





## Highlights from Q4 and 12 months 2023

- ArcticZymes Technologies (AZT) had Q4 sales of NOK 28.4 million (Q4 2022: NOK 28.2 million) and sales for the whole year 2023 of NOK 118.9 million (12M 2022: NOK 137.0 million, NOK 122.0 million adjusted for Covid effects in 2022)
- AZT had a positive EBITDA for Q4 of NOK 2.0 million (Q4 2022: NOK 1.3 million) and a positive EBITDA for the whole year of NOK 22.2 million (12M 2022: NOK 41.5 million and NOK 26.5 million adjusted for Covid effects in 2022)
- Operating expenses for Q4 were 27.1 million (Q4 2022: NOK 27.2 million) and for the first 12 months expenses were NOK 97.4 million (12M 2022: NOK 96.2 million)
- Cash flow for Q4 was positive NOK 3.1 million (Q4 2022: NOK 5.6 million) and NOK 2.1 million (12M 2022: NOK 23.3 million) for 2023, giving a cash balance of NOK 180.9 million. In addition, NOK 69 million is invested in low-risk interest rate funds.
- New partnership agreement with Biomatter to apply AI for generation of new enzyme prototypes
- Launch of T7 RNA Polymerase for molecular research and diagnostics

## Key financial figures:

MNOK	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Sales	28.4	28.2	+ 1 %	118.9	137.0	- 13 %
Total revenues	29.1	28.4	+ 2 %	119.7	137.7	- 13 %
Operating expenses	27.1	27.2	0 %	97.4	96.2	+ 1 %
EBITDA	2.0	1.3	+ 54 %	22.2	41.5	- 47 %
EBITDA adj. for covid	2.0	1.3	+ 54 %	22.2	26.5	- 16 %
Profit before tax	2.7	1.0	+ 170 %	24.9	42.1	- 41 %



## 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 Q4 2023 were NOK 28 million, which equalled the result for the same quarter in 2022. Several factors continued to influence sales such as:

- Continued economic uncertainty, depressed company valuations and a tough capital-raising environment requiring companies to "tighten their belts".
- Lower pharmaceutical production levels and project delays resulting in reduced demand for compounds used to make therapeutics and vaccines.
- Declining activity in the Cell & Gene Therapy market in the Boston Biomanufacturing hub, had a negative impact on sales
- Declining economic and business activity in China

The geographical distribution of sales for the Q4 was 36% Americas, 57% EMEA and 7% APAC (Q4 2022: 50%, 43% and 7%, respectively). New customers placing orders for the first time were 23 in the fourth quarter, split by 12 in Molecular Tools and 11 in Biomanufacturing. A milestone was the launch of a completely revamped website (arcticzymes.com) which will be leveraged for digital Marketing to communicate our brand story, improve user & brand experience and drive revenue through lead generation.

## **Biomanufacturing**

Biomanufacturing contributed 44% towards total Q4 2023 sales (69% in Q4 of 2022). We saw a steep decline in sales from last year's period versus this year, as last year's Q4 sales were the highest ever recorded for Biomanufacturing in one quarter, during an inventory build-up. We saw a reduction during the same period this year, especially on the Biomanufacturing hub on the East Coast in North America as companies continued to delay or even cancel programs in Cell & Gene Therapy. This was partially driven by customers continuing to destock and depleting high inventory levels. This destocking effect is expected to have come to an end now.

Beyond the SAN product line, ArcticZymes continues to be in active discussions with numerous CDMOs (Contract Development and Manufacturing Organizations), pharmaceutical and biotech customers in addition to academic experts in the field regarding their future needs in RNA therapeutics and other Biomanufacturing applications.

## **Molecular Tools (Diagnostics & Research)**

Molecular Tools serve both molecular diagnostics and molecular research and contributed 56% towards total sales in Q4 2023 (31% Q4, 2022).

The Company grew its Molecular Tools portfolio by 81% in Q4 2023 versus Q4 2022 on the back of larger orders from key customers. The company expects further organic growth, especially with its Endonuclease and Polymerase product offerings.

### **Innovations**

In Biomanufacturing, AZT has focused the work towards the launch of "SAN HQ GMP". The new "GMP grade" salt active nuclease will be supported with the filed DMF and marketing material upon launch. New analytic assays for quality control have been required in order to



control risk and critical control attributes for the GMP grade product. The new SAN HQ GMP has successfully been manufactured and launched on January 30<sup>th</sup>, 2024.

