





Highlights from Q2 and first 6 months 2023

- ArcticZymes Technologies (AZT) had Q2 sales of NOK 28.2 million (Q2 2022: NOK 30.4 million) and sales for the first 6 months of NOK 59.4 million (6M 2022: NOK 79.5 million, NOK 65.5 million adjusted for Covid effects in 1H 2022)
- AZT had a positive EBITDA for Q2 of NOK 6.8 million (Q2 2022: NOK 9.5 million) and a positive EBITDA for the first 6 months of NOK 13.0 million (6M 2022: NOK 37.4 million and NOK 23.4 million adjusted for Covid effects in 1H 2022)
- Operating expenses for Q2 were 21.4 million (Q2 2022: NOK 20.8 million) and for the first 6 months expenses were NOK 46.4 million (6M 2022: NOK 42.1 million)
- Cash flow for Q2 was positive NOK 7.3 million (Q2 2022: NOK 16.4 million) and NOK -4.4 million (6M 2022: NOK 30.6 million) for the first six months of 2023, giving a cash balance of NOK 239.8 million
- Hired Michael Akoh as new CEO with starting date on 18 September 2023
- Filed the Drug Master File (DMF) for SAN HQ GMP

Key financial figures:

MNOK	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Sales	28.2	30.4	- 7 %	59.4	79.5	- 25 %
Total revenues	28.2	30.3	- 7 %	59.4	79.5	- 25 %
Operating expenses	21.4	20.8	+ 3 %	46.4	42.1	+ 10 %
EBITDA	6.8	9.5	- 28 %	13.0	37.4	- 65 %
EBITDA adj. for covid	6.8	9.5	- 28 %	13.0	23.4	- 44 %
EBIT	5.2	8.3	- 37 %	9.7	35.0	- 72 %
Changes in cash	7.3	16.4	- 55 %	- 4.4	30.6	NA



Introduction

ArcticZymes Technologies ASA, (hereinafter "AZT" or "the Company") is a Norwegian life sciences company with its core business focused on specialised and novel enzymes.

Operational review

Commercial

Sales for Q2 2023 were 28.2 MNOK. Sales in Q2 2023 were similar to the results of the previous four quarters. There were no Covid-related sales in Q2 2023. In addition, several factors influenced sales including:

- Continued economic uncertainty, depressed company valuations and a tough capital-raising environment necessitating companies to "tighten their belts".
- Weak demand for biopharma services including compounds used to make therapeutics and vaccines.
- Continued destocking activities across both molecular tools and bioprocessing.
 There are some indications that this effect may decline in the second half of 2023.
- Declining economic activity in China

The geographical distribution of sales for the Q2 was 49% Americas, 48% EMEA and 3% APAC (Q2 2022; 42%, 49% and 9%, respectively). New customers placing orders for the first time were 27 in the second quarter, split by 9 in Molecular Tools and 18 in Biomanufacturing. Significantly, one of the world's largest biotech companies placed standing orders with ArcticZymes for the next 12 months, which will improve planning of manufacturing and sales forecasting.

In China, the collaboration between ArcticZymes and Genovis will create several synergies that will

allow both companies to tap into the projected growth potential in China for their respective market segments. The focus of the collaboration will be on sharing Business Development resources and engaging in joint marketing activities. The joint effort will allow both companies to have a direct presence in the Chinese market with local resources.

Biomanufacturing

Biomanufacturing contributed 46% towards total Q2 2023 sales (49% in Q2 of 2022). Sales declined 13% in Q2 2023 versus Q2 2022. This was largely expected as orders were affected by customers continuing to destock and depleting increased inventory levels. This destocking effect is expected to decline during the second half of 2023. On top of that, there was decreased activity with Biopharma companies due to Cell & Gene Therapy projects being delayed or put on hold.

The main driver in Biomanufacturing continues to be the utility of SAN products in gene therapy, vaccine development and other biomanufacturing processes. The Company continues to promote SAN product sales in all geographical regions and anticipates positive momentum in SAN sales moving forward.

To support customers in the commercialisation of their therapeutic applications in the US market, AZT established a Drug Master File (DMF) for its SAN HQ enzyme which represents a key strategic initiative for the Company. The DMF was submitted to the U.S. Federal Drug Agency (FDA) by the end of June and represents the Company's first DMF. Other DMF filings are likely to follow as AZT ventures further into building its Biomanufacturing product portfolio. Beyond the SAN product line, AZT continues to be in active discussions with numerous pharmaceutical and biotech customers regarding their future needs in



RNA therapeutics and other Biomanufacturing applications.

