under this program. 1,025,000 options or 2.0% of outstanding shares are awarded to senior executives and other associates for 31.12.2024

Total remuneration for Board of Directors:

Name, position	Year	1. Fixed Board remuneration	2. Remuneration for committee meetings	3. Extraordinary items	4. Total remuneration
Dr. Frank Mathias, Chairman	2024	360 000	60 000		420 000
Dr. Sharon Brownlow, Director	2024	210 000	45 000		255 000
Petter Dragesund, Director	2024	210 000	60 000		270 000
Therese Solstad, Employee Director	2024	105 000			105 000
Bernd Striberny, former Employee Director	2024	55 000			55 000
	2023	138 750			138 750
Dr. Marie Roskrow, former Chairman	2024	250 000	37 500	2 962 000	3 249 500
	2023	420 000	67 500	120 000	607 500
Jane Theaker, former Director	2024	110 000	20 000		130 000
	2023	345 000	50 000	180 000	575 000
Edgar Koster, former Director	2024	82 500	30 000		112 500
	2023	165 000	60 000		225 000
Volker Wedershoven, former Director	2023			2 981 000	2 981 000

Senior executive remuneration in 2024 and 2023:

Name, position	Year	1. Fixed Remuneration			2. Variable remuneration	
		Salary paid	Board fees	Fringe benefits	One-year variable (earned, not paid)	Multi-year variable (options)
Michael Akoh, CEO	2024	1 858 311		1 027		781 394
	2023	543 110				129 467
Børge Sørvoll, CFO	2024	1 655 665		8 240		1 588 539
	2023	1 667 693		10 442	59 907	1 322 843
Olav Lanes, VP R&D and applications	2024	1 232 182		8 292		858 344
	2023	1 190 718		10 937	40 283	856 200
Marit S. Lorentzen, VP Operations	2024	1 233 982		8 519		906 164
	2023	1 187 445		13 461	66 244	904 020
Grethe Ytterstad, VP Quality	2024	1 106 721		8 409		1 513
	2023	990 653		12 262	157 500	
Paul Blackburn, VP Sales	2024	553 262				1 513
Ruth Hendus-Altenburger, PMO Manager	2024	869 167		3 799		1 513
	2023	754 022		5 588	8 105	
Jeremy Gillespie, VP Corp. Dev. and Prod. mgt.	2024	1 571 270				1 513
	2023	792 974			20 837	
Dirk Hahneiser, former VP BD and marketing	2024	1 505 952		23 583		
	2023	1 932 560		56 207	18 191	
Jethro Holter, former CEO						
	2023	2 086 955		8 649		
Darren Ellis, former CSO	2024	301 103				
	2023	1 399 864		9 491		

Explanatory notes:

- CEO, Michael Akoh received 70,000 options in Dec 2024. He received no increase in fixed salary in 2024.
- CFO, Børge Sørvoll received a 4% increase in fixed salary on 01 July 2024. He received 100,000 and 50,000 in January and December 2024, respectively.
- VP Operations, Marit S. Lorentzen received a 4% increase in fixed salary on 01 July 2024. She received 35,000 options in December 2024.
- VP R&D and Application, Olav Lanes received a 3.7 % increase in fixed salary on 01 July 2024. He received 35,000 options in December 2024.
- VP Quality, Grethe Ytterstad received a 4.5% increase in salary on 01 July 2024. She received 35,000 options in December 2024.
- VP Corporate Development and Product Management, Jeremy Gillespie received a 15% increase in salary on 1 June 2024. He received 35,000 options in December 2024.
- VP Sales, Paul Blackburn, joined the company on 1 September 2024. He received 35,000 options in December 2024.
- Former Chairman of the board, Marie Roskrow exercised 200,000 options in June/July 2024, resulting in NOK 2.961.000 as personal income declaration.
- No bonus was awarded to senior executives per fiscal year 2024.
- Multiyear variable is calculated as annual value of options awarded based on Black Scholes calculations.
- Fringe benefits consist of taxable portion of insurance and electronic communication for Norwegian employees
- Fringe benefits for Mr. Hahneiser consist of home office allowance, sick and health insurance.
- The board is reimbursed for travel expenses.

3. Extraordinary items	4. Pension expenses	5. Total remuneration	6. Proportion of fixed and variable remuneration	
			% Fixed	% Variable
	171 370	2 812 102	72 %	28 %
100 000	38 698	811 275	84 %	16 %
	119 579	3 372 023	53 %	47 %
	123 925	3 184 810	57 %	43 %
	94 915	2 193 733	61 %	39 %
	91 886	2 190 024	59 %	41 %
	95 096	2 243 761	60 %	40 %
	93 643	2 264 813	57 %	43 %
	83 372	1 200 015	100 %	0 %
	95 000	1 255 415	87 %	13 %
		554 775	100 %	0 %
	60 799	935 278	100 %	0 %
	52 227	819 942	99 %	1 %
	46 804	1 619 587	100 %	0 %
	24 343	838 154	98 %	2 %
	11 482	1 541 017	100 %	0 %
	34 272	2 041 230	99 %	1 %
	104 459	2 200 063	100 %	0 %
	19 234	320 337	100 %	0 %
	146 510	1 555 865	100 %	0 %

Share-Option based remuneration

A share option program was introduced at the Annual General Meeting in 2021 where the Board proposed to introduce an annual LTI scheme to cover new allocations for the senior executive group, as well as for other key positions in the Company. Granted share options shall have a waiting period (no vesting) of 12 months and 36 months vesting period, with 1/36 vested every month. Following the 36-month vesting period, there will be a 12-month exercise period. The exercise price for any new options awarded will be set at the market price of the share at the time of award. At any time, the number of allocated options is limited to 4% of the outstanding shares. In case of termination of employment, all vested options not in the exercise period will lapse without compensation. Options in the exercise period shall be exercised as soon as possible after termination.

430.000 options under this scheme were granted to senior executives in 2024.

The Chairman of the Board, Marie Roskrow and Marit Sjo Lorentzen were awarded 215,000 options at the Annual General Meeting in 2020. These options had a 3-year vesting period from 2020-2023, with an exercise period from 14 May 2023 to 14 May 2025. Former chairman of the board Marie Roskrow exercised her options in June/July 2024.

Senior executive and Board of Directors long-term incentives:

Name, position	1. Specification of plan	Main conditions of plan				
		2. Performance period	3.Award date	4. Vesting date	5. End of holding period	6. Excercise period
Michael Akoh, CEO	2023 LTI Award	03.11.2023-30.11.2028	03.11.2023	03.11.2023-02.11.2027	30.11.2028	03.11.2027-30.11.2028
	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Børge Sørvoll, CFO	2021 LTI Award	17.12.2021-30.11.2026	17.12.2021	17.12.2022-16.12.2025	30.11.2026	17.12.2025-30.11.2026
	2023 LTI Award	23.02.2023-28.02.2028	23.02.2023	23.02.2024-22.02.2027	28.02.2028	23.02.2027-28.02.2028
	2024 LTI Award	08.02.2024-28.02.2029	08.02.2024	08.02.2025-08.02.2028	28.02.2029	08.02.2028-08.02.2029
	2024,2 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Olav Lanes, VP R&D and Applications	2021 LTI Award	17.12.2021-30.11.2026	17.12.2021	17.12.2022-16.12.2025	16.12.2025	17.12.2025-30.11.2026
	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Marit S. Lorentzen, VP Operations	2021 LTI Award	17.12.2021-30.11.2026	17.12.2021	17.12.2022-16.12.2025	16.12.2025	17.12.2025-30.11.2026
	2020 Board award	14.05.2020-14.05.2025	14.05.2020	25.05.2022	14.05.2025	14.05.2023-14.05.2025
	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Grethe Ytterstad, VP Quality	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Ruth Hendus-Altenburger, PMO Manager	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Paul Blackburn, VP Sales	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029
Jeremy Gillespie, VP Corp. Dev. and Prod. mgt.	2024 LTI Award	17.12.2024-30.11.2029	17.12.2024	17.12.204-30.11.2025	30.11.2029	30.11.2028-30.11.2029

Information on how the remuneration complies with the remuneration guideline and how performance criteria were applied

The Remuneration Guidelines, which were approved by the Annual General Meeting on 20th May 2021, have served as a framework for all remuneration procedures during the financial year 2024 and the performance criteria decided.

The performance and target driven approach for the management as laid out in the remuneration guidelines is aligned with the strategic ambition for the company. The ambitions for 2024 were extensive and only partially met. The board still believes that the goals set will increase shareholder value and improve the financial standing of the Company in the coming years.

The board of directors is following AZT guidelines 1 (c), a gender pay equity objective for the executive management. The remuneration of the members of the board of directors is following the same

	Information regarding the reported financial year					
	Opening balance	During the year		Closing balance		
7. Strike price of the share	8 Share options held at the beginning of the year	9. Share options awarded	10. Share options vested	11. Share options subject to performance condition	12. Share options awarded and unvested	13. Share options subject to holding period
26,94	200 000		11 111	188 889		11 111
15,00		70 000			70 000	
89,52	130 000		43 333	43 333		86 667
42,38	50 000		13 889	36 111		13 889
38,23		100 000			100 000	
15,00		50 000			50 000	
89,52	100 000		33 333	33 333		66 667
15,00		35 000			35 000	
89,52	100 000		33 333	33 333		66 667
10,19	15 000					15 000
15,00		35 000			35 000	
15,00		35 000			35 000	
15,00		35 000			35 000	
15,00		35 000			35 000	
15,00		35 000			35 000	
Total	**595 000**	**430 000**	**135 000**	**335 000**	**430 000**	**260 000**

objectives which is reviewed from time to time by the nomination committee and documented in the annual recommendations by the nomination committee.