The salt active nuclease (SAN) product portfolio, including SAN HQ GMP, will be supported by a new improved version of the SAN HQ ELISA kit. This next-generation product, driven by market trends and voice-of-customer, will be a more sensitive version of our existing SAN HQ ELISA kit with an improved limit of detection and more flexible plate format. Development is ongoing, and the product is scheduled for launch during 2024.

In December, AZT received a funding grant from Research Council of Norway (RCN) of up to 11.8 MNOK over four years. This is a collaboration project between AZT, University of Tromsø, and SINTEF (one of Europe's largest independent research organisations). The grant and project will support AZT Advanced Therapeutics strategy and development of new enzymes for RNA therapeutics to our customers. RNA therapy and RNA based vaccines have increased the need for manufacturing of both research and clinical grade RNA. The grant is pending contract signing with the RCN and partners, which is expected within Q1.

Also in December, AZT introduced the new T7 RNA polymerase explicitly designed for molecular research and diagnostics and caters to the specialized needs of our customers in the Molecular Tools segment. The launch of the T7 RNA Polymerase is an example of ArcticZymes exploiting synergies between its business segments. While RNA therapeutics is rapidly evolving, the T7 RNA polymerase will support different research areas and be a key component in various molecular diagnostic applications. A higher quality grade of this enzyme will allow AZT to tap into a growing market for RNA therapeutics.

A novel, patent pending, RNA specific ribonuclease has been made available to selected

customers as a prototype and is gaining interest from some key opinion leaders. The enzyme is relevant to both Molecular Tools and Biomanufacturing customers, and prototype testing will continue before introducing as a product to the market.

Finally, within Molecular Tools the IsoPol BSU+ prototype is continuing being supplied with positive market feedback in the NGS (Next Generation Sequencing) space.

## **Operations**

Following Q3, where the focus was on preparation of the SAN HQ GMP validation protocol and T7 RNA Polymerase manufacturing process transfer, the fourth quarter was dedicated to the successful validation of the manufacturing processes and quality controls for SAN HQ GMP and T7 RNA Polymerase.

Quality Control (QC) was transferred from Operations to Quality Assurance (QA) at the end of the year. The change is related to regulatory requirements where QC needs to be independent of production to fulfil QA's responsibilities.

After ending the collaboration with the previous fermentation CDMO, the technology transfer for the rSAP fermentation process was initiated with Paras Biopharmaceuticals in Q4. This work is ongoing and expected to be completed in 2024.

AZT has initiated a project for a new ERP system involving finance, production planning, stockholding, and inventory control. During the quarter, Jeeves was approved as supplier, training commenced, and migration of data was initiated. Investment in this project is expected to streamline and integrate finance and operations to enable seamless production-data tracking with minimal resourcing in the longer term.

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.

The Company went through one customer audit towards cGMP (Good Manufacturing Practices) within the Bioprocessing segment in the period. There were no critical deviations, only minor findings which are a necessary part of continuous improvement of the ISO 13485 standard and relevant GMP guidelines under which AZT operates under.

## Strategic growth initiatives

The Company continues to focus on organic growth and is exploring external innovation opportunities (e.g. in-licensing, OEM, M&A) to facilitate the innovation strategy of both Biomanufacturing and Molecular Tools in 2024.

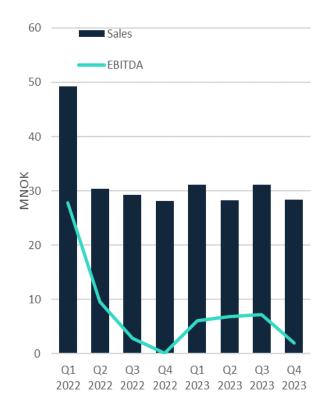
In December the collaboration with Biomatter was announced to leverage their AI (Artificial Intelligence) platform for enzyme engineering to support development of new and improved enzymes to expand offering towards new and existing customers. A collaborative project will be initiated in Q1 24.

