

ANNUAL REPORT 2024



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THE BUSINESS OF ALGINOR

ABOUT ALGINOR

Alginor is a fully integrated B2B biomarine ingredients company developing sustainable, high-value ingredients from brown macroalgae to industries within pharmaceuticals, personal care, food, feed and agriculture. The company is developing an integrated value chain consisting of two primary businesses, including offshore harvesting of wild-caught raw materials through its own operated vessels, and valorisation of ingredients through biorefining.

Alginor's vision is to expand the availability and use of sustainably sourced ingredients based on *Laminaria hyperborea* – a self-renewable resource growing in abundance in Norway and Europe – through utilisation of all components in the biomass without using any harmful chemicals.





OVERVIEW OF STRATEGY AND BUSINESS MODEL

Alginor’s long-term goal is to establish an integrated harvesting and biorefining business based on of *Laminaria hyperborea*, with particular focus on two main strategic priorities:

- 1. To take a leading position in the B2B market for high-G (i.e., high-gelling) sodium alginate; and
- 2. to become a frontrunner in the development of other bio-based ingredients to new and emerging B2B markets by working directly with research institutions and customers.

Out of the many wild and farmed seaweed species available, only a few species are suited for manufacture of high-G sodium alginate used in the pharmaceutical industry. Since the mid-’60s and up until now, *L. hyperborea* has been the industry’s predominant and preferred species due to its high content of guluronic acid, with the Chilean species *Lessonia trabeculata* being a distant second in terms of volumes.

Operating out of Norway, with its estimated 56 million tonnes biomass (2021) and predictable harvesting regulations, Alginor is well-positioned to leverage a geographical advantage that is unique worldwide. Within prevailing harvesting regulations, which have been fairly stable since the ’70s, the company has estimated average availability to 5 million tonnes per year, presenting a major opportunity to expand the annual harvest. By comparison, the Norwegian industry’s annual harvest over the last 10 years has been stable at 165,000 tonnes.

Since 2014, the group has invested NOK 261.4 million in technology development with a view to manufacture bio-based ingredients including high-gelling sodium alginate without using any harmful chemicals detrimental to other components in the raw material, preventing biomass waste and enabling valorisation of more ingredients from the harvested biomass.

The F3 processing plant for food grade alginate is scheduled to be operating in H1 2026. The biorefinery’s shell building construction was finalised in November 2024. Heating, ventilation and air condition, electrical and indoor work, have started, with completion scheduled for September 2025. The first equipment has already been delivered to the F3 facility, and installation and commissioning of process equipment are scheduled to be ongoing until the factory is operational. The company’s first harvesting vessel, *Hypomar*

Ocean 1 was delivered on budget in May 2024, and is now carrying out harvesting trials on a regular basis according to plan.

The F3 facility is dimensioned to approximately 33,000 tonnes (commensurate to one harvesting vessel) and centres on food-grade manufacturing of sodium alginate and development of other bio-based ingredients, including the interface between harvesting and onshore reception. Alginor believes that further development of the industry will be contingent on achieving higher utilisation and that the highest growth potential lies in capturing value added through valorisation of more components. Therefore, the company intends to position itself in anticipation of such industry developments, with a view to capture the front seat in the development of new and emerging markets. With the F3 facility, Alginor seeks to establish critical building blocks in the company’s value chain having a particular focus on preventing biomass waste and developing other bio-based ingredients than alginates, facilitating long-term development of the company’s business.

The development of alginates has been a core focus throughout Alginor’s history, and particularly from 2018 and until today through extensive external and in-house piloting. Today, the company’s piloting activities take place in the F2 facility at Avaldsnes. Prototypes developed in the pilot have been verified by customers on all critical parameters, and the company is confident in transferring its processes to an industrial scale.

Further developments and the investment decision for the F4 processing plant for pharmaceutical grade alginate has been postponed. The group has decided that it is currently in the group’s best interest to direct its full focus and resources to finalise the F3 facility to succeed with the production of food grade alginates. The group’s intention to produce pharma grade alginate and upscale production remains unchanged and unaffected by the postponement decision. The group will use its learnings from the F3 facility in its future decisions regarding the development and production of pharma-grade alginates.

VALUE PROPOSITIONS



High-quality ingredients based on sustainably sourced and renewable premium raw materials



Sustainable supply chain: no biomass wasted and no harmful chemicals used



Predictable long-term supply based on raw material availability and Norwegian harvesting regulations



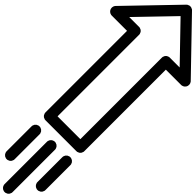
Smaller carbon footprint compared to available supply chains



Bio-based alternatives to fossil-based products



Profitable business based on full utilisation of *Laminaria hyperborea*



High upside potential through valorisation of more ingredients based on the same feedstock/harvesting volumes



Global niche industry with few global competitors



Sustainable investment



Strong industrial backers including Borregaard, Hatteland, and Must Invest

ORGANISATION

THE ALGINOR GROUP consists of the holding company Alginor ASA and the five wholly owned subsidiaries Hypomar AS, Oewa AS, Alginor Biorefinery AS, Alginor Pharma Ingredients AS, and Alginor Industrial Estate AS, each company responsible for organising and implementing the different complementary parts of the group's current and future business. This facilitates for, among other things, dedicated operational focus and separate financing structures tailored to each part of the group's business.

ALGINOR ASA is the group's ultimate administrative body responsible for facilitating and overseeing activities carried out by the group's subsidiaries.

HYPOMAR AS is responsible for organising and implementing harvesting and upstream operations.

OEWA AS focuses on R&D, lab work, chemical analyses, and quality control.

ALGINOR BIOREFINERY AS operates all downstream activities related to biorefining, including further development of all portfolio ingredients and the optimisation of all process lines.

ALGINOR PHARMA INGREDIENTS AS is responsible for the group's intended processes to manufacture sodium alginate applicable to the pharmaceutical industry pursuant to cGMP guidelines and customer specifications.

ALGINOR INDUSTRIAL ESTATE AS oversees and controls the group's assets related to real estate and fixed infrastructure.

Group headcount	New employees	Nationalities	Gender balance (f/m)	
59	14	5	36/64	

	2024	2023	2022	2021	2020
Full-time staff	59	53	45	33	22
New hires	14	18	12	11	6



PRODUCT OFFERINGS

STRATEGIC FOCUS

Our primary focus remains on developing and commercialising alginates, cellulose, biostimulants from seaweed extracts, and kelp powders. We aim to establish a strong base business by supplying high-G alginates to food industries and utilising residual kelp powder to minimise waste. This positions us for further development by creating isolated compounds or combinations like seaweed extracts in the future. Looking ahead, we are committed to expanding our portfolio to include specialised ingredients such as kelp fibres and fucoidans.

COMMERCIALISATION STRATEGY

Our strategy is to introduce our products strategically to key sectors. Our current focus is to commercialise high-gelling food-grade alginates for the food sector, including pet food, alongside kelp powders for feed and food through the F3 processing plant. In the longer run, our strategy is to extend to pharmaceutical sodium alginate for pharmaceutical applications like anti-reflux and dental impressions, building on our experience with food-grade alginates, while continuing development of other ingredients.

UNIQUE SELLING PROPOSITION

Our products offer strong gelling power, consistent quality, transparent supply chain, high purity, small carbon footprint, potential to replace petro-based alternatives, sustainability sourced, and are free of formaldehyde.

APPLICATION IN TARGET SECTORS

Alginates find extensive use in various sectors. In food, they work as thickening agents, stabilisers, and emulsifiers, improving texture and extending shelf life. In pharmaceuticals, they're crucial for anti-reflux medications, dental impressions, and wound dressings.

MARKET OUTLOOK

We are optimistic about the growing adoption of bio-based ingredients within the EU market, which aligns with our goal of providing sustainable solutions to evolving industry needs.



NOVEL FOOD

Laminaria hyperborea was previously not legally recognised as a traditional food source in Europe, posing a significant obstacle to market entry. This required the submission of a dossier for pre-market authorisation under the Novel Food Regulation, involving a comprehensive risk assessment procedure by the European Food Safety Authority (EFSA), typically taking three years post-industrial product development.

However, in February 2024, the EU officially designated *L. hyperborea*, alongside several other macroalgae species, as “not novel in foods” in an updated EU Novel Food Status Catalogue. This decision is a notable milestone and presents new market opportunities for Alginor, particularly in the development of savory flavor ingredients such as kelp powders and natural extracts. Importantly, this classification significantly shortens the time-to-market for these products compared to the previous regulatory landscape.

The EU has been actively involved in the process of including new algal species as “not novel in foods” and food supplements for the past two years. Alginor has contributed to interest groups and engaged with the EU centrally during this process. Since November 2022, the EU has been promoting the European algae sector to unlock the potential of marine forests. As a net importer of algae-based products, the recent inclusion of macroalgae in the EU Novel Food Status Catalogue aims to stimulate innovation and new product development within the EU.

With *L. hyperborea* now officially recognised as “not novel in foods” and exempt from novel food pre-market authorisation, a significant regulatory hurdle has been removed.

LETTER FROM THE CEO

Dear Shareholders,

2024 marked a pivotal year for Alginor as we continued our journey to industrialise and scale our unique biorefining platform for brown seaweed. With significant progress across operations, infrastructure, and financing, we are steadily moving toward our ambition of becoming a leading player in marine bioprocessing – despite the complexity and challenges inherent in building a novel industrial value chain from the ground up.

F3 BIOREFINERY PROGRESS

One of the year's major milestones was the completion of the shell building for our first full-scale processing facility, F3, at Avaldsnes. With the core structure now in place, internal works – including HVAC, electrical and fit-out – are well underway and scheduled for completion in September 2025. Process equipment has already begun arriving, with installation and commissioning planned to continue through to the plant's operational launch, targeted for H1 2026.

Once operational, F3 will represent a transformative step for Alginor. With a processing capacity of up to 600 tonnes of food-grade alginate annually, it will enable us to deliver commercial volumes to the food industry and establish ourselves as a supplier of sustainable, high-quality marine ingredients at scale.

POSITIONING FOR FUTURE INDUSTRIAL SCALE-UP

While F3 is being readied for launch, we continue to operate our F2 pilot facility – a flexible 700-square-metre site used for testing, process development, and sample production. In 2024, the facility played a key role in engaging potential customers and validating processes. In the year ahead, we intend to invest further in F2 to facilitate parallel production of high-value seaweed extracts, including fucoidans and potentially laminarin.

HYPOMAR OCEAN 1

In May 2024, Alginor took delivery of its first dedicated harvesting vessel, *Hypomar Ocean 1*, delivered on budget and on schedule. The vessel was officially christened at a ceremony in Smedasundet, Haugesund, on 8 August 2024.

Throughout the year, Alginor's crew has conducted regular harvesting trials in line with plan, allowing the Company to familiarise themselves with the vessel's operations and supply raw materials for sample production at the F2 pilot facility.

FINANCIAL DEVELOPMENTS

During 2024, Alginor raised NOK 430 million in equity, enabling significant progress on the F3 facility and providing a stronger financial foundation. As we moved deeper into project execution, we encountered significant cost increases in the F3 project due to a combination of overruns, unbudgeted expenses, and insufficient contingencies. In response, we have, among other things, enhanced our budgeting and project control procedures to improve predictability, visibility, and governance going forward.

Nevertheless, The Group needs external capital to complete and commission the F3 facility and the alginate processing line. To address this, the company successfully completed a private placement of NOK 100 million in March 2025 at NOK 10 per share towards Borregaard AS, Must Invest AS, and Jakob Hatteland Holding AS, who reaffirmed their long-term support for the company and its business case.

In line with equal treatment principles and to allow all existing shareholders the opportunity to maintain their pro rata ownership, the company intends to carry out a subsequent repair offering of up to NOK 50 million at equal terms in June/July of 2025 he repair offering is guaranteed by the three main shareholders.

In addition, Alginor will require external debt financing. Management is actively and diligently working to secure the necessary funding. The outcome is not yet assured, but we remain confident in a successful outcome. Alginor possesses a strong net asset base that can be leveraged as security towards potential lenders, and the major shareholders have demonstrated their strong commitment and confidence in the Group's future through their participation in the private placement and their commitment to underwrite the subsequent repair offering.

LEADERSHIP UPDATE

Following the CEO's departure by mutual agreement earlier this year, I was asked by the board to step in as acting CEO, building on my role as acting COO since autumn 2024. I have taken on this responsibility on a temporary basis and will continue to support the company following my return to Borregaard.

After a thorough recruitment process, the board has appointed Sten Stenersen – CFO at Hatteland and current board member of Alginor – as interim CEO, effective from May 2025. Stenersen will step down from the board upon assuming his new role and is expected to return to Hatteland in due course. I look forward to supporting a smooth transition and I am confident that Stenersen will bring valuable leadership to Alginor during this important phase.

Following the resignation of the company's CFO earlier this year, Alginor has engaged Sveco Partners in Haugesund to provide interim CFO services and financial support.

Alginor has also recruited a COO, Steen Mylius Stricker Lund, an experienced plant manager with more than 30 years of experience from the food industry, to further strengthen its operational capacity. We are excited to welcome him to the Alginor team, and we are confident that his experience and abilities will be vital in our efforts to produce food grade alginate of the highest quality to our customers.

EXTERNAL VALIDATION

Beyond our core operations, 2024 brought meaningful external recognition and collaboration. Alginor was named an EU Blue Champion by the European Commission and the European Investment Bank – selected among more than 500 European companies. In addition, Alginor continues to lead the PROTEUS project, a €14.4 million EU-backed initiative to establish the world's first integrated biorefinery for brown seaweeds in Norway.

These acknowledgements reaffirm the potential of our technology, team, and market positioning – and strengthen our ability to attract funding and partnerships going forward.

OUTLOOK

We are aware that parts of the journey ahead will be challenging. Industrialising a novel biorefinery platform comes with complexity and execution and financing risk. But it also offers the opportunity to build long-term value – not just for Alginor, but for our industry, our partners, and most importantly, our shareholders.

Thanks to the continued trust and commitment from our shareholders, the dedication of our employees, and the strengthening of our financial and operational systems, we are well positioned to take the next steps.

We remain focused on bringing the F3 facility online in H1 2026, strengthening our market position, and delivering on our long-term vision: to extract the full potential of brown seaweed – sustainably, efficiently, and at scale.

Sincerely,

Martin Lersch
Interim CEO
Alginor ASA



SHAREHOLDERS & FIGURES

At Alginor, we recognise the critical role our shareholders play in our continued growth and success. We are committed to delivering long-term value and fostering a strong relationship built on transparency and open communication.

In 2024, the Group executed a two-tranche equity placement raising gross proceeds of approximately NOK 430 million from existing and new shareholders.

Total assets

MNOK 1,042.8

Net loss for the year

MNOK 68.2

Cash and cash equivalents

MNOK 264.9

Equity

MNOK 820.5

	2024	2023	2022	2021	2020	2019
Shareholders at year's end	621	549	541	540	231	138

OVERVIEW AS OF 31 DECEMBER 2024

Shareholder	No. of shares	Ownership (%)	Ownership, fully diluted (%)	Nationality
BORREGAARD AS	11,830,591	36.79	35.46	Norway
MUST INVEST AS	6,068,055	18.87	18.19	Norway
BNP PARIBAS	4,457,830	13.86	13.36	Luxembourg
JAKOB HATTELAND HOLDING AS	1,940,420	6.03	5.82	Norway
JAHATT AS	1,240,000	3.86	3.72	Norway
KVERVA INDUSTRIER AS	700,000	2.18	2.10	Norway
ZIRCONIA AS	287,300	0.89	0.86	Norway
AMAR INVEST I AS	244,357	0.76	0.73	Norway
HELGØY PROPERTY HOLDING AS	240,215	0.75	0.72	Norway
VALIDÉ AS	230,500	0.72	0.69	Norway
ØYHATT AS	210,000	0.65	0.63	Norway
STAVANGER KOMMUNE	186,030	0.58	0.56	Norway
SAYONARA AS	183,170	0.57	0.55	Norway
VALIDÉ INVEST I AS	180,000	0.56	0.54	Norway
NORDVEGEN INVEST AS	174,096	0.54	0.52	Norway
SUM 15 LARGEST	28,172,564	87.62	84.44	
Other 606 shareholders	3,980,412	12.38	11.93	
TOTAL OUTSTANDING SHARES	32,152,976	100.00	96.37	
Employee warrants	1,212,500		3.63	
TOTAL SHARES, FULLY DILUTED	33,365,476		100.00	

ESG

SUSTAINABILITY AND ENVIRONMENTAL ASPECTS

Alginor recognises the environmental impacts that chemical manufacturing companies such as ourselves have on the environment, locally and globally, in air, on land, and in the sea. We are committed to promote, adopt, and improve upon sustainable practices, from the outset and at every step going forward.

Our fundamental ambition of achieving zero-waste processes through total utilisation of the harvested biomass will forever remain a pillar in our business. We acknowledge and take our corporate responsibility seriously, with an emphasis on sustainability, which is why we develop and improve our technologies with a view to solve issues pertaining to biomass waste and the use of process chemicals, such as formaldehyde, which has proven detrimental effects both on the environment and the ability to valorise the whole biomass. By not using formaldehyde at all, we enable total utilisation of *Laminaria hyperborea*.

As of October 2023, Alginor ASA is accredited by Kiwa AS and certified to conform with the management system requirements of NS-EN ISO 14001:2015, which shows that we have implemented well-functioning systems for environmental performance and compliance.

ECO-FRIENDLY HARVESTING

We consider our enterprise to be one of intrinsic sustainability, when done right. At the current scale, considering the capacity of the F3 factory and *Hypomar Ocean 1*, the Group’s maximum harvesting capacity is approximately 33,000 tonnes, whilst the Group’s long term goals for larger scale production suggest an annual harvesting capacity of approximately 134,000 tonnes. In comparison, the marine forests of kelp lose millions of tonnes of biomass per year to natural causes including grazing animals and stormy seas annually. Once kelp has been harvested from an area, young specimens grow rapidly and reach maturity within months, thanks to the newly available light which was previously blocked by the dense canopy of the older kelp.

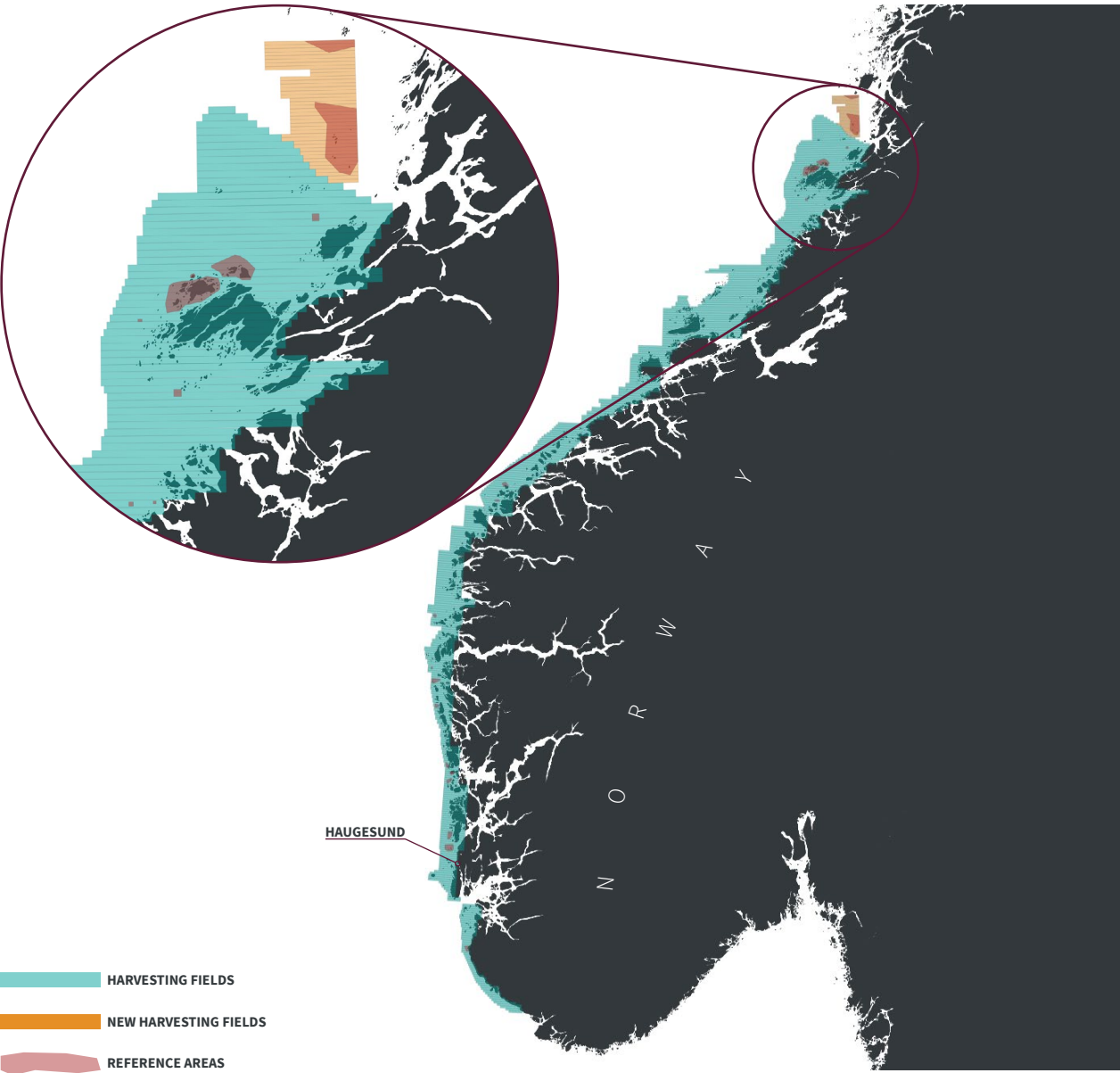
Harvesting in Norway is strictly regulated to safeguard the kelp itself as well as other species which constitute the biological community of kelp forests. The coast between the southern end of Rogaland and Brønnøysund in Nordland is segmented into almost 500 harvesting parcels with a longitudinal height of 1 nautical mile, each given a unique number and a letter spanning

A to E*. Every year, depending on the county, all parcels with the same letter are open for harvesting. This scheme ensures that the kelp and other species have ample time to recuperate and function undisturbed and normally for prolonged periods, at least five years. The Norwegian Institute of Marine Research (IMR, *Havforskningsinstituttet*) regularly carry out inspections and assess the conditions in select areas, which form recommendations to the regulations of each county. Reference areas – where harvesting is permanently banned for research purposes – are dotted all along the coast.

This system, managed by the counties, IMR and the Directorate of Fisheries (to which harvesters report their catch), has served its purpose for decades and continues to ensure sustainable kelp stocks in Norway.

The hybrid powertrain of our first spec-built harvesting vessel, *Hypomar Ocean 1*, is an industry first. Like many vessels of comparable size (which is significantly larger than any other kelp harvester), it has diesel-powered internal combustion engines, but they operate at peak efficiency thanks to the diesel-electric powertrain, with the addition of a substantial energy storage system. The ship can operate for several hours on its 1,000-kWh rechargeable lithium-ion batteries alone, reducing overall diesel fuel consumption, noise, and local exhaust emissions. *Hypomar Ocean 1* will recharge batteries overnight with clean Norwegian hydropower when docked at the quay by the biorefinery.

* The parcels in Nordland (orange), which opened in 2022, use letters spanning A–H. Their duration scheme differs from other counties and includes moratoria.



PEOPLE AND SOCIAL MATTERS

At Alginor, we recognise the importance of creating a safe and inspirational work environment for all and we are committed to these principles.

We lay emphasis on providing a stimulating and attractive workplace for our employees where they can further develop and expand their expertise in a challenging yet rewarding working environment. We are highly dependent on our employees and strive towards being perceived as a fair and non-discriminatory employer to retain and attract competent and motivated employees. Alginor prohibits any form of unlawful discrimination based on ethnic or national origin, age, gender identity or expression, sexual orientation, marital status or family structure, religion or disability. Any form of inappropriate workplace conduct, such as harassment, violence or discrimination, is not tolerated. Our policies regarding these matters are laid out in our ethics policy and code of conduct, which all employees are obligated to follow. We rely on goodwill from our local, national and international business partners, customers, and other stakeholders, and aim to conduct our business operations in a sustainable, responsible and ethical manner in accordance with prevailing standards for modern corporate responsibility.

ÅPENHETSLOVEN

Alginor is firmly committed to transparency and accountability in all aspects of our business. This commitment is not only a reflection of our values but also aligns with the principles enshrined in the Norwegian Transparency Act, or *Åpenhetsloven*. A statement is published and kept updated at www.alginor.no/apenhetsloven.