The board of directors has advised the executive management to follow the same objectives for all employees of the group. One member of the board of directors has been nominated for all employees of the group to file complaints against fair treatment according to the guidelines.

The remuneration committee reviews the remuneration of the executive management from time to time and supplies recommendations to the board of directors. The Committee's recommendation for the remuneration of the management is based on individual interviews with the management, the experience and competence of the persons and their position in the company, as well as a comparison of the geographical and marketplace specifics.

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Senior executives targets and performance in 2024

Name, position	1. Performance criteria	2. Relative weighting of performance criteria	3. Information on performance targets Minimum target/ corresponding award
Michael Akoh, CEO	Sales	20 %	Plan achievement 141 MNOK NA
	EBITDA	20 %	Plan achievement 35 MNOK NA
	ERP implemented per Q2 2024	10 %	ERP solution implemented NA
	R&D, IP filing, 3 prototypes and 2 publication	10 %	IP filing, 3 prototypes and 2 publication NA
	Project and prod. mgt.	10 %	Launch 1 in-licensed product and strat roadmap NA
	Expeses below 99.1 MNOK	15 %	Expenses below 99.1 MNOK NA
	Corporate development	15 %	AI deliver 50 sequences, 3 insource prototypes and 1 launch NA
Børge Sørvoll, CFO	Sales	20 %	Plan achievement 141 MNOK NA
	EBITDA	30 %	Plan achievement 35 MNOK NA
	ERP implemented per Q2 2024	20 %	ERP solution implemented NA
	Expeses below 99.1 MNOK	20 %	Expenses below 99.1 MNOK NA
	Corporate development	10 %	AI deliver 50 sequences, 3 insource prototypes and 1 launch NA
Marit Sjo Lorentzen, VP Operations	EBITDA	25 %	Plan achievement 35 MNOK NA
	ERP implemented per Q2 2024	10 %	ERP solution implemented NA
	SAN HQ Elisa and 1 other product	20 %	SAN HQ Elisa and 1 other product NA
	Launch SAN HQ GMP neo and 1 other product	10 %	Launch SAN HQ GMP neo and 1 other product NA
	rSAP transferred, plan for avoidance cross contamination	35 %	rSAP transferred and cross contamination plan NA

	Maximum target/ corresponding award	4. Measured performance/outcome
	Plan achievement 141 MNOK	Sales of MNOK 103
	NOK 135.907	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 135.907	NOK 0
	ERP solution implemented	ERP launched 01 Dec. 2024
	NOK 67.954	NOK 0
	IP filing, 3 prototypes and 2 publication	Partially achieved
	NOK 67.954	NOK 0
	Launch 1 in-licensed product and strat roadmap	No in-license launch but partial on other areas
	NOK 67.954	NOK 0
	Expenses below 99.1 MNOK	EBITDA of MNOK 5.1
	NOK 101.930	NOK 0
	AI deliver 50 sequences, 3 insource prototypes and 1 launch	Partial achivement
	NOK 101.930	NOK 0
	Plan achievement 141 MNOK	Sales of MNOK 103
	NOK 83.072	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 124.607	NOK 0
	ERP solution implemented	ERP launched 01 Dec. 2024
	NOK 83.072	NOK 0
	Expenses below 99.1 MNOK	EBITDA of MNOK 5.1
	NOK 83.072	NOK 0
	AI deliver 50 sequences, 3 insource prototypes and 1 launch	Partial achivement
	NOK 41.536	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 46.550	NOK 0
	ERP solution implemented	ERP launched 01 Dec. 2024
	NOK 18.620	NOK 0
	SAN HQ Elisa and 1 other product	SAN HQ Elisa launched
	NOK 37.240	NOK 0
	Launch SAN HQ GMP neo and 1 other product	SAN HQ GMP neo launched
	NOK 18.620	NOK 0
	rSAP transferred and cross contamination plan	rSAP transferred
	NOK 65.169	NOK 0

Name, position	1. Performance criteria	2. Relative weighting of performance criteria	3. Information on performance targets Minimum target/ corresponding award
Olav Lanes, VP R&D and applications	EBITDA	15 %	Plan achievement 35 MNOK NA
	R&D, IP filing, 3 prototypes and 2 publication	40 %	IP filing, 3 prototypes and 2 publication NA
	Launch SAN HQ GMP neo and 1 other product	20 %	Launch SAN HQ GMP neo and 1 other product NA
	SAN HQ Elisa and 1 other product	15 %	SAN HQ Elisa and 1 other product NA
	Corporate development	10 %	AI deliver 50 sequences, 3 insource prototypes and 1 launch NA
Grethe Ytterstad, VP Quality	EBITDA	15 %	Plan achievement 35 MNOK NA
	Launch SAN HQ GMP neo and 1 other product	20 %	Launch SAN HQ GMP neo and 1 other product NA
	SAN HQ Elisa and 1 other product	15 %	SAN HQ Elisa and 1 other product NA
	Est. understanding of GMP, EK validation	50 %	Est. understanding of GMP, EK validation NA
Ruth Herndus-Altenburger, PMO Manager	EBITDA	15 %	Plan achievement 35 MNOK NA
	ERP implemented per Q2 2024	10 %	ERP solution implemented NA
	R&D, IP filing, 3 prototypes and 2 publication	10 %	IP filing, 3 prototypes and 2 publication NA
	Launch SAN HQ GMP neo and 1 other product	40 %	Launch SAN HQ GMP neo and 1 other product NA
	SAN HQ Elisa and 1 other product	25 %	SAN HQ Elisa and 1 other product NA
Jeremy Gillespie, VP Corp. Dev and Prod. Mgt.	EBITDA	15 %	Plan achievement 35 MNOK NA
	Project and prod. mgt.	20 %	Launch 1 in-licensed product and strat roadmap NA
	Launch SAN HQ GMP neo and 1 other product	15 %	Launch SAN HQ GMP neo and 1 other product NA
	Corporate development	50 %	AI deliver 50 sequences, 3 insource prototypes and 1 launch NA

Derogations and deviations from the remuneration guidelines and from the procedure for its implementation

The Board of Directors deviated from the remuneration guidelines in reference to chapter 3.2 Retirement and Pension plans back in 2023. Company contribution of 5% and 8% for salaries between 0 and 7.1G and for salaries between 7.1G and 12G are changed to 7% and 10%, respectively. There is no individual contribution.

Variable Remunerations point (a). The guidelines include a variable payment for the Management of 15%. The Board of Directors, has in accordance with

	Maximum target/ corresponding award	4. Measured performance/outcome
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 27.930	NOK 0
	IP filing, 3 prototypes and 2 publication	Partially achieved
	NOK 74.479	NOK 0
	Launch SAN HQ GMP neo and 1 other product	SAN HQ GMP neo launched
	NOK 37.240	NOK 0
	SAN HQ Elisa and 1 other product	SAN HQ Elisa launched
	NOK 27.930	NOK 0
	AI deliver 50 sequences, 3 insource prototypes and 1 launch	Partial achivement
	NOK 18.620	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 24.570	NOK 0
	Launch SAN HQ GMP neo and 1 other product	SAN HQ GMP neo launched
	NOK 32.760	NOK 0
	SAN HQ Elisa and 1 other product	SAN HQ Elisa launched
	NOK 24.570	NOK 0
	Est. understanding of GMP, EK validation	Partially achieved
	NOK 81.900	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 20.250	NOK 0
	ERP solution implemented	ERP launched 01 Dec. 2024
	NOK 13.500	NOK 0
	IP filing, 3 prototypes and 2 publication	Partially achieved
	NOK 13.500	NOK 0
	Launch SAN HQ GMP neo and 1 other product	SAN HQ GMP neo launched
	NOK 54.000	NOK 0
	SAN HQ Elisa and 1 other product	SAN HQ Elisa launched
	NOK 33.750	NOK 0
	Plan achievement 35 MNOK	EBITDA of MNOK 5.1
	NOK 66.825	NOK 0
	Launch 1 in-licensed product and strat roadmap	No in-license launch but partial on other areas
	NOK 89.100	NOK 0
	Launch SAN HQ GMP neo and 1 other product	SAN HQ GMP neo launched
	NOK 66.825	NOK 0
	AI deliver 50 sequences, 3 insource prototypes and 1 launch	Partial achivement
	NOK 222.750	NOK 0

CEO decided to set performance-related payment for VP Sales to 40% in 2024 and VP Corporate Development and Product Development to 30% in 2023.

