



**UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**  
**22 AUGUST 2023**

**Solid first half financial revenue; significant opportunity with Cyclyx**

Tim Stedman, Chief Executive Officer said:

“We have delivered solid first half revenue, with growth driven by our Toyo Styrene project which is now being constructed on site in Japan. We have continued to see Agilyx projects move through the pipeline, however, progress has been slower than we would have liked, driven by macroeconomic conditions, and as a result we are reducing costs and focusing on circular pathways, targeting the development of three new projects per year going forward.

“Cyclyx revenue was impacted by reduced customer production capacity owing to facility maintenance, but since the period end, capacity and provision of feedstock has increased. We expect that Cyclyx volumes in the second half of the year will be substantially greater than what was delivered in the first half as they ramp up for the first Cyclyx Circularity Center (CCC), engineering for which is almost complete with construction expected to commence later this year.

“We continue to see significant opportunities with our TruStyrenyx partnership and Cyclyx feedstock offering to help solve the global challenge of plastic waste.”

**Summary**

<b>USD</b>	<b>1H22</b>	<b>1H23</b>	<b>Change</b>
Revenue	7,828,500	8,144,584	4%
Gross margin	(754,728)	627,058	183%
Net loss	(9,572,682)	(11,051,371)	-15%
Diluted loss per share	(0.11)	(0.13)	-18%
Period end net cash	13,418,003*	8,060,036	-40%

*\*1H22 balance sheet is not included in this financial report, please refer to the 1H22 results announcement*

- Revenue up 4% with a significant improvement in gross margin;
  - Agilyx revenue was \$4.6m driven by the Toyo Styrene contract;
  - Cyclyx revenue of \$3.5m was impacted by lower customer production capacity;
- Period end net cash of \$8.1m was down on prior year and includes a \$4.4m pre-payment from our JV partner for development of CCC1; a \$5m debt facility was secured after the period end;
- Macroeconomic backdrop continues to impact the speed of decision making for conversion technology customers;
- CCC engineering progressing well, with construction to immediately follow FID and capacity to source 70,000kta of waste today, increasing to 200,000kta within twelve months.

## Additional information

	1H22	1H23	Change
<b>Financial KPIs (USD)</b>			
Agilyx revenue	2,400,985	4,635,632	93%
Cyclyx revenue	5,427,515	3,508,952	-35%
Deferred revenue	7,516,996*	4,879,049	-35%
<b>Non-Financial KPIs</b>			
Agilyx volume in construction (kt)	3.3	3.3	0%
Cyclyx processed output (kt)	4.6	2.6	-45%
Total recordable incident rate	2.2	1.0	-55%

\*1H22 balance sheet is not included in this financial report, please refer to the 1H22 results announcement

## Future reporting dates

A trading update will be provided in the fourth quarter with the date to be confirmed in due course.

## Conference call

A webcast presentation (in English) will be held for analysts and investors today at 9:00am (CET) hosted by Tim Stedman, CEO, Russ Main, CFO, Carsten Larsen, COO and Joe Vaillancourt, Cyclyx.

The event will be held on Microsoft Teams with viewers able to ask questions at the end of the presentation.

Dial in: [www.microsoft.com/en-gb/microsoft-teams/join-a-meeting?rtc=1](https://www.microsoft.com/en-gb/microsoft-teams/join-a-meeting?rtc=1)

Meeting ID: 296 225 653 897

Passcode: 4yHwVt

A recording of the presentation will be available after the event on our website at [www.agilyx.com/investors/reports-presentations/](https://www.agilyx.com/investors/reports-presentations/).

## Enquiries

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## Group trading performance

The half year financial results have not been audited or reviewed by the auditors.

