



TRANSFORMATIVE INNOVATIONS  
2021 Annual Report



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# a letter from our ceo



Together, Agilyx and Cyclyx are both rethinking and revolutionizing the way we solve the challenge of plastic waste. 2021 was a year of significant growth and development as we continued to see a push for circular solutions. Our integrated approach is an operating model that is truly one-of-a-kind in the market as we take strides to enable the shift from a linear to a circular economy.

Throughout the tribulations of the COVID-19 pandemic and ongoing geopolitical issues, we have stayed the course as we announce new projects and expand the reach of our organization. COVID-19 has upended so many aspects of our everyday lives, both personally and professionally, but our growth continued. As we adapted to the challenges brought on by the second year of this pandemic, we also saw climate change brought to the forefront of society.

The UN Climate Change Conference in Glasgow (COP26) resulted in a monumental climate agreement to end international support for fossil fuels and redirect funds to cleaner energy. The UN also approved a landmark agreement of nearly 200 countries to create the world's first-ever global plastic pollution treaty. Now it is up to us to turn these promises into reality through immediate, radical change.

At Agilyx, we believe that the time to make this change is now and we are well positioned to support our customers and partners in driving the transformation. To make plastics truly circular, we have to address the end-to-end challenge of making plastic waste available, usable and economic as a feedstock in such a way that then allows conversion of that feedstock into high-value products. With our market offerings through Cyclyx and Agilyx, we provide an integrated solution that turns this challenge into an opportunity.

Today, that opportunity equates to more than [300 million tonnes](#) per year of waste, which would represent over 6,000 of our conversion units. It is this that underpins our goal of being the fastest growing and most profitable plastic recycling technology company.

In 2021 we reached impressive milestones. Agilyx surpassed 16,000 hours of commercial operations, marking more than 4,400 tons of mixed waste plastic and polystyrene waste converted at its International Sustainability and Carbon Certification (ISCC) PLUS certified chemical recycling operations in Oregon.

With Agilyx, we license our patented conversion technology and sell our patented equipment to industry players, whether they are existing strategic companies or newer entrepreneurial enterprises, to help them take feedstock and turn it into a product. We provide our partners with valuable know-how

and robust technology that allows them to become part of the circular economy.

With Cyclyx, we are focused on getting the right feed for the conversion technology that a given customer is using. The aim is to do this while maximizing availability and lowering cost, essentially offering feedstock as a service to develop a new waste plastic supply chain and laying the foundation to make plastic a renewable resource. The Cyclyx consortium approach is an industry-wide answer, serving the entire market regardless of which conversion technology a company is using.

Having onboarded some of the most significant industry players to the Cyclyx consortium, we continue to strengthen the foundations around which our waste database is built, identifying numerous new sources of plastic waste as a feedstock.

We also established ISCC PLUS certification for Cyclyx and made

significant progress in developing new supply chains, demonstrating how the Cyclyx business model works. And this is just the beginning.

Where customers combine the services and capabilities of Agilyx and Cyclyx, they benefit from an integrated system that will maximize degrees of freedom, allowing them to use the most distressed and therefore the lowest cost waste as a feedstock. Because Agilyx conversion technology is also highly flexible, we can tailor projects to meet a customer's specific needs, a differentiating factor from most technologies.

During the course of 2021, we made significant progress on our Sustainability/ESG Goals, which are at the heart of our strategic purpose. We cover three critical goal areas: Circular/Environmental, Climate, and Societal. We are pleased to share this progress in our Sustainability Report,

which is included in this Integrated Annual Report.

2021 was also a milestone year in terms of building talent, as we nearly doubled the size of the Agilyx and Cyclyx teams. We hired our first-ever chief commercial officer, as well as our first sustainability director, in line with our strong commitment to growth and sustainability. I want to recognize and thank every employee in the organization for their passion and dedication to our mission.

Looking to the future, we are preparing for the next level of growth as we accelerate the shift to a lower-carbon economy, and we look forward to leveraging our unique integrated solution to achieve greater global impact.



Tim Stedman



# board of directors report

**2021 was another significant year for global sustainability efforts in the plastic market. With some 300 million tonnes generated each year globally, plastic waste continues to present a major environmental problem. Agilyx is answering this challenge by making waste a reusable feedstock and converting feedstock to value.**

The Group expects negative cash flows for 2022; however, current contracts and pipeline indicate positive cash flows in 2023 and future years.

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2022+1 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.



Peter Norris (Chair)  
Virgin Group Holdings Limited



Ranjeet Bhatia  
Saffron Hill Ventures



William K. Caesar  
Generate Capital



Carolyn Clarke  
Brave Consultancy



Catherine C. Keenan  
Catherine C. Keenan LLC- Consulting



Preben Rasch-Olsen  
Carucel Holding



Tim Stedman  
Agilyx



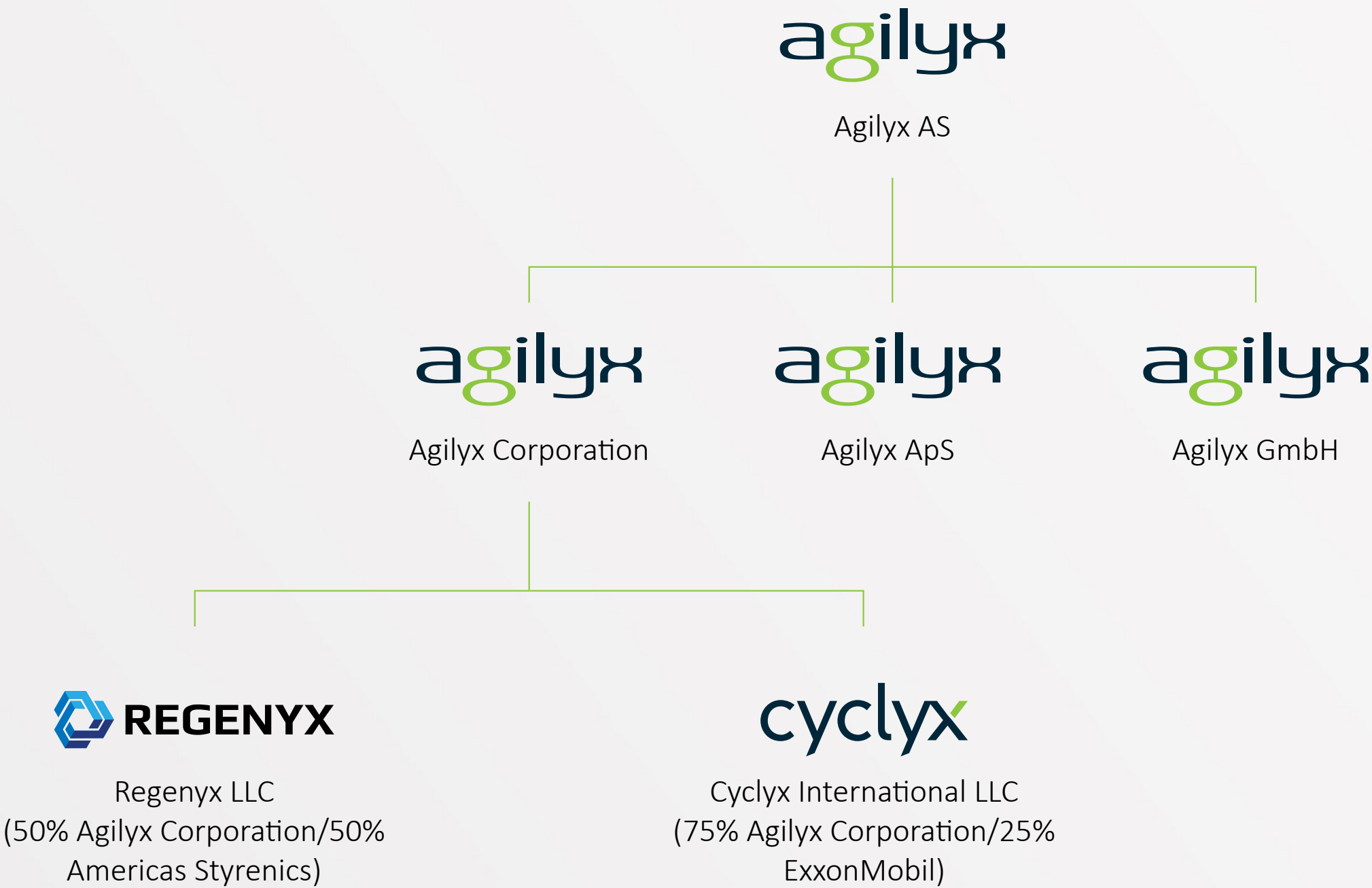
Joe Vaillancourt  
Cyclyx International, LLC.



# activity and geographic location

Agilyx AS is the parent company of Agilyx (the Group), and is located in Oslo, Norway. The Agilyx Group headquarters are located in Portsmouth, New Hampshire and Tigard, Oregon (USA) with satellite offices located in Switzerland and Denmark. The shares of Agilyx AS are listed on the Oslo Euronext Growth market (formerly known as Merkur) under the ticker AGLX and the OTCQX under the ticker AGXXF.

The Agilyx Group has developed comprehensive systems, proven technologies and a unique chemistry knowledge base to give post-use plastics new purpose. We have the proprietary technology for identifying, managing and preprocessing waste into feedstock. Our integrated solutions can take waste polymers and produce discreet monomers that can be fully recycled back into virgin-equivalent products. Agilyx is committed to using innovative technology for good and helping solve the immense global problem of plastic waste.







# financial development and position

Consolidated Group revenues for the 12-month period ending December 31, 2021 were \$4.9 million with gross margin of \$0.06 million. Research and Development (R&D) expenses of \$2.3 million and SG&A expenses of \$13.5 million related to the Group's gearing for growth and expansion led to a net loss of \$17.2 million for the year. The revenue and expenses of the parent company Agilyx AS were insignificant to the consolidated figures.

The formation of the Cyclyx business between Agilyx and ExxonMobil marked a significant commitment to unlock the ability to use waste plastic as a resource replacing fossil fuels. Cyclyx has a clear mission to increase the recycling rate of plastics from 10% to 90% by utilizing its expertise in understanding the chemical composition of waste plastic in collaboration with industry partners

to create a new, innovative supply chain. The Cyclyx consortium approach, paired with Agilyx's robust conversion technology and operating know-how, forms the business model and market strategy of the Group.

As of December 31, 2021, total consolidated assets for the Group reached \$28.6 million, of which cash and cash equivalents were \$19.6 million. The Group had total non-current liabilities of \$0.04 million and current liabilities of \$4.9 million (including deferred revenue of \$1.4 million and accounts payable of \$1.4 million). Total equity, including net loss for the period, reached \$23.7 million.

Cash flows from operations in 2021 were negative \$16.0 million. The liquidity secured from the Group's financing operations provides funding

for its activities and strategy as planned.

The total assets of the parent company, Agilyx AS, as of December 31, 2021 reached \$90.2 million, of which cash was \$11.3 million and shares in subsidiaries \$78.9 million. Agilyx AS does not have any external indebtedness. The total equity of Agilyx AS was \$89.1 million.

Events after the balance sheet date include: Revolving line of credit – on April 8, 2022, the Company signed a term sheet for a \$5 million line of credit with a Norwegian bank.

Material contract with customer – on March 30, 2022, the Company entered into a material contract with a customer to sell its proprietary equipment.





## technology, engineering and R&D

Agilyx is focused on licensing its conversion technology to customers seeking to address the issue of post-use plastics and utilizing these for their highest possible value. Investments into technology, engineering and technology-enabling facilities, including research and product development laboratories, are key enablers of Agilyx's future growth potential. The Group's ability to design and implement customer solutions enables the development of chemical recycling as a viable circular pathway for post-use plastic waste.

The Group holds 17 technology patents and continues to expand its already significant chemical profiling database of post-use plastics, built over the past 17 years. In 2022, the Group will expand laboratory capabilities in Portsmouth, New Hampshire and Tigard, Oregon (USA).





# risks

Agilyx is exposed to several important risks as a result of its size, its stage of development, and the nascent industry in which it operates, as well as execution and financial risks. While these risks are real and important, the Board believes that the Group is aware of and capable of managing to the best of its ability the different risks to which it is exposed. These risks are summarized in last year's annual report, as well as the risk section of the Group's Admission Document to the Euronext Growth exchange from 2020, and all potential investors and shareholders are encouraged to familiarize themselves with this document.

## **Ability to adequately identify and manage risks**

Agilyx is a growing company in a relatively new industry, and there are many risks associated with introducing and scaling new technology to a new application. Although we are confident that management is focused on identifying and managing these operational risks to the best of their ability, there can be no guarantees that such risks will not materially impact the performance or the financial results of the Group over time or at any point in time.

## **Financial risks**

The key financial risks the Group is exposed to are related to liquidity. However, the Group has a good liquidity position as per December

31, 2021. Agilyx monitors its risks associated with insufficient capital against the Group's planned activities. Agilyx will, if necessary, attempt to raise capital through private placements, debt or other financing, partnerships, and strategic alliances or from other sources. The group may fail to raise capital on acceptable terms, or not do it at all, and this could result in material adverse impacts to the financial position of the company.

The company provides adequate coverage for Board members and Executives through the companies Directors and Officers (D&O) Insurance.

## **Technological risks**

Agilyx's core conversion technology, its ability to correctly sample, source, price, blend and otherwise work with feedstock materials is dependent on patented technologies, know-how



and the technical capabilities of staff and laboratory facilities. If any of these are compromised or impaired, there could be materially negative consequences for Agilyx.

### **Regulatory risks**

The Agilyx business model is impacted by corporation tax, trade and environmental laws and regulations in the regions, countries and continents where Agilyx and its clients, or potential clients, operate. It is our belief that policymakers globally will continue introducing laws and regulations that support the development of a circular economy, including for plastic waste, which is aligned with Agilyx's mission. At the same time, the introduction of any laws and regulations that would restrict the construction or operation of chemical recycling facilities or restrict the free transportation and supply of waste plastic, could have a negative effect on the Group's operations. Agilyx participates in

industry trade associations in the USA and EU, which are actively monitoring policy developments and advocating for policies that will promote the growth of the chemical recycling sector. It is impossible to predict with any certainty the timing, intended and unintended consequences of any such regulatory developments. Changes in this area could materially and potentially negatively or positively affect Agilyx's growth, development and/or financial results.

### **Key operational risks**

Agilyx is dependent on the ability of customers and partners to complete and operate complex technical projects and processing equipment. The Group relies on the expertise of employees as well as independent contractors, engineering services and equipment suppliers large and small. Agilyx seeks to monitor performance and to set guidelines for the partners and affiliates that contribute to its

successful operation. Nevertheless, there is a risk that a failure within the operating supply chain and as a result of the activities of our partners could have a significantly negative impact on Agilyx's own ability to operate.

### **Other operational risks**

Agilyx is dependent on the Board and management's ability to accurately align strategy to market developments and trends, and to prioritize the correct allocation of capital and human resources. There are also significant risks related to the existence and correct implementation of good corporate governance and the appropriate health and safety protocols. Data management and the potential for cyberattacks are

also increasingly important areas of risk and regulatory oversight. Failure to adequately understand or mitigate these types of risks, whether individually or in combination, could have a significant and negative impact on the Group's results and reputation.

The Board of Directors is aware of the specific risks that can at any time affect the development of a company in its early stages of development, and particularly in a growth stage. Agilyx actively seeks to have a portfolio of insurance coverage for its activities and exposures, including Directors and Officers insurance. These risks are detailed in the Group's Admission Document, referenced above. We encourage all readers to also review the Admission Document.





# work environment

90 Full time employees

00 Serious accidents

00 Serious injuries

As of December 31, 2021, the Group had 90 full-time employees. During the year, no serious accidents or serious injuries were reported. Further details about employee health and safety are included in the Sustainability disclosures of this report.

Agilyx offers all employees, regardless of gender, religion, beliefs or nationality, equal career opportunities. The Group has no tolerance for discrimination based on disability, gender, sexual orientation, race, ethnic or cultural background.