Comparative information on change of remuneration in the company:

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	Total remuneration 2024 (TNOK)
Michael Akoh, CEO						16 %	2 812
Børge Sørvoll, CFO	9 %	23 %	11 %	43 %	10 %	7 %	3 372
Grethe Ytterstad, VP Quality				-2 %	36 %	-4 %	1 200
Jeremy Gillespie, VP Corporate dev.						13 %	1 620
Marit Sjo Lorentzen, VP Operations	3 %	33 %	22 %	53 %	5 %	-1 %	2 244
Paul Blackburn, VP Sales							555
Ruth Hendus-Altenburger						14 %	935
Olav Lanes, VP R&D and application	3 %	9 %	22 %	62 %	3 %	0 %	2 194
Dirk Hahneiser, former VP BD and Marketing					22 %	-14 %	1 761
Jethro Holter, former CEO	13 %	38 %	19 %	46 %	-46 %		
Darren Ellis, former CSO					7 %		320
Company performance	**2019 vs 2018**	**2020 vs 2019**	**2021 vs 2020**	**2022 vs 2021**	**2023 vs 2022**	**2024 vs 2023**	**2024**
Revenues (TNOK)	-32 %	107 %	37 %	7 %	-13 %	-12 %	104 352
EBITDA (TNOK)	124 %	2024 %	36 %	-33 %	-47 %	-77 %	5 143
Net profit (TNOK)	96 %	13355 %	-39 %	-29 %	-41 %	-56 %	8 470
Average remuneration on a FTE basis of employees	**2019 vs 2018**	**2020 vs 2019**	**2021 vs 2020**	**2022 vs 2021**	**2023 vs 2022**	**2024 vs 2023**	**2024**
Employees in the Group	-11 %	15 %	33 %	38 %	18 %	-9 %	56,0
Average salary change ex management (TNOK)	-2 %	5 %	-2 %	-1 %	0 %	7 %	817

Explanatory notes:

- Paul Blackburn was hired as a VP Sales in September 2024, hence there is no comparison data.
- VP Business Development and Marketing, Dirk Hahneiser worked for 10.5 months in 2024. Numbers are annualised for comparison purposes.
- The majority of increase in remuneration is related to valuation of options and how these impacts total remuneration. Majority of options are out-of-money per end of the year.
- If an employee started in the middle of a year, numbers have been annualized for comparison purposes.

Adaptations of guidelines and report approved by the Annual General Meeting in May 2021 and June 2024, respectively

At the Annual General Meeting on 20th May 2021, 99.8% of represented shareholders voted for the Remuneration guidelines and 89.5% voted for the binding guidelines with regards to equity instruments.

At the Annual General Meeting on 26 June 2024, 78.0% of represented shareholders voted for the Remuneration report. This is a decrease of 3.7% compared to votes at the Annual General Meeting in 2023.

The Board has not initiated any specific actions based on the votes from the Annual General Meeting as 2024. The Board of Directors will consider further actions based on the vote at the Annual General Meeting in 2025. New remuneration guidelines will be presented at the Annual General Meeting in 2025.

Financial statements – Group

Consolidated statement of profit & loss – Group

1. January till 31. December

(Amounts in NOK 1 000)	Note	2024	2023
Sales revenues	5	104 352	118 939
Other income	6	3 754	711
Total income		**108 106**	**119 650**
Change in inventory	16	-2 967	-5 795
Cost of materials	16	8 950	11 721
Personnel expenses	7,8,9	60 634	58 852
Depreciation and amortization	13,14,15	6 581	6 381
Other operating expenses	9,10	36 346	32 745
Total operating expenses		**109 546**	**103 905**
Operating profit		**-1 440**	**15 746**
Financial income	11	12 370	9 516
Financial expense	11	-349	497
Financial net		**12 021**	**9 019**
Profit before income tax		**10 581**	**24 765**
Income tax expense	12	2 112	5 340
Net profit		**8 470**	**19 425**
Net profit attributable to:			
Equity holders of ArcticZymes Technologies ASA		8 470	19 425
Earnings per share:			
Weighted basic EPS from net profit	20	0,17	0,38
Weighted diluted EPS from net profit	20	0,17	0,38

Consolidated statement of other comprehensive income – Group

(Amounts in NOK 1 000)	Note	2024	2023
Net profit for the year		8 470	19 425
Total comprehensive income		**8 470**	**19 425**
Comprehensive income attributable to:			
-shareholders of parent company		8 470	19 425
Total comprehensive income		**8 470**	**19 425**

Consolidated statement of financial position – Group

As of 31. December

(Amounts in NOK 1 000)	Note	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Deferred tax asset	12	3 787	5 899
Intangible assets	13	33 234	26 096
Machinery, equipment and permanent fixtures	14	13 650	15 020
Lease assets	15	8 420	12 314
Other long term receivables		954	
Total non-current assets		**60 045**	**59 329**
CURRENT ASSETS			
Inventory	16	15 840	12 873
Accounts receivable	17	20 525	13 784
Other assets	17	77 909	72 442
Cash and cash equivalents	18,19	170 954	180 894
Total current assets		**285 227**	**279 994**
Total assets		**345 272**	**339 323**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20,21	51 071	50 871
Premium paid-in capital		265 770	263 947
Retained earnings		7 407	-5 521
Total equity		**324 248**	**309 297**
LONG-TERM LIABILITIES			
Lease liabilities	15,18	4 364	8 414
Total long-term lialilities		**4 364**	**8 414**
CURRENT LIABILITIES			
Lease liabilities	15,18	3 735	4 174
Accounts payable		5 120	4 539
Other current liabilities	22	7 806	12 898
Total current liabilities		**16 661**	**21 611**
Total liabilities		**21 025**	**30 026**
Total equity and liabilities		**345 272**	**339 323**

Tromsø, 30 April 2025

Frank Mathias	**Sharon Brownlow**	**Petter Dragesund**	**Terese Solstad**	**Michael B. Akoh**
Chairman	Director	Director	Director (employee)	CEO

Consolidated statement of changes in equity – Group

1. January till 31. December

(Amounts in NOK 1 000)	Note	Share capital	Premium paid-in capital	Retained earnings	Total equity
Equity as of 01.01.2023		50 571	261 656	-27 491	**284 736**
Comprehensive income 2023				19 424	**19 424**
TRANSACTIONS WITH OWNERS:					
Share capital increase		300	2 291	-8	**2 584**
Employees' share options	21			2 553	**2 553**
Equity as of 31.12.2023		**50 871**	**263 948**	**-5 522**	**309 297**
Comprehensive income 2024				8 470	**8 470**
TRANSACTIONS WITH OWNERS:					
Share capital increase		200	1 823	-4	**2 019**
Employees' share options	21			4 462	**4 462**
Equity as of 31.12.2024		**51 071**	**265 770**	**7 407**	**324 248**

Consolidated statement of cash flow – Group

1. January till 31. December

(Amounts in NOK 1 000)	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		10 581	24 765
Profit/loss adjusted for:			
Adjustment, lease premises		-22	-97
Depreciation and amortization	13,14,15	6 581	6 381
Employees' options, share-based payment expense	7	4 462	2 553
Interest expense lease liability	11	356	465
Changes in operating assets and receivables:			
Inventory	16	-2 967	-5 795
Accounts receivables and other receivables	17	-8 194	746
Changes in fair value for financial investment		-4 624	-1 805
Account payable and other current liabilities	22	-4 515	-2 783
Net cash flow from operating activities		**1 659**	**24 430**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in machinery and equipment	14	-933	-1 673
Investment in intangible assets	13	-8 589	-17 546
Short term investments		611	-1 796
Changes in long term receivables		-954	
Net cash flow from investing activities		**-9 865**	**-21 015**
CASH FLOW FROM FINANCING ACTIVITIES			
Payment on lease liabillities	15	-3 401	-3 435
Payment interest on lease liabillities	15	-356	-465
Captial increase		2 023	2 584
Net cash flow from financing activities		**-1 734**	**-1 316**
Net change in cash during the year		-9 940	2 099
Cash and cash equivalents as of 01.01		180 894	178 795
Cash and cash equivalents as of 31.12		**170 954**	**180 894**

Notes to the financial statements for 2024

Note 1 General information

The ArcticZymes Technologies group (the Company, the Group) is a Norwegian life science company focused on the development, manufacturing, and commercialisation of novel and high-quality recombinant enzymes. These enzymes are utilized in molecular research, In Vitro Diagnostics (IVD) and biomanufacturing processes.

Building on more than three decades of world-class research at the Arctic University of Tromsø and in collaboration with other national and international partners, the Company offers niche and high-quality life science products.

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

Headquartered at the SIVA Science Park in Tromsø, Norway, ArcticZymes Technologies operates globally, with sales and marketing teams located in Central Europe, North America, and Japan. The company has also established logistic hubs in the United States and the Netherlands to efficiently serve its international customer base.

ArcticZymes Technologies ASA has been listed on the Oslo Stock Exchange since 2005 under the ticker [AZT].

The Board of Directors approved the consolidated financial statements on 30 April 2025.

Note 2 Summary of significant accounting policies

The following describes the principal accounting policies applied in the preparation of the consolidated financial statements. These principles have been consistently applied to all periods presented, unless otherwise stated.

Note 2.1 Financial reporting framework

The consolidated financial statements are prepared in accordance with IFRS®Accounting Standards as adopted by the EU. The consolidated financial statements are prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of estimates. Furthermore, the application of the Company's accounting principles requires management to exercise judgment. For further information about this, see note 4.

The consolidated financial statements are prepared under the going concern assumption.

The Company has adopted all new and amended standards with mandatory application for the current reporting period. The Company does not expect any new, nor newly amended standards to have a material impact on the profit & loss statement or the financial position statement of the Company.

Note 2.2 Principles for consolidation

Subsidiaries

The consolidated financial statements include the parent company ArcticZymes Technologies ASA and the wholly owned subsidiary ArcticZymes AS.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Note 2.3 Foreign currency translation

Functional and presentation currency

The accounts of the individual entities within the Group are measured by using the currency of the main economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency for all Group companies.

Transactions and financial position items

Foreign currency transactions are translated into the functional currency using the exchange rate at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items (assets and liabilities) in foreign currency at year-end, are recorded in the consolidated statement of profit & loss.

Note 3 Financial risk management

Note 3.1 Financial risk factors

Certain activities expose the Group to financial risks like market risk, credit risk, interest rate risk and liquidity risk. The Group's overall risk management is to minimise potential adverse effects of any unpredictability in the financial markets. For the reporting period, the Group had no interest-bearing loans. Financial instruments are not used for trading purposes. Interest-bearing investments beyond bank deposits can be made in certificates or bond funds with short maturities. These investments are classified as other assets.

