



1st Quarter

Quarterly Report

www.arcticzymes.com

2024

Highlights from Q1 2024

- ArcticZymes Technologies (AZT) had Q1 sales of NOK 30.0 million (Q1 2023: NOK 31.2 million)
- AZT had a positive EBITDA for Q1 of NOK 2.3 million (Q1 2023: NOK 6.1 million) and a net profit of NOK 3.2 million (Q1 2023: NOK 5.0 million)
- Operating expenses for Q1 were 27.7 million (Q1 2023: NOK 25.1 million) where extraordinary items related to closing of Oslo office accounted for NOK 0.8 million and implementation of a new ERP solution accounted for NOK 1.5 million.
- Cash flow for Q1 was negative NOK -7.9 million (Q1 2023: NOK -12.5 million) explained by increase in receivables by NOK -6.9 million and investment in intangibles of NOK -4.0 million, giving a cash balance of NOK 173.0 million. In addition, NOK 70 million is invested in low-risk interest rate funds.
- Launch of SAN HQ GMP
- New Research partnership with Austrian Center of Biotechnology (acib) to generate SAN benchmarking data, posters and publications – supported by COMET (Competence Centers for Excellent Technologies) grant funding with EUR 100 000

Key financial figures:

MNOK	Q1 2024	Q1 2023	Change	YTD 2024	YTD 2023	Change
Sales	30.0	31.2	- 4 %	30.0	31.2	- 4 %
Total revenues	30.0	31.2	- 4 %	30.0	31.2	- 4 %
Operating expenses	27.7	25.1	+10 %	27.7	25.1	+10 %
Operating expenses adj. for ext. items	25.4	26.5	-4%	25.4	26.5	-4%
EBITDA	2.3	6.1	- 62 %	2.3	6.1	- 62 %
EBITDA adj. for ext. items	4.6	4.7	- 2 %	4.6	4.7	- 2 %
Profit before tax	4.1	6.3	- 35 %	4.1	6.3	- 35 %

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 Q1 2024 were NOK 30 million, which was NOK 1.2 million below the result for the same quarter in 2023. 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.
- Negative sales impact due to declining activity in the Cell & Gene Therapy market in the New England Biomanufacturing hub.
- Continued declining economic and business activity in China with a “China first” approach.

The geographical distribution of sales in Q1 reflected the development in North America with 29% of sales coming from Americas, 68% EMEA and 3% APAC (Q1 2023: 52%, 44% and 3%, respectively). New customers placing orders for the first time were 25 in Q1 2024, split by 13 in Molecular Tools and 12 in Biomanufacturing.

Biomanufacturing

Biomanufacturing contributed 39% towards total Q1 2024 sales (48% in Q1 of 2023). The segment contracted by 24% versus Q1 in 2023. The decline

in sales from last year’s period versus this year is primarily driven by the reduced activity in the Biomanufacturing hub on the East Coast of North America as companies continued to scale down, delay or even cancel programs in Cell & Gene Therapy.

The launch of SAN HQ GMP exemplified a quality-standard highlight in the Biomanufacturing sector in Q1. The product was launched in January and became commercially available in March 2024. Entering the GMP area with SAN HQ GMP will allow ArcticZymes to better compete in the Biomanufacturing segment where GMP compliance often is a requirement.

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 advanced therapeutics.

Molecular Tools (Diagnostics & Research)

Molecular Tools serve both molecular diagnostics and molecular research and contributed 61% towards total sales in Q1 2024 (52% Q1, 2023).

The Company grew its Molecular Tools portfolio by 14% in Q1 2024 versus Q1 2023 driven by strong demand from key customers. The company expects further organic growth, especially with its Endonuclease and Polymerase product offerings.

Innovations

Within Biomanufacturing the new SAN HQ GMP was successfully manufactured and launched on January 30th, 2024. To provide GMP grade quality of our other SAN nucleases established in the Biomanufacturing segment, development work is currently ongoing. GMP grade quality of our SAN enzymes will offer both a technically advantageous solution and regulatory

compliance for a more straightforward supplier qualification process for our clients in the pharmaceutical industry.