# Financial review

AZT reported sales of NOK 28.4 million (Q4 2022: 28.2 M) for the fourth quarter of 2023. Earnings before tax, interest, depreciation, and amortisation (EBITDA) were NOK 2.0 million (Q4 2022: 1.3 M) and earnings before tax (EBT) were NOK 2.7 million (Q4 2022: 1.0 M) in the quarter. Net financial income was a profit of NOK 2.2 million (Q4 2022: 1.1 M).

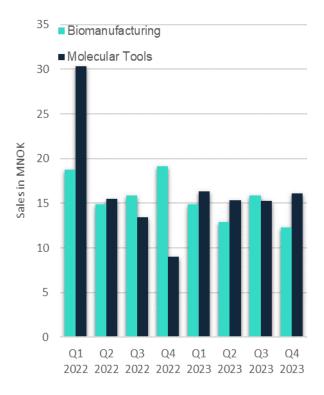
For the whole year 2023, AZT reported sales of NOK 118.9 million (12m 2022: 137.0 M). Earnings before tax, interest, depreciation, and amortisation (EBITDA) were NOK 22.2 million (12m 2022: 41.5 M) and earnings before tax (EBT) were NOK 24.9 million (12m 2022: 42.1 M). Net financial income was a profit of NOK 9.0 million (12m 2022: 5.7 M).

## Sales & EBITDA





## Sales per area



In Biomanufacturing, sales were slightly lower than previous quarters with NOK 12.3 million in Q4 2023. This is also lower than the NOK 19.2 million we experienced last year in the same quarter. For the last 12 months, sales within Biomanufacturing ended on NOK 55.9 million which is a decline of almost 19% compared to 2022 where total sales ended on NOK 68.7 million.

For Molecular Tools, sales are on the same level as we have seen throughout the year with quarterly sales of NOK 16.1 million. This is an increase of almost 80% compared to same quarter last year where sales ended on NOK 9.0 million.

For the last 12 months, sales, excluding covid related sales (est. NOK 15 million) have gone from NOK 53.2 million to NOK 63.1 million this year, or an increase of 19%.

Operating expenses were reduced by NOK 0.1 million in Q4 2023 compared to Q4 2022,

primarily explained by capitalisation of projects having reached certain milestones.

### **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 2.0 million lower for the fourth quarter of 2023 and NOK 12.3 million lower for the whole year. Changes in USD versus NOK continues to be the key driver for the currency effects experienced during 2023.

## Extraordinary items for the period

Personnel expenses in the fourth quarter are impacted negatively by NOK 0.5 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

The Company had to dispose of raw materials with a value of NOK 0.5 million due to challenges in production during purification.

#### **Taxes**

For Q4 2023, the Company recognised NOK 0.7 million (Q4 2022: 0.2 M) in tax expenses and for the full year 2023, the Company recognised NOK 6.2 million (12M 2022: 9.3 million) in tax expense which will be offset against deferred tax assets. The Company had NOK 5.1 million in deferred tax assets at the end of 2023.

## **Financial position**

Total equity amounted to NOK 308.6 million at the end of Q4 2023 compared to NOK 284.7 million at the end of Q4 2022.



Total assets were NOK 338.5 million at the end of Q4 2023, up from NOK 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 24.4 million for the whole year 2023 compared to NOK 58.4 million in the same period in 2022. The difference in cash flows from operations is explained by settlement of invoices for scale up projects, inventory build-up, reduction of payables and in general lower sales in 2023 compared to 2022.

Cash flow from investing activities was NOK -8.3 million in the guarter and NOK -21.0 million for the whole year. For the quarter, this is primarily explained by NOK 6.1 million in investments classified as intangible assets, NOK 0.4 million in equipment related to production and R&D facilities and NOK 1.7 in reinvested interest on short term interest rate funds. Capitalised investments related to the DMF submission were NOK 0.9 million in Q4 and NOK 5.9 million for the whole year. Total cash flow from investing activities ended on NOK 21.0 million in 2023 compared to NOK 33.2 million in 2022. The biggest difference is explained by an investment of 20 MNOK in an interest rate fund in 2022 and NOK 17.5 million in capitalisation of intangible assets in 2023.