Note 3.1.1 Market risk / Foreign currency risk

Revenues for 2024 to the Group are mainly denominated in USD and EUR; distributed 73% at USD and 27% at EUR. A majority of the Group's cost base is denominated in NOK even though there is a strong growth in foreign currency expenses.

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.

Book value of current liabilities and receivables/ assets measured by currency:

The Group has little exposure to interest rate risk as the investment of liquid assets are in bank deposits, certificates and / or mutual funds with short maturities. The Group has no interest-bearing debt.

Note 3.1.2 Credit risk

The Group is mainly exposed to credit risk related to accounts receivables and some credit risk associated with bank deposits. No single customer represents major outstanding credit records and the associated credit risk is considered to be low. The maximum exposure is expressed at the carrying value of accounts receivable. Losses on accounts receivables were insignificant in 2024. All bank deposits are in DNB Bank ASA. DNB Bank ASA has a AA- S&P rating with stable outlook.

Note 3.1.3 Liquidity risk

Based on planned activities and current cash position, the Group considers the liquidity risk to be low. There are no major investments or investments that will have a major impact on the Company's liquidity. If the Company moves forward with an M&A event, capital will need to be raised to reduce any potential liquidity risk in the short to medium term.

The Group has its cash in Norwegian bank deposits. At the reporting date, the Group had bank deposits of NOK 171.0 million. In addition, the Company had NOK 73.0 million in low risk, highly liquid mutual funds defined as short term assets in the financial position statement. The Group's accounts payable and current liabilities have maturity shorter than one year and will be settled at maturity.

Note 3.1.3

(Amounts in NOK 1 000)	2024	2023
Non-current lease liabilities > 12 months	**4 364**	**8 414**
< 3 months	5 120	4 539
3 months – 12 months	0	0
Total accounts payable	**5 120**	**4 539**
Current lease liabilities < 12 months	3 735	4 174
Other current liabilities < 12 months	7 806	12 898
Total liabilities	**21 025**	**30 026**

Note 3.1.1

(Amounts in NOK 1 000)	2024		2023	
	Receivables/asset	Liabilities	Receivables/asset	Liabilities
NOK	80 530	18 257	71 373	25 152
EUR	4 680	1 277	6 449	3 238
USD	13 137	654	8 313	1 065
Other	86	837	91	571
Total	**98 434**	**21 025**	**86 227**	**30 026**

Note 3.2 Capital management

The Group's objectives when managing capital is to achieve equal or better than risk-adjusted returns in relation to established benchmark indices. This given the risk AZT wants to take, taking into account the ability to take risks and the adopted strategy for responsible investments. Presently, the Group is equity financed, but with potential acquisitions through M&A in the future, the Group will consider its capital structure.

The Group has no long-term debt and pays no dividends to shareholders as long as the Group has ambitions on inorganic growth initiatives.

The table below shows the Group's net cash position as of 31 December:

(Amounts in NOK 1 000)	2024	2023
Cash and cash equivalents	170 954	180 894
Less: Restricted cash equivalents	-1 892	-2 281
Net cash position	**169 062**	**178 613**

Note 4 Accounting estimates and judgments

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 Group 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 Group. 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 9 for development projects and note 13 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 Group 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.

Note 5 Segment information

Principles for accounting
The operating segments in these statements are consistent with the internal reporting provided to the chief operating decision maker. The operating decision maker, who is responsible for allocating resources and for assessing performance of the business segments, has been identified as the Board of Directors. An operating segment is engaged in providing products or services that are subject to risks and returns that are different from other operating segments.

The Group has divided its business into two operating segments; enzymes and corporate. The segment enzymes consists of sales revenues and operating expenses associated with the subsidiary ArcticZymes AS. The corporate segment provides a range of administrative services to the subsidiary. Invoicing is based on service agreements. Corporate overhead cost within the parent company remains unallocated.

The Group recognise revenues according to IFRS 15 when it transfers control over a good or service to a customer. Control is transferred to the customer according to the agreed delivery terms for each order. Delivery terms are based on Incoterms 2020 issued by International Chamber of Commerce, and the main delivery terms for the Company is FCA, where the customer arranges and pays for the main carriage. Control is transferred when the goods are collected by the carrier engaged by the customer. The goods are normally sold with standard warranties where the goods comply with agreed-upon specifications. ArcticZymes does not have any other significant obligations for returns or refunds. Freight services are included in sales revenues. ArcticZymes sales revenues are from sales of enzymes for use in molecular research, In Vitro Diagnostics and Biomanufacturing. Most of the goods are delivered to warehouses in USA and Europe. All goods are invoiced when the Group transfers control of the goods to a customer, normaly when they leave the warehouse. The maturity of the invoices range from 30 to 90 days, depending on customer and agreement. Most of the revenues are from quotes or non binding supply agreements where the price has been agreed upon in advance. Other income are government tax grants and other research grants.

Net profit/loss(-) from the operating segments:

(Amounts in NOK 1 000)	2024			2023		
	Enzymes	Corporate	Total	Enzymes	Corporate	Total
Sales revenues	104 352		**104 352**	118 939		**118 939**
Cost of materials and change in inventory	-5 983		**-5 983**	-5 926		**-5 926**
Gross profit	**98 369**		**98 369**	**113 012**		**113 012**
Other operating income	3 754		**3 754**	711		**711**
Operating expenses	-85 627	-11 354	**-96 981**	-84 227	-7 369	**-91 597**
Depreciation and amortization	-6 528	-53	**-6 581**	-6 339	-42	**-6 381**
Operating profit/loss(-)	**9 968**	**-11 407**	**-1 440**	**23 157**	**-7 411**	**15 746**
Net financial income/loss (-)	817	11 204	**12 021**	586	8 433	**9 019**
Profit/loss(-) before tax	**10 785**	**-203**	**10 581**	**23 743**	**1 021**	**24 765**

Assets, liabilities and investments distributed to the segments:

(Amounts in NOK 1 000)	31.12.2024			31.12.2023		
	Enzymes	Corporate	Total	Enzymes	Corporate	Total
Assets	123 560	221 712	**345 272**	107 885	231 437	**339 323**
Liabilities	11 945	9 080	**21 025**	16 765	13 261	**30 026**

Geographical distribution of sales revenues:

(Amounts in NOK 1 000)	2024	2023
	Enzymes	Enzymes
Norway	241	224
Germany	5 775	7 161
Lithuania	29 542	34 524
France	1 994	3 476
Italy	3 427	2 827
UK	7 159	7 364
Other countries in Europe	5 150	5 692
USA	44 925	53 149
Rest of world	6 139	4 522
Total sales revenues	**104 352**	**118 939**

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

Note 6 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
Tax grants "Skattefunn"	1 207	741
Other grants	2 525	
Other adjustments	22	-30
Total other income	**3 754**	**711**

Description of awarded grants:

(Amounts in NOK 1 000)	Grants expiry	2024	2023
From Research Council of Norway			
Adept	2027	2 525	
Tax grants "Skattefunn":	Annually	1 207	741
Total grants		**3 732**	**741**

See note 17 for grants in the financial position

Note 7 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 Group has a defined contribution plan for all employees in Norway compliant to requirements for compulsory occupational pension in Norway under which the Group pays a fixed percentage contribution of members' salaries. The Group 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 Group paid for 49 members of the scheme.

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

(Amounts in NOK 1 000)	2024	2023
Salaries	46 637	46 213
Employer's social security contribution	4 481	4 589
Share options granted	4 462	2 553
Pension costs	2 934	3 058
Other benefits	2 121	2 439
Total personnel expenses	**60 634**	**58 852**
Number of employees at 31.12:	55,0	68,0
Number of FTEs:	56,0	63,1

Note 8 Related party disclosures

Marie Roskrow worked for the Company in a 40% position after former CEO, Jethro Holter went on sick leave in January 2023. When CEO, Michael Akoh joined the company in September 2023, Marie Roskrow ended the temporary consultancy work. For 2023, the Company disbursed NOK 487.500 in board remuneration and NOK 631.000 in consulting fee to Marie Roskrow. There were no related party disclosures for 2024 Travels are reimbursed on a cost basis.

Remuneration of Board of Directors and senior management:

(Amounts in NOK 1 000)	2024				2023			
	Salaries paid	Bonus paid	Pension costs	Other benefits	Salaries paid	Bonus paid	Pension costs	Other benefits
Frank Mathias, Chairman	420							
Sharon Brownlow, Director	255							
Petter Dragesund, Director	270							
Terese Solstad, Director/Employee	105							
Marie Ann Roskrow, former Chairman	288			2 962	488			120
Jane Theaker, former Director	130				395			180
Edgar Koster, former Director	113				225			
Bernd K. Striberny, former Director / Employee	55				139			
Volker Wedershoven, former Director								2 981
Michael Akoh, CEO	1 858		171	1	543		39	100
Børge Sørvoll, CFO	1 656	53	120	8	1 413	85	124	6 411
Marit Sjo 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
Olav Lanes, VP R&D and Applications	1 232	36	95	7	1 191	38	92	11
Jeremy Gillespie, VP Corp. Dev. and Prod.mgt	1 571	20	47	60	793		24	
Paul Blackburn , VP sales	553							
Ruth Hendus-Altenburger, PMO Manager	869	8	61	4	754	12	52	6
Dirk Hahneiser, former VP Business Dev.and Markting	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

The Company has a board liability insurance covering the Board of Directors and the CEO in case the individual should become personal liable for damages on the basis of negligence. The insurance covers damages up NOK 30.000.000 per claim. See note 21 in reference to share options to executives and management.