Group revenue increased to \$8.1m (1H22: \$7.8m), with higher revenue at Agilyx offsetting a decline at Cyclyx. Agilyx revenue rose to \$4.6m (1H22: \$2.4m) driven by construction of our polystyrene project in Japan with Toyo Styrene. Cyclyx revenue was \$3.5m (1H22: \$5.4m) as volumes declined following lower customer production capacity due to facility maintenance. The facilities are now ramping back up and volumes in the second half are expected to be significantly higher than in the first half. The gross margin increased to \$627k (1H22: \$755k loss).

The increase in overhead costs is driven by professional fees with some increase in people costs as we begin to invest in the capabilities required to design and deliver Cyclyx Circularity Centers. Investment in Regenyx increased half on half as we upgraded equipment at our Tigard plant. The Group delivered a net loss of \$11.1m (1H22: \$9.6m loss), impacted by a lower gain on the warrant revaluation. The resulting diluted loss per share was \$0.13 (1H22: \$0.11 loss).

During the period the operating cash outflow was \$8.7m, an increase on the prior year due to a reversal in deferred revenue, as we delivered equipment for our Toyo Styrene project. The investment cash outflow was \$6.3m, up from \$1.7m last year as we begin to invest in equipment for the first Cyclyx Circularity Center. We saw a significant increase in cash from financing, with a net inflow of \$9.4m of which \$8.5m was from ExxonMobil associated with Cyclyx Circularity Center development fees. The resulting net cash outflow was \$5.6m (1H22: \$6.2m).

As at 30 June 2023 the Group's net cash position was \$8.1m (1H22: \$13.4m), including a \$4.4m prepayment from our JV partner to fund the first Cyclyx Circularity Center. After the period end a \$5m debt facility was secured.

## Strategic update

### Agilyx conversion business

As previously discussed, the macroeconomic backdrop is making customer decision making slower which is impacting conversion of the pipeline. We remain confident in the quality of our technology and in the value it will bring to our customers and downstream stakeholders. This has also been evidenced by a recent successful defense of our mixed waste plastic related patent in a challenge by a strategic major in France. In light of the weaker macroeconomic environment, we have decided to focus on select waste-to-product projects across polystyrene, PMMA and BTX and will right size our teams to be capable to develop three new projects each year.

The board believes that these strategic adjustments will strengthen the business by focusing on our core strengths and operating in markets where we have a clear competitive advantage.

### Cyclyx feedstock management

Since the beginning of the year, the Group has been reviewing its strategy for Cyclyx in light of the significant opportunities that are opening up in the market. The development of the chemical recycling industry is limited by feedstock availability and this is being increasingly noted across the industry. The demand for feedstock for both advanced and mechanical recycling has grown significantly, and we are

looking at ways in which we can meet this demand whilst ensuring that shareholders benefit from the capability and technology which has been developed; an update will be provided in due course.

Late stage engineering on this CCC is almost complete and we anticipate construction to immediately follow the final investment decision.

### Risks and uncertainties

The Group's activities, together with the factors likely to affect its future development, performance and position are set out above, and the financial position of the company, its cash flows and liquidity position are laid out in the unaudited financial statements. As described above, the current macroeconomic conditions present a headwind for the conversion business and revenue and cash generation are slower than anticipated. The directors consider that the outlook presents a risk and whilst the Group has instituted measures to preserve cash and secure additional finance, these circumstances create uncertainty over future trading results and cash flows. The Group's major shareholders have provided documented assurance that they will continue to support the company. Therefore, despite the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to adopt the going concern basis of accounting in preparing the financial statements.

### Outlook

In Agilyx, we continue to make progress on our target of two new technology licenses this year. As previously flagged, the macroeconomic backdrop is having an impact on the speed of customer decision making with pipeline conversion slower than we had expected. Our TruStyrenyx partnership continues to add value and the INEOS Styrolution project development is progressing well. Discussions are continuing with Kumho and BioBTX about a license and we have signed an agreement to complete a fast-track FEL 3 engineering with BioBTX.