A joint research project between ArcticZymes and the Austrian Centre of Industrial Biotechnology (acib) was announced and initiated in April. 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 reviewed 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 salt active nuclease (SAN) product portfolio, including SAN HQ GMP, will also 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 last year, a partnership with Biomatter and use of their AI driven platform for enzyme engineering was announced. The first project to use this AI-platform is currently ongoing and is expected to provide the foundations for new and improved products and associated intellectual property going forward.

Finally, in Molecular Tools, a research paper was accepted and published in the international peer-reviewed publication, Biotechnology Journal, describing the features and potential of the patent pending ArcticZymes R2D Ligase™. The product has a unique functionality in its ability to ligate DNA to RNA that can enable innovative

advancements in RNA analysis, diagnostics and synthesis. Through publications in international journals, ArcticZymes aims to elevate the awareness and implementation of our products at technology developers and new customers. The article can be accessed via the link: <http://dx.doi.org/10.1002/biot.202300711>.

Operations

The SAN HQ GMP product was sent to our warehouses in Q1. This represents a new era for the Company as a GMP supplier. In addition, the first recurrent manufacturing was performed.

The rSAP fermentation process was initiated at Paras Biopharmaceuticals after ending the collaboration with Biosentrum. The 150 L fermentation development was successful, and the 750 L scale-up development and manufacturing work is ongoing and expected to be completed in 2024.

ERP data migration to Jeeves has been challenging due to large volume of data, complexity, and the necessity to manage resources in parallel to ensure delivery of other projects. Workshops have been set up outside working hours to be able to get necessary traction on the project.

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

Preparation for the SAN HQ GMP Drug Master File (DMF) amendment documentation has been ongoing throughout the quarter and was submitted to the US Food and Drug Administration (FDA) in April. The main addition was the manufacturing process and stability

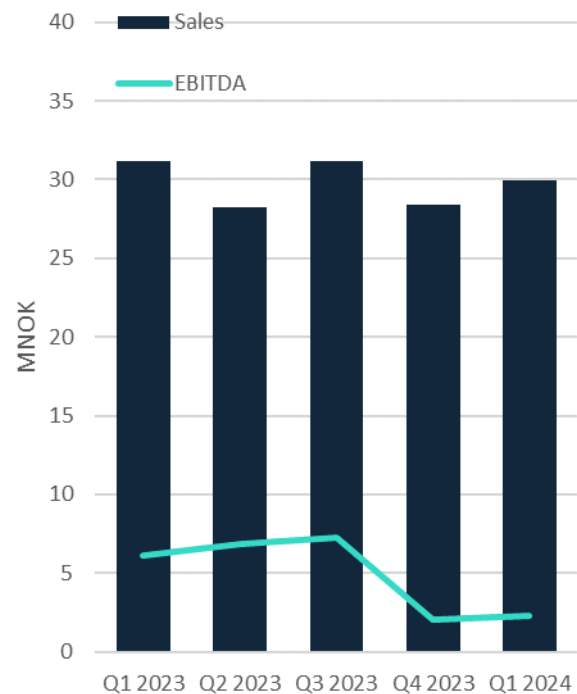
studies of the validation batches. With this amendment to the DMF, ArcticZymes is allowed to supply SAN HQ GMP to customers that are in phase III clinical trials and post-launch of their therapeutic products.

Strategic growth initiatives

The Company is focusing on organic growth for 2024 with specific attention on the Salt Active Nucleases (i.e. achieving full GMP status and driving revenue) while revitalising the molecular tools product line with application data to facilitate uptake. The product portfolio is under review, and we will continue to explore external innovation opportunities (e.g. in-licensing, OEM, M&A) in line with the product portfolio strategy.

The Biomatter collaborative project has been started and candidate AI-engineered prototypes are expected within one year.