Shares owned or controlled by directors and senior management per 31.12.2024:

	Shares	Options
Petter Dragesund, board member	521 739	
Sharon Brownlow, board member	10 570	
Frank Mathias, chairman of the board	9 000	
Lill Hege Henriksen, Observer (employee)	3 088	
Michael Akoh, CEO	7 660	275 000
Børge Sørvoll, CFO	100 428	330 000
Marit Sjo Lorentzen, VP Operations	25 331	150 000
Grethe Ytterstad, VP Regulatory Affairs	7 269	35 000
Paul Blackburn, VP sales		35 000
Jeremy Gillespie, VP Corporate Develoment		35 000
Ruth, Hendus-Altenburger. PMO Manager		35 000
Olav Lanes, VP R&D and applications	7 000	135 000

Note 9 Research and development expenses

Principles for accounting

Development expenses are expensed when incurred. Previously expensed development costs are not recognised in subsequent periods. Capitalised development costs are depreciated linearly from the date of commercialisation over the period in which they are expected to provide economic benefits. Capitalised development costs are tested by indication for impairment in accordance with IAS 36.

(Amounts in NOK 1 000)	2024	2023
Research and development expenses:		
Personnel expenses	10 195	14 725
Purchase of external services	3 115	818
Other operating expenses	3 138	5 666
Total R&D expenses, not capitalised	**16 448**	**21 209**

Note 10 Other operating expenses

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 and materials lab	3 871	7 297
Office equipment and IT	6 424	4 415
External services	13 824	8 207
Marketing expenses	805	1 369
Patent and licensing expenses	2 021	2 549
Other operating expenses	9 402	8 907
Total other operating expenses	**36 346**	**32 745**

External auditor: Fees and expenses ex VAT:

(Amounts in NOK 1 000)	2024	2023
Statutory audit	684	530
Other attestation services	87	62
Total auditing fees and expenses	**770**	**592**

Note 11 Financial income and expense

Principles for accounting

The Groups's interest income and expenses mainly relates to interest received on bank deposits, lease liabilities and short-term interest rate funds. Changes in fair value fpr financial investments is based public market valuation at end of year. Net currency relates to gains and losses on bank deposits.

(Amounts in NOK 1 000)	2024	2023
Interest income	7 009	8 131
Changes in fair value for financial investments	4 624	1 806
Net currency gain/loss (-)	736	-421
Total financial income	**12 370**	**9 516**
Other financial expense	-349	-497
Total financial expense	**-349**	**-497**
Total financial income and expense, net	**12 021**	**9 019**

Note 12 Deferred tax asset

Principles for accounting

The tax charge in the profit and loss account 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 or from earlier 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.

- ArcticZymes Technologies has loss carried forward that can be utilised through the use of group contributions from the subsidiary Arcticzymes.
- ArcticZymes is expected to have taxable income for the next 1-2 years which can be offset through group contribution against the tax loss in the parent company.

(Amounts in NOK 1 000):	2024	2023	Change
Non current assets	2 018	2 950	932
Other temporary differences	1 066	-801	-1 867
Gains and loss account	4 346	5 432	1 086
Total temporary differences	**7 429**	**7 582**	**-152**
Financial instruments	6 704	2 079	
Adjustment capitalisation "Skattefunn"	1 493	506	
Tax assessment loss carried forward	-32 840	-36 980	
Calculation base deferred tax asset	**-17 214**	**-26 812**	
Deferred tax asset, 22%	**-3 787**	**-5 899**	**-2 112**

	2024	2023
Profit before income tax	10 581	24 765
Non deductable expenses	-4 346	-1 686
Non taxable income	-2 248	-711
Changes in temporary differences	152	529
Profit before tax loss carried forward	4 140	22 897
Deferred tax loss carried forward	-4 140	-22 897
Tax base	**0**	**0**
Tax expense	**-2 112**	**-5 340**

Note 13 Intangible assets

Principles for accounting

Intangible assets as research and development, patents and licenses are 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 depreciated linearly from the date of commercialisation over the period in which they are expected to provide economic benefits. Capitalised development costs are tested by indication for impairment in accordance with IAS 36.

The Company has capitalised development expenses for projects such as rSAP, HL-dsDNase, SAN Elisa-kit, San HQ, Polymerases, patents and DMF-filing SAN HQ GMP. Other development costs are expensed when incurred.

(Amounts in NOK 1 000)	Own product development	License and patent	Total
AS OF 01.01.2023			
Historic cost	7 890	3 462	11 352
Accumulated depreciation	-2 117	-1	-2 118
Book value at 01.01.2023	**5 773**	**3 461**	**9 234**
FINANCIAL YEAR 2023			
Addition	11 533	6 154	17 687
Capitalised grants Skattefunn	-141		-141
Amortisation			0
Depreciation	-683	-3	-686
Book value at 31.12.2023	**16 484**	**9 612**	**26 096**
AS OF 31.12.2023			
Historic cost	19 423	9 616	29 039
Accumulated depreciation	-2 941	-4	-2 945
Book value at 31.12.2023	**16 484**	**9 612**	**26 096**
FINANCIAL YEAR 2024			
Addition	7 601	2 029	9 629
Capitalised grants Skattefunn	-1 041		-1 041
Amortisation			0
Depreciation	-1 005	-445	-1 450
Book value at 31.12.2024	**22 039**	**11 196**	**33 234**
AS OF 31.12.2024			
Historic cost	27 024	11 645	38 668
Accumulated depreciation	-4 987	-449	-5 436
Book value at 31.12.2024	**22 039**	**11 196**	**33 234**

Management considers that there are no impairment indicators at the group level, and that no write-downs of these assets are necessary.

Note 14 Machinery, equipment and permanent fixtures

Principles for accounting
Machinery, equipment and permanent fixture in the Group includes primarily production equipment, office equipment and furnishing. These assets have a carrying value of historical cost less depreciation and amortisation. Acquisition cost includes expenses directly attributable to the acquisition of the asset. Subsequent expenses are included in the assets carrying value or recognised as a separate asset, when it is deemed probable that future economic benefits will benefit the Group and that expenses can be measured reliably. Other repair and maintenance expenses are recognised in the consolidated profit & loss statement for the period in which they are incurred.

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:

Machinery / Equipment	3-10 years
Permanent fixtures	10 years

The actual useful life and residual values of the assets are tested for impairment when there is indication of impairment and adjusted if necessary. If the carrying value of an asset exceeds the estimated fair value, the carrying value is amortised immediately to fair value. Gains and losses on disposals are recognised as the difference between selling price less transaction costs and the carrying value.

(Amounts in NOK 1 000)	Machinery	Equipment	Permanent fixtures	Total
As of 01.01.2023				
Historic cost	16 261	5 441	1 845	23 547
Accumulated depreciation	-5 724	-2 197	-182	-5 906
Book value at 01.01.2023	**10 539**	**3 242**	**1 663**	**15 444**
Financial year 2023				
Addition	1 314	359		1 673
Amortisation				0
Depreciation	-1 391	-520	-184	-2 095
Book value at 31.12.2023	**10 461**	**3 081**	**1 478**	**15 020**
As of 31.12.2023				
Historic cost	17 575	5 800	1 845	25 220
Accumulated depreciation	-7 115	-2 717	-366	-10 199
Book value at 31.12.2023	**10 462**	**3 080**	**1 478**	**15 020**
Financial year 2024				
Addition	498	392	42	932
Amortisation				0
Depreciation	-1 523	-595	-184	-2 303
Book value at 31.12.2024	**9 436**	**2 877**	**1 336**	**13 650**
As of 31.12.2024				
Historic cost	18 073	6 192	1 887	26 152
Accumulated depreciation	-8 638	-3 312	-551	-12 501
Book value at 31.12.2024	**9 436**	**2 877**	**1 336**	**13 650**

Note 15 Leases

Principles for accounting

At inception of a contract, the Group considers whether or not the contract conveys the right to control the asset for a period of time. At commencement of a contract, the Group recognises a lease liability with a corresponding lease asset. The lease liability is initially recognised at present value of all lease payments for the underlying asset during the lease term. The lease term represents the non-cancellable period of the lease, including the expetected use of extension options in the contract. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the lease payments made and adjustments to the contract reflecting adjustments in effect of index regiulation.

The lease asset is initially measured at cost. The cost of the lease asset includes the corresponding amount of the initial recognition of the lease liability. The lease asset is depreciated from the commencement date through the remaining useful life.

ArcticZymes Technologies has 4 lease contracts related to operational premises at the Tromsø Science Park. These are originating from 2011, 2021, 2022 and 2023.