Overall, AZT continues to expand its commercial reach. Today, the Company is supporting over 200 Biomanufacturing customers in the EMEA, the Americas and the APAC region with the expectation of continued growth.

Molecular Tools (Diagnostics & Research)

Molecular Tools serve both molecular diagnostics and molecular research markets via the complete AZT enzyme portfolio. Molecular Tools contributed 54% towards Q2 2023 total sales (49% Q2, 2022).

The market has largely readjusted after the pandemic, and future Coronavirus-related demand is anticipated to be minimal. The Company expects molecular diagnostics to reestablish growth through the broader product offering derived from organic growth expansion with dsDNases and Polymerases.

AZT supports over 200 Molecular Tools customers in EMEA, the Americas and APAC regions. Molecular Tools products across the portfolio continue to attract new business or serve ongoing opportunities where AZT's enzymes are being integrated into customers' product development pipelines.

Innovations

The Company continues to focus on driving innovations from ideation through to product launch and technical support.

In Biomanufacturing, AZT launched the "ArcticZymes Proteinase HQ", a higher quality 'bioprocessing grade' version of our existing Proteinase.

Related to the submission of the DMF, the GMP grade version of the SAN HQ product is

scheduled for release later this year. The main timeline risk being dependent on external feedback from the FDA, rather than residual technical or product related risks. This will be a milestone product launch - thus significant attention has been paid to the upcoming launch and product material. R&D has fully characterized the enzymes in terms of its performance to salt (NaCl) concentration, temperature, pH profile, and requirement and tolerance towards common processing agents. Scientific comparison of SAN HQ GMP with the primary competitor products Benzonase (Merck KGaA, Germany) and DENARASE (c-Lecta, Germany) has demonstrated enhanced salt activity of AZT's SAN HQ GMP.

Going forward, the innovation efforts are on track to further launch the T7 RNA Polymerase (working name) this year. T7 RNA polymerase will be the first enzyme to be launched in the strategically linked 'RNA processing' family of enzymes.

Finally, in Biomanufacturing, the new nuclease enzyme recently patented by AZT for use in the processing and analysis of therapeutic RNA has now been presented to several companies. The enzyme prototype has generated significant interest and more confidence that this can be a valued tool for use within RNA analytics.

In Molecular Tools, AZT launched the AZtaq™ DNA polymerase on August 10th. AZtaq™ is a high-quality thermostable DNA polymerase suitable for use in Polymerase Chain Reaction (PCR) applications. Launching the AZtaq™ is a natural expansion of the Company's molecular tools portfolio and strategy to provide a complete portfolio of enzymes towards MDx. Being an essential enzyme in PCR, the thermostable DNA polymerase plays a pivotal role and enables numerous applications within molecular diagnostics and research. The Company expects to see synergies with our existing products currently supporting PCR



workflows. Being able to serve customers with a more complete enzyme offering will be an important driver for sales growth in the Molecular Tools business. For the first time can AZT offer a consistent viral diagnostics workflow comprising the new AZtaq™, the recently launched AZscript™, together with our existing proteinase, nucleases and Cod UNG.

Operations

Whereas Q1 was targeted against planning and initial production of the technical batches for the SAN HQ GMP Drug Master File (DMF), Q2 was dedicated to finalising the batches and completing the documentations for the filing. The DMF for SAN HQ GMP was filed to the FDA by the end of the quarter after an extensive collaborative effort from all departments in the Company. This work has elevated the GMP competence for the whole Company and is of high value for both GMP and non-GMP work.

The Company went through two customer audits within both the Bioprocessing and the Molecular Tools segments in the period. There were no major or critical deviations, only minor findings which are a necessary part of the ISO 13485 standard which AZT operates, requiring a culture of continuous improvement to the quality system.

Strategic growth initiatives

The Company is currently focussing on organic growth whilst remaining opportunistic as regards potential M&A and in-licensing opportunities.

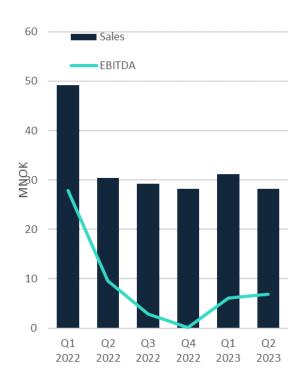
Financial review

AZT reported sales of NOK 28.2 million (Q2 2022: 30.4 M) for the second quarter of 2023. Earnings

before tax, interest, depreciation, and amortisation (EBITDA) were NOK 6.8 million (Q2 2022: 9.5 M) and earnings before interest and tax (EBIT) were NOK 5.2 million (Q2 2022: 8.3 M) in the quarter. Net financial income was a profit of NOK 2.2 million (Q2 2022: 2.9 M).