ISO CERTIFICATION

Since October 2023, Alginor ASA has been accredited by Kiwa AS and certified to conform with the quality management system requirements of NS-EN ISO 9001:2015 and NS-EN ISO 14001:2015, validating our schemes for work environment improvement, risk management, and employee engagement.

A GROWING WORKFORCE

2024 saw 14 new hires across Alginor ASA, Alginor Biorefinery AS, Hypomar AS and Oewa AS, increasing the group's capacities within engineering, product development, quality assurance, maintenance, process operations, logistics, and more.

CULTIVATING COMPETENCE

Alginor thrives on expertise and experience, and we strive to further the knowledge and competence of our personnel. During 2024, five employees were involved in accredited educational programmes spanning finance, engineering, and biotechnology at master's and doctoral levels.





GOVERNANCE

Our ambition is to abide by the highest prevailing standards of modern corporate governance principles with a view to create long-term maximum value for our shareholders within the scope of prudent and sustainable business practices.

We aim to incorporate prevailing principles of good corporate governance in our business strategies as a tool for increased long-term value creation for our stakeholders. We seek a transparent dialogue with our shareholders and strive to present relevant and accurate information about our company and our activities whenever possible. Our goal is to create maximum long-term value for our shareholders in alignment with sustainable and societal business practices, and to treat all employees, customers, business partners, and other stakeholders fairly with dignity and respect. Equal treatment of all shareholders and equal shareholders rights are fundamental values in our governance practices. Alginor has one class of shares carrying one vote each, and all shares are freely tradable without any restrictions.

We encourage all shareholders to participate, voice their opinions, and cast their votes in general meetings. Aside from the general meeting, our board of directors is the company’s highest governing executive body. The board has a majority of directors without ties to shareholders with ownership exceeding 10 % of the total share capital of the company.

We have a strict zero-tolerance policy for all forms of corruption such as bribery, money laundering and fraud, and strive to act in compliance with the Norwegian anticorruption legislation and other applicable international anti-corruption laws and regulations.

PROJECT OVERVIEW

INFRASTRUCTURE PROJECTS

Alginor fosters a culture of self-reliance, possessing a talented in-house team equipped to tackle a wide range of project aspects. Our engineers and operations personnel play a central role in driving project development forward. At the same time, we recognise the value of external expertise. For specialised tasks which fall outside of Alginor’s core business, we strategically engage qualified consultants. This collaborative approach allows us to leverage the industry’s best minds and ensure our projects benefit from a comprehensive knowledge base. By combining our internal strengths with the valuable insights of external consultants, we aim to achieve optimal project outcomes.



THE HARVESTER

INTRODUCTION & VISION

In the landscape of kelp harvesting, *Hypomar Ocean 1* stands out as the industry’s most innovative harvester. Our flagship vessel was delivered on budget in May 2024, and is now carrying harvesting trials on a regular basis according to plan. The vessel is the largest in the industry to date – not only does it represent a significant advancement in raw material harvesting and stabilisation, it also embodies our commitment to safety, sustainability, and operational excellence.

The inception of *Hypomar Ocean 1* was driven by a vision to maximise the utilisation of the kelp biomass. Realising the untapped potential in total utilisation required a comprehensive and years-long improvement of existing supply chains, from harvesting via processing to final ingredient.

Built in Norway by Fitjar Mekaniske Verksted AS, with design expertise from Solstrand Trading AS, our vessel sets new standards in on-board production systems and operational flexibility. With a primary emphasis on crew safety, comfort, and environmental stewardship, *Hypomar Ocean 1* is engineered to thrive in challenging shallow water conditions while delivering raw materials devoid of preservative chemicals, facilitating optimal downstream utilisation and quality.

INNOVATIVE DESIGN & OPERATIONAL EXCELLENCE

Our vessel is carefully designed for top performance and minimal environmental impact. It measures nearly 27 metres overall and features diesel-electric transmission, giving *Hypomar Ocean 1* the agility and power needed for effective operations along Norway’s rugged coastline. With a 1,000-kWh battery package, it can switch between diesel and electric power, running both propulsion and on-board facilities while reducing emissions.

Hypomar Ocean 1 isn’t just a vessel; it represents our strong commitment to operational excellence. Designed for shallow-water harvesting with a maximum draught of 2 metres, it manoeuvres precisely, allowing for efficient extraction of kelp biomass from depths of 5 to 20 metres. The equipment on deck is designed to minimise risk to crew and vessel, ensuring a safe and efficient workflow.

PRODUCTION CAPABILITIES & QUALITY

With an initial estimated capacity of approximately 33,000 tonnes per year, *Hypomar Ocean 1* is poised to meet the growing demand for high-quality ingredients based on kelp. Our on-board systems include capabilities for separating raw materials into leaf and stipe components along with pre-treatment processes that conserve and stabilise the raw material without the need for preservatives. This ensures the integrity of the harvested materials from the moment of collection to offloading at the shore.



DATA

Shipyard designation	FMV55
Length overall	26.78 metres
Breadth	10.40 metres
Battery capacity	1,000 kWh
Annual capacity	33,000 tonnes

THE DEMONSTRATOR

DEVELOPMENT OF SCALED-UP PROCESSES

Our flexible pilot demonstrator, known as F2, serves as a crucial facility equipped with industrial-grade machinery tailored for the development of scaled-up process lines. It supports the advancement of existing and as well as novel bio-based ingredients sourced from *Laminaria hyperborea*.

The pilot demonstrator covers 700 square metres and is rigged with essential industrial equipment. In close collaboration with key suppliers and manufacturers in Norway and Europe, we find the most flexible solutions for varied tasks. These components are make up our pilot facility, enabling the exploration and refinement of manufacturing processes for emerging bio-based ingredients like seaweed extracts and fucoidans.

With the pilot demonstrator, we aim to accelerate the development of manufacturing processes while minimising risks associated with industrial upscaling. By utilising this pilot facility, we seek to refine and optimise production methods for a diverse range of bio-based ingredients, facilitating their seamless integration into commercial-scale operations.

UNLOCKING POSSIBILITIES

Throughout the last years, F2 has undergone significant upgrades to enhance its capacity and functionality. Additional equipment procurement and installation have progressed as planned.

In tandem with facility expansions, our group has conducted alginate manufacturing campaigns. Samples of these product

samples have been sent to select customers for comprehensive quality assessment and formula testing. A proactive approach to quality assurance ensures that our bio-based ingredients meet stringent standards and expectations.

The pilot demonstrator plays a vital role in our pursuit of innovation and excellence in bio-based ingredient production. With its expanded capabilities and ongoing manufacturing campaigns, we aim to unlock new possibilities in biorefining while delivering high-quality products aligned with sustainability goals.



THE BIOREFINERY

DESCRIPTION

The biorefinery at F3 will receive pre-treated raw material from Hypomar’s landing facilities and begin processing as soon as possible, purifying the *Laminaria hyperborea* biomass and refining it into distinct products.

In November 2024, the shell building construction of the biorefinery was finalised, with heat ventilation and air condition, electrical and indoor work scheduled for completion in September 2025. The first equipment has already been delivered to F3, and installation and commissioning of process equipment are scheduled to be ongoing until the factory is operational.

The first full-scale processing lines will make alginates and as more knowledge is gained in the pilot demonstrator and market requirements are clear, capabilities will change. Following commissioning of primary production lines, side-streams will be analysed, and processes will be implemented to recover valuable sidestreams after extensive testing in the pilot demonstrator.

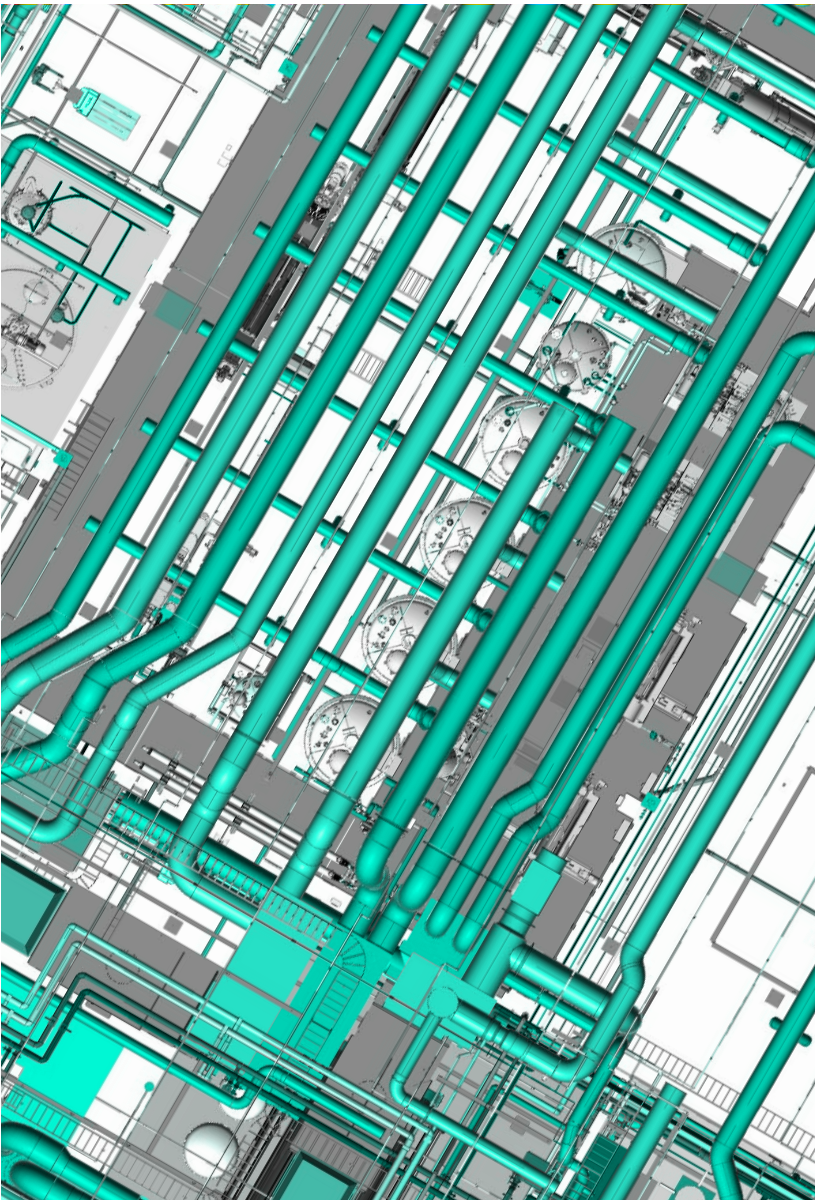
Products are made according to food-grade quality requirements and customer specifications.

WORKING WITH COMPETENCE

Procurement procedures with key suppliers concerning complex equipment systems have been ongoing since 2021. The suppliers are mainly distinguished companies based in Norway and continental Europe, which with their many years of experience combined with Alginor’s know-how, bring first-rate solutions.

The site is located in the Husøy industrial cluster near Avaldsnes, with immediate access to its own pier and one of Norway’s largest ports situated metres away. Alginor has partnered with local businesses in an industrial symbiosis effort to maximise the utilisation of common resources, including water, power, natural gas, and residual heat from processes.

The construction and structural planning of the facility is done with the help of Multiconsult, and Sarpsborg-based process integrator Fernløf. AFRY is aiding with project coordination and planning, while other contractors include Veidekke and Level Power & Automation, to name a few.

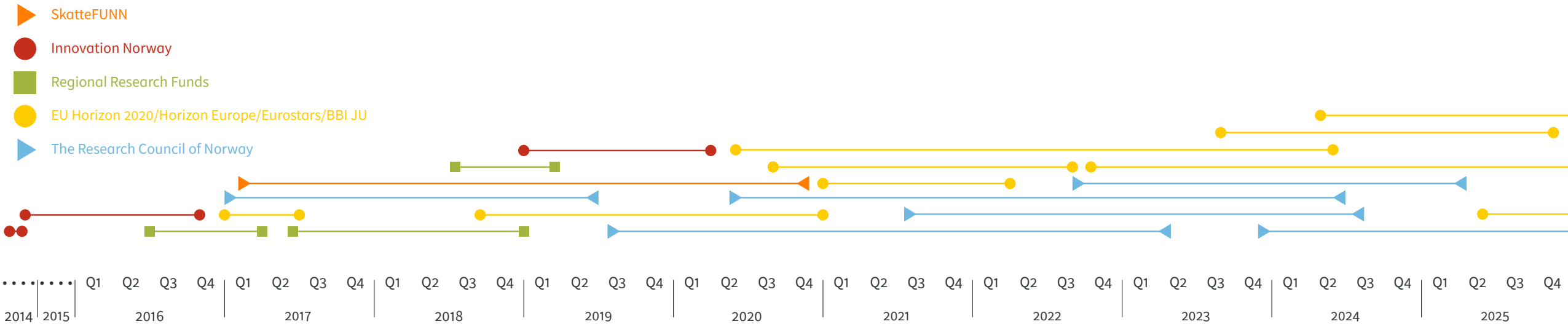


R&D PROJECTS

Since the beginning, Alginor has actively pursued and been involved in development projects in order to gain, disseminate, and use knowledge and to collaborate with scientific minds and communities at the top of their fields.

Alginor and subsidiaries continues to lead and participate in publically funded projects, each with distinct goals on how to best utilise our resource *Laminaria hyperborea* as well as other macroalgae. The proposals for almost all granted Alginor-led projects have been composed by in-house staff, without relying on outside aid for application writing and auditing.

A selection of projects is highlighted on the following pages.





PROTEUS

PROTEUS: Kelp side stream valorisation to develop new biobased value chains.

Budget (€)	Duration
14.4 million	2024–2028
Aid intensity	Funding ID (EU)
60 %	101156960

In 2024, Alginor and a consortium of 11 international partners secured a €9.6 million grant from the Circular Bio-Based Europe Joint Undertaking (CBE JU) for the €14.4 million PROTEUS project, which aims to set new standards in sustainable-bio-based production. Spanning four years, the project will establish the world’s first fully integrated industrial biorefinery for brown seaweeds at Avaldsnes.

As project coordinator, and by using the Alginor group’s formaldehyde-free harvesting and extraction technologies and approaches, Alginor leads the efforts to fully utilise the seaweed biomass, increasing yield efficiency from 15 % to 100 % without the use of harmful chemicals. In addition, the project focuses on, optimised water and energy use, and substantial reductions in greenhouse gas emissions.

The project is enhancing bio-based product impact across several industries. The ingredients (alginate, fucoidan, seaweed extracts, kelp fibers, dried kelp powders and cellulose) converted from the biomass will be tested and validated for use by Essity (personal care), Olmix (feed), Vaess (food), and Borregaard (industrial applications) as drop-in replacements for synthetic materials in sustainable biobased product lines.

The total budget for the project is €14.4 million, of which €10.6 million is allocated to the Alginor group. Aid intensity is 60 %. Innovation and Business Development Manager Ilka Czech and Regulatory Affairs Manager Bjarte Langhelle are leading Alginor’s efforts in the project.

Further information and regular updates can be found on the PROTEUS homepage: www.proteus-cbe.eu



CROPSAFE

CROPSAFE: Crop protection strategies for the transition to environmentally-friendly agriculture.

Budget (€)	Duration
5.2 million	2025–2029
Aid intensity	Funding ID (EU)
100 %	101209410

The EU’s decision to phase out the most harmful pesticides is a critical step for environmental protection – but has left many farmers without effective tools to protect their crops.

The CROPSAFE project is developing a new generation of sustainable crop protection tools, targeting urgent cases where key food crops are at risk due to pest outbreaks and pesticides withdrawal. These crop-protection tools include bio-based active ingredients, smart delivery systems, and decision support models for integrated pest management.

Using scalable supplies of bio-based residues (seaweed processing side streams, forestry residues, spent coffee grounds and fungal waste) and three biorefining partners, CROPSAFE will down-select the most effective bioactives and delivery materials as a basis for new crop protection products.

The project is delivered by a strong consortium of 3 universities, 4 research and technology organisations, 3 industrial biorefineries, a precision agriculture technology developer, and a cooperative representing over 3,200 farmers.

Alginor will scale up and supply seaweed extracts and purified laminarin as active crop protection ingredients as part of the project. Additionally, Alginor will also supply microfibrillated cellulose from kelp for use in smart crop protection delivery systems.

The total budget for the project is €5.2 million, of which €350,000 is allocated to Alginor. Aid intensity for Alginor is 100 %. The granting authority is the EU via the Circular Bio-based Europe Joint Undertaking (CBE JU). Regulatory Affairs Manager Bjarte Langhelle is leading Alginor’s efforts in the project.



Nanocellulose preparation in Oewa.

Cellunor

Cellunor: Expanded knowledge on specialty cellulose.

Budget (NOK)	Aid intensity	Duration	Funding ID (RCN)
32 million	50 %	2020–2025	337411

The Cellunor project focuses on development and optimisation of processes for extraction of kelp-based cellulose ingredients and derivatives, including, e.g., nanocellulose, based on *L. hyperborea*, for various applications within pharmaceuticals, cosmetics, and nutraceuticals, e.g., dermal lotions and creams. Today, the kelp industry is characterised by alginate production and significant side streams that are often treated as waste. Alginor’s business model is based on utilising all the ingredients in kelp. Crude kelp cellulose is a necessary by-product of the company’s planned alginate production.

The project is closely linked to the company’s core technologies of optimal raw material utilisation and increased value creation potential. The core idea of the project is to develop an environmentally friendly and cost-effective refining process for the kelp cellulose production, targeting global high-value niches in the pharmaceutical and cosmetic product markets. The project aims to develop a refining process with significant production advantages that require less energy and result in much lower emissions compared to existing cellulose production. Currently, the main source of cellulose is wood and other lignocellulosic biomasses. Extensive chemical treatment in multiple stages is necessary to refine the cellulose from these sources. Cellulose from kelp does not contain lignin, and similar treatment is not required. The refining process is expected to employ different and new production techniques. While cellulose from lignocellulosic biomass has been well-characterised through years of research and development, the properties of kelp cellulose are only described to a limited extent. Currently, there are no large-scale suppliers of cellulose based on kelp. Further research and development are therefore crucial for successfully utilisation of kelp cellulose in commercial products in the long term.

The development of kelp-based cellulose is an important step towards unlocking the value-creation potential of kelp biomass through the proper utilisation of the entire kelp. Dr. rer. nat. Ilka Czech in Alginor ASA is assigned as project manager. Project

partners include Oewa AS, Alginor Biorefinery AS, and RISE PFI, a Norwegian research institute dedicated to biorefining and cellulose-related research, which celebrated their hundredth anniversary in 2023. The project is partly funded by the Research Council of Norway (RCN).



Dried cellulose.



CIRCALGAE: CIRCular valorisation of industrial ALGAE waste streams into high-value products

Budget (€)	Duration
10.3 million	2022–2026
Aid intensity	Funding ID (EU)
70 %	101060607

CIRCALGAE is a European Innovative Action project aiming to boost the blue bioeconomy by valorising currently underexploited side-streams in the micro and macroalgae industry.

21 European partners participate in this project. Beside Alginor, Ceamsa, Hispanagar, Nordic Seafarms are among the suppliers of macroalgae and biorefinery side-streams. The Spanish research institute IATA-CSIC and KTH Royal Institute of Technology will contribute with an in-depth characterisation of the side streams and identify underexploited high-value compounds with potential use food, feed, and cosmetic applications.

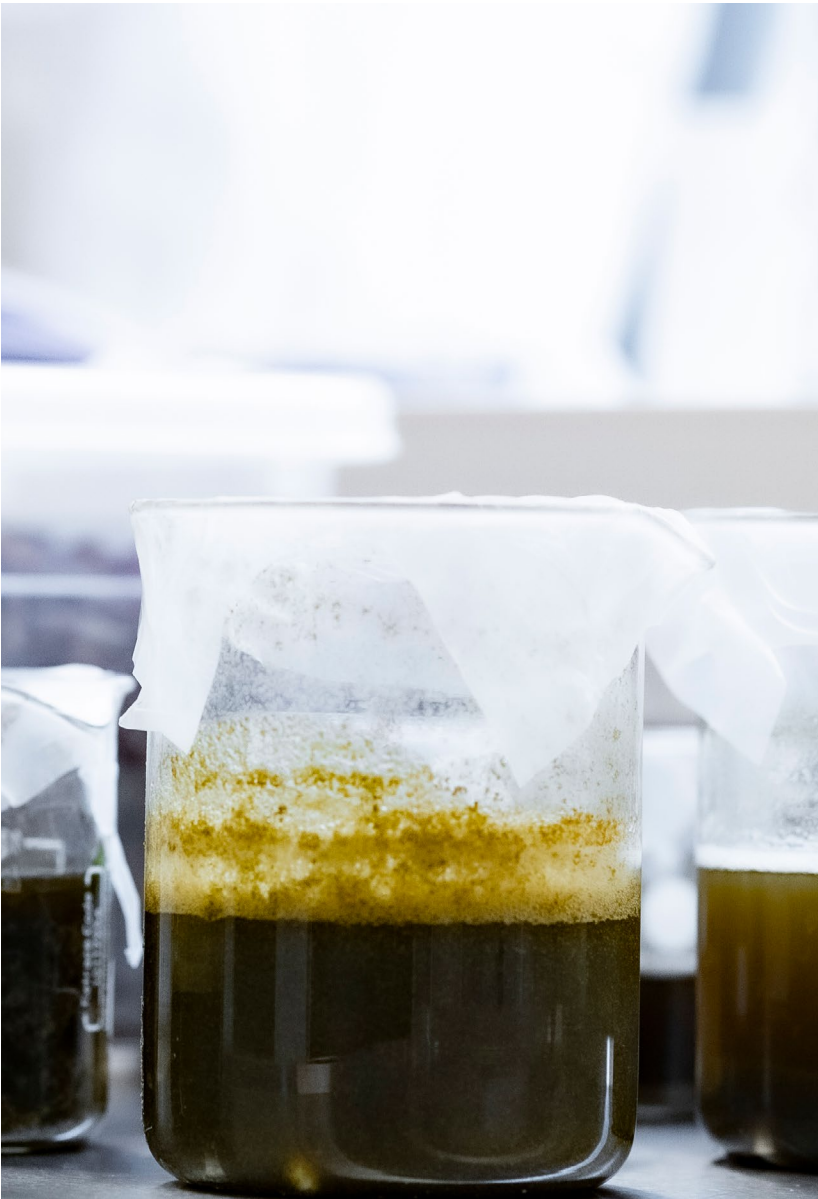
To obtain high-value phycocolloids, only green and water-based technologies will be used to transform side streams into value-added ingredients, to be used in specific texturised vegan foods, health-promoting food ingredients, protein-rich feed, and cosmetic formulations incorporating texturising or highly bioactive ingredients for topical use. Among the potential end-users is RNB, Spanish manufacturer of skincare products and more than 60 new products launched every year. Further potential products are soaps, shampoos, and toothpaste developed by SAPONIA (Croatia) and Zeto (Iceland) and many more.

In addition to analysing and providing side streams from Alginor’s own biorefinery, Alginor will investigate seasonal and regional variations in the raw material together with CSIC. Furthermore, a comprehensive report about the raw material supply (both microalgae and macroalgae) within Europe and along the European coastline will be compiled.

CIRCALGAE will connect all algae cross-sectional actors, including industrial end-user partners, RTOs, technological and consultancy SMEs, for the validation of all health-promoting effects and claims, regulatory aspects, and environmental, economic and social impacts, engaging all relevant stakeholders in the primary sector to re-shape the current industrial network for a future thriving blue bioeconomy.

The total budget for the project is €10.3 million, of which €0.75 million is allocated to Alginor. Aid intensity is 70 %.

Further information and regular updates can be found on the CIRCALGAE homepage: www.circalgae.eu





ALEHOOP: Contributing to a reduction of the EU’s dependency on imported proteins and the increase of raw material security.

Budget (NOK)	Duration
74 million	2020–2025
Alginor’s share of budget (NOK)	Funding ID (EU)
7 million	887259

Seeking to improve Europe’s food security, ALEHOOP commenced on 1 June 2020 as a joint effort between Alginor and 15 other companies and institutions. Europe is heavily reliant on imported soya beans as a source of proteins, producing only 5 % of the total European soya bean consumption. This is an unsustainable practice both economically and environmentally, as well as detrimental to local, national, and European food security.

The goal of the ALEHOOP project is to demonstrate the feasibility of using other sources of protein in European production of food and animal feed. Pea pods make up a substantial source of European plant protein, but its amino acid composition does not have full biological value, with limitations as a dietary source. By adding algal proteins, a healthier and more efficient amino acid composition can be achieved.