(Amounts in NOK 1 000)	Lease assets
Historic cost	23 890
Accumulated depreciation including net present value	-11 576
Book value at 31.12.2023	**12 314**
Cancellation premises Sharelab, Oslo	-1 258
Adjustment and recalculation original contract, Tromsø	192
Depreciation	-2 828
Book value at 31.12.2024	**8 420**
Historic cost	22 824
Accumulated depreciation including net present value	-14 404
Book value at 31.12.2024	**8 420**

Lease liabilities	2024	2023
Book value 31.12 (preceding year)	**-12 588**	**-14 080**
Net present value adjustment 01.01	-226	-390
Additional premises Sharelab, Oslo		-1 105
Cancellation premises Sharelab, Oslo	1 316	
Revised lease and additional premises SIVA, Tromsø		-449
Interest expense	-356	-465
Payments premises	3 756	3 900
Book value at 31.12	**-8 098**	**-12 588**
Where of Current liabilities	-3 735	-4 174
Where of Non-current liabilities	-4 364	-8 414

Maturity analysis	2024	2023
Less than one year	3 735	4 174
One to five years	4 246	7 984
More than five years	1 144	2 180
Total undiscounted lease liabilities at 31.12	**9 125**	**14 338**

Summary of other leased assets presented in the consolidated profit & loss statement	2024	2023
Lease of IT equipment	313	381
Overhead expenses related to premises	1 314	1 173
Total leased assets included in other expenses at 31.12	**1 627**	**1 554**

Short-term leases

The Group also lease computers and IT equipment with contract terms from 1 to 3 years. The Group has decided not to recognise leases where the underlying asset has a low value, and thus does not recognise lease obligations and lease assets for any of these assetes. Instead, payments for leases are expensed when they occur.

Overhead expenses related to premises in the contracts are expensed when they occur.

Note 16 Inventory and cost of materials

Principles for accounting

Inventory are stated at the lower of acquisition expense and net realisable value. Inventories are valued at average acqustition cost. Value of finished goods and work in progress comprises the expense of design, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

(Amounts in NOK 1 000)	31.12.2024	31.12.2023
Work in progress	13 401	7 316
Materials and consumables	14	101
Finished goods	2 426	5 455
Total inventories	**15 840**	**12 873**

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 17 Receivables and other assets

Principles for accounting

In determining the recoverability of receiveables, the Company performs risk analysis considering the type, the customer and the age of the outstanding receivable in its evaluations.

(Amounts in NOK 1 000)	31.12.2024	31.12.2023
Accounts receivables	20 525	13 784
Provisions for estimated losses on accounts receivables	0	0
Sum accounts receivables, net	**20 525**	**13 784**
Research grants	0	
Tax grants	2 248	853
Prepayments	1 759	2 004
Mutal funds	72 981	68 968
VAT	921	618
Sum other assets	**77 909**	**72 442**
Sum total receivables and other assets	**98 434**	**86 227**

Fair value of accounts receivable equals book value. There are no significant concentrations of credit risk.

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**

Fair value of receivables by currency:	31.12.2024	31.12.2023
USD	13 137	8 313
EUR	4 680	6 449
GBP	86	91
NOK	80 530	71 373
Total receivables	**98 433**	**86 227**

Accounts receivable arise from the sale of goods or services within normal operations. Settlements that are due in 12 months or less are classified as current assets. If this is not the case, they are classified as non current assets.

Historically, the Group has not incurred losses on accounts receivable. There were insiginifcant losses on receivabels in 2024. Based on this, we expect no future losses.

Note 18 Financial assets and debts

Principles for accounting

The Groups financial assets and debts are initially measured at fair value except lease liabillities which is at amortised cost.

The financial assets consist primarily of cash and low risk interest rate funds obtained through equity issues and trade receivables.

(Amounts in NOK 1 000)	31.12.2024 Assets at fair value	31.12.2023 Assets at fair value
FINANCIAL ASSETS		
Cash bank deposits	170 954	180 894
Mutal funds	72 981	68 968
Total financial assets	**243 935**	**249 862**

(Amounts in NOK 1 000)	31.12.2024 Debts at amortised cost	31.12.2023 Debts at amortised cost
FINANCIAL DEBTS		
Leasing (long-term)	4 364	8 414
Leasing (current)	3 735	4 174
Total financial debts	**8 099**	**12 588**

The Group has no interest-bearing loans or debt other than lease liabilities.

Note 19 Cash and cash equivalents

Principles for accounting

Cash and cash equivalents consist of cash and bank deposits.

(Amounts in NOK 1 000)	31.12.2024	31.12.2023
Cash	169 062	178 612
Tax withdrawal accounts	1 892	2 282
Total cash and cash equivalents	**170 954**	**180 894**

Note 20 Earnings per share

Principles for accounting

Earnings per share are calculated by dividing net profit/loss to ordinary shareholders by the weighted average number of shares outstanding during the year (see note 21).

(Amounts in NOK 1 000)	2024	2023
Net profit attributable to ordinary shareholders of the parent	8 470	19 424
Net profit to shareholders	**8 470**	**19 424**
Weighted number of shares used for calculation of basic EPS(1000 shares)	50 971	50 709
Dilution effect share based payment	32	132
Weighted number of shares used for calculation of diluted EPS (1000 shares)	**51 003**	**50 841**
Weighted basic and diluted earnings per share (NOK per share)	0,17	0,38
Weighted diluted earnings per share (NOK per share)	0,17	0,38

Note 21 Share capital, share premium, share options, and other equity

Principles for accounting

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options less taxes are recorded as a reduction in proceeds to equity.

(Number of shares)	Shares	Whereof treasury shares
AS OF 01.01.2023	50 571 390	
Share issue - options	300 000	
As of 31.12.2023	**50 871 390**	**0**
Share issue - options	200 000	
As of 31.12.2024	**51 071 390**	**0**

All shares are fully paid up. Par value is NOK 1.00 per share.

The Annual General meeting of 26. June 2024, granted one authorisation to the Board:

1. To increase the share capital with up to 300,000 shares at par value. The authorisation may only be used in connection with capital increases relating to share option programs. 200,000 shares of this authorisation was used in 2024.

The Annual General meeting of 6. June 2023, granted two authorisations to the Board:

1. To increase the share capital with up to 7,500,000 shares at par value. The authorisation may be used for cash capital increases or capital increases in connection with mergers but does not include non-cash share issues. The authorisation was not used in 2023.
2. 2. To increase the share capital with up to 515,000 shares at par value. The authorisation may only be used in connection with capital increases relating to share option programs. 300,000 shares of this authorisation was used in 2023.

Share options

Per 31.12.2024, there were 1,030,000 outstanding options options in the Group. The Group has a share-based option scheme. 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 4.5 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.

Outstandig share options:

	2024		2023	
	Average exercise price	Number of share options	Average exercise price	Number of share options
As of 01.01.	56,14	795 000	48,84	1 015 000
Granted during the year	20,34	435 000	35,52	450 000
Exercised during the year	10,19	-200 000	8,73	-300 000
Forfeited during the year			64,04	-370 000
Outstanding at 31.12		**1 030 000**		**795 000**

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

Expiry date	Average exercise price	Number of share options 2024	Number of share options 2023
2025, 14. May	10,19	15 000	215 000
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	38,23	100 000	
2029, 30 November	15,00	335 000	
Outstanding at 31.12.		**1 030 000**	**795 000**
Exercisable options at 31.12.		**15 000**	**215 000**

The fair value of employee options (2029 Feb program) 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 program) 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 (63.72%). The options were valued at NOK 7.31 per share option at award. The fair value is expensed over the vesting period. The Company has no obligations, legal nor implied, to repurchase or settle the options in cash unless general assembly declines to renew its authorisation to issue new shares.

The 20 largest shareholders as of 31.12.2024:

Ownership information:	Shares	Ownership
Skandinaviska Enskilda Banken AB (Nominee)	9 988 612	19,6 %
Skandinaviska Enskilda Banken AB (Nominee)	3 985 070	7,8 %
Skandinaviska Enskilda Banken AB (Nominee)	2 740 253	5,4 %
Pro AS	2 411 626	4,7 %
Nordnet Bank AB (Nominee)	2 170 991	4,3 %
Avanza Bank AB (Nominee)	2 025 125	4,0 %
Clearstream Banking S.A. (Nominee)	1 187 592	2,3 %
Belvedere AS	1 159 965	2,3 %
J.P. Morgan SE (Nominee)	1 100 000	2,2 %
Skandinaviska Enskilda Banken AB (Nominee)	950 024	1,9 %
Vinterstua AS	827 208	1,6 %
BNP Paribas	743 978	1,5 %
Riise Invest Nord AS	619 000	1,2 %
Danske Bank AS (Nominee)	611 525	1,2 %
ISAR AS	601 645	1,2 %
Naudholmen AS	595 000	1,2 %
Kvantia AS	554 713	1,1 %
Nordnet Livsforsikring AS	537 988	1,1 %
Dragesund Invest AS	521 739	1,0 %
Middelboe AS	511 977	1,0 %
20 largest shareholders aggregated	**33 844 031**	**66,3 %**
3.008 other shareholders aggregated	**17 027 359**	**33,7 %**
Total shares (3.028 shareholders)	**50 871 390**	**100,0 %**

Note 22 Account payable and other current liabilities

Principles for accounting

The Group's liabilities consistes of accounts payable, dividends, lease liabilities interest-beearing and other current liabilities and are classified as "current liabilities". Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and employees. Accounts payable is classified as current liability if payment is due within 12 months. If not, they are presented as long-term liabilities.

Specification of other current laibilities:

(Amounts in NOK 1 000)	31.12.2024	31.12.2023
Unpaid holiday pay	4 111	4 457
Bonus	251	1 781
Other personnel	6	1 277
Accrued public fees and withdrawals	2 633	3 460
Miscellaneous other accrued costs	805	1 922
Other current liabilities	**7 806**	**12 898**

Note 23 Events after balance sheet date, 31.12.2024

There are no evenst to the financial statements for the period from the financial position date to the date of approval; 30 April 2025.

