



2022
Annual Report

agilyx[®]

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↑ highlights

Introduction from the CEO

Dear Stakeholder,

While we saw the plastics industry continue to grow on pace with expectations in 2022, we also saw an increasing global push—through regulators, businesses, investors, consumers and NGOs—to find solutions to address the massive plastics and climate change crisis we face. There have been many positive movements, including the tightening of government regulations favoring plastic recycling, with the EU and U.K. introducing taxes on non-recycled plastic waste and packaging, and a call for significant recycling infrastructure grants in the U.S.

However, this was balanced by global economic uncertainty as we emerged from the pandemic, a global energy crisis as a result of the war in Ukraine, and supply chain disruptions and inflation that have affected all industries. While this has impacted the pace of change, it has not dampened the conviction around the need to address this issue, and remains shared by many in the wider industry.

Our year in brief

We achieved a number of milestones across the business as we continue to make progress on our mission to solve the challenge of plastic waste.

Agilyx continues to make great progress. Early in the year, we entered construction of our first polystyrene conversion unit for Toyo Styrene in

Japan. The plant will convert post-use polystyrene into a styrene monomer which can then be converted back into high value polystyrene products, which bear a significantly lower carbon footprint than similar products made with virgin monomer. This was an exciting achievement for the teams involved and a milestone in the development of circular plastic pathways.

Together with Technip Energies, we jointly launched TruStyrenyx™, an all-in-one solution for the chemical recycling of polystyrene. Through a combination of Agilyx conversion and Technip Energies' purification technology, this first-of-its-kind solution can produce a recycled styrene monomer with exceptionally high purity. Styrene monomer is used to make numerous plastics and other polymers. The partnership has subsequently signed its first MOU with Kumho Petrochemical, and we are hopeful that this will lead to licensing and construction.

Cyclyx, our feedstock management joint venture, continues to grow as other businesses join our mission. This year, we welcomed 11 new members, including Dow and Velcro, and launched the 10 to 90° mission brand. The 10 to 90° initiative aims to increase recycling of post-use plastics from around 10% to 90% by building new supply chains for hard to recycle plastics.

Change isn't always as simple as it sounds. True change comes through commitment and cooperation, and that is exactly what

the 10 to 90° mission strives to do, building relationships to facilitate the teamwork needed between businesses, communities and individuals to make it happen.

In October, we announced the development of a first-of-its kind plastic waste sorting and processing facility with ExxonMobil and LyondellBasell. The new facility addresses a critical missing link in the plastic waste supply chain by connecting community recycling programs to new and more advanced recycling technologies that have the potential to take a much wider variety of plastic materials. It will be unique among plastic recovery facilities, producing feedstock for both mechanical and advanced recycling. This is the first step towards Cyclyx's goal of processing more than 650,000 metric tons of waste plastic per year by 2026.

In September we achieved another important milestone when we uplisted onto the main stock exchange of the Oslo Børs, almost two years since we first became a listed Company. This exciting step was confirmation of the quality of our business model, technology and internal processes and is also the result of successful operational and commercial development.

Finally, we delivered a strong financial performance in 2022 as we begin to accelerate our growth. Revenue was up 237% and we delivered an eight-fold increase in gross profit. The net loss widened following increased



“Change isn't always as simple as it sounds. True change comes through commitment and cooperation.”

– Tim Stedman, Agilyx CEO

investment, particularly in Cyclyx ahead of CCC development, and due to costs associated with the uplisting.

Looking after our people

The health, safety and wellbeing of our people remains a key priority and we are continuously looking at ways we can improve. We take safety very seriously and during the year we launched a refreshed approach to health and safety at our Portland plant. This included setting and reaching goals of having no process safety incidents and executing flawless environmental compliance. We also delivered a substantial reduction in our OSHA recordable incident rate this year, with only one recordable incident.

These operational achievements, combined with our solid financial results, position us well to realize the opportunities ahead. I want to thank our employees, partners and wider stakeholders for their energy in embracing the mission, their resilience in coping with changing market conditions and their adaptability in evolving our business. I am excited by the opportunities the future holds and proud to be a part of such a pioneering business.

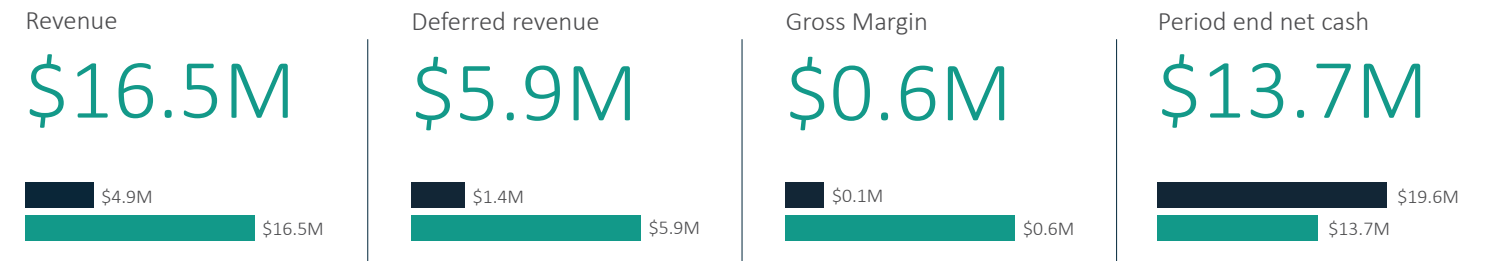
Tim Stedman



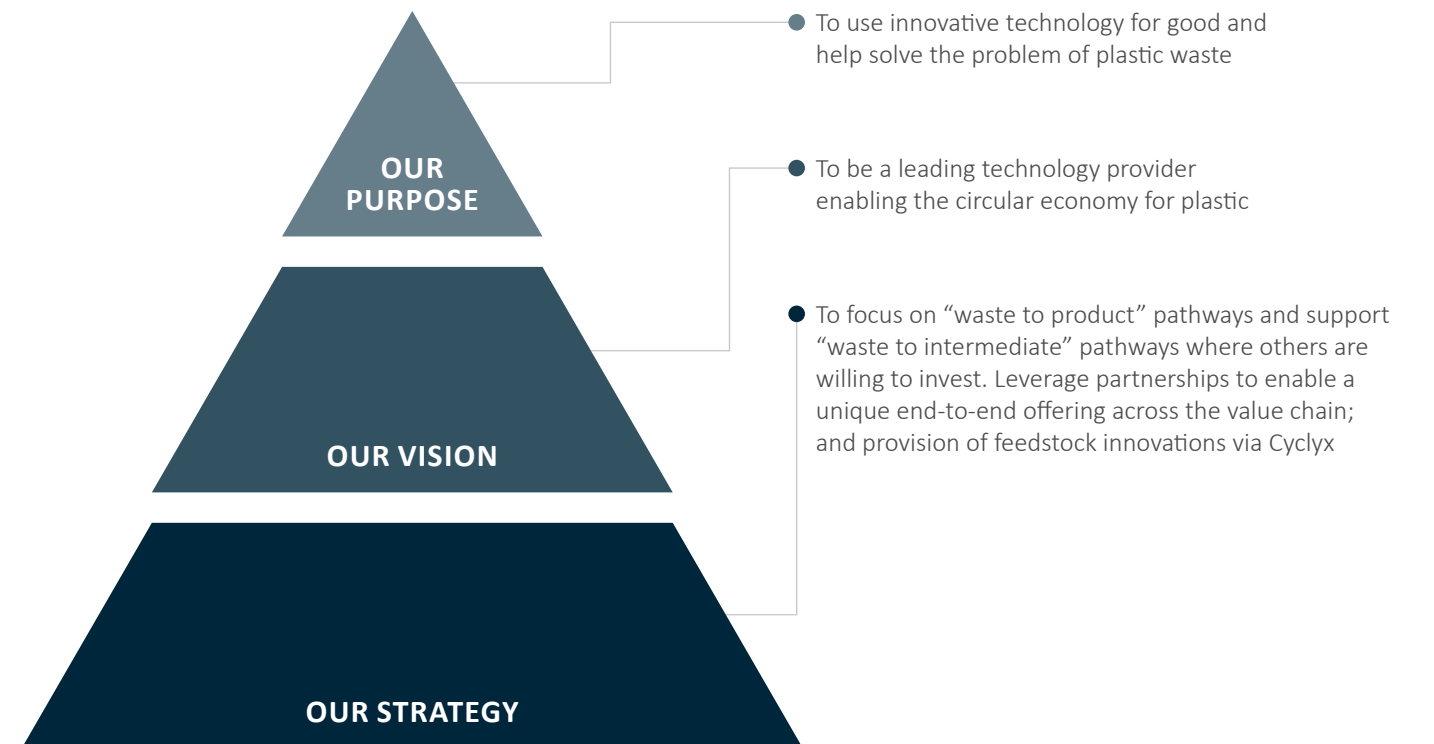
Highlights

Performance highlights

● 2021 ● 2022



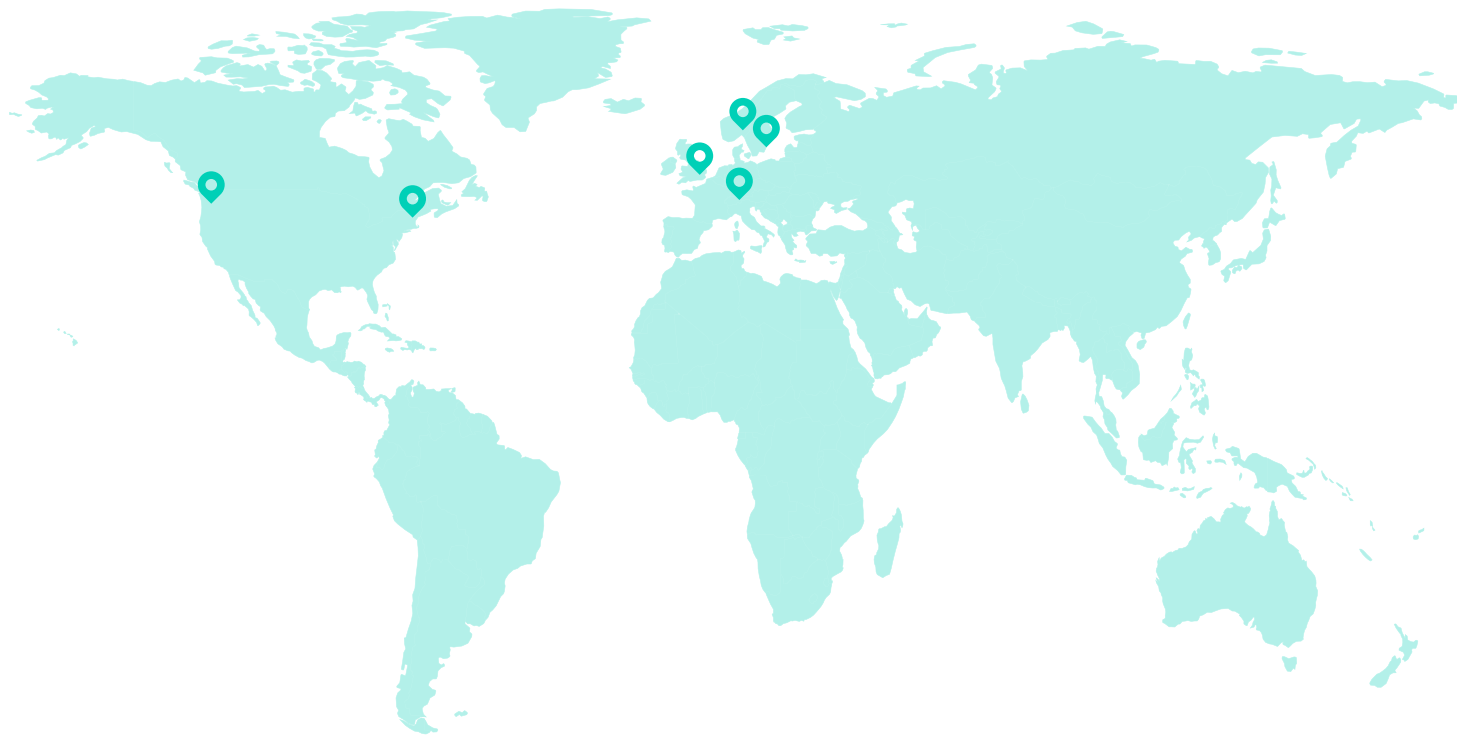
Agilyx at a glance



HIGHLIGHTS

Agilyx at a glance

Our reach



OFFICE | PLANT

Portland, Oregon U.S.

AGILYX HEADQUARTERS

Portsmouth, New Hampshire U.S.

CYCLYX OFFICE

Portsmouth, New Hampshire U.S.

EUROPEAN PRESENCE

Oslo, Norway
Zurich, Switzerland
Copenhagen, Denmark
London, United Kingdom

\$7.2M
REVENUE

Agilyx

Agilyx is a leader in the advanced recycling of difficult-to-recycle post-use plastic streams. With Agilyx’s advanced recycling technology and intelligent feedstock management system, mixed plastic waste can be converted to new virgin-equivalent plastics, as well as chemical products and fuels – creating the opportunity for circularity.

\$9.2M
REVENUE

Cyclyx

Cyclyx is designed as an industry consortium comprised of partners across the value chain. This consortium approach allows Cyclyx to partner with businesses, brands, waste service providers and municipalities to serve as a connector between large volumes of plastic waste that are currently not being recycled, to create innovative supply chain solutions. Cyclyx is 75% owned by Agilyx, 25% owned by ExxonMobil.



Investment case

1 Significant market opportunity

- 💰 Estimated \$150 billion plastic recycling market by 2030¹
- 🌍 Helping to solve a global environmental challenge in plastic waste
- ↑ Growing demand for plastic

2 Integrated offering across the value chain

- 1 Leading player in offering and end-to-end solution
- 🔄 Cyclyx waste sourcing and processing, capable of serving the entire plastic recycling market
- 🔗 Two molecular recycling product pathways enabling a circular economy for polystyrene and PMMA

3 Commercially validated technology with blue chip partners

- OR Demonstration plant operating in Oregon; first customer plant in construction
- 🤝 Conversion technology partnerships with Technip Energies, Mitsubishi Chemical and Americas Styrenics (AmSty)
- 75/25 Cyclyx is 75/25 JV with Agilyx and ExxonMobil; significant interest through consortium

4 Ready to realize growth ambitions

- 🏢 Technology licensing scaling up with Technip partnership
- ↑ Significant customer interest in Cyclyx Circularity Centers (CCCs) for feedstock
- 💰 \$200-300 million revenue target in 2025/6



The uplisting to the main exchange of the Oslo Børs, which came almost exactly two years after the Company was first listed on Euronext Growth in Oslo, is an important milestone. Taking the step up to a regulated market is not only confirmation of the quality of our business model, technology and internal processes, it is also the result of successful operational and commercial development.

In September 2022, Agilyx had its first day of trading on the main exchange of the Oslo Børs, following an uplisting from Euronext Growth Oslo.



strategic report ↗

STRATEGIC REPORT

Who we are

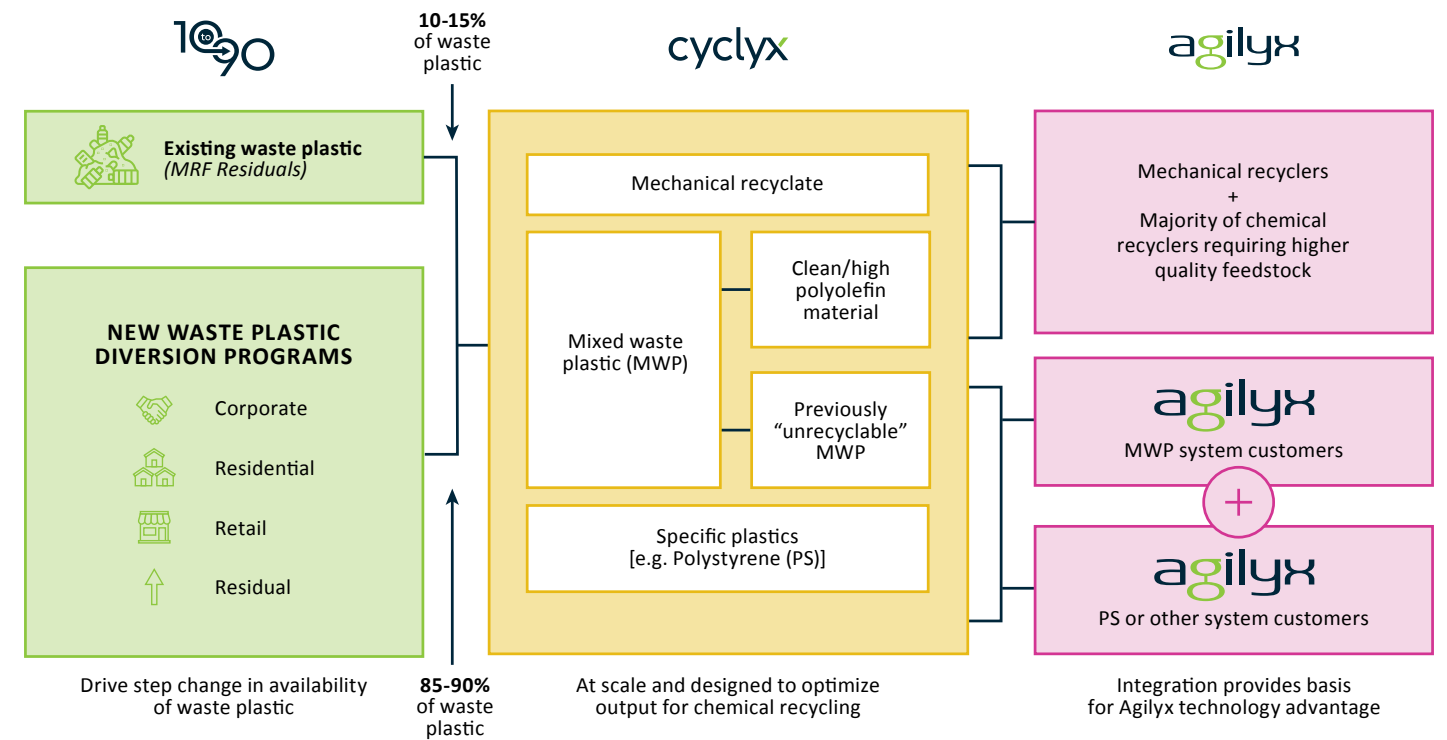
A leading technology provider enabling the circular economy for plastic

At Agilyx, we recognize that big problems require big solutions: our mission is to use innovative technology for good and help solve the problem of plastic waste. We are confident we can succeed in transforming the way the world views recycling. With our team of experts committed to change, we are working to enable plastic circularity on a global and commercial scale by converting valuable material back into its original building blocks for reuse.

We have two go-to-market entities: Agilyx, that provides advanced recycling technology and critical equipment in combination with other partners who provide targeted purification capabilities; and Cyclyx, a consortium to improve post-use plastic sourcing with a goal of driving recycling rates from around 10% to 90%.

Through a combination of technical expertise, operating know-how and proven technology, we can turn post-use plastics back into their original chemical components for continued use. By increasing the circularity of plastic and keeping it out of landfills, we aim to play a vital role in accelerating the shift to a low-carbon, circular economy.

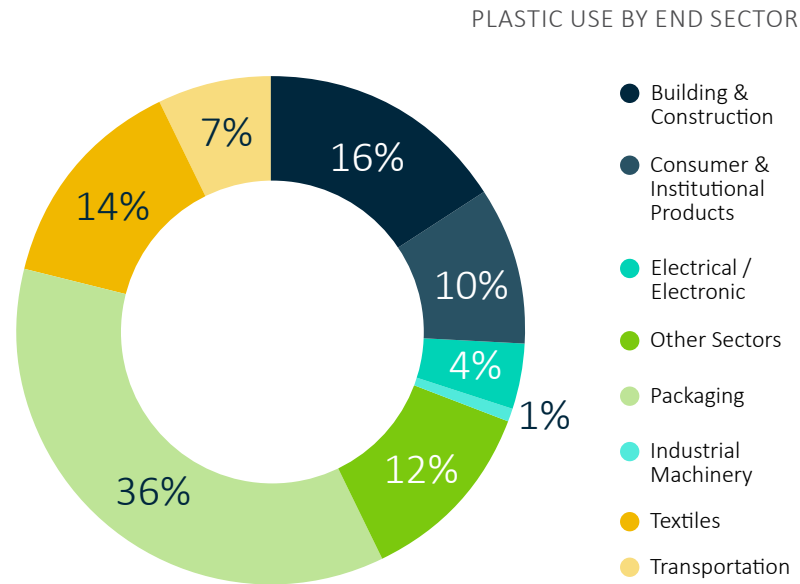
Agilyx and Cyclyx: Integrated Recycling Solution



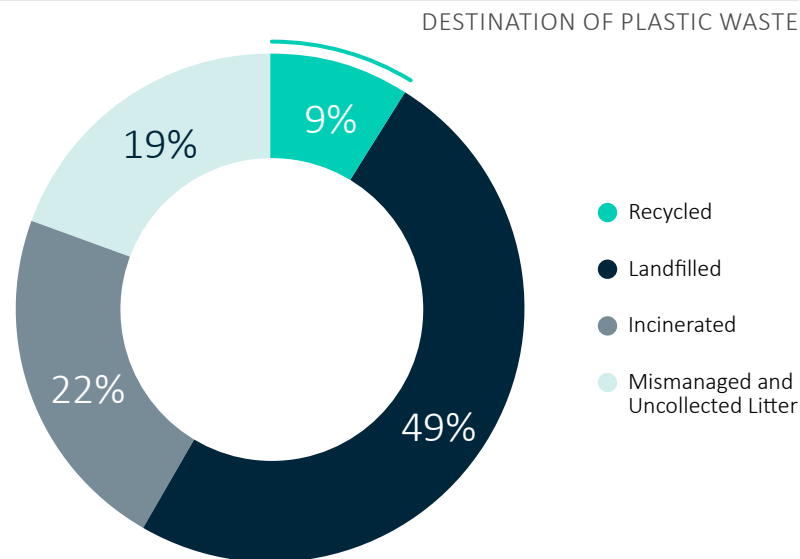
Our market

Plastic waste is a global challenge and a huge opportunity

Plastic is ubiquitous. It has highly attractive attributes, such as weight, flexibility, transparency and durability which, combined with low cost, make it difficult to replace. Since its development in the 1950s, the cumulative global production of plastic is 9.5 billion tons¹ and it is used across many different sectors, most frequently in packaging.