# environmental, social and governance

The Group's core business is aimed toward enabling circularity in the area of waste plastics and supporting the overall energy transition agenda. Agilyx works continuously to reduce the environmental impact of our activities, and our activities comply with all local and regional environmental standards.

As we help achieve the global goal of a circular economy for plastics, we are also committed to reducing our own environmental footprint, and we recently enrolled our Regenyx facility in Tigard, Oregon into the Renewable Energy Credit (REC) program with Portland Gas Electric, supporting the production of renewable energy.

The Board of Directors recognizes the importance of environmental performance, and ESG more broadly, to all our stakeholders, and strongly supports the Group's commitment to sustainability and transparency.

By including the The Agilyx Group Sustainability Report in this Annual Report, we are responding to investors' preference to see combined reporting of both financial and non-financial information about performance in an integrated format.



# declaration by the board

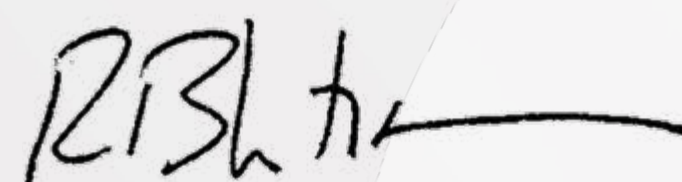
We confirm that, to the best of our knowledge, the financial statements for the period from January 1 to December 31, 2021 have been prepared in accordance with all applicable accounting standards and give a true and fair portrayal of the business and its assets, liabilities, profit, and overall financial position as of December 31, 2021. The Board of Directors has proposed to transfer the net loss of \$0.8 million in Agilyx AS to uncovered loss.

The Board of Directors,

Oslo, Norway, April 26, 2022



Peter Norris  
Chair



Ranjeet Bhatia  
Board Member and General Manager



William K. Caesar  
Board Member



Carolyn Clarke  
Board Member



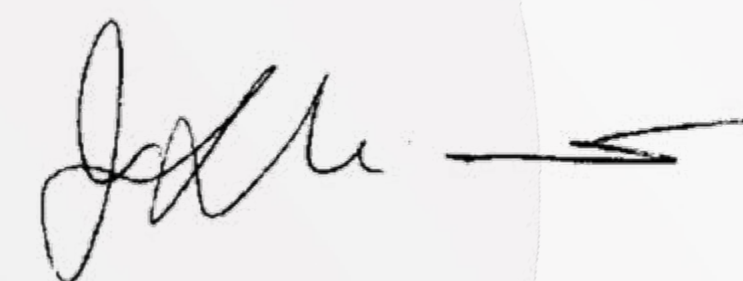
Catherine C. Keenan  
Board Member



Preben Rasch-Olsen  
Board Member



Tim Stedman  
Board Member, CEO, Agilyx



Joe Vaillancourt  
Board Member, CEO, Cyclyx



# what we do

Agilyx, combined with the feedstock management expertise of Cyclyx, is committed to significantly increasing recycling rates of post-use plastics. In fact, we are the only company in the market to offer an integrated solution for chemical recycling and feedstock management. Plastic waste is an immense global challenge that must be addressed, and we believe the time to address it is now. We use our innovative technology for good to help solve this problem by helping our customers give post-use plastic a new life.

Feedstock is a key part of the plastics recycling value chain and given the importance of chemically managing the diversity of plastic waste, feedstock availability, and appropriate sourcing management,

Cyclyx is crucial to the overall Agilyx strategy. Born from Agilyx's technical expertise and operating know-how, the Cyclyx platform is designed as an industry consortium comprised of partners across the value chain.

Since its inception, Agilyx has been tirelessly working to launch and scale commercial-scale plastic-to-plastic recycling technology and reimaged business models, while understanding the complex chemistries of waste plastics, feedstock supply chain issues, and comprehensive solution sets to accelerate global change and ultimately increase the recycling rate of plastic waste from [10% to 90%](#).





### Feedstock as a service

- New waste plastic supply chains
- Consortium approach
- Custom feedstock supply for all conversion technologies serving the whole industry
- Royalty revenue model



Supply partnerships



Custom processing of waste



Offtake partnerships



### Conversion technology solutions

- Conversion technology licensing
- Specialized core equipment sales
- Capital light model vs. Build Own Operate
- Robust feedstock capability
- Not dependent on specific legislation



Technology development and partnerships



Projects moving to development



Licenses/projects to construction

## Agilyx by the numbers

90 employees

Extensive chemical database of waste plastic

17 years of technology development

First commercial closed loop plastic-to-plastic facility

17 technology patents

7th generation technology platform

05 Global locations: Oregon (US), New Hampshire (US), Zurich (Switzerland), Oslo (Norway) and Denmark



# a purpose- driven company

As the world continues to evolve, one thing remains steadfast: our commitment to making plastics a renewable resource. We want to use our innovative technology and divert plastics to their best use.

Plastic waste is an immense – and growing – global challenge; however, only 10% of post-use plastic is recycled today. This must change.

We take two approaches for greater impact through Agilyx and Cyclyx to drive recycling rates upward. At Agilyx, we enable the conversion of waste plastics into high-value-added polymers and feedstocks. To do this, we leverage a combination of technical expertise, operating know-how, technology platforms and partnerships with industry leaders committed to a more environmentally responsible reality for plastics and polymers.

At Cyclyx, our goal can be summarized by the concept of 10 to 90®. By finding new recycling options and building new supply chains for previously unrecycled plastics, we can help to increase the global plastic recycling rate from 10% to 90%. Cyclyx makes it possible to divert plastic waste and create new pathways for it to be recycled, making it easier to help address society's challenges in plastic waste management.

## the Agilyx group is dedicated to:



**Environmental  
stewardship**



**Eliminating  
plastic waste**



**Converting plastics into a  
range of valuable products**



**Expanding material  
recovery options**



**Empowering  
local communities**



# our technology & innovation

Waste to feedstock. Feedstock to product. Cyclyx is getting the right feed to the right technology, creating a new supply chain for waste plastic and diverting post-use plastic from landfill. Agilyx has proven capability for a variety of outputs and pathways and robust seventh generation non-catalyst pyrolysis technology. Our technology allows us to process a broad range of plastic feedstocks and blends, enabling customers to convert the feedstock back to its original chemical building blocks (monomers) for reuse.

Additionally, Agilyx is developing new pathways in lower-carbon fuels to address the global transition to net-zero. Agilyx's proprietary technology can break down plastic waste through a pyrolysis process, which converts mixed waste plastic into a synthetic crude oil. Once further refined, this can be used as a lower-carbon fuel – an important step in the journey to net zero.



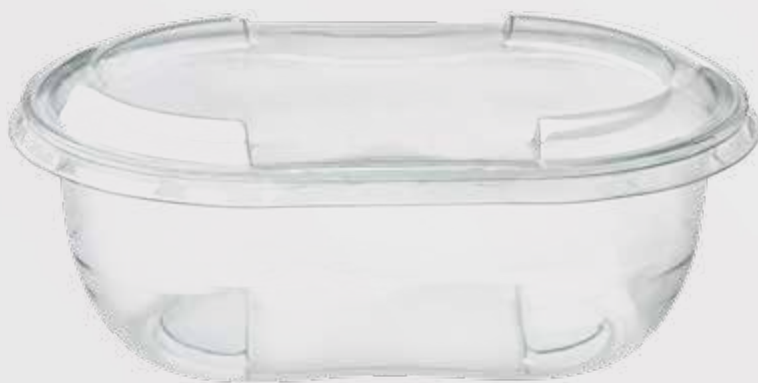






# our pathways

We continue to expand into multiple conversion pathways, including:



Plastics from intermediates



Plastics



Lower-carbon fuels

# experts say:

“Demand for post-consumer recycled plastic from the public commitments of 35+ consumer goods companies significantly exceeds the supply of recycled materials available in the U.S., today and through at least 2025. Further demand for recycled content is projected beyond these voluntary private sector targets as governments begin to establish recycled content mandates for various types of plastic packaging.”

Circular Matters/AMERIPEN report:

“[U.S. Company Recycled Plastic Content Goals Analysis – Supply and Demand,](#)”  
March 2021





## a growth mindset - Agilyx

 **TOYO STYRENE**

 **AmSty**

 **ISCC**  
International Sustainability  
& Carbon Certification

### 2004-2020: Technology development

- Seven generations of technology development
- Mixed-waste plastic chemical recycling proven to synthetic crude oil, suitable for refinery and chemical plants
- Polystyrene waste chemical recycling proven:
  - Sold license to Toyo Styrene
  - Established Regenyx joint venture with AmSty
  - Produced styrene oil from post-use polystyrene waste
  - Regenyx awarded ISCC+
- Developed extensive chemical database of waste plastic

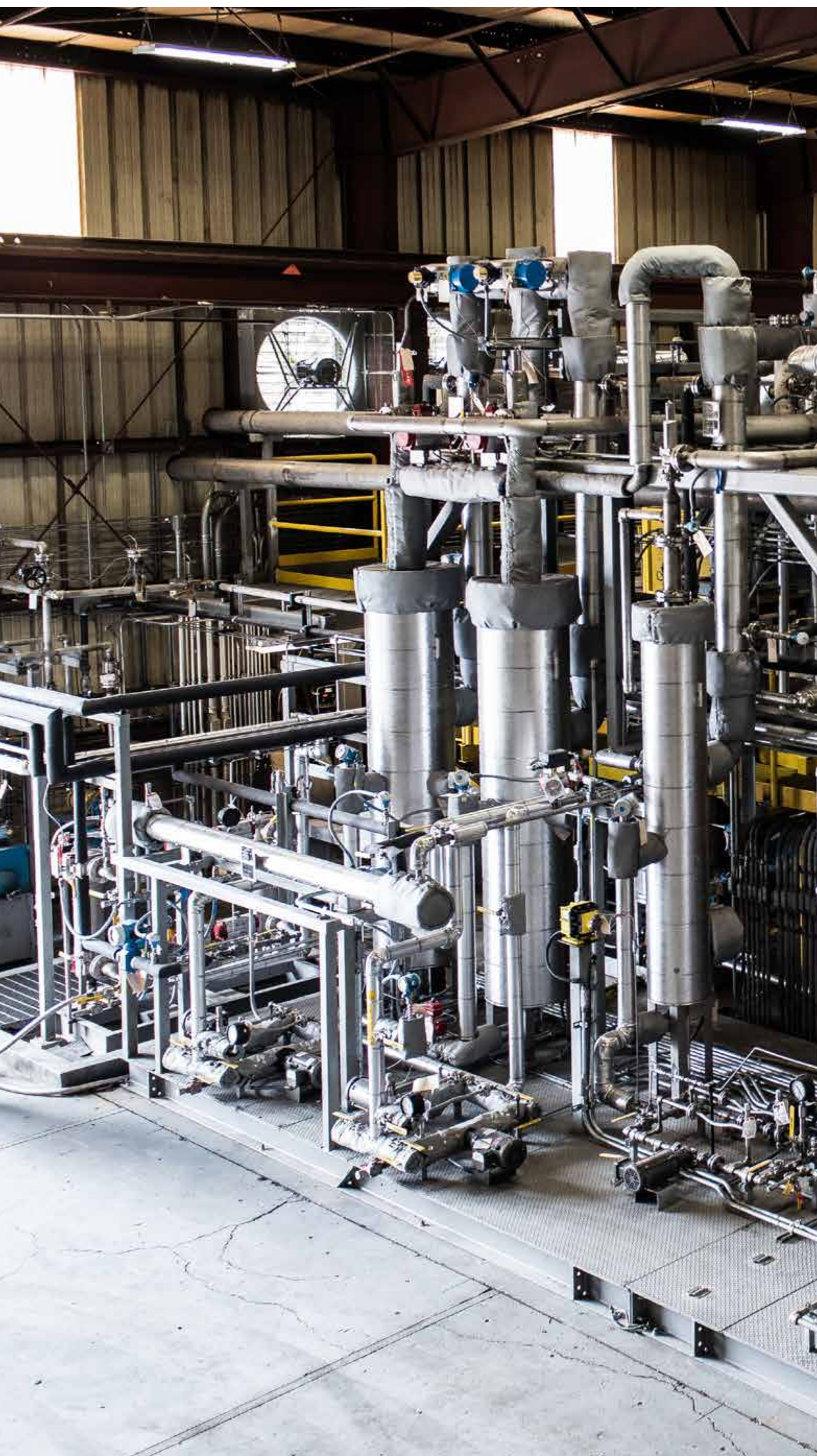




### 2020-2021: Early commercialization

- Reached 16,000 hours of commercial operations in Portland, Oregon across both mixed waste plastic and polystyrene
- Projects into development:
  - Increased business development pipeline 50%
  - Launched mixed waste plastics projects with Braskem and A.Eon
- Technology developments and partnerships:
  - Partnered with Technip for first ever integrated waste to pure styrene solution
  - Expanded capability to use the most challenging waste
  - Developed alliance with NextChem to accelerate growth via EPC partnering
  - Partnered with Mitsubishi on PMMA (acrylic) chemical recycling





### **2022 and beyond: Future growth**

- Projects into development:
  - Expanding global pipeline
  - Identifying new sources of capital to support funding of units
- Projects into construction and licensing
- Technology developments and partnerships:
  - Leveraging partnerships and alliances to allow rapid global growth via asset-light model
  - Accessing greater number of customers through integrated Technip solution
  - Continuing to support growth through regulatory framework





## a growth mindset - Cyclyx



**ExxonMobil**

### 2017-2020: Development

#### → Chemical characterization:

- Integrated Agilyx chemical fingerprinting and further expanded database
- Developed models and AI tools with GE as AI developer

#### → Custom supply chains:

- Developed IT backbone
- Developed approach for recyclable content certification
- Experimented with new sourcing and contracting strategies
- Developed direct sourcing capability for more than 1,000 customers
- Developed novel logistics programs with supply chain partners
- Developed hub for processing capabilities in U.S.
- Supplied feedstock for more than 16,000 hours of operation in Portland, Oregon

#### → Consortium approach:

- Developed consortium business model approach
- Engaged with ExxonMobil resulting in the formation of Cyclyx





**ExxonMobil**

### **2020-2021: Early commercialization**

#### → Chemical characterization:

- Opened first lab in Portland, Oregon certified with expanded testing capabilities
- Began development of second lab in Portsmouth, New Hampshire
- More than 1,000 feedstock characterizations in 2021 added to existing database
- Qualified more than 800 additional sources
- Assessed feedstock in 12 countries

#### → Custom supply chains:

- Achieved international ISCC PLUS feedstock certification
- Delivered feedstock to four companies, evaluated specifications for six others
- Announced development of first custom Plastic Recovery Facility in the US
- Developed closed-loop commercial and industrial take back programs

#### → Consortium approach:

- Launched Cyclyx with ExxonMobil





### 2022 and beyond: Future growth

- Expanding the consortium:
  - Ongoing membership discussions with 285 global companies
  - Recycling more than six million tons of plastic waste
  - Raising the recycling rate from 10% to 90%

agilyx

AmSty

BNSF  
RAILWAY

Braskem

casella

Chevron  
Phillips  
Chemical Company LP

CORNING

DOW

ExxonMobil

INEOS  
STYROOLUTION

lyondellbasell

MILLIPORE  
SIGMA

NOVA Chemicals

North American Plastics

REGENYX

Reynolds  
Consumer Products

سابك  
sabic

Sealed Air

SONOCO

STERILIS  
SOLUTIONS

SUNCAST



# corporate structure & key activities

**Agilyx:** Asset-light, technology licensing model with multiple revenue streams

- Feedstock IP (feedstock characterizations and recipes, supply chain optimization)
- Depolymerisation IP (plastic-to-plastic, plastic-to-intermediaries, plastic-to-fuels)

**Regenyx:** 50/50 Joint Venture between Agilyx and Americas Styrenics

- Launched in 2018 as the first commercial closed loop plastic-to-plastic facility
- 10 TPD plant that converts waste plastic into new plastic raw material with food-grade quality