For the first 6 months of 2023, AZT reported sales of NOK 59.4 million (6m 2022: 79.5 M). Earnings before tax, interest, depreciation, and amortisation (EBITDA) were NOK 13.0 million (6m 2022: 37.4 M) and earnings before interest and tax (EBIT) were NOK 9.7 million (6m 2022: 35.0 M). Net financial income was a profit of NOK 4.0 million (6m 2022: 2.8 M).

Sales & EBITDA



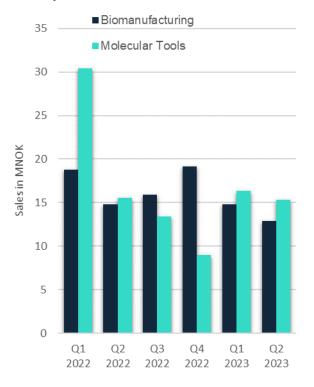
Currency effects

The Company's revenues are primarily denominated in Euro and USD which impacts the financial statement. A strengthening or weakening of the NOK versus USD and EURO will influence underlying growth figures. By using equivalent exchange rates in 2023 as 2022,



revenues would have been NOK 3.5 million lower for the second quarter of 2023 and NOK 7.3 million lower for the first 6 months. Changes in USD versus NOK continues to be the key driver for the currency effects experienced during 2023.

Sales per area



In Biomanufacturing, sales were slightly lower than previous quarters with NOK 12.9 million in Q2 2023.

For the second quarter of 2023, Biomanufacturing experienced 13% negative growth compared to the same quarter last year. For the last 12 months quaterly average, sales have grown from an average of NOK 14.5 million in Q2 2022 to NOK 15.7 million or an average quarterly growth of 8% in Q2 2023.

For Molecular Tools, sales are on the same level as second quarter last year with NOK 15.3 million in sales compared to NOK 15.5 million in the same period last year.

For the last 12 months, quarterly average sales, excluding covid has gone from NOK 15.5 million

to NOK 13.5 million this year, or a a decrease of 13%.

Operating expenses increased by NOK 0.6 million or 3% in Q2 2023 compared to Q2 2022, primarily explained by investment in personnel and higher expenses for IPR, IT, travels and consumables used in production and R&D.

Currency effects on receivables reduced Q2 2023 operating expenses by NOK 0.5 million in the quarter and NOK 1.6 million for the first 6 months. For Q2 2022, the figure was a gain of NOK 2.0 million and a gain of 1.4 million for the first half of 2022.

The Company has almost finalised its recruitment drive for the planned organic growth initiative. Most positions are filled with expected startup in 2H 2023. The Company expects personnel expenses for 2023 to be around 75 MNOK for the full year as we will see the full effect of all the 2022 hires in this year. Other operating expenses are expected to be lower in 2023 compared to 2022 as the company plans to outsource fewer projects.

Extraordinary items for the period

Personnel expenses in the first quarter are impacted positively by NOK 0.1 million in accrued employer's national insurance contribution on options. The accrual and expense will fluctuate moving forward together with fluctuations in the share price.

NOK 0.15 million of previously expensed options expense for other employees has been reversed due to resignation.

Taxes

For Q2 2023, the Company recognised NOK 1.8 million (Q2 2022: 2.4 M) in tax expenses and for the first 6 months NOK 3.1 million (6M 2022: 8.3 million) which will be offset against deferred tax assets.



the end of the quarter, compared to NOK 244.2 million at the end of 2022.

Financial position

Total equity amounted to NOK 298.5 million at the end of Q2 2023 compared to NOK 275.3 and 284.7 million at the end of Q2 2022 and Q4 2022, respectively.

Total assets were NOK 327.0 million at the end of Q2 2023, up from NOK 306.7 at the end of Q2 2022 and up from 319.0 million at the end of Q4 2022.

The Company has no interest-bearing debt.

Cash flow

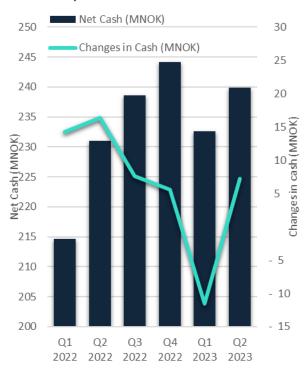
Net cash flow from operating activities was NOK 0.6 million for the first 6 months in 2023 compared to NOK 33.5 million in the same period in 2022. The difference in cash flows from operations is explained by settlement in scale up projects, inventory build-up, reduction of payables and that the company had low sales in first half compared to the same period last year.