Today, while rates vary by country, globally only 9%² of plastic is recycled with 49%² going to landfills. Current recycling systems have not been set up, or economically incentivized, to process the diversity and volume of plastic waste. As a result, only certain types of plastic are accepted, and recycling is limited. Not only has this contributed to an enormous plastic waste problem that impacts the environment, but it also destroys economic value.



The solution to this problem requires a change to the status quo: society must reduce, reuse and recycle plastic waste to address the challenge.

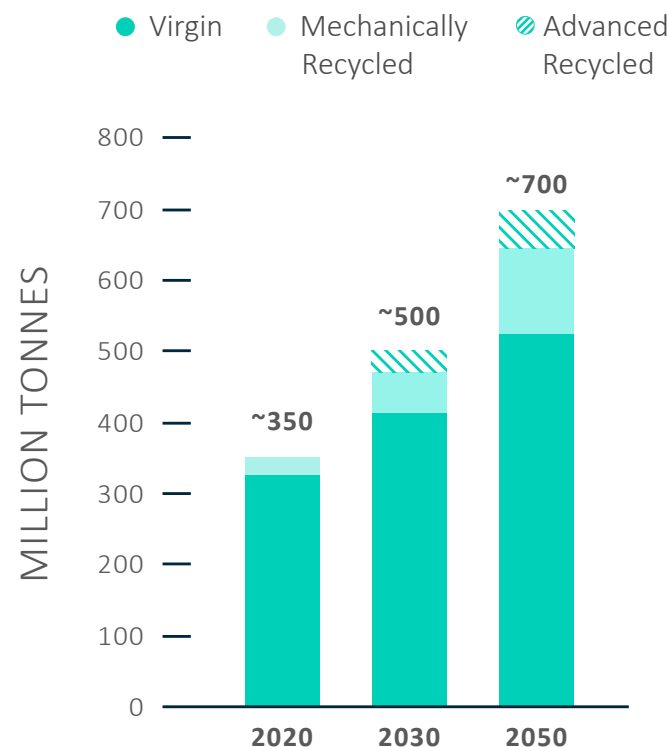
There are three key factors that we see driving demand for recycled plastic going forward:

- Growth in plastic production
- Demand for recycling and circularity
- Capital investment and regulation

Growth in plastic production

Population growth and increasing prosperity are expected to increase demand for food, buildings, household and personal products, electronics, clothing and much more—and all of these industries use plastics in their products and packaging. Demand for polymers, the precursor to plastic, is expected to double between 2020 and 2050, growing from around 350 million tons per year in 2020 to around 500 million tons per year in 2030.

Forecast Global Annual Polymer Demand



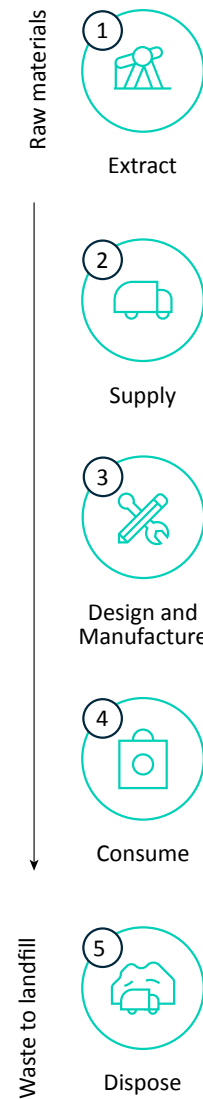
Source: McKinsey

Demand for recycling and circularity

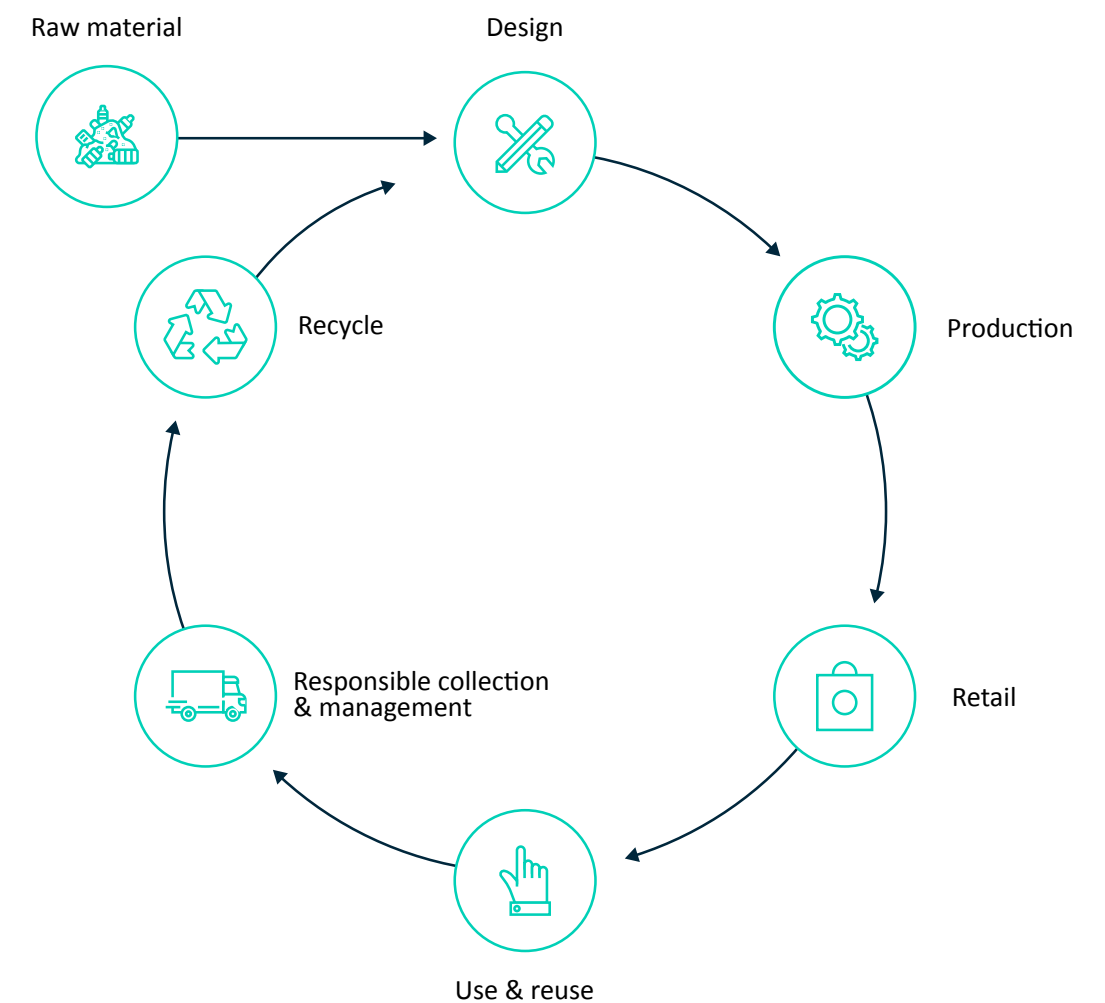
Growing resource scarcity means that resources and materials need to be used responsibly. The established “take-make-waste” linear economy has been optimized for efficiency and profitability but at the expense of the natural environment. This is driving interest and investment in circular economic models as consumers demand more sustainable offerings.

The circular economy model reimagines the way that products are designed, made, sold, repaired and recycled in order to preserve the economic value indefinitely, while protecting the environment.

Linear economy



Circular economy



Major brand owners such as PepsiCo, Unilever and L’Oreal have made commitments that between 25% and 50% of their packaging will be recycled by 2025. However, the latest progress report from the Ellen Macarthur Foundation suggests that these targets are unlikely to be met, reinforcing the urgency for accelerated action.

McKinsey expects that the recycling market for plastics will grow quickly as the value chain materializes, and companies are able to reduce costs through scale-efficiency and standardization, and that advanced recycling technology has the potential for more than 20% year-over-year growth through 2030.

A significant market opportunity for Agilyx



Capital investment and regulation

Over the past 10 years there has been a significant increase in investor focus on the sustainability credentials of companies. Environment, Social and Governance factors now have more influence on investment decisions, with ESG-mandated assets expected to make up half of professionally managed assets globally by 2024.³

Even more significantly, there has been a marked shift in government policy across Europe and North America to encourage plastic recycling and facilitate change. The EU has mandated that 50% of plastic packaging must be recycled by 2025, with a €800/tonne tax on non-recycled plastic. In the U.K. there is a £200/tonne tax on all plastic packaging with less than 30% recycled content, while in the United States the Infrastructure Investment and Jobs Act provided \$275 million for the Solid Waste Infrastructure for Recycling program.

Waste plastic is an enormous untapped above-ground hydrocarbon source. We estimate that by 2030, the advanced recycling market for plastic polymers will be worth over \$50 billion⁴ globally, with a further \$100 billion⁴ market in mechanical recycling. This is a significant market opportunity for Agilyx.

The advanced recycling sector is diverse and rapidly evolving but is uniquely positioned to upcycle lower quality plastics to high-quality outputs that maintain economic value and reduce the need for fossil fuel extraction.

\$150 BILLION ESTIMATED PLASTIC RECYCLING MARKET IN 2030

STRATEGIC REPORT

Our strategy

Our ambition is to be a leading technology provider enabling the circular economy of plastic.

There is no single sector, technology or approach that can solve the plastic waste problem alone. At Agilyx, we are one part of the cohesive solution required for the world to transition to a circular economy. This is an emerging industry, and the landscape is generally split between players with waste feedstock expertise and players with conversion capabilities. Our integrated model offers both.

Building on our 18 years of experience, our strategy is to focus on key areas that will position us to become the pre-eminent technology provider enabling the circular economy of plastic.





Fully integrated across the value chain

There are four key steps needed to deliver chemical and molecular recycled plastic.

Waste to Feedstock

Cyclyx, our ISCC+ certified waste sourcing and processing business, is unique. It was founded upon our chemical conversion database, which characterizes waste plastics according to their chemical composition. This enables the development of custom feedstock recipes based on the needs of customer conversion processes and can support both chemical, molecular and mechanical plastic recycling.

Feedstock to Product

Agilyx technology recycles waste plastic using three conversion pathways:

MOLECULAR RECYCLING

Polystyrene to styrene circularity

Polymethyl methacrylate (PMMA) circularity

CHEMICAL RECYCLING

Mixed plastics to chemicals and refinery feeds, which includes circularity back to polyolefins



1. Source: Through direct relationships with waste producers, and through our consumer 10to90 recycling program, Cyclyx sources and categorizes plastic waste according to its chemical components. We build new supply chains for our customers and leverage artificial intelligence to optimize logistics and minimize the environmental impact of waste movements.



2. Process: Leveraging our chemical conversion database, which is built on over 18 years of development, we can custom blend waste plastic into feedstock tailored to a customer's individual conversion process requirements. This will be done at our custom designed Cyclyx Circularity Centers (CCC), the first of which is in development. We currently use contract processing to do this for our customers.



3. Convert: Our continuous process converts plastic waste at a high heat in the absence of oxygen (pyrolysis). The output depends on the waste input; polystyrene can be converted back to a styrene monomer, while mixed waste plastic is turned into a synthetic crude oil which can be further refined like virgin fossil fuel.



4. Purify: The additional purification step enables the converted product to be treated as a virgin plastic source and thus used in both food and medical grade applications. It also allows the use of more challenging waste, which increases the scope for sourcing material, both in terms of cost and availability, for example allowing us to use currently non-recyclable insulation foams from the construction industry. TruStyrenyx, our partnership with Technip Energies, brings together Agilyx conversion technology and Technip Energies' purification technology to convert polystyrene to styrene monomer.

We believe we are the only player in the market with all four capabilities. Continued investment to develop our conversion technology, as well as building up the feedstock management system, including the conversion database, is the basis for a sustainable competitive advantage.

We can convert an estimated 60% of plastics on the market.

Waste-to-product offering

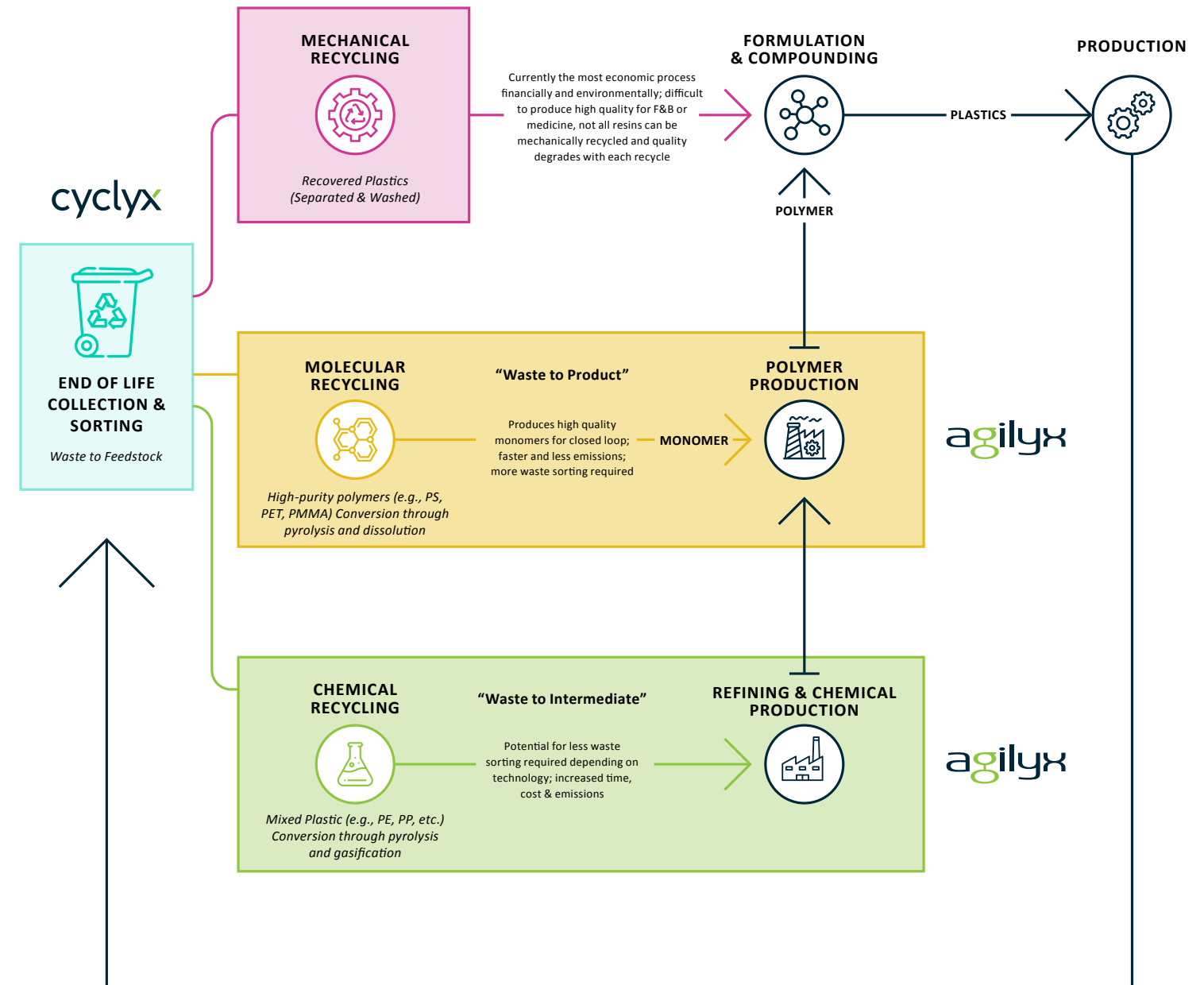
To minimize the carbon footprint of recycled plastic, where possible it is preferable to create a “closed loop” whereby a particular type of plastic, such as polystyrene, is broken down into its component molecules so that it can easily be reformed as pure plastic again. These waste-to-product pathways require waste plastic that is of predominantly one type and saves considerable time, money and emissions in the conversion process back to a virgin equivalent product.

There are three pathways to recycle plastic. Mechanical recycling has the fewest steps and so is preferable where appropriate, but has limitations in application. Molecular recycling, or waste-to-product, has the next fewest steps and has the advantage of having a direct line of sight from waste coming into a single unit and a pure, virgin equivalent product being produced from that same unit. Finally, more general chemical recycling can be used where mixed waste plastic streams are present. However, while the waste coming in may require less processing, the oil produced must go through further refining steps in order to produce virgin plastic again. Chemical and molecular recycling come under the banner of advanced recycling.

Our strategy has been to focus on the waste-to-product pathways for polystyrene and PMMA. While these plastics have smaller markets, there is much less competition and the market opportunity is still enormous – in 2017, the global market for polystyrene alone was over \$35 billion.¹

Our TruStyrenyx™ partnership with Technip Energies purifies the styrene we produce into virgin equivalent styrene monomer. Styrene monomer produced from this process can then be converted back into high value products, which bear a significantly lower carbon footprint than similar products made with virgin fossil fuel styrene monomer.

Like many of our competitors, we are also able to convert mixed waste plastic. However, we differ because we don’t require a catalyst in our process as many others do and therefore are able to take more distressed plastic waste, removing us from direct competition. With this additional capability, we estimate that we are able to convert 60% of plastics on the market. More broadly, our strategy to address the mixed waste plastic market has been through Cyclyx, our waste to feedstock business. Cyclyx offers its services to any chemical conversion technology, providing other industry participants with mixed waste plastic that meets their specific requirements.



Our business model

Asset-light conversion business model

The early stage of our development followed the classic build-own-operate approach that many others in this space are now following. With the development of the technology to include multiple conversion pathways, we shifted to an asset-light business model focused on monetizing the years of development in both conversion technology and feedstock insight through a combination of licensing, project development and provision of the critical core equipment.

We have a strong and diversified project pipeline:

>1200 kt

Capacity in the pipeline

29

High-priority projects in the pipeline

1

Project in construction

1

Pilot plant in operation

In the current macroeconomic environment, some customers are less willing to make upfront capital commitments, so we are exploring other ways to progress facilities. This includes working with our customers to find alternative funding sources to bring together a package that enables the customer to have an offtake agreement.



Enabling a Revolution in Plastic Recycling

What we do

We source and process waste plastic so that it can be recycled. Our conversion technology, combined with purification technology provided by our partners, enables us to create closed loop styrene and MMA, and converts mixed waste plastic into an oil ready for refining.

Why we do it

Our purpose is to enable the recycling of all plastic waste, reducing its impact on the natural environment and the need for virgin fossil fuels, thereby enabling a circular economy for plastic.

For more information, please see page 7.

Inputs

- 18 years of development
- 20 patents
- Robust, continuous process
- Electrified system to run on renewable energy
- No catalyst required, allowing more contaminated waste
- Multiple pathways including polystyrene, PMMA and mixed waste plastic
- 8th generation of technology
- Chemical composition of plastic waste database
- Portland plant in operation since 2018
- Industry leading partners

Cyclix

Our waste sourcing and processing business earns a fee for every tonne of plastic that passes through a facility that uses our technology and insight. We also earn revenue through our consortium membership program and through waste analyses for customers. A royalty is paid to Agilyx for the use of its intellectual property. Cyclix is a joint venture with ExxonMobil in which Agilyx owns 75%.

Revenue: \$9.2 million
Employees: 46
Processed output: 7.6 kta

2025 Ambition
 650 to 900kt p.a. of processed volume
 3+mt p.a. longer term ambition

Agilyx Conversion Technology

In some cases, customers pay for upfront design and development, while in other cases we sell a fully designed package. At this point, a license is purchased. Once construction is agreed upon, we are paid for equipment purchases. Our conversion technology then generates a volume driven royalty once the facility is operating and we also anticipate ongoing repair and maintenance revenue.