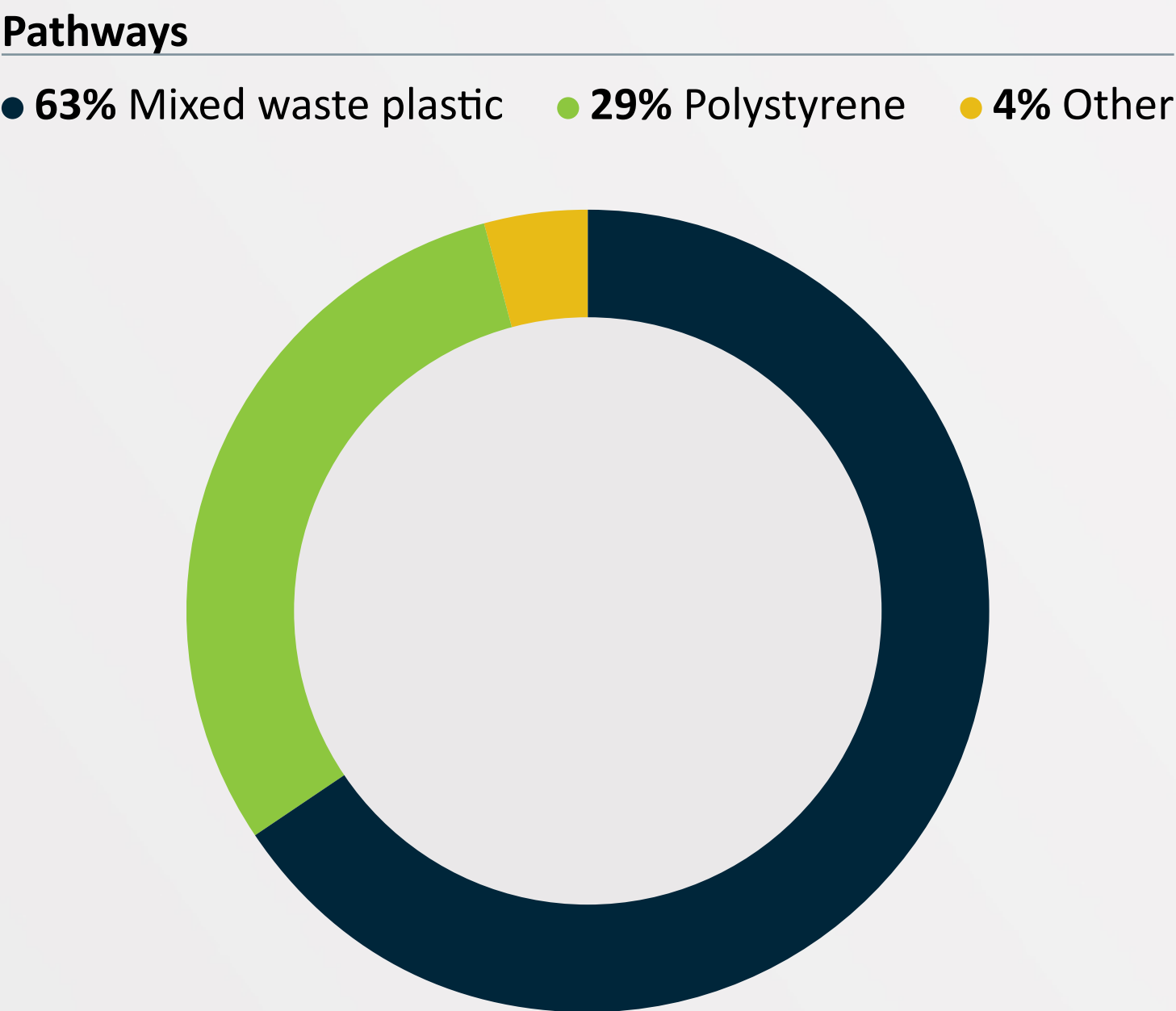
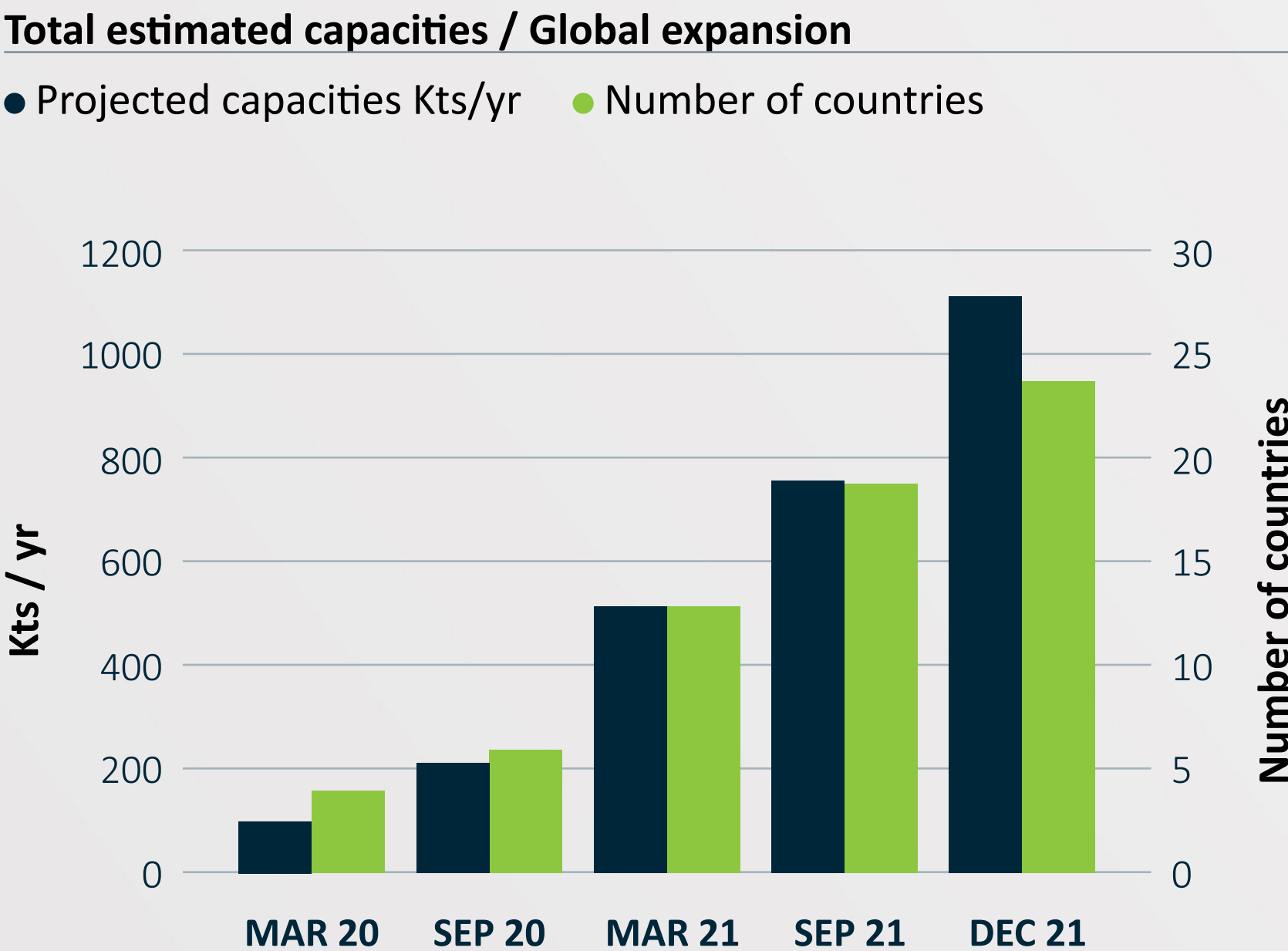
**Cyclyx:** 75/25 between Agilyx and ExxonMobil

- Feedstock management system with comprehensive waste database
- Lowers the cost of feedstock
- Provides Agilyx with royalties for every kg of waste sourced





# rapid expansion in business development pipeline



Identified as high priority:

**24 Projects**

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Total potential capacities:

**~1,100 Kts/yr**

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Locations:

**24 countries**  
**05 continents**



# Agilyx

## partners &

## operating

## milestones

Agilyx continues to bring chemical recycling technology to a growing number of like-minded international partners committed to solving the issue of plastic waste.







# Agilyx 2021 operating milestones

## December 8

[Mitsubishi Chemical and Agilyx Announce Successful Trial Results for Advanced Recycling Collaboration](#)

Agilyx and Mitsubishi share successful results of a full-scale production trial for polymethyl methacrylate (PMMA; commonly called acrylic) depolymerization.

## September 13

[Agilyx Patent for Chemical Recycling of Polystyrene Expanded to Include all Waste Plastics](#)

Agilyx is granted a patent continuation for its process of breaking down waste polystyrene into its chemical building block, styrene monomer.

## August 23

[Agilyx and Kumho Petrochemical Assess a Chemical Recycling Facility to Produce Raw Material for Tires out of Post-Use Plastic](#)

Agilyx and Kumho Petrochemical announce a collaboration to explore the development and construction of a chemical recycling project in South Korea.

## July 27

[Agilyx Technology Provides the Capability to Recycle Hundreds of Thousands of Tons of Previously Unrecyclable Flame Retardant Insulation](#)

Agilyx reaches milestone, which allows for the recycling of brominated flame retardant-laden polystyrene into high purity styrene monomer for direct use in downstream products.

## July 13

[Agilyx Announces First Ever Recycled Monomer Food Contact Packaging on Store Shelves](#)

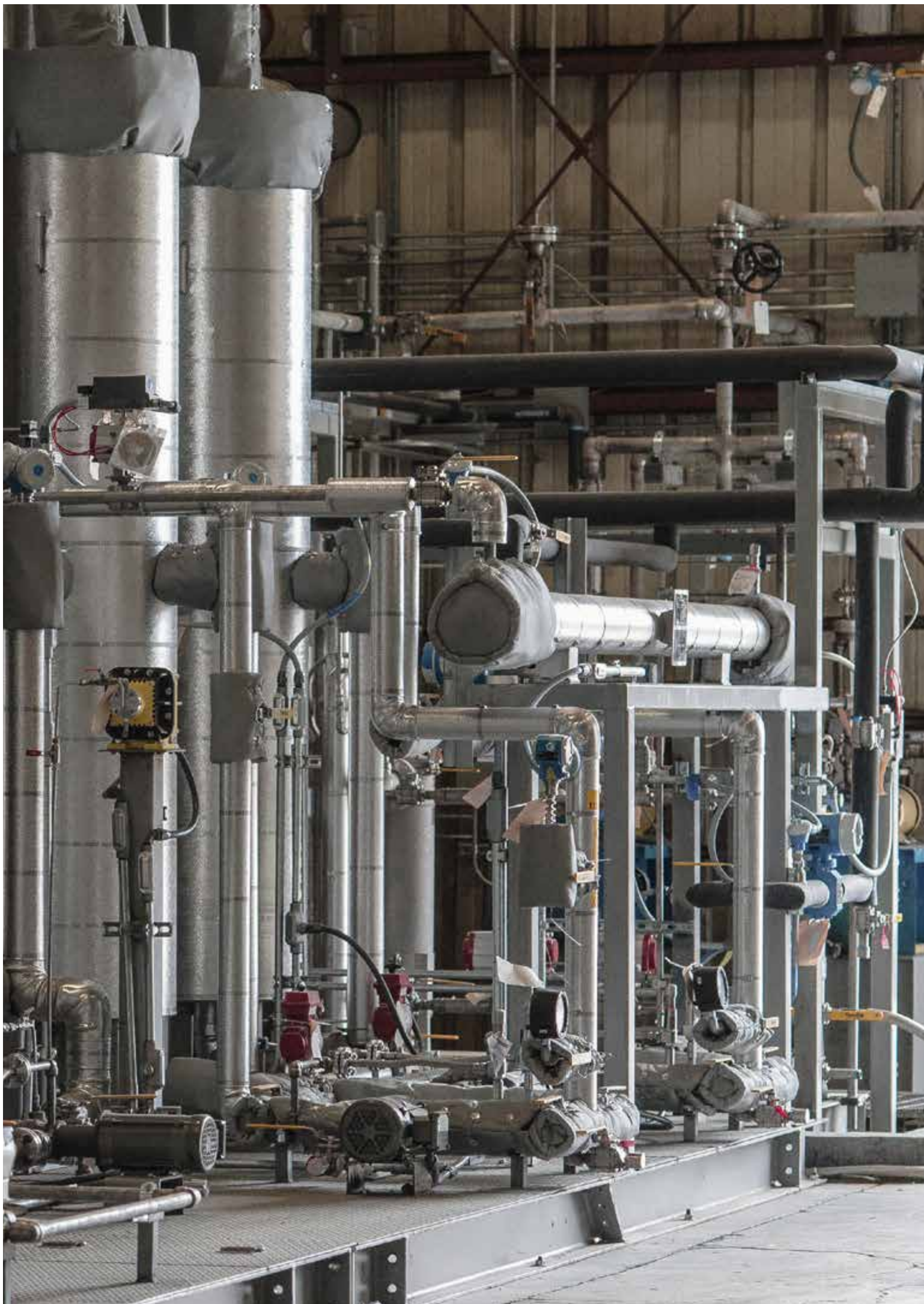
Agilyx reaches significant milestone for food contact packaging, producing recycled styrene monomer that is successfully used for the manufacture of yogurt pots, and demonstrating that depolymerization technology can provide the building blocks needed to create new, virgin-quality plastics, without the need for harvesting new fossil fuels.

## July 3

[Technip Energies collaborate with Agilyx to accelerate and scale-up the implementation of its polystyrene recycling technology](#)

Technip and Agilyx partnership accelerate the implementation of





Agilyx's technology for the chemical recycling of post-use polystyrene.

#### **July 1**

##### [Agilyx Announces Major Operating Milestone](#)

Agilyx surpasses 16,000 hours of commercial operations at its ISCC PLUS certified chemical recycling operations in Oregon, converting 4,400 tons of mixed waste plastic and polystyrene waste.

#### **April 8**

##### [AmSty and Agilyx Announce Collaboration to build Chemical Recycling Facility](#)

AmSty and Agilyx announce plans to build a 50 to 100 ton-per-day chemical recycling facility located at AmSty's styrene production facility in St. James, Louisiana – a next generation expansion of Agilyx's chemical recycling technology already in use at

its Regenyx joint venture operating in Tigard, Oregon.

#### **March 24**

##### [Agilyx Announces Approval of European Patent](#)

European Patent Office grants a patent for the proprietary process for polishing Agilyx Synthetic Crude Oil, underscoring Agilyx's commitment to bringing its technological expertise and IP knowledge to the European market.

#### **March 5**

##### [Maire Tecnimont Group's NextChem and Agilyx Sign an Agreement for the Global Deployment of Chemical Recycling Projects Based on Pyrolysis](#)

The partnership combines Agilyx's pyrolysis chemical recycling technology, with NextChem as a technology and Engineering, Procurement, and Construction partner.

#### **February 25**

##### [Agilyx and ExxonMobil Announce Establishment of Cyclyx to Supply Plastics Recycling Industry](#)

Agilyx's expertise in plastics recycling, combined with the scale of ExxonMobil, represents an entirely new proposition on how we handle plastic waste.



# Cyclyx

## members &

## operating

## milestones

Cyclyx's innovative partner-driven model breaks the cycle that has kept recycling from reaching its full potential. By working with partners to source, collect and pre-process large volumes of waste plastic, Cyclyx can redirect more plastic into recycling and boost plastic circularity.

During 2021, Cyclyx established an Executive Advisory Board (EAB) to ensure that the company has a deep understanding of stakeholder viewpoints from across a broad set of perspectives and is responding to trends, opportunities and challenges in society. The Cyclyx EAB includes thought leaders with expertise in public policy, sustainability, stakeholder engagement, consulting, innovation, recycling and the circular economy. The group meets regularly and advises Cyclyx management on a broad range of subjects.







# Cyclyx 2021 operating milestones

## December 15

[Cyclyx developing first of its kind specialized high volume plastic recovery facility on Gulf Coast to support chemical recycling](#)

Cyclyx announces development of a first-of-its-kind plastic recovery facility to process waste plastics for committed offtake associated with chemical recycling projects on the Gulf Coast.