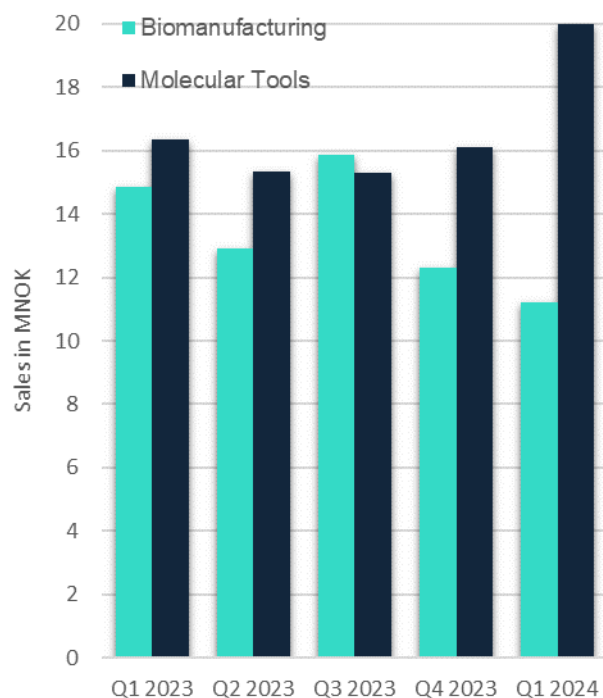
Sales & EBITDA



Financial review

AZT reported sales of NOK 30.0 million (Q1 2023: 31.2 M) for the second quarter of 2023. Earnings before tax, interest, depreciation, and amortisation (EBITDA) were NOK 2.3 million (Q1 2023: 6.1 M) and net profit was NOK 3.2 million (Q1 2023: 5.0 M) in the quarter. Net financial income was a profit of NOK 3.3 million (Q1 2023: 1.8 M).

Sales per area



In Biomanufacturing, sales were slightly lower than previous quarters with NOK 11.2 million. This is also lower than the NOK 14.8 million we experienced last year in the same quarter.

For Molecular Tools, sales are higher than we have seen throughout the last year in previous quarters with quarterly sales of NOK 18.8 million. This is an increase of 15% compared to same quarter last year where sales ended on NOK 16.4 million.

Operating expenses were increased by NOK 2.7 million in Q1 2024 compared to Q1 2023, primarily explained by lower capitalisation of projects having reached certain milestones, accruals relating to closing down the Oslo office and the implementation cost of a new ERP system.

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 2024 as 2023, revenues would have been NOK 1.0 million lower for the first quarter of 2024. Changes in USD versus NOK continues to be the key driver for the currency effects experienced during 2024.

Extraordinary items for the period

The closing of the Oslo office had a total cost of NOK 2.3 million in both personnel and other expenses related to terminating all contracts in the first quarter. NOK 0.8 million of this is related to accrued salaries.

The Company is investing in implementing a new ERP system. This project had an expense of NOK 1.5 million in the first quarter. The Company plans to go live with the new ERP solution in 2H 2024.

Taxes

For Q1 2024, the Company recognised NOK 0.9 million (Q1 2023: 1.3 M) in tax expenses which will be offset against deferred tax assets. The Company had NOK 5.0 million in deferred tax assets at the end of Q1 2024.

Financial position

Total equity amounted to NOK 313.6 million at the end of Q1 2024 compared to NOK 289.4 million at the end of Q1 2023.

Total assets were NOK 342.8 million at the end of Q1 2024, up from NOK 318.2 million at the end of Q1 2023.

The Company has no interest-bearing debt.

Cash flow

Net cash flow from operating activities was NOK -4.1 million for the first quarter 2024 compared to NOK -12.5 million in the same period in 2023. The difference in cash flows from operations is explained by settlement of invoices for scale up projects, and an increase in receivables.

Cash flow from investing activities was NOK -2.7 million in the quarter. For the quarter, this is primarily explained by NOK 4.0 million in investments classified as intangible assets, where the scale up of rSAP accounted for NOK 1.6 million

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

Changes in cash and cash equivalents was NOK -7.9 million for the whole first quarter 2024. This generated a cash balance of NOK 173.0 million at the end of the quarter, compared to NOK 166.3 million at the end of Q1 2023.