Residual biomass from the current alginate industry cannot be utilised due to the formaldehyde treatment of the raw material. Formaldehyde use makes a subsequent protein isolation impossible, which is why Alginor is the project’s supplier of algal amino acids.

R&D Manager Georg Kopplin is leading Alginor’s effort in the ALEHOOP project. It is funded by the Bio-Based Industries Joint Undertaking (BBI JU), which is a public-private partnership between the EU and the Bio-based Industries Consortium (BIC). ALEHOOP’s budget totals NOK 74 million, of which Alginor’s portion is NOK 7 million. The project’s scheduled end date was set for 2024, but has been moved to 2025.

Alginor has developed a process to produce protein enriched material from seaweed by-products and in 2022 delivered samples to all project partners for in-depth characterisation and assessment as a potential food or feed ingredient with high protein content.

News about the project are regularly posted on www.alehoop.eu

FINANCIAL INFORMATION

THE BOARD OF DIRECTORS OF ALGINOR ASA



WENCHE KJØLÅS
Chair

Elected Chair on 12 March 2024. Wenche holds a Master of Economics and Business Administration from the Norwegian School of Economics (NHH), and Executive Management Program, Strategic Management and Innovation, INSEAD in Paris, France.

Wenche Kjølås is an experienced chair and board member with wide sector experience across listed, private, family-owned and private equity firms, having served in various leadership roles throughout her career, including CFO, COO and CEO in the Grieg Group’s holding company, Grieg Maturitas AS. Kjølås has also been CEO in Kavli Norway and CFO in Kavli Holding. She served on the board in Grieg Seafood ASA, Cermaq ASA, PGS ASA, DOF ASA, and chaired Magseis Fairfield ASA, Keolis Norway and Flytoget AS. She is currently on the Board of Deep Ocean Group Holding AS, Borgestad ASA, Avarn Security Group Holding AS and Western Norway University.

Wenche holds 33,000 shares in Alginor ASA through the holding company Jawendel AS, of which Wenche owns 20 %.



ÅSE TVEIT SAMDAL
Member

Member of the Board since 29 June 2018 and reappointed on 30 June 2023.

Åse Tveit Samdal is Business Developer in Validé Haugesundregionen AS and was previously the bank manager of Sparebank 1 SR-Bank in Vindafjord. She holds two degrees in management from BI Norwegian Business School, and is a deputy board member of Haugesund Sparebank. She has previously held numerous board seats.

Åse works with Karmøy Næringsfond AS which holds 55,000 shares in Alginor ASA, and is an executive of the Validé organisation which holds 448,500 shares in aggregate.



HANS SANDVOLD
Member

Member of the Board since 9 June 2021 and reappointed on 30 June 2023.

Hans Sandvold is an experienced consultant and manager, having carried out major piping design projects within aquaculture, construction and offshore industries. Hans holds a Master’s in Business from BI Norwegian Business School, and serves on the boards of numerous companies.

Hans holds 26,286 shares in Alginor ASA via his wholly owned company Bukkevik Investering AS.



GISLE LØHRE JOHANSEN
Member

Member of the Board since 6 August 2021 and reappointed on 30 June 2023.

Gisle Løhre Johansen has been with Borregaard ASA since 1991 and serves as Executive Vice President of the Specialty Cellulose and Fine Chemicals division. He holds a Master’s degree in Organic

Chemistry from NTNU.

Gisle holds 3,000 shares in his own name and he represents major shareholder Borregaard AS which holds 17,374,691 shares in Alginor ASA.

KRISTINE KLAVENESS
Member

Member of the board since 17 June 2022 and reappointed on 30 June 2023.

Kristine Klaveness is Chair of Klaveness Marine and serves on the board of a number of other companies, organisations and foundations. She has previously worked in shipping, finance and consulting. She obtained a BA (Hons) in Economics from Princeton University and an MBA from IMD in Lausanne, Switzerland.

Kristine holds 47,150 shares in Alginor ASA via her wholly owned company KKN Equity AS.



KRISTIN MISUND
Member

Member of the board since 30 June 2023.

Kristin Misund has been Senior Vice President of R&D and Business Development since 2019, having been with Borregaard for three decades. She is a board member of Innovation Norway, member of two SINTEF boards as well as the board of RISE PFI AS. She holds a PhD in Organic Chemistry from NTNU.

Kristin represents major shareholder Borregaard AS which holds 17,374,691 shares in Alginor ASA.



STEN STENERSEN
Member

Member of the board since 30 June 2023.

Sten Stenersen has served in the role of CFO the Hatteland group since 2018 and is an experienced board member with several current appointments, including Belships ASA and Heimdal Forvaltning AS. He holds an M.Sc. in Finance from Bocconi University in Milan.

Sten represents the Hatteland company group which holds 5,052,684 shares in aggregate.



REPORT OF THE BOARD OF DIRECTORS

1. BUSINESS OVERVIEW

Alginor (the “Company”, and together with its consolidated subsidiaries, the “Group”) is developing a fully integrated value chain for business-to-business (B2B) marketing and sales of bio-based ingredients, derived from sustainable sourcing and biorefining of the brown macroalgae *Laminaria hyperborea* (*stortare*). This species, which grows abundantly along the Norwegian coast, represents one of the world’s largest and least-utilised marine biomasses.

The Group’s operations are built around two integrated business areas: the sourcing of renewable raw materials and their subsequent biorefining into high-value ingredients, which constitutes the Group’s products. Alginor’s long-term ambition is to become a leading B2B supplier of several natural ingredients – including alginates, cellulose, fucoidans, and seaweed extracts – serving a broad range of global industries, including pharmaceuticals, personal care, food, animal feed, and agriculture. In the near term, the Group is focused on advancing its initial product portfolio, with particular emphasis on food-grade alginates, along with smaller volumes of seaweed extracts and speciality compounds such as fucoidan.

Alginor operates within a niche industry, historically dominated by the extraction of high-gelling alginates from wild seaweed species such as *L. hyperborea* and *Lessonia trabeculata* using conventional methods. The viability of the industry, and Alginor’s business in particular, depends heavily on sustained access to high-quality raw materials suitable for producing high-gelling alginates.

With operations based in Norway, the Group is strategically positioned to capitalise on a globally unique raw material advantage. According to estimations presented in a 2021 study, Norway holds the world’s largest government-regulated stock of *L. hyperborea*, with a standing biomass of approximately 56 million tonnes. The Company’s own estimations suggest an annual harvest potential of up to 5 million tonnes. For comparison, the Norwegian seaweed harvesting industry has averaged around 165,000 tonnes annually over the past decade, while Alginor’s long-term harvesting target is approximately 134,000 tonnes per year.

The Group is actively developing integrated harvesting and processing technologies designed to maximise the value of *L. hyperborea* by extracting and commercialising up to 100 % of

its compounds through advanced biorefining. The current focus is on building integrated operations with an expected processing capacity of approximately to 33,000 tonnes of *L. hyperborea* annually. Commissioning of the Group’s first industrial alginate processing line is scheduled for Q2 2026. The Group is headquartered in Haugesund, Norway.

2. ALGINOR IN 2024 THE F3 FACILITY

F3 is a first of its kind commercial scale demonstration plant for processing stipe and leaves from *L. hyperborea* into a range of marketable alginates. In November 2024, the shell building construction of the F3 facility was finalised, with heat ventilation and air condition, electrical and indoor work scheduled for completion in September 2025. The first equipment has already been delivered to F3, and installation and commissioning of process equipment are scheduled to be ongoing until the factory is operational.

With an expected production capacity of up to 600 tonnes food grade alginate per annum, F3 will be the Group’s first industrial

facility with the ability to deliver commercial volumes of alginate to customers within the food industry. The Group is on track to commence operations starting in Q2 2026.

THE F2 PILOT FACILITY

F2 is a flexible 700 square metres pilot facility comprised of various industrial equipment. The pilot plant is used for process development and the current focus is on manufacturing of alginate prototypes and samples which are used to establish relations with potential customers. Beyond alginate, the purpose of the pilot is to unlock added value by developing manufacturing processes for other biobased products and de-risking industrial upscaling of process lines in F3. To that end, the Group intends to invest further in the pilot in 2025 with a view to establish parallel production of specialities alongside F3, with a particular priority on seaweed extracts, fucoidans and potentially laminarin.

DELIVERY AND CHRISTENING
OF HYPOMAR OCEAN 1

The Group’s first harvesting vessel, *Hypomar Ocean 1*, was delivered on budget in May of 2024. The vessel was christened during a ceremony in Haugesund on 8 August.

During 2024, the Group’s crew has tested and familiarised themselves with the vessel, carried out harvesting trials on a regular basis in accordance with plan, and supplied raw materials utilised for sample manufacturing at F2.

THE F4 FACILITY PROJECT

The F4 project is a streamlined project aiming at production of pharmaceutical grade sodium alginates in a cGMP-approved (current Good Manufacturing Practice) facility. Production will be based on mainly stipe raw materials, having suitability in high-gelling pharmaceutical applications.

The Group’s strategy and investments is currently directed towards completing the F3 project. An investment decision on pharma grade alginate from F4 will be made based on learnings from the F3 facility.

THE F5 FACILITY PROJECT

The F5 facility is a project aiming at the utilisation of side streams from the alginate processing line to produce seaweed extracts to be used as biostimulants towards applications within the agricultural sector. The facility will, if realised, be constructed as an add-on to the current F3 facility at Avaldsnes.

The Group’s strategy and investments is currently directed towards completing the F3 facility. An investment decision on seaweed extracts from F5 will be made based on learnings from the F3 facility and the result of ongoing investigations into the commercial value of the extracts.

THE PROTEUS PROJECT

In 2024, the PROTEUS consortium, headed by Alginor and comprising 11 international partners, secured €9.6 million in grant funding from the Circular Bio-Based Europe Joint Undertaking (CBE JU) over four years, with a total project budget of €14.4 million over the same period. Alginor’s share of the total budget, including awarded grants, is €10.6 million.

The project is considered a significant milestone, unlocking the full potential of the brown macroalgae. The initiative aims to establish the world’s first fully integrated industrial biorefinery for brown seaweeds in Norway and is well-aligned with the Company’s business plans.

As project coordinator, and by using the Alginor group’s formaldehyde-free harvesting and extraction technologies and approaches, Alginor leads the efforts to fully utilise the seaweed biomass, increasing yield efficiency from 15 % to 100 % without the use of harmful chemicals. In addition, the project focuses on, optimised water and energy use, and substantial reductions in greenhouse gas emissions.

The project is enhancing bio-based product impact across several industries. The ingredients (alginate, fucoidan, seaweed extracts, kelp fibres, dried kelp powders and cellulose) converted from the biomass will be tested and validated for use by Essity (personal care), Olmix (feed), Vaess (food), and Borregaard (industrial applications) as drop-in replacements for synthetic materials in sustainable biobased product lines.

ALGINOR NAMED “BLUE
CHAMPION” BY THE EU

In May of 2024, Alginor was named an “EU Blue Champion” by the European Commission and the European Investment Bank, after competing with over 500 European companies.

With the nomination, Alginor could be eligible for funding from the European Investment Bank.

WENCHE KJØLÅS ELECTED AS
NEW CHAIR OF THE BOARD

Alginor’s founder, Thorleif Thormodsen, stepped down as chair of the Board after serving the Company with dedication for more than a decade — both as chairman and CEO.

The Company’s nomination committee proposed that Wenche Kjølås was elected as the new chair of the Board. On 12 March, the Company’s general meeting resolved that Wenche will be the chair of the Board going forward.

Wenche has extensive experience from numerous executive roles in various industries, including serving as both CEO and COO of Grieg Maturitas AS, and as a Board member and chair in several

companies, including Deep Ocean AS, Borgestad ASA, Vital Seafood AS and HVL (Western Norway University of Applied Sciences). Her background and industry-specific expertise is well suited for Alginor and its Board, spanning marketing, finance, innovation, maritime operations, seafood production and processing.

FINANCIAL UPDATE – CAPITAL
RAISES IN 2024

In 2024, the Group executed a two-tranche equity placement raising gross proceeds of approximately NOK 430 million from existing and new shareholders. The purpose of the capital raise was to fund, among other things, the upscaling of the F3 processing line.

Since then, the Group has revised its CAPEX estimates needed to complete F3, see [Section 11 on page 33](#) and [Note 19 Subsequent events on page 57](#).

3. FINANCIAL INFORMATION
CONSOLIDATED RESULTS

The Group expects limited sales revenues prior to the establishment of F3 in Q2 2026. The Group has no material revenue and operating income in 2024. Net loss for the Group in 2024 totalled NOK 68.2 million, compared to a net loss of NOK 32.6 million in 2023. The personnel expense related to warrants (which has no cash effect) was NOK 0.6 million in 2024, compared to NOK 3.2 million in 2023. Depreciation and amortisation for the Group in 2024 totalled NOK 7.7 million, compared to NOK 3.5 million in 2023. Impairment in 2024 was NOK 28.1 million, compared to NOK 2.6 million in 2023.

BALANCE SHEET

Total assets in 2024 were NOK 1.042.8 million, compared to NOK 537.7 million in 2023. Intangible assets in 2024 were NOK 204.5 million, compared to NOK 88.6 million in 2023. Total current receivables at year-end 2024 were NOK 47.5 million, compared to NOK 19.7 million in 2023. Total property, plant and equipment (PPE) in 2024 were NOK 524.9 million, compared to NOK 348.0 million in 2023. Group equity in 2024 was NOK 820.5 million (78.7 % equity ratio) as of 31 December, compared to NOK 476.5 million (88.6 % equity ratio) in 2023. The Group’s share capital in 2024 was NOK 32,152,976 (NOK 20,220,685 in 2023), and the share premium was NOK 939.3 million (NOK 538.9 million in 2023). The Group’s long-term interest-bearing debt in 2024 was NOK 119.5 million, compared to NOK 44.2 million in 2023. Long-term interest-bearing debt relates to the financing of *Hypomar Ocean 1*, offices in the Haugesund area

and industrial property at Avaldsnes. Total current liabilities in 2024 amounted to NOK 56.3 million, compared to NOK 11.9 million in 2023. Accounts payable/trade creditor liabilities were NOK 32.7 million at year-end 2024, compared to NOK 0 in 2023.

CASH FLOW AND LIQUIDITY

The Group’s cash flow statement for 2024 shows a positive net change in cash and cash equivalents of NOK 184.6 million, compared to a negative net change of NOK 6.3 million in 2023. Cash and cash equivalents were NOK 264.9 million at year end in 2024, compared to NOK 80.3 million at year end in 2023. The total cash liquidity of the Group was NOK 264.9 million at year end in 2024.

ALGINOR ASA

The parent company Alginor ASA is a holding company with administrative and financial functions. The Company had a net loss of NOK 39.9 million in 2024, compared to NOK 25.6 million in 2023. Total assets were NOK 948.5 million in 2024, compared to NOK 535.3 million in 2023. Financial fixed assets amounted to NOK 271.1 million, compared to NOK 271.2 million in 2023. Cash and cash equivalents were NOK 251.5 million, compared to NOK 20.5 million in 2023. Total equity was NOK 868.2 million, compared to NOK 495.8 million in 2023. Non-current liabilities were NOK 35.6 million, compared to NOK 28.3 million in 2023. The board of directors has proposed that the net loss is covered by the Group’s share premium fund.

4. R&D PROJECTS

Per 31 December 2024, the Group’s total gross project budget related to technology development for the period 2014–2026 was NOK 386,45,122. Net project expenses incurred are capitalised against the Group’s intangible assets after deduction of government grants, if applicable. The Group’s intangible assets are subject to an annual impairment test on each reporting period.

A large portion of the Group’s activities relates to project development. When eligible, the Group seeks to obtain partial project financing through grants from both regional, national, and international public funding bodies, e.g., the Research Council of Norway (*Norges Forskningsråd*) and initiatives launched by the European Union.

The Group’s strategy is to apply for funding through such programmes whenever the Group has identified a project which may provide a solid knowledge base for making strategic decisions

on future commercial activities. This strategy also yielded results in 2024, most notably with the launch of the milestone project PROTEUS in May (see [THE PROTEUS PROJECT on page 29](#)).

See [Note 8](#) to the Consolidated Financial Statements for the Group’s net book amount for intangible assets (including accumulated impairment) as of 31.12.24 and [Note 13](#) to the Consolidated Financial Statements for status on government grants as of 31.12.24 (project expenses, gross budget and accumulated grants).

5. SUSTAINABILITY AND
CORPORATE RESPONSIBILITY
OVERVIEW

Sustainability is a core value and focus in Alginor’s business model. Sustainability factors related to, among other things, the environmental impact of harvesting on the *L. hyperborea* biomass and its surrounding environment, proper biomass utilisation, preventing biomass waste, and use of process chemicals are identified, discussed, and mapped on a continuous basis, and, to the extent applicable, contingency measures are being developed to mitigate potential issues.

To ensure a healthy and sustainable biomass, Norway has enacted laws and regulations for commercial harvesting of *L. hyperborea*. Moreover, the impact of harvesting on the biomass and its adjacent environment is being continuously monitored and evaluated by the Norwegian Institute of Marine Research (*Havforskningsinstituttet*) acting as the scientific advisor to the Norwegian Directorate of Fisheries.

According to a 2021 study by researchers from the Norwegian Institute for Water Research (NIVA), Norway’s stock of *L. hyperborea* is estimated at 56 million tonnes. Company estimations suggest that 25 million tonnes are found within the regulated harvesting area.

The regulated harvesting area is organised in a rotating parcel system comprised of 490 parcels divided on five parcel groups, rotating from A through E in a five-year cycle, ensuring that each parcel has four years of natural regrowth and recovery between each harvest.

Most studies indicate that the kelp biomass itself is regrown and recovered within 3–5 years after trawling. In two studies from 2020, researchers from the Norwegian Institute of Marine Research have concluded that kelp trawling has limited total effects on the

harvested area and fish, based on harvesting of 6 % of the standing biomass over five years. Although trawling had an effect on the ecosystem, its total effect was considered low because the affected area was limited relative to the total size of the kelp forest.

According to Company estimations, each parcel group (98 parcels) contains 5 million tonnes open to harvesting on average. Current estimations show that on average only 150,000–180,000 tonnes (i.e., 0.27–0.32 %) of the 56 million tonnes available in Norway are harvested each year. The Group’s long-term target of approximately 134,000 tonnes corresponds to 0.23 % of the standing biomass. In comparison, and according to the Norwegian Directorate of Fisheries, an estimated 40 % of the standing biomass is grazed by sea urchins, and about 10–15 % of the kelp plants naturally detach each year.

Based on the current information available to the Group, the Board holds it unlikely that the Group’s planned harvesting volumes will raise any sustainability issues related to the biomass for the foreseeable future.

The Group relies on its employees and other stakeholders to conduct its business and recognises the importance of aligning its business in accordance with prevailing corporate ethics, practices, and standards. The Group is committed to incorporating ESG principles in its strategy, business, and decision-making, with a view to provide long-term value creation to shareholders without compromising stakeholders’ interests.

ENVIRONMENT

The Group intends to exclusively utilise renewable raw materials, such as *L. hyperborea*, in its business. The Group’s value chain is being further developed in a long-lasting perspective through its ongoing R&D projects, such as PROTEUS, CropSafe and Cellunor, with a consistent focus on developing technologies that contribute to increased raw material utilisation and limited use of chemicals. The Group is committed to reducing CO₂ emissions from its future operations. For example, the Group’s first harvesting vessel is being equipped with a 1,000-kWh battery package running on land-based electricity, which will power the on-board processing facility and reduce propulsion diesel usage. Further, the Group is actively working to achieve BREEAM certification of the ongoing construction of the F3 facility.

The Group’s main focus, however, is on initiatives related to energy efficiency, which is becoming a key focus area amongst banks and

other financiers. Moreover, the Group is in the process of carrying out Life Cycle Analyses (LCA) of its ingredients in preparation of the establishment of its upscaled operations. In 2024, the company hired a full-time sustainability advisor to lead LCA analyses, drive sustainability strategy, ensure compliance with environmental standards, support production in implementing environmental measures, conduct audits, contribute to the HSE&Q department, report to management and stakeholders, and support R&D projects.

SOCIAL

The Group strives to provide an attractive and safe workplace for its employees and depends on being perceived as a fair and non-discriminatory employer to attract and retain competent and motivated employees. The Group prohibits any form of unlawful discrimination based on ethnic or national origin, age, gender identity or expression, sexual orientation, marital status or family structure, religion or disability. Any form of inappropriate workplace conduct, such as harassment, violence or discrimination, is not tolerated. The Group’s policies regarding these matters are laid out in the Group’s ethics policy and code of conduct, whom all Group employees are obligated to follow.

The Group will only establish relationships with credible suppliers and business partners that share the Group’s values, ethics and business guidelines. The Group’s suppliers and business partners are contractually obliged to act in compliance with applicable laws, acknowledge and support human rights, and adhere to ethical standards compatible with those of the Group. Suppliers and business partners are required to complete the Group’s due diligence procedures and meet the Group’s requirements before any business relationship can be established and reaffirm such compliance at least once every two years.

GOVERNANCE

The Group is committed to incorporating prevailing principles of good corporate governance in its business strategies. The Group’s seeks a transparent dialogue with its shareholders and strives to present relevant and accurate information about the Group and its activities whenever possible. The Group aims to create maximum long-term value for its shareholders in alignment with sustainable and societal business practices, and to treat all stakeholders, employees, customers, business partners, and other associates fairly with dignity and respect. The Group has a zero-tolerance policy for all forms of corruption such as bribery, money laundering and fraud, and will act in compliance with Norwegian anti-corruption law and other applicable international anti-corruption legislation. Equal

treatment of shareholders and equal shareholders rights are core values in the Group’s governance practice. The Group has one class of shares carrying one vote each, and all shares are freely tradeable without any restrictions. The Group encourages all shareholders to participate and cast their votes in general meetings.

The Group has purchased and maintain Directors and Officers Liability Insurance. The coverage applies to members of the Board, the CEO and other employees with independent management responsibilities. The insurance also covers any subsidiary owned by more than 50 %. The insurance policy is issued by a reputable, specialised insurer with appropriate rating.

THE TRANSPARENCY ACT

The Group has prepared a report in accordance with the Norwegian Transparency Act available on www.alginor.no/apenhetsloven before 30 June 2025.

6. RISK FACTORS
OVERVIEW

Alginor is still undergoing development and has yet to commercialise any of its products. As such, the Group is exposed to several risk factors, some of which are out of the Group’s control. The Group has established robust systems for risk assessment, including mitigating measures and designated owners which are responsible for the mitigating measures. The Board and management are continuously monitoring the Group’s exposure to risk and its mitigating measures.

HARVESTING RISK (VESSEL
DEPENDANCY AND WEATHER)

The Group owns one harvesting vessel, and maintaining production depends heavily on its continuous operation. The Group has adequate alternatives for raw material supply such as purchasing raw materials from third parties in the market, but any malfunction, extended bad weather or incident involving the vessel may halt raw material deliveries to the factory, can potentially cause extended downtime, lost production, and financial losses.

R&D PROJECTS RISK

Generally, the Group’s financial exposure related to ongoing R&D projects is limited. Most of the Group’s ongoing projects are 50–70 % financed by government grants.,

As of 31 December 2024, all ongoing projects are funded for their respective project periods. Implementation risk is still present. However, the Group's management and the organisation have extensive experience and a proven track record of executing similar projects. As such, it is the Board's opinion that the organisation has good prospects of implementing its R&D projects. Certain of the Group's projects, many of which are related to specific portfolio products, are novel and highly advanced. Due to the complexity and nature of such projects, and circumstances beyond the Group's control, these projects may not yield their intended results, which in turn may have a material adverse effect on their applicational and/or commercial viability, value, and profitability, leading to market delays or no market entry at all.

KEY PERSONNEL

The Group is dependent on its key personnel and their general and specific industry expertise, in addition to external consultants. Maintaining key personnel is prioritised by the Group.

Key personnel have historically been awarded warrants on top of other social and economic benefits, aiming to incentivise their continued employment, and to further align their interests with those of the Group's shareholders. All remaining warrants must be exercised by 30 July 2026. As the current share price of NOK 10 per share (see [Section 11](#)) is lower than the strike price of most of the warrants, the Company does not expect that the remaining warrants will be exercised. The Company's board of directors intends to revise and implement a new incentive plan as soon as possible.

In general, the Group seeks to offer competitive but not leading wages to its employees.

REGULATORY RISK
HARVESTING REGIME

Access to *L. hyperborea* is a material risk outside the Group's control. Despite the stability of regulations governing commercial harvesting in Norway since its inception in 1972, there exists the possibility of future changes that could potentially constrain access to essential raw materials. While the current landscape does not necessitate a harvesting license, the Group remains vigilant as future regulations may introduce such requirements. Moreover, alterations to vessel ownership regulations could introduce new dynamics, potentially intensifying competition within the industry. Given these potential shifts, the Group diligently monitors regulatory developments to proactively navigate any forthcoming challenges and opportunities.