## April 6

[Cyclyx receives ISCC PLUS certification for its circular recycling pathway](#)

Cyclyx obtains certification through the International Sustainability and Carbon Certification Plus (ISCC PLUS) process for its post-use plastic management systems, providing customers

assurance that the plastic feedstock acquired for their processes satisfies conditions of being post-use and are traceable and auditable.

## March 29

[Cyclyx establishes Executive Advisory Board to represent diverse stakeholder perspectives](#)

Cyclyx adds plastics industry experts Steve Russell and Paul Turner to its EAB, bringing valuable experience to help drive mission of increasing recycling of post-use plastic.

## February 25

[Agilyx and ExxonMobil announce establishment of Cyclyx to supply plastics recycling industry](#)

This combines Agilyx's expertise in plastic waste conversion with ExxonMobil's technology expertise and large-scale petro-chemical manufacturing network.

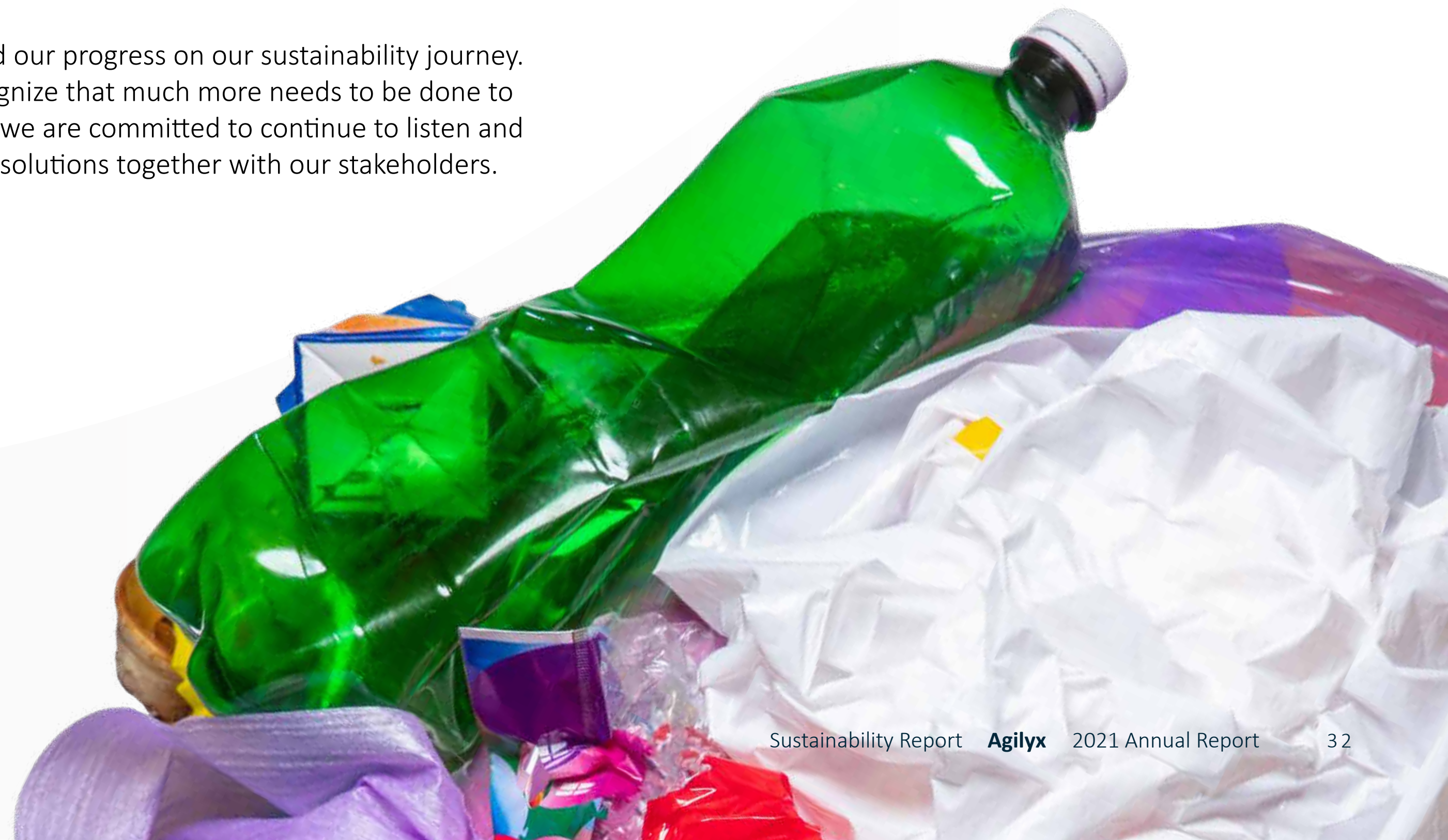


# sustainability report

At Agilyx, circularity and sustainability are foundational principles upon which our business is built.

As part of our commitment to transparency, we incorporate sustainability and ESG metrics into our annual reporting process.

During 2021, we continued our progress on our sustainability journey. At the same time, we recognize that much more needs to be done to make plastics circular, and we are committed to continue to listen and collaborate as we develop solutions together with our stakeholders.





# sustainability & our mission

Agilyx's mission and core business align with two critical global environmental priorities: addressing the plastic waste crisis and climate change.

Our technologies provide solutions that will help shift our world from a linear to a circular economy, and transition to a low-carbon future. Working with our customers, we are creating fully circular models where plastics can be used and recycled again and again.

During 2021, Cyclyx accelerated its pioneering model to create a new part of the value chain: a member-driven consortium that will source and deliver post-use plastic feedstock to enable recycling solutions for all types of post-use plastics.

## experts say:

“Advanced recycling technologies can expand the scope of materials we can recycle, help preserve the value of resources in our economy, and bridge the gap between the supply and demand for high-quality recycled plastics, like food-grade plastic.”

Closed Loop Partners report:  
“[Transitioning to a Circular System for Plastics](#),” November 17, 2021



# making the circular economy real

At its most basic level, the circular economy is about eliminating waste and reusing resources rather than discarding them. During 2021, circular thinking became more widely embraced in economies around the world, including in the U.S. with the launch of the [EPA's National Recycling Strategy](#).

Shifting to a circular economy means moving away from the linear economics that have been in place since the industrial revolution, with its paradigm of take/make/discard. The new circular economy thinking focuses on redesign, reuse and recycling.

When it comes to circular pathways for plastics specifically, chemical recycling technology is a key enabler of circularity. Chemical recycling returns post-use plastics to their basic components and allows those components to be reused in chemical processes that would otherwise have used virgin materials. The process

keeps the existing molecules – and the carbon – in use.

By building more circular pathways with chemical recycling, we can keep more plastics out of landfills and the environment. Furthermore, increasing recycled content in products will reduce the use of fossil resources like oil and gas, thereby conserving our natural resources.

Circular approaches will be essential to address the climate crisis. In its November 2021 report, "[Transitioning to a Circular System for Plastics](#)," Closed Loop Partners highlighted the role of advanced recycling in decarbonizing our economy: "Together with mechanical recycling, these two systems can symbiotically help decarbonize manufacturing and the plastics economy."

When it comes to the plastic waste crisis and climate challenges, there are no silver bullets. These are complex

systemic challenges, and complex problems require a diverse set of solutions.

Agilyx supports a broad and multi-pronged approach, including mechanical recycling and chemical recycling, as well as improved infrastructure, redesign of packaging for reuse and recyclability, new business models, collaboration with non-governmental organizations (NGOs) and the value chain, forward-thinking public policy and regulations, and sustained consumer engagement and education.

The people of Agilyx are committed to developing technologies that contribute to a more sustainable world. As society searches for circular and sustainable solutions to the plastic waste crisis, we hear the calls to redesign and rethink – and we are inspired to address those challenges.





# Agilyx sustainability goals

During 2021, Agilyx announced sustainability goals in three critical goal areas:

- Circular/environmental
- Climate
- Societal







## goal 1: circular / environmental

Agilyx is committed to accelerating the transition to a more circular economy, while minimizing the environmental footprint of its processes.

- Deliver Agilyx technology for partners to build new commercial scale chemical recycling facilities that enable the conversion of at least 1500 tons per day of post-use plastic annually by 2030.

Progress: Agilyx is on track to exceed its goal for volume of new recycling facilities by 2030. As of December 2021, the Group projected that its business development pipeline is anticipated to reach 500-600 tons per day in operation by 2025-26.

- Through Cyclyx, divert post-use plastic that was destined for landfill incineration/environment and redirect it to chemical recycling:

- 650,000-900,000 tons annually by 2025-2026 (upgraded from previous goal of 300,000 tons annually).
- 3,000,000 tons annually by 2030.
- Drive our long-term vision to increase the rate of plastics recycling from 10% to 90%.

Progress: Cyclyx is on track to exceed its goal for volumes of post-use plastic

diverted from landfill and redirected to chemical recycling. As of December 2021, forecast demand from existing Cyclyx customers exceeds 6.5 million tons per year, and projected volumes of feedstock shipped to Cyclyx members are anticipated to increase 180% between 1Q and 4Q 2022.





## goal 2: climate

The climate crisis demands urgent action from all sectors, and Agilyx is committed to doing its part. It is a critical challenge for the global economy to transform away from a fossil-fuel basis and transition toward a low-carbon economy. Chemical recycling can play a key role in this transition by providing lower-carbon fuels, making more plastics circular, and producing high quality plastics with a lower greenhouse gas footprint.

We committed to the following goal targets:

→ Develop and publish a climate change strategy for Agilyx by year end 2022, including:

- Identify and disclose future impact (including both opportunities and risks) of climate change on the Group.
- Identify strategies and actions to mitigate climate-related impacts of Agilyx technology, including quantifying and disclosing GHG footprint and energy efficiency of our chemical recycling processes.
- Identify strategies and actions to support transition to a low carbon economy.

Progress: The Group is on track to publish a climate strategy by year-end 2022.





## goal 3: societal

Collaboration is essential in understanding different perspectives and developing sustainable solutions. Agilyx is working to expand and deepen its collaborations with diverse stakeholder groups and to create a more inclusive work environment.

In addition to establishing corporate social responsibility policies, Agilyx committed to the following societal goal targets:

- Collaborations
  - Establish five new collaborations with institutions, government authorities, NGOs, and associations by 2025, to help bring practical solutions to address the global plastic waste crisis (vs baseline of 2019)

Progress: During 2021, Agilyx announced it joined Chemical Recycling Europe, an industry association dedicated to promoting and implementing innovative solutions that the chemical recycling of plastic waste offers to benefit our economy and society. In early 2022 Agilyx announced its collaboration with Sustainable Medicines Partnership, a not-for-profit private-public collaboration executing projects to make the use of medicines more sustainable and less wasteful. The Group is on track to meet its goal for collaborations by 2025.

- Gender equity
  - Ensure that at least 50% of new appointees to the Board of Directors are women during 2021-2023.

- Achieve representation of women on Board of Directors to 33% by 2025.
- Achieve representation of women on executive team to 33% by 2025.

Progress: During 2021, Agilyx appointed one new member of the Board of Directors, a woman. Currently, women comprise 25% of the Agilyx Board and 25% of the Agilyx executive team.



# key sustainability highlights/ milestones 2021

## March 2021

Agilyx contributed to a report by sustainability firm Good Company: “[Comparison of Pyrolysis-Based Advanced Recycling Air Emissions to Common Manufacturing Emissions](#).” Air emissions from pyrolysis-based chemical recycling facilities in the U.S. were found to be well below EPA permitting requirements, and similar or lower than those from other common facilities, such as hospitals, college campuses, food processing, and auto manufacturing. Chemical recycling facilities are regulated by the federal Clean Air Act and state and local regulatory authorities ensure that the facilities must meet strict criteria for operating.

## April 2021

[Cyclyx receives ISCC PLUS certification for its circular recycling pathway](#). The ISCC PLUS certification provides Cyclyx customers assurance that the plastic feedstock acquired for their processes satisfies conditions of being post-use and are traceable and

auditable. The distinction certifies Cyclyx as a circular pathway point of origin and allows Cyclyx customers to use mass balance accounting to attribute post-use plastics to the production of their certified circular plastics and other products.

## July 2021

[Life Cycle Analysis \(LCA\) findings were unveiled for chemical recycling of polystyrene \(PS\)](#). Agilyx participated in the analysis led by Styrenic Circular Solutions and performed by the leading research institute Neue Materialien Bayreuth (NMB) based in Germany, contributing data on our depolymerization process technology. The results indicate that High Impact Polystyrene (HIPS) granules made from post-use feedstock produced by chemical recycling saves approximately 75% of CO2 emissions compared to producing polystyrene from virgin raw materials with incineration with energy recovery as the materials final disposition.



### November 2021

Agilyx hired its first sustainability director, Mike Medvik.

### November 2021

[Agilyx joint venture Regenyx transitioned its Tigard, Oregon facility to a Renewable Energy Credit \(REC\) program](#), offsetting its energy usage through the purchase of credits for 100% renewable wind energy. This commitment to renewable energy sources supports a transition to a low-carbon economy, which is in line with Agilyx sustainability goals to mitigate climate-related impacts of its operations and disclosing the environmental footprint and energy efficiency of its circular recycling processes

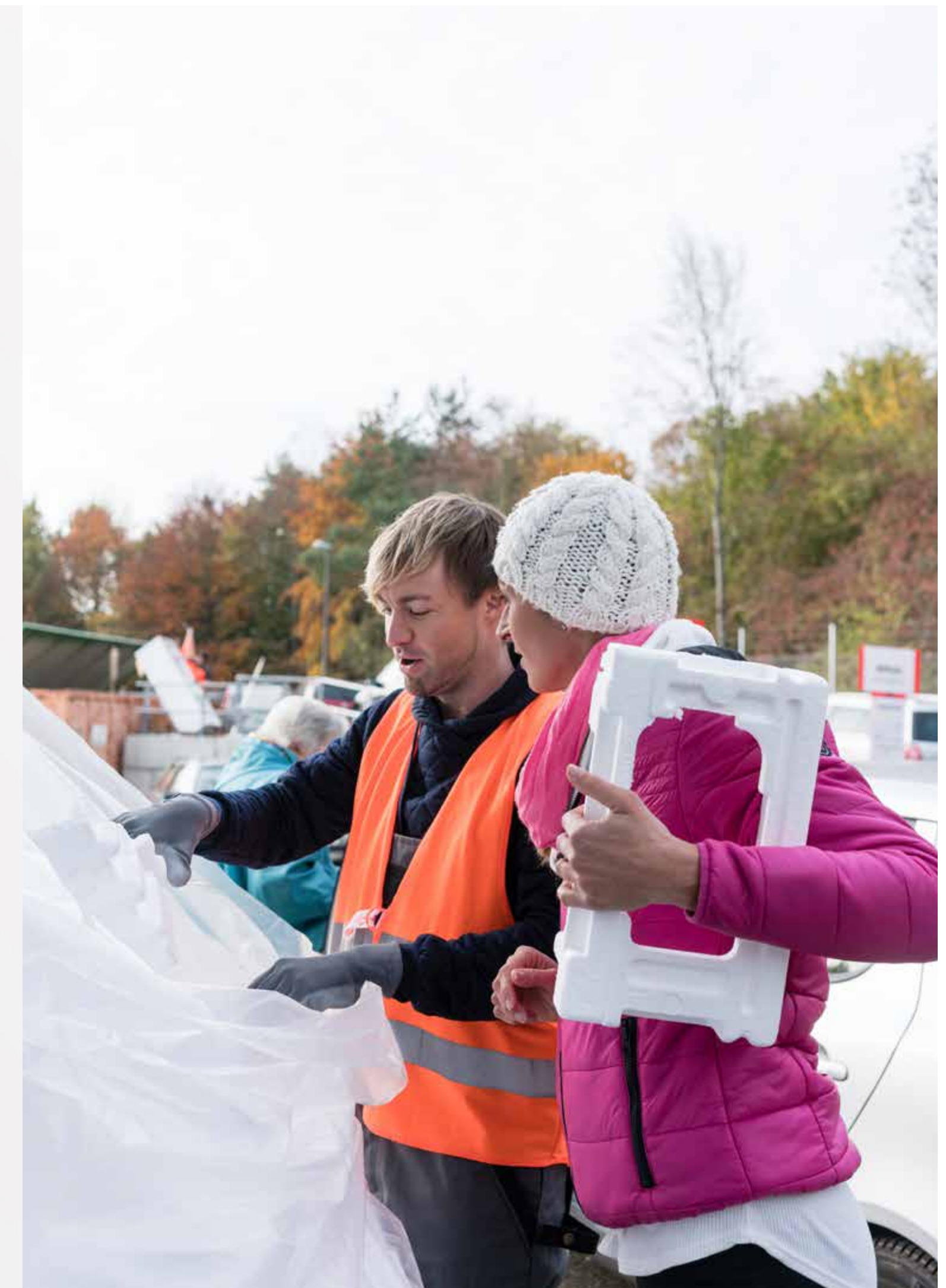
### December 2021

Employees at our Portsmouth and Tigard offices collected non-perishable food and personal care items throughout the month of December. All collected items in Portsmouth were donated to

[Gather](#), a Portsmouth-based non-profit organization committed to ending local hunger through collaboration and leadership. Items collected in the Tigard office were donated to the [Oregon Food Bank](#), a statewide non-profit organization with a mission to end hunger and its root causes.