Revenue: \$7.2 million
Employees: 71
Tonnes in construction: 3.3 kta

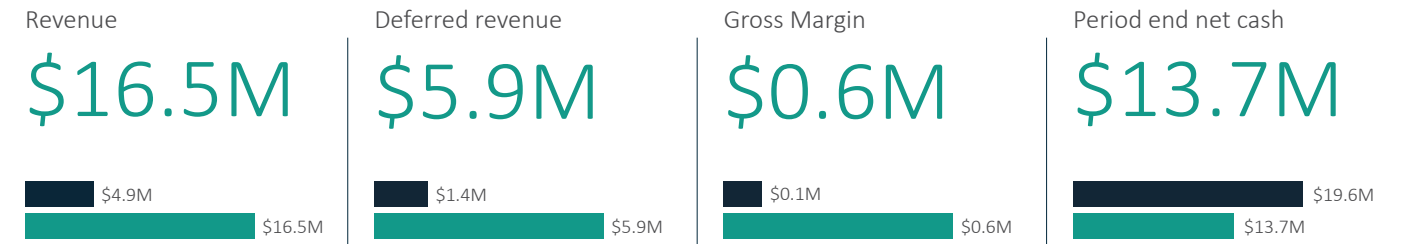
2025 Ambition
 165kt p.a. of plant capacity in operation
 495-660kt p.a. in development/ construction

Operations across North America, Europe and Asia: See page 7 for more information

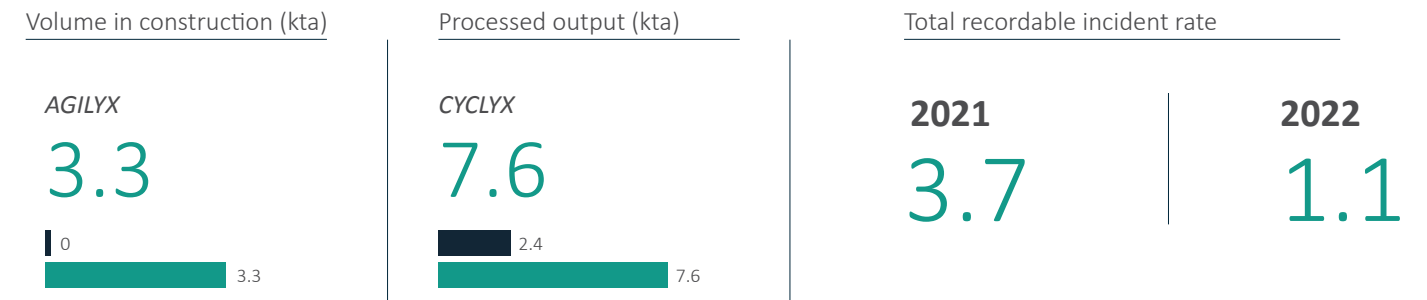
Performance measurement

Financial KPIs

● 2021 ● 2022



Non-financial KPIs



2022 performance

Group Trading Performance

Group revenue increased to \$16.5m (FY21: \$4.9m), with increases in revenue at both Agilyx and Cyclyx. Agilyx revenue rose to \$7.2m (FY21: \$2.9m) driven by construction of our polystyrene project in Japan with Toyo Styrene. Cyclyx revenue saw a significant increase to \$9.2m (FY21: \$1.9m) as volumes more than tripled, and we saw continued interest in the consortium and 10 to 90 programs. The gross margin increased to \$573k (FY21: \$63k) as the business begins to ramp up.

Overhead costs increased significantly in the year driven by investment in the business and costs associated with the conversion to IFRS and uplisting to the main Oslo Bors. Investment included the development of the eighth generation of our core conversion technology as well as growing the Cyclyx organization to ensure that we have the right capabilities to design and deliver Circularity Centers.

The Group delivered a net loss of \$23.4m (FY21: \$15.6m), with a resulting diluted loss per share of \$0.28 (FY21: \$0.19).

During the year, the operating cash outflow was \$15.3m and the investment cash outflow was \$3.5m, both in line with the prior year. We saw a significant increase in cash from financing, with a net \$13.4m inflow from the September capital raising and a further \$1.0m from ExxonMobil into Cyclyx. The resulting net cash outflow was \$5.9m (FY21: \$19.3m).

As of December 31, 2022, the Group's net cash position was \$13.7m (FY21: \$19.6m). During the year we paid down our outstanding borrowings and there are no outstanding debts on the balance sheet.

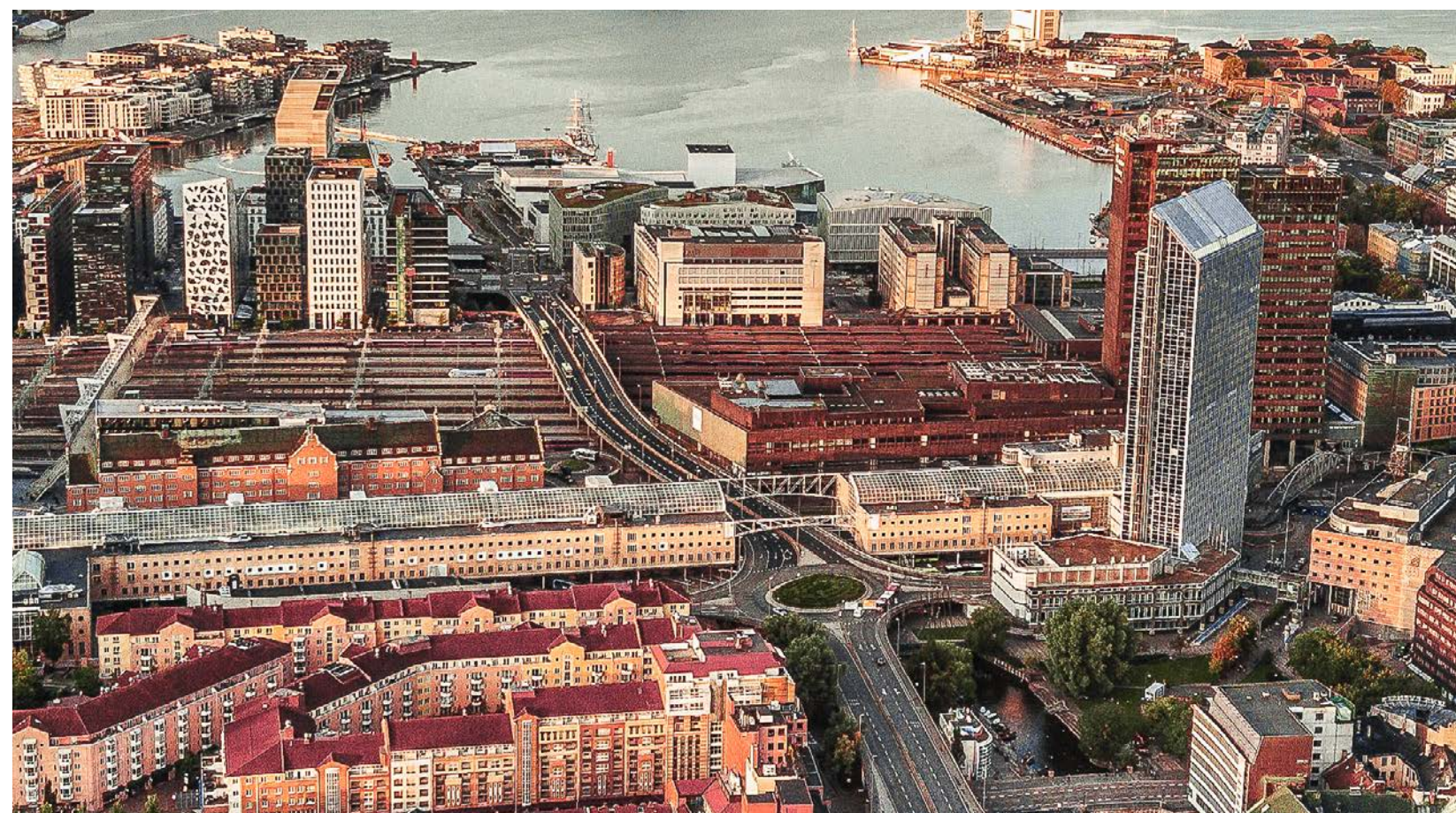
Outlook

Our operational achievements combined with our solid financial results last year, position us well to realize the opportunities ahead. Cash collection in the first quarter was strong and our unaudited net cash position at March 31, 2023 was \$12.0m.

We are making good progress on our target of two technology licenses this year, albeit the macroeconomic backdrop is making customer decision-making slower. Our TruStyrenyx partnership is beginning to yield tangible results, with INEOS Styrolution progressing development of the first large-scale plant. Discussions are underway with Kumho about a license and we are continuing to work with Shell on the European TruStyrenyx project associated with

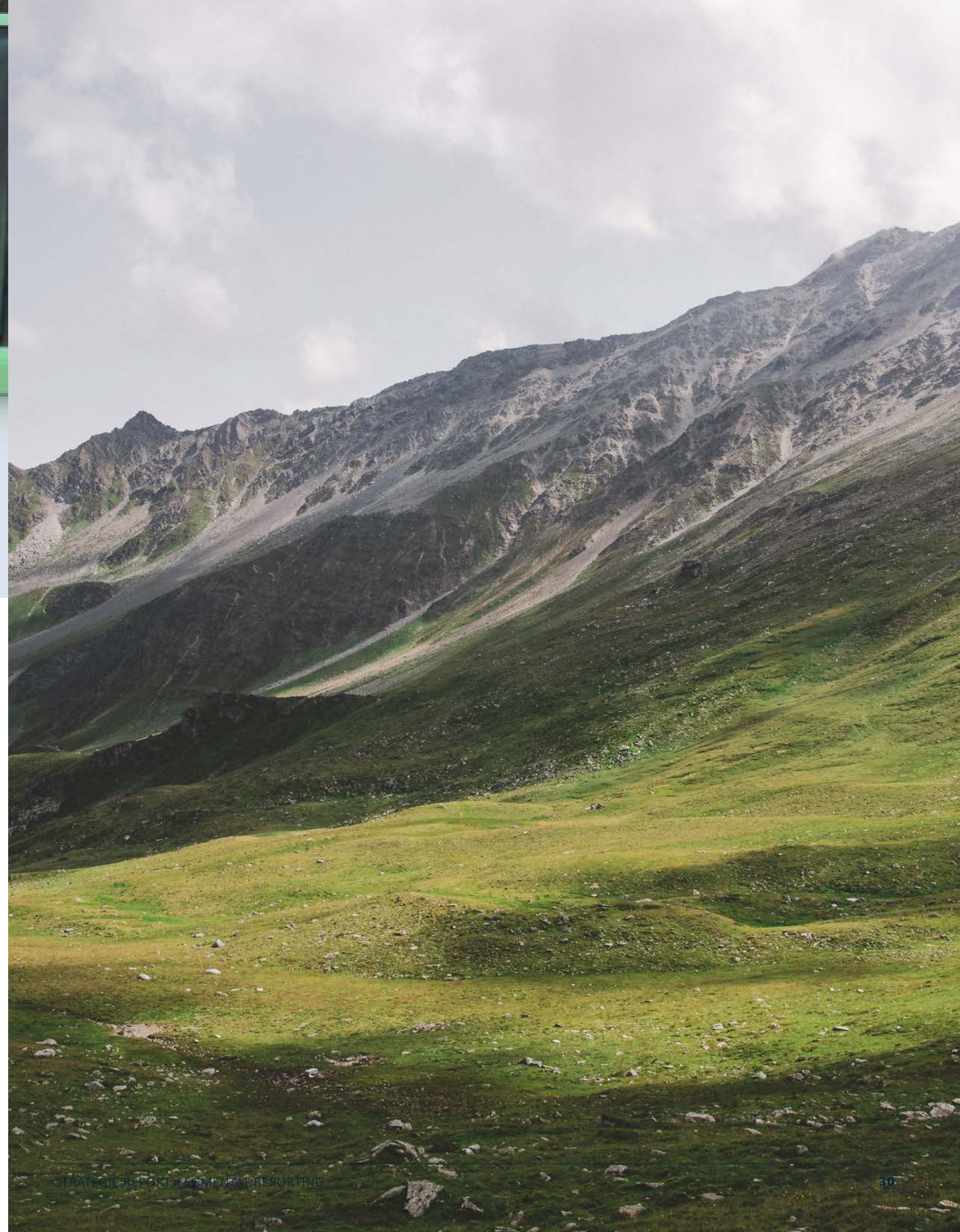
the private placement ahead of the uplisting as well as other projects. We have also entered into a strategic collaboration with BioBTX to explore the production of renewable aromatic chemicals (benzene, toluene, xylene: BTX) using our pyrolysis technology.

We expect Cyclyx to continue to grow volume and introduce further 10 to 90 takeback programs, building on the momentum from the Houston pilot program. Engineering on the first Cyclyx Circularity Center is at an advanced stage and we anticipate moving into construction in the second half of the year.





At the end of 2022, we announced our first Cyclix 10 to 90° takeback program with the Houston Recycling Collaboration in Houston, Texas, U.S., expanding the materials accepted for recycling to include nearly all plastics. In its first weekend alone, the program collected more than 1.8 tons of plastic waste. This is an important step in increasing the supply of plastic waste that will feed into our Cyclix Circularity Center, a first-of-its-kind plastic processing facility in Houston. We look forward to launching additional takeback programs in other neighborhoods, schools and retailers throughout the Houston area in the coming months.



Sustainability & circular economy

Our Mission

Simply stated, our mission is to help solve the problem of plastic waste. This mission and our 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.

Management approach and methodology

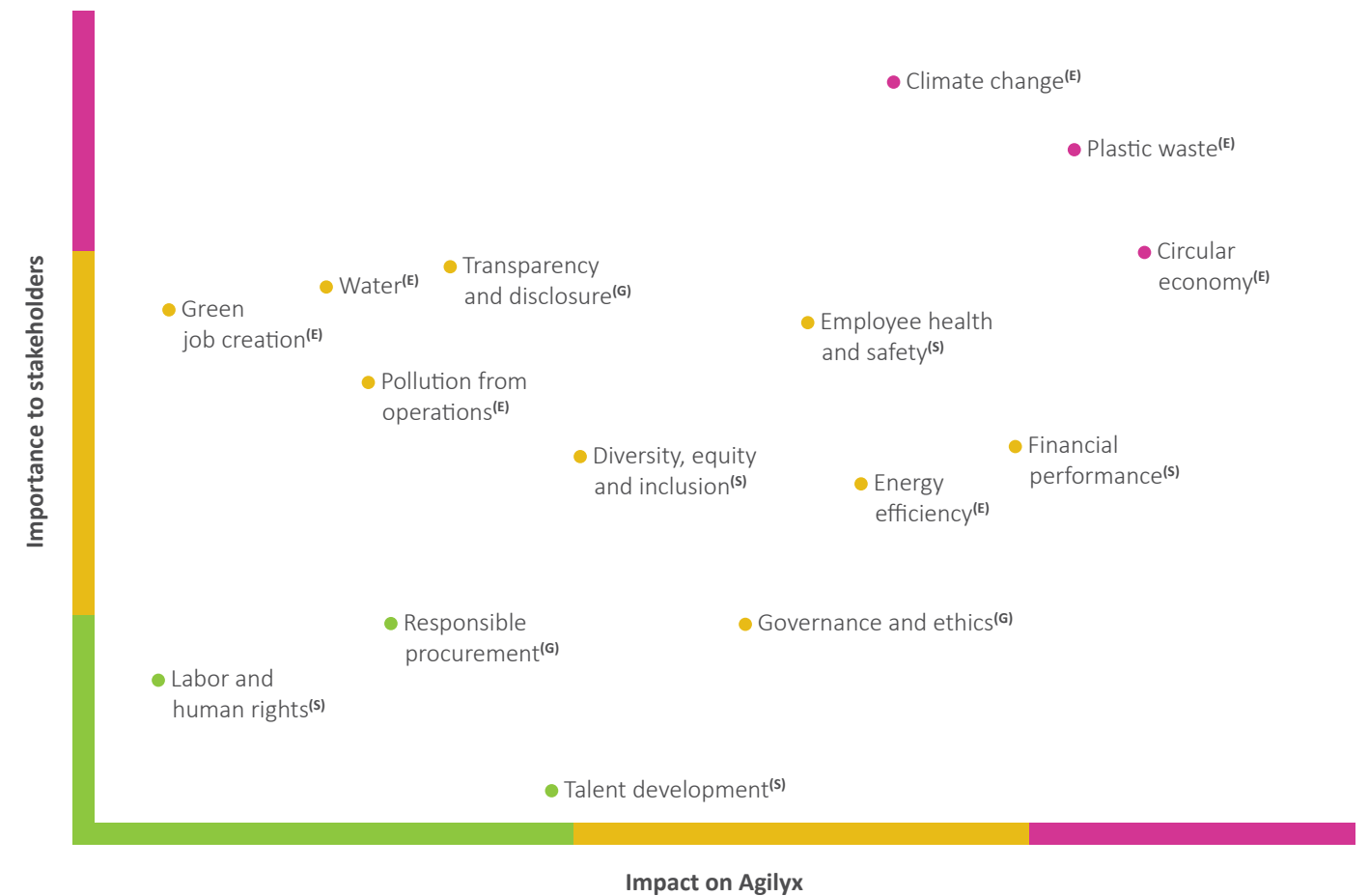
We know our stakeholders expect full engagement by the Group on sustainability and environmental activities and we continue to work toward a more robust ESG reporting program, with our CEO and the ESG Committee driving change.

To guide our sustainability reporting this year, we have:

- Reviewed our business alignment against the United Nations Sustainable Development Goals (SDGs), which represent the world’s agenda for a more inclusive and sustainable world.
- Reviewed our stakeholder groups, stakeholder analysis and materiality matrix to determine any adjustments needed for 2022.
- Informed the report development process by the Global Reporting Initiative (GRI), although the report itself does not meet the requirements for a full GRI-aligned report.
 - o The Group is planning to implement a more comprehensive ESG data management system over the next 12 months, which will enable further ESG disclosures in future years’ reports.

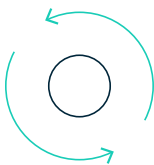
Materiality matrix

Our success depends on understanding the issues that will influence our future strategic direction while managing our impact on society and the world around us. We monitor business developments, risks and opportunities facing the Group, as well as changes in legislation and the perspectives and needs of our stakeholders. Our material issues identify what matters most to our business and our stakeholders, providing guidance on what to prioritize and enabling us to act accordingly. The materiality matrix was developed by analyzing the topics that are most important to our stakeholders and the Group and is reviewed on an annual basis.



In order to deliver on our mission, we have developed three core sustainability areas of focus, each of which has targets associated with it. The three areas are Circular/environmental; Climate; and Societal and further detail is provided on the following pages.

The most significant impact we can have on the climate and environment is in driving business growth and diverting plastic waste into recycling



Circular/environmental

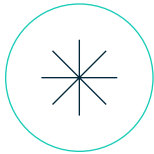
We are committed to accelerating the transition to a more circular economy, while minimizing the environmental footprint of our processes.

Goal

- Deliver Agilyx technology for partners to build new commercial scale advanced recycling facilities that enable the conversion of at least 1,500 tons per day to post-use plastic annually by 2030.
- Drive our long-term vision to increase the rate of plastics recycling from 10% to 90%.

2022 Progress

- We remain on track to meet the goal for volume of new recycling facilities by 2030. During the year, we announced our partnership with Technip Energies to offer TruStyrenyx, molecular recycling for styrene, and have seen significant interest in the product, including a Memorandum of Understanding with Kumho Petrochemical.
- Cyclyx is on track to exceed its goal for volumes of plastic waste diverted from landfill and redirected to recycling. Forecast demand from existing customers exceeds 6.5 million tons per year, versus the target of 3 million tons per year by 2030.
- Please see page 3 for a review of business achievements in the year.



Climate

Advanced recycling can play a key role in the transition to a low-carbon economy by making more plastics circular, producing high quality plastics with a lower greenhouse gas (GHG) and providing low-carbon fuels.

Goal

- Develop and publish a climate change strategy for Agilyx by year end 2022 that:
 - o Identifies and discloses future impact (including both opportunities and risks) of climate change on the Company.
 - o Identifies strategies and actions to mitigate climate-related impacts of Agilyx technology, including quantifying and disclosing GHG footprint and energy efficiency of our advanced recycling processes.
 - o Identifies strategies and actions to support transition to a low carbon economy.

2022 Progress

- During the year, we developed our climate change objectives, which are published on our website. The most significant impact we can have on the climate and environment is in driving business growth and diverting plastic waste into recycling. It is also important to acknowledge that in delivering on our strategy, we need to be mindful of our carbon footprint and conduct our business in a way that minimizes harm to the planet.
- Due to changes in the team during the year, we did not make as much progress as we had anticipated with regards to the impact of climate change or measuring and disclosing our GHG footprint. We did conduct a screening life cycle analysis, the results of which were consistent with other industry studies. All these areas remain a focus for the business in 2023.

Throughout 2022, we remained dedicated to reducing our environmental impact:

Enabling customers' net-zero ambitions

Our patented technology solutions can play a fundamental role in reducing our customers' environmental impact, often supporting business model change and enabling climate or net-zero ambitions.

Working towards net zero

We continue to refine our business practices in the following areas of our climate roadmap:



TECHNOLOGY DESIGN

Continuous, measurable improvement in carbon reduction potential



LICENSING

Assist in life cycle analysis/carbon footprint analysis of licensed plants



ENGINEERING

Joint carbon management programs with customers and value chain

Evaluating our technology

A recent study conducted by City College of New York Grove School of Engineering concluded that advanced recycling helps avoid climate impacts, reduces demand for energy resources, and offers key tools for expanding the circular economy. The report concluded that advanced recycling can reduce the need for fossil fuel resources by up to 97% compared to landfilling. In order to ensure we are continuously improving our product offering, we undertook a screening life cycle analysis (LCA) during the year, the results of which are consistent with other LCAs on advanced recycling.



Agilyx climate objectives

At Agilyx, sustainability has always been at the heart of our mission. We constantly take steps to evaluate the environmental impact of our daily operations to ensure we do no harm.