PRODUCTS

Several of the Group's products will require regulatory authorisation to be used in customers' end products within, inter alia, pharmaceutical, food, feed and agricultural markets. Certain of the Group's planned products already hold such regulatory authorisation, e.g., alginates used in food and feed additives, representing marginal regulatory risk on an ingredient level. Developing other and new products will require regulatory authorisation before prospect customers can legally use them in their end products, e.g., CEP (Certificate of Suitability) certification for use as active pharmaceutical ingredient (API) and/or novel food or food additive authorisations for food use. Generally, processes associated with achieving such regulatory approvals are intensive on resources, time, and costs. The Group has experienced personnel dedicated to regulatory compliance and authorisation procedures for commercialisation of the Group's planned product portfolio. Moreover, the Group is working closely with professional regulatory service providers on each market segment with a view to mitigate and minimise any regulatory risks on the ingredient level.

MANUFACTURING

The Group faces regulatory manufacturing risks that could impact its ability to compete in certain markets. Failure to obtain necessary authorisations for food production from the Norwegian Food Safety Authority or for manufacturing active pharmaceutical ingredients according to cGMP standards from the Norwegian Medicines Agency could have significant adverse effects on the Group's business, operations, finances, time to market, customer contracts, reputation, and future prospects. Challenges in obtaining authorisations may arise from various factors, such as incorrect process equipment, building layout issues, and documentation deficiencies.

To address these risks, the Group has actively engaged and prepared for pursuing the required certifications. Its personnel possess relevant expertise, and the executive management ensures access to expert consultants to mitigate risk.

BIOLOGICAL AND ENVIRONMENTAL RISK

The Group is currently unaware of any specific information suggesting that *L. hyperborea* is particularly exposed to effects of climate change. Whether effects of climate change will have a positive, negative, or neutral effect on the kelp is difficult to predict with a reasonable degree of confidence based on the information currently available to the Group. The same applies to estimating the impact of such effects.

SEA URCHINS AND OTHER SPECIES

The *L. hyperborea* biomass is susceptible to natural threats like sea urchins or bacteria, which can temporarily or permanently reduce its prevalence in certain areas. Sea urchin grazing has been a long-standing issue in Central and Northern Norway for over 25 years. If sea urchin populations increase significantly in harvesting areas, it could limit raw material availability and impact the Group's long-term prospects.

The Group also acknowledges concerns about agricultural runoff and invasive phenomena like algal turfs (*lurv*), which have appeared in the Oslofjord, displacing native macroalgae. "Turf" is a collective term used to describe filamentous, opportunistic algae of many varied species. While turfs thrive in nutrient-rich waters, there is no evidence yet of it affecting *L. hyperborea* populations. Additionally, turfs tend to avoid areas with strong currents and harsh weather conditions, reducing its threat to *L. hyperborea* habitats for now.

TECHNOLOGY RISK

The Group's executive management brings industrial experience from similar projects. However, the Group is pioneering harvesting and biorefining technologies that are innovative compared to current industry standards, with varying levels of complexity throughout the supply chain. Developing and implementing such industrial processes and gaining market acceptance for these products, involves significant risks.

Manufacturing high-gelling alginates for the food and pharmaceutical industries is the primary focus of technology development, with ongoing testing and development in the Group's F2 pilot facility. The downstream process is complex, but the Group's personnel have extensive experience in industrial manufacturing of alginates. Customer feedback on the Group's alginate prototypes further bolsters confidence in managing risks associated with industrial implementation of alginate-related technologies.

By focusing on manufacturing without standard preservatives like formaldehyde, the Group aims to utilise all biomass not used for alginate production, valorising additional products such as seaweed extracts, cellulose, fucoidans, and kelp powders. However, the development and market acceptance of these products and extracts have a longer timeframe than alginates, pending piloting and further development in the biorefinery. Consequently, the risks associated with their development, implementation, and commercialisation are higher and more challenging to control.

INFRASTRUCTURAL RISKS AT
HUSØY, AVALDSNES

The Group's base of operations is located at the industrial area of Husøy at Avaldsnes, which could expose the Group to the several risk factors, some of which are listed below:

THE F3 FACILITY

Overall, infrastructure risk at F3, including, inter alia, access to water, electricity, natural gas, and drainage, is considered low. The Group is working closely with the Port Authority at Karmsund Havn to resolve a landing facility for raw materials.

The Group has not yet obtained an environmental discharge permit for F3. Discussions with the County Governor are ongoing, and Alginor may choose to initially apply for a temporary permit to collect effluent data from actual operations in F3, rather than relying on pilot data from F2. This is a standard procedure for first-of-a-kind plants where it is difficult to fully anticipate the effluent composition from a full-scale plant.

THE F4 FACILITY

The Group is aware of issues on supplies of freshwater and electricity, and drainage facilities, related to the plots at Karmøy which was acquired as an intended location for the F4 factory. Due to these issues, the Group is considering its options. The Group has worked actively to solve the issues at Karmøy but are also considering other options such as a sale of the plots and relocation of the factory.

Obtaining environmental discharge permits will also be required for the F4 facility (and other potential future facilities such as the F5 facility).

The F4 project is not currently a high priority for the Group as most resources are directed towards completion of the F3 project, but the above-mentioned issues must be solved if the Group decides to implement the F4 project.

FINANCING RISK

The Group may not be able to obtain necessary financing to fund future growth and capital expenditures on acceptable terms, or at all, which may adversely impact the future prospects and profitability of the Group.

The Group requires external financing to complete and commission the F3 facility and the alginate processing line and is actively pursuing the necessary funding. See [Section 12](#).

MARKET RISK

The Group had no external sales of finished products in 2024. Likewise, no such sales are expected in 2025. The Group does not intend to commercialise any of its products and enter any markets in 2025. According to the Group's current prognosis, which is subject to change, sales revenue from food grade alginate is expected by Q2 2026. The future demand for the Group's products will depend on the prevailing global ingredient markets and the Group's ability to meet the prevailing quality requirements set forth by national and/or international regulations and the Group's target B2B customers.

LIQUIDITY, INTEREST AND CREDIT RISK

The Group's exposure to liquidity risk increased in 2024 following the implementation of the Group's investment programe related to F2, F3 and F4, which was offset against the equity placement in 2024. Total liquidity per 31 December 2024 was NOK 264.9 million. The Board and the Company's executive management monitors liquidity closely. As of 31 December 2024, outstanding long-term interest-bearing debt was NOK 124.9 million, whereas accrued interest throughout 2024 was NOK 6.5 million. The Group's was not exposed to credit risk per 31 December 2024.

The Company identified significant CAPEX and cost increases compared to previous expectations in February 2025. See [Section 11](#).

CURRENCY RISK

The Group holds most of its assets in Norwegian kroner (NOK). A significant amount of the Group's grant receivables related to projects is received in euros. In so far it is possible, the Group will always seek to place such transfers in a designated euro account to prevent unnecessary foreign exchange losses. Most of the Group's capital expenditure related to parts and equipment is in euro, having significant exposure to currency fluctuations. Currently, no specific hedging measures have been implemented to manage exposure to currency fluctuations.

A large proportion of the Group's future revenues are expected in euro. The Group's exposure to currency fluctuations is being monitored by the Board and the executive management. As of now the Group has no immediate plans of implementing any hedging

strategies. Such hedging measures may, however, be implemented when and to the extent they are deemed relevant by the Board.

FREEDOM TO OPERATE

The Group has no intention of infringing, misappropriating, or otherwise violate the intellectual property rights of other parties, and the Group is, with the assistance from renowned experts, continuously monitoring external parties' intellectual property rights with a view to assess their relevance to the Group's existing and planned products and processes and its freedom to operate. The Group may, however, from time to time, receive allegations and claims of alleged infringement or misappropriation of external patents and other intellectual property rights. The Group is currently unaware of any such claims or allegations made against the Group. Should such claim or allegations be made in the future, the Group will evaluate their implications together with its trusted advisors and, to the extent applicable, seek resolution through appropriate remedies.

INTELLECTUAL PROPERTY RIGHTS

The Group relies on its intellectual property rights and is committed to defending them rigorously, including through legal action, if necessary, against any infringement or misappropriation by third parties. Patenting is the preferred method for protecting intellectual property, pursued when there's potential commercial value. Expert assistance is sought to assess and safeguard these rights.

Engaged in various projects with potentially valuable outcomes, patentable or otherwise, the Group prioritises safeguarding its commercial interests. This entails ensuring, among other things and as a minimum, ownership and confidentiality agreements are in place and enforcing strict regulations on information dissemination, particularly regarding patentable project results.

Infringement of the Group's intellectual property rights by third parties could have adverse effects on profitability and future prospects, potentially resulting in significant legal costs. Despite legal action, there can be no guarantee of full compensation for economic loss.

7. REMUNERATION OF THE GROUP'S
EXECUTIVE MANAGEMENT

The Board seeks to provide competitive yet not industry-leading remuneration to its executive management.

The Board may award the Group's CEO and executive management bonuses of up to 1/3 of annual gross salary due to individual or Group performance. No bonuses to executive management, including the CEO, were issued in 2024.

The Group offers an ordinary defined-contribution pension scheme for all employees, executive management included. This amounts to 7 % of ordinary salary up to a limit of 12G, with an additional 18.1 % between 7.1 G and 12 G. This is the highest allowed contribution allowed according to current legislation and is regarded highly competitive. No warrants were issued to executive management or the CEO in 2024. As of 31 December 2024, the Group's CEO held 185 000 warrants.

Shareholder name	No. of shares outstanding	Ownership in % of outstanding shares
Borregaard AS*	11,830,591	36.8
Must Invest AS	6,068,055	18.9
BNP Paribas (nominee EIC Fund†)	4,457,830	13.9
Jakob Hatteland Holding AS*	1,940,420	6.0
Jahatt AS*	1,240,000	3.9
Kverva	700,000	2.2
Zirconia AS	287,300	0.9
Amar Invest I AS	244,357	0.8
Helgøy Property Holding AS	240,215	0.7
Validé AS*	230,500	0.7
SUM 10 LARGEST SHAREHOLDERS	27,239,268	84.7
ALL SHAREHOLDERS	32,152,976	100

* Shareholder having one or more representative in the board of directors of Alginor ASA.
† Shareholder having a representative acting as observer to the board of directors of Alginor ASA.

9. ORGANISATION AND
WORKING ENVIRONMENT

As of 31 December 2024, the Group had 59 employees, whereof 58 were hired fulltime and 1 parttime.

The Group strives to provide an attractive workplace for current and future employees. The Group does not tolerate any form of discrimination or harassment. All employees and applicants are treated equally and given equal opportunities regardless of ethnicity, gender, age, lineage, nationality, sexual orientation, marital status, religion, functional health or minority background. The Group recruits and promotes its employees based on objective

8. SHAREHOLDER MATTERS

All shares in Alginor ASA carry equal rights and are freely tradeable. The total number of shares outstanding as of 31 December 2024 was 32,152,976, including 7,200 treasury shares held by Alginor ASA.

The share price as of the 2024 equity placement was NOK 36. See [Section 11](#), however, for the latest information regarding the Company's share price.

Warrants outstanding per 31 December 2024 was 1,212,500, corresponding to approximately 3.63 % of the Company's outstanding shares on a fully diluted basis.

The table below shows the Company's 10 largest shareholders, and the overall capitalisation of the Company as of 31 December 2024:

factors such as education, experience, performance, initiative, loyalty, cooperation, accessibility and growth potential. The Company seeks to maintain a gender balanced workforce. In 2024, the workforce consisted of 21 women and 38 men.

The Group has established reporting routines related to any of the above. Any reports are handled by the Group's HR department according to current regulations. There were no reported incidents involving personal injuries that resulted in absence and required further action. There were two reported incidents involving minor material damage which were handled in accordance with current regulations. The sick leave rate for the Group in 2024 was 3.97 %



(to 1.1 % in 2023). It is the Board’s opinion that the Group’s working environment is good.

10. HEALTH, SAFETY AND ENVIRONMENT

The Group practices safety first as a core focus in its development throughout the value chain. The Group aims to inflict minimum environmental impact once it reaches industrial maturity, and, among other things, prevent any biomass waste, ocean dumping, or any other disposal of biomass from downstream processes that may be detrimental to the environment. The Group will report further information on these matters when they become increasingly relevant as the Group develops and matures industrially. The Group anticipates no direct ocean release of biomass or toxic and/ or hazardous chemicals requiring special permits from its facilities, e.g., biomass contaminated with liquid formaldehyde. While overall emissions will increase following the escalation of the Group’s operations and the upscaling of its production facilities, the Group has no information to suggest that its emissions will deviate from what is to be reasonably expected based on its planned activities, particularly when compared to the industry as a whole under which the Group has reason to believe that its relative emissions will be significantly lower.

In 2024, Alginor ASA was certified according to ISO 9001 and ISO 14001 with the following scope:

“Administration, including purchasing, payment processing, personnel administration, payroll, HSEQ. Project management within R&D projects, building projects, laboratory projects, pilot and demonstration projects.”.

11. OTHER MATTERS AND EVENTS
AFTER THE REPORTING PERIOD

In December 2024, the Company’s CFO, Haakon Farstadvoll, handed in his resignation, due to his ambition of pursuing a career as a lawyer. Early in 2025, CEO, Kjetil Rein, and the Board mutually resolved that Rein would step down as the Company’s CEO, after which the Board appointed Martin Lersch, acting COO since November 2024, as interim CEO. In this interim period, Alginor’s chair, Ms. Kjølås, has also taken on a more active executive role until a replacement is in place.

In March 2025, the Company’s Board issued a shareholder letter to the Company’s shareholders, informing that it had identified significant CAPEX and cost increases compared to previous

expectations related to the F3 facility. Moreover, the Board informed that it would appoint current Board member and CFO in Hatteland, Sten Stenersen, as the Company’s CEO for an interim period starting in May 2025. Stenersen will at this time step down as a Board member in the Company. Stenersen will resume his position at Hatteland in due course.

Simultaneously, the Board called for an extraordinary general meeting on 31 March 2025, proposing that the Company executes a two-tranche equity placement, including a private placement towards Borregaard AS, Must Invest AS, and Jakob Hatteland Holding AS, raising gross proceeds of NOK 100 million at a share price of NOK 10 per share, and a rights issue towards other existing shareholders with gross proceeds of NOK 50 million at equal terms. The subsequent rights issue will be fully underwritten by the shareholders participating in the private placement.

On 31 March 2025, the Company issued 10,000,000 new shares in the Company, each with a nominal value of NOK 1.00, at NOK 10 per share, raising gross proceeds of NOK 100 million. The shares were distributed as follows: Borregaard AS with 5,544,100 shares, Must Invest AS with 2,843,636 shares, and Jakob Hatteland Holding AS with 1,612,264 shares.

The Company intends to carry out the subsequent rights issue in June/July 2025. This subsequent rights issue will give other existing shareholders, who were not allocated shares in the private placement, the opportunity to maintain their pro rata ownership in the Company at equal terms.

In May 2025, The Group recruited a new COO, Steen Mylius Stricker Lund, to further strengthen its operational capacity. Mr. Lund, an experienced plant manager with more than 30 years of experience from the food industry, will be vital in the Group’s transition from a pre-revenue to a revenue-generating company.

12. GOING CONCERN

In accordance with section 2-2 (8) of the Norwegian Accounting Act (*lov om årsregnskap m.v. av 17. juli 1998 nr. 56*) the Board confirms that the going concern assumption remains appropriate. The financial statements provide a true and fair view of the Group’s assets, liabilities, financial position, and results. The assumption is, however, subject to uncertainty as the group will need additional financing to complete and commission the F3 facility and the alginate processing line.

In addition to the total raise of NOK 150 million in new equity, the Group needs external debt financing, which the Board and management are actively working to secure. The outcome is not yet assured, but the Board and management remain confident in succeeding in its financing efforts. The Company has a notable net asset base eligible to serve as security to potential lenders, and the group’s major shareholders have through the equity raise and their commitment and belief to underwrite the subsequent offering demonstrated its commitment and its belief that the Group will succeed, which strengthens the Company’s position towards potential lenders.

The Board maintains a positive outlook on the Group’s prospects. In addition to its confidence in securing the necessary external financing, the Board believes that the Group continues to hold strong growth potential and that it can establish a profitable business over time. The Group remains committed to completing and commissioning the alginate processing line by Q2 2026 and its ambition to scale up its processing line in the future.

13. OUTLOOK

The Group’s main priority in 2025 will be on project execution finalising the F3 facility and the alginate processing line to ensure that production, marketing and sale activities can commence in 2026. The Board acknowledges the seriousness of the recently discovered cost overruns and ensures its stakeholders that the Board and management are working vigorously to secure financing to the remaining stages of the F3 facility project and that they are strongly committed to ensure that the project is strictly managed with due scrutiny and according to revised budgets and timelines.

The F3 facility’s shell building construction was finalised in November 2024. Heat ventilation and air condition, electrical and indoor work have started, with completion scheduled for September 2025. The first equipment has already been delivered to F3, and installation and commissioning of process equipment will to be ongoing until the factory is operational.

The company’s first harvesting vessel, *Hypomar Ocean 1* was delivered on budget in May 2024, and is now carrying out harvesting trials on a regular basis according to plan. Fine-tuning all systems and optimising the harvesting operations is still to be improved to provide raw material for the process in the F3 factory.

In parallel, the Group’s priorities will be on other revenue-generating marketing activities such as product development and strengthening of relationships with potential customers.

Commercially and operationally, the company continues its developments with the ambition of scaling up its processing line in accordance with the guidance previously provided by the Company to its shareholders. The valuable experiences from the commissioning, and later, operations at the F3 factory, will extensively be used by the Board and management in future strategic investment decisions.

The F3 facility continues to play a pivotal role in the PROTEUS project, which prioritises the introduction of the Group’s portfolio

to the market. Over the course of the 4-year programme (remaining 3 years), production capacity will undergo substantial expansion, facilitating the development and production of various macroalgae-derived ingredients across six end-product categories. These ingredients will cater to a wide range of applications in personal care, medical devices, food, feed, agriculture, and industrial bio-based markets, being developed through close collaboration with project partners.

Financially, the Board and management are, in addition to its efforts to secure external debt financing, continuously learning from the recently discovered cost overruns and implementing revised budgets, timelines, and rigorous procedures and routines to mitigate future financial risk. Furthermore, the Board and management are continuously monitoring and implementing measures to cut costs which do not significantly influence the completion and commissioning of the alginate processing line.

Most of the Group’s equipment is purchased from suppliers dealing in euro. Further, the Group’s cash holdings are in NOK. The weakening of NOK towards euro has, albeit not materially, negatively impacted the Group’s costs related to F2 and F3 equipment. A further weakening will impact outstanding items, as well as long-lead items.

The Board has recognised the unfortunate uncertainty in the global world, with ongoing wars, and trade barriers to come. The Group considers the potential impact to Alginor’s operations as minor, but potential indirect impacts are increased investment and procurement costs, less international trade and more challenging markets going forward. The Board and management will monitor the situation closely.

The Board wants to thank for the continued trust and commitment from our shareholders and express our sincerest thanks to all colleagues for their solid dedication and contribution to the professional development of Alginor on its path towards commercialising its products.

HAUGESUND, 19 MAY 2025

THE BOARD OF DIRECTORS OF ALGINOR ASA

Signed		
Wenche Kjøhlås Chair		
Signed		
Åse Tveit Samdal		
Signed		
Sten Stenersen		
Signed		
Hans Sandvold		
Signed		
Gisle Løhre Johansen		
Signed		
Kristin Misund		
Signed		
Kristine Klaveness		
Signed		
Martin Lersch CEO		

CONSOLIDATED FINANCIAL
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CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK	Note	2024	2023
<i>Operating income and operating expenses</i>			
Revenue		109,846	-
Other operating income		10,000	-
REVENUE AND OPERATING INCOME		119,846	-
Personnel expenses	4	-13,888,080	-14,899,862
Depreciation and amortisation	7, 8, 14	-7,709,017	-3,516,658
Impairment	7	-28,156,105	-2,577,109
Other operating expenses	5	-16,439,639	-13,217,375
OPERATING EXPENSES		-66,192,841	-34,211,004
OPERATING PROFIT/(LOSS)		-66,072,995	-34,211,004
<i>Financial income and expenses</i>			
Interest income	9	8,308,760	3,325,290
Other financial income	9	-	20,523
Interest expenses	9, 14	-6,483,993	-1,374,131
Other financial expenses	9	-2,000,000	-377,340
Foreign exchange gain/(loss)	9	-1,750,985	-186,302
NET FINANCIAL INCOME AND EXPENSES		-1,926,217	1,408,040
RESULT BEFORE INCOME TAXES		-67,999,213	-32,802,963
Income taxes	3, 6	178,932	-199,949
PROFIT/(LOSS) FOR THE PERIOD		-68,178,145	-32,603,014
<i>Profit/loss is attributable to:</i>			
Owners of Alginor ASA		-68,178,145	-32,603,014
TOTAL		-68,178,145	-32,603,014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK	Note	2024	2023
PROFIT/(LOSS) FOR THE PERIOD		-68,178,145	-32,603,014
Other comprehensive Income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-68,178,145	-32,603,014
<i>Total comprehensive income is attributable to:</i>			
Owners of Alginor ASA		-68,178,145	-32,603,014
TOTAL		-68,178,145	-32,603,014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

Amounts in NOK	Note	2024	2023
<i>Intangible assets</i>			
Intangible assets under development	3, 8	195,415,027	79,733,444
Patents	8	9,098,847	8,902,559
TOTAL INTANGIBLE ASSETS		204,513,874	88,636,004
<i>Property, plant and equipment</i>			
Land, buildings and other real estate	7	281,589,287	202,181,224
Vessel under construction	7	101,534,988	78,310,803
Machinery and equipment	7, 14	141,775,505	67,470,388
TOTAL PROPERTY, PLANT AND EQUIPMENT		524,899,780	347,962,415
<i>Financial non-current assets</i>			
Investments in shares		300,000	300,000
Other receivables	9	743,944	819,611
TOTAL FINANCIAL NON-CURRENT ASSETS		1,043,944	1,119,611
TOTAL NON-CURRENT ASSETS		730,457,598	437,718,030
<i>Current assets</i>			
Accounts receivables		42,308	-
Other current receivables	9, 13	47,442,291	18,737,257
Derivatives	9	-	1,000,000
TOTAL RECEIVABLES		47,484,599	19,737,257
Cash and cash equivalents	10	264,857,163	80,276,503
TOTAL CURRENT ASSETS		312,341,762	100,013,760
TOTAL ASSETS		1,042,799,360	537,731,789

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Amounts in NOK	Note	2024	2023
<i>Equity</i>			
Share capital	12	32,152,976	20,220,685
Treasury shares	12	-7,200	-7,200
Other paid-in equity		939,255,809	538,929,244
TOTAL PAID-IN EQUITY		971,401,585	559,142,729
Uncovered loss		-150,855,249	-82,677,106
TOTAL EQUITY		820,546,336	476,465,623
<i>Liabilities</i>			
Deferred tax liability	6	178,932	-
Liabilities to financial institutions	9	119,464,000	44,203,518
Other non-current liabilities	13, 9	45,271,869	4,356,186
Non-current lease liability	14, 9	1,074,616	820,124
TOTAL NON-CURRENT LIABILITIES	9, 13	165,989,418	49,379,828
Current lease liability	14, 9	2,386,473	648,713
Liabilities to financial institutions	9	5,051,221	634,472
Accounts payable	15	32,685,129	-
Public duties payable	9	5,829,332	5,435,745
Other current liabilities	16, 9	10,311,452	5,167,409
TOTAL CURRENT LIABILITIES		56,263,606	11,886,339
TOTAL LIABILITIES		222,253,024	61,266,166
TOTAL EQUITY AND LIABILITIES		1,042,799,360	537,731,789

HAUGESUND, 19 MAY 2025

THE BOARD OF DIRECTORS OF ALGINOR ASA

	<i>Signed</i>	
	Wenche Kjølås Chair	
<i>Signed</i>	<i>Signed</i>	<i>Signed</i>
Åse Tveit Samdal	Sten Stenersen	Hans Sandvold
<i>Signed</i>	<i>Signed</i>	<i>Signed</i>
Gisle Løhre Johansen	Kristin Misund	Kristine Klaveness
	<i>Signed</i>	
	Martin Lersch CEO	

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK	Note	2024	2023
<i>Cash flows from operating activities</i>			
RESULT BEFORE INCOME TAXES		-67,999,213	-32,802,963
Depreciation and amortisation		10,461,794	3,516,658
Gain on disposal of fixed assets		-	-
Impairment of fixed assets		28,156,105	2,577,189
Share warrant expense	4	574,316	3,216,393
Change in accounts receivable		-42,308	-
Adjustment for financial items		-73,783	-1,408,040
Interest paid	12	-6,483,993	-1,374,131
Interest recieved	12	8,308,760	3,325,290
Net financials paid		-	-543,119
Change in other working capital items, including unrealised foreign exchange		19,975,572	-4,702,778
NET CASH FLOW FROM OPERATING ACTIVITIES		-7,122,749	-28,195,501
<i>Cash flows used in investing activities</i>			
Sales of fixed assets	7	-	50,000
Investment in derivatives	9	-	-1,000,000
Investment in non-current assets	7	-204,145,919	-118,877,459
Capitalised development projects	8	-162,794,388	-42,113,871
Receipt of government grants related to investments	8, 9, 13	67,069,202	18,099,457
NET CASH FLOWS USED IN INVESTING ACTIVITIES		-299,871,105	-143,841,873
<i>Cash flows from financing activities</i>			
Long-term interest bearing loan obtained	9	82,457,454	25,000,000
Construction loan obtained	9	-	20,000,797
Repayment of long term loan		-2,821,972	-162,807
Change of non-current leasing liability	14	254,493	-575,621
Sale of treasury shares	12	-	1,680,000
Received payments of equity, net of transaction costs		411,684,540	119,730,975
NET CASH FLOW FROM FINANCING ACTIVITIES		491,574,515	165,673,344
NET CASH FLOW FOR THE PERIOD		184,580,661	-6,364,030
Cash and cash equivalents at the beginning of the period		80,276,503	86,640,532
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		264,857,163	80,276,503

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK	Share capital	Treasury shares	Other paid-in equity	Uncovered loss	Total equity
BALANCE AT 1 JANUARY 2023	16,575,685	-55,200	417,994,879	-50,074,013	384,441,352
Loss for the period	-	-	-	-32,603,095	-32,603,095
Other comprehensive income for the period	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-32,603,094	-32,603,095
Treasury shares	-	48,000	1,632,000	-	1,680,000
Equity effect warrants	-	-	3,216,393	-	3,216,393
Capital increase expenses booked to equity	-	-	-1,679,025	-	-1,679,025
Issues of new shares	3,645,000	-	117,765,000	-	121,410,000
TOTAL TRANSACTIONS WITH OWNERS	3,645,000	48,000	120,934,368	-	124,627,368
BALANCE AT 31 DECEMBER 2023	20,220,685	-7,200	538,929,244	-82,677,105	476,465,623
Loss for the period	-	-	-	-68,178,145	-68,178,145
Other comprehensive income for the period	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-68,178,145	-68,178,145
Treasury shares	-	-	-	-	-
Equity effect warrants	-	-	574,316	-	574,316
Capital increase expenses booked to equity	-	-	-17,877,936	-	-17,877,936
Issues of new shares	11,932,291	-	417,630,185	-	429,562,476
TOTAL TRANSACTIONS WITH OWNERS	11,932,291	-	400,326,565	-	412,258,856
BALANCE AT 31 DECEMBER 2024	32,152,976	-7,200	939,255,809	-150,855,251	820,546,336

NOTES TO THE
CONSOLIDATED FINANCIAL
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NOTE 1 GENERAL INFORMATION

CORPORATE INFORMATION

Alginor ASA («the Company») is a public limited liability company and the head office is located in Haugesund, Norway.