### Throughout 2021

For residents of the Portland metro area, Cyclyx continued to provide an essential service as a recycling drop-off point throughout 2021. The Cyclyx drop-off location saw a 59% year-over-year increase in 2021 resulting in a significant increase in the collection of polystyrene from the community.







# supporting local recycling and non-profits

For local small businesses and non-profits who are finding innovative ways to help consumers recycle more plastic, Cyclyx offers a free and reliable outlet for post-use polystyrene.

Together with our joint venture, Regenyx, we offer a free, 24-hour public drop box where community members can drop off polystyrene for recycling. Cyclyx has provided guidance and education for collecting polystyrene as well as logistical

and promotional assistance to collection events organized by local neighborhood groups, businesses and schools throughout 2021.

To support expanded recycling opportunities throughout the state of Oregon, Cyclyx continued to work with Oregon Metro, providing staff to process the polystyrene waste that is collected at the city’s polystyrene recycling drop off area at the Metro South transfer station in Portland.






## education and outreach

Agilyx has provided internships for local college students to learn new trades and potentially work toward joining the Group.

While the pandemic continued to limit our opportunities for in-person tours and educational programs, Agilyx continued to offer virtual tours of our facilities for government officials and university students, as well as online presentations delivered to students with an interest in engineering and environmental studies.

Agilyx, through Cyclyx, sponsored Grace Art Camp, a program dedicated to creating awareness through art, culture and storytelling in a process-oriented environment for children ages 4-12.





# Agilyx climate strategy

**Agilyx recognizes that climate change has and will continue to have significant impacts on the environment, which has prompted regulations limiting the emission of greenhouse gases (GHG).**

Continued efforts by companies and governments to mitigate climate change and shift to a low-carbon economy will create business opportunities for Agilyx. As a technology company with a primary business model of licensing pyrolysis process technology to chemical companies and materials manufacturers, Agilyx contributes to the move toward a low-carbon economy by enabling our partners to shift from fossil-based raw materials to using recycled plastic as a feedstock.



Electrification is an increasingly important strategy for addressing climate change, and Agilyx is at the forefront of this. Agilyx's process technology has been designed for electrical power operations from the start, which is a key selling point for our licensing customers who want operations that can be powered by renewable electricity.

Recent studies and life cycle analyses by research institutions and companies indicate the potential for the GHG footprint of plastics and low-carbon fuels made from Agilyx technology to be significantly lower than traditional manufacturing processes for virgin plastics and fuels made from fossil-based oil and gas. However, additional research is needed and is underway to confirm these initial indications. Agilyx is one of several organizations supporting further research into the environmental impact of chemical recycling technology.

Agilyx engineers are working to quantify its GHG footprint and expect to complete this initial analysis during the second quarter of 2022. Agilyx will continue to build capacity and define its internal processes to ensure its inventory is relevant,

complete, consistent, transparent and accurate. Agilyx does not currently report its Scope 1 or Scope 2 GHG emissions but will do so in the future as it works toward verification.

Throughout 2021, the Agilyx and Regenyx teams continued their work to reduce the environmental impact of our technologies by:

- Improving the energy efficiency of our pyrolysis processes.
- Designing ways to capture thermal value to return it back to the process.
- Continuing to refine our processes to minimize and avoid flaring of byproducts.
- Finding commercial uses for carbon residue and other byproducts.
- Procuring renewable energy credits for our Tigard, Oregon Regenyx operation to further support our transition to a lower-carbon economy.

## experts say:

“Molecular recycling is uniquely positioned to upcycle lower-quality plastics to high-quality outputs that maintain high economic value because the technologies purify the polymer or change the plastic waste at a molecular level. The industry can reduce the need for fossil fuel extraction for virgin plastics by bridging the gap between the demand for and supply of high-quality recycled plastic.”

Closed Loop Partners report:

“[Transitioning to a Circular System for Plastics](#),” November 17, 2021



# management approach and methodology

The business case for sustainability reporting is clear at Agilyx. Our stakeholders expect full engagement by the Group on sustainability and environmental activities. Agilyx is committed to increasing transparency and working toward a more robust ESG reporting program. We take it seriously and are taking action.

The CEO and Board of Directors of Agilyx strongly support and are leading the Group's commitment to sustainability. They set the tone at the top and provide oversight and direction for the Group's sustainability roadmap and strategy, as well as its commitment to increasing transparency.

The Group actively focuses on the United Nations Sustainable Development Goals (UNSDGs), which represent the world's agenda for a more inclusive and sustainable world. In preparing this year's report, Agilyx reviewed its business' alignment with the UNSDGs.

We also reviewed our stakeholder groups, stakeholder analysis, and materiality matrix to determine any adjustments needed for 2021. Agilyx's list of stakeholders was expanded to reflect the broader value chain participation of Cyclyx, which is now fully operational as of 2021. In addition, the materiality matrix was adjusted to elevate the priority of climate issues, as these are a critical concern to our stakeholders.

This sustainability report and the process to develop it were informed by the Global Reporting Initiative (GRI), although the report itself does not meet the requirements for a full GRI-aligned report. The Group is currently building a more comprehensive ESG data management system, which will enable further ESG disclosures in future years' reports.



An aerial photograph of a city landscape. In the foreground, a multi-lane highway with a complex interchange and several roundabouts is visible, with cars and trucks moving through it. To the left of the highway are several tall, modern apartment buildings. To the right, there are more residential buildings, some with balconies, and a large green field or park area. The background shows a dense urban area with many smaller buildings and trees. The lighting suggests it might be late afternoon or early morning, with long shadows and warm tones.

## scope

This sustainability report covers Agilyx’s wholly owned operations, as well as the majority-owned Cyclyx. This sustainability report includes reference to Agilyx employees who are assigned to support Regenyx, our 50-50 joint venture with Americas Styrenics, as well as employees of Cyclyx. The report also includes some references to our Tigard, Oregon facility, which encompasses operations and assets wholly owned directly by Agilyx, majority owned by Cyclyx, and owned by Regenyx. However, this sustainability report does not include environmental or other disclosures for the Regenyx joint venture, except where specifically noted.

This sustainability report focuses on sustainability progress and opportunities during 2021 and early 2022: quantitative data covers January 1, 2021 to December 31, 2021 unless otherwise noted.



# sdg mapping

**United Nations Sustainable Development Goals (UNSDGs) are the blueprint to achieve a better and more sustainable future for all.**

Agilyx mapped the UNSDGs not only to our own business, but also to our value chain. This approach helps us understand to which UNSDGs Agilyx and Cyclyx can most significantly contribute.

Agilyx has identified five SDGs as most directly relevant to the Group's mission, value chain and stakeholders:





### #8 Decent work and economic growth

Agilyx and Cyclyx are creators of high quality “green jobs” that are part of transforming our economy for a better future.



### #9 Industry, innovation and infrastructure

Agilyx and Cyclyx are part of a broader effort to innovate and transform waste management systems to become more circular, through investment in recycling access and infrastructure.



### #11 Sustainable cities and communities

Cyclyx is engaged with solid waste management authorities and governments, creating partnerships that will expand recycling in cities and communities.



### #12 Responsible consumption and production

Agilyx directly supports the goal to reduce waste generation through prevention, reduction, recycling and reuse. Chemical recycling technology from Agilyx can be a key contributor in the move towards a circular economy, with a focus on sustainable resource use and turning waste into value.



### #13 Climate action

Agilyx and the chemical recycling sector are aligned with the transition to a low-carbon economy. Chemical recycling can reduce society’s reliance on fossil fuels. Plastics made from post-use feedstock have a lower greenhouse gas footprint than traditional virgin plastics made from fossil sources like oil and natural gas.

Two additional SDGs are areas where Agilyx and Cyclyx enable our value chain partners to contribute, by proving new pathways for managing post-use plastics in a more circular way:



### #14 Life below water

Our customers and partners – including packaging companies, consumer goods companies, brands and retailers, as well as waste management authorities – are working to minimize plastic in the oceans and waterways by diverting post-use plastics toward chemical recycling.



### #15 Life on land

By creating pathways to divert post-use plastic that would have been sent to landfill, Agilyx and Cyclyx enable efforts within our value chain to reduce plastic pollution on land.



# stakeholders & materiality

For the purposes of developing our sustainability program, Agilyx engages with a broad range of stakeholder groups.





## Employees

Our employees are inspired by our mission to provide a technological solution to recover plastics previously thought to be unrecyclable.

## Local communities near our facilities

Agilyx strives to be a good neighbor by providing recycling services, partnering with local small businesses, and demonstrating openness:

- We engage through our drop-off services, community events, partnership with local organizations, charitable contributions, and social media.

## Value chain partners

Chemical and plastics companies, waste management and recycling companies, transport companies, joint venture partners, converters/packaging companies, and brand owners. These companies look to Agilyx to provide

proof-of-concept for chemical recycling technology, to bring innovative business models to the marketplace, and to rapidly scale up to commercial volumes. Additional Cyclyx value chain partners include its member companies, retail, and institutions:

- We engage with our value chain partners for business development, joint projects and commercial activities through in-person and virtual meetings, email, phone calls, facility tours and audits, video conferences, and participation in conferences.
- Plastic producers are under pressure to provide their customers and brand owners with products that contain more recycled content. Value Chain partners of Agilyx are most interested in the effectiveness, reliability, and efficiency of Agilyx chemical recycling technology, the opportunity to scale up and expand capacity more rapidly, and our

ability to innovate and apply Agilyx technology to create chemical recycle pathways for more types of plastics. Brand owners want to buy larger volumes of high-quality recycled plastic and to reduce the greenhouse gas footprint of their consumer products.

## Government, regulatory bodies and municipalities

Agilyx values our interactions with local, state, and national government officials, and is committed to regulatory compliance as well as participation in policymaking related to chemical recycling. Cyclyx works with a growing number of municipalities that are interested in expanding their plastic recycling programs:

- We engage through webinars, in person and virtual meetings, regulatory filings, tours of our facility in Oregon (virtual and in person), on-site visits, audits and

regulatory inspections. We also engage in policymaking through our industry trade associations.

## Industry & trade associations

Agilyx is active in associations that represent chemical recycling companies in the USA and Europe:

- We engage through our membership in organizations like the Advanced Recycling Alliance for Plastics, the American Chemistry Council, the Association of Plastics Recyclers, and Chemical Recycling Europe.





→ Industry associations play a critical role in building awareness of the benefits of advanced plastics recycling technologies and building broad support for chemical recycling technologies through an expanding network of allies.

#### **Shareholders & investment community**

Our investor relations program helps ensure that all participants in the financial markets have access to accurate, clear, relevant and complete information about the Group's performance and market position:

→ We engage with investors through in-person and virtual meetings, regular investor conference calls, webinars, investor disclosures including those on OsloBors NewsWeb, and the investor section of our website. Our investor relations team receives and responds to requests for

information. Consistent with our disclosure policy, we make our investor communications available on the Investor section of our website.

#### **Non-Governmental Organizations (NGOs) and institutions**

NGOs represent an important sector of society and include environmental advocates, academic and technical institutes, foundations and research organizations – all of which have interests in the circular economy:

- We engage with NGOs and institutions through direct interaction, as well as through industry trade associations. Interactions include meetings, conferences, educational events and collaboration projects.
- We interact with institutions such as universities and federal research labs that are engaged in

technical studies related to chemical recycling by providing information and contributing technical data to their research.

- We also actively track key publications and studies by NGOs and Institutions.

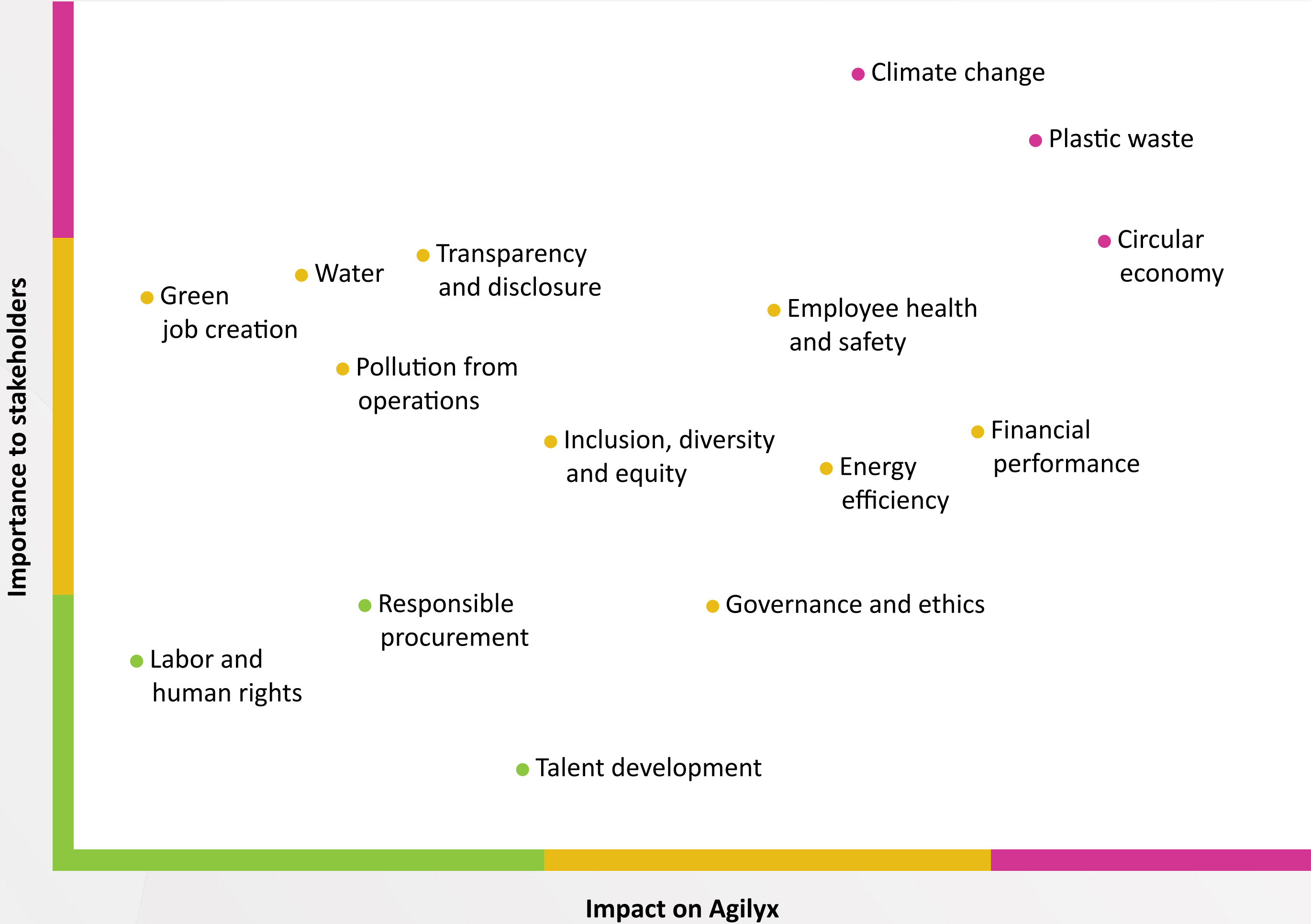




# materiality matrix

Our materiality matrix identifies the sustainability topics that are most important to our stakeholders and our company. This year we updated our materiality matrix to elevate the importance of climate issues, in light of the increased focus on this topic by all stakeholders during 2021.