Cash flow from investing activities was NOK -2.6 million in the quarter and NOK -5.7 million for the first 6 months. This is primarily explained by NOK 2.4 million in investments classified as intangible assets and NOK 0.2 million in equipment related to production and R&D facilities in the quarter. Investments related to intangible assets are dominated by the DMF submission where NOK 2.1 million was capitalised in Q2 and NOK 3.7 million for the first 6 months.

Cash flow from financing activities was NOK +0.7 million explained by payments on lease liabilities (premises) and capital increase related to exercise of options.

Changes in cash and cash equivalents was NOK -4.4 million for the first 6 months in 2023. This generated a cash balance of NOK 239.8 million at

Cash position



Shareholder matters

The total number of issued shares was 50,871,390 at the end of the quarter. 300,000 shares were issued in the Q2 2023 due to exercise of options.

595,000 options are outstanding as of 30.06.2023. 370.000 options lapsed in the quarter.

See the annual report for 2022 and notes 3 and 6 in the Q2 2023 financial statement for further details on option programs.

Risk factors

AZT's business is exposed to several risk factors that may affect parts of or all the Company's



activities. There are risks associated with development, regulatory approval 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.

There are also risks related to sales of new product launches, exchange rate fluctuations from year to year which impact underlying sales in the Company as most revenues are in USD and Euro.

The war in Ukraine has not materially affected the Company.

Also, see the risk factors which are described in the annual report for 2022 and published on the Company's website www.arcticzymes.com.

Outlook

The outlook for 2023 will be to capitalise on organic investments made in 2022 through a productive organisation while having an opportunistic approach to inorganic growth.

The Company filed its first DMF for the SAN HQ product at the end of Q2 2023 with the expectation of feedback from FDA in the third quarter

The Company will launch new products throughout the year.

The Company has invested such that the fundamental business remains strong but there are headwinds in the market creating challenges for sales growth.

The Company continues to collaborate with Genovis AB in China, building distributor networks and forging new B2B relationships with the expectation of generating sales from the region in the near future.

The interim financial statement 30. June 2023 (Q2)

CONSOLIDATED STATEMENT OF PROFIT & LOSS

	Q2		YTD	
(Amounts in NOK 1 000 - except EPS)	2023	2022	2023	2022
Sales revenues	28 218	30 357	59 408	79 519
Other revenues	0	-22	0	4
Sum revenues	28 218	30 335	59 408	79 523
Cost of materials	-1 031	-1 074	2 436	-2 495
Change in inventory	171	-232	-5 250	-567
Personnel expenses	-13 136	-13 111	-28 677	-26 184
Other operating expenses	-7 378	-6 379	-14 955	-12 885
Sum expenses	-21 375	-20 796	-46 447	-42 132
Earnings before interest, taxes, depr. and amort.	6 844	9 539	12 961	37 391
Depreciation and amortization expenses	-1 663	-1 265	-3 253	-2 372
Operating profit/loss (-) (EBIT)	5 181	8 274	9 708	35 019
Financial income, net	2 231	2 900	4 019	2 841
Profit/loss (-) before tax (EBT)	7 412	11 173	13 727	37 860
Tax	-1 808	-2 423	-3 084	-8 294
Net profit/loss (-)	5 604	8 751	10 643	29 566
Basic EPS (profit for the period)	0,11	0,17	0,21	0,59
Diluted EPS (profit for the period)	0,11	0,17	0,21	0,57

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	30.06.2023	30.06.2022	31.12.2022
Non-current assets			
Deferred tax	8 154	12 228	11 239
Machinery, equipment and permanent fixtures	15 230	12 816	15 444
Intangible assets	13 670	1 693	9 236
Lease assets	13 700	15 517	13 873
Other non-current assets		-5	
Total non-current assets	50 754	42 248	49 792
Current assets			
Inventories	12 328	6 315	7 078
Account receivables and other receivables	24 111	27 166	18 006
Cash and cash equivalents	239 794	231 020	244 161
Total current assets	276 233	264 500	269 246
Total assets	326 987	306 749	319 037
I Otal assets	320 901	300 749	319 037
Equity			
Share capital	50 871	50 371	50 571
Premium paid in capital	263 975	260 256	261 656
Retained earnings	-16 326	-35 293	-27 491
Total equity	298 520	275 334	284 736
- 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
Other long-term liabilities			
Lease liabilities	9 994	12 879	10 348
Total other long-term liabilities	9 994	12 879	10 348
Current liabilities			
Lease liabilities interest-bearing	3 947	3 697	3 732
Acconts payable	4 310	3 182	5 592
Other current liabilities	10 216	11 657	14 628
Total current liabilities	18 473	18 536	23 953
Total liabilities	28 467	31 415	34 301
Total equity and liabilities	326 987	306 749	319 037