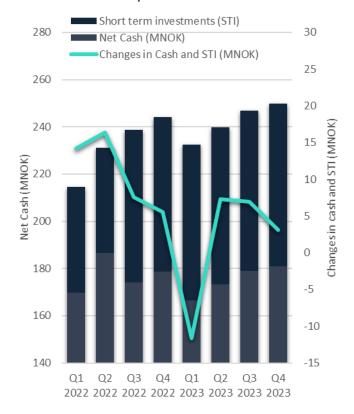
Cash flow from financing activities was NOK -1.0 million for the quarter explained by payments on lease liabilities (premises) and NOK -1.3 million for the whole year 2023.

Changes in cash and cash equivalents was NOK +2.1 million for the whole year 2023. This generated a cash balance of NOK 180.9 million at the end of the quarter, compared to NOK 178.8 million at the end of 2022.

NOK 69.0 million in low risk, liquid interest rate funds was reclassified from cash and cash equivalents to short term investments in the

fourth quarter (See other assets in Financial position). This is according to IFRS rules.

## Cash and STI position



### Shareholder matters

The total number of issued shares was 50,871,390 at the end of the quarter.

795,000 options are outstanding as of 31.12.2023. 200.000 options were awarded to the CEO during Q4 2023

See the annual report for 2022 and notes 9 and 11 in the Q4 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 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 and Middle Eastern instability has not materially affected the Company as we do not have any existing nor potential business in the area. It does only affect us indirectly in the way that it negatively affects the global investment climate and the overall global economic development.

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 2024 is that the fundamental business is strong but headwinds in the market will continue thereby putting pressure on sales during Q1 and Q2.

The current assessment is that during H2 the headwinds will ease and provide a normalization of the market environment. However, the transparency in market development is not clear and can be greatly affected by the macroeconomic development.

The Company will continue to have a strategic focus on capturing customers within the

biomanufacturing space and launch new GMP grade enzymes within the SAN portfolio.

The search for new partnerships will continue across the full value chain to secure a stronger foundation for long term growth.

## The interim financial statement 31. December 2023 (Q4)

## **CONSOLIDATED STATEMENT OF PROFIT & LOSS**

	Q4		YTD	
(Amounts in NOK 1 000 - except EPS)	2023	2022	2023	2022
Sales revenues	28 380	28 153	118 939	136 971
Other revenues	711	287	711	694
Sum revenues	29 091	28 440	119 650	137 664
Cost of materials	-1 777	-1 694	-11 721	-5 376
Change in inventory	-320	530	5 795	196
Personnel expenses	-15 408	-14 686	-58 862	-59 185
Other operating expenses	-9 570	-11 322	-32 621	-31 804
Sum expenses	-27 075	-27 173	-97 410	-96 169
Earnings before interest, taxes, depr. and amort.	2 017	1 267	22 240	41 495
Depreciation and amortization expenses	-1 521	-1 341	-6 381	-5 021
Operating profit/loss (-) (EBIT)	495	-75	15 859	36 474
Financial income, net	2 219	1 123	9 019	5 668
Profit/loss (-) before tax (EBT)	2 715	1 049	24 878	42 142
Tax	-698	-248	-6 153	-9 283
Net profit/loss (-)	2 017	801	18 724	32 860
Basic EPS (profit for the period)	0,04	0,02	0,37	0,65
Diluted EPS (profit for the period)	0,04	0,02	0,37	0,65

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	31.12.2023	31.12.2022
Non-current assets		
Deferred tax	5 086	11 239
Machinery, equipment and permanent fixtures	15 020	15 444
Intangible assets	26 096	9 236
Lease assets	12 314	13 873
Total non-current assets	58 516	49 792
Current assets		
	40.070	7.070
Inventories Account receivables and other assets*	12 873 86 227	7 078 83 372
Cash and cash equivalents*	180 894	178 795
Total current assets	279 994	269 246
Total assets	338 510	319 037
Equity		
Share capital	50 871	50 571
Premium paid in capital	263 975	261 656
Retained earnings	-6 239	-27 491
Total equity	308 607	284 736
Other long-term liabilities		
Lease liabillities	8 414	10 348
Total other long-term liabilities	8 414	10 348
O manufacture (Parl 1997)		
Current liabilities		
Lease liabilities interest-bearing	4 174	3 732
Acconts payable	4 539	5 592
Other current liabilities	12 775	14 628
Total current liabilities	21 488	23 953
Total liabilities	29 902	34 301
Total equity and liabilities	338 510	319 037