- Critical focus
- Priority
- Action





# disclosures

Through participation in the Portland General Electric (PGE) Green Energy Future program, Regenyx not only demonstrates their commitment to a lower-carbon economy, but also helps drive demand for new renewable energy sources. Additionally, the Green-e® Energy certification associated with the program provides assurances and verification that the renewable energy credits meet the nonprofit Center for Resource Solution (CRS) standards.

Agilyx's Tigard Site is proud to support a clean energy future by choosing [PGE's Green Future<sup>SM</sup> Enterprise renewable option](#). By making a commitment to renewable energy, we're part of the global shift to new renewable energy sources.



## Electricity/Energy Supply by Source

As of year end 2021 for Agilyx/Cyclyx/Regenyx in Tigard, Oregon

● 100% Wind



**General Location**  
Local (OR, WA, and ID)  
and national wind

**100% Total**  
Green-e Energy  
certified new  
renewables



# employee health and safety

A healthy work environment contributes to greater engagement and increased job satisfaction for employees, which ultimately is important for continued success of the Group.

Agilyx has a strong commitment to worker safety and zero injuries is our goal. All plant operators are required to complete safety training upon hiring and on a regular basis, and every employee is required to follow safety protocols and policies. Employees are encouraged to immediately report any unsafe situations or conduct to the employee’s manager or human resources.

In 2021, there were three OSHA-recordable illnesses: two COVID-19 workplace transmission cases and a heat-related illness during a period of higher than usual temperatures. There were two OSHA-recordable injuries: a hand injury while performing routine maintenance on a piece of process equipment and a minor cut while preparing a laboratory sample. In all

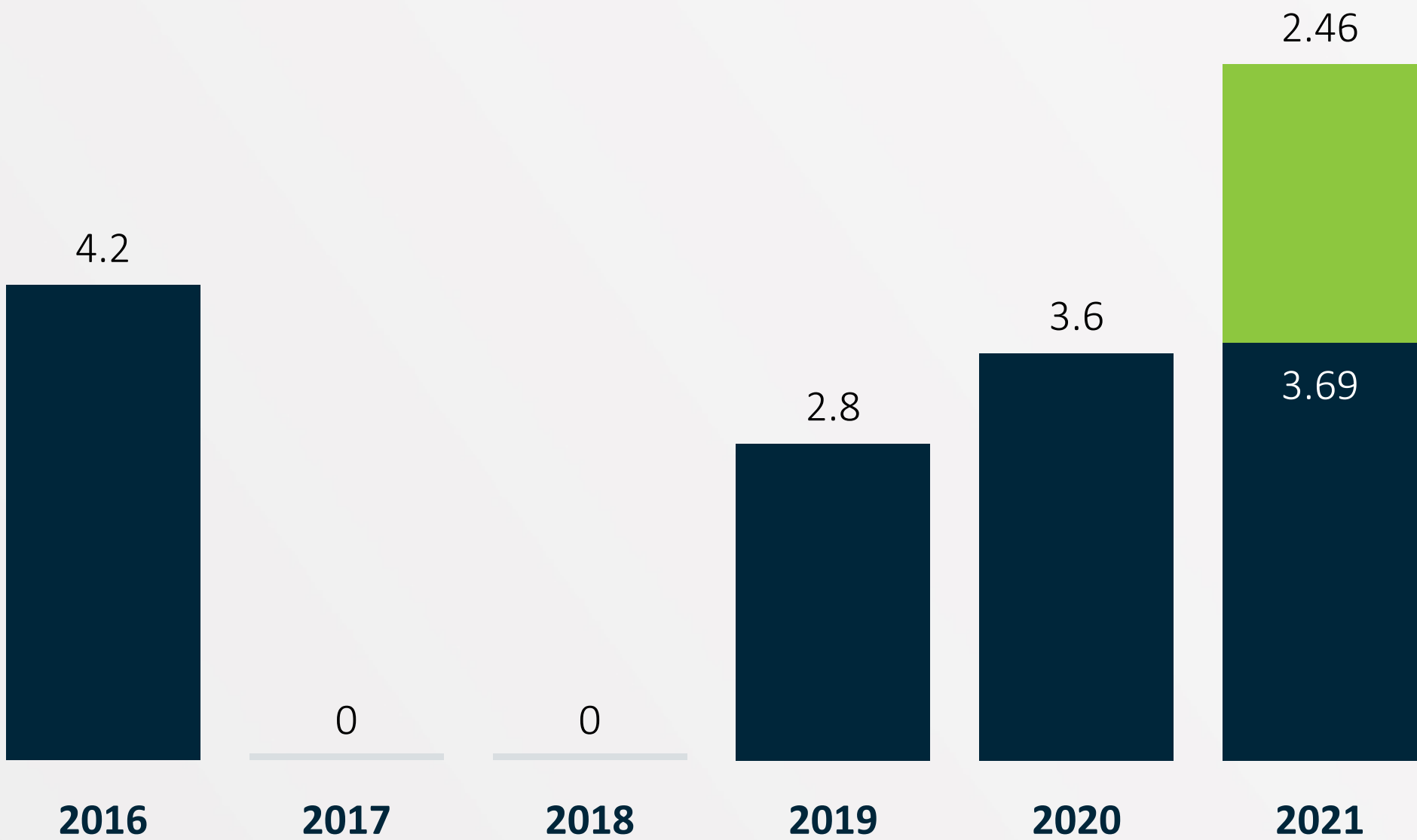
cases, the employees fully recovered with no lasting effects from the illnesses or injuries.

### Safety performance (employees)

- 6.15 OSHA recordable rate in 2021.
- 0 severe injuries in 2021.
- As of year-end 2021, Agilyx employees worked more than 90 days without a Lost Time Injury. Prior to that incident, Agilyx employees worked more than five years without a Lost Time Injury.
- For OSHA recordable rate for years 2016-2021, see bar chart.

OSHA Recordable Rate: Injuries and illnesses per 200,000 hours worked

● OSHA Rate ● OSHA-Recordable Covid-19 Cases





# workforce development

Agilyx is an equal opportunity employer and is committed to creating a positive workplace environment for employee success.

Agilyx is committed to the principles of diversity, equity and inclusion. The Group provides equal access to training and career development regardless of gender, religion, beliefs or nationality, and is committed to non-discrimination in all recruiting and employment practices.

The Group has a range of policies that ensure appropriate behavior in the workplace. These policies prohibit violence, abuse and sexual harassment, and protect employees from retaliation. Agilyx also has policies on anti-trafficking, anti-forced labor and anti-child labor, among others.

\$9,829,306

Total workforce payroll in 2021

### Gender balance

● Female ● Male

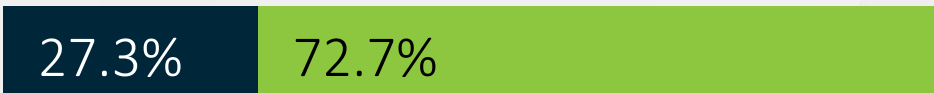
#### Board of Directors



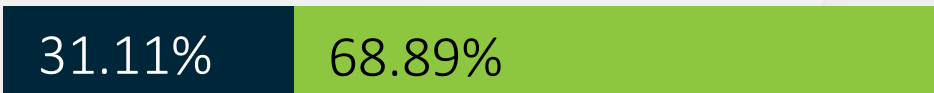
#### Executive Management



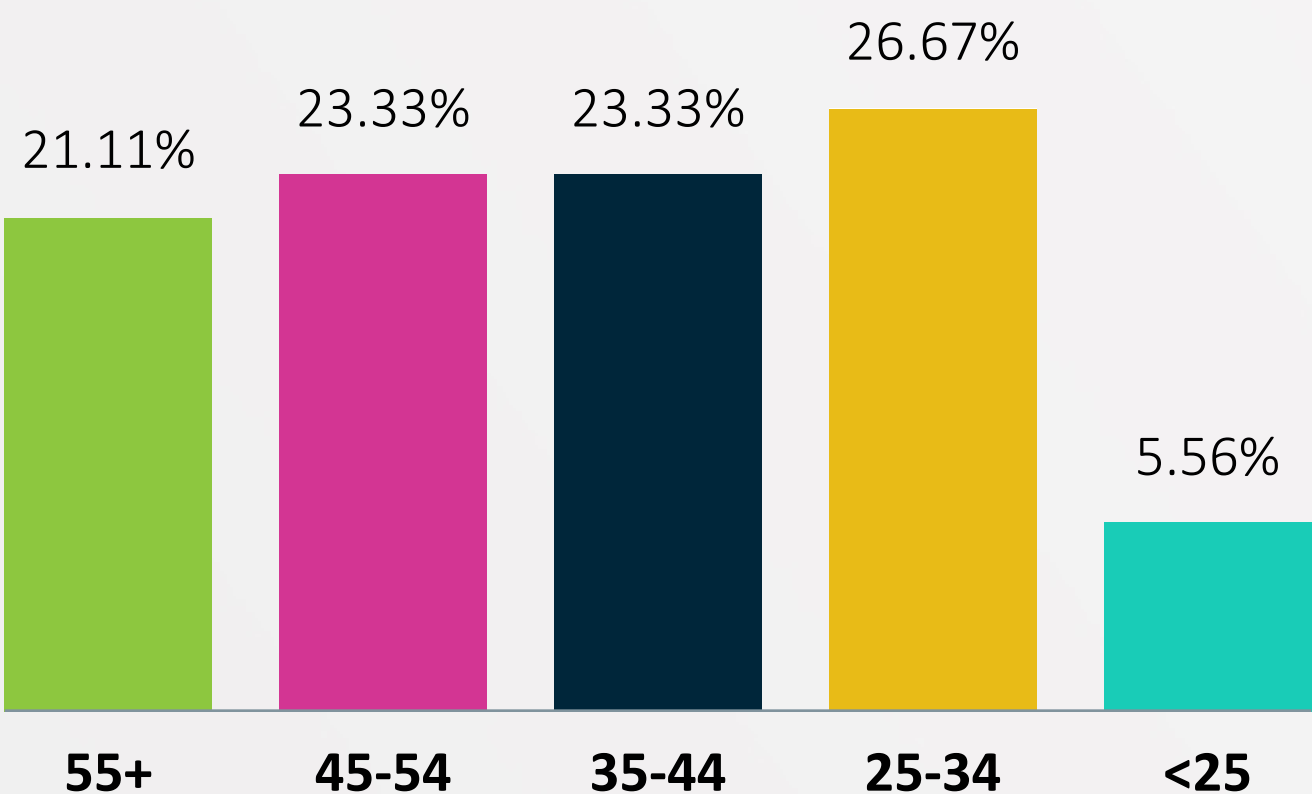
#### Management / Supervisors



#### Workforce



### Workforce by age

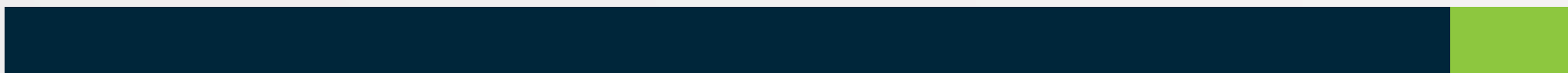


### Employment policies

Agilyx provides each employee with a Company Handbook that includes policies. In addition, Agilyx Corporate Responsibility Policies are posted publicly on [Agilyx.com](https://www.agilyx.com)

### Total employees by country/region

● 83 U.S. ● 7 Europe



90 Total employees

47 Percent increase in employees

35 New hires in 2021

14 Turnover in 2021



# governance

**The Board of Directors of Agilyx has responsibility for oversight of Agilyx’s governance and sustainability program, as well as enterprise risk management.**

The CEO and Executive Management Team are responsible for implementing company strategy including sustainability goals and programs. The Board of Directors has three committees, each with a chair: (1) Audit Committee, (2) Compensation Committee and (3) Environmental, Sustainability and Governance (ESG) Committee. The full Board of Directors has responsibility for nominating activity related to the committees. The Board and ESG Committee reviews ESG trends affecting the Group, ESG progress and public reporting at least annually.







## esg policies

Policies are a foundational element of Agilyx's ESG program. Our corporate governance policies, which address a range of ESG topics, are posted on our website as part of our commitment to disclosure and transparency. These policies apply to all Agilyx entities and employees globally.

During 2021, the Group adopted [three new policies](#): Anti-Corruption and Anti-Bribery Policy, Supplier Code of Conduct, and Anti-Harassment and Anti-Bullying Policy.

In addition, the Group updated policies including its Code of Ethics and Business Conduct, which all employees are required to acknowledge.

We are consistently reviewing our policies as good corporate practice. All employees are expected to be familiar with these policies and to report any concerns or policy violations to human resources or a member of management.



financials

AGILYX AS PARENT AND CONSOLIDATED INCOME STATEMENT					
For the Period Ended December 31 (Amounts in USD).					
PARENT				GROUP	
2020	2021	Note	Operating revenue and operating expenses	2020	2021
-	-	2	Revenues	4,336,151	4,889,227
-	-	3	Cost of revenues	2,441,487	4,825,819
-	-		Gross margin	1,894,665	63,408
-	-		Research and development	1,505,752	2,252,214
-	-		Sales and marketing	412,285	1,097,922
384,988	792,270	7	General and administrative	6,668,667	12,412,710
384,988	792,270	3	Total operating expenses	8,586,704	15,762,846
-384,988	-792,270		Operating profit/(loss)	-6,692,040	-15,699,438
Financial income and financial expenses					
-	-	6	Result from investment in joint venture	-3,248,453	-2,077,130
-	-		Interest expense	-277,823	-134,039
87,032	-15,757		Other financial income (expense), net	82,218	707,841
87,032	-15,757		Net financial items	-3,444,058	-1,503,328
-297,956	-808,027		Net result for the year with minority interest	-10,136,098	-17,202,766
-	-		Less: Minority interest	-	958,467
-297,956	-808,027		Net Majority result for the year	-10,136,098	-16,244,299



**AGILYX AS PARENT AND CONSOLIDATED BALANCE SHEET**

As of December 31 (Amounts in USD).