Work to quantify our GHG footprint has continued more slowly than planned due to people changes, but we hope to complete the initial analysis during 2023. We will continue to build capacity and define our internal processes to ensure 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 we work towards verification.

Environmental performance

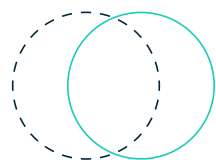
The Group is in the process of implementing appropriate reporting systems to better capture data that accurately demonstrates our environmental impact. During the year, we estimate that our GHG emissions based on the energy consumption of our operations in Portland, Oregon, U.S. and our offices in Portsmouth, New Hampshire, U.S. were 573 t/CO², an increase of 2% over 2021. The increase was driven by greater activity in Cyclyx. This is not a complete picture of the Group's GHG emissions.

The nature of our business is to take a waste product, plastic, out of the environment where it is causing damage, and extract value while giving it a new life. Thus, we consider that our overall impact on the environment is positive. The process of pyrolysis of waste plastic does produce by-products alongside the pyrolysis oil we are seeking. These include a solid, a liquid and a gas and we are exploring ways to mitigate the impact of these products and reduce their production. During the year, we implemented improvements to the stormwater treatment system at our Portland facility to ensure any pollutants remain below the limits of our industrial stormwater discharge permit.

Currently women comprise 43% of the Board and 32% of the executive team



Societal



Collaboration is essential in understanding different perspectives and developing sustainable solutions. We're working to expand our collaborations to create a more inclusive work environment.

Goal

- Collaborations
 - o 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).
- Gender equity
 - o Ensure that at least 50% of new appointees to the Board of Directors are women during 2021-2023.
 - o Achieve representation of women on Board of Directors to 33% by 2025.
 - o Achieve representation of women on executive team to 33% by 2025.

2022 Progress

- In early 2022 we announced our 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. Through Cyclyx we also made considerable strides in engaging local government authorities and the general public with the 10 to 90 program.
- During the year, three new Board members were appointed, of which one was female. Currently, women comprise 43% of the Board and 32% of the executive team, both up significantly from last year.

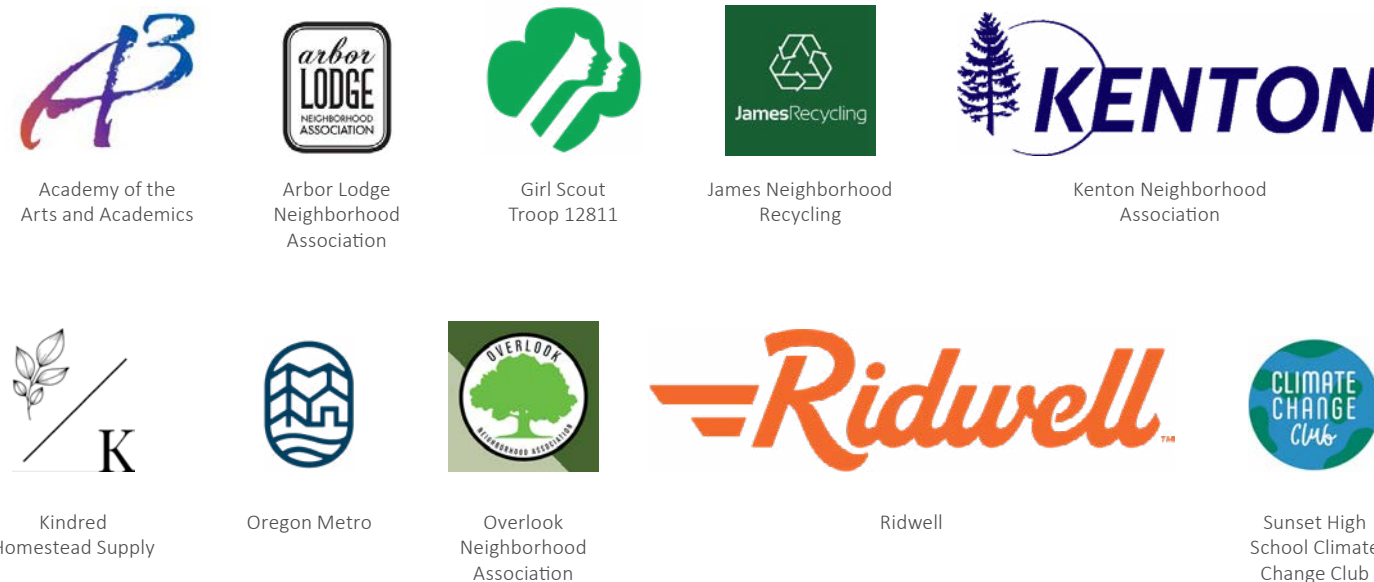
Supporting local recycling and nonprofits

Agilyx engages with diverse community and NGO partners, including local organizations in Oregon, to raise awareness and expand plastic recycling.

With our joint venture, Regenyx, we offer a free, 24-hour public drop box where community members can drop off polystyrene for recycling. We also work with neighborhood groups, businesses and schools to provide recycling education and promote local recycling collection events.

Agilyx continues to provide internships for local college students to learn new trades and potentially work toward joining the Group. This year, we welcomed Western Washington University's Polymer Materials Engineering students at our facility in Oregon. Students met with the Agilyx team for a tour and to learn more about advanced recycling and our unique technology solutions.

In 2022, Agilyx engaged with the following local recycling groups and nonprofits organizations:





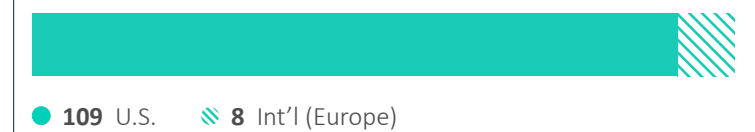
Workforce development

At Agilyx, we are continuing to grow and diversify our workforce year after year. Our team of more than 100 employees all share one common goal: to change the way the world recycles. We are committed to making a difference and driving this mission forward. We value the people who make our mission possible, and we are committed to creating a positive workplace environment for all our people.

Agilyx is committed to the principles of diversity, equity and inclusion. The Group is an equal opportunity employer and 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.

	% Female	% Male
Board of Directors	43	57
Senior Leadership	36	64
Executive Mgt	32	68
Mgt./Supervision	32	68
Overall Workforce	33	67

LOCATION OF EMPLOYEES



117 TOTAL NUMBER OF EMPLOYEES

20.6 PERCENTAGE GROWTH (YOY)

58 NUMBER OF NEW HIRES (2022)

39 NUMBER OF LEAVERS

WORKFORCE BY AGE

- 17.2% <25 Years of Age
- 23.9% 25-34
- 20.9% 35-44
- 16.4% 45-55
- 21.6% >55



● Male ● Female

TOTAL GENDER BALANCE WITHIN COMPANY



TEMPORARY STAFF GENDER



PART-TIME GENDER



12 AVG. # WEEKS OF PARENTAL LEAVE

Federal U.S. Law, FMLA, requires a min. of 12-weeks of parental leave be provided (some states, countries, etc. may require more).

Gender Pay Gap

Administrative Support Workers	Female earnings average + 15% than male earnings
Exec/Senior Level Officials & Mgrs.	Female earnings average - 13% than male earnings
First/Mid-Level Officials & Mgrs.	Female earnings average + 5% than male earnings
Operatives	Female earnings average + 5% than male earnings
Professionals	Female earnings average - 32% than male earnings
Technicians	Female earnings average + 8% than male earnings
Total Enterprise Wage Difference	Female earnings average - 18% than male earnings

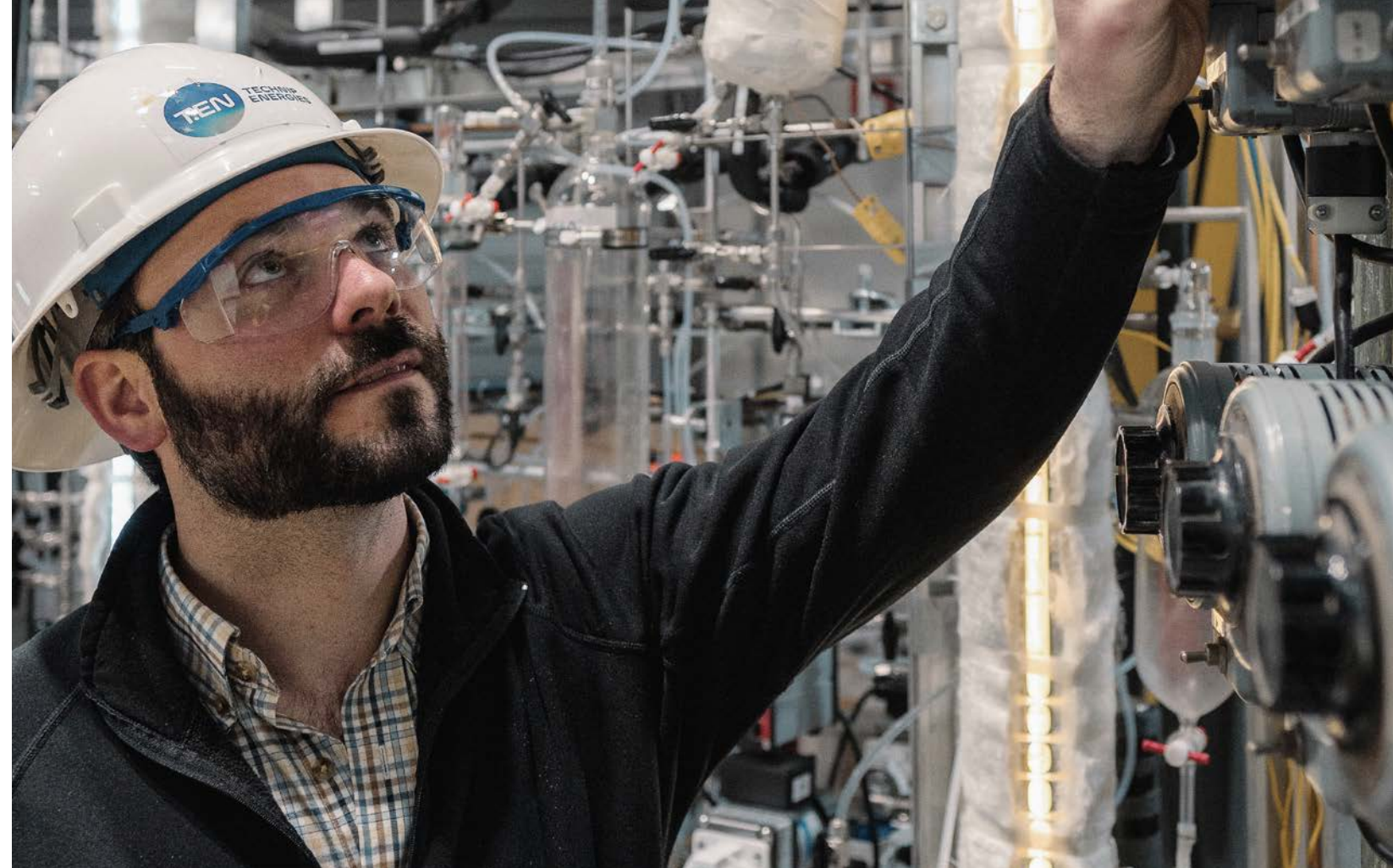
Gender Distribution per job level	Total number	Percent of workforce	Number of female	Percent of female	Number of male	Percent of male
Administrative Support Workers	6	5%	5	83%	1	17%
Exec/Senior Level Officials & Mgrs.	21	18%	5	24%	16	76%
First/Mid-Level Officials & Mgrs.	33	28%	11	33%	22	67%
Operatives	17	15%	1	6%	16	94%
Professionals	38	33%	15	40%	23	61%
Technicians	2	2%	1	50%	1	50%
Part-time Employees	3	3%	2	67%	1	33%

\$15,447,117

TOTAL SALARY COST

Notes

Job levels were established by using the guidance provided by the U.S. Dept. of Labor based EEOC Job Codes for statistical data tracking and measurement for U.S. employers. Agilyx does not have any involuntary Part-time employees, but used our Voluntary Part-time numbers to monitor and track this requirement. This is the first year of tracking these numbers using our current HRIS system and data collection method and will act as our baseline for future reporting.



Employee health & safety

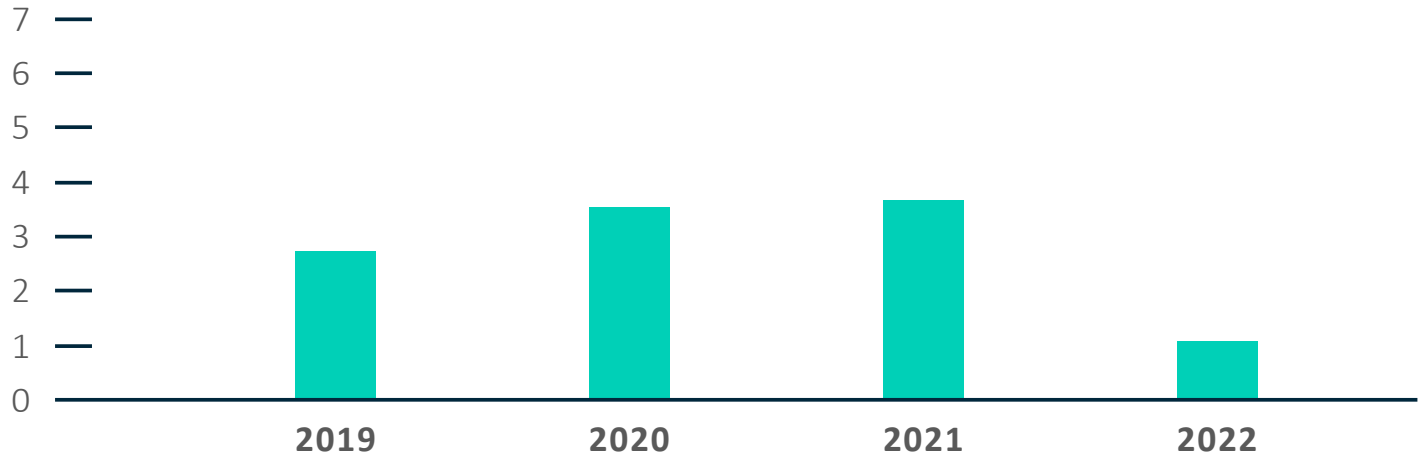
Employee health, safety and wellbeing is of utmost importance to us and therefore we promote a safe and healthy working environment. Our people deserve to return home at the end of the workday, healthy and unharmed. All plant operations personnel are required to complete safety training upon hiring and on a regular basis, and every employee is required to follow safety protocols and policies. Employees are required to immediately report any unsafe situations or conduct to their manager or Human Resources, and the EHS Manager.

During 2022, we significantly sharpened our focus on occupational health and safety across the Agilyx Group and in particular at our operations in Portland, Oregon, U.S., where we rolled out a number of programs designed to heighten safety awareness and strengthen our safety-first culture. As a result, we saw a significant decrease in the number of recordable injuries and achieved our lowest recordable incident rate since 2018, as shown in the chart below. In 2022, our goals and objectives were as follows:

- No recordable injuries or illnesses
- No process safety incidents
- Flawless environmental compliance

OSHA Total Recordable Incident Rate (TRIR)

● OSHA recordable rate



There was one OSHA-recordable incident in 2022: a slip/trip/fall injury at Cyclyx. The employee fully recovered with no lasting effects from the injury. There were no recordable injuries or illnesses, environmental incidents or process safety incidents for Agilyx/Regenyx in 2022.

As we operate across geographies, our sick leave policies are aligned to local working regulations. As the majority of our people are employed in the United States, recording of sick leave is included with other types of leave, such as vacation and medical appointments. During 2022, we recorded 1,468 days of leave across the business, or 5.5% of total hours worked. We are implementing changes to improve the quality of our illness absence data and expect to have more accurate information to report in future years.

Modern Slavery

We apply high employment standards across our business, complying with the relevant employment, health and safety and human rights laws to ensure that our workforce is safe. We expect our suppliers to adopt a similar approach in relation to their workers. Our Code of Supplier Conduct sets out the minimum standards that we require from them, including workers’ fundamental rights on working conditions, standards of pay and freedom of association. The full policy is available on [our website](#).

In accordance with the Norwegian Transparency Act, which comes into force in June 2023, we are updating our [Modern Slavery Statement](#). The act requires companies to conduct due diligence on their supply chain and act to cease or mitigate any adverse impacts found. Using a materiality approach, we have assessed our suppliers against the OECD risk criteria based on geographic location and industry, and are engaging with those suppliers which could present a higher risk of modern slavery. We have also created a committee to review any supplier deviations and are updating our policies accordingly. We expect to publish our revised statement in line with the requirement.



STRATEGIC REPORT

Scope and other disclosures

This sustainability report covers Agilyx’s wholly owned operations, as well as the majority owned Cyclyx. This 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 Portland, Oregon facility, which encompasses operations and assets wholly owned by Agilyx, majority owned by Cyclyx, and owned by Regenyx.

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 2022: quantitative data covers January 1, 2022 to December 31, 2022 unless otherwise noted.

ESG Policies

Our corporate governance policies are our foundation for financial integrity and sustainable performance, and crucial to our ESG program. Our up-to-date codes and policies can be found on our website. These policies apply to all Agilyx entities and employees globally.

We consistently review our policies as good corporate practice. In 2022, we made relevant updates to all of our current codes and policies. 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.

Insurance

Agilyx and its subsidiaries have insurance in place that covers the Directors and Officers, as well as the corporation. The insurance covers defense costs and direct financial loss suffered by the Insured resulting from allegations of breaches of fiduciary duty and dishonest acts by Directors, Officers and employees of the Company.

Stakeholder engagement

Listening to, collaborating with and understanding our stakeholders is crucial to the success of our business. While developing and building our sustainability program, we engage with a broad range of stakeholder groups.



Employees

Our employees are driven by our mission to change the way the world recycles.

2022 Engagement: We engaged with our employees through internal communications, company meetings and events.



Local communities

We strive to be a good community partner in the neighborhoods near our facilities by partnering with local small businesses and demonstrating openness.

2022 Engagement: We engaged through our drop-off services, community events, partnerships with local organizations, charitable contributions and social media



Value chain partners

Agilyx provides proof-of-concept for advanced recycling technology to bring innovative business models to the marketplace to rapidly scale up to commercial volumes for chemical and plastics companies, waste management and recycling companies, transport companies, joint venture partners, converters/packaging companies and brand owners.

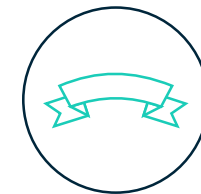
2022 Engagement: We engaged with our value chain partners for business development, joint projects and commercial activities through in-person and virtual meetings, emails, phone calls, conferences, facility tours and audits. Plastic producers are under continued pressure to provide their customers and brand owners with products that contain more recycled content. Our value chain partners are most interested in the effectiveness, reliability and efficiency of Agilyx advanced recycling technology, the opportunity to scale up and expand capacity rapidly and our ability to innovate and apply our technology to create advanced recycling pathways for more types of plastics.



Government, regulatory bodies and municipalities

We are committed to regulatory compliance, participating in policymaking related to advanced recycling and proactively engaging with the municipalities in which we operate, interacting with local, state and national government officials, advocating for advanced recycling.

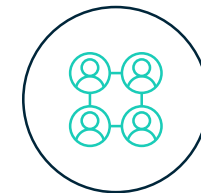
2022 Engagement: We engaged with regulatory bodies through direct outreach via events and conferences, in-person meetings, written correspondence, regulatory filings, facility tours, audits and inspections. Through our engagement with Cyclyx, we are participating in the Houston Recycling Collaboration, a collaboration between government, industry and the community to increase Houston’s recycling rate and establish the city as a leader for mechanical and advanced recycling processes.



Industry and trade associations

We are active members of associations that represent advanced recycling companies in the U.S. and in Europe.

2022 Engagement: We engaged through our membership in organizations including the American Chemistry Council, the Association of Plastics Recyclers, and Chemical Recycling Europe. These associations work tirelessly to grow awareness of the benefits of advanced recycling technologies, building broader support for advanced recycling technology through a network of allies.



Shareholders and investment community

Our investor relations program helps ensure that all participants in the financial markets have access to transparent and complete information about the Group’s performance and market position.

2022 Engagement: We engaged with our investors through in-person and virtual meetings, regular investor conference calls, webinars, and investor disclosures, including those on Oslo Børs NewsWeb and the IR section of our website. We have an IR team that receives and responds to requests for information. In accordance with our disclosure policy, our investor communications are available on our website. During the year, management held over 50 meetings across the U.S. and Europe with existing and prospective investors.



Non-governmental organizations (NGOs) and institutions

NGOs include environmental advocates, academic and technical institutes, foundations and research organizations with interests in the circular economy.

2022 Engagement: We engaged with NGOs and institutions directly and through industry trade associations, via meetings, conferences, educational events and collaboration projects. We interact with institutions such as universities and federal research labs by providing information and contributing technical data relevant to their advanced recycling research. We track key publications and studies by NGOs and institutions.



STRATEGIC REPORT

SDG mapping

Agilyx follows and maps the United Nations Sustainable Development Goals (SDGs) as the blueprint for taking meaningful action for a more sustainable, low-carbon future for all.

The following SDGs are most directly relevant to Agilyx’s mission, value chain and stakeholders:



Agilyx has also identified two additional SDGs that are contributed to by value chain partners enabled by Agilyx technology to create more circular pathways:



Risk management

As a global leader in advanced recycling, Agilyx is exposed to a variety of risks, which must be managed to minimize any negative impact on strategic or financial ambitions.