The Company together with its subsidiaries (“Alginor” or the “Group”) is building up a novel, integrated value chain from raw material sourcing to premium ingredients based on the seaweed *Laminaria hyperborea*.

Through proprietary biorefining technology Alginor develops a portfolio of 6 products for global market segments including pharmaceutical, cosmetic, food and nutraceutical business clients. The company will market the product portfolio on a B2B basis.

Overview of group relations	Established	Registered office	Ownership
Oewa AS	2015	Haugesund	100 %
Hypomar AS	2015	Haugesund	100 %
Alginor Biorefinery AS	2017	Haugesund	100 %
Alginor Pharma Ingredients AS	2021	Haugesund	100 %
Alginor Industrial Estate AS	2017	Haugesund	100 %
Husøyvegen 281 AS	2021	Haugesund	100 %
Stutøy 1 AS	2021	Haugesund	100 %
Stutøy 2 AS	2021	Haugesund	100 %
Stutøy 3 AS	2021	Haugesund	100 %
Husøyvegen 276 AS	2023	Haugesund	100 %

CLIMATE-RELATED RISK

Among the potential risks that the Group may encounter, climate change is a significant factor. Rising sea temperatures may affect the harvesting of kelp. However, the Group’s operations span across the cooler coasts of Norway, can potentially offset some of these effects. Additionally, the Group acknowledges potential risks tied to water pollution resulting from their operations. To address these, the Group utilise technologies designed to manage issues related to biomass waste and ensure the use of renewable raw materials, thus safeguarding the ecosystem. The financial implications of these ecological efforts are factored into operational costs.

Similarly, the Group invests in research and development with a focus on establishing more sustainable practices. The costs related to the development of these projects are capitalised as intangible assets.

Furthermore, the Group’s focus on using electrically powered harvesting vessels, reducing diesel use, impacts the estimated lifespan of the vessels compared to those running on fuel.

NOTE 2 MATERIAL ACCOUNTING POLICIES

The Group’s financial statements are presented in NOK, which is also the functional currency of each entity in the Group. The consolidated financial statements of Alginor ASA and its subsidiaries (collectively, the Group) for the year ended 31 December 2024 are authorised for issue by the Board of Directors on 15 May 2025 and to be approved by the General meeting on 4 June 2025.

BASIS FOR CONSOLIDATION

The consolidated financial statements comprise Alginor ASA and its subsidiaries. The 2024 consolidated financial statements have been prepared and presented in accordance with the IFRS® Accounting Standards as adopted by the EU, interpretations issued by IASB and the additional requirements of the Norwegian Accounting Act, effective on 31 December 2024.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group did not apply any new standards or amendments, nor early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. IFRS 18 “Presentation and disclosures in financial statements” will replace IAS 1 “Presentation of financial statements” and applies for annual reporting periods beginning on or after 1 January 2027, subject to endorsement by the EU.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Profit/loss for the period will not change.
- Management-defined performance measures (MPMs) shall be disclosed in a single note.
- Enhanced guidance is provided on how to group information in the financial statements. Furthermore, there are no unimplemented standards expected to significantly impact on the Group’s financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the consolidated statement of and profit and loss, the consolidated statement of cash flows, the grouping of information in the financial statements and the additional disclosures required for MPMs.

Furthermore, there are no unimplemented standards expected to significantly impact on the Group’s financial standards.

GOVERNMENT GRANTS

The Group recognises government grants when there is reasonable assurance that the entity will comply with the conditions attached to them in the grant agreement and that the grants will be received.

The Group receives government grants related to development projects to support development costs. The nature of the government grants that the Group receives is such that there normally is reasonable assurance that the entity will comply with the conditions

when the project starts, and the entity will receive grants on the project costs incurred in the period.

The Group is maintaining periodic project accounting, which keeps track of the project costs that have been incurred in the period. The part of the government grants that relates to incurred project expenses is recognised in the financial statements when the expense is incurred.

Since development costs are recognised as intangible assets under development in the statement of financial position, the government grants are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The development costs recognised as intangible assets are evaluated and tested for impairment annually, and when impairment indicators are present, see further under [Note 8 Intangible assets on page 46](#).

If the received payment of government grants is higher or lower than the recognised government grant at the end of the reporting period, the difference will be recognised as a liability or a receivable, respectively.

Government grants related to expenses recognised in the profit and loss statement are recognised by deducting them from the related expense, thereby reducing the net expense recognised.

INCOME TAX

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Currently the Group does not recognise any deferred tax assets. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

PROPERTY, PLANT AND EQUIPMENT
RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost, including borrowing costs, less accumulated depreciation, and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Costs that occur subsequently to the asset being put in use, such as maintenance, are expensed, while costs expected to provide

NOTE 2 CONT.

future economic benefits by prolonging the useful life of the asset, are capitalised. Assets that are taken out of service are expensed.

INTANGIBLE ASSETS

Expenditures on research activities are recognised in profit or loss as incurred.

Development expenditures are capitalised only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the assets. Otherwise, it is recognised in profit and loss as incurred.

CASH FLOW STATEMENT

In the cash flow statement changes in receivables and liabilities related to development projects are not included in operating activities, but instead they are included as part of capitalised non-current assets.

Government grants received for development projects are recognised as investing activities. Changes in receivables and liabilities related to government grants are adjusted in operating activities.

Interest received and interest paid are classified as operating activities in the statement of cash flows, as they reflect cash flows directly related to the entity’s day-to-day operations.

FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities include other payables, loans and borrowings including bank overdrafts, all subsequently measured at amortised cost.

NOTE 3 SIGNIFICANT JUDGEMENTS AND ESTIMATION UNCERTAINTIES

The preparation of the Group’s consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group’s exposure to risks and uncertainties includes:

Financial instruments risk management objectives and policies (see [page 48](#)).

JUDGEMENTS

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

DEPRECIATION

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Land and buildings: 20–50 years
- Technical installation buildings: 10–20 years
- Vessel: Depreciation not started (will be distinguished between vessel and machinery and equipment)
- Fixtures and office machinery: 3–5 years
- Leasehold improvements: 5–15 years (remaining rental period is upper basis for useful life)

INTANGIBLE ASSETS

The Group has made significant judgements in the application of its accounting policies related to the determination of when and how much costs can be capitalised for the development of intangibles.

ESTIMATES AND ASSUMPTIONS

Assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment of assets and liabilities within the next financial year:

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group periodically reviews whether non-current assets have suffered any impairment in accordance with the accounting policy. An impairment exists when the carrying amount of an asset or a cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The value in use is determined using a discounted cash flow (DCF) model based on the Group’s long-term phased industrialisation plan. This plan involves the step-by-step development and scaling of biorefining operations, where each phase builds upon the previous in terms of capacity, market entry and product offering. As such, cash flows are determined with reference to a scenario-based model reflecting alternative outcomes of this plan.

The value in use is particularly sensitive to changes in key assumptions, including the applied discount rate, capital expenditure estimates required to realise each phase of the industrialisation plan, and assumptions related to future sales volumes and pricing of the Group’s products.

For further information regarding impairment testing and details on CGU assessment and key assumptions, please refer to [Note 7 Property, plant and equipment on page 45](#) and [Note 8 Intangible assets on page 46](#).

DEFERRED TAXES

Deferred tax assets are continuously assessed and are only recognised to the extent that it is probable that future taxable profit will be large enough for the deferred tax asset to be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The operating losses suffered in current and prior years are related to start-up costs and development costs which are not capitalised. Deferred tax assets are not recognised in the consolidated statement of financial position for 2024.

NOTE 4 PERSONNEL EXPENSES AND REMUNERATION

EMPLOYEE BENEFIT EXPENSE
DURING THE YEAR

Amounts in NOK	2024	2023
Wages and salaries	45,534,390	35,891,735
Social security costs	6,846,833	8,017,092
Pension costs	4,333,115	2,745,451
Share-based payment*	655,295	3,216,393
Other personnel costs	1,189,719	406,506
Capitalised to project†	-45,671,272	-36,277,315
Board fee	1,000,000	900,000
TOTAL	13,888,080	14,899,862
Number of average full-time employees	56	47

* The personnel expense related to warrants is recognised over the vesting period and is excluding social security taxes.
† Reference made to Intangible Assets in [Note 2 Material accounting policies](#).

The personnel expense and social security tax (SST) related to warrants is recognised in P&L and in the table above. The total expense in 2024, including SST, was NOK 655,295 and 2023 was NOK 3,216,393.

The Group offers its employees a Defined Contribution Pension Plan in compliance with Norwegian pension schemes, fulfilling the requirements as stipulated by the “lov om obligatorisk tjenestepensjon” law. All employees are part of the Norwegian Companies’ pension scheme.

REMUNERATION FOR THE
BOARD OF DIRECTORS

The highest governing body of the Group is its Board of Directors. The Board has a majority of Non-Executive Directors. There are no specific agreements regarding fees at termination for the Chairman of the Board or other members of the Board.

Alginor did not have any outstanding loans to, or guarantees made on behalf of, any Board member during 2024.

Board fees paid in 2024 and outstanding numbers of shares as of 31 December 2024 are shown in the table below:

		2024			2023			
Amounts in NOK		Board fee	Number of shares*	Warrants*	Board fee	Number of shares*	Warrants*	Related company
Current board members								
Wenche Kjølås†	(since 12.03.2024)	300,000	33,000	-	-	-	-	Jawendel AS
Hans Sandvold		100,000	26,286	-	100,000	26,286	-	Bukkevik Investerings AS
Kristine Klaveness		100,000	47,150	-	100,000	33,150	-	Kkn Equity AS
Gisle Løhre Johansen		100,000	3,000	-	100,000	3,000	-	-
Åse Tveit Samdal		100,000	-	-	100,000	-	-	-
Sten Stenersen	(since 17.06.2024)	100,000	-	-	50,000	-	-	-
Kristin Misund	(since 17.06.2024)	100,000	-	-	50,000	-	-	-
Previous board members								
Thorleif Thormodsens‡	(until 12.03.2024)	60,000	287,300	-	300,000	884,800	-	Zirconia AS
Bjørn Bugge	(until 17.06.2023)	-	-	-	50,000	51,100	-	AquaMetrica AS
Siv Gausdal Eriksen	(until 17.06.2023)	-	-	-	50,000	-	-	-

* Shares and warrants held or controlled by the board members either directly or indirectly.
† The current chair of the Board has a separate agreement approved in the General Meeting, for extra work compensated at NOK 1,000 per hour. NOK 343,333 was invoiced in 2024.
‡ The former chair of the Board had a consultancy agreement under which he invoiced NOK 877,470 in 2024 (NOK 2,658,000 in 2023).

REMUNERATION TO LEADING EMPLOYEES

Employees reporting directly to the CEO are defined as leading employees. Remuneration to leading employees consists of a fixed payment as well as a variable element, plus pension contribution and other remuneration in kind.

Leading employees’ individual remuneration as of 2024 and 2023 are shown in the tables below and on the following page.

Amounts in NOK	Person	Position	Salary	Benefits in kind	Pension contribution	Bonus	Total
2024	Kjetil Rein	CEO	2,045,485	4,392	206,943	-	2,256,820
	Haakon Farstadvoll	CFO	1,308,958	7,892	167,788	-	1,484,638
2023	Kjetil Rein	CEO	2,035,705	-	193,763	459,000	2,688,468
	Haakon Farstadvoll	CFO	1,150,000	-	156,280	229,622	1,535,902

EXECUTIVE COMPENSATION

Alginor has defined its leading employees as Alginor’s corporate management. Any remuneration given by the Company follows the principle of gross salary, such that any tax-related consequences for benefits received, is of no concern to the Company.

The remuneration to leading employees is based on the same principles for remuneration that are applied for all employees of the Group.

SALARIES

Salary increases are due 1 January each year, based on review of last year’s results and performance. The company emphasises annual statistics prepared by the interest groups Tekna, NITO, and Econa.

BONUS SCHEMES

Leading employees are eligible to receive benefits in addition to their base salary in the form of bonuses. A bonus is awarded in relation to base salary, nominally 1/3 of gross annual salary, incentivised by specific goals.

Bonuses are determined by the Board.

FRINGE BENEFITS

Leading employees are eligible to receive fringe benefits that are common for equivalent working positions in Norway.

PENSION SCHEMES

The company offers ordinary defined-contribution pension scheme for all employees, management included. This amounts to 7 % of ordinary salary up to a limit of 12G, with an additional 18.1 % between 7.1G and 12G.

SEVERANCE SCHEMES

The CEO has a six-month period of notice.

In the event of immediate resignation of the CEO by the Board of Directors, the CEO is eligible to severance equal to ordinary salary for up to 12 months after the end of the ordinary notice period. Vacation pay shall not be calculated on the severance, and the CEO is not eligible to claim any other benefits from the Company in the severance period. In such event, the Company is obligated to purchase all the CEOs outstanding warrants at market price.

NOTE 4 CONT.

WARRANTS

Key personnel have been granted warrants to incentivise continued employment and engagement in the Company. Warrants gives the holder the right to purchase one share per warrant at a pre-determined price within the defined exercise period. Employment with the Group at the time of exercise is regarded as an implicit

service period requirement, and vesting period is estimated to be until the last exercise date.

The company has per 31 December 2024 outstanding a total of 1,212,500 warrants.

The following warrants were outstanding at 31 December 2024:

Year issued	Number of warrants issued	Exercised/forfeited warrants	Number of outstanding warrants	Average estimated fair value at grant date	Strike price (NOK)	Expiry date
2018	265,500	265,500	-	0.34	6.25 + 5 % p.a.	29.06.2023
2019	100,000	100,000	-	8.04	6.25 + 5 % p.a.	29.06.2024
2021*	225,000	10,000	215,000	17.23	17.5 + 5 % p.a.	01.07.2025
2021†	945,000	10,000	935,000	16.47	17.5 + 5 % p.a.	01.07.2026
2023‡	-	-	-	-	-	-
2024	62,500	-	62,500	7.34	7.98	30.06.2025
TOTAL	1,332,500	120,000	1,212,500			

* Issued on Annual General Meeting 10.06.2021.

† Issued on Extraordinary General Meeting 10.08.2021.

‡ On the Ordinary General Meeting 2023 a proxy to the Board of Directors were given to allocate another 417,500 options and/or warrants to employees in the company. As per the date of the signing of the Annual Report no options are yet allocated under this proxy.

MOVEMENTS IN WARRANTS THROUGH THE YEAR:

Amounts in NOK	2024	2023
Outstanding at the beginning of the year	1,232,500	1,457,500
Granted during the year	62,500	-
Exercised during the year	-	225,000
Expired during the year	62,500	-
Forfeited during the year	20,000	-
OUTSTANDING AT YEAR-END	1,212,500	1,232,500
EXERCISABLE AT THE YEAR-END	1,212,500	287,500

Fair values were estimated based on the Black-Scholes option price model. Expected volatility is based on comparison to peers and estimated at 30 %.

No dividends are expected in the periods. Market value of shares at grant date has been estimated, with reference to transactions in the shares for relevant periods and fair-value illiquidity adjustment until public listing of shares.

WARRANTS AND SHARES HELD BY LEADING EMPLOYEES AND BOARD MEMBERS AS OF 31 DECEMBER 2024:

Entity*	Position		Issued 2019	Issued 2021†	Issued 2021†	Shares
Leading employees						
Kjetil Rein	CEO		25,000	62,500	97,500	52,000
Haakon Farstadvoll	CFO		-	62,500	97,500	13,750
Martin Lersch‡	CEO		-	-	-	3,500
Board members						
Wenche Kjølås	Chair	(since 12.03.2024)	-	-	-	33,000
Hans Sandvold	Member		-	-	-	26,286
Gisle Løhre Johansen	Member		-	-	-	3,000
Åse Tveit Samdal	Member		-	-	-	-
Kristine Klaveness	Member		-	-	-	47,150
Sten Stenersen	Member		-	-	-	-
Kristin Misund	Member		-	-	-	-
Thomas Louis Ferré	Observer		-	-	-	-
Previous board members						
Thorleif Thormodsen§	Chair	(until 12.03.2024)	-	-	-	287,300

* All shares held by the board members either directly or indirectly is included in the overview.

† Warrants were issued on the annual as well as the extraordinary general meetings.

‡ Interim CEO from February of 2025.

§ Replaced by Wenche Kjlås on 12 March 2024.

EXTERNAL CONSULTANTS –
COMPLETION OF EXPERTISE

The Company has ongoing appointments with 25 consultants/ consultancy firms covering special subjects within regulatory/QA, IPR, technology, engineering, sales/marketing, and sustainability/ life cycle assessments. The expenses vary between NOK 825 and NOK 1,950 per hour and the appointment can last for years, with periods of notice of 1–3 months. The costs to consultants are included in other operating expenses.

INTERNALISING PERSONNEL
RESOURCES AND EXPERTISE

The Company continuously considers the need for internalisation, meaning employing external resources. In the build-up phase, it is important with flexible access to expertise, which advocates the use of consultants. For critical functions the Company will prefer ordinary employment.

NOTE 5 OTHER OPERATING EXPENSES

OPERATING EXPENSES

Amounts in NOK	2024	2023
Office expenses	4,422,562	3,591,960
Travel expenses	1,750,323	667,243
EDB expenses	3,157,412	1,704,429
Marketing	436,589	459,766
Rental expenses	729,724	653,665
Consumables	2,119,062	912,426
Consultant fees*	4,792,389	2,358,734
Capitalised project expenses†	-3,862,422	-709,687
Other operating expenses‡	2,894,000	3,578,839
TOTAL	16,439,639	13,217,375

* Fees to the elected auditor is included in consultant fees, reference is made to the table below.
† Reference made to Intangible assets in [Note 2 Material accounting policies](#).
‡ Other operating expenses are mainly related to supplies to development projects, licensing fees, meeting expenses, etc.

EXPENSED AUDIT FEES

Amounts in NOK ex. VAT	2024	2023
Statutory audit	1,895,950	1,026,245
Tax services	62,200	50,500
Other non-audit services*	1,721,420	393,761
TOTAL EXPENSED AUDIT FEES	3,679,570	1,470,506

* Other non-audit services, which are primarily related to technical assistance of financial statements preparation, amounted to NOK 1.4 million paid to EY.

NOTE 6 TAXES

CURRENT TAXES PAYABLE

Amounts in NOK	2024	2023
ACCOUNTING PROFIT/LOSS BEFORE TAX	-67,999,213	-32,802,963
At Norway's statutory income tax rate of 22 %	-14,959,827	-7,216,652
Other non-deductible expenses	-3,328,672	362,096
Utilisation of previously unrecognised tax losses	-	-
Recognised deferred tax	-	-
Not recognised deferred tax assets	18,467,431	6,611,792
Other differences*	-	42,912
CALCULATED INCOME TAXES RECOGNISED IN PROFIT AND LOSS*	178,932	-199,849
INCOME TAXES RECOGNISED IN OTHER COMPREHENSIVE INCOME	-	-
TOTAL INCOME TAX RECOGNISED IN TOTAL COMPREHENSIVE INCOME	178,932	-199,849

* In other differences the effect of tax refund and internal profits are included.

DEFERRED TAX

Amounts in NOK	2024	2023
Fixed assets & intangibles	-20,269,322	4,828,588
Gain and Loss account	261,337	326,672
Other differences*	-1,525,567	-869,265
TOTAL TEMPORARY DIFFERENCES	-21,533,552	4,285,995
Losses available for offsetting against future taxable income	-140,389,443	-82,862,529
BASIS FOR DEFERRED TAXES	-161,922,995	-78,576,534
Calculated deferred tax assets	-35,623,059	-17,286,837
Calculated deferred tax assets not recognised†	35,801,991	17,286,837
DEFERRED TAXES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	178,932	-

* In other differences the effect of tax refund and internal profits are included.
† The company has not yet recognised any deferrd tax assets in the consolidated financial statement during the period, due to the uncertainty about the timing and amount of tax losses that may be utilised in the future.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

YEAR’S END 2024

Amounts in NOK	Vessel under construction	Vessel	Land, buildings and other real estate*	Machinery and equipment under construction†	Machinery and equipment†	Total
<i>Acquisition costs</i>						
ACQUISITION COST AS OF 1 JANUARY 2024	78,310,803	-	207,221,546	6,692,601	77,485,597	369,710,547
Additions	33,085,974	-	80,732,708	111,126,586	12,114,276	237,059,544
Government grants	-9,861,789	-	-	-	-	-9,861,789
Recognised right-of-use assets	-	-	-	-	4,305,125	4,305,125
Reclassification to Development	-	-	-	-26,457,000	-10,761,750	-37,218,750
Reclassification	-	-	-	26,690,739	-26,690,739	-
Disposal at cost	-	-	-	-	-	-
ACQUISITION COST AS OF 31 DECEMBER 2024	101,534,988	-	287,954,254	118,052,926	56,452,510	563,994,677
<i>Depreciations</i>						
ACCUMULATED DEPRECIATION AS OF 1 JANUARY 2024	-	-	5,040,321	-	16,707,810	21,748,131
Depreciation	-	-	1,324,646	-	9,137,148	10,461,794
Impairment‡	-	-	-	-	6,884,973	6,884,973
ACCUMULATED DEPRECIATION AS OF 31 DECEMBER 2024			6,364,967	-	32,729,931	39,094,898
CARRYING AMOUNT AS OF 1 JANUARY 2024	78,310,803	-	202,181,225	6,692,601	60,777,787	347,962,415
CARRYING AMOUNT AS OF 31 DECEMBER 2024	101,534,988	-	281,589,287	118,052,926	23,722,579	524,899,779
Depreciation method	None	None	Linear	None	Linear	
Depreciation period	-	-	0–50 years	-	5 years	

* Details regarding land, buildings and other real estate is presented in the table below.