PARENT			ASSETS	GROUP	
2020	2021	Note	Non-current assets	2020	2021
-	-	4	Intangible assets	4,577,180	4,398,430
-	-	5	Property, plant and equipment	349,288	896,619
-	-	6	Investment in joint venture	1,608,846	1,509,988
59,998,959	78,920,887	11	Shares in subsidiaries	-	-
-	-		Other non-current assets	98,555	35,802
<b>59,998,959</b>	<b>78,920,887</b>		<b>Total non-current assets</b>	<b>6,633,869</b>	<b>6,840,839</b>
			Current assets		
-	-		Accounts receivable	9,064	1,669,890
-	6,939		Prepaid expenses and other current assets	165,165	525,895
28,721,621	11,307,524		Cash and cash equivalents	38,898,928	19,570,154
<b>28,721,621</b>	<b>11,314,463</b>		<b>Total current assets</b>	<b>39,073,157</b>	<b>21,765,939</b>
88,720,580	90,235,350		<b>Total assets</b>	45,707,026	28,606,778
			Liabilities and stockholders' equity		
			Equity		
83,365	86,222	8, 9, 10	Common stock	83,365	86,222
88,328,914	89,051,450		Share premium	88,328,914	89,051,450
174,875	1,096,803		Additional paid-in capital	174,875	1,096,803
<b>88,587,154</b>	<b>90,234,475</b>		<b>Total paid-in equity</b>	<b>88,587,154</b>	<b>90,234,475</b>
-297,956	-1,105,983		Uncovered loss	-51,376,050	-67,620,349
-	-		Minority	2,000,000	1,041,533
<b>88,289,198</b>	<b>89,128,492</b>	<b>12</b>	<b>Total equity</b>	<b>39,211,104</b>	<b>23,655,659</b>
			Liabilities		
			Non-current liabilities		
-	-	14	Long-term notes payable	875,000	-
-	-	14	Other long-term liabilities	591,091	37,229
-	-		<b>Total non-current Liabilities</b>	<b>1,466,091</b>	<b>37,229</b>
			Current liabilities		
-	-		Accounts payable	627,429	1,447,148
72,289	84,438		Accrued expenses and other current liabilities	510,112	818,437
359,094	1,022,420	11	Payables to group companies	-	-
-	-	15	Deferred revenue	1,896,848	1,376,452
-	-	14	Current portion of notes payable	1,995,443	1,271,853
<b>431,383</b>	<b>1,106,858</b>		<b>Total current liabilities</b>	<b>5,029,831</b>	<b>4,913,890</b>
<b>431,383</b>	<b>1,106,858</b>		<b>Total liabilities</b>	<b>6,495,922</b>	<b>4,951,119</b>
<b>88,720,580</b>	<b>90,235,350</b>		<b>Total liabilities and stockholders equity</b>	<b>45,707,026</b>	<b>28,606,778</b>

Oslo, Norway, April 26, 2022

Peter Norris  
Chair

Ranjeet Bhatia  
Board Member and General Manager (Parent)

William K. Caesar  
Board Member

Carolyn Clarke  
Board Member

Catherine C. Keenan  
Board Member

Preben Rasch-Olsen  
Board Member

Tim Stedman  
Board Member, CEO, Agilyx

Joe Vaillancourt  
Board Member, CEO, Cyclyx



## AGILYX AS PARENT AND CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended December 31 (Amounts in USD).

PARENT			GROUP	
2020	2021		2020	2021
-297,956	-808,027	Net loss	-10,136,098	-17,202,766
-	-	Depreciation	217,131	271,644
-	-	Result from investment in joint venture	3,248,823	2,077,130
-	-	Stock based compensation	174,875	921,928
-	-	Debt forgiveness	-	-769,400
-	-	Accounts receivable	240,936	-1,660,826
431,383	675,476	Accounts payable and accrued liabilities	177,268	1,128,044
-	-6,939	Prepaid expenses and other assets	-84,076	-360,730
-	-	Other timing differences	-774,569	-389,651
<b>133,426</b>	<b>-139,490</b>	<b>Net cash from operations</b>	<b>-6,935,710</b>	<b>-15,984,627</b>
-11,214,253	-18,000,000	Cash contribution from parent to subsidiaries	-	-
-	-	Cash from Agilyx Corp at inversion	-	-
-	-	Regenyx investment funding	-3,253,790	-1,978,272
-	-	Purchases of property and equipment	-263,444	-640,225
<b>-11,214,253</b>	<b>-18,000,000</b>	<b>Net cash from investments</b>	<b>-3,517,234</b>	<b>-2,618,497</b>
-	-	Proceeds from government programs	779,400	-
39,716,312	-	Proceeds from private stock offering	39,716,312	-
-	-	Proceeds from Cyclyx member contributions	8,000,000	-
86,136	725,393	Increases in share capital	86,136	725,393
-3,407	-	Share capital paid back at formation	-3,704	-
-	-	Repayment of notes payable	-1,573,716	-1,451,043
<b>39,799,041</b>	<b>725,393</b>	<b>Net cash from financing</b>	<b>47,004,428</b>	<b>-725,650</b>
28,718,214	-17,414,097	Net increase (decrease) in cash and cash equivalents	36,551,484	-19,328,774
		Cash and cash equivalents Agilyx Corp at inversion	2,344,037	-
3,407	28,721,621	Cash and cash equivalents at beginning of the period	3,407	38,898,928
28,721,621	11,307,524	Cash and cash equivalents at end of the period	38,898,928	19,570,154





# Note 1: Accounting Policies

## **Agilyx AS is a Norwegian company and the parent company in the Agilyx Group**

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statements are presented in USD, as it is considered to be the functional currency.

Agilyx AS was incorporated on November 22, 2019 as a shelf company and there was no activity in 2019. Agilyx AS became the parent of the Agilyx Group through a reorganization in early January 2020. The Group was reorganized such that the shareholders of Agilyx Corporation contributed their shares in Agilyx Corporation for shares in Agilyx AS resulting in Agilyx Corporation becoming a 100%

owned subsidiary of Agilyx AS. The transaction was accounted for as an inverse acquisition using continuity on Agilyx Corporation book values in the consolidated Group statements. However, the underlying business of the Agilyx Group has been in existence since 2004. Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP).

## **Principles of consolidation**

The consolidated financial statements include the accounts of Agilyx AS and its subsidiaries Agilyx Corporation, Agilyx GmbH, Agilyx ApS and Cyclyx International, LLC. The cost price of shares and partnership units are eliminated against the equity in the underlying companies.

All intercompany accounts and transactions are eliminated in consolidation. Agilyx Corporation holds 50% in Regenyx LLP, an investment under joint control and accounted for under the equity method.

## **Revenue**

Revenue is recognized when it is earned, i.e. when the claim to remuneration arises. This occurs when both the risk and control have been transferred to the customer or the service is performed. The revenue is recognized with the value of the remuneration at the time of transaction. Revenues from the sale of goods are recognized at the time of delivery and when the risk of ownership is transferred to the buyer. License revenues are recognized when the license is delivered and the rights



are transferred to the buyer. Revenues related to project developments are recognized over the contract period using percentage of completion as the method for measuring the revenue.

#### **Cost of sales and other expenses**

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. Agilyx recognizes cost of revenues for those employees and personnel involved in the delivery of services to customers, along with materials and equipment to support those services. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate. The consolidated income statement presents costs according to function. Costs classified by nature are presented in Note 3.

#### **Valuation and classification of assets and liabilities**

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value. Non-current assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Non-current assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

#### **Research and development expenses**

Research and development costs are expensed as incurred.

#### **Intangible assets**

Intangible assets that are acquired separately are recognized at historical cost. Intangible assets acquired in a business combination are recognized at historical cost when the criteria for balance sheet recognition have been met. Intangible assets with a limited economic life are amortized on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits do not exceed the carrying amount and any remaining development costs.

#### **Property, plant and equipment**

Fixed assets are recorded in the balance sheet at acquisition cost, less accumulated depreciation and

any impairment losses. Depreciation is made from the time assets are put into regular operations and is calculated on straight line basis over the estimated economic asset lifetime. Depreciation rates are set out in Note 5. This period's depreciation is charged to this year's operating expenses in the income statement.

#### **Investment in joint venture**

In the consolidated financial statements, the equity method is used as a principle for investments in joint venture. Use of the method means that the book value in the balance sheet corresponds to the share of equity in the associated company, adjusted for any remaining excess values from the acquisition and unrealized internal gains. The profit share in the income statement is based on the share of profit after tax in the associated company and is adjusted for any depreciation of surplus values



and unrealized gains. In the income statement, the profit share is shown under financial items.

**Subsidiaries**

Investments in subsidiaries are valued at cost in the company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

**Leases**

Agilyx differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other

leases are classified as operational leases. When a lease contract is classified as a financial lease and Agilyx is the lessee, the rights and obligations relating to the leasing contracts are recognized in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an ordinary operating cost. For 2021 and 2020, all of the Group’s leases were classified as operational leases.

**Receivables**

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is

based on an individual assessment of each receivable.

**Cash and cash equivalents**

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

**Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period,

have been eliminated. The deferred tax asset has not been recognized as it does not meet the criteria for such recognition. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

**Stock-based compensation**

The Company accounts for stock- based compensation in accordance under NRS 15A – Share-based payment (and IFRS 2 Share-based payment). This standard requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the grant. The Company recognizes stock-based compensation expense over the vesting period of the awards on a straight-line basis.

The weighted-average expected option term for employee awards is based



on the simplified method, which uses the average of the vesting period and contractual life of the underlying options. The expected option term for non-employee awards is the contractual life of the award. The risk-free interest rate is based on the USA Treasury rates in effect during the corresponding period of grant. Estimated volatility is calculated based on the historical volatility of similar entities whose share prices are publicly traded.

#### **Independent subscription rights**

Agilyx Corporation has granted warrants in connection with various debt and equity issuances that were exercisable into common stock. In connection to the share exchange that was completed January 7, 2020, these warrants were replaced with subscription rights where Agilyx AS issued 36,925 (3,692,500 after share split 1:100) subscription rights

exercisable by notice to the Board of Directors. Upon exercise, a cash contribution of \$100 (\$1 after share split) shall be paid for the warrants under the 2017 plan in Agilyx Corporation, and \$0.01 (0.00 after share split) for all other warrants. The subscription rights were issued by an extraordinary general meeting held August 27, 2020. Warrants are recognized at fair value at the date of the original grant.

#### **Foreign currency translation**

Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Foreign currency exchange gains and losses generated from the settlement and remeasurement of these transactions are recognized in earnings and presented within “Other financial income (expense), net” in the Company’s Income Statement.

#### **Cash flow**

The cash flow statement is prepared according to the indirect method.

#### **Use of estimates**

The preparation of audited consolidated financial statements in conformity with NGAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the audited consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates are associated with recording accounts receivable, inventories, intangible assets, long-lived assets, revenue recognized in accordance with the percentage of completion method and stock-based compensation expense. The Company bases its estimates on historical experience

and various other assumptions, including in certain circumstances future projections that management believes to be reasonable under the circumstances. Although the Company regularly assesses these estimates, actual results could differ from those estimates. Changes in estimates are recorded in the period in which they occur and become known.



NOTE 2: REVENUES

The activities of Agilyx are considered to include one segment only. No sales were recognized in the parent company Agilyx AS in 2020 and 2021.

GEOGRAPHICAL DISTRIBUTION OF REVENUES	GROUP	
	2020	2021
Europe	774,600	428,689
USA	2,097,750	3,894,758
APAC	1,331,326	463,826
Other	132,475	101,954
Total sales by customers location	4,336,151	4,889,227
Product category	2020	2021
Project development	2,049,600	2,786,855
License, membership and royalty fees	2,154,076	131,458
Sale of goods	132,475	1,970,914
Total sales by category	4,336,151	4,889,227

NOTE 3: OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement. Below are the total operating expenses presented by nature. The parent company’s operating expenses included fees related to its function as parent.

OPERATING EXPENSES CLASSIFIED BY NATURE	GROUP		PARENT	
	2020	2021	2020	2021
Raw materials and consumables	686,885	1,577,866		
Salaries and related costs	5,326,657	10,310,171		
Depreciation and amortization	217,131	271,643		
Other operating expenses	4,797,518	8,380,938	384,988	792,270
Total expenses	11,028,191	20,588,665	384,988	792,270



NOTE 4: INTANGIBLES

INTANGIBLE ASSETS INCLUDE THE FOLLOWING CONTRACTS	LICENSED TECHNOLOGY	EXCLUSIVITY LICENSE	TOTAL
Balance at January 1, 2020	-	-	-
Additions at cost from Agilyx Corp	3,575,000	1,188,378	4,763,378
Prior periods accumulated amortization	7,448	-	7,448
Amortization 2020	178,750	-	178,750
Acc. amortization as of December 31, 2020	186,198	-	186,198
Balance as of December 31, 2020	3,388,802	1,188,378	4,577,180
Amortization 2021	178,750	-	178,750
Balance as of December 31, 2021	3,210,052	1,188,378	4,398,430
Economic life	20	4	

As Agilyx AS was formed in January 2020, the values at cost at year end 2019 in Agilyx Corporation are presented as additions at cost from Agilyx Corp. The amortization related to the additions for the corresponding periods are presented as prior periods accumulated amortization.

In December 2019, the Company entered into an agreement to purchase technology under a license contract. The purchase price of the technology was \$3,575,000, and it is being amortized on a straight-line basis over the estimated life of the technology through December 2039. Amortization expense under the license agreement totaled \$178,750 for the years ended 2020 and 2021.

In December 2019, the Company entered into a Technology Transfer and License Agreement with another vendor to develop customized artificial intelligence models (“AI Models”) and products relating to feedstock management and operating assets optimization. Licenses for the models have been granted for 15 years with the first 4 years of exclusivity. Amortization of the contract will start when the deliveries under the contract is completed and in service.

NOTE 5: PPE

PROPERTY, PLANT AND EQUIPMENT COSTS	LEASEHOLD IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
At cost January 1, 2020	-	-	-
Additions at cost from prior periods	215,327	261,984	477,311
Additions 2020	12,161	251,283	263,444
At cost December 31, 2020	227,488	513,267	740,755
Additions 2021	488,381	151,843	640,224
At cost December 31, 2021	715,869	665,110	1,380,979
DEPRECIATION			
Accumulated depreciation prior periods	215,327	137,758	353,085
Depreciation for the year	2,674	35,708	38,382
Accumulated depreciation December 31, 2020	218,001	173,466	391,467
Depreciation for the year	4,002	88,891	92,893
Accumulated depreciation December 31, 2021	222,003	262,357	484,360
Net book value December 31, 2020	9,487	339,801	349,288
Net book value December 31, 2021	493,866	402,753	896,619
Economic life	Contract period	3-20 years	

As Agilyx AS was formed as a group in January 2020, the values at cost at year end 2019 in the 100% owned subsidiary Agilyx Corporation are presented as Additions at cost from prior periods. The depreciation related to the additions for the corresponding prior periods are presented as Accumulated depreciation prior periods.

Machinery and equipment include computers, furniture, fixtures and other equipment. Leasehold improvements relates to the lease of facilities in the US which expires in 2029. All tangible assets are depreciated on a straight line basis over the expected useful life.

OPERATING LEASES			
LOCATION	OPERATION BENEFITED	LEASE EXPIRATION	ANNUAL COMMITMENT
Tigard, OR	Agily/Cyclyx/Regenyx	April, 2024	236,146
Portsmouth, NH	Cyclyx	September, 2029	39,264
Portsmouth, NH	Agilyx/Cyclyx	March, 2023	66,975



NOTE 6: INVESTMENT IN JOINT VENTURE

Agilyx holds a 50% interest in Regenyx. Regenyx was formed in April 2019 and shares its operation space with Agilyx and Cyclyx in Tigard, OR.

For the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. Commencing after this twenty-four month period and ending on the five year anniversary of Regenyx’s formation, under certain conditions Agilyx is subject to a contractual obligation to purchase all of AmSty’s equity investment in Regenyx at the option of AmSty (“put option”). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. At the date of this report, no events has occurred that will initiate the purchase of AmSty’s investment in Regenyx.

CALCULATION OF BALANCE SHEET VALUE	TOTAL
Share of equity at inversion	1,603,509
Share of result for the year	-3,248,453
Paid-in to joint venture	3,253,790
Balance sheet value as of December 31, 2020	1,608,846
Share of result for the year	-2,077,130
Paid-in to joint venture	1,978,272
Balance sheet value as of December 31, 2021	1,509,988

NOTE 7: SALARIES

SALARY AND SOCIAL COSTS	GROUP		PARENT	
	2020	2021	2020	2021
Salaries	3,636,264	8,191,615	-	339,532
Social security and payroll tax costs	386,828	-463,210	-	50,230
Stock based compensation	174,875	921,928	-	-
Pension costs	28,341	136,681	-	18,584
Benefits and other expenses	1,100,349	1,042,292	-	-
Total salaries	5,326,657	9,829,306	-	408,346
Number of average full time employees	53	81	0	2

Parent related salaries and benefits are cross-charged to Agilyx Corp as those costs are deemed to benefit those operations.

Agilyx AS is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company’s pension scheme complies with the requirements under that law. Agilyx GmbH, Switzerland has a mandatory pension arrangement for all employees through a state run system. The arrangements is defined as contribution plan. Agilyx has no pension arrangements in any of its other entities. This is in line with the corresponding local legislation of its operations.

DIRECTORS REMUNERATION	SALARY	OTHER BENEFITS	TOTAL
Timothy Stedman, CEO	487,618	80,670	568,288
Board of Directors	116,455	-	116,455

The CEO’s salary and benefits is related to all of 2021, additionally, the CEO receives his salary from Agilyx GmbH, Switzerland.  
Tim Stedman has a severance agreement whereby he will receive 100% pay for 6 months for termination by the Company without cause.