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in NOK 1 000)	30.06.2023	30.06.2022	31.12.2022
Cash flow from operating activities:			
Profit/loss (-) before tax	13 727	37 860	42 142
Profit/loss adjusted for			
Adjustment contract lease premises	-74	-507	-1 435
Depreciation	3 253	2 372	5 021
Employee stock options	558	923	5 432
Non-cash interest expense	220	243	499
Changes in operating assets and liabilities			
Inventory	-5 250	567	-196
Account receivables and other receivables	-6 105	-1 052	8 107
Payables and other current liabilities	-5 695	-6 858	-1 476
Net cash flow from operating activities	635	33 548	58 094
Cash flow from investing activities:			
Purchase of fixed assets	-832	-1 263	-4 791
Investment in intangible assets	-4 873		-7 641
Changes in long term receivables	16	5	
Net cash flow from investing activities	-5 689	-1 259	-12 432
Cash flow from financing activities:			
Payment on lease liabillities	-1 661	-1 449	-3 025
Payment on interest lease liabillities	-220	-243	-499
Change in long term receivables	-53		
Capital increase	2 619		1 600
Net cash flow from financing activities	685	-1 692	-1 924
Changes in cash and cash equivalents	-4 369	30 597	43 738
Cash and cash equivalents at the beginning of period	244 161	200 424	200 424
Cash and cash equivalents at end of period	239 794	231 020	244 161

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. January till 30. June

		Premium		
(Amounts in NOK 1 000)	Share capital	paid-in capital	Retained Farnings	Total equity
(Filliants in February)	onal o oupital	Jupitui		. Oran O quity
Equity as of 31.12.2021	50 371	260 256	-65 783	244 846
Comprehensive income Q1-2022			20 815	20 815
Transactions with owners:				
Employees' share options			463	463
Equity as of 31.03.2022	50 371	260 256	-44 505	266 123
Comprehensive income Q2-22			8 751	8 751
Transactions with owners:				
Employees' share options			460	460
Equity as of 30.06.2022	50 371	260 256	-35 294	275 334
Comprehensive income Q3-Q4 2022			3 294	3 294
Transactions with owners:				
Share capital increase	200	1 400		1 600
Equity as of 31.12.2022	50 571	261 656	-27 491	284 736
Comprehensive income Q1-2023			5 039	5 039
Transactions with owners:				
Employees' share options			-422	-422
Equity as of 31.03.2023	50 571	261 656	-22 874	289 353
Comprehensive income Q2-2023			5 604	5 604
Transactions with owners:				
Share capital increase	300	2 319		2 619
Employees' share options			980	980
Transaction cost			-35	-35
Equity as of 30.06.2023	50 871	263 975	-16 325	298 520

Notes to the interim accounts for 30. June 2023 (Q2)

Note 1 - Basis of preparation of financial statements

The assumptions applied in the quarterly financial statements for 2023 that may affect the use of accouting principles, book values of assets and liabilities, revenues and expenses are similar to the assumtions found/used in the financial statement for 2022.

These financial statements are the unaudited interim consolidated financial statements (hereafter "the Interim Financial Statements") of ArcticZymes Technologies ASA and its subsidiaries (hereafter "the Group") for the period ended 30. June 2023. The Interim Financial Statements are prepared in accordance with the International Accounting Standard 34 (IAS 34) and should be read in conjunction with the Consolidated Financial Statements for the year, ended 31. December 2022. (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information.

Note 2 - Analysis of operating revenue and -expenses and segment information

The Group recognise revenues according to IFRS 15 when it transfers control over a good or service to a customer.

ArcticZymes sales revenues are enzymes for use in molecular research, In Vitro Diagnostics and biomanufacturing.

Most of the revenues are from quotes or non binding supply agreements where the price has been agreed upon in advance.

Other operating income are government tax grants, research grants.

Services provided by the parent company are expensed at segment according to agreements with actual subsidiary.