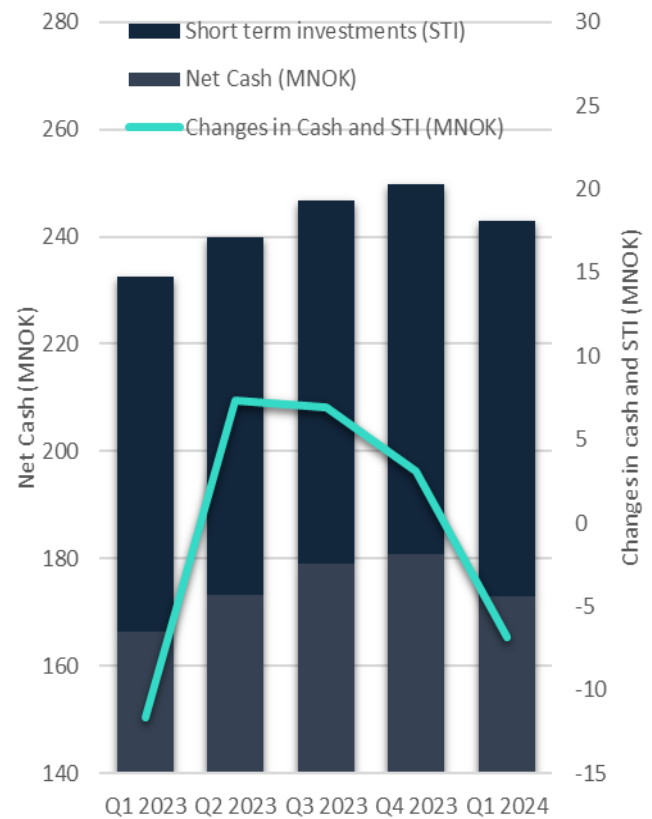
NOK 70.0 million in low risk, liquid interest rate funds was reclassified from cash and cash equivalents to short term investments in the fourth quarter 2023 (See other assets in Financial position). This is according to IFRS rules.

Shareholder matters

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

895,000 options are outstanding as of 31.03.2024. 100.000 options were awarded to the CFO during Q1 2024.

Cash and STI position



See the annual report for 2023 and notes 9 and 11 in the Q1 2024 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 2023 and published on the Company's website www.arcticzymes.com.

Outlook

The outlook for 2024 is that the fundamental business is strong, but as earlier stated market conditions will continue to be challenging during Q2.

The assessment continues to be that the headwinds will ease in H2 and provide a further normalization of the market environment.

The Company will continue to have a strategic focus on penetrating the biomanufacturing space through strengthening the commercial engine and launching new GMP grade enzymes within the SAN portfolio. Molecular enzymes will continue to play an essential part of our strategy and we will invest both on the development as well as commercial side to grow the segment.

The interim financial statement 31. March 2024 (Q1)

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(Amounts in NOK 1 000 - except EPS)	Q1		YTD	
	2024	2023	2024	2023
Sales revenues	29 991	31 189	29 991	31 189
Other revenues	22	0	22	0
Sum revenues	30 013	31 189	30 013	31 189
Cost of materials	-1 012	-7 374	-1 012	-7 374
Change in inventory	-312	5 421	-312	5 421
Personnel expenses	-18 012	-15 541	-18 012	-15 541
Other operating expenses	-8 405	-7 577	-8 405	-7 577
Sum expenses	-27 741	-25 072	-27 741	-25 072
Earnings before interest, taxes, depr. and amort.	2 273	6 117	2 273	6 117
Depreciation and amortization expenses	-1 522	-1 590	-1 522	-1 590
Operating profit/loss (-) (EBIT)	751	4 527	751	4 527
Financial income, net	3 329	1 788	3 329	1 788
Profit/loss (-) before tax (EBT)	4 080	6 315	4 080	6 315
Tax	-912	-1 276	-912	-1 276
Net profit/loss (-)	3 169	5 039	3 169	5 039
Basic EPS (profit for the period)	0,06	0,10	0,06	0,10
Diluted EPS (profit for the period)	0,06	0,10	0,06	0,10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	31.03.2024	31.03.2023	31.12.2023
Non-current assets			
Deferred tax	4 987	9 963	5 899
Machinery, equipment and permanent fixtures	14 904	15 628	15 020
Intangible assets	29 927	11 477	26 096
Lease assets	10 484	13 388	12 314
Other non current asset		-16	
Total non-current assets	60 302	50 439	59 329
Current assets			
Inventories	12 561	12 499	12 873
Account receivables and other assets	96 893	88 961	86 227
Cash and cash equivalents	173 021	166 339	180 894
Total current assets	282 475	267 799	279 994
Total assets	342 778	318 238	339 323
Equity			
Share capital	50 871	50 571	50 871
Premium paid in capital	263 947	261 656	263 947
Retained earnings	-1 180	-22 874	-5 521
Total equity	313 639	289 353	309 297
Other long-term liabilities			
Lease liabilities	6 905	9 895	8 414
Total other long-term liabilities	6 905	9 895	8 414
Current liabilities			
Lease liabilities interest-bearing	3 689	3 750	4 174
Accounts payable	6 859	2 825	4 539
Other current liabilities	11 686	12 416	12 898
Total current liabilities	22 233	18 990	21 611
Total liabilities	29 138	28 885	30 026
Total equity and liabilities	342 778	318 238	339 323