<sup>\*</sup>MNOK 69 in mutual funds have been reclassified from cash and cash equvivalente to other assets

## CONSOLIDATED CASH FLOW STATEMENT

(Amounts in NOK 1 000)	31.12.2023	31.12.2022
Cash flow from operating activities:		
Profit/loss (-) before tax	24 878	42 142
Profit/loss adjusted for		
Adjustment contract lease premises	-97	-1 435
Depreciation	6 381	5 021
Employee stock options	2 564	5 432
Non-cash interest expense	465	499
Changes in operating assets and liabilities		
Inventory	-5 795	-196
Account receivables and other assets*	-1 059	8 381
Payables and other current liabilities	-2 907	-1 476
Net cash flow from operating activities	24 430	58 368
Cash flow from investing activities:		
Purchase of fixed assets	-1 673	-4 791
Short term investments*	-1 796	-20 763
Investment in intangible assets	-17 546	-7 641
Net cash flow from investing activities	-21 015	-33 195
Cash flow from financing activities:		
Payment on lease liabilities	-3 435	-3 025
Payment on interest lease liabillities	-465	-499
Change in long term receivables	-35	
Capital increase	2 619	1 600
Net cash flow from financing activities	-1 316	-1 924
Changes in cash and cash equivalents	2 099	23 250
Cash and cash equivalents at the beginning of period*	178 795	155 546
Cash and cash equivalents at end of period	180 894	178 795

<sup>\*</sup>MNOK 69 in mutual funds have been reclassified from cash and cash equvivalente to other assets

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. January till 31. December

		Premium paid-	Retained	
(Amounts in NOK 1 000)	Share capital	in capital	Earnings	Total equity
(Allound III Work 1 000)	onal o ouplia.	oap. a.		rotal oquity
Equity as of 31.12.2021	50 371	260 256	-65 783	244 845
Comprehensive income Q1-Q3 2022			32 058	32 058
Transactions with owners:				
Employees' share options			3 013	3 013
Equity as of 30.09.2022	50 371	260 256	-30 712	279 916
Comprehensive income Q4-2022			802	802
Transactions with owners:				
Share capital increase	200	1 400		1 600
Employees' share options			2 419	2 419
Equity as of 31.12.2022	50 571	261 656	-27 492	284 735
Comprehensive income Q1-Q3 2023	<u>.</u>		16 704	16 704
Transactions with owners:				
Share capital increase	300	2 319		2 619
Employees' share options			1 454	1 454
Transaction cost			-35	-35
Equity as of 30.09.2023	50 871	263 975	-9 369	305 477
Comprehensive income Q4-2023			2 017	2 017
Transactions with owners:				
Employees' share options			1 110	1 110
Equity as of 31.12.2023	50 871	263 975	-6 239	308 607

#### Notes to the interim accounts for 31. December 2023 (Q4)

#### 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 assumptions 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 31. December 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.

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

	Q4		YTI	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Sales revenue:				
Enzymes	28 380	28 153	118 939	136 971
Group operating sales revenues	28 380	28 153	118 939	136 971
Gross profit				
Enzymes	26 283	26 989	113 012	131 791
Group gross profit	26 283	26 989	113 012	131 791
Other revenues				
Enzymes	711	287	711	667
Unallocated corporate expenses				27
Group other revenues	711	287	711	694
Operating expenses:				
Enzymes	-22 455	-20 935	-84 114	-73 481
Unallocated corporate expenses	-2 523	-5 074	-7 369	-17 508
Group operating expenses	-24 978	-26 009	-91 484	-90 989
Operating profit/loss (-) (EBITDA)				
Enzymes	4 539	6 341	29 609	58 977
Unallocated corporate expenses	-2 523	-5 074	-7 369	-17 481
Operating profit/loss (-) (EBITDA)	2 017	1 267	22 240	41 495
Depreciation and amortization:				
Enzymes	-1 509	-1 265	-6 339	-4 689
Unallocated corporate expenses	-12	-77	-42	-332
Group depreciation and amortization	-1 521	-1 341	-6 381	-5 021
Profit/loss (-) before interest and tax (EBIT)				
Enzymes	3 031	5 076	23 270	54 288
Unallocated corpoate expenses	-2 535	-5 150	-7 411	-17 814
Profit/loss (-) before interest and tax (EBIT)	495	-75	15 859	36 474

## 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 7 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 consumables used in production and R&D, but if this is a result of the war or general macro economic climate is hard to evaluate. The Company has no direct, nor indirect sales to Russia.