† Presented as Machinery and equipment in statement of financial position.

‡ The impairment relates to various older assets that are either obsolete and/or no longer in use. Some of the equipment may be sold, but has nonetheless been written down to zero or to the estimated resale value in the secondary market where considered material.

LAND, BUILDINGS AND OTHER REAL ESTATE

Land, buildings and other real estate	Land	Buildings under construction	Factories and other buildings	Total
<i>Acquisition costs</i>				
ACQUISITION COST AS OF 1 JANUARY 2024	107,887,486	54,466,524	44,867,535	207,221,545
Additions	-	80,103,684	629,026	80,732,710
Disposal at cost	-	-	-	-
ACQUISITION COST AS OF 31 DECEMBER 2024	107,887,486	134,570,208	45,496,561	287,954,255
<i>Depreciations</i>				
ACCUMULATED DEPRECIATION AS OF 1 JANUARY 2024	-	-	5,040,321	5,040,321
Depreciation	-	-	1,324,646	1,324,646
ACCUMULATED DEPRECIATION AS OF 31 DECEMBER 2024	-	-	6,364,967	6,364,967
CARRYING AMOUNT AS OF 1 JANUARY 2024	107,887,486	54,466,524	39,827,214	202,181,224
CARRYING AMOUNT AS OF 31 DECEMBER 2024	107,887,486	134,570,208	39,131,593	281,589,287
Depreciation method	None	None	Linear	
Depreciation period	-	-	20–50 years	



YEAR’S END 2023

Amounts in NOK	Vessel under construction	Vessel	Land, buildings and other real estate	Machinery and equipment under construction	Machinery and equipment	Total
<i>Acquisition costs</i>						
ACQUISITION COST AS OF 1 JANUARY 2023	28,820,887	1,045,001	164,340,631		55,253,101	249,459,620
Additions	49,489,916	144,374	42,930,915	6,692,601	21,625,708	120,883,514
Disposal at cost*	-	-	-50,000	-	-	-50,000
Reclassification to Machinery and Equipment†	-	-1,189,375	-	-	1,189,375	-
ACQUISITION COST AS OF 31 DECEMBER 2023	78,310,803	-	207,221,546	6,692,601	78,068,184	370,293,134
<i>Depreciations</i>						
ACCUMULATED DEPRECIATION AS OF 1 JANUARY 2023	-	-	1,472,245	-	11,563,186	13,035,431
Depreciation*	-	-	990,887	-	5,727,211	6,718,098
Impairment‡	-	-	2,577,189	-	-	2,577,189
ACCUMULATED DEPRECIATION AS OF 31 DECEMBER 2023	-	-	5,040,321	-	17,290,397	22,330,718
CARRYING AMOUNT AS OF 1 JANUARY 2023	28,820,887	-	162,868,386	-	44,734,916	236,424,189
CARRYING AMOUNT AS OF 31 DECEMBER 2023	78,310,803	-	202,181,224	6,692,601	60,777,787	347,962,415
Depreciation method	None	Linear	Linear	-	Linear	
Depreciation period	-	5 years	0–50 years	-	5 years	

* In 2023, a storage room was sold. The sale price is equal to the acquisition cost.

† *Hypomar Inceptor* is a small vessel owned by Hypomar AS and has been reclassified to “machinery and equipment”.

The vessel was bought from Alginor ASA in 2020, and is depreciated over 5 years.

‡ The impairment relates to the main office in Haraldsgata 162, which was finalised in 2023 and where the value-in-use is estimated to be NOK 2,577,189 lower than the book value per 31.12.2023 before impairment.

DEPRECIATIONS

Amounts in NOK	2024	2023
Depreciation, PPE	10,461,794	6,718,098
Depreciation of assets used in development projects (booked against the project cost)	2,752,777	3,201,440
DEPRECIATION AMOUNT RECOGNISED IN PROFIT AND LOSS	7,709,017	3,516,658

NOTE 7 CONT.

The Group’s first harvesting vessel, *Hypomar Ocean 1*, was delivered in May 2024. The vessel is specifically designed as part of Alginor’s integrated biorefining value chain, equipped with an onboard processing system for separating and preserving biomass without formaldehyde. As of year-end 2024, the vessel was still undergoing technical testing and adjustments. According to IAS 16, depreciation will not commence until the vessel is completed, formally accepted, and available for its intended use, which is expected during 2025.

The Group is currently constructing its first full-scale industrial processing facility, F3, at Avaldsnes. The F3 facility is designed to process stipe and leaf biomass from *L. hyperborea* into food-grade alginate and other high-value marine ingredients.

The construction of the F3 facility reached a key milestone in November 2024 with the completion of the shell building. Internal works, including HVAC systems, electrical installations, and interior fit-out, are ongoing and scheduled for completion in September 2025. Process equipment began arriving in 2024, and installation and commissioning activities will continue through to the planned operational launch in the first half of 2026.

Once operational, the facility will have a production capacity of up to 600 tonnes of food-grade alginate per year. The facility plays a central role in the Group’s scale-up strategy and will serve as the foundation for future revenue generation.

During 2024 and early 2025, the Group identified significant cost overruns and updated its CAPEX forecasts for completing the project. In response, the Group has strengthened its project control and budgeting procedures. The Group continues to depend on additional external debt financing to finalise the F3 facility and associated processing line. This constitutes an indication of impairment. Reference is made to the impairment test described in Note 8.

NOTE 8 INTANGIBLE ASSETS

Amounts in NOK	Intangible assets under development	Patents	Total
31 December 2024:			
OPENING NET BOOK AMOUNT	79,733,444	8,902,559	88,636,003
Additions*	122,346,402	3,229,237	125,575,639
Grants recognised as a reduction to the assets	-25,645,385		-25,645,385
Reclassification from tangible fixed assets	37,218,749		37,218,749
Disposal	-		-
Amortisation charge	-		-
Impairment†	-18,238,183	-3,032,949	-21,271,132
CLOSING NET BOOK AMOUNT	195,415,027	9,098,847	204,513,874
Accumulated costs	355,008,106	12,131,796	367,139,902
Accumulated grants	-141,354,896	-	-141,354,896
Accumulated amortisation	-	-	-
Accumulated impairment	-18,238,183	-3,032,949	-21,271,132
NET BOOK AMOUNT	195,415,027	9,098,847	204,513,874
31 December 2023:			
OPENING NET BOOK AMOUNT	57,179,055	5,874,645	63,053,699
Additions*	40,923,169	3,027,915	43,951,084
Grants recognised as a reduction to the assets	-18,368,780	-	-18,368,780
Amortisation charge	-	-	-
CLOSING NET BOOK AMOUNT	79,733,444	8,902,559	88,636,003
Accumulated costs	195,442,955	8,902,559	204,345,514
Accumulated grants	-115,709,511	-	-115,709,511
Accumulated amortisation	-	-	-
NET BOOK AMOUNT	79,733,444	8,902,559	88,636,003

* Additions, including personnel costs and depreciation used in development projects.
† As part of the Group’s year-end closing for 2024, a comprehensive review of all intangible assets was undertaken. The review aimed to ensure that the asset base reflects only those items that are expected to generate future economic benefits. As a result of this process, assets and projects with no continuing strategic or commercial relevance were written down.

IMPAIRMENT TEST

As part of the Group’s year-end closing for 2024, a comprehensive review of all capitalised tangible and intangible assets was undertaken. The review aimed to ensure that the asset base reflects only those items that are expected to generate future economic benefits. As a result of this process, assets and projects with no continuing strategic or commercial relevance were written down, amounting to a total impairment charge of approximately NOK 28 million.

In addition to this clean-up of the fixed asset register, the Group has carried out an impairment test in accordance with IAS 36 to assess whether the carrying amount of the remaining assets exceeds their recoverable amount based on a value in use methodology for cash generating units.

CASH GENERATING UNIT (CGU) AND INVESTMENTS

The Group’s business model is structured around a phased industrialisation strategy, progressing from pilot-scale validation (Facility 2 – F2), through industrial-scale demonstration (F3), followed by side-stream optimisation through the planned F5 facility, and ultimately to full integration and commercialisation (F4 and beyond). F4 also includes investments in further specialised harvesting vessels. In this context, the value of each facility is closely linked to the successful progression of the overall development.

Alginor is developing a new value chain for biorefining of *L. hyperborea*. The business model is structured as a step-by-step industrialisation plan, where the technology is gradually validated at increasing scale. Management has evaluated that in the current phase of development of the technology and processes, the technology for harvesting and biorefining of *L. hyperborea* is a core operating asset of the Group. Accordingly, the Group considers that all the investments and development up to, and including, F4 is a part of one single cash-generating unit (CGU) for the purposes of impairment testing. It requires significant management judgement to determine that this also is according to the requirements in IAS 36 Impairment of asset to reach this conclusion, especially to determine that F4 and its related investments (also including further specialised harvesting vessels) and expected benefits can be included as part of the CGU. F4 is a planned fully integrated large-scale facility, which will be the key commercial investment enabling further expansion. F4 is currently not formally decided, as the final investment decision depends on successful development and the first full-scale trial of the technology in F2 and F3, and partly F5. While F2 and F3 in the development process is expected to generate significant cash inflows, they are part of a phased development pathway in which the main value creation is realised through the investment in F4 – planned to be the first fully integrated, large-scale facility. The value of F2 and F3 therefore depends to a large extent on the realisation of F4, which in turn forms the basis for further growth and industrialisation.

NOTE 8 CONT.

VALUE-IN-USE METHODOLOGY AND SCENARIOS

The recoverable amount has been determined based on value-in-use methodology (ViU), using a scenario-based discounted cash flow (DCF) model. This approach reflects multiple strategic outcomes for the business, including both full commercial success and more conservative scenarios involving reduced performance and limited scalability.

The scenario-based assessment of value in use, is based on the following main scenarios:

- F3 is completed but not successful: Lower alginate production and sales than expected, and limited success with specialties. F3 has limited commercial value. F4 is not constructed. The complete business model cannot be realised.
- F3 is completed with limited success: F3 reaches its targeted alginate production and sales but has limited success with specialties. The complete business case is not realised in this scenario.
- F3 and F4 are completed, but F4 underperforms expectations: F4 does not reach its targeted alginate (pharma) production and sales. The business case has limited scalability and growth potential. If F3 is a success, this scenario should have a low probability.
- F4 is a full success: The complete business case is validated. Further expansion with multiple integrated plants becomes viable.

ESTIMATION UNCERTAINTY AND FORECASTING PERIOD

Key assumptions are based on estimates and forecasts anchored at Board level. Based on the judgment that the technology and F2 through F4, with related specialised vessels to be constructed are part of one CGU, management evaluate that it is not a significant risk that it during 2025 will have to revise its key assumptions during 2025. Management currently believes that sometime after expected operational launch of F3 it may be in a position to further evaluate the expected operational and commercial success of the technology, processes and products. Any major revisions to key assumptions may consequently be at the end of 2026 but may also first be in 2027. Even if F3 turns out a success and triggers further investments in F4 in 2028 and 2029, the success of the fully integrated large-scale facility will still have to be demonstrated and will be a key assumption. This is expected to be demonstrated in 2032/2033.

The scenarios use detailed forecasting periods until 2038 to reach a steady state and calculation of a terminal value. However, in the scenarios it is from 2033 assumed a 2 % growth in net cash flows before maintenance capital expenditures to 2038. In this period, it is estimated low maintenance CAPEX, which from the terminal period after 2038 will increase to the level of depreciation. The model applies a 2 % terminal growth rate, and a discount rate (WACC) of 9.5 %.

The estimated weight/probability for each scenario is also a critical assumption in relation to the estimated recoverable amount of the CGU. Sensitivity analyses have been performed applying a range of alternative probability combinations. These analyses show that the recoverable amount supports the carrying amount of the CGU under most combinations that the management consider reasonable.

CONCLUSION

In the full success scenario, the terminal value is calculated using an EBIT multiple based on listed peer companies, applied to projected EBIT in 2033. This reflects the point in time when full commercial validation of the F4 facility is expected, and the business may be positioned for further expansion.

The probability-weighted value in use resulting from this analysis supports the recoverability of the carrying amount of the Group's operational assets. Based on this, management has concluded that no impairment is required as of 31 December 2024.

If the investment path comprising F2 to F4 (including further specialised harvesting vessels) is assessed on a standalone basis with a 100 % probability weighting, the resulting value in use shows significant headroom relative to the CGU's carrying amount. This standalone assessment does not incorporate any additional development beyond the current F4 facility and related assets.

If management had concluded that F4 (including further specialised harvesting vessels) could not be included as part of the CGU for the impairment test on 31 December 2024, the Group would have had to recognise material impairments, and all property, plant equipment and intangible assets may have been impaired to the highest of estimated fair value of each asset and zero.

NOTE 9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

FINANCIAL ASSETS

Amounts in NOK	2024	2023
Other short-term receivables*	47,442,291	18,737,257
Derivatives†	-	1,000,000
TOTAL CURRENT FINANCIAL ASSETS	47,442,291	19,737,257
Total non-current financial assets	1,043,944	1,119,611

* Other short-term receivables are mainly related to governmental grants and VAT receivable. The credit risk is classified as low as the grants are state-sponsored payments from The Research Council of Norway (RCN), Innovation Norway (IN), The Regional Research Fund (RRF), The European Innovation Council (EIC) and Eurostars (adminstrated from the RCN). The grants from the Norwegian authorities are guaranteed and financed from the Norwegian government. The EU grants are financed and guaranteed by the EU.

† This is an option to purchase the last plot of land on Stutøy. The option has not been ecercised and expired on 31.12.2024, and has thus been expensed in 2024.

INTEREST-BEARING LOANS AND BORROWINGS

Amounts in NOK	2024		2023	
	Non-current	Current	Non-current	Current
Lease liabilities	1,074,616	2,386,473	820,124	648,713
DNB	45,937,500	4,375,000	20,000,797	-
Haugesund Sparebank	73,526,500	676,221	24,202,721	634,472
TOTAL	120,538,616	7,437,694	45,023,642	1,283,185

The loan with DNB relates to the vessel *Hypomar Ocean 1* which was delivered in May 2024. The nominal interest rate is 3 mnd NIBOR + 2.5 % (floating). The construction loan with DNB from 2023 was refinanced in relation to the delivery of the vessel in 2024.

Alginor ASA has two long-term annuity loans with Haugesund Sparebank, totalling NOK 74 million. The first loan of NOK 25 million, which relates to poperties in Haugesund, was granted in 2023 and the second loan of NOK 50 million, which relates to various plots in the Husøy industrial cluster, was disbursed in 2024. Both loans have 20-year terms with quarterly instalments and floating interest rates.

FINANCIAL INSTRUMENTS RISK MANAGEMENT
OBJECTIVES AND POLICIES

The Group’s principal financial liabilities comprise long term loans and other payables. The main purpose of these financial liabilities is to finance the Group’s R&D project activities. The Group’s principal financial assets include other receivables, mainly related to receivable grants from development projects, and cash and short-term deposits.

The Group is exposed to market risk, credit risk and liquidity risk. All activities for risk management purposes are carried out by the Group’s senior management, and it is considered that they have the appropriate skills, experience and supervision.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

MARKET RISK

The demand for Alginor’s products depends on the international ingredient market and the Group’s ability to meet the quality standards set nationally and internationally, with their prices varying between countries and continents. Regulatory requirements will also affect the demand for food ingredients. If the quality of Alginor’s products fail to meet consumer needs and regulatory requirements, the demand for said products will diminish. The Group relies additionally on intellectual property rights to operate and protect its unique product. However, there’s an inherent risk associated with project-specific ingredients due to their advanced nature and the possibility that they may not produce the anticipated results.

CURRENCY RISK

The Group is exposed to euro (€) primarily through grants received, capital expenditures, and expected future revenues. While the majority of assets are held in Norwegian kroner

(NOK), a significant share of equipment purchases and project grants are denominated in euro (€). Furthermore, most of the Group’s future sales are expected to be in euro. As of 31 December 2024, no hedging instruments have been implemented, but currency exposure is monitored on an ongoing basis.

INTEREST RATE RISK

The Group’s exposure to interest rate risk relates primarily to the Group’s long-term debt. The Group has three floating interest rate loan agreements that are sensitive to fluctuations in interest rates which will have an effect on profit or loss before tax. Pertaining future operations, the company has not implemented specific hedging strategies and the company has not secured any future transactions as of 31 December 2024.

LIQUIDITY RISK

The company’s liquidity risk is closely and constantly monitored by the Board and the management. The investment program is ongoing, and the Group’s capital need towards committed investments, debt repayments, the development projects and ongoing operational activities in 2025 exceed that of the liquidity reserves and receivables in the Group. The Board’s concern lies in ensuring that liquid reserves align with the company’s operational needs, including working capital and uncovered capital requirements for essential investments until the operations generate positive cash flows. The Group will require additional financing to cover the required capital need. The Board is taking measures to ensure the required financing, particularly through equity and loan financing initiatives. Historically the Group has demonstrated its ability to obtain the required financing, and the Board believe that financing will be obtained, provided that the market, public authorities, loan institutions and existing and potential investors maintain its confidence in the Group’s prospects. See more under [Note 17 Going concern on page 57](#).

AMOUNTS INCLUDED INTEREST

Maturity profile – financial assets	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total value in NOK
Long-term receivables	-	-	-	1,043,944	1,043,944
Account receivables	42,308	-	-	-	42,308
Other current receivables	47,442,291	-	-	-	47,442,291
Cash and cash equivalents	264,857,163	-	-	-	264,857,163
TOTAL 2024	312,341,762	-	-	1,043,944	313,385,706

NOTE 9 CONT.

AMOUNTS INCLUDED INTEREST CONT.

Maturity profile – liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total value in NOK
Leasing liabilities	2,386,473	1,060,318	14,298		3,461,089
Liabilities to financial institutions*	13,750,224	13,722,525	14,292,026	164,172,197	205,936,971
Public duties payable	5,829,332	-		-	5,829,332
Account payables	32,685,129				32,685,129
Other current liabilities†	10,311,452	-	-	-	10,311,452
Other non-current liabilities‡	-	-	-		-
TOTAL 2024	64,962,608	14,782,843	14,306,324	164,172,197	258,223,972

* Interest is included in the amounts.
† Other current liabilities consists of accrued payroll expenses and liabilities (Note 16).
‡ Other non-current liabilities is comprised of prepaid grants and is therefore not included in the table.

FINANCIAL ITEMS

FINANCE INCOME

Amounts in NOK	2024	2023
Interest income*	8,308,760	3,325,290
Foreign exchange gain	-	20,523
TOTAL	8,308,760	3,345,813

* Interest income relates to interest from financial institutions and short-term loans.

FINANCE EXPENSE

Amounts in NOK	2024	2023
Interest on debts and borrowings	6,170,758	1,307,718
Interest on lease liabilities (Note 14)	313,235	66,413
Other financial expenses*	2,000,000	377,340
TOTAL FINANCE EXPENSES	8,483,993	1,751,471

* Other financial expenses are bank charges related to the construction loan (2023) and other financial expenses, and the expensing of the option to purchase the last plot of land on Stutøy.

NOTE 10 CASH AND CASH EQUIVALENTS

Amounts in NOK	2024	2023
Cash at bank and in hand	263,980,778	78,595,765
Restricted cash*	876,385	1,680,738
CASH AND CASH EQUIVALENTS	264,857,163	80,276,503

* Restricted cash is related to tax withholding account.

NOTE 11 TRANSACTIONS WITH RELATED PARTIES

Related parties as defined in IAS 24 are those legal entities, persons and close members of their family that are able to exert influence on Alginor ASA or its subsidiaries. Related parties also include leading employees of Alginor ASA whose compensation is reported in [Note 4 Personnel expenses and remuneration on page 42](#).

Amounts in NOK ex. VAT	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Zirconia AS*	-	50,000	947,470	4,802,500	-	-	-	-
Borregaard AS	70,000	-	2,988,516	-	-	-	2,356,948	-

* Controlled by Thorleif Thormodsen, the Chair until March 2024.

NOTE 12 SHARE CAPITAL

SHAREHOLDERS AS OF 31 DECEMBER 2024

Shareholder	No. of shares	Ownership (%)	Ownership, fully diluted (%)	Nationality
BORREGAARD AS	11,830,591	36.79	35.46	Norway
MUST INVEST AS	6,068,055	18.87	18.19	Norway
BNP PARIBAS*	4,457,830	13.86	13.36	Luxembourg
JAKOB HATTELAND HOLDING AS	1,940,420	6.03	5.82	Norway
JAHATT AS	1,240,000	3.86	3.72	Norway
KVERVA INDUSTRIER AS	700,000	2.18	2.10	Norway
ZIRCONIA AS	287,300	0.89	0.86	Norway
AMAR INVEST I AS	244,357	0.76	0.73	Norway
HELGØY PROPERTY HOLDING AS	240,215	0.75	0.72	Norway
VALIDÉ AS	230,500	0.72	0.69	Norway
ØYHATT AS	210,000	0.65	0.63	Norway
STAVANGER KOMMUNE	186,030	0.58	0.56	Norway
SAYONARA AS	183,170	0.57	0.55	Norway
VALIDÉ INVEST I AS	180,000	0.56	0.54	Norway
NORDVEGEN INVEST AS	174,096	0.54	0.52	Norway
SUM 15 LARGEST	28,172,564	87.62	84.44	
Other 606 shareholders	3,980,412	12.38	11.93	
TOTAL OUTSTANDING SHARES	32,152,976	100.00	96.37	
Employee warrants	1,212,500		3.63	
TOTAL SHARES, FULLY DILUTED	33,365,476		100.00	

* Shares are held in nominee account on behalf of the European Innovation Council Fund.

NOTE 12 CONT.

EQUITY ISSUANCES

Amounts in NOK	Date	No. of shares*	Share price*	Total equity
Share issue, private placement*	11.02.2021	166,685	35.00	5,833,975
Share issue, private placement*	12.02.2021	147,300	35.00	5,155,500
Share issue, private placement*	15.02.2021	168,730	35.00	5,905,550
Share issue, preparation for investment agreement	17.02.2021	2,500	35.00	87,500
Share issue, tranche A of the investment agreement	06.08.2021	6,605,770	35.00	231,201,950
Share issue, tranche B of the investment agreement	22.10.2021	2,000,000	35.00	70,000,000
Share issue, tranche C of the investment agreement	22.11.2021	2,000,000	35.00	70,000,000
Exercise of share options in 2021†	15.12.2021	37,500	7.24	271,319
Exercise of share options in 2022†	18.01.2022	75,000	7.24	543,000
Exercise of share options in 2023†	05.02.2023	37,500	7.60	285,000
Exercise of share options in 2023†	03.07.2023	-37,500	7.60	-285,000
Share issue, tranche D of the investment agreement‡	13.04.2023	3,420,000	35.00	119,700,000
Share issue§	11.07.2024	11,111,112	36.00	400,000,032
Share issue§	12.07.2024	821,179	36.00	29,562,444

* All shares are adjusted as per the five-for-one split effected at the Annual General Meeting on 29 June 2021.
† Related to exercise of warrants.
‡ In 2023, the final tranche D was successfully completed under an Investment Agreement that was entered by the Group with Zirconia AS, Hatteland, EIC Fund, and Borregaard AS in July 2021.
§ Public capital raise in 2024.

The share capital is NOK 32,152,976, consisting of 32,152,976 shares, each with par value of NOK 1.

TREASURY SHARES OWNED BY ALGINOR ASA

Amounts in NOK	Nominal value	Number of shares	% of shares
1 JANUARY 2023	55,200	55,200	0.17
Purchase/Buy-back of treasury shares	-48,000	-48,000	-0.14
31 DECEMBER 2023	7,200	7,200	0.02
Sale of treasury shares	-	-	
31 DECEMBER 2024	7,200	7,200	

NOTE 13 GOVERNMENT GRANTS

The Group receives government grants for financing of costs relating to development projects. Project costs are capitalised as intangible assets under development in the consolidated statement of financial position. Government grants are recognised as a deduction in the related asset’s carrying amount.

Through 2024 the Group has recognised grants of NOK 35.5 million related to these projects compared to NOK 18.4 million the previous year.