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in NOK 1 000)	31.03.2024	31.03.2023	31.12.2023
Cash flow from operating activities:			
Profit/loss (-) before tax	4 080	6 315	24 765
Profit/loss adjusted for			
Adjustment contract lease premises	-22		-97
Depreciation	1 522	1 590	6 381
Employee stock options	1 173	-422	2 553
Non-cash interest expense	96	108	465
Changes in operating assets and liabilities			
Inventory	312	-5 421	-5 795
Account receivables and other assets	-9 669	-4 816	746
Changes in fair value for financial investment	-2 797	307	-1 805
Payables and other current liabilities	1 107	-4 980	-2 783
Net cash flow from operating activities	-4 197	-7 319	24 430
Cash flow from investing activities:			
Purchase of fixed assets	-440	-854	-1 673
Investment in intangible assets	-4 033	-2 287	-1 796
Short term investments	1 809	-1 081	-17 546
Changes in long term receivables		16	
Net cash flow from investing activities	-2 664	-4 206	-21 015
Cash flow from financing activities:			
Payment on lease liabilities	-916	-825	-3 435
Payment on interest lease liabilities	-96	-108	-465
Capital increase			2 584
Net cash flow from financing activities	-1 012	-933	-1 316
Changes in cash and cash equivalents	-7 873	-12 458	2 099
Cash and cash equivalents at the beginning of period*	180 894	178 795	178 795
Cash and cash equivalents at end of period	173 021	166 339	180 894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. January till 31. March

(Amounts in NOK 1 000)	Share capital	Premium paid-in capital	Retained Earnings	Total equity
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-Q4 2023			14 385	14 385
Transactions with owners:				
Share capital increase	300	2 291	-8	2 583
Employees' share options			2 975	2 975
Equity as of 31.12.2023	50 871	263 947	-5 521	309 297
Comprehensive income Q1 2024			3 169	3 169
Transactions with owners:				
Employees' share options			1 173	1 173
Equity as of 31.03.2024	50 871	263 947	-1 179	313 639

Notes to the interim accounts for 31. March 2024 (Q1)

Note 1 Basis of preparation of financial statements

The assumptions applied in the quarterly financial statements for 2024 that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses are similar to the assumptions found/used in the financial statement for 2023. 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. March 2024. 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 2023. (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 and other administration income. NOK 1.5 million has been expensed in connection with implementation of new ERP system.

For further information refer to note 5 in the Annual report for 2023.

(Amounts in NOK 1 000)	Q1		YTD	
	2024	2023	2024	2023
Sales revenue:				
Enzymes	29 992	31 189	29 992	31 189
Group operating sales revenues	29 992	31 189	29 992	31 189
Gross profit				
Enzymes	28 668	29 236	28 668	29 236
Group gross profit	28 668	29 236	28 668	29 236
Other revenues				
Enzymes	21		21	
Unallocated corporate expenses	1		1	
Group other revenues	22	0	22	0
Operating expenses:				
Enzymes	-23 355	-20 839	-23 355	-20 839
Unallocated corporate expenses	-3 062	-2 279	-3 062	-2 279
Group operating expenses	-26 417	-23 119	-26 417	-23 119
Operating profit/loss (-) (EBITDA)				
Enzymes	5 334	8 397	5 334	8 397
Unallocated corporate expenses	-3 061	-2 279	-3 061	-2 279
Operating profit/loss (-) (EBITDA)	2 273	6 117	2 273	6 117
Depreciation and amortization:				
Enzymes	-1 508	-1 580	-1 508	-1 580
Unallocated corporate expenses	-13	-10	-13	-10
Group depreciation and amortization	-1 522	-1 590	-1 522	-1 590
Profit/loss (-) before interest and tax (EBIT)				
Enzymes	3 825	6 816	3 825	6 816
Unallocated corporate expenses	-3 074	-2 289	-3 074	-2 289
Profit/loss (-) before interest and tax (EBIT)	751	4 527	751	4 527