#### **Note 4 Alternative Performance Measures**

#### **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:

	Q4		YTD	
(Amounts in NOK 1 000 - exept EPS)	2023	2022	2023	2022
Sales	28 380	28 153	118 939	136 971
Other revenues	711	287	711	694
Sum revenues	29 091	28 440	119 650	137 664
Cost of materials	-1 777	-1 694	-11 721	-5 376
Change in inventory	-320	530	5 795	196
Personnel expenses	-15 408	-14 686	-58 862	-59 185
Other operating expenses	-9 570	-11 322	-32 621	-31 804
Depreciation and amortization expenses	-1 521	-1 341	-6 381	-5 021
Sum expenses	-28 596	-28 514	-103 791	-101 190
Operating profit/loss (-)	495	-75	15 859	36 474

### Note 5 Taxes

The calculation of deferred tax asset and tax expense as of December 31, 2023 and December 31, 2022 is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 5.1 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 to 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)	31.12.2023	31.12.2022	Change
Temporary differences			
Non current assets	2 957	2 538	-419
Other temporary differences	-1 551	-1 218	333
Gains and loss account	5 432	6 790	1 358
Total temporary differences	6 838	8 111	1 273
Financial instruments	2 079	274	
Adjustment capitalisation Skattefunn	506	406	
Tax assessment loss carried forward	-32 540	-59 876	
Calculation base deferred tax asset	-23 116	-51 086	
Change in deferred tax asset, 22%	-5 086	-11 239	-6 153
Profit before income tax	24 878	42 142	
Non deductable expenses	2 039	471	
Non taxable income	-853	-550	
Changes in temporary differences	1 273	-1 210	
Profit before tax loss carried forward	27 337	40 853	
Deferred tax loss carried forward	-27 337	-40 853	
Tax base	0	0	
Tax expense	-6 153	-9 283	

#### Note 6 Fixed assets

Machinery, equipment and permanent fixtures	Q4		YTD	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	15 156	13 057	15 444	12 302
Net investment	374	2 853	1 673	4 791
Depreciation and amortization	-510	-466	-2 096	-1 650
Net book value (ending balance)	15 020	15 444	15 020	15 444
Net book value (ending balance)	15 020	15 444	15 020	1

Intangible asset	Q4		YTD	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	20 051	4 376	9 236	1 790
Net investment	6 138	4 910	17 546	7 641
Depreciation and amortization	-93	-49	-686	-195
Net book value (ending balance)	26 096	9 236	26 096	9 236

Lease assets	Q4		YTE	
(Amounts in NOK 1 000)	2023	2022	2023	2022
Net book value (opening balance)	13 237	14 698	13 873	16 078
Adjustment net present value 01.01				44
Depreciation	-923	-825	-3 599	-3 176
Additional premises Oslotech AS, Oslo				661
Revised lease and additional premesis SIVA, Tromsø			570	265
Cancellation premises Share Lab Oslo			-131	
New premises Share Lab Oslo			1 601	
Net book value (ending balance)	12 314	13 873	12 314	13 873

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.

Capitalisation of intangible assets consists of the following projects:

New product development, scale-up of existing products, own patents and DMF related to SAN portfolio.

For further information refer to notes 13,14 and 15 in the Annual report for 2022.

### Note 7 Lease assets and liabilities

The Group have five 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.

The Company signed a new contract Q2-2023 due to our need for additional space. The contract spans 3,5 years with a discount rate of 4,06%. Arcticzymes Technologies has in Q3 signed a new contract with Siva for more offices space, and the contract is for 2,5 years with 4,85% in discount rate.

For further information refer to note 15 in the Annual report for 2022.