The Group recognizes the importance of identifying and actively managing the financial and non-financial risks facing the business. We want our people to feel empowered to take advantage of attractive opportunities in line with our strategic ambitions, but to do so within the risk appetite set by the Board.

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.



Health & safety

Financial

Risk and impact

Our business involves storing, processing, handling and disposing of waste and potentially hazardous materials, including volatile solvents and chemicals. This activity could cause an incident that results in serious illness, injury or death to our people and third parties if not managed correctly.

As an early-stage company, the key financial risk the Group faces is a lack of liquidity. 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.

Risk mitigation

Health and safety is a key focus area for senior leadership, and management meetings include performance updates, with actions in place to ensure workplace health and safety. We have a Group health and safety policy, which is reinforced by standard operating procedures at our facility in Portland, Oregon, U.S., including a “stop-work” protocol. We maintain tracking and reporting of all OSHA recordable injuries and provide regular training to our employees. Our goal is for zero process safety incidents.

The Group monitors its projected cash requirements and forecasts cash flows carefully to ensure that there is sufficient capital for the planned activities. This enables early warning of the need to source additional funds to facilitate growth, and then appropriate action is taken. The Group will, if necessary, attempt to raise capital through private placements, debt or other financing, partnerships, and strategic alliances or from other sources.

Technology

Regulation

Operations

People

Risk and impact

The Group has developed proprietary technology and processes on which the business is dependent. Should others appropriate or copy our technology, it could damage the Group's competitive position and may be difficult or costly to defend. As an early-stage company, our technology is still relatively new to the market. There is a risk that as the technology is deployed in new environments and at different scales, there could be teething problems in its operation. This could cause delays to projects and damage to reputation, both of which could have an adverse financial impact on the Group.

The Group's 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 advanced recycling facilities or restrict the free transportation and supply of waste plastic could have a negative effect on the Group's operations.

Risk and impact

The Group 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. Should we suffer a failure within the operating supply chain, it could have a significant impact on our ability to operate and this in turn could have an adverse financial impact on the Group.

There is a risk for the Group if they fail to attract, retain and develop key personnel. Our business is dependent on our highly skilled people. The high-quality technical capability and innovative nature of our people is a competitive advantage that we wish to retain and nurture. We are keenly aware of the need to attract the right people, establish them in their roles and manage their development. Failure to do so could result in loss of productivity and intellectual capital, increased recruitment costs and lower staff morale.

Risk mitigation

We register new technology and processes as they are developed with the appropriate protection. The Group undertakes market monitoring to ensure that infringements are not occurring. Engineering support and expertise is factored into the construction and commissioning phases of projects to ensure that any potential issues are identified early and appropriate solutions are implemented.

The Group participates in industry trade associations in the U.S. and EU, which are actively monitoring policy developments and advocating for policies that will promote the growth of the advanced recycling sector. Our government affairs function also tracks policy changes and works with trade associations or other partners where appropriate to help advocate on the Group's behalf.

Risk mitigation

The Group works closely with multiple business partners and affiliates to monitor performance and to set guidelines for successful operation.

To minimize talent management risk, we recruited a new VP Human Resources in 2022, who has focused on implementing improved policies and standardized procedures around recruitment, talent management and development plans. We conduct benchmarking of remuneration and benefits to help attract and retain our talent and have long-term incentive plans in place. We plan to formalize our strong culture and values during 2023, given the growth in employees in recent years, and expect to introduce staff feedback surveys to complement the informal feedback channels we have in place.

Strategy

There is a risk that the Group could pursue an inappropriate strategy, which could have a material adverse financial impact on the Group. The Group 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.

Cyber Security

Data management and the potential for cyberattacks are an increasing risk for all businesses. A cyber security incident may be caused by an external attack, internal attack or user error. Such an incident may lead to the loss of commercially sensitive data, a loss of data integrity within our systems or the loss of financial assets through fraud. As a result, we could suffer reputational damage, revenue loss and financial penalties.

Strategy is reviewed at least annually by the Board with robust challenge and discussion. As matters arise, ad hoc Board meetings are held and options are debated between the Board and Senior Management. Information and data are provided to facilitate these conversations and where appropriate, external input is sought.

In recent years, we have enhanced our IT provision, and we leverage third party security technologies including antivirus and malware software and firewalls. The Group provides regular user training and testing through simulated attacks.



governance ↑

Chair's introduction

The Board has continued to strengthen our corporate governance credentials throughout 2022 by promoting integrity, valuing diversity and being responsive to the views of stakeholders. As a small and fast-evolving business, there is always more that we can do. Both I and the Board recognize the value of good corporate governance to long-term sustainable business success.

Board changes

On October 24, 2022, we announced my appointment as the new Chair of the Board, replacing Peter Norris, who remains a member of the Board. I'd like to take the opportunity to thank Peter for the highly professional way in which he has conducted the chairmanship, as well as the hand over to me. We are grateful to have Peter remaining on the Board.

With my industrial and chemical industry experience, from listed in addition to private ownership structures, I look forward to supporting Tim and the wider management to achieve our growth ambitions. Since taking on the Chair role, I have endeavored to meet people from across the business and I have also begun engaging with our external stakeholders.

We also announced Steen Jakobsen and Martha Crawford as new members of the Board during the year, and we are excited to welcome them to the team. Martha brings

extensive executive experience in the chemicals, engineering and consumer goods industries, while Steen brings considerable financial market expertise. With these changes, we have a very capable and experienced Board to support management in driving a fast and successful development of our businesses.

Our approach to corporate governance

Agilyx has adopted and implemented a corporate governance regime that is aligned with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "Corporate Governance Code") and is committed to the principles of good corporate governance, with a governance structure consisting of a Board of Directors, Committees and executive management. The following three Board Committees each have a chair: Audit, Compensation and ESG. In addition, pursuant to the articles of association, we have a Nomination Committee, the purpose of which is to propose nominees for election to the Board, its chair and suggest (in cooperation with the Compensation Committee) the remuneration for the Board and Committee members.



"I am delighted to have joined Agilyx at such an exciting time. We are operating in a field I believe in, where we will strive to contribute to the cause of circular economy at scale and at the same time, satisfy our stakeholders with attractive returns. I am committed to ensuring high standards of corporate governance as a means to achieve our ambitious goals."

- Jan Secher, Agilyx Chair

Issues covered by the Corporate Governance Code

1. Implementation and reporting on corporate governance	Compliant
2. Business	Compliant
3. Equity & dividends	Compliant
4. Equal treatment of shareholders	Compliant
5. Shares & negotiability	Compliant
6. General meetings	Compliant
7. Nomination Committee	Compliant
8. Board of Directors: composition & independence	Compliant
9. The work of the Board of Directors	Compliant
10. Risk management and internal control	Compliant
11. Remuneration of the Board of Directors	Partly compliant
12. Salary and other remuneration for executive personnel	Compliant
13. Information and communications	Compliant
14. Take-overs	Compliant
15. Auditor	Compliant

Please see page 64 for further detail.

Key discussions and decisions in the year

The full Board has responsibility in nominating the activities related to the Board. During 2022, the Board held six scheduled meetings. At each scheduled meeting, the Board received updates from the CEO on the key issues affecting the business, the CFO on the performance of the business and the Committee Chairs on matters discussed at the Committee meetings.

In addition, each year the Board approves a topic wheel that covers key focus areas for each meeting. Across the course of the year, this will include strategy and risk, alongside capital requirements for growth, Board and executive management evaluation, governance, budgeting and review of financial reporting materials.



Key priorities and discussions in 2022 included:

Uplisting to the main Oslo Bors

Throughout the first half of the year, the Board considered the advantages and disadvantages of pursuing an uplisting to the main Oslo Bors. Having decided to pursue the uplisting, time was spent understanding the implications and supporting management through the process.

Capital raise

As a growth company operating in a new market, the Board constantly monitors the strategy of the Group. In 2022, it became apparent that the speed with which to get projects through to their final investment decision could be accelerated if Agilyx took a more direct role in the development phase and then sold the final package, as opposed to working with the customer through the process. In September 2022, additional funds were raised as part of a private placement to support the business and its strategy.

Future development of Cyclyx

During the year, a number of discussions were held to better understand the future development options for Cyclyx and how these might be achieved. The Board discussed the development of the first Cyclyx Circularity Center and how this could be funded, including an agreement with ExxonMobil and LyondellBasell in relation thereto.

Approving the 2023 budget

The Board reviewed and provided constructive challenge to the 2023 budget, before approving it.

Key areas of focus for 2023 are expected to be:

- Future development of Cyclyx, including Cyclyx Circularity Centers
- Capital requirements for growth
- Board evaluation



The Board & Management Team



Jan Secher | Chair of the Board

Jan brings deep chemical industry executive experience and significant public company experience, having served as the CEO of Swedish specialty chemical company Perstorp Group and CEO of Clariant (SWX: CLN).

Previous professional and Board experience includes: Perstorp Group, Clariant, Elekta, ABB, European Chemical Industry Council



Ranjeet Bhatia | Board Member

Ranjeet has had a long-term interest in environmental technology and policy and evaluating technology venture opportunities.

Previous professional and Board experience includes: Saffron Hill Ventures, Brilliant Holdings Ltd., Faceware Technologies, Inc., Coyuchi, Optasia Medical, Image Metrics, Marrone Bio Innovations



Carolyn Clarke | Chair, Audit Committee

Carolyn is a chartered accountant and member of the council of the Chartered Institute of Internal Auditors. She spent 20 years in a variety of leadership roles and has experience in audit, risk and control.

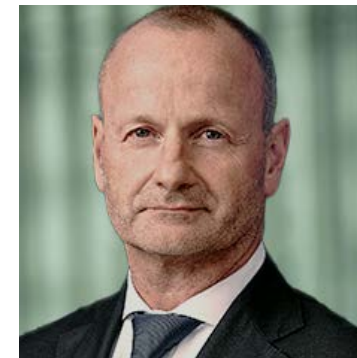
Previous professional and Board experience includes: PwC, Centrica plc, Brave Consultancy, Care International U.K., Starling Bank



Martha Crawford | Chair, Compensation Committee

Martha has extensive executive experience commercializing R&D as well as expertise in both ESG and waste industry businesses.

Previous professional and Board experience includes: Suez, Areva, L’Oreal’s Research and Innovation Group and OECD’s Environmental Performance and Information Division, Macquarie Infrastructure, lecturer at Harvard Business School



Steen Jakobsen | Board Member

Steen serves as the Chief Investment Officer of Saxo Bank, where he focuses on delivering asset allocation strategies and analysis of the overall macroeconomic and political landscape.

Previous professional and Board experience includes: Swiss Bank Corp, Citibank, Chase Manhattan, UBS, Christiania (now Nordea)



Catherine C. Keenan | Chair, ESG Committee

An executive with 32 years of experience in the Chemical and Plastics industry, Catherine has deep experience in strategy development, government and public affairs, sustainability, crisis management, stakeholder engagement, branding and reputation management.

Previous professional and Board experience includes: Trinseo, Dow Inc., Catherine C. Keenan LLC



Peter Norris | Board Member

Peter is Chairman of Virgin Group Holdings Limited with more than 37 years of experience in investment banking and business management.

Previous professional and Board experience includes: Barings, Goldman Sachs, Quayle Munro Holdings Plc

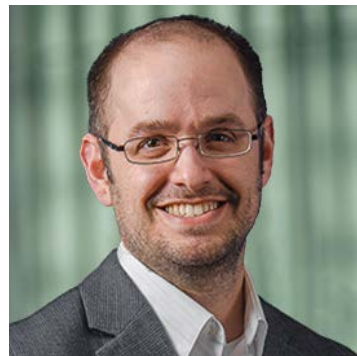
Our Management Team



Timothy Stedman | Chief Executive Officer (CEO)

Tim has nearly 30 years of experience in the chemical industry covering plastics, elastomers and basic chemicals and has held a variety of positions in the industry.

Previous professional and Board experience includes: Trinseo, Americas Styrenics, ExxonMobil, Petrochemicals Europe, Europe Petrochemical Association, International Council of Chemical Associations



Chris Faulkner | Chief Technology Officer (CTO)

Chris brings over 15 years of technical and organizational expertise on the engineering, process, analytics and administrative fronts to deliver products and operating assets.

Previous professional experience includes: The Mosaic Company, ClearEdge Power



Russell Main | Chief Financial Officer (CFO)

Russ brings over 25 years of executive finance and operational experience with a track record of optimizing finance, operations, technology and profitability within highly complex global environments.

Previous professional experience includes: Adobe Systems Inc., Tyco International



Isabel Charlotte Hacker | General Counsel

Isabel has over 25 years of legal expertise in business, corporate, commercial, and M&A law, covering plastics and chemicals, manufacturing and consumer goods.

Previous professional experience includes: Trinseo, Yum! Brands, General Mills International, Freshfields, Clifford Chance



Carsten Larsen | Chief Commercial Officer (CCO)

Carsten brings more than 25 years of industrial expertise, with experience developing new business models and growth strategies that monetize the plastics waste recycling streams for EMEA and APAC.

Previous professional experience includes: Dow Inc.



Mark Barranco | Senior VP of Engineering and Execution

Mark brings over 30 years of petrochemical industry experience in a variety of technical and business roles spanning basic chemical products to polymers and derivatives. Mark also serves as General Manager of Regenyx.

Previous professional experience includes: ExxonMobil Chemical Company, Commissioned Submarine Warfare Officer in the U.S. Navy



Louise Bryant | Senior VP of Investor Relations & Sustainability

Louise joined in November 2022 and brings a wealth of strategic investor relations and financial markets experience to Agilyx and is responsible for the organization’s investor relations strategy and sustainability initiatives.

Previous professional experience includes: Aggreko, Thomas Cook Group, Citi, PwC



Stephen Hamlet | VP of Human Resources

With over 20 years of diverse HR Leadership and hands-on HR operations experience, Stephen possesses a strong background in developing and leading Human Resources in manufacturing, technology and other industries. Stephen joined Agilyx in August 2022.

Previous professional experience includes: NeuroLogica/Samsung Medicine, Crane Currency, BE Aerospace, Waste Management/Wheelabrator



Kate Ringier | VP of Communication & Government Affairs

Kate brings over 20 years of strategic communications expertise, including crisis communications, media relations, branding, message creation, as well as speechwriting and change management experience. In addition to her oversight for communications and government affairs at Agilyx, Kate serves on the Board of Chemical Recycling Europe (CRE).

Previous professional experience includes: Trinseo, Viacom, Philip Morris Companies, Gibbs & Soell



Joe Vaillancourt | CEO of Cyclyx International, LLC

Joe has more than 25 years of operational, financial, and strategic experience in industrial, environmental and energy innovation and infrastructure development. Joe has been CEO of Cyclyx since its inception in January 2021. Prior to this, Joe served as the CEO and Director of Agilyx.

Previous professional and Board experience includes: Waste Management, Biogreen360, Inc.

GOVERNANCE

Corporate Governance Report

The Board works to ensure that we have good internal control mechanisms and management structures in place, believing that good corporate governance is a prerequisite for generating shareholder value.

-
- 1 Implementation and reporting of corporate governance**

Corporate governance covers the systems, processes and controls that have been implemented to protect our shareholders and other stakeholders such as employees, suppliers, and customers. All our codes and policies, as approved by the Board of Directors or the General Meeting (as the case may be), are available on our website.

Agilyx has adopted the Corporate Governance Code, and therefore, this section of the report follows the Code of Practice, including the comply or explain provision.

 - 2 Business**

Agilyx is a pioneer in the advanced recycling of plastic to help solve the global challenge of plastic waste. For more information on our business, the market and our strategy, please see the strategic report starting on page 11. The Board of Directors evaluates the Group’s strategy and risk profiles on an annual basis.

 - 3 Equity and dividends**

The Board’s authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted up to the next general meeting and no later than 30 June 2023. Authorization was given at the 2022 general meeting for the right to grant up to 15,506,580 shares, providing the flexibility to raise further capital to fund future growth for the business. In addition, at the same general meeting, authorization was also granted to purchase the Company’s own shares for the purposes of optimizing the share capital structure, as consideration for business acquisition and to settle options.

4

Equal treatment of shareholders

Agilyx has only one class of shares and each share entitles the holder to one vote. All transactions in own shares are performed on the market at market price, in accordance with good stock exchange practice in Norway. Related party transactions are covered by our Code of Ethics and Business Conduct, which also applies to Board members and is available on our website. There were no material transactions between the Company and related parties during 2022.

5

Shares and negotiability

The shares of Agilyx ASA are listed on the main exchange of the Oslo Børs and are freely tradeable.

6

General meetings

Shareholder interests are primarily exercised at the Company's general meetings. Our aim is that as many shareholders as possible are given the opportunity to participate in general meetings and as such general meetings are organized so as to ensure that they represent an effective forum for the Company's shareholders to express their views.

As outlined in our Articles of Association, notice of the General Meeting is made by written notification to all shareholders with a known address. In addition, the relevant documents are made available on our website, and those shareholders who wish for documents to be mailed to them are able to request us to do so. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting. Shareholders who wish to participate at general meetings are asked to notify the Company at least five days before the meeting. In accordance with best practice, votes for the appointment of Directors are cast separately for each candidate.

In accordance with Norwegian law, the Board is comprised of at least 40% female directors. For further information please page 40.

7

Nomination Committee

In accordance with the Corporate Governance Code, the Company has a Nomination Committee that was elected at the general meeting. The Committee consists of two members: Fredrik Sneve and Tor Svelland. Both members of the Committee are independent of the Board and the Group's executive management; both are shareholders in the Company. The role of the Nomination Committee is to provide proposals on the election of shareholder-elected Board members and their remuneration, and to propose members for the Nomination Committee. The Nomination Committee charter is available on our website.

8

Board of Directors: composition and independence

According to the Company's articles of association, the Company shall have a Board consisting of a minimum of two and a maximum of eight members, elected by shareholders. The Chair of the Board is elected by the general meeting based on a proposal from the Nomination Committee. Board members are elected for a period of two years at a time, and in order to ensure continuity on the Board, not all seats come up for election in the same year.

At present, the Board consists of seven members, all of whom are elected by the general meeting and none of which are members of executive management. All Board members are considered independent of the Group's executive management and material business partners. One of the Board members, Ranjeet Bhatia, represents our largest shareholder; shareholdings of Board members are listed in Note 15. The Board is of the opinion that it has sufficient expertise and capacity to perform its duties in a satisfactory manner.

Other Board directors who served during 2022

William Caesar: non-executive director until 12 May 2022.

Preben Rasch-Olsen: non-executive director and member of the Audit Committee until 12 May 2022.

Tim Stedman and Joe Vaillancourt: stepped down from the Board on 12 May 2022.

Executive/non-executive composition of the Board

On May 12, 2022, Tim Stedman, CEO, and Joe Vaillancourt, CEO Cyclyx, stepped down from the Board. As a result, the Board is now entirely comprised of non-executive directors.

Tenure of non-executive directors

	Number	Percentage
0-2 years	4	57%
2-5 years	1	14%
5+ years	2	29%

Experience of the Board

	Chemicals	Waste	Sustainability	Finance	Corporate governance	Growth businesses
Jan Secher	X		X	X	X	
Peter Norris				X	X	X
Ranjeet Bhatia			X	X	X	X
Catherine Keenan	X		X			
Carolyn Clarke			X	X	X	X
Martha Crawford	X	X	X		X	
Steen Jakobsen				X		

Board attendance in 2022

	Meetings attended	Percentage
Jan Secher	2/2	100%
Peter Norris	6/6	100%
Ranjeet Bhatia	6/6	100%
Carolyn Clarke	6/6	100%
Catherine Keenan	5/6	83%
Martha Crawford	2/2	100%
Steen Jakobsen	3/4	75%
Tim Stedman	2/2	100%
Joe Vaillancourt	2/2	100%
William Caesar	2/2	100%
Preben Rasch-Olsen	2/2	100%

Independence

The Board reviews the independence of its Non-executive Directors on a regular basis. We are committed to ensuring that the Board comprises a majority of independent non-executive Directors who objectively challenge management, balanced against the continuity on the Board.

The work of the Board of Directors

The overall management of the Company is vested in the Board and management. In accordance with Norwegian law, the Board is responsible for, among other things, supervising the general and day-to-day management of the Company's business to ensure proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. Further information regarding the Board's duties and rules of procedure is available on our website.

Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

The Board has appointed subcommittees for Audit, Compensation and ESG. All these Committees are considered to be independent from management.

The Board conducts an annual evaluation of the Board and management in accordance with best practice.

Risk management and internal control

The quality of the Company's risk management and internal control systems, including ESG risks, is considered strategically important by the Board and management. These systems and controls form an integrated part of management's decision-making processes and are central elements in the organization of the Company and the development of routines.

The Board and management team are responsible for establishing and maintaining adequate internal control over financial reporting, with the process for internal control being developed by the Chief Financial Officer and his team. Distinct roles, responsibilities and duties have been established with a clear delegation of authority matrix. In November 2021, we upgraded our ERP system, which provides enhanced embedded systematic controls, and which is aligned to the delegation of authority; we consider this to be the most significant mitigation against financial statement risk. The Audit Committee monitors financial reporting and its related controls, including the application of accounting principles and informed judgements. The management team and the Audit Committee meet with the external auditor present to discuss issues related to financial reporting, and the external auditors review the half-year results and fully audit the full-year numbers. The process is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's Financial Statements for external reporting purposes in accordance with International Financial Reporting Standards and the Norwegian Accounting Act.