Financial statements

– parent company

Statement of profit & loss — parent company

1. January till 31. December

(Amounts in NOK 1 000)	Note	2024	2023
Sales revenue	1	4 736	5 128
Other income		1	
Total revenues		**4 738**	**5 128**
Personnel expenses	2	3 988	1 930
Depreciation and amortisation expenses	3, 4	53	42
Other operating expenses	2, 5	12 102	10 567
Total operating expenses		**16 144**	**12 539**
Operating profit / loss (-)		**-11 406**	**-7 411**
Financial income and expenses			
Other financial income	3	20 285	31 675
Other financial expenses		221	632
Net financial items	6	**20 064**	**31 043**
Net profit before tax		**8 658**	**23 632**
Income tax expense	7	1 902	5 194
Net profit/loss (-)		**6 755**	**18 437**
Transfers and disposition			
Other equity		6 755	18 437
Total allocated		**6 755**	**18 437**

Statement of other comprehensive income — parent company

(Amounts in NOK 1 000)	2024	2023
Net profit/loss for the year	-6 755	-18 437
Other income & costs after tax	0	0
Total comprehensive income	**6 755**	**18 437**

Statement of financial position — parent company

As of 31. December

(Amounts in NOK 1 000)	Note	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	7	4 399	6 302
Total intangible assets		**4 399**	**6 302**
PROPERTY, PLANT AND EQUIPMENT			
Equipment		150	165
Total property, plant and equipment	**4**	**150**	**165**
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	8	155 703	155 703
Loan to group companies		30 000	-
Other long-term receivables	9	8 170	11 305
Total non-current financial assets		**193 873**	**167 008**
Total non-current assets		**198 422**	**173 475**
DEBTORS			
Other assets	9, 11	74 197	69 952
Receivables from group companies	9, 10	9 616	25 683
Total receivables		**83 813**	**95 635**
Cash and cash equivalents	10, 12	143 578	155 018
Total current assets		**227 391**	**250 653**
Total assets		**425 813**	**424 129**

Statement of financial position — parent company

As of 31. December

(Amounts in NOK 1 000)	Note	2024	2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	51 071	50 871
Premium paid-in capital		265 770	263 947
Other paid-in capital		52 610	52 243
Total paid-in capital		**369 451**	**367 062**
Other equity		47 283	40 532
Total retained earnings		**47 283**	**40 532**
Total equity		**416 733**	**407 593**
LIABILITIES			
Lease agreements	3, 10	4 364	7 562
Total non-current liabilities		**4 364**	**7 562**
Accounts payable	9	761	741
Public duties payable		220	69
Other current liabilities	3, 9, 14	3 735	8 163
Total current liabilities		**4 716**	**8 974**
Total liabilities		**9 080**	**16 535**
Total equity and liabilities		**425 813**	**424 129**

Tromsø, 30 April 2025

Frank Mathias
Chairman of the board

Sharon Brownlow
Member of the board

Petter Dragesund
Member of the board

Terese Solstad
Member of the board

Michael Benjamin Akoh
General Manager

Statement of changes in equity — parent company

1. January till 31. December

(Amounts in NOK 1 000)	Share capital	Premium paid-in capital	Other paid-in capital	Retained earnings	Total equity
Equity capital 01.01.2023	**50 571**	**261 656**	**52 867**	**22 102**	**387 195**
Capital increase	300	2 291		-8	2 583
Result for the year				18 437	18 437
Employees`share options			-624		-624
Equity capital 31.12.2023	**50 871**	**263 947**	**52 243**	**40 532**	**407 593**
Capital increase	200	1 823		-4	2 019
Result for the year				6 755	6 755
Employees`share options			366		366
Equity capital 31.12.2024	**51 071**	**265 770**	**52 609**	**47 284**	**416 733**

Statement of cash flow — parent company

1. January till 31. December

(Amounts in NOK 1 000)	Note	2024	2023
CASH FROM OPERATING ACTIVITIES			
Profit/loss before tax		8 658	23 632
Adjustment, lease premises			-106
Intra-group contribution given		-8 860	-22 610
Ordinary depreciation		53	42
Employees' options, share-based payment expense		366	-624
Interest expense lease liability		-183	-226
Changes in operating assets and receivables		2 085	38
Changes in fair value for financial investments		-4 625	-1 806
Account payable and other current liabilities		-4 320	-1 943
Net cash flows from operating activities		**-6 824**	**-3 603**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments to buy tangible assets		-38	-32
Loan to Group companies		-30 000	
Intra-group contribution received		22 610	55 306
Payments to buy other investments		611	-1 796
Changes in long-term receivables		3 853	3 660
Net cash flows from investment activities		**-2 964**	**57 138**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment on lease liabilities		-3 858	-3 712
Payment interest on lease liabilities		183	226
Proceeds from equity		2 023	2 584
Net cash flows from financing activities		**-1 652**	**-902**
Net change in cash and cash equivalents		-11 440	52 634
Cash and cash equivalents at the start of the period		155 018	102 385
Cash and cash equivalents at the end of the period		**143 578**	**155 018**

Notes to the financial statements for 2024 — parent company

ACCOUNTING PRINCIPLES

ArcticZymes Technologies ASA 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 parent company Arcticzymes Technologies ASA. Reference is made to the accounting principle note for the Group. 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 parent company 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 and 13, IAS 27.12, IFRS 9.5.7.1 A and IFRIC 17 nr. 10).

Note 1 Sales revenue

(Amounts in NOK 1 000)	2024		2023	
GEOGRAPHIC BREAKDOWN				
Norway	100 %	4 736	100 %	5 128
Total sales revenue	**100 %**	**4 736**	**100 %**	**5 128**

Sales revenues for 2024 are internal Group sales.

Transactions with group companies and close associates

(Amounts in NOK 1 000)	2024	2023
Sale of administration services to ArcticZymes AS	4 736	5 128
Total undiscounted lease liabilities at 31.12	**4 736**	**5 128**
Purchase of services from ArcticZymes AS	2 638	2 689
Consulting chairman of the board		631
Sum purchase of services from close associates	**2 638**	**3 320**

Note 2 Personnel expenses

Marie Roskrow worked for the Company in a 40% position after former CEO, Jethro Holter went on sick leave in January 2023. When CEO Michael Akoh joined the company in September 2023, Marie Roskrow ended the temporary consultancy work. For 2023, the Company disbursed NOK 487.500 in board remuneration and NOK 631.000 in consulting fee to Marie Roskrow. There were no related party disclosures for 2024. Travels are reimbursed on a cost basis.

(Amounts in NOK 1 000)	2024	2023
Salaries	3 133	3 198
Employer's social contribution	489	-683
Pension costs		32
Share options granted to employees	366	-624
Other benefits		7
Total personnel expenses	**3 988**	**1 930**
Average number of man-years	0	0

All employees were transferred to the subsidiary ArcticZymes AS 01.01.2023.

Remuneration of the Board of Directors and senior management:

(Amounts in NOK 1 000)	2024				2023			
	Salaries paid	Bonus paid	Pension costs	Other benefits	Salaries paid	Bonus paid	Pension costs	Other benefits
Frank Mathias, Chairman	420							
Sharon Brownlow, Director	255							
Petter Dragesund, Director	270							
Terese Solstad, Director/Employee	105							
Marie A. Roskow, former Chairman	288			2 962	488			120
Edgar Koster,former Director	113				225			
Bernd K. Striberny, former Director/ Employee	55				139			
Jane Theaker, former Director	130				395			180
Volker Wedershoven, former Director								2 981

See note 21 in the Group notes regarding share options to employees. There are no loans, prepayments or guarantees in favour of senior executives in the Group.

Auditor

Remuneration to the auditor is distributed as follows (amounts are before vat):

(Amounts in NOK 1 000)	2024	2023
Statutory audit	393	342
Other attestation services	65	45
Total auditor expenses	**458**	**387**

Note 3 Financial assets and liabilities leasing

Principles for accounting

At inception of a contract, the Company considers whether or not the contract conveys the right to control the asset for a period of time. The lease liability is initially recognised at present value of all lease payments for the underlying asset during the lease term including the expected use of extension options in the contract. The lease asset is initially measured at cost and is depreciated from the commencement date through the remaining useful life.
The Company have three contracts under IFRS16.

(Amounts in NOK 1 000)	Lease assets
Historic cost	3 908
Accumulated depreciation	-3 908
Book value at 31.12.2023	
Historic cost	3 908
Accumulated depreciation	-3 908
Book value at 31.12.2024	

Lease liability

(Amounts in NOK 1 000)	2024	2023
Book value at 31.12 (preceding year)	**-11 235**	**-13 650**
Net present value adjustment 01.01	-191	-230
Revised lease and additional premises SIVA, Tromsø		-422
Interest expense	-346	-419
Lease payments additional premises SIVA	3 673	3 486
Book value at 31.12	**-8 099**	**-11 235**
Where of Current liabilities	-3 735	-3 673
Where of Non-current liabilities	-4 364	-7 562

Maturity analysis - contractual undiscounted cash flow

(Amounts in NOK 1 000)	2024	2023
Less than one year	3 735	3 673
One to five years	4 245	6 945
More than five years	1 144	2 180
Total undiscounted lease liabilities at 31.12	**9 124**	**12 798**

Note 4 Fixed assets

(Amounts in NOK 1 000)	Equipment etc.
BOOKED VALUE AS 31.12.2022	175
Addition	32
Depreciation	-42
Booked value 31.12.2023	**165**
Depreciation and write-downs as at 01.01.2023	-46
Ordinary deprecation for the year	-42
Depreciation and write-downs as at 31.12.2023	**-88**
Book value 01.01.2023	175
Additions in the year	32
The year's depreciation and write-downs	-42
Book value 31.12.2023	**165**
Booked value as 31.12.2023	165
Addition	38
Depriciation	-53
Booked value 31.12.2024	**150**
Depreciation and write-downs as at 01.01.2024	-88
Ordinary depreciation for the year	-53
Depreciation and write-downs as at 31.12.2024	**-141**
Book value 01.01.2024	165
Additions in the year	38
The year's depreciation and write-downs	-53
Book value 31.12.2024	150
Economic lifetime	0-5 years