For further information refer to note 5 in the Annual report for 2022

	Q2		YTD	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Sales revenue:				
Enzymes	28 218	30 357	59 408	79 519
Group operating sales revenues	28 218	30 357	59 408	79 519
Gross profit				
Enzymes	27 358	29 051	56 594	76 456
Group gross profit	27 358	29 051	56 594	76 456
Other revenues				
Enzymes		-22		-22
Unallocated corporate expenses				27
Group other revenues	0	-22	0	4
Operating expenses:				
Enzymes	-18 687	-14 112	-39 526	-31 335
Unallocated corporate expenses	-1 828	-5 378	-4 107	-7 733 (
Group operating expenses	-20 514	-19 490	-43 633	-39 069
Operating profit/loss (-) (EBITDA)				
Enzymes	8 671	14 917	17 068	45 098
Unallocated corporate expenses	-1 828	-5 378	-4 107	-7 707
Operating profit/loss (-) (EBITDA)	6 844	9 539	12 961	37 391
Depreciation and amortization:				
Enzymes	-1 653	-1 172	-3 233	-2 229
Unallocated corporate expenses	-10	-93	-20	-143
Group depreciation and amortization	-1 663	-1 265	-3 253	-2 372
Profit/loss (-) before interest and tax (EBIT)				
Enzymes	7 018	13 745	13 835	42 869
Unallocated corpoate expenses	-1 837	-5 471	-4 126	-7 850
Profit/loss (-) before interest and tax (EBIT)	5 181	8 274	9 708	35 019

Note 3 Impacts of COVID-19 and the war in Ukraine

The Group's sales figurs has historically been impacted by COVID-19 effects, but there are limited sales over the last 5 quarters that are associated with COVID-19. The Company does not foresee any material COVID-19 effects in sales moving forward. The war in Ukrainee has not impacted the company directly or in a material way. The Company has experienced longer lead time on consumeables used in production and R&D, but if this is a result of the war or general macro economic climate in hard to explain. The Company has no direct, nor indirect sales to Russia.

Note 4 Alternative Performance Measures

Information provided is based on Guidelines on Alternative Performance Measures (APMs) for listed issuers by The European Securities and Markets Authority - ESMA.

ArcticZymes Technologies ASA reports EBITDA as performance measure that is not defined under IFRS but which represents an measure used by the Board as well as by management in assessing performance as well as for reporting both internally and to shareholders. ArcticZymes Technologies ASA belives that to use EBITDA will give the readers a more meaningful understanding of the underlying financial and operating performance of the company when viewed in conjunction with our IFRS financial information.

EBITDA & EBIT

EBITDA is widely used by investors when evaluating and comparing businesses, and provides an analysis of the operating results excluding depreciation and amortisation. The non-cash elements depreciation and amortization may vary significantly between companies depending on the value and type of assets.

The definition of EBITDA is "Earnings Before Interest, Tax, Depreciation and Amortization" and EBIT is "Earnings Before Interest and Taxes". The reconciliation to the IFRS accounts is as follows:

	Q2	2	YT	D
(Amounts in NOK 1 000 - exept EPS)	2023	2022	2023	2022
Sales	28 218	30 357	59 408	79 519
Other revenues		-22		4
Sum revenues	28 218	30 335	59 408	79 523
Cost of materials	-1 031	-1 074	2 436	-2 495
Change in inventory	171	-232	-5 250	-567
Personnel expenses	-13 136	-13 111	-28 677	-26 184
Other operating expenses	-7 378	-6 379	-14 955	-12 885
Depreciation and amortization expenses	-1 663	-1 265	-3 253	-2 372
Sum expenses	-23 037	-22 061	-49 699	-44 504
Operating profit/loss (-)	5 181	8 274	9 708	35 019

Note 5 Taxes

The calculation of deferred tax asset and tax expense as of June 30, 2023 and December 31, 2022 is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 8.1 million due to changes in tax loss in the period. The deferred tax asset was NOK 11.2 million as of December 31, 2022. The basis for recognition of a tax asset are the expected future profits according. the assumption that temporary differences for the coming years will be reversed. For further information refer to note 12 in the Annual report for 2022.

(Amounts in NOK 1 000)	30.06.2023	31.12.2022	Change
Temporary differences			
Non current assets	4 064	2 538	-1 526
Other temporary differences	-2 360	-1 218	1 142
Gains and loss account	5 432	6 790	1 358
Total temporary differences	7 136	8 111	974
Financial instruments	382	274	
Adjustment capitalisation Skattefunn	365	406	
Tax assessment loss carried forward	-44 949	-59 876	
Calculation base deferred tax asset	-37 066	-51 086	
Change in deferred tax asset, 22%	-8 154	-11 239	-3 084
Profit before income tax	13 727	42 142	
Non deductable expenses	225	471	
Non taxable income		-550	
Changes in temporary differences	974	-1 210	
Profit before tax loss carried forward	14 927	40 853	
Deffered tax loss carried forward	-14 927	-40 853	
Tax base	0	0	
Tax expense	-3 084	-9 283	

Note 6 Fixed assets

Machinery, equipment and permanent fixtures	Q	2	YT	D
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	15 628	12 368	15 444	12 302
Net investment	132	841	832	1 263
Depreciation and amortization	-530	-392	-1 046	-749
Net book value (ending balance)	15 230	12 816	15 230	12 816