Further information on what we consider our material risks and mitigating actions can be found on page 49.

Remuneration of the Board of Directors

The Nomination Committee propose the remuneration for members of the Board and this is then approved by shareholders at the general meeting. The remuneration reflects the Board's responsibility, expertise, time, commitment and the complexity of the Company's activities and is not linked to Company performance. Please see Note 4 for the remuneration details.

The Corporate Governance Code also recommends that companies should not grant share options to members of its Board. The Nomination Committee has decided not to follow this recommendation. The priority has been to recruit strong non-Norwegian candidates, and the Company was not able to do this solely on a cash basis.



12

Salary and other remuneration for executive personnel

The Company's Board determines the principles applicable to the policy for management compensation. The Board is directly responsible for determining the CEO's salary and other benefits. Salary and other employment terms for management are competitive to ensure that we can attract and retain skilled leaders. Remuneration will vary in accordance with local conditions, and is based on factors such as position, expertise, experience, conduct and performance. The remuneration policy is available on our website.

The Board has appointed a Compensation Committee to monitor decisions on matters regarding remunerations, terms and conditions for management. The Charter of the Compensation Committee is available on our website.

13

Information and communications

The Company publishes its financial calendar every year, highlighting the dates on which it will announce its Annual Report and half year results and hold its general meeting. All financial reports and other information are prepared and disclosed in such a way as to ensure that shareholders, investors and other stakeholders are able to access correct, clear, current and relevant information equally.

14

Take-overs

Agilyx's guidelines and practices are in line with the Corporate Governance Code.

15

Auditor

The independent auditor is elected by the General Meeting and is responsible for auditing the Group accounts. The independent auditor attends the meetings of the Audit Committee and presents a plan for each year's audit. The independent auditor also meets with the Board of Directors at least once each year without the presence of Agilyx senior management.

Audit Committee report

The Company’s Audit Committee consists of three directors: Carolyn Clarke (chair), Ranjeet Bhatia and Steen Jakobson.



“The role of the Audit Committee is to ensure the integrity of the Group’s financial reporting and provide oversight of our systems for internal control and risk management.”
 – Carolyn Clarke, Audit Committee Chair

Audit Committee attendance in 2022

	Meetings attended	Percentage
Carolyn Clarke	5/5	100%
Ranjeet Bhatia	4/5	80%
Steen Jakobsen	0/2	0%
Jan Secher	1/1	100%
Preben Rasch-Olsen	2/2	100%

Note: Steen Jakobsen was unable to attend the 2022 Audit Committees due to prior commitments made before joining the Board.

Purpose and responsibilities:

- The purpose of the Audit Committee is to assist the Board of the Company with oversight of the integrity of the accounting and financial reporting process and statements, the integrity of the system of risk management and internal control, the external statutory audit process, including auditor independence and performance and consideration of the process for monitoring compliance with laws and regulations and the code of conduct.
- The Audit Committee is empowered to study or investigate any matter of concern that it deems appropriate. This Committee shall have the authority to retain outside legal, accounting or other advisers for this or any other purpose, including the authority to approve the fees payable to these advisers and any other terms of retention.

ESG Committee report

The Company’s ESG Committee consists of Catherine Keenan (Chair), Ranjeet Bhatia and Carolyn Clarke.



“Our primary focus is on the Group’s policy and programs, including Safety, Environmental, Sustainability and Corporate Responsibility programs to ensure sustainable performance. We are evaluating trends affecting the Group, ESG progress and public reporting at least annually.”
 – Catherine Keenan, ESG Committee Chair

ESG Committee attendance in 2022

	Meetings attended	Percentage
Catherine Keenan	5/5	100%
Carolyn Clarke	5/5	100%
Ranjeet Bhatia	4/5	80%

Purpose and responsibilities:

- The purpose of the Environmental, Social and Governance (ESG) Committee is to assist the Board of Directors in fulfilling its responsibilities for establishing, implementing and executing its ESG policy and programs, including Safety, Environmental, Sustainability and Corporate Responsibility programs.

Compensation Committee report

The Compensation Committee consists of four directors: Martha Crawford (chair), Carolyn Clarke, Catherine Keenan and Peter Norris.



“We work to determine appropriate remuneration for Management and the Board.”
 – Martha Crawford, Compensation Committee Chair

Compensation Committee attendance in 2022

	Meetings attended	Percentage
Catherine Keenan	3/3	100%
Peter Norris	3/3	100%
Carolyn Clarke	3/3	100%
Martha Crawford	1/1	100%
Steen Jakobsen	1/1	100%

Purpose and responsibilities

- The Compensation Committee’s main duties are to assist the Board of the Company to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation, including establishing, implementing and executing the Company’s compensation policy and programs for the members of the Board and the Management. The Committee also reviews and endorses recommendations made by Management regarding the remuneration framework for the Company and the Group members.
- The Group’s remuneration report, in line with section 6-16a of the Public Limited Companies Act, is separately available on our website.



2022 performance ↑

Audit report



To the General Meeting of Agilyx ASA

RSM Norge AS

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agilyx ASA showing a loss of USD 787,412 in the financial statements of the parent company and a loss of USD 23,384,654 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Agilyx ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Agilyx ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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 2022 for Agilyx ASA

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 22 November 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Independent Auditor's Report 2022 for Agilyx ASA

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Agilyx ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5493000E25PBC2PXV881-2022-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 24 April 2023
RSM Norge AS



Lars Løyning
State Authorised Public Accountant

Directors Responsibility Statement

The Board of Directors and the Chief Executive Officer have reviewed and approved the Board of Director's Report, which incorporates the strategic and governance reports, and the consolidated and separate annual financial statements for Agilyx ASA as of 31 December 2022 (Annual Report 2022).

The consolidated financial statements have been prepared in accordance with IFRS and IFRIC as adopted by the EU and applicable additional disclosure requirements in the Norwegian Accounting Act.

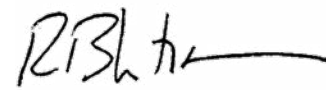
To the best of our knowledge:

- The consolidated and separate annual financial statements for 2022 have been prepared in accordance with applicable financial reporting standards;
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2022 for the Group and the Company;
- The Board of Directors' report includes a fair review of the development and performance of the business and the financial position of the Group and the Company;
- The Board of Directors' report includes a fair review of the principal risks and uncertainties the Group and the Company face.

The Board of Directors
Oslo, Norway
24 April 2023



Jan Secher
Chair of the Board



Ranjeet Bhatia



Carolyn Clarke



Martha Crawford



Steen Jakobsen



Catherine Keenan



Peter Norris

2022 PERFORMANCE

Financial Statements

Agilyx ASA Parent and Consolidated Income statement

For the Period Ended December 31 (Amounts in USD)

Parent				Group	
2021	2022	Note		2021	2022
-	-	2	Operating revenue and operating expenses	4,889,227	16,457,319
-	-	3	Revenues	4,825,819	15,884,357
-	-		Cost of revenues	63,408	572,962
-	-		Gross margin		
-	-		Research costs	2,252,214	3,528,553
-	-		Sales and marketing	1,097,922	1,831,796
792,270	1,941,294		General and administrative	13,172,488	17,095,874
792,270	1,941,294	3 & 4	Total operating expenses	16,522,624	22,456,223
(792,270)	(1,941,294)		Operating loss	(16,459,216)	(21,883,261)
			Financial income and financial expenses		
-	-	9	Impairment of investment in associate	(948,272)	(2,539,270)
1,331,559	1,267,458	14	Fair value gain on financial instruments	1,331,559	1,267,458
-	-		Interest expense	(199,635)	(104,277)
7,354	45,866		Other financial income	799,999	48,749
(23,111)	(159,442)		Other financial expense	(92,158)	(174,053)
1,315,802	1,153,882		Net financial items	891,493	(1,501,393)
523,532	(787,412)		Profit (loss) before tax	(15,567,723)	(23,384,654)
-	-		Income tax expense	-	-
523,532	(787,412)		Profit (loss) for the period	(15,567,723)	(23,384,654)
-	-		Other comprehensive profit (loss) for the period	-	(101,111)
523,532	(787,412)		Total comprehensive profit (loss) for the period	(15,567,723)	(23,485,765)
			Loss for the period attributable to:		
			Equity holders of the parent	(14,609,256)	(22,008,657)
			Non-controlling interest	(958,467)	(1,375,997)
				(15,567,723)	(23,384,654)
			Total comprehensive profit (loss) for the period attributable to:		
			Equity holders of the parent	(14,609,256)	(22,109,768)
			Non-controlling interest	(958,467)	(1,375,997)
				(15,567,723)	(23,485,765)
		22	Earnings per share, basic	(0.19)	(0.28)
		22	Earnings per share, diluted	(0.19)	(0.28)

Agilyx ASA Parent and Consolidated Balance Sheet

As of December 31 (Amounts in USD)

ASSETS					
Parent			Group		
2021	2022	Note	Non-current assets	2021	2022
-	-	6	Intangible assets	4,398,430	4,002,430
-	-	7	Property, plant and equipment	835,117	1,619,988
-	-	8	Right of use asset	974,460	708,848
31,484,467	52,197,722	17	Shares in subsidiaries	-	-
-	-		Other non-current assets	35,802	89,624
31,484,467	52,197,722		Total non-current assets	6,243,809	6,420,890
			Current assets		
-	-	10	Accounts receivable	1,669,890	2,443,453
-	-	22	Inventory	157,770	1,687,126
6,939	6,939		Prepaid expenses and other current assets	368,125	367,873
11,307,524	5,007,823		Cash and cash equivalents	19,570,154	13,671,319
11,314,463	5,014,762		Total current assets	21,765,939	18,169,771
42,798,930	57,212,484		Total assets	28,009,748	24,590,661

Agilyx ASA Parent and Consolidated Balance Sheet (cont.)

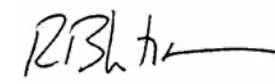
As of December 31 (Amounts in USD)

LIABILITIES AND STOCKHOLDERS' EQUITY					
Parent			Group		
2021	2022	Note		2021	2022
			Equity		
86,222	143,040	16	Share capital	86,222	143,040
40,493,564	53,854,378		Share premium	40,493,564	53,854,378
7,042,680	8,591,495		Additional paid-in capital	7,042,680	8,591,495
47,622,466	62,588,913		Total paid-in equity	47,622,466	62,588,913
(13,501,041)	(14,288,453)		Uncovered loss	(34,116,177)	(56,124,834)
-	-		Foreign currency translation	-	(101,111)
-	-		Non-controlling interest	1,041,533	696,640
34,121,425	48,300,460		Total equity	14,547,822	7,059,608
LIABILITIES					
Parent			Group		
2021	2022	Note	Non-current liabilities	2021	2022
-	-	8	Long-term lease liability	745,439	465,435
7,570,647	6,303,189	14	Warrant liability	7,570,647	6,303,189
7,570,647	6,303,189		Total non-current liabilities	8,316,086	6,768,624
			Current liabilities		
-	424	12	Accounts payable	1,447,148	2,640,756
84,438	93,063	13	Accrued expenses and other current liabilities	801,415	1,909,543
1,022,420	2,515,348	17	Payables to group companies	-	-
-	-	20	Contract liability	1,376,452	5,945,535
-	-	8	Current portion lease liability	248,972	266,595
-	-	19	Current portion of notes payable	1,271,853	-
1,106,858	2,608,835		Total current liabilities	5,145,840	10,762,429
8,677,505	8,912,024		Total Liabilities	13,461,926	17,531,053
42,798,930	57,212,484		Total liabilities and stockholders equity	28,009,748	24,590,661

Oslo, Norway | 24 April 2023



Jan Secher
Chair of the Board



Ranjeet Bhatia



Carolyn Clarke



Martha Crawford



Steen Jakobsen



Catherine Keenan



Peter Norris

Agilyx ASA Parent and Consolidated Statements of Cash Flows

For the Period Ended December 31 (Amounts in USD)

Parent			Group	
2021	2022	Notes	2021	2022
523,532	(787,412)		(15,567,723)	(23,384,654)
-	-	6, 7	254,850	545,243
-	-	8	251,018	265,612
-	-		(480)	-
-	-	9	948,272	2,539,270
-	-		1,739,995	1,548,815
-	-		(769,400)	-
(1,331,559)	(1,267,458)	14	(1,331,559)	(1,267,458)
-	-		69,342	35,666
-	-	10	(1,660,826)	(773,563)
-	-	11	(157,770)	(1,529,356)
675,476	1,501,733	12, 13	1,111,022	2,301,736
-	-	20	(520,396)	4,569,083
(6,939)	-		(360,730)	252
-	-		321,580	(108,361)
(139,490)	(553,137)		(15,672,805)	(15,257,715)
(18,000,000)	(19,164,440)		-	-
-	-		(1,978,272)	(2,539,270)
-	-	7	(640,225)	(934,114)
(18,000,000)	(19,164,440)		(2,618,497)	(3,473,384)
725,393	14,418,939		725,393	14,418,939
-	(1,001,063)		-	(1,001,063)
-	-		-	1,000,000
-	-	8	(242,480)	(262,381)
-	-	8	(69,342)	(69,441)
-	-	19	-	(414,104)
-	-	19	(1,451,043)	(839,686)
725,393	13,417,876		(1,037,472)	12,832,264
(17,414,097)	(6,299,701)		(19,328,774)	(5,898,835)
28,721,621	11,307,524		38,898,928	19,570,154
11,307,524	5,007,823		19,570,154	13,671,319

Consolidated Statement of Changes in Equity

	Group							Total
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Foreign Currency Translation	Total attributable to equity holders of the parent	Non-controlling interest	
Balance, January 1, 2021	83,365	39,771,028	2,937,059	(19,506,921)	-	23,284,531	2,000,000	25,284,531
Proceeds from exercise of stock options and warrants	2,857	722,536	2,365,626	-	-	3,091,019	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	-	1,739,995	-	1,739,995
Total comprehensive loss for the period	-	-	-	(14,609,256)	-	(14,609,256)	(958,467)	(15,567,723)
Balance, December 31, 2021	86,222	40,493,564	7,042,680	(34,116,177)	-	13,506,289	1,041,533	14,547,822
Proceeds from private placement, net	11,924	13,274,592	-	-	-	13,286,516	-	13,286,516
Proceeds from exercise of stock options and warrants	771	130,345	-	-	-	131,116	-	131,116
Par value increase (from NOK 0.01 to NOK 0.02)	44,123	(44,123)	-	-	-	-	-	-
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	-	-	-	1,031,104	1,031,104
Equity settled share based payment	-	-	1,548,815	-	-	1,548,815	-	1,548,815
Other comprehensive loss	-	-	-	-	(101,111)	(101,111)	-	(101,111)
Net result for the year	-	-	-	(22,008,657)	-	(22,008,657)	(1,375,997)	(23,384,654)
Balance, December 31, 2022	143,040	53,854,378	8,591,495	(56,124,834)	(101,111)	6,362,968	696,640	7,059,608

	Parent				Total
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	
Balance, January 1, 2021	83,365	39,771,028	2,937,059	(14,024,573)	28,766,879
Proceeds from exercise of stock options and warrants	2,857	722,536	2,365,626	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	1,739,995
Net result for the year	-	-	-	523,532	523,532
Balance, December 31, 2021	86,222	40,493,564	7,042,680	(13,501,041)	34,121,425
Proceeds from private placement, net	11,924	13,274,592	-	-	13,286,516
Proceeds from exercise of stock options and warrants	771	130,345	-	-	131,116
Par value increase (from NOK 0.01 to NOK 0.02)	44,123	(44,123)	-	-	-
Equity settled share based payment	-	-	1,548,815	-	1,548,815
Net result for the year	-	-	-	(787,412)	(787,412)
Balance, December 31, 2022	143,040	53,854,378	8,591,495	(14,288,453)	48,300,460

Notes to account

Note 1: Accounting Policies

Agilyx ASA is a Norwegian company, located in Oslo, Norway and the parent and ultimate parent company in the Agilyx Group. The Agilyx Group headquarters are located in Portsmouth, New Hampshire and Tigard, Oregon (U.S.) with satellite offices located in Switzerland and Denmark.

Agilyx ASA was incorporated on November 22, 2019 as a shelf company and there was no activity in 2019. Agilyx ASA 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 ASA resulting in Agilyx Corporation becoming a 100% owned subsidiary of Agilyx ASA. 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.

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.

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations as approved by the European Union (collectively IFRSs).

The U.S. Dollar is the presentation currency of the Agilyx Group. All foreign operations use U.S. Dollar as their functional currency.

The consolidated financial statements have been prepared on a historical cost basis, except for warrants, which have been measured at fair value (see note 14).

The parent accounts are separate financial statements prepared in accordance with IFRS.

The financial statements of Agilyx ASA, for the fiscal year 2022, were approved in the board meeting at 24.04.2023.

Principles of Consolidation

The consolidated financial statements include the accounts of Agilyx ASA 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. Agilyx Corporation holds 50% interest in Regenyx LLP, which has been accounted for under the equity method.

Control is achieved when Agilyx Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Agilyx Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Agilyx Group has less than a majority of the voting or similar rights of an investee, Agilyx Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Agilyx Group's voting rights and potential voting rights

Agilyx Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Agilyx Group obtains control over the subsidiary and ceases when Agilyx Group loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue

Performance Obligations and timing of revenue recognition

Agilyx Group's revenues can be divided into three main streams, as analyzed numerically in note 2:

Project Development

Revenues related to project developments are recognized over the contract period using percentage of completion as the method for measuring the revenue. This is because the projects created have no alternative use for Agilyx Group and the contracts require payment to be received for the time and effort spent by the Group on progressing the contracts in the event of the customer canceling the contract prior to completion for any reason other than the Group's failure to perform its obligations under the contract. On partially complete design contracts, Agilyx Group recognizes revenue based on stage of completion of the project which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represents the amount to which the Group would be entitled based on its performance to date.

License, membership and royalty fees

License revenues are recognized when the license is delivered and the rights are transferred to the buyer. The rights relate to Agilyx Group's patented conversion technology which helps customers to take feedstock and turn it into a product. Once the rights are transferred to the buyer Agilyx Group usually has a present right to payment and retains none of the significant risks and rewards of the goods in question.

Sales of goods

Revenues from the sale of goods are recognized at the point in time of the delivery, when control of the goods and risk of ownership has transferred to the customer. There is limited judgment needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Agilyx Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price

Agilyx Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There are no revenue contracts with significant financing components.

Allocating amounts to performance obligations

For sales contracts there is a fixed unit price for each product sold. Therefore, there is no judgment involved in allocating the contract price to each unit ordered. Where a customer orders more than one product line, Agilyx Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Agilyx Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies, related to the presentation of remaining performance obligations.

Research and Development Expenses

Expenditure on internally developed product or technology is capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold
- Adequate resources are available to complete the development
- There is an intention to complete and sell the product
- The Group is able to sell the product
- Sale of the product will generate future economic benefits, and
- Expenditure on the project can be measured reliably.

Capitalized development costs are amortized over the periods Agilyx Group expects to benefit from selling the products developed. No projects have met this criteria for any of the periods presented.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the consolidated income statement as incurred.

Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Agilyx Group operates and generates taxable income.

Deferred taxation

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where Agilyx Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when Agilyx Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with IFRS 2 – Share-based payment. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards, using the accelerated method. The amount recognized as an expense, commences on the first of the month following the date of the grant and is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

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” in the Company’s Income Statement.

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 contractual terms of the underlying agreements.

Financial Instruments

Financial assets

Agilyx Group categorizes all of its financial assets as amortized cost, due to the nature and purpose of the assets.

These assets arise principally from the provision of goods and services to customers (e.g. accounts receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual

cash flows are solely payments of principal and interest (principally cash and cash equivalents). They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment, as required.

Impairment provisions for current and non-current trade receivables are recognized based on the simplified approach within IFRS 9 see note 10 for further commentary on the application of this.

Agilyx Group’s financial assets measured at amortized cost comprise accounts receivables and cash and cash equivalents in the consolidated balance sheet.

Financial liabilities

Agilyx Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired

Fair value through profit or loss

This category comprises warrants and subscription rights which are derivative financial instruments. They are carried in the consolidated balance sheet at fair value with changes in fair value recognized in the consolidated profit and loss. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities - measured at amortized cost

Other financial liabilities include notes payable, accounts payable, payables to Group companies and lease liabilities. These are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Any interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Accounts payables and other short-term monetary liabilities, are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

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, based on the useful economic life as described in note 6. 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 7. This period’s depreciation is charged to this year’s operating expenses in the income statement.

Investment in Regenyx

Where Agilyx Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an equity method investment. This is the case with the investment in Regenyx (see note 9). Regenyx was initially recognized in the consolidated balance sheet at cost. Subsequently Regenyx is accounted for using the equity method, where Agilyx Group’s share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss. See notes below and in note 9 related to the impairment loss recognized in relation to this investment.

Profits and losses arising on transactions between Agilyx Group and Regenyx are recognized only to the extent of unrelated investors’ interests in Regenyx. The investor’s share in Regenyx’s profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

In the income statement the profit or loss is shown in financial income.

Subsidiaries

Investments in subsidiaries are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Leases

Identifying leases

Agilyx Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

1. There is an identified asset;
2. Agilyx Group obtains substantially all the economic benefits from use of the asset; and
3. Agilyx Group has the right to direct use of the asset.