RECOGNISED GRANTS

Amounts in NOK	2024	2023
R&D tax incentive scheme (SkatteFUNN)	4,750,000	3,623,807
The Research Council of Norway (RCN)	9,886,242	11,499,672
EU Horizon 2020/Europe (EU)	10,966,356	3,245,301
ENOVA	9,904,576	-
TOTAL	35,507,174	18,368,780

NOTE 13 CONT.

RECOGNISED PROJECT EXPENSES AND GRANTS IN 2024

Project name/acronym	Programme	Sponsor(s)	Gross project expenses*	Grants	Net project expenses
AORTA –Tax refunds	Piloting	SkatteFUNN	25,000,000	4,750,000	20,250,000
LCA and Supply Chain Management			157,951	-	157,951
Algae Based Suprafibres			1,364,614	-	1,364,614
Fucomed	BIA	RCN	4,136,769	2,434,000	1,702,769
Development Biopolymers			583,096	-	583,096
CIRCALGAE	Horizon Europe	EU	2,390,191	1,686,826	703,365
Bio4Fuels	FMETEK-N-FME	RCN	100,000	-	100,000
CATION		RCN	-	-	-
ALEHOOP	BBI JU	EU	1,984,669	1,433,237	551,432
Cellunor	NANO2021	RCN	7,180,354	3,590,177	3,590,177
iCulture		EU	589,849	592,405	-2,556
Prebios			24,232	-	24,232
Polyphenols	Industrial PhD	RCN	418,200	-	418,200
Algefilm	BIA	RCN	5,724,461	3,812,541	1,911,920
Hypomar Ocean 1 Hybrid	ENOVA	ENOVA	20,322,188	9,904,576	10,417,612
Seaweed extracts and biostimulants			346,045	-	346,045
PROTEUS	HORIZON-JU-IA	EU	11,938,034	7,253,887	4,684,147
AILEEN	Competence and cooperation project	RCN	73,500	49,525	23,975
TOTAL			82,334,154	35,507,174	46,826,980

* Gross expenses are project expenses before deduction of recognised grant related to the project. Net costs are project expenses after the deduction of grants and are capitalised as carrying amount of intangible assets under development.

RECOGNISED PROJECT EXPENSES AND GRANTS IN 2023

Project name/acronym	Programme	Sponsor(s)	Gross project expenses*	Grants	Net project expenses
AORTA – Tax refunds	Piloting	SkatteFUNN	-	3,623,807	-3,623,807
LCA and Supply Chain Management			1,865,608	-	1,865,608
AORTA (269255)	Marinforsk	RCN	16,711,988	-	16,711,988
Algae Based Suprafibres			873,983	-	873,983
Fucomed	BIA	RCN	2,951,106	2,629,413	321,693
DACOTA†	EIC Accelerator (Green Deal)	EU	-139,590	-	-139,590
Development Biopolymers			758,232	-	758,232
CIRCALGAE	Horizon Europe	EU	2,308,139	1,952,854	355,285
Bio4Fuels	FMETEK-N-FME	RCN	100,000	-	100,000
ALEHOOP	BBI JU	EU	1,249,908	1,024,447	225,461
Cellunor	NANO2021	RCN	9,461,976	5,358,885	4,103,091
iCulture		EU	269,275	268,000	1,275
Prebios			69,398	-	69,398
Polyphenols	Industrial PhD	RCN	418,200	282,683	135,517
Algefilm	BIA	RCN	5,258,000	3,228,691	2,029,309
Seaweed extracts and biostimulants			1,199,549	-	1,199,549
TOTAL			43,355,772	18,368,780	24,986,992

* Gross expenses are project expenses before deduction of recognised grant related to the project. Net costs are project expenses after the deduction of grants and are capitalised as carrying amount of intangible assets under development.

† Correction from 2022.

NOTE 13 CONT.

GROSS BUDGET FOR THE TOTAL PROJECT COSTS AS OF 31 DECEMBER 2024

Project name/acronym	Rest	Gross budget project expenses	Accumulated costs	Remaining budget
LCA and Supply Chain Management		-	2,023,559	-
AORTA - R&D		25,290,145	25,290,145	-
Algae Based Suprafibres		-	2,238,597	-
Fucomed - Biomedical fucoidan		23,200,000	23,430,000	-
CarboNor - Algal biopolymers		8,211,000	8,211,000	-
AORTA - Tax refunds 2017–2020		10,062,080	10,062,080	-
DACOTA - commercialisation		38,969,428	38,969,428	-
Development Biopolymers		-	1,852,172	-
CIRCALGAE - R&D	41.46 %	7,500,000	4,390,646	3,109,354
Bio4Fuels - Biobased fuels		-	640,251	-
CATION - Biorefinery Design		3,082,283	3,082,283	-
ALEHOOP - Algal proteins	30.74 %	8,356,038	5,787,060	2,568,978
EU - iCulture	66.44 %	2,662,795	893,659	1,769,136
Prebios		-	93,630	-
EU SME - phase 2		32,493,171	32,493,171	-
Cellunor - R&D	38.50 %	32,000,000	19,681,000	12,319,000
RFF - Fucomed (pre-project)		732,443	732,443	-
Hypomar Havpilot - Harvesting		11,161,456	9,532,526	-
Polyphenols - Extraction and identification		8,400,000	8,400,000	-
IN-Skudepilot ASM		3,141,877	3,141,877	-
Algefilm - Biomaterials packaging		18,000,000	17,496,000	-
ENOVA - <i>Hypomar Ocean 1</i>		29,450,000	29,450,000	-
Seaweed extracts and biostimulants		-	1,545,594	-
PROTEUS	90.28 %	122,843,406	11,938,034	110,905,372
AILEEN	91.83 %	900,000	73,500	826,500
TOTAL GROSS PROJECT COSTS	34.03 %	386,456,122	261,448,656	131,498,339

GROSS BUDGET FOR THE TOTAL PROJECT COSTS AS OF 31 DECEMBER 2023

Project name/acronym	Rest	Gross budget project expenses	Accumulated costs	Remaining budget
AORTA (269255)		2,935,019	2,935,019	-
AORTA - R&D		25,290,145	25,290,145	-
Fucomed		873,983	873,983	-
Fucomed - Biomedical fucoidan	32.98 %	23,200,000	15,548,132	7,651,868
CarboNor - Algal biopolymers	17.85 %	8,211,000	6,745,210	1,465,790
AORTA - Tax refunds 2017–2020		10,062,080	10,062,080	-
DACOTA - commercialisation		38,969,428	38,969,428	-
Development Biopolymers		1,269,076	1,269,076	-
CIRCALGAE - R&D	73.33 %	7,500,000	2,000,455	5,499,545
Bio4Fuels - Biobased fuels		540,251	540,251	-
CATION - Biorefinery Design	-10.53 %	2,788,560	3,082,283	-293,723
ALEHOOP - Algal proteins	23.95 %	5,000,000	3,802,391	1,197,609
EU - iCulture	90.79 %	3,300,000	303,810	2,996,190
Prebios		69,398	69,398	-
EU SME - phase 2		32,493,171	32,493,171	-
Cellunor - R&D	69.44 %	32,000,000	9,780,677	22,219,323
RFF - Fucomed (project no. 2)		732,443	732,443	-
Hypomar Havpilot - Harvesting	14.59 %	11,161,456	9,532,526	1,628,930
Polyphenols - Extraction and identification	15.95 %	8,400,000	7,060,319	1,339,681
IN-Skudepilot ASM		3,141,877	3,141,877	-
Algefilm - Biomaterials packaging	44.98 %	18,000,000	9,904,309	8,095,691
ENOVA - <i>Hypomar Ocean 1</i>	69.33 %	300,000	92,000	208,000
Seaweed extracts and biostimulants		-	1,199,549	-
TOTAL GROSS PROJECT COSTS	22.02 %	236,237,887	185,428,532	52,008,904

NOTE 13 CONT.

ACCUMULATED GRANTS RECEIVED AS OF 31 DECEMBER 2024

Project name/acronym	Rest	Total approved grants ex ante	Accounted grants	Remaining grants
AORTA - R&D		7,585,531	7,585,531	-
Fucomed - Biomedical fucoidan		16,250,000	16,250,000	-
CarboNor - Algal biopolymers		4,849,287	4,849,287	-
AORTA - Tax refunds	24.26 %	14,250,000	10,792,289	3,457,711
DACOTA - Commercialisation		25,000,000	25,000,000	-
EU Circalgae	42.38 %	5,297,661	3,052,446	2,245,215
Development Biopolymers		-	-	-
Bio4Fuels - Biobased fuels		-	-	-
CATION - Biorefinery Design		-	-	-
ALEHOOP - Algal proteins	48.25 %	4,060,000	2,101,092	1,958,908
AORTA - Pre-project		500,000	500,000	-
EU - iCulture	62.75 %	2,310,000	860,405	1,449,595
AORTA - R&D		2,475,161	2,475,161	-
EU SME - phase 2		19,645,220	19,645,220	-
Cellunor - R&D	44.07 %	16,000,000	8,949,062	7,050,938
RFF - Fucomed (project no. 2)		673,128	673,128	-
Hypomar Havpilot - Harvesting		4,500,000	4,500,000	-
Polyphenols - Extraction and identification		4,200,000	4,200,000	-
IN-Skudepilot ASM		1,900,000	1,900,000	-
Algefilm - Biomaterials packaging		12,600,000	10,660,652	-
ENOVA - <i>Hypomar Ocean 1</i>		14,460,000	14,460,000	-
PROTEUS	90.16 %	73,706,000	7,253,887	66,452,113
AILEEN	91.75 %	600,000	49,525	550,475
TOTAL GRANTS	36.02 %	230,861,988	145,757,685	83,164,955

ACCUMULATED GRANTS RECEIVED AS OF 31 DECEMBER 2023

Project name/acronym	Rest	Total approved grants ex ante	Accounted grants	Remaining grants
AORTA - R&D		7,585,531	7,585,531	-
Fucomed - Biomedical fucoidan	14.97 %	16,250,000	13,816,888	2,433,112
CarboNor - Algal biopolymers		4,849,287	4,849,287	-
AORTA - Tax refunds	57.60 %	14,250,000	6,042,289	8,207,711
DACOTA - Commercialisation		25,000,000	25,000,000	-
EU Circalgae	74.22 %	5,297,661	1,365,620	3,932,041
ALEHOOP - Algal proteins	83.55 %	4,060,000	667,855	3,392,145
AORTA - Pre-project		500,000	500,000	-
EU - iCulture	88.40 %	2,310,000	268,000	2,042,000
AORTA - R&D		2,475,161	2,475,161	-
EU SME - phase 2		19,645,220	19,645,220	-
Cellunor - R&D	66.51 %	16,000,000	5,358,885	10,641,115
RFF - Fucomed (project no. 2)		673,128	673,128	-
Hypomar Havpilot - Harvesting		4,500,000	4,500,000	-
Polyphenols - Extraction and identification		4,200,000	4,200,000	-
IN-Skudepilot ASM		1,900,000	1,900,000	-
Algefilm - Biomaterials packaging	45.66 %	12,600,000	6,847,223	5,752,777
ENOVA - <i>Hypomar Ocean 1</i>	68.50 %	14,460,000	4,555,424	9,904,576
TOTAL GRANTS	29.58 %	156,555,988	110,250,511	46,305,477

NOTE 13 CONT.

GOVERNMENT GRANTS – STATE AID RULES

Under the state aid rules, it is as a general regulation prohibiting the government to provide state funding to support companies. However, support awarded in compliance with the EU state aid regulations are exempt from the general prohibition.

Government grants for development activities in Alginor ASA and/or the Group are provided in compliance with the exemptions of the state aid rules and the EU General Block Exemption Regulation for state aid. These rules stipulate what type of activities are eligible for funding, and which costs relating to these activities that may be recovered partly or in full, and the maximum aid intensity that may be granted for the various activities, see for example Article 25, 26 and 28 of the Block Exemption.

OUTLOOK AND EVENTS RELATED TO GOVERNMENT GRANTS

The majority of the Group’s development efforts are financed through government grants. In 2024 the gross capitalised project costs related to these amounts to NOK 82.3 million (NOK 43.3 million in 2023), whereof NOK 35.5 million (18.4 million in 2023) was financed through grants.

The Company is a participating partner in the bioenergy project Bio4Fuels which is set to conclude 31 October 2025, where Alginor’s work package was concluded in 2022. The project was a larger collaboration between several participants, governed by NMBU in Ås and financed by RCN. The Company’s contribution relates to a work package focusing on bioproducts with higher market prices than bioenergy and their market applications.

The **PROTEUS** flagship project started 1 May 2024, and it aims to launch the first fully integrated industrial biorefinery for brown seaweeds, targeting full utilisation of kelp biomass. Focusing on the establishment of advanced industry standards, the project seeks to scale up the sustainable production of bio-based ingredients to industrial manufacturing levels and contribute to environmental and EU climate objectives through the deployment of these products across key application sectors, including food, feed, personal care, and bio-

based industrial markets. **PROTEUS** includes eleven partners within Europe and is funded by the Circular Bio-Based Europe Joint Undertaking with a €14.4 million budget over four years, including a €9.6 million grant.

The **iCulture** project started 1 September 2023 and will finalise after 4 years on 31 August 2027. The project is funded by the EU and includes 17 partners, focusing on the fermentation of seaweed and side streams from seaweed biorefinery, targeting high value products in medicine and cosmetics. The fermentation will be controlled utilising AI-driven tools. Alginor provides raw material as well as side-streams and performs hydrolysis into monosaccharide solutions. The fermentation trials are conducted by NTNU and upscaled by BASF. Alginor’s budget is set to approximately NOK 3.0 million at a 100 % aid intensity.

The **ALEHOOP** project started 1 June 2020 and is scheduled to conclude 31 May 2025. Alginor is one of 16 project partners that will work together to demonstrate pilot scale recovery of low-cost dietary proteins from algae-based and plant residual biomass, to be extracted in sustainable macroalgae and legume-based biorefineries. Alginor’s gross budget in ALEHOOP is NOK 5 million. NOK 4.06 million is funded by a grant from the EU.

The **Cellunor** project started in 2022 and is scheduled to conclude in 2025. The project has a total budget of NOK 32 million, of which the RCN is expected to fund NOK 16 million. The project explores cellulose extracted from *L. hyperborea*. The overarching goal is to develop optimised and cost-effective extraction methods of kelp-based cellulose ingredients, e.g., microcrystalline cellulose (MCC), nanocelluloses (NCC) and cellulose powders, for use in pharmaceutical and cosmetic products, e.g., for wound-healing and skin care.

AILEEN is a sister-project of iCulture, utilising the same raw materials and side-streams supplied by Alginor, while NTNU conducts fermentation trials with additional strains, to expand the product portfolio. The project started 1 December 2023 and will end after a 4-year period in November 2027. AILEEN is supported by the RCN where Alginor is granted NOK 0.6 million at a 67 % aid intensity.

The **CIRCALGAE** project started 1 October 2022 and is scheduled to conclude 30 September 2026. Alginor is one of 21 project partners that will work together to valorise industrial algae

waste streams into high-value products. Alginor will lead work package 1 and provide assessments of phycocolloid-rich macroalgae harvesting and cultivation parameters and optimisation within biorefining. The extracted and purified fucoidan in the project will be fully analysed and characterised in the laboratories of Alginor’s subsidiary, Oewa. CIRCALGAE’s gross budget is NOK 7.5 million. NOK 5.3 million is funded by a grant from the EU.

GOVERNMENT GRANTS LIABILITIES

Alginor has received pre-financing of grants of approximately NOK 46.8 million related to projects the EU. Pre-financing of grants remains the property of the EU until completion of the project.

If the amounts of earlier payments are greater than the final grant amount, the payment of the balance takes the form of a recovery. If the total amount of earlier payments is lower than the final grant amount, the remaining balance will be paid by the Agency within 90 days of receiving the final report.

The calculation of the final grant amount is contingent on approved costs from interim project reports.

RECONCILIATION OF LIABILITIES AND ASSETS RELATED TO GRANTS FROM EU PROJECTS

Amounts in NOK	2024	2023
Receivables	19,138,865	9,785,210
Prepayments	-46,797,436	-6,435,745
NET LIABILITIES	-27,658,571	3,349,465

Receivables related to government grants are included in Other Current Assets, which amount to NOK 19.1 million. Prepayments are classified under Other Non-Current Liabilities, totaling NOK 45.2 million. Additionally, Other Current Liabilities amount to NOK 1.5 million.

NOTE 14 LEASES

Applying IFRS 16, for all leases (except noted below), the Group:

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes printers, tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within administration cost in profit or loss. These lease payments are immaterial and are not disclosed separately.

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 31 December 2024 is 6.6 %.

RIGHT-OF-USE ASSETS

Amounts in NOK	2024	2023
Right-of-use assets as of 1 January	1,423,468	474,724
Additions right-of-use assets	4,305,125	1,531,335
Depreciation of the year	2,409,707	582,591
Revaluation due to adjusted assumptions	-	-
RIGHT-OF-USE ASSETS AS OF 31 DECEMBER	3,318,886	1,423,468
Remaining lease term	2–6 years	2–6 years
Depreciation method	Linear	Linear

LEASING LIABILITY

Amounts in NOK	2024	2023
Leasing liability as of 1 January	1,468,837	503,177
Additions	4,305,125	1,541,281
Downpayment	2,312,873	575,621
Revaluation due to adjusted assumptions	-	-
LEASING LIABILITY AS OF 31 DECEMBER	3,461,089	1,468,837
Interest expense on lease liabilities recognised in profit and loss	313,235	66,413

DISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOW

Amounts in NOK	2024	2023
< 1 year	2,386,473	648,713
1–2 years	1,060,318	608,664
2–3 years	14,298	197,161
3–4 years	-	14,298
4–5 years	-	-
> 5 years	-	-
TOTAL DISCOUNTED LEASE LIABILITIES AS OF 31 DECEMBER	3,461,089	1,468,837

UNDISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOW

Amounts in NOK	2024	2023
< 1 year	2,543,566	713,308
1–2 years	1,071,195	630,766
2–3 years	14,643	201,195
3–4 years	-	14,643
4–5 years	-	-
TOTAL DISCOUNTED LEASE LIABILITIES AS OF 31 DECEMBER	3,629,404	1,559,913

NOTE 15 ACCOUNTS PAYABLE

Amounts in NOK	2024	2023
Accounts payable	32,685,129	-

All material accounts payable are related to development projects and the F3 project.

NOTE 16 OTHER CURRENT
LIABILITIES

Amounts in NOK	2024	2023
Accrued payroll expenses*	6,760,003	4,761,514
Other liabilities	3,551,449	405,895
TOTAL OTHER CURRENT LIABILITIES AS OF 31 DECEMBER	10,311,452	5,167,409

* Accrued payroll expenses are mainly related to accrued vacation pay.

NOTE 17 GOING CONCERN

In accordance with section 2-2 (8) of the Norwegian Accounting Act (*Lov om årsregnskap m.v. av 17. juli 1998 nr. 56*) the Board confirms that the going concern assumption remains appropriate. The financial statements provide a true and fair view of the Group’s assets, liabilities, financial position, and results. The assumption is, however, subject to uncertainty as the group will need additional financing to complete and commission the F3 facility and the alginate processing line.

In addition to the total raise of NOK 150 million in new equity, the Group needs external debt financing, which the Board and management are actively working to secure. The outcome is not yet assured, but the Board and management remain confident in succeeding in its financing efforts. The Company has a notable net asset base eligible to serve as security to potential lenders, and the group’s major shareholders has through the equity raise and their commitment to underwrite the subsequent offering demonstrated its commitment and its belief that the Group will succeed, which strengthens the Company’s position towards potential lenders.

The Board maintains a positive outlook on the Group’s prospects. In addition to its confidence in securing the necessary external financing, the Board believes that the Group continues to hold strong growth potential and that it can establish a profitable business over time. The Group remains committed to completing and commissioning the alginate processing line by H1 2026 and its ambition to scale up its processing line in the future.

NOTE 18 LEGAL MATTERS/
DISPUTES

The Group has not been involved in or been aware of any legal matters in 2024.

In the normal course of business, the Group will from time to time be involved in minor complaints with various parties that will have no material impact on the Group’s overall financial position.

NOTE 19 SUBSEQUENT EVENTS

In December 2024, the Company’s CFO, Haakon Farstadvoll, handed in his resignation, due to his ambition of pursuing a career as a lawyer. Early in 2025, CEO, Kjetil Rein, and the Board mutually resolved that Rein would step down as the Company’s CEO, after which the Board appointed Martin Lersch, acting COO since November 2024, as interim CEO. In this interim period, Alginor’s chair, Ms. Kjøllås, has also taken on a more active executive role until a replacement is in place.

In March 2025, the Company’s Board issued a shareholder letter to the Company’s shareholders, informing that it had identified significant CAPEX and cost increases compared to previous expectations related to the F3 facility. Moreover, the Board informed that it would appoint current Board member and CFO in Hatteland, Sten Stenersen, as the Company’s CEO for an interim period starting in May 2025. Stenersen will at this time step down as a Board member in the Company. Stenersen will resume his position at Hatteland in due course.

Simultaneously, the Board called for an extraordinary general meeting on 31 March 2025, proposing that the Company executes a two-tranche equity placement, including a private placement towards Borregaard AS, Must Invest AS, and Jakob Hatteland Holding AS, raising gross proceeds of NOK 100 million at a share price of NOK 10 per share, and a rights issue towards other existing shareholders with gross proceeds of NOK 50 million at equal terms. The subsequent rights issue will be fully underwritten by the shareholders participating in the private placement.

On 31 March 2025, the Company issued 10,000,000 new shares in the Company, each with a nominal value of NOK 1.00, at NOK 10 per share, raising gross proceeds of NOK 100 million. The shares were distributed as follows: Borregaard AS with 5,544,100 shares, Must Invest AS with 2,843,636 shares, and Jakob Hatteland Holding AS with 1,612,264 shares.

The Company intends to carry out the subsequent rights issue in June/July 2025. This subsequent rights issue will give other existing shareholders, who were not allocated shares in the private placement, the opportunity to maintain their pro rata ownership in the Company at equal terms.

In May 2025, The Group recruited a new COO, Steen Mylius Stricker Lund, to further strengthen its operational capacity. Mr. Lund, an experienced plant manager with more than 30 years of experience from the food industry, will be vital in the Group’s transition from a pre-revenue to a revenue-generating company.