Intangible asset	Q2		YTD	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	11 501	1 741	9 236	1 790
Net investment	2 433		4 873	
Depreciation and amortization	-264	-48	-439	-97
Net book value (ending balance)	13 670	1 693	13 670	1 693
Lease assets	Q2		YTD	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	13 388	14 741	13 873	16 079
Adjustment net present value 01.01	-390			44
Depreciation	-841	-823	-1 768	-1 526
New premises SIVA				8 252
Adjustment and recalculation original contract SIVA	74	938	125	-7 994
Cancellation premises Share Lab Oslo	-131		-131	
New premises Share Lab Oslo	1 601	661	1 601	661
Net book value (ending balance)	13 700	15 517	13 700	15 517

Intangible assets (Research and development, patents and licenses):

Research expenses are expensed when incurred. Development of products are capitalised as intangible assets when:

- · It is technically feasible to complete the intangible asset enabling it for use or sale.
- · Management intends to complete the intangible asset and use or sell it.
- \cdot The Company has the ability to make use of the intangible asset or sell it.
- · A future economic benefit to the Company for using the intangible asset may be calculated.
- · Available technical, financial and other resources are sufficient to complete the development and use of or sale of the intangible asset
- \cdot The development expense of the intangible asset can be measured reliably.

Intangible 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: Product rights and own product development are dpreciating over 10 years.

Other 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 annually by indication for impairment in accordance with IAS 36.

Note 7 Lease assets and liabilities

The Group have four contracts under IFRS16.

The subsidiary ArcticZymes has a contract for leasing offices with Share Lab in Oslo. The contract was re-negotiated in Q2-2023 besauce we needed more space and a new contract was signed. The contract is for 3.5 years with 4,06% in discount rate. For further information refer to note 15 in the Annual report for 2022.

(Amounts in NOK 1 000)

30.06.2023	30.06.2022	31.12.2022
13 700	15 517	13 873
13 700	15 517	13 873
9 994	12 879	10 348
9 994	12 879	10 348
	13 700 13 700 9 994	13 700 15 517 13 700 15 517 9 994 12 879

- 1. Right of use is calculated from inception of contract
- Net present value of liability maturing more than 12 months
- 3. Next years instalment is part of current liabilities

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 contracts are expensed when they occur.

(Amounts in NOK 1 000)

Total leased assets life. In other op. expenses	102		1 200
Total leased assets inc. in other op. expenses	762	368	1 265
Overhead expenses related to premises	598	261	1 002
Lease of IT equipment	163	107	263
consolidated Profit & Loss statement	30.06.2023	30.06.2022	31.12.2022
Summary of other leased assets presented in the			
(Fundame III VOIC 1 000)			

Note 8 Account receivablea and other receivables

(Amounts in NOK 1 000)	30.06.2023	30.06.2022	31.12.2022
Account receivables	17 725	21 003	11 593
Research grants		2 136	817
Tax grants	631	976	630
VAT	688	690	1 028
Other receivables	5 067	2 361	3 936
Total account receivable and other receivables	24 111	27 166	18 004

Account receivables arise from the sale of goods or services within the 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. Based on this and the fact that there were no losses in 2022, and we expect no material future losses, no provisions for losses are made

Note 9 Related party disclosures

Shares owned or controlled by directors and senior management per 30. June 2023.

, and the same of	Number of	Number of	
Name medition			
Name, position	shares	options	
Marie Roskrow, Chairman		200 000	
Jane Theaker, Director	10 044		
Bernd Striberny, Director (employee)	200		
Lill Hege Henriksen, Observer (employee)	3 088		
Jethro Holter, CEO	80 564	270 000	
Børge Sørvoll, CFO	95 428	180 000	
Darren Ellis, CSO		100 000	
Dirk Hahneiser, VP Business Dev. and Marketing	150		
Marit Sjo Lorentzen, VP Operations	20 331	115 000	
Grethe Ytterstad, VP Regulatory Affairs	7 269		
Olav Lanes, VP R&D and applications	2 000	100 000	
0			

See note 11 for further details

Marie Roskrow has worked for the Company in a 40% position since CEO, Jethro Holter went on sick leave
For the the second quarter, the Company has paid NOK 42.000 in remuneration and NOK 220.000 in consulting fee to Marie Roskrow.
For the first six months, the Company had paid NOK 162.000 in remuneration and NOK 272.000 in consulting fee to Marie Roskrow
Travels are reimbursed on a cost basis