Agilyx Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Agilyx Group obtains substantially all the economic benefits from use of the asset, Agilyx Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Agilyx Group has the right to direct use of the asset, Agilyx Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Agilyx Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Initial Measurement

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The incremental borrowing rate is determined with reference to the current external borrowing rates of Agilyx Group, adjusted so as to arrive at the rate of interest that Agilyx Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favor of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Impairment of Non-financial Assets

Agilyx Group non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. See note 9, for specific analysis performed on the investment in Regenyx.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income.

Receivables

Trade receivables and other receivables are recognized at amortized cost, less any provision for expected credit losses of receivables. See note 10 for further information on how Agilyx Group applies the simplified model for expected credit losses, as permitted by IFRS 9.

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.

Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. First in first out is used to determine the cost of ordinarily interchangeable items.

Independent Subscription Rights - Derivative Liability

Agilyx Corporation has granted warrants in connection with various debt and equity issuances that were exercisable into ordinary shares. In connection to the share exchange that was completed January 7, 2020, these warrants were replaced with subscription rights where Agilyx ASA 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.

The warrant agreements include a cashless exercise option, which introduces variability into the number of shares that could be issued. The instruments therefore fails the fixed for fixed requirement in IAS 32 and is classified as a derivative liability. The instruments meets the definition of a derivative because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. See note 14 for additional information on these instruments and the valuation approach.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. See COVID-19 Pandemic section below for additional information related to the Government PPP loan which was forgiven during 2021.

Cash Flow

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

Critical Accounting Estimates and Judgments

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make certain estimates and judgments 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. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed 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.

Significant estimates and judgments are applied in the following areas:

- Estimating the amounts due for the initial funding period provision related to the Regenyx investment (note 9)
- Assumptions and estimates related to the impairment of the investment in Regenyx, including future cash flows (note 9)
- Recording accounts receivable, and consideration of any potential allowance for expected credit losses (note 10)
- Useful lives attributed to property plant and equipment and intangible assets (notes 6 and 7)
- Revenue recognized in accordance with the stage of completion method (see accounting policy above and note 2)
- Stock-based compensation expense (note 15)
- Warrant and stock subscription rights, valuation assumptions (note 14)
- Assumptions related to the initial recognition of leases and the subsequent accounting for these agreements, including incremental borrowing rates and determination of lease term applied when computing lease liabilities (see also accounting policy above and note 8)

Fair value measurement

Warrant and stock subscription rights and the stock compensation expenses, all require measurement at, and/or disclosure of, fair value.

The fair value measurement of Agilyx Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. Please refer to the applicable notes as referenced above, for additional information on the fair value measurements applied within these financial statements.

New Standards Interpretations and Amendments Adopted January 1, 2022

Of the new standards that were effective for the first time for periods beginning on or after January 1, 2022 (primarily amendments to IAS 37 for Onerous contracts and amendments to IAS 16, IAS 41, IFRS 1, IFRS 3, IFRS 9 and IFRS 16), none of these had a specific impact on the results of the Agilyx Group.

New Standards Interpretations And Amendments Not Yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

Agilyx Group is currently assessing the impact of these new accounting standards and amendments, but does not expect any a material impact at this stage.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak on the economy and the Company's operations is fluid and constantly evolving. Management is actively monitoring the global situation and its impact on the Agilyx Group financial condition, liquidity, operations, suppliers, customers, industry, and workforce.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act, among other things, included provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also appropriated funds for the Small Business Administration's (SBA) Paycheck Protection Program loans (PPP loan), which are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

"On April 20, 2020, Agilyx Corporation obtained a \$779,400 PPP loan through Comerica Bank. The application for these funds required Agilyx Corporation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Agilyx Corporation. This certification further required Agilyx Corporation to take into account current business activity at the time and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that was not significantly detrimental to the business. As permitted Under the terms of the CARES Act, the Agilyx Corporation applied for forgiveness recipients of loans under the Paycheck Protection Program and was granted forgiveness of the loan under notice of forgiveness on May 31, 2021. The receipt of these funds, and the forgiveness of the loan attendant to these funds, was dependent on Agilyx Corporation having initially qualified for the loan and qualifying for the forgiveness of such loan. Such forgiveness was determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and certain other eligible costs.

While outstanding the PPP loan has a two-year term and bore interest at a rate of 1.00% per annum. Monthly principal and interest payments under the PPP loan were originally deferred for six months. The Paycheck Protection Flexibility Act of 2020 extended the deferral period for loan payments to either (a) the date that the Small Business Administration remitted the borrower's loan forgiveness amount to the lender or (b) if the borrower did not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period. Agilyx Corporation did not have to make any repayments as a result of this Act. "

Note 2

GEOGRAPHICAL DISTRIBUTION OF REVENUES		
	Group	
	2021	2022
Europe	428,689	250,899
U.S.	3,894,758	9,511,791
APAC	463,826	6,694,629
Other	101,954	-
Total sales by customers location	4,889,227	16,457,319
PRODUCT CATEGORY		
	Group	
	2021	2022
Project development	2,786,855	609,695
License, membership and royalty fees	131,458	450,525
Sale of goods	1,970,914	15,397,099
Total sales by category	4,889,227	16,457,319
No sales was recognized in the parent company Agilyx ASA in 2021 and 2022.		

Note 3

OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement. Below is 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	
	2021	2022	2021	2022
Raw materials and consumables	1,577,866	5,581,029	-	-
Salaries and related costs (note 4)	10,647,373	15,447,117	408,346	200,845
Depreciation and amortization	505,867	810,855	-	-
Professional fees	5,900,404	12,433,180	383,924	1,740,449
Insurance	482,033	514,781	-	-
Office expenses	835,401	1,191,869	-	-
Travel	298,961	561,109	-	-
Other operating expenses	1,100,538	1,800,640	-	-
Total expenses	21,348,443	38,340,580	792,270	1,941,294

Note 4

SALARY AND SOCIAL COSTS				
	Group		Parent	
	2021	2022	2021	2022
Salaries	8,191,615	11,289,076	339,532	172,530
Social security and payroll tax costs	(463,210)	972,623	50,230	22,315
Share-based compensation (note 15)	1,739,995	1,548,815	-	-
Pension costs	136,681	171,875	18,584	6,000
Benefits and other expenses	1,042,292	1,464,728	-	-
Total salaries	10,647,373	15,447,117	408,346	200,845
Number of average full time employees	81	107	2	1

Agilyx ASA 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 are defined as contribution plans. Agilyx has no pension arrangements in any of its other entities. This is in line with the corresponding local legislation of its operations.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2022

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, Group CEO	433,177	231,410	211,066	875,653
Chris Faulkner, CTO	236,900	58,840	68,314	364,054
Russell Main, CFO	257,500	62,277	38,828	358,605
Mark Barranco, SVP Engineering & Execution	262,649	57,328	119,274	439,251
Joe Vaillancourt, Cyclyx CEO	360,500	310,882	-	671,382
Louise Byrant, SVP Investor Relations	55,785	40,400	10,097	106,282
Isabel Charlotte Hacker, General Council	324,883	103,369	124,488	552,740
Carsten Larsen, CCO	268,152	29,497	268,817	566,466
Stephen Hamlet, VP Human Resources	78,269	8,065	11,682	98,016
Kate Ringier, VP Communications & Government Affairs	211,932	56,374	77,703	346,009
				4,378,458

The CEO received his salary from Agilyx GmbH, Switzerland. The CEO has a severance agreement whereby he will receive 100% pay for 6 months for termination by the Company without cause.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2021

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, CEO	405,225	156,534	511,701	1,073,460
Chris Faulkner, CTO	230,000	62,607	34,942	327,549
Russell Main, CFO	250,000	69,557	7,681	327,238
Mark Barranco, SVP Engineering & Execution	255,000	10,681	144,774	410,455
Joe Vaillancourt, Cyclyx CEO	350,000	24,103	-	374,103
Kate Ringier, VP Communications & Government Affairs	207,621	39,257	152,767	399,645
				2,912,450

The CEO received his salary from Agilyx GmbH, Switzerland.

REMUNERATION TO AUDITOR				
	Group		Parent	
	2021	2022	2021	2022
Audit fees	88,685	168,794	30,935	85,294
Confirmation services	4,957	6,272	4,957	6,272
Tax services	3,206	6,856	3,206	6,856
Other non-audit services	15,442	11,751	15,442	11,751
Total fees	112,290	193,673	54,540	110,173

Audit fees to the parent auditor include VAT.

Note 5: Segment information

Agilyx has two main segments:

- Agilyx**- this segment licenses its patented conversion technology and sells its 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.
- Cyclix**- is 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. The Cyclix approach is an industry-wide answer, serving the entire market regardless of which conversion technology a company is using.

Factors that management used to identify the reportable segments

Both of these segments meet the quantitative thresholds to be a reportable segment. Management has concluded that these segments should be reported separately on the basis that:

- Both segments are separate legal entities (see also note 17), that offer differing products and services.
- They are managed separately and each have their own Chief Executive Officer and board of directors.
- They are managed separately because each business requires different technology and marketing strategies.
- Both prepare discrete financial information for the board and Chief Operating Decision Makers (CODM) to use in making decisions about resource allocation and assess performance.
- The Chief Operating Decision Maker of the consolidated Agilyx Group, is the Chief Executive Officer, Tim Stedman. He is on the board of both segments and therefore reviews the results of the operating segments and uses that information to make decisions which affect the resources allocated to each segment individually, as well as on a consolidated basis.

Measurement of operating segment profit or loss, assets and liabilities

Segmental performance is measured in accordance with IFRS. Operating segments are presented using the management approach, where the information presented is on the same basis as the internal reports provided to the CODM.

Inter-segment sales and balances are eliminated from the table below, which have a combined impact of improving 2022 income by \$881,812 (improving 2021 income by \$514,752). No tax benefit is derived from these transactions as all parties reside in the same tax jurisdiction.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax, defined benefit and warranty related liabilities. Loans and borrowings are not allocated as these are deemed to serve a group function.

PROFIT AND LOSS						
	2021			2022		
	Cyclix	Agilyx	Total	Cyclix	Agilyx	Total
Revenues from external customers	1,949,874	2,939,353	4,889,227	9,232,771	7,224,548	16,457,319
Depreciation and amortization	13,349	492,518	505,867	43,335	767,520	810,855
Segment loss	(4,398,621)	(12,060,595)	(16,459,216)	(4,692,176)	(17,191,085)	(21,883,261)
Result from investment in Regenyx			(948,272)			(2,539,270)
Fair value gain on warrant agreements			1,331,559			1,267,458
Interest expense			(199,635)			(104,277)
Other financial income (expense), net			707,841			(125,304)
Non-controlling interest			958,467			1,375,997
Group net loss			(14,609,256)			(22,008,657)

BALANCE SHEET						
	2021			2022		
	Cyclix	Agilyx	Total	Cyclix	Agilyx	Total
Non-current asset additions	405,458	535,042	940,500	201,500	732,614	934,114
Reportable segment assets	6,707,612	21,302,136	28,009,748	9,614,712	14,975,949	24,590,661
Total group assets			28,009,748			24,590,661
Reportable segment liabilities	2,980,993	1,638,433	4,619,426	6,016,341	5,211,523	11,227,864
Loans and borrowings (excluding leases)			1,271,853			-
Derivative financial liabilities			7,570,647			6,303,189
Total group liabilities			13,461,926			17,531,053

CASH FLOW						
	2021			2022		
	Cyclix	Agilyx	Total	Cyclix	Agilyx	Total
Net cash from operations	(2,163,709)	(13,509,096)	(15,672,805)	(4,233,146)	(11,024,569)	(15,257,715)
Net cash from investments	(280,458)	(2,338,039)	(2,618,497)	-	(3,473,384)	(3,473,384)
Net cash from financing	-	(1,037,472)	(1,037,472)	(1,000,000)	13,832,264	12,832,264

Revenue by geography- Revenue by geography is included in Note 2. The Cyclix segment revenue is primarily derived from the US. Non-current assets by geography- All non-current assets reside in the US.

The Group has the following major customers, which each accounted for at least 10% of revenues in 2022 or 2021:

	2021	2022	Segment
Customer A	1,767,950	8,792,620	Cyclix
Customer B	1,309,374	6,604,479	Agilyx
Customer C	568,795	144,331	Agilyx
Customer D	456,673	139,880	Agilyx

Note 6

Intangible assets include the following contracts	Licensed technology	Exclusivity license	Total
(i) Cost			
Balance at January 1, 2021	3,575,000	1,188,378	4,763,378
Additions	-	-	-
Balance at December 31, 2021	3,575,000	1,188,378	4,763,378
Additions	-	-	-
Balance at December 31, 2022	3,575,000	1,188,378	4,763,378
(ii) Accumulated amortization			
Balance at January 1, 2021	186,198	-	186,198
Amortization charge	178,750	-	178,750
Balance at December 31, 2021	364,948	-	364,948
Amortization charge	178,750	217,250	396,000
Balance at December 31, 2022	543,698	217,250	760,948
(iii) Net book value			
Balance at December 31, 2021	3,210,052	1,188,378	4,398,430
Balance at December 31, 2022	3,031,302	971,128	4,002,430
Economic life	20	4	

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 2021 and 2022.

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. Amortization expense under the license agreement totaled \$217,250 for the year ended 2022.

Note 7

Property, plant and equipment	Leasehold improvements	Machinery and equipment	Total
Costs			
At cost January 1, 2021	227,488	427,853	655,341
Additions	488,381	151,843	640,224
At cost December 31, 2021	715,869	579,696	1,295,565
Additions	386,473	547,641	934,114
At cost December 31, 2022	1,102,342	1,127,337	2,229,679
Depreciation			
Accumulated depreciation January 1, 2021	218,001	166,348	384,349
Depreciation for the year	4,002	72,097	76,099
Accumulated depreciation December 31, 2021	222,003	238,445	460,448
Depreciation for the year	27,317	121,926	149,243
Accumulated depreciation December 31, 2022	249,320	360,371	609,691
Net book value December 31, 2021	493,866	341,251	835,117
Net book value December 31, 2022	853,022	766,966	1,619,988
Economic life	Contract period	3-20 years	

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

Note 8

RIGHT OF USE ASSETS AND LEASE LIABILITIES

Agilyx Group has four leases that are in the scope of IFRS 16: three property leases and one lease of computer equipment. None of these contracts have variable lease payments. One property contract includes an extension option, which Agilyx Group management are reasonably certain will be exercised, due to significant investment in the property, the extension period has therefore been included in the lease term.

Right of use assets	Property	Equipment	Total
At January 1, 2021	852,044	78,296	930,340
Additions	300,276	-	300,276
Amortization	(234,224)	(16,794)	(251,018)
Disposal/termination of old lease	(5,138)	-	(5,138)
At December 31, 2021	912,958	61,502	974,460
Additions	-	-	-
Amortization	(248,529)	(17,083)	(265,612)
Disposal/termination of old lease	-	-	-
At December 31, 2022	664,429	44,419	708,848
Lease liability			
Lease liabilities at January 1, 2021	871,939	70,294	942,233
Additions	300,276	-	300,276
Lease payments	(292,033)	(19,789)	(311,822)
Interest expense	65,596	3,746	69,342
Disposal/termination of old lease	(5,618)	-	(5,618)
Lease liabilities at December 31, 2021	940,160	54,251	994,411
Additions	-	-	-
Lease payments	(312,033)	(19,789)	(331,822)
Interest expense	66,674	2,767	69,441
Disposal/termination of old lease	-	-	-
Lease liabilities at December 31, 2022	694,801	37,229	732,030
Useful Economic life	3-7 years	5 years	

The following is a presentation of the undiscounted committed cash flows related to the remaining lease liabilities:

	0-12 months	Between 1-2 years	Between 2-5 years	5+ years	Total
As at December 31, 2021	298,622	245,054	438,873	155,411	1,137,960
As at December 31, 2022	245,054	228,777	210,096	155,411	839,338

Note 9: Investment in Regenyx

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.

Despite holding a 50% interest, Agilyx has assessed that it does not have control or joint control of Regenyx. This is driven by the other 50% shareholder controlling the purchases and sales of Regenyx, via various mechanisms within the operating agreements. Agilyx does have the power to participate in the financial and operating policy decisions of the investee, via its board position. Agilyx has therefore determined that it has significant influence over Regenyx and its investment is therefore measured using the equity method as an investment in associate.

In the period between April 2021 and April 2024 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. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx.

Impairment of Investment

Agilyx Group is split into two CGU's for impairment analysis purposes, Agilyx and Cyclyx, which is in alignment with the segments disclosed in note 5. Regenyx is part of the Agilyx reportable segment. Furthermore, the investment in Regenyx is separately assessed for impairment because it is able to generate cash flows that are largely independent of the cash inflows from other assets or groups of assets.

For the investment in Regenyx, objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx and AmSty in order to support its continued operation.

Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2021. As can be seen in the tables below, subsequent capital investments by Agilyx, led to impairments for both balance sheet periods presented on the basis that the recoverable amount using the value in use and fair value less cost to sell methodologies would lead to a fully written off investment.

Despite the impairment, Agilyx Group continues to invest in Regenyx for the broader benefits that it brings to the Group, which include servicing an important customer in AmSty, as well as, providing R&D and marketing value to demonstrate various new and current technologies being developed and implemented by the Group.

CALCULATION OF BALANCE SHEET VALUE OF INVESTMENT IN REGENYX	
Balance sheet value December 31, 2020	-
Investment during 2021- above initial estimated cash outflow	948,272
Impairment charge – fully impair balance	(948,272)
Balance sheet value December 31, 2021	-
Investment during 2022- above initial estimated cash outflow	2,539,270
Impairment charge – fully impair balance	(2,539,270)
Balance sheet value December 31, 2022	-

SUMMARIZED FINANCIAL INFORMATION OF REGENYX		
As at December 31	2021	2022
Current assets	584,772	776,403
Non-current assets	2,845,422	3,565,812
Current liabilities	406,311	2,233,063
Non-current liabilities	3,907	-
Net assets (100%)	3,019,976	2,109,152
Period Ended December 31		
Revenues	798,284	1,004,279
Total and other comprehensive loss	(3,119,103)	(4,451,216)

Note 10

ACCOUNTS RECEIVABLE				
	Group		Parent	
	2021	2022	2021	2022
Trade accounts receivable	154,524	231,738	-	-
Related party receivables	350,371	1,815,159	-	-
Payroll tax refund receivable	1,164,995	396,556	-	-
Total accounts receivable	1,669,890	2,443,453	-	-

The carrying amount of accounts receivable is measured at amortized cost, which approximates fair value.

Agilyx applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for all accounts receivables. To measure expected credit losses on a collective basis, accounts receivables are grouped based on similar credit risk and aging. The expected loss rates are based on Agilyx's historical credit losses experienced over the period since adoption of IFRS. Historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked. Given this context, the impact of any forward looking factors is not expected to adjust the conclusion that no allowance is required.

One of the main factors applied when concluding that no allowance is required, is the aging of the accounts receivable balances:

	Group	
	2021	2022
Non-overdue amounts	-	-
0-30 days past due	1,356,208	-
31-60 days past due	148,874	-
61-90 days past due	-	81,283
Over 90 days past due	164,808	2,362,170
	1,669,890	2,443,453

Note 11

INVENTORY

Inventories consist of the following:

	Group	
	2021	2022
Raw materials	5,969	184,165
Finished goods	151,801	1,502,961
Total inventories	157,770	1,687,126

Note 12

ACCOUNTS PAYABLE

	Group		Parent	
	2021	2022	2021	2022
Accounts payable	1,241,420	2,640,756	-	424
Related party payables	205,728	-	-	-
Total accounts payable	1,447,148	2,640,756	-	424

Note 13

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES				
	Group		Parent	
	2021	2022	2021	2022
Payroll and related accruals	278,761	438,707	84,438	93,063
Products and services	297,654	1,470,836	-	-
Current license payment	225,000	-	-	-
Total accrued expenses and other current liabilities	801,415	1,909,543	84,438	93,063

Note 14: 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, 2022 that are exercisable into ordinary shares:

	Number of ordinary shares	Exercise price per share - USD	Expiration
Ordinary share warrants converted to subscription rights	2,447,100	1.00	2025
		Group and parent December 31, 2021	Group and parent December 31, 2022
Warrant liabilities		7,570,647	6,303,189

The ordinary share warrants and subscription rights, are the only financial instruments measured at fair value through the profit and loss. This treatment is required for the Warrants because the terms of the Warrant include a cash less exercise option, which triggers derivative treatment in accordance with IFRS 9. This is because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date.

All ordinary share warrants and subscription rights are measured using level 3 inputs on the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during any of the years presented.

The valuation of the Warrant liability was performed using the Black Scholes Model, the following inputs were significant in the computation of fair values at each reporting date:

	Group and parent December 31, 2021	Group and parent December 31, 2022
Expected term	Various	7-Aug-25
Equity volatility	30.00 - 35.00%	30%
Risk free rate	0.39 - 0.98%	4.34%

During 2022, the Board of Directors authorized an extension on all warrants now having an expiration date of August 7, 2025. This modification had no material impact on the 2021 valuation.

As the outstanding warrants for Agilyx are well in the money as of the December 31, 2021, and 2022 reporting dates, the valuations performed determined that the preponderance of the amount, for each of the respective dates, was intrinsic value in nature. Hence there was very little time value associated with the estimate of value calculated. As a result of this relationship, the change in the value of the instruments is going to be more closely correlated with the change in the underlying equity price as opposed to a change in volatility. This determination was corroborated with the sensitivity calculations completed.

During 2022, no warrants were exercised (2021: 437,500).