REMUNERATION TO AUDITOR	GROUP			PARENT	
	PREVIOUS AUDITOR 2020	CURRENT AUDITOR 2020	CURRENT AUDITOR 2021	CURRENT AUDITOR 2020	CURRENT AUDITOR 2021
Audit fees	48,711	44,763	88,685	14,998	30,935
Confirmation services	-	8,900	4,957	8,900	4,957
Tax services	-	200	3,206	200	3,206
Other non-audit services	26,935	16,628	15,442	16,628	15,442
Total fees	75,646	70,491	112,290	40,726	54,540



**NOTE 8: COMMON STOCK WARRANTS**

The Company has granted warrants in connection with various debt and equity issuances. The following table reflects the total of outstanding warrants as of December 31, 2021 that are exercisable into common stock:

	NUMBER OF COMMON SHARES	EXERCISE PRICE PR SHARE - USD	EXPIRATION
Common stock warrants converted to subscription rights	2,447,200	1.00	2022-2024

**NOTE 9: STOCK OPTIONS**

STOCK OPTION PLAN	STOCK OPTION ACTIVITY			
	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE CONTRACTUAL TERM (YEARS)	AGGREGATE INTRINSIC VALUE
Balance as of December 31, 2019	7,838,000	\$0.06	6.2	\$ -
Share authorized				
Options granted	6,179,700	1.42		
Options exercised	-1,390,800	0.06		
Options forfeited/expired	-444,500	0.06		
Balance as of December 31, 2020	12,182,400	\$0.75	8.39	50,556,190
Share authorized				
Options granted	1,793,750	3.52		
Options exercised	-2,192,946	0.12		
Options forfeited/expired	-350,580	4.94		
Balance as of December 31, 2021	11,432,624	\$1.17	7.81	33,223,561
Options vested and expected to vest as of December 31, 2021	11,432,624	\$1.17	7.81	33,223,561
Options Exercisable	5,841,162	\$0.49	6.89	20,953,248
	2020		2021	
Intrinsic Value of Options Exercised During the Period	\$-		\$8,706,073	
Shares (Options) Authorized in Pool:				
2020 Plan	15,000,000		1,426,800	
Shares Granted Life-to-Date	-14,017,700		-1,793,750	
Forfeitures/Expirations	444,500		350,580	
Options Available as of December 31	1,426,800		-16,370	

The 2020 plan became effective as of June 4, 2020. Prior to this date Agilyx Corp had implemented a 2009 Stock Incentive plan. The 2009 plan was considered null and void after the effective date of the 2020 plan, but were replaced with new options in the new plan. The total number of shares that may be issued under this plan are 15,000,000 shares. If an option expires, terminates or is cancelled, the unissued shares subject to that option shall again be available under the Plan.



NOTE 10: SHAREHOLDERS

Shareholders as of December 31, and shares held by the CEO and board members. Shares and options held by the CEO and members of the Board of Directors.

	2021	
Citibank	38,507,400	49.7%
Six Sis AG	6,342,165	8.2%
Clearstream Banking S.A.	4,557,699	5.9%
Merrill Lynch	3,642,400	4.7%
MP Pension PK	1,870,351	2.4%
Sundt AS	1,806,700	2.3%
Morgan Stanley & Co. Int. Plc.	1,437,798	1.9%
BNP Paribas Securities Services	1,296,246	1.7%
JPMorgan Chase Bank	1,146,177	1.5%
Caceis Bank	1,057,477	1.4%
Others	15,868,533	20.5%
Total	77,532,946	100.0%

Ordinary shares include 77,532,946 shares at par value NOK 0.01

	2020	
Citibank, N.A.	38,440,500	51.3%
SIX SIS AG	6,350,574	8.5%
Merrill Lynch	3,642,400	4.9%
Clearstream Banking S.A	2,808,002	3.7%
Sundt AS	2,156,700	2.9%
MP Pensjon PK	1,946,200	2.6%
DNB Markets	1,455,522	1.9%
BNP Paribas	1,423,988	1.9%
Delphi Nordic	1,308,406	1.7%
Citibank, N.A.	806,200	1.1%
Others	14,564,008	19.4%
Total	74,902,500	100.0%

Ordinary shares include 74,902,500 shares at par value NOK 0.01

SHARES AND OPTIONS HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS				
NAME	TITLE	OPTIONS GRANTED	SHARES OWNED	NOTE
Timothy Stedman	CEO and board member	2,893,900	67,200	1)
Ranjeet Bhatia	GM and board member	5,000	92,700	2)
Joe Vaillancourt	Board member	1,877,700	-	3)
Preben Rasch-Olsen	Board member	5,000	166,800	4)
Peter Norris	Board member	10,000	156,645	5)
William Caesar	Board member	5,000	25,300	6)
Catherine Keenan	Board member	3,750	-	7)

Note: **1)** The CEO has received options to purchase shares as a part of the total compensation package. The exercise price for each share is \$1.06. Additionally, Mr Stedman has personally acquired 67,200 shares. **2)** Mr. Bhatia is a member of the board, represents Saffron Hill Ventures, controls 92,700 shares and was granted 5,000 options with an exercise price of \$2.95. **3)** Mr. Vaillancourt is a member of the board and former CEO having 1,877,700 options with an exercise price of \$0.06. **4)** Mr. Rasch-Olsen is a member of the board, represents Carucel Holding, controls 166,800 shares and was granted 5,000 options with an exercise price of \$2.95. **5)** Mr. Norris is chair of the board, represents Virgin Group Holdings Limited, controls 156,645 shares and was granted 10,000 options with an exercise price of \$2.95. **6)** Mr. Caesar is a member of the board, represents Generate Capital, controls 25,300 shares and was granted 5,000 options with an exercise price of \$2.95. **7)** Mrs. Keenan is a member of the board and was granted 3,750 options with an exercise price of \$2.95.



NOTE 11: SHARES IN SUBSIDIARIES

Agilyx AS has the following shares in subsidiaries as of December 31, 2021

SUBSIDIARY	OFFICE	SHARE	VOTING RIGHTS	EQUITY	BOOK VALUE
Agilyx Corp	Portland, USA	100%	100%	11,786,347	78,757,882
Agilyx GmbH	Zurich, Switzerland	100%	100%	180,699	163,005
Agilyx ApS	Stuckenbergs, Denmark	100%	100%	15,290	-
					78,920,887

RELATED PARTY TRANSACTIONS

**Group level** - During 2021, Cyclyx had \$1.7 million of product sales to ExxonMobile Chemical Co., a minority holder in Cyclyx.

**Parent level**- The parent company, Agilyx AS, has an intercompany payable of \$453,563 to Agilyx Corp and \$568,857 payable to Agilyx GmbH. These inter-group payables represent operating and management costs incurred and or paid at the subsidiary and subsequently recharged to the parent.

**Specific 2021 parent related costs included**- Management charges from Agilyx GmbH \$431,000, Salary related cross-charges to Agilyx Corp \$-408,000

SUBSIDIARY INFORMATION

**Agilyx Corp** - Agilyx Corp was formed in 2004 in Oregon, United States of America. Agilyx Corp became a subsidiary of Agilyx AS by way of a share inversion that took place on January, 2020. The share inversion effectively converted all the shares of Agilyx Corp into shares of Agilyx AS.

**Agilyx GmbH** - Agilyx GmbH was formed in August, 2020 in Zurich, Switzerland. The subsidiary was created to provide additional reach into European markets.

**Cyclyx International, LLC** - Cyclyx International, LLC is a partnership officially formed in the state of Delaware, United States of America on December, 2020. The partnership was formed with ExxonMobil Chemical Corporation (“EMCC”) to develop low cost pathways to recycle plastics. EMCC contributed operational funds while Agilyx Corp contributed technology and know-how that was not revalued due to consolidation within the group accounts.

**Agilyx ApS** - Agilyx ApS was formed in 2021 in Denmark. The subsidiary was created for administrative purposes.



NOTE 12: EQUITY

GROUP EQUITY	COMMON STOCK	SHARE PREMIUM	ADDITIONAL PAID-IN CAPITAL	UNCOVERED LOSS	MINORITY	TOTAL
Balance, January 01, 2020	3,407					3,407
Reduction of common stock	-3,407					-3,407
Capital increase by inversion 1)	51,945	48,557,886		-47,239,952		1,369,879
Proceed from stock offering at time of inversion	11,506	10,758,277				10,769,783
Costs related to stock offering		-646,398				-646,398
Proceeds from stock offering pre-listing	17,529	31,464,308				31,481,837
Costs related to stock offering		-1,888,910				-1,888,910
Proceeds from exercise of stock options	2,385	83,751				86,136
Payment made from minority in Cyclyx Int. LLC				6,000,000	2,000,000	8,000,000
Share option adjustment			174,875			174,875
Net result for the year				-10,136,098		-10,136,098
Balance, December 31, 2020	83,365	88,328,914	174,875	-51,376,050	2,000,000	39,211,104
Proceeds from exercise of stock options and warrants	2,857	722,536				725,393
Share option adjustment			921,928			921,928
Net result for the year				-16,244,299	-958,467	-17,202,766
Balance, December 31, 2021	86,222	89,051,450	1,096,803	-67,620,349	1,041,533	23,655,659

1) The shares in Agilyx Corporation were used for capital increase in the parent company at the inversion. The shares were at the time valued to \$48,609,831. This is in the consolidated statement handled as an inverse acquisition. Assets and liabilities in the subsidiary are therefore not valued to fair value, but carried at book value in the consolidated accounts. Net book value of Agilyx Corporation was \$1,369,879 at the time of inversion.

PARENT EQUITY	COMMON STOCK	SHARE PREMIUM	ADDITIONAL PAID-IN CAPITAL	UNCOVERED LOSS	TOTAL
Balance, January 01, 2020	3,407				3,407
Reduction of common stock	-3,407				-3,407
Capital increase by inversion	51,945	48,557,886			48,609,831
Proceed from stock offering at time of inversion	11,506	10,758,277			10,769,783
Costs related to stock offering		-646,398			-646,398
Proceeds from stock offering pre-listing	17,529	31,464,308			31,481,837
Costs related to stock offering		-1,888,910			-1,888,910
Proceeds from exercise of stock options	2,385	83,751			86,136
Share option adjustment			174,875		174,875
Net result for the year				-297,956	-297,956
Balance, December 31, 2020	83,365	88,328,914	174,875	-297,956	88,289,198
Proceeds from exercise of stock options and warrants	2,857	722,536			725,393
Share option adjustment			921,928		921,928
Net result for the year				-808,027	-808,027
Balance, December 31, 2021	86,222	89,051,450	1,096,803	-1,105,983	89,128,492



**NOTE 13: INCOME TAXES**

**Components of the income tax expense** - There was no provision for income taxes recorded at both the group and parent level for the years ended December 31, 2020 and 2021, respectively.

	GROUP		PARENT	
	2020	2021	2020	2021
<b>Basis for income tax expense</b>				
Result before taxes	-10,136,098	-17,202,766	-297,256	-808,027
Issue costs shares	-2,535,308	-	-2,535,308	-
State benefit	-8,618	-1,300	-	-
Permanent differences	456,995	-2,104,152	-	-
Changes in temporary differences	-615,174	11,269	-	-
<b>Basis for payable taxes in the income statement</b>	<b>-12,838,203</b>	<b>-19,296,949</b>	<b>-2,832,564</b>	<b>-808,027</b>
<b>Deferred tax asset:</b>				
Loss carried forward	35,760,104	45,560,951	623,164	800,930
Research & other credits	2,538,872	2,640,341	-	-
Deferred revenue	-	5,194	-	-
Reserves and accruals	6,510	13,433	-	-
Stock based compensation	-	60,685	-	-
Other	336	336	-	-
<b>Total deferred tax assets</b>	<b>38,305,822</b>	<b>48,280,940</b>	<b>623,164</b>	<b>800,930</b>
<b>Deferred tax liabilities:</b>				
Other intangibles	-35,531	-43,920	-	-
Fixed assets	-20,121	-26,815	-	-
Prepayments	-31,999	-33,766	-	-
Investment in partnership	-183,239	-158,986	-	-
<b>Total deferred tax liabilities</b>	<b>-270,890</b>	<b>-263,487</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets</b>	<b>38,034,932</b>	<b>48,017,453</b>	<b>623,164</b>	<b>800,930</b>
<b>Recognized deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax rate	0%	0%	22%	22%

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Net deferred tax assets totaled \$48,017,453 and in Norway \$800,930 all of which is fully reserved for.

As of December 31, 2021, net operating loss for federal income tax purposes in US of approximately \$162.2 million, portions of which will begin expire in 2030. Total state net operating loss carryforward in US of approximately \$140.5 million, which will begin to expire in 2032. Utilization of some of the federal and state net operating loss and credit carryforwards are subject to annual limitations due to the “change of ownership” provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitations may result in the expiration of net operating losses and credits before utilization. As of the date of the report, such an analysis is still under preparation.

Agilyx Corp also has federal credits for approximately \$1.9 million, which will begin to expire in 2030 and state research credits of approximately USD 0.7 million whose expiration date is not determined. These tax credits are subject to the same limitations discussed above.

Loss carried forward in Norway as of December 31, 2021, of approximately \$3.7 million has no expiration date.



**NOTE 14: NOTES**

(Amounts in USD)

LONG TERM NOTES AND OTHER LONG TERM LIABILITIES	GROUP	
	2020	2021
Long term notes	875,000	-
Accrued interest	250,060	-
Exclusivity license agreement	225,000	-
Project liabilities	61,779	-
Computer leases	54,252	37,229
Total other long term liabilities	591,091	37,229

The notes payable is related to financing of a license agreement and matures in 2022. The current portion of the notes payable amounts to \$1,289,104 and is classified as current liabilities.

The agreed interest rate over the period is 8% p.a

**NOTE 15: DEFERRED REVENUE**

The Company's deferred revenue balances as of December 31, 2020 and 2021 was \$1,896,848 and \$1,376,452, respectively. These balances represents billings in excess of revenue recognized on project related activities that are recognized on a percent complete basis and product shipments billed in advance. The Company has classified this amount as current as it expects to recognize the revenues over the next twelve months. An accounting for the periods presented are as follows:

Balance at inversion	2,887,800
Billings deferred	3,212,724
Revenue recognized	-4,203,676
Ending balance as of December 31, 2020	1,896,848
Billings deferred	4,193,881
Revenue recognized	-4,714,277
Ending balance as of December 31, 2021	1,376,452

**NOTE 16: EVENTS AFTER BALANCE SHEET DATE**

Revolving line of credit- On April 8, 2022, the Company signed a term sheet for a \$5 million line of credit with a Norwegian bank. Stated interest rates on drawn amounts will be LIBOR plus 6% and there are upfront commitment and unused portion fees. The Company has not met certain draw down contingencies and has not yet used the line of credit.

Material contract with customer- On March 30, 2022, the Company entered into a material contract with a customer to sell its proprietary equipment. This contract will cause the Company to place several large purchase orders to meet the contract's various requirements. The Company has negotiated favorable upfront payment terms and believes it can meet the related contingent liabilities as they arise.



To the General Meeting of Agilyx AS

T +47 23 11 42 00  
F +47 23 11 42 01

## Independent Auditor's Report

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### Opinion

We have audited the financial statements of Agilyx AS showing a loss of NOK 808 027 in the financial statements of the parent company and a loss of NOK 17 202 766 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Agilyx AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement 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 Agilyx AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

### 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 laws and regulations 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. 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.

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RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/is a member of Den norske Revisorforening.



## Independent Auditor's Report 2021 for Agilyx AS

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

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements 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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

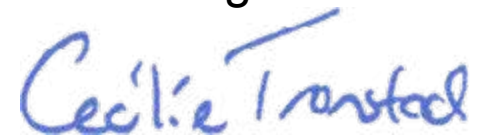
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 26 April 2022

RSM Norge AS

A handwritten signature in blue ink that reads 'Cecilie Tronstad'.

Cecilie Tronstad

State Authorised Public Accountant