Note 10 Shareholders

The 20 largest shareholders as of 30.06.2023	Shares	Ownership
Skandinaviska Enskilda Banken AB (Nominee)	6 174 560	12,14 %
Skandinaviska Enskilda Banken AB (Nominee)	3 694 609	7,26 %
Skandinaviska Enskilda Banken AB (Nominee)	2 740 253	5,39 %
State Street Bank and Trust Comp (Nominee)	2 511 170	4,94 %
Pro AS	2 087 216	4,10 %
Clearstream Banking S.A. (Nominee)	1 923 574	3,78 %
Avanza Bank AB (Nominee)	1 887 805	3,71 %
State Street Bank and Trust Comp (Nominee)	1 692 384	3,33 %
Nordnet Bank AB (Nominee)	1 615 661	3,18 %
Vinterstua AS	1 060 593	2,08 %
Belvedere AS	1 015 684	2,00 %
Skandinaviska Enskilda Banken AB (Nominee)	950 024	1,87 %
Middelboe AS	605 000	1,19 %
Danske Bank AS (Nominee)	601 598	1,18 %
Nordnet Livsforsikring AS	570 331	1,12 %
Kvantia AS	554 713	1,09 %
J.P. Morgan SE (Nominee)	533 578	1,05 %
Verdipapirfondet KLP Aksjenorge	526 881	1,04 %
Naudholmen AS	525 000	1,03 %
Dragesund Invest AS	521 739	1,03 %
20 largest shareholders aggregated	31 792 373	62,50 %

Note 11 Share options

Per 30.06.2023, there were 595,000 outstanding options in the Group. 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 and loss statement.

Total expense for the options are 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. A change in the estimated number of options that will vest is recognised as an adjustment in the accumulated expense with a corresponding change in equity.

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

	2023	2023		2022	
	Average	Number of	Average	Number of	
	exercise	share	exercise	share	
	price	options	price	options	
As of 01.01.	48,84	1 015 000	42,12	1 215 000	
Granted during the year	42,38	250 000			
Exercised during the year	8,73	-300 000			
Lapsed during the year	64,04	-370 000			
Outstanding at 30. June		595 000		1 215 000	
Exercised during 2H in the year			8,00	-200 000	
Outstanding at 31. December		•	•	1 015 000	

Expiry date, exercise price, and outstanding options:

		2023	2022
Fundamental	Average	North an af also	
Expiry date	exercise price	Number of share options	
2022, 31 December*	8.00		400 000
2025, 14 May	10.19	215 000	315 000
2026, 30 November	89.52	330 000	500 000
2028, 28 February	42,38	50 000	
Outstanding at 30. June		595 000	1 215 000
Exercisable options at 30. June		215 000	400 000

^{*}Expiry date has been adjusted to 30.06.2023

The fair value of the boards options (2025 options) are calculated according to the Black-Scholes method. The most important parameters are share price at grant date (NOK 22.80 per share), risk free rate (1,49%), expected term of 5 years, expected dividend yield (0%), strike (NOK 10,19 per share) and volatility last 5 years (59,02%).

The fair value of employee options (2026 program) are calculated according to the Black-Scholes method. The most important parameters are share price at grant date (NOK 85.10 per share), risk free rate (1,50%), expected term of 5 years, expected dividend yield (0%), strike (NOK 89,52 per share) and volatility last 5 years (60,43%).

The fair value of employee options (2028 program) are calculated according to the Black-Scholes method. The most important parameters are share price at grant date (NOK 40.52 per share), risk free rate (3,53%), expected term of 5 years, expected dividend yield (0%), strike (NOK 42,38 per share) and volatility last 5 years (63,79%).

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 the general assembly declines to renew its authorisation to issue new shares.

Note 12 Other current liabilities

(Amounts in NOK 1 000)	30.06.2023	30.06.2022	31.12.2022
Public taxes and withholdings	2 581	1 743	2 883
Bonus	2 239	2 620	2 055
Unpaid holiday pay	2 095	1 788	3 947
Other personnel	2 022	4 134	2 025
Other current liabilities	1 280	1 372	3 717
Other current liabilities	10 216	11 657	14 628

Note 13 Events after balance sheet date, 30. June 2023

There are no events of significance to the financial statements for the period from the financial statement date to the date of approval; 16.08.2023

STATMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial statement for the period 1. January to the 30. June 2023 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 operation.

We also confirm, to the best of our knowledge, that the quarterly 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/Oslo, 16.08.2023
The Board of Directors of ArcticZymes Technologies ASA

Marie Ann Roskrow
Chairman

Jane Theaker
Director

Edgar Koster
Director

Bernd Striberny

Jethro Holter