The sensitivity analysis of a reasonably possible change in one significant unobservable input, being the underlying equity value, holding other inputs constant would be:

	Equity value at expiration -5%	Equity value at expiration + 5%
At December 31, 2021	(378,160)	378,160
At December 31, 2022	(315,160)	315,159

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below (this is applicable for both the Group and Parent only financial statements):

	Warrant liability
At January 1, 2021	11,267,832
Warrants exercised (converted into 437,500 ordinary shares)	(2,365,626)
Gain on warrant value- presented as fair value through profit and loss	(1,331,559)
At December 31, 2021	7,570,647
Gain on warrant value- presented as fair value through profit and loss	(1,267,458)
At December 31, 2022	6,303,189

Note 15

STOCK OPTION PLAN				
Stock Option Activity				
	Number of shares	Weighted average exercise price	Weighted average contractual term (years)	Aggregate intrinsic value
Balance at January 1, 2021	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		8,706,073
Options forfeited/expired	(350,580)	\$ 4.94		
Balance at December 31, 2021	11,432,624	\$1.17	7.81	33,223,561
Share authorized				
Options granted	1,815,000	2.62		
Options exercised	(769,509)	0.28		
Options forfeited/expired	(188,899)	2.30		
Balance at December 31, 2022	12,289,216	\$1.40	7.71	26,343,495
Options vested and expected to vest at December 31, 2022	12,289,216	\$1.40	7.71	26,343,495
Options Exercisable	7,078,142	\$0.83	5.62	18,231,441

The following information is relevant in the determination of the fair value of options granted during the year under the equity share based remuneration schemes operated by the Group.

	All employees		Key management personnel	
	2021	2022	2021	2022
Equity-Settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (Weighted Average)	\$1.09	\$1.02	\$0.68	\$1.05
Exercise Price (Weighted Average)	\$1.17	\$2.62	\$0.68	\$2.75
Contractual Life (Weighted Average)	7.87	6.12	7.5	6.15
Expected Volatility (Weighted Average)	33%	32%	35%	33%
Expected Dividend Growth Rate	0%	0%	0%	0%
Risk Free Interest Rate (Weighted Average)	1.07%	2.84%	1.03%	2.90%

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 result was a modification of the options granted to each relevant counterparty which resulted in accelerated vesting. The result was beneficial (i.e. a higher fair value) to the employees since the service conditions were shortened for each counterparty. The total value of the modified grants was \$216,535. Management calculated the total compensation cost for each new tranche and will be recognizing the new compensation cost straight-lined over the new vesting periods.

Estimated volatility is calculated based on the historical volatility of similar entities whose share prices are publicly traded.

The total number of shares that may be issued under this plan are 15,000,000 shares. If an option expires, terminates or is canceled, the unissued shares subject to that option shall again be available under the Plan.

The options outstanding have a range of exercise prices from \$0.06 to \$4.68

Note 16

SHAREHOLDERS AS OF DECEMBER 31, AND SHARES HELD BY THE CEO AND BOARD MEMBERS		
2022		
Citibank	41,599,027	49.2 %
SIX SIS AG	6,220,419	7.4 %
Morgan Stanley & Co. Int. Plc.	5,222,872	6.2 %
Clearstream Banking S.A.	4,236,359	5.0 %
Merrill Lynch	3,746,671	4.4 %
BNP Paribas Securities Services	2,495,817	3.0 %
Verdipapirfondet First Generator	1,485,374	1.8 %
MP Pension PK	1,455,251	1.7 %
Pictet & Cie (Europe) S.A.	1,310,809	1.6 %
Sundt AS	1,240,000	1.5 %
UFI Capital AS	1,043,981	1.2 %
Verdipapirfondet DMB SMB	1,008,704	1.2 %
Verdipapirfondet First Globalt	933,786	1.1 %
Verdipapirfondet Fondsfinas Norge	919,292	1.1 %
DNB Markets Aksjehandel	864,808	1.0 %
Others	10,746,788	12.7 %
Total	84,529,958	100.0 %
Ordinary shares include 84,529,958 shares at par value NOK 0.02, all issued and fully paid.		
2021		
Citibank	39,550,040	51.0 %
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 %
DNB Markets Aksjehandel	1,042,640	1.3 %
UFI Capital AS	846,981	1.1 %
Others	12,936,272	16.7 %
Total	77,532,946	100.0 %
Ordinary shares include 74,902,500 shares at par value NOK 0.02, all issued and fully paid.		

Ordinary shares include 74,902,500 shares at par value NOK 0.02, all issued and fully paid.

As at January 1, 2021 there were 74,902,500 Ordinary Shares. Within the statement of changes in equity the share capital column provides a reconciliation of the par value of the Ordinary shares during 2021 and 2022. The tables above present the year end balances in total, the movements can be computed using the share capital column and adjusting for the NOK exchange rate at the relevant transaction dates.

There are no special rights or restrictions with regards the Ordinary shares, each is entitled to one vote and a proportional share any remaining assets in the event of a liquidation.

The total number of authorized shares was 87,705,500 at December 31, 2021 and December 31, 2022. The difference between the authorized number of shares and those that are fully issued and paid relates to shares reserved by Agilyx Group to be issued under Stock Option contracts.

THE FOLLOWING DESCRIBES THE NATURE AND PURPOSE OF EACH RESERVE WITHIN EQUITY:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value, in the post inversion period
Additional paid in capital	Pre inversion amounts related to the exercise of stock options and post inversion transactions related to stock options and warrants.
Uncovered loss	All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

SHARES AND OPTIONS HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS

Name	Title	Options and Warrants Granted	Shares Owned	Note
Timothy Stedman	CEO	2,893,900	86,842	1)
Ranjeet Bhatia	GM and board member	-	92,700	2)
Jan Secher	Board member	100,000	-	3)
Steen Jakobsen	Board member	75,000	-	4)
Peter Norris	Board member	100,000	156,645	5)
Martha Crawford	Board member	75,000	-	6)
Carolyn Clarke	Board member	75,000	-	7)
Catherine Keenan	Board member	75,000	-	8)

Note

- 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 86,842 shares. The options granted expire on August 17, 2030.
- Mr. Bhatia is a member of the board, represents Saffron Hill Ventures and controls 92,700 shares.
- Mr. Secher is the chair of the board and was granted 100,000 options with an exercise price of \$2.19.
- Mr. Jakobsen is a member of the board, represents Saxo Bank and was granted 75,000 options with an exercise price of \$2.19.
- Mr. Norris is a member of the board, represents Vigin Group Holdings Limited, controls 156,645 shares and was granted 75,000 options with an exercise price of \$2.19 and has 25,000 warrants exercisable as ordinary shares having a calculated fair value of \$2.58 per share.
- Mrs. Crawford is a member of the board and was granted 75,000 options with an exercise price of \$2.19.
- Mrs. Clarke is a member of the board and was granted 75,000 options with an exercise price of \$2.19.
- Mrs. Keenan is a member of the board and was granted 75,000 options with an exercise price of \$2.19.

Note 17

SHARES IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

Agilyx ASA has the following shares in subsidiaries as of December 31

Subsidiary	Office	Share	Voting rights	Equity	Book value - 2021	Book value - 2022
Agilyx Corp	Portland, OR, U.S.	100%	100%	11,207,032	31,321,462	52,034,717
Agilyx GmbH	Zurich, Switzerland	100%	100%	402,980	163,005	163,005
Agilyx ApS	Stuckenbergs, Denmark	100%	100%	37,347	-	-
Cyclyx International, LLC	Portsmouth, NH, U.S.	75%	75%	2,786,560	-	-
					31,484,467	52,197,722

Related party transactions:

Group level - During 2022, Cyclyx had \$8.8M of product sales to ExxonMobil Chemical Co. (2021 \$1.7M), a minority holder in Cyclyx.

Included within Related party receivables in note 10, is \$1,361,527 due from Regenyx at December 31, 2022 (\$350,371 at December 31, 2021) and \$453,632 due from ExxonMobile at December 31, 2022.

Included within Related party payables in note 12, is \$198,500 due to ExxonMobile Chemical Co., at December 31, 2021, and \$7,228 due to board members at December 31, 2021.

Parent level - At December 31, 2022 the parent company, Agilyx ASA, has an intercompany payable of \$1,783,485 to Agilyx Corp (December 31, 2021: \$453,563) and \$1,140,209 payable to Agilyx GmbH (December 31, 2021: \$568,857) net of an intercompany receivable of \$408,346 to Agilyx Corp. These inter-group payables represent operating and management costs incurred and or paid at the subsidiary and subsequently recharged to the parent.

Specific parent related costs included:	2021	2022
Management charges from Agilyx GmbH	431,000	577,000
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 ASA 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 ASA.

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

Cyclix International, LLC- Cyclix International, LLC is a partnership officially formed in the state of Delaware, United States of America on December, 2020. Since inception, Agilyx Group has owned 75% of the entity, with 25% owned by ExxonMobil Chemical Corporation ("EMCC"). The Partnership was formed to develop low cost pathways to recycle plastics. EMCC contributed operational funds of \$8,000,000 while Agilyx Corp contributed technology and know-how that was not revalued due to consolidation within the Group accounts. EMCC's cash contribution was recognized 75% to the equity holders of the parent and 25% to the non-controlling interest.

Summarized financial information in relation to Cyclix International, LLC, before intra group eliminations, is presented below:

	2021	2022
As at December 31		
Current assets	7,390,312	8,104,571
Non-current assets	753,132	598,102
Current liabilities	3,977,439	5,652,162
Non-current liabilities	276,133	263,409
For the period ended December 31		
Revenue	2,201,245	10,512,034
Loss	(3,833,889)	(5,503,883)
Loss allocated to non-controlling interest	(958,467)	(1,375,997)

Additional information regarding the Cyclix operation can be seen in note 5.

Note 18

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, 2021 and 2022, respectively.

	Group		Parent	
	2021	2022	2021	2022
Basis for income tax expense				
Result before taxes	(15,567,723)	(23,384,655)	523,532	(787,412)
Issue costs shares	-	-	-	-
State benefit	(1,300)	(17,035)	-	-
Permanent differences	(4,671,248)	(13,427)	(3,908,695)	(1,112,081)
Changes in temporary differences	(2,638,969)	1,091,933	-	-
Basis for payable taxes in the income statement	(22,879,240)	(22,323,184)	(3,385,163)	(1,899,493)
Deferred tax asset:				
Loss carried forward	45,444,321	50,289,598	744,736	1,162,624
Research & other credits	2,640,341	2,764,993	-	-
Capitalized R&D	-	539,265	-	-
Reserves and accruals	13,433	-	-	-
Stock based compensation	60,685	239,015	-	-
Unrealized gain/loss	1,495,815	1,329,598	-	-
Lease liability	219,267	159,729	-	-
Investment in partnership	871,584	912,848	-	-
Total deferred tax assets	50,745,446	56,235,046	744,736	1,162,624
Deferred tax liabilities:				
Other intangibles	(43,920)	(23,527)	-	-
Fixed assets	(26,815)	(235,382)	-	-
Prepayments	(33,762)	(38,247)	-	-
Right of use assets	(214,869)	(154,671)	-	-
Investment in partnership	-	-	-	-
Total deferred tax liabilities	(319,366)	(451,827)	-	-
Net deferred tax assets	50,426,080	55,783,219	744,736	1,162,624
Recognized deferred tax assets	-	-	-	-
Statutory tax rate	21%	21%	22%	22%
Tax rate	0%	0%	0%	0%

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Unrecognized deferred tax assets totaled \$55.8 million (2021: \$50.4 million) and in Norway \$1.2 million (2021: \$0.7 million).

As of December 31, 2022, net operating loss for federal income tax purposes in U.S. of approximately \$182.4 million, portions of which will begin expire in 2030. Total state net operating loss carryforward in U.S. of approximately \$141.9 million, which will begin to expire in 2031. 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 \$2 million, which will begin to expire in 2030 and state research credits of approximately \$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, 2022, of approximately \$5.3 million has no expiration date.

Note 19

NOTES PAYABLE

During 2021 there was a Note Payable outstanding, with a maturity date during 2022. The agreed interest rate over the period is 8% p.a. The note was repaid in 2022.

The current portion of this notes payable amounted to \$1,271,853 at December 31, 2021 and is classified as current liabilities.

Note 20

CONTRACT LIABILITY

The Company’s Contract liability balances at December 31, 2021 and 2022 was \$1,376,452 and \$5,945,535, 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 roll forward for the periods presented are as follows:

Balance at January 1, 2021	1,896,848
Billings deferred	4,193,881
Revenue recognized	(4,714,277)
Ending balance as of December 31, 2021	1,376,452
Billings deferred	20,878,829
Revenue recognized	(16,309,746)
Ending balance as of December 31, 2022	5,945,535

Note 21: Financial Instruments - Risk Management

Agilyx Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk.

In common with all other businesses, Agilyx Group is exposed to risks that arise from its use of financial instruments. This note describes Agilyx Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments, by category

The principal financial instruments used by Agilyx Group are listed those listed in the table below, all of which are measured at amortized cost, plus the Warrant/Subscription rights, which are measured at fair value through the profit and loss:

	Group - as at		Parent - as at	
	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022
Accounts receivable	1,669,890	2,443,453	-	-
Cash and cash equivalents	19,570,154	13,671,319	11,307,524	5,007,823
Total Financial Assets	21,240,044	16,114,772	11,307,524	5,007,823
Notes payable	1,271,853	-	-	-
Accounts payable	1,447,148	2,640,756	-	424
Payable to Group Companies	-	-	1,022,420	2,515,348
Lease liabilities	994,411	732,030	-	-
Financial liabilities at amortized cost	3,713,412	3,372,786	1,022,420	2,515,772
Warrant liability	7,570,647	6,303,189	7,570,647	6,303,189
Total Financial Liabilities	11,284,059	9,675,975	8,593,067	8,818,961

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes all the instruments listed in the table above (except the warrants). Due to the short term nature of Accounts receivable, Accounts payable and the Payable to Group Companies, amounts, the amortized cost is considered to approximate fair value. The Notes payable and Lease liabilities both carry market rates of interest, for these amounts the amortized cost is also considered to approximate fair value, measured using level 1 of the fair value hierarchy.

(iii) Financial instruments measured at fair value

The only financial instruments measured at fair value through profit and loss are the Warrants and Subscription rights, described in more detail in note 14.

(iv) General objectives, policies and processes

The Board has overall responsibility for the determination of Agilyx Group's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Agilyx Group finance function. The Board receives monthly reports from the V.P. and Corporate Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to Agilyx Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Agilyx Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. As noted in Note 1, historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Agilyx Group only deals with highly reputable banks and financial institutions. At times, Agilyx Group does hold funds with certain banks that are beyond federally insured levels, however, management regularly monitor the banking relationships to minimize any risk that may arise in this respect.

Interest rate risk

Agilyx Group is exposed to interest rate risk from long-term borrowings. Management has chosen to mitigate the exposure to movements in interest rates by lending via the Note payable at a fixed rate of interest. While using only a fixed rate note payable, Agilyx Group does limit any potential upside, that could be achieved by having a variable interest rate during times of falling rates, however, given the Agilyx Group's current growth mindset, it is more valuable to the Group to have certainty over interest payment amounts, in order to be able to properly budget and forecast future expenditures.

Liquidity risk

Liquidity risk arises from Agilyx Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that Agilyx Group will encounter difficulty in meeting its financial obligations as they fall due. The current policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board regularly receives cash flow projections as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The budgets are set by management and agreed by the board in advance, enabling the Agilyx Group's cash requirements to be anticipated.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Group - as at				Parent - as at				
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at December, 31 2021								
Notes payable	1,373,601	-	-	1,373,601	-	-	-	-
Accounts payable	1,447,148	-	-	1,447,148	-	-	-	-
Payable to Group Companies	-	-	-	-	1,022,420	-	-	1,022,420
	2,820,749	-	-	2,820,749	1,022,420	-	-	1,022,420
Group - as at				Parent - as at				
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at December, 31 2022								
Notes payable	-	-	-	-	-	-	-	-
Accounts payable	2,640,756	-	-	2,640,756	424	-	-	424
Payable to Group Companies	-	-	-	-	2,515,348	-	-	2,515,348
	2,640,756	-	-	2,640,756	2,515,772	-	-	2,515,772

See note 9 for undiscounted contractual cash flow information in relation to the lease liabilities.

In addition to the financial liabilities noted above, there are other potential cash outflows in relation to the investment in Regenyx, which may affect liquidity. During the initial funding period, Agilyx was responsible for funding the operations of Regenyx, this resulted in cash outflows, for 2022 of \$1,776,393 (2021: \$1,978,272) as reported on the cash flow statement. Furthermore, the Regenyx contribution agreement includes a put option as defined in note 9, which could result in a cash outflow, should the option be exercised by AmSty. The cash outflow would be based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx.

Capital Disclosures

Agilyx Group's managed capital includes equity and debt. The objectives for Agilyx Group when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Agilyx Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets to reduce debt.

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and ensure compliance with any covenants attached to the bank and borrowing facilities.

Note 22

EARNINGS PER SHARE

Net Loss Per Share- is computed under the provisions of IAS 33, Earnings Per Share. Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The following table sets forth the reconciliation of the numerator and denominator used in the computation of basic net loss per common share for the years ended December 31, 2022 and 2021:

	Years Ended December 31	
	2021	2022
Numerator:		
Net loss	(15,567,723)	(23,384,654)
Net loss attributable to ordinary shareholders	(14,609,256)	(22,008,657)
Denominator:		
Weighted average shares outstanding- basic	76,537,046	79,993,661
Net loss per common share- basic	(0.19)	(0.28)

Since Agilyx Group incurred an operating loss in both periods, the outstanding warrants and stock options would have an anti-dilutive impact on the Earnings per Share calculation, therefore the Diluted Earnings per Share is equal to the Basic Earnings per share.

Note 23: Subsequent events

The Company has no material subsequent events after the balance sheet date.

Glossary

Advanced recycling

Advanced recycling – which encompasses chemical, molecular and feedstock recycling – refers to the sophisticated technologies used to convert post-use plastics (polymers) back to their original chemical building blocks (monomers) for continued reuse. As the only recycling process that makes plastic a circular resource, advanced recycling is critical to solving the problem of plastic waste and enabling the world’s transition to a low-carbon economy.

Circular economy

The circular economy describes a more sustainable economic system that is based on the “reduce-reuse-recycle” principle. Unlike the “take-make-waste” linear economy, circularity is considered essential to addressing climate change, better managing the world’s resources and achieving the UN Sustainable Development Goals

EPR

EPR stands for Extended Producer Responsibility and is an environmental policy approach where a producer is responsible for the entire life cycle of its product, from creation to disposal, in order to meet legal obligations. Under EPR, producers are responsible for designing products with materials that have the lowest possible environmental impact and are optimized for recycling. The producer is also responsible for the post-use collection and treatment of its products with a focus on recycling.

ESG

This abbreviation stands for the range of environmental, social and governance criteria used to evaluate the sustainability performance of a company or business and determine its level of financial risk. ESG factors play an increasingly important role for investors in both the public and private markets.

Feedstock

A feedstock is a single and uniform raw material that is used to drive an industrial process or act as fuel. Post-use plastic feedstocks can be used to create virgin-equivalent plastic, as well as plastic intermediates or other valued low-carbon products.

ISCC PLUS Certification

This independent and internationally recognized certification system, used to verify the allocation of recycled content in a manufacturer’s product, was developed by the International Sustainability & Carbon Certification. ISCC PLUS certification ensures a company’s compliance with sustainability and traceability requirements along the supply chain.

Mass balance

In short, mass balance is used to calculate and confirm the recycled content in a given product. It enables the tracking of recycled material throughout the industrial process, allowing the manufacturer or brand owner to claim how much of the final product can be attributed to recycled content. Third-party certification by recognized institutions, such as the ISCC, is critical in determining the accuracy of mass balance claims.

Mechanical recycling

According to Plastics Europe, mechanical recycling refers to the processing of plastics waste into secondary raw material or products without significantly changing the chemical structure of the material. Because the plastic is downgraded into lower-quality plastic with each cycle, it eventually winds up in landfills or the environment, and is therefore not circular.

Pathway

The pathway is the general term used to describe a more sustainable use of post-use plastic, rather than disposal in landfills or the environment. Agilyx has created commercial plastic-to-plastic pathways for polystyrene, with others underway.

Plastic intermediate

Plastic or chemical intermediates refer to base products that require additional steps prior to use in the production of new plastics. They do not include the direct monomers needed to produce new polymers.

Plastic-to-plastic recycling

This process involves using advanced recycling technology to break post-use plastic down into its original chemical components, which are fed back into the manufacturing process to create new, equally recyclable plastics. At a commercial scale, plastic-to-plastic recycling is the only way to turn plastic into a circular resource and exponentially increase global recycling rates.

Post-use plastics

Post-use plastics – also called post-consumer or waste plastics – are the used plastic products that are collected as part of waste management systems. They are either recycled or disposed of, winding up in landfills or the environment.

Pyrolysis

Pyrolysis describes the process of using heat to decompose materials and change their chemical composition. Agilyx uses an IP-protected pyrolysis technology which, in the absence of oxygen, breaks down the polymer chains without combustion (and its associated by-products).

Styrene monomer

A raw material used to create numerous plastic products and synthetic rubber. Agilyx uses an IP-protected pyrolysis technology to break down the polymer chains of multiple types of post-consumer plastics back into its original styrene building block enabling the recycling into new products again and again.

agilyx