### (Amounts in NOK 1 000)

Financial position	31.12.2023	31.12.2022
Lease assets	12 314	13 873
Sum lease assets	12 314	13 873
Lease liabilites	8 414	10 348
Sum lease liabilities	8 414	10 348

#### 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 assets. 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) Summary of other leased assets presented in the		
consolidated Profit & Loss statement	31.12.2023	31.12.2022
Lease of IT equipment	381	263
Overhead expenses related to premises	1 173	1 002
Total leased assets inc. in other op. expenses	1 554	1 265

#### Note 8 Accounts receivable and other assets

(Amounts in NOK 1 000)	31.12.2023	31.12.2022
Account receivables	13 784	11 593
Research grants		817
Tax grants	853	631
VAT	618	1 028
Short term investments	68 968	65 366
Other assets	2 004	3 936
Total accounts receivable and other assets	86 227	83 372

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 were made in Q4.

For further information refer to note 17 in the Annual report for 2022.

## Note 9 Related party disclosures

Shares owned or controlled by directors and senior management per 31. December 2023:

	Number of	Number of
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	
Michael Akoh, CEO		200 000
Børge Sørvoll, CFO	95 428	180 000
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

See note 11 for further details

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, Marie Roskrow ended the temporary consultancy work. For the year, the Company disbursed NOK 487.500 in board remuneration and NOK 631.000 in consulting fee to Marie Roskrow Travels are reimbursed on a cost basis

### Note 10 Shareholders

The 20 largest shareholders as of 31.12.2023	Shares	Ownership
Skandinaviska Enskilda Banken AB (Nominee)	6 493 000	12,76 %
Skandinaviska Enskilda Banken AB (Nominee)	3 705 315	7,28 %
Skandinaviska Enskilda Banken AB (Nominee)	2 740 253	5,39 %
State Street Bank and Trust Comp (Nominee)	2 431 197	4,78 %
Pro AS	2 150 231	4,23 %
Clearstream Banking S.A. (Nominee)	1 832 351	3,60 %
Avanza Bank AB (Nominee)	1 822 316	3,58 %
State Street Bank and Trust Comp (Nominee)	1 713 091	3,37 %
Nordnet Bank AB (Nominee)	1 409 546	2,77 %
Vinterstua AS	1 383 214	2,72 %
Belvedere AS	1 015 684	2,00 %
Skandinaviska Enskilda Banken AB (Nominee)	950 024	1,87 %
J.P. Morgan SE (Nominee)	719 040	1,41 %
Riise Invest Nord AS	619 000	1,22 %
Middelboe AS	612 400	1,20 %
Danske Bank AS (Nominee)	577 565	1,14 %
Kvantia AS	554 713	1,09 %
Nordnet Livsforsikring AS	542 233	1,07 %
Naudholmen AS	525 000	1,03 %
Verdipapirfondet KLP Aksjenorge	524 511	1,03 %
20 largest shareholders aggregated	32 320 684	63,53 %

#### Note 11 Share options

Per 31.12.2023, there were 795,000 outstanding options.

	202	2023		2022	
				Number of	
	Average	Number of	exercise	share	
	exercise price	share options	price	options	
As of 01.01.	48,84	1 015 000	42,12	1 215 000	
Granted during the year	35,52	450 000			
Exercised during the year	8,73	-300 000	8,00	-200 000	
Lapsed during the year	64,04	-370 000			
Outstanding at 31. December		795 000		1 015 000	

Expiry date, exercise price, and outstanding options:

	Average	2023	2022
Expiry date	exercise price	Number of share	options
2022, 31 December*	8.00		200 000
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	
2028, 30 November	26,94	200 000	
Outstanding at 31. December		795 000	1 015 000
Exercisable options at 31. December		215 000	200 000

<sup>\*</sup>Expiry date has been adjusted to 30.06.2023

### Note 12 Other current liabilities

(Amounts in NOK 1 000)	31.12.2023	31.12.2022
Public taxes and withholdings	3 460	2 883
Bonus	1 781	2 055
Unpaid holiday pay	4 457	3 947
Other personnel	1 277	2 025
Other current liabilities	1 799	3 717
Other current liabilities	12 775	14 628

For further information refer to note 22 in the Annual report for 2022.

#### Note 13 Events after balance sheet date, 31. December 2023

There are no events of significance to the financial statements for the period from the financial statement date to the date of approval; 31.01.2024

## STATEMENT 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 31. December 2023 has 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, 31.01.2024
The Board of Directors of ArcticZymes Technologies ASA

Marie Ann Roskrow	Jane Theaker	Edgar Koster
Chairman	Director	Director
Bernd Striberny		Michael Akoh
Director- employee		CEO