Note 5 Other operating expenses

(Amounts in NOK 1 000)	2024	2023
Maintenance premises	1 348	1 882
Office equipment and IT	3 310	2 608
External service	5 503	4 164
Marketing expenses	97	77
Patent and licensing expenses	15	27
Other operating expenses	1 829	1 809
Total other operating expenses	**12 102**	**10 566**

Note 6 Financial income and expense

(Amounts in NOK 1 000)	2024	2023
Group contributions	8 860	22 610
Interest income	6 800	7 259
Changes in fair value for financial investments	4 624	1 806
Total financial income	**20 285**	**31 675**
Net loss on currencies, not realised	127	-214
Interest expense	-347	-419
Total financial expense	**-221**	**-632**
Total financial income and expense, net	**20 064**	**31 043**

Note 7 Tax expense

(Amounts in NOK 1 000)	2024	2023
ENTERED TAX ON ORDINARY PROFIT/LOSS:		
Payable tax	0	0
Changes in deferred tax assets	1 902	5 194
Tax expense on ordinary profit/loss	**1 902**	**5 194**
TAXABLE INCOME:		
Result before tax	8 658	23 632
Permanent differences	-4 635	-1 827
Changes in temporary differences	117	1 092
Allocation of loss to be brought forward	-4 140	-22 897
Taxable income	**0**	**0**
PAYABLE TAX IN THE BALANCE:		
Payable tax on this year's result	-1 949	-4 974
Payable tax on received Group contribution	1 949	4 974
Total payable tax in the balance	**0**	**0**
CALCULATION OF EFFECTIVE TAX RATE		
Profit before tax	8 658	23 632
Calculated tax on profit before tax	1 905	5 199
Tax effect of permanent differences	-1 020	-402
Adjustment	1 017	397
Calculated tax charge	**1 902**	**5 194**
Effective tax rate	22,0 %	22,0 %

The tax effect of temporary differences and loss to be carried forward 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	1 118	1 363	245
Lease agreements brought to the balance	71	71	0
Profit and loss account	4 346	5 432	1 086
Allocations and more	0	-1 215	-1 215
Total temporary differences	**5 534**	**5 650**	**117**
Shares and other securities	6 704	2 079	-4 624
Accumulated loss to be brought forward	-32 234	-36 374	-4 140
Basis for deferred tax assets	**-19 996**	**-28 644**	**-8 648**
Deferred tax assets (22 %)	**-4 399**	**-6 302**	**-1 902**

Note 8 Subsidiaries

(Amounts in NOK 1 000)	Main office location	Share capital & premium	Shareholding	Book value	Net profit	Equity
ArcticZymes AS	Tromsø	24 296	100 %	155 703	10 575	63 133

Shares held in subsidiary are valued according to historical cost in the annual accounts.

Note 9 Group internal accounts

(Amounts in NOK 1 000)	Customer receivables		Other receivables	
	2024	2023	2024	2023
Companies in the same group	756	3 073	38 860	22 610
Total internal receivables	**756**	**3 073**	**38 860**	**22 610**

(Amounts in NOK 1 000)	Debt to suppliers		Other long-term liabilities	
	2024	2023	2024	2023
Companies in the same group		-3 275		
Total internal receivables	**0**	**-3 275**	**0**	**0**

The Company has entered into service agreement with the subsidiary ArcticZymes AS where the subsidiary purchases services within IT and administration. In other receivables, a loan of NOK 30 million was given to ArcticZymes AS in December 2024. It is a two year loan with 4.99% in interest rate.

Note 10 Financial assets and liabilities

The financial instruments in the financial position have been grouped as follows for subsequent measurement:

Assets per 31.12:

(Amounts in NOK 1 000)	2024	2023
DEPOSITS AND RECEIVABLES AT AMORTISED COST:		
Group receivables subsidiaries	39 616	25 683
Cash and cash equivalents	143 578	155 018
Short term investments	72 981	68 968
Total financial assets	**256 175**	**249 669**

Liabilities per 31.12:

(Amounts in NOK 1 000)	2024	2023
LIABILITIES AT AMORTISED COST:		
Leasing (long-term)	4 364	7 562
Lease (current)	3 735	3 673
Total financial liabilities	**8 099**	**11 235**

Note 11 Other assets

(Amounts in NOK 1 000)	2024	2023
Mutual funds	72 981	68 968
Prepaid cost	852	852
VAT	364	133
Book value of other assets 31.12	**74 197**	**69 952**

Note 12 Cash and cash equivalents

(Amounts in NOK 1 000)	2024	2023
Cash and cash equivalents	143 087	154 633
Tax withdrawal accounts	491	385
Total cash and cash equivalents, net 31.12	**143 578**	**155 018**

See Group note 19 for the Group's net cash equivalents.

Note 13 Share capital

(Actual number of shares)	Number of shares	Whereof treasury shares
As of 01.01.2023	50 571 390	
Share issue - options	300 000	
As of 31.12.2023	**50 871 390**	**0**
Share issue - options	200 000	
As of 31.12.2024	**51 071 390**	**0**

The Annual General meeting held 26. June 2024, granted one authorisation to the Board.

1. 1. To increase the share capital with up to 300,000 shares at par value. The authorisation may only be used in connection with capital increases relating to share option programs. 200,000 shares of this authorisation was used in 2024.

See Group note 21 for an overview over largest shareholders.

Note 14 Other current liabilities

(Amounts in NOK 1 000)	2024	2023
Accrued salaries and holiday payment		1 215
Lease payments additional premises SIVA	3 735	3 673
Liabillities to group companies		3 275
Total other current liabilities	**3 735**	**8 163**

Note 15 Events after balance sheet date

See Group note 23 for events after balance sheet date 31.12.2024

Statement by the Board of Directors and CEO

We confirm, to the best of our knowledge, that the financial statements for the period 1. January to the 31. December 2024 have been prepared in accordance with current accounting standards and that the information in the accounts gives a true and fair view of the Company and the Group's assets, liabilities, financial position and results of operations.

We also confirm, to the best of our knowledge, that the annual report includes a true and fair overview of the Company's and the Group's development, results and position, together with a description of the most important risks and uncertainty factors the Company and the Group are facing.

Tromsø, 30 April 2025
Board of Directors /CEO
ArcticZymes Technologies ASA

Frank Mathias	**Sharon Brownlow**	**Petter Dragesund**	**Terese Solstad**	**Michael Akoh**
Chairman	Director	Director	Director- employee representative	CEO

To the General Meeting of ArcticZymes Technologies ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ArcticZymes Technologies ASA, which comprise:

- the financial statements of the parent company ArcticZymes Technologies ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statements of profit & loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of ArcticZymes Technologies ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statements of profit & loss, other comprehensive income, changes in equity and cash flow 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,
- 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group 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.

Our opinion is consistent with our additional report to the Audit Committee.

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 and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of ArcticZymes Technologies ASA for 6 years from the election by the general meeting of the shareholders on 15 May 2019 for the accounting year 2019.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
Capitalisation of development costs	
The Group's intangible assets amounted to NOK 33 234 thousand at the balance sheet date, out of which NOK 8 588 thousand was related to development costs capitalised during 2024. Development costs are capitalised when management considers them to be clearly associated with identifiable products which will be controlled by the Group and have a profitable benefit in coming years. Costs that do not meet these criterias are recognised as an expense as they are incurred. We considered capitalisation of development costs to be a key audit matter due to the level of judgement applied by management in assessing whether direct development costs, such as employee expenses and contractor costs, met the capitalisation criterias in IAS 38, and due to the magnitude of capitalised development costs in the balance sheet. Refer to note 4 and note 13 to the consolidated financial statements where management explains the accounting principles and the use of judgement.	We obtained an understanding of management's accounting policy for capitalisation of development costs. Through discussions with management, we assessed management's accounting policy against IFRS requirements, and obtained explanations from management as to how the accounting policy aligned with the capitalisation criterias of IAS 38. We also obtained an understanding of management's routines and internal controls, specifically as it relates to: • management's assessment of whether identified products and related costs met the capitalisation criterias as set out in the accounting policies, • calculation and capitalisation of internal time-based expenditures, and • capitalisation of external development costs. Further, we performed among others, the following audit procedures over the capitalisation of development cost: • We evaluated the appropriateness of management's rationale for capitalisation, and considered the nature of the costs that were capitalised for each product identified by management. • On a sample basis, we tested the application of management's accounting policy to capitalized development costs during the year. • For a sample of capitalised time-based expenditures, we recalculated the capitalised costs by multiplying the capitalisation rate per hour to the development hours recorded as according to approved time-sheets. We also considered the level of the capitalisation rate applied. • On a sample basis, we tested the accuracy and relevance of capitalised external costs against supporting external invoices. We noted no material errors during the course of our procedures. We evaluated the adequacy and appropriateness of the disclosures provided in the notes, and found them to be in accordance with relevant IFRS requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors’ report and the other 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 in the Board of Directors’ report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors’ report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors’ report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors’ report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors’ report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 and the Group'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 and the Group 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.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of ArcticZymes Technologies ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name ArcticZymes Technologies ASA-2024-12-31-EN.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Tromsø, 30 April 2025
PricewaterhouseCoopers AS

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

ArcticZymes Technologies

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