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

The war in Ukraine 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:

(Amounts in NOK 1 000)	Q1		YTD	
	2024	2023	2024	2023
Sales	29 991	31 189	29 991	31 189
Other revenues	22		22	
Sum revenues	30 013	31 189	30 013	31 189
Cost of materials	-1 012	-7 374	-1 012	-7 374
Change in inventory	-312	5 421	-312	5 421
Personnel expenses	-18 012	-15 541	-18 012	-15 541
Other operating expenses	-8 405	-7 577	-8 405	-7 577
Depreciation and amortization expenses	-1 522	-1 590	-1 522	-1 590
Sum expenses	-29 263	-26 662	-29 263	-26 662
Operating profit/loss (-)	751	4 527	751	4 527

Note 5 Taxes

The calculation of deferred tax asset and tax expense as of March 31, 2024 and December 31, 2023 is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 0.9 million due to changes in tax loss in the period. The deferred tax asset was NOK 4.9 million as of March 31, 2024. 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 2023.

(Amounts in NOK 1 000)	31.03.2024	31.12.2023	Change
Temporary differences			
Non current assets	2 926	2 950	24
Other temporary differences	303	-801	-1 104
Gains and loss account	4 346	5 432	1 086
Total temporary differences	7 575	7 582	7
Financial instruments	4 876	2 079	
Adjustment capitalisation Skattefunn	493	506	
Tax assessment loss carried forward	-35 611	-36 980	
Calculation base deferred tax asset	-22 668	-26 812	
Change in deferred tax asset, 22%	-4 987	-5 899	-912
Profit before income tax	4 080	24 765	
Non deductible expenses	-2 720	-1 686	
Non taxable income		-711	
Changes in temporary differences	7	529	
Profit before tax loss carried forward	1 368	22 897	
Deffered tax loss carried forward	-1 368	-22 897	
Tax base	0	0	
Tax expense	-912	-5 340	

Note 6 Non-current assets

Machinery, equipment and permanent fixtures (Amounts in NOK 1 000)	Q1		YTD	
	2024	2023	2024	2023
Net book value (opening balance)	15 020	15 444	15 020	15 444
Net investment	440	854	440	854
Depreciation and amortization	-555	-670	-555	-670
Net book value (ending balance)	14 904	15 628	14 904	15 628

Intangible asset (Amounts in NOK 1 000)	Q1		YTD	
	2024	2023	2024	2023
Net book value (opening balance)	26 096	9 236	26 096	9 236
Net investment	4 033	2 287	4 033	2 287
Depreciation and amortization	-202	-45	-202	-45
Net book value (ending balance)	29 927	11 477	29 927	11 477

Lease assets (Amounts in NOK 1 000)	Q1		YTD	
	2024	2023	2024	2023
Net book value (opening balance)	12 314	13 873	12 314	13 873
Adjustment net present value 01.01	227	390	227	390
Depreciation	-764	-875	-764	-875
Cancellation premises Share Lab Oslo	-1 294		-1 294	
Net book value (ending balance)	10 484	13 388	10 484	13 388

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 developemnt, scale-up of existing productes, own patents and DMF related to SAN portfolio.

For further information refer to notes 13,14 and 15 in the Annual report for 2023.

Note 7 Lease assets and liabilities

The Group have four contracts under IFRS16 with Siva Inovation senter for leasing offices and lab facilities .

The subsidiary ArcticZymes had a contract for leasing offices with Share Lab in Oslo. This contract was canceled in Q1-2024.

For further information refer to note 15 in the Annual report for 2023.