FINANCIAL STATEMENTS
FOR ALGINOR ASA

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STATEMENT OF PROFIT AND LOSS

Amounts in NOK	Note	2024	2023
<i>Operating income and operating expenses</i>			
Revenue		-	-
Other operating income		164,359	-
OPERATING INCOME		164,359	-
Personnel expenses	2	-11,400,391	-14,173,498
Depreciation	5	-3,115,681	-1,994,383
Impairment	5	-16,889,199	-2,577,189
Other operating expenses	3	-13,188,860	-7,422,860
OPERATING EXPENSES		-44,594,131	-26,167,930
OPERATING PROFIT		-44,429,772	-26,167,930
<i>Financial income and expenses</i>			
Other interest income	12	7,539,438	1,778,558
Financial income	12	485,048	8,680
Other interest expenses	12	-1,813,504	-1,155,003
Financial expenses	12	-1,636,104	-34,377
NET FINANCIAL INCOME AND EXPENSES		4,574,878	597,858
RESULT BEFORE INCOME TAXES		-39,854,895	-25,570,071
Income taxes	4	-	-
PROFIT (LOSS) FOR THE PERIOD		-39,854,895	-25,570,071
<i>Transfers and allocations</i>			
Transferred from share premium reserve		-39,854,895	-25,570,071
PROFIT (LOSS) FOR THE PERIOD		-39,854,895	-25,570,071

STATEMENT OF FINANCIAL POSITION – ASSETS

Amounts in NOK	Note	2024	2023
<i>Intangible assets</i>			
Intangible assets under development	6	159,624,886	74,142,932
Concessions, patents, licences, trademarks	6	9,098,847	8,902,559
TOTAL INTANGIBLE ASSETS		168,723,733	83,045,491
<i>Property, plant and equipment</i>			
Land, buildings and other real estate	5	26,733,245	26,055,319
Machinery and equipment	5	4,675,534	8,731,255
TOTAL PROPERTY, PLANT AND EQUIPMENT		31,408,779	34,786,574
<i>Financial non-current assets</i>			
Investments in subsidiaries	9	270,050,000	270,050,000
Investments in shares		300,000	300,000
Other long-term receivables		733,944	809,611
TOTAL FINANCIAL NON-CURRENT ASSETS		271,083,944	271,159,611
TOTAL NON-CURRENT ASSETS		471,216,456	388,991,676
<i>Current assets</i>			
Receivables from group companies	7	210,375,782	112,872,852
Other short-term receivables	7	15,387,668	13,015,849
TOTAL RECEIVABLES		225,763,450	125,888,701
Cash and cash equivalents	8	251,468,868	20,465,067
TOTAL CURRENT ASSETS		477,232,318	146,353,767
TOTAL ASSETS		948,448,774	535,345,444

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Amounts in NOK	Note	2024	2023
<i>Equity</i>			
Share capital	10	32,152,976	20,220,685
TOTAL RESTRICTED EQUITY		32,152,976	20,220,685
Treasury stock		-7,200	-7,200
Share premium (reserve)		823,468,100	463,570,746
Other paid-in equity		12,629,541	12,055,225
TOTAL PAID-IN EQUITY		868,243,417	495,839,456
TOTAL EQUITY	11	868,243,417	495,839,456
<i>Liabilities</i>			
Liabilities to financial institutions	12	23,526,500	24,202,721
Other non-current liabilities	11	12,101,533	4,058,534
TOTAL OF OTHER NON-CURRENT LIABILITIES		35,628,033	28,261,255
Short-term liabilities to financial institutions	12	676,221	634,472
Trade creditors		8,158,763	-
Public duties payable		3,031,068	3,783,072
Liabilities to group companies		23,800,116	2,429,051
Other current liabilities		8,911,156	4,398,137
TOTAL CURRENT LIABILITIES		44,577,324	11,244,732
TOTAL LIABILITIES		80,205,357	39,505,987
TOTAL EQUITY AND LIABILITIES		948,448,774	535,345,444

HAUGESUND, 19 MAY 2025

THE BOARD OF DIRECTORS OF ALGINOR ASA

<i>Signed</i>		
Wenche Kjølås Chair		
<i>Signed</i>	<i>Signed</i>	<i>Signed</i>
Åse Tveit Samdal	Sten Stenersen	Hans Sandvold
<i>Signed</i>	<i>Signed</i>	<i>Signed</i>
Gisle Løhre Johansen	Kristin Misund	Kristine Klaveness
<i>Signed</i>		
Martin Lersch CEO		

STATEMENT OF CASH FLOW

Amounts in NOK	Note	2024	2023
<i>Cash flows from operating activities</i>			
RESULT BEFORE INCOME TAXES		-39,854,895	-25,570,071
Depreciation, amortisation and impairment	5	20,004,880	4,571,572
Share warrant expense	2	574,316	3,216,393
Change in accounts receivable	7	-	-
Change in accounts payable		8,158,763	-145,462
Change in other working capital items, including unrealised foreign exchange		1,464,863	-2,264,411
NET CASH FLOWS FROM OPERATING ACTIVITIES		-9,652,073	-20,191,979
<i>Cash flows used in investing activities</i>			
Sales of fixed assets	5	-	50,000
Investment in fixed assets	5	-1,332,189	-3,805,143
Investment in intangible assets	6	-116,810,898	-38,273,383
Receipt of government grants	6, 11	23,880,760	15,140,089
Investment in subsidiary	9	-	-
Payments intercompany loans	7	-97,502,930	-92,361,978
NET CASH FLOWS USED IN INVESTING ACTIVITIES		-191,765,257	-119,250,415
<i>Cash flows from financing activities</i>			
Non-current liabilities obtained	11	-	-171,622
Interest bearing liabilities obtained	12	-	25,000,000
Payment of interest bearing liabilities	12	-634,472	-162,807
Repayment of intercompany liabilities		21,371,065	-2,946,935
Payments group companies		-	-
Sale of treasury shares		-	1,680,000
Equity issue		411,684,540	119,730,974
NET CASH FLOWS FROM FINANCING ACTIVITIES		432,421,132	143,129,610
NET CASH FLOWS FROM THE PERIOD		231,003,802	3,687,215
Cash and cash equivalents at the beginning of the period		20,465,067	16,777,851
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		251,468,868	20,465,067

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK	Share capital	Treasury stock	Share premium (reserve)	Other paid-in equity	Uncovered loss	Total equity
AS OF 1 JANUARY 2023	16,575,685	-55,200	371,422,844	8,838,832	-	396,782,161
Reclassification of uncovered loss	-	-	-	-	-25,570,071	-25,570,071
Loss for the period	-	-	-25,570,071	-	25,570,071	-
Capital increase	3,645,000	-	117,764,999	-	-	121,409,999
Capital increase expenses booked to equity	-	-	-1,679,025	-	-	-1,679,025
Treasury stock	-	48,000	1,632,000	-	-	1,680,000
Equity effect warrants	-	-	-	3,216,393	-	3,216,393
Share issue	-	-	-	-	-	-
AS OF 1 JANUARY 2024	20,220,685	-7,200	463,570,746	12,055,225	-	495,839,456
Reclassification of uncovered loss	-	-	-	-	-39,854,895	-39,854,895
Loss for the period	-	-	-39,854,895	-	39,854,895	-
Capital increase expenses booked to equity	11,932,291	-	417,630,185	-	-	429,562,476
Treasury stock	-	-	-17,877,936	-	-	-17,877,936
Equity effect warrants	-	-	-	574,316	-	574,316
Share issue	-	-	-	-	-	-
AS OF 31 DECEMBER 2024	32,152,976	-7,200	823,468,100	12,629,541	-	868,243,417

NOTES TO THE
FINANCIAL STATEMENTS
OF ALGINOR ASA

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NOTE 1 ACCOUNTING POLICIES

The company accounts are presented in accordance with NGAAP (Norwegian Generally Accepted Accounting Principles) and in compliance with the Norwegian Accounting Act and principles in the NRS (Norwegian Accounting Standards).

SUBSIDIARIES/ASSOCIATED COMPANIES

Subsidiaries are assessed pursuant to the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless write-downs have been necessary. Write-downs are made at fair value when impairment occurs due to causes that cannot be assumed to be transient and the write-down is considered necessary according to good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends and other distributions are recognised in the same year as they are deposited in the subsidiary. If dividend exceeds share of withheld result post purchase the excess portion represents repayment of invested capital, and the dividends are deducted from the value of the investment in the balance sheet.

CLASSIFICATION AND ASSESSMENT
OF BALANCE SHEET ITEMS

Current assets and short-term liabilities are comprised of items that are due for payment within one year of the balance sheet date, as well as items that are tied to the product cycle. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at whichever is the lowest: the acquisition cost or the fair value. Short-term liabilities are recognised at a nominal amount when they are established/at the time they are established. Fixed assets are valued at acquisition cost but are written down to fair market value in the event of impairment that is not expected to be temporary. Fixed assets are depreciated over the economic lifetime.

Long-term liabilities are recognised at the nominal amount at the date they are established.

RECEIVABLES

Account receivables and other receivables are entered in the balance sheet at face value after deduction for provisions/allowances for expected losses. Provisions/Allowances for losses are made on the basis of individual assessments of the individual receivables.

In addition, unspecified provisions/allowances are made for other account receivables to cover expected losses.

RESEARCH AND DEVELOPMENT

Development costs are capitalised to the extent that a future financial advantage can be identified associated with the development of an identifiable intangible asset. Capitalised developments are depreciated linearly over the course of their economic lifespan.

INTANGIBLE ASSETS

Patents and technology that have a limited or exhaustive lifespan are capitalised at acquisition cost with deduction for depreciations.

GOVERNMENTAL/PUBLIC GRANTS

The company follows good accounting practice, NRS 4, with regard to accounting of government grants, meaning that the grants are booked for reduction of the accounting items to which they relate. Expenses in development projects are capitalised.

TAXES

The tax expense in the financial statements includes both the period's payable taxes and change in deferred taxes. Deferred taxes are calculated using a rate of 22 % based on the temporary differences that exist between accounting and tax values, as well as tax loss carryover at the end of the financial year. Temporary tax-increasing and tax-reducing differences that reverse or can reverse in the same period are equalised and netted.

Deferred tax assets are recognised in the balance sheet to the extent that it is probable that they can be utilised, and this is currently not capitalised for the sake of caution.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

NOTE 2 PERSONNEL EXPENSES AND REMUNERATION

EMPLOYEE BENEFIT EXPENSES DURING THE YEAR

Amounts in NOK	2024	2023
Wages and salaries	31,227,362	30,909,725
Social security costs	4,707,482	6,972,024
Pension costs	2,827,114	2,131,465
Share-based payment*	655,295	3,216,393
Other personnel costs	313,913	402,396
Capitalised project expenses†	-29,330,777	-30,358,504
Board fee	1,000,000	900,000
TOTAL	11,400,391	14,173,498
Number of average full-time employees	36	36

* The personnel expense related to warrants is recognised over the vesting period.

† Reference made to Intangible Assets in Note 1.

Please see further information in [Note 4 Personnel expenses and remuneration on page 42](#).

REMUNERATION TO LEADING EMPLOYEES

Employees reporting directly to the CEO are defined as leading employees. Remuneration to leading employees consists of a fixed payment as well as a variable element, plus pension contribution and other remuneration in kind.

Leading employees' individual remuneration as of 2024 and 2023 is shown in the table below.

See [Note 4 Personnel expenses and remuneration on page 42](#) in the notes to the consolidated financial statements for information regarding remuneration for the board of directors as well as shareholding and warrants for leading employees.

Amounts in NOK	Person	Position	Salary	Benefits in kind	Pension contribution	Bonus	Total
2024	Kjetil Rein	CEO	2,045,485	4,392	206,943	-	2,256,820
	Haakon Farstadvoll	CFO	1,308,958	7,892	167,788	-	1,484,638
2023	Kjetil Rein	CEO	2,035,705	-	193,763	459,000	2,688,468
	Haakon Farstadvoll	CFO	1,150,000	-	156,280	229,622	1,535,902

NOTE 3 OTHER OPERATING EXPENSES

OPERATING EXPENSES

Amounts in NOK	2024	2023
Office expenses	724,544	780,700
IT equipment and licenses	2,559,591	1,392,104
Consultant fees*	3,899,841	1,935,763
Capitalised project expenses	-186,801	-709,687
Other operating expenses	6,191,685	4,023,979
TOTAL OTHER OPERATING EXPENSES	13,188,860	7,422,860

* Fees to the elected auditor are included in consultant fees, reference is made to the table below.

EXPENSED AUDIT FEES

Amounts in NOK ex. VAT	2024	2023
Statutory audit	1,600,000	759,724
Other services*	1,518,650	355,011
TOTAL	3,118,650	1,114,735

* Other non-audit services, which are primarily related to technical assistance for accounting, amounted to NOK 1.4 million paid to EY.

NOTE 4 TAXES

THIS YEAR’S TAX EXPENSE

Amounts in NOK	2024	2023
<i>Taxable income</i>		
Ordinary result before tax	-39,854,895	-25,570,071
Permanent differences	-17,130,328	1,645,892
Changes in temporary differences	18,590,912	4,003,566
Allocation of loss to be brought forward	38,394,311	19,920,614
TAXABLE INCOME	-	1

DEFERRED TAX

Amounts in NOK	2024	2023
<i>Deferred tax relates to the following:</i>		
Fixed assets & intangibles	-25,464,487	-7,595,211
Accounts receivable	-	-
Gain and loss account	261,337	326,672
Other differences	-1,525,567	-869,265
TOTAL TEMPORARY DIFFERENCES	-26,728,717	-8,137,804
Losses available for offsetting against future taxable income	-91,118,982	-52,724,671
Not included in the basis for deferred tax	117,847,697	60,862,475
BASIS FOR DEFERRED TAX	-	-
Deferred tax assets not recognised in the balance sheet	-	-

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

YEAR’S END 2024

Amounts in NOK	Land, buildings and other real estate	Machinery and equipment	Total
<i>Acquisition cost</i>			
ACQUISITION COST AS OF 1 JANUARY 2024	30,160,611	17,164,761	47,325,372
Additions	261,402	1,070,788	1,332,189
Reclassification	1,522,023	-1,850,587	-
Disposal at cost	-	-	-
ACQUISITION COST AS OF 31 DECEMBER 2024	31,944,036	16,384,962	48,328,998
<i>Depreciation</i>			
ACCUMULATED DEPRECIATION AS OF 1 JANUARY 2024	4,105,292	8,433,506	12,538,798
Depreciation	1,105,500	2,884,009	3,989,508
Impairment*	-	391,915	-
Depreciation on disposals	-	-	-
ACCUMULATED DEPRECIATION AS OF 31 DECEMBER 2024	5,210,792	11,709,430	16,920,221
CARRYING AMOUNT AS OF 1 JANUARY 2024	26,055,319	8,731,255	34,786,574
CARRYING AMOUNT AS OF 31 DECEMBER 2024	26,733,245	4,675,532	31,408,779
Depreciation method	Linear	Linear	
Depreciation period	20–50 years	5 years	

* The impairment relates to various older assets that are either obsolete and/or no longer in use. Some of the equipment may be sold, but has nonetheless been written down to zero or to the estimated resale value in the secondary market where considered material.

YEAR’S END 2023

Amounts in NOK	Land, buildings and other real estate	Machinery and equipment	Total
<i>Acquisition cost</i>			
ACQUISITION COST AS OF 1 JANUARY 2023	28,771,216	14,799,013	43,570,229
Additions	1,439,395	2,365,748	3,805,143
Disposal at cost	-50,000	-	-50,000
ACQUISITION COST AS OF 31 DECEMBER 2023	30,160,611	17,164,761	47,325,372
<i>Depreciation</i>			
ACCUMULATED DEPRECIATION AS OF 1 JANUARY 2023	787,674	5,504,512	6,292,186
Depreciation*	740,429	2,928,994	3,669,423
Impairment†	2,577,189	-	2,577,189
Depreciation on disposals	-	-	-
ACCUMULATED DEPRECIATION AS OF 31 DECEMBER 2023	4,105,292	8,433,506	12,538,798
CARRYING AMOUNT AS OF 1 JANUARY 2023	27,859,670	9,294,501	37,278,043
CARRYING AMOUNT AS OF 31 DECEMBER 2023	26,055,319	8,731,255	34,786,574
Depreciation method	Linear	Linear	
Depreciation period	20–50 years	5 years	

* In 2023, a storage room was sold. The sale price is equal to the acquisition cost.
† The impairment relates to the main office in Haraldsgata 162, which was finalised in 2023 and where the value-in-use is estimated to be NOK 2,577,189 lower than the book value per 31.12.2023 before impairment.

DEPRECIATIONS

Amounts in NOK	2024	2023
Depreciation, PPE	3,989,508	3,669,423
Depreciation of assets used in development projects (booked against the project cost)	873,827	1,675,040
DEPRECIATION AMOUNT RECOGNISED IN PROFIT AND LOSS	3,115,681	1,994,383

NOTE 6 INTANGIBLE ASSETS

YEAR’S END 2024

Amounts in NOK	Development projects	Patents	Total
OPENING NET BOOK AMOUNT 1 JANUARY 2024	74,142,932	8,902,559	83,045,491
Additions development projects	84,250,884	3,229,237	87,480,121
Additions regarding personnel cost used in development projects (Note 2)	29,330,777	-	29,330,777
Additions regarding depreciation of assets used in development projects (Note 5)	873,827	-	873,827
Reclassification	328,563	-	328,563
Grants recognised as a reduction to the assets	-15,837,762	-	-15,837,762
Amortisation charge	-	-	-
Impairment*	-13,464,335	-3,032,949	-16,497,284
31 DECEMBER 2024	159,624,886	9,098,847	168,723,733

* The impairment relates to various older assets that are either obsolete and/or no longer in use. Some of the equipment may be sold, but has nonetheless been written down to zero or to the estimated resale value in the secondary market where considered material.

Per 31 December 2023, the Group has not recognised any material R&D expenditures outside the capitalised development projects. See also [Note 8 Intangible assets on page 46](#).

YEAR’S END 2023

Amounts in NOK	Development projects	Patents	Total
OPENING NET BOOK AMOUNT 1 JANUARY 2023	52,362,512	5,874,645	58,237,157
Additions development projects	4,886,964	3,027,914	7,914,878
Additions regarding personnel cost used in development projects (Note 2)	30,358,504	-	30,358,504
Additions regarding depreciation of assets used in development projects (Note 5)	1,675,040	-	1,675,040
Grants recognised as a reduction to the assets	-15,140,089	-	-15,140,089
Amortisation charge	-	-	-
31 DECEMBER 2023	74,142,931	8,902,559	83,045,491

NOTE 7 ACCOUNTS
RECEIVABLES AND OTHER
SHORT-TERM RECEIVABLES

Amounts in NOK	2024	2023
Accounts receivables	-	-
Other short-term receivables*	15,387,668	13,015,849
Receivables from group companies†	210,375,782	112,872,852
TOTAL	225,763,450	125,888,701

* Other short-term receivables are mainly related to governmental grants. The credit risk is classified as low as the grants are state-sponsored payments from The Research Council of Norway (RCN), Innovation Norway (IN), The Regional Research Fund (RRF), The European Innovation Council (EIC) and Eurostars (adminstrated by the RCN). The grants from the Norwegian authorities are guaranteed and financed from the Norwegian government. The EU grants are financed and guaranteed by the EU.

† Receivables from group companies relate to loans provided to cover ongoing activities in subsidiaries.

NOTE 8 CASH AND
CASH EQUIVALENTS

Amounts in NOK	2024	2023
Cash at bank and in hand	250,844,592	19,214,341
Restricted cash	624,276	1,250,726
TOTAL	251,468,868	20,465,067

NOTE 9 INVESTMENTS IN SUBSIDIARIES

Shares in subsidiaries	Registered office	Ownership/voting rights	Book value
Alginor Biorefinery AS	Haugesund	100 %	75,050,000
Alginor Industrial Estate AS	Haugesund	100 %	125,040,000
Alginor Pharma Ingredients AS	Haugesund	100 %	10,000,000
Hypomar AS	Haugesund	100 %	44,940,000
Oewa AS	Haugesund	100 %	15,020,000
TOTAL			270,050,000

NOTE 10 SHARE CAPITAL

The share capital is NOK 32,152,976, consisting of 32,152,976 shares, each with par value of NOK 1. For further information, please see [Note 12 Share capital on page 50](#).

NOTE 11 OTHER NON-CURRENT LIABILITIES

Amounts in NOK	2024	2023
Other non-current liabilities	12,101,533	4,058,534
TOTAL NON-CURRENT LIABILITIES	12,101,533	4,058,534

Other non-current liabilities correspond to advance payments from the EU, relating to developement projects. For additional information, see [Note 13 Government grants on page 51](#).

NOTE 12 FINANCIAL LIABILITIES

Amounts in NOK	2024	2023
Long-term liabilities to financial institutions	23,526,500	24,202,721
Short-term liabilities to financial institutions	676,221	634,472
TOTAL	24,202,721	24,837,193

In 2023, Alginor ASA procured an annuity (long-term) loan from Haugesund Sparebank, directly corresponding to the acquisition of new properties in Haugesund. The loan’s short-term portion signifies the downpayment scheduled for the next instalment. The loan was initialised with an amount of NOK 25 million and is set for amortisation over a 20-year span. It started with an interest rate of 5.62 %, which has been increased to 7.1 %. The loan has a term length of 90 days. The redemption date is set for 17.02.2043 (final payment).

FINANCIAL ITEMS
FINANCE INCOME

Amounts in NOK	2024	2023
Other interest income*	7,539,438	1,778,558
TOTAL INTEREST INCOME	7,539,438	1,778,558
Foreign exchange gain	485,048	-
Other financial income†	-	8,680
TOTAL FINANCE INCOME	485,048	8,680

* Bank interests from deposited amount.
† Other financial income relates to corporate contributions.

FINANCE EXPENSES

Amounts in NOK	2024	2023
Interest on debts and borrowings*	1,743,868	1,151,778
Other interest expenses	69,636	3,225
TOTAL INTEREST EXPENSES	1,813,504	1,155,003
Foreign exchange loss	1,636,104	34,377
Other financial expenses	-	-
TOTAL FINANCE EXPENSES	1,636,104	34,377

* Payment of interest to Haugesund Sparebank.

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

Related parties as defined in IAS 24 are those legal entities, persons and close members of their family that are able to exert influence on Alginor ASA or its subsidiaries. Related parties also include corporate officers of Alginor ASA whose compensation is reported in [Note 2 Personnel expenses and remuneration on page 62](#).

Amounts in NOK ex. VAT	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Zirconia AS*	-	50,000	947,470	4,802,500	-	-	-	-
Borregaard AS	70,000	-	742,259	-	-	-	185,000	-
Oewa AS	-	115,150	-	314,177	10,427,224	7,255,228	-	-
Hypomar AS	-	725,362	-	806,425	46,697,696	67,620,659	-	-
Alginor Biorefinery AS	-	19,968,424	-	11,477,789	37,757,690	7,932,884	-	-
Alginor Pharma Ingredients AS	-	10,065,644	-	3,414,264	18,598,949	5,919,392	-	-
Alginor Industrial Estate AS	-	-	-	-	-	198,134	23,800,204	415,000
Husøyvegen 276 AS	-	126,654	-	-	800,283	158,317	-	-
Husøyvegen 281 AS	-	2,648,634	-	1,611,241	95,748,941	23,614,792	-	2,014,051
Stutøy 1 AS	-	-	-	-	185,000	90,000	-	-
Stutøy 2 AS	-	-	-	-	70,000	40,000	-	-
Stutøy 3 AS	-	-	-	-	90,000	40,000	-	-

* Controlled by Thorleif Thormodsen, the Chair until March 2024.

NOTE 14 SUBSEQUENT EVENTS

For information, see [Note 19 Subsequent events on page 57](#).

THE BOARD’S
RESPONSIBILITY
STATEMENT

We confirm to the best of our knowledge that:

The consolidated financial statements for 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Company’s and the Group’s assets, liabilities, financial position and results for the period viewed in their entirety, and that the Board of Directors’ report gives a true and fair view of the development, performance and financial position of the Company and the Group, and includes a description of the material risks that the Board of Directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

HAUGESUND, 19 MAY 2025

THE BOARD OF DIRECTORS OF ALGINOR ASA

	<div>Signed</div> <div>Wenche Kjølås</div> <div>Chair</div>	
<div>Signed</div> <div>Åse Tveit Samdal</div>	<div>Signed</div> <div>Sten Stenersen</div>	<div>Signed</div> <div>Hans Sandvold</div>
<div>Signed</div> <div>Gisle Løhre Johansen</div>	<div>Signed</div> <div>Kristin Misund</div>	<div>Signed</div> <div>Kristine Klaveness</div>
	<div>Signed</div> <div>Martin Lersch</div> <div>CEO</div>	

ADDITIONAL INFORMATION

INDEPENDENT AUDITOR’S REPORT



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To the General Meeting of Alginor ASA

Independent Auditor’s Report

Opinion

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

- the financial statements of the parent company Alginor ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Alginor ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslø	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulssteinvik
Bodø	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

[Basis for Opinion](#)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Other Information](#)

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors’ report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors’ report nor the other information accompanying the financial statements.

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

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

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

[Responsibilities of Management for the Financial Statements](#)

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

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Haugesund, 21 May 2025

KPMG AS

A handwritten signature in blue ink, appearing to read 'Willy Hauge'.

Willy Hauge
State Authorised Public Accountant

TERMS AND ABBREVIATIONS

AI	Artificial Intelligence	GHG	Greenhouse gas
API	Active Pharmaceutical Ingredient	IAS	International Accounting Standards
AS	<i>Aksjeselskap</i> (limited company)	IFRS	International Financial Reporting Standards
ASA	<i>Allmennaksjeselskap</i> (public company)	IMR	Institute of Marine Research
BBI JU	Bio-Based Industries Joint Undertaking	ISO	International Organization for Standardization
BIC	Bio-based Industries Consortium	MPM	Management-defined Performance Measures
BREEAM	Building Research Establishment Environmental Assessment Method	NOK	Norwegian kroner
CAPEX	CAPital EXpenditure	NRS 4	<i>Norsk Regnskapsstiftelse – Offentlige tilskudd</i>
CEO	Chief Executive Officer	NS-EN	Norwegian adopted European standard
CEP	Certificate of suitability to the monographs of the European Pharmacopoeia	NTNU	Norwegian University of Science and Technology
CFO	Chief Financial Officer	P&L	Profit and Loss
cGMP	current Good Manufacturing Practice	R&D	Research and Development
COO	Chief Operating Officer	RCN	The Research Council of Norway (Forskningsrådet)
DCF	Discounted Cash Flow	SME	Small and medium-sized enterprise
EPC	Engineering, Procurement, Commissioning	SST	Social Security Tax
EU	European Union	ViU	Value-in-Use
FMV	Fitjar Mekaniske Verksted AS		

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