(Amounts in NOK 1 000)

Financial position	31.03.2024	31.03.2023
Lease assets	10 484	13 388
Sum lease assets	10 484	13 388
Lease liabilities	6 905	9 895
Sum lease liabilities	6 905	9 895

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	31.03.2024	31.03.2023	31.12.2023
Lease of IT equipment	91	87	381
Overhead expenses related to premises	521	259	1 173
Total leased assets inc. in other op. expenses	612	345	1 554

Note 8 Account receivables and other assets

(Amounts in NOK 1 000)	31.03.2024	31.03.2023	31.12.2023
Account receivables	20 675	16 745	13 784
Tax grants	882	631	853
VAT	401	2 082	618
Short term investments	69 955	66 141	68 968
Other assets	4 981	3 362	2 004
Total account receivable and other assets	96 892	88 961	86 227

Historically, the group has not incurred losses on accounts receivable. Based on this and the fact that there were no losses in 2023, and we expect no material future losses, no provisions for losses were made in Q1.

For further information refer to note 17 in the Annual report for 2023.

Note 9 Related party disclosures

Shares owned or controlled by directors and senior management per 31. March 2024:

Name, position	Number of shares	Number of 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	280 000
Dirk Hahneiser, VP Business Dev. and Marketing	150	
Marit Sjø 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

Note 10 Shareholders

The 20 largest shareholders as of 31.03.2024	Shares	Ownership
Skandinaviska Enskilda Banken AB (Nominee)	6 757 750	13,28 %
Skandinaviska Enskilda Banken AB (Nominee)	3 679 151	7,23 %
Skandinaviska Enskilda Banken AB (Nominee)	2 740 253	5,39 %
State Street Bank and Trust Comp (Nominee)	2 231 197	4,39 %
Pro AS	2 153 548	4,23 %
Clearstream Banking S.A. (Nominee)	1 918 974	3,77 %
Avanza Bank AB (Nominee)	1 762 940	3,47 %
State Street Bank and Trust Comp (Nominee)	1 567 100	3,08 %
Vinterstua AS	1 489 022	2,93 %
Nordnet Bank AB (Nominee)	1 302 559	2,56 %
Belvedere AS	1 159 965	2,28 %
Skandinaviska Enskilda Banken AB (Nominee)	950 024	1,87 %
J.P. Morgan SE (Nominee)	794 004	1,56 %
Riise Invest Nord AS	619 000	1,22 %
Middelboe AS	612 400	1,20 %
Nordnet Livsforsikring AS	598 943	1,18 %
Naudholmen AS	595 000	1,17 %
Danske Bank AS (Nominee)	565 060	1,11 %
Kvantia AS	554 713	1,09 %
Dragesund Invest AS	521 739	1,03 %
20 largest shareholders aggregated	32 573 342	64,03 %

Note 11 Share options

Per 31.03.2024, there were 895,000 outstanding 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 period	38,23	100 000	42,38	250 000
Outstanding at 31. March		895 000		1 265 000
Granted during the year			26,94	200 000
Exercised during the year			8,73	-300 000
Lapsed during the year			64,04	-370 000
Outstanding at 31. December				795 000

Expiry date, exercise price, and outstanding options:

Expiry date	Average exercise price	2024	2023
		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	250 000
2028, 30 November	26,94	200 000	
2029, 28 February	38,23	100 000	
Outstanding at 31. March		895 000	1 265 000
Exercisable options at 31. March		215 000	300 000

*Expiry date has been adjusted to 30.06.2023

Note 12 Other current liabilities

(Amounts in NOK 1 000)	31.03.2024	31.03.2023	31.12.2023
Public taxes and withholdings	2 251	2 194	3 460
Bonus	1 396	1 510	1 781
Unpaid holiday pay	5 368	5 216	4 457
Other personnel	769	2 177	1 277
Other current liabilities	1 901	1 318	1 922
Other current liabilities	11 686	12 416	12 898

For further information refer to note 22 in the Annual report for 2023.

Per 31 March 2024, NOK 0,8 mill is accrued expenses for shutting down the Oslo office.

Note 13 Events after balance sheet date, 31. March 2024

There are no events of significance to the financial statements for the period from the financial statement date to the date of approval; 07.05.2024

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. March 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 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, 07.05.2024
The Board of Directors of ArcticZymes Technologies ASA

Marie Roskrow
Chairman

Jane Theaker
Director

Terese Solstad
Director-employee

Michael Akoh
CEO

ArcticZymes Technologies ASA

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