We remain strategically well positioned to realize the opportunities ahead and expect Cyclyx volume in the second half to increase over the first half, as customer facilities come back online and we introduce further 10 to 90 takeback programs, building on the momentum from the Houston pilot program. The business has developed the capacity to service 70,000kta which we anticipate increasing to 200,000kta over the next year. 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 and once commissioned is expected to be earnings accretive for the Group.

As we look ahead, there continues to be an enormous opportunity to accelerate our growth and help solve the global challenge of plastic waste.

## Unaudited Financial Statements

The half year financial results have not been audited or reviewed by the auditors.

### Directors Responsibility Statement

The Board of Directors and the Chief Executive Officer have reviewed and approved the interim management report and the unaudited consolidated interim financial statements for Agilyx ASA as of 30 June 2023. 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 unaudited consolidated interim financial statements for 2023 have been prepared in accordance with applicable financial reporting standards;
- The unaudited consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 30 June 2023 for the Group;
- The interim management report includes a fair review of the development and performance of the business and the financial position of the Group.

#### The Board of Directors

Jan Secher (Chair of the Board)

Ranjeet Bhatia

Carolyn Clarke (Chair, Audit Committee)

Martha Crawford (Chair, Compensation Committee)

Steen Jakobsen

Catherine Keenan (Chair, ESG Committee)

Peter Norris

#### Oslo, Norway

22 August 2023

## Group Income Statement

Agilyx ASA interim consolidated income statement for the six months ended 30 June

Amounts in USD	Note	Unaudited HY 2022	Unaudited HY 2023
<b>Operating revenue and operating expenses</b>			
Revenues	3	7,828,500	8,144,584
Cost of revenues	4	8,583,228	7,517,526
<b>Gross margin</b>		<b>(754,728)</b>	<b>627,058</b>
Research costs		1,141,101	1,732,421
Sales and marketing		774,802	1,353,479
General and administrative		8,408,148	8,413,695
<b>Total operating expenses</b>	4 & 5	<b>10,324,051</b>	<b>11,499,595</b>
<b>Operating loss</b>		<b>(11,078,779)</b>	<b>(10,872,537)</b>
<b>Financial income and financial expenses</b>			
Impairment of investment in associate	9	(833,045)	(1,095,819)
Fair value gain on warrant agreement	14	2,534,972	1,273,425
Interest expense		(66,184)	(29,563)
Other financial income		20,374	20,095
Other financial expense		(150,020)	(330,301)
<b>Net financial income/(expense)</b>		<b>1,506,097</b>	<b>(162,163)</b>
<b>Loss before tax</b>		<b>(9,572,682)</b>	<b>(11,034,700)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(9,572,682)</b>	<b>(11,034,700)</b>
Other comprehensive loss for the period		-	(16,671)
<b>Total comprehensive loss for the period</b>		<b>(9,572,682)</b>	<b>(11,051,371)</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Equity holders of the parent		(8,822,820)	(10,181,807)
Non-controlling interest		(749,862)	(869,564)
		<b>(9,572,682)</b>	<b>(11,051,371)</b>
Loss per share, basic		(0.11)	(0.13)
Loss per share, diluted		(0.11)	(0.13)

## Group Balance Sheet

Agilyx ASA interim Consolidated Balance Sheet

Amounts in USD	Note	Audited As at 31 December 2022	Unaudited As at 30 June 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7	4,002,430	3,794,555
Property, plant and equipment	8	1,619,988	6,719,692
Right of use asset		708,848	643,036
Other non-current assets		89,624	639,504
<b>Total non-current assets</b>		<b>6,420,890</b>	<b>11,796,787</b>
<b>Current assets</b>			
Accounts receivable	10	2,443,453	1,556,275
Inventory	11	1,687,126	2,306,081
Prepaid expenses and other current assets		367,873	321,976
Cash and cash equivalents		13,671,319	8,060,036
<b>Total current assets</b>		<b>18,169,771</b>	<b>12,244,368</b>
<b>TOTAL ASSETS</b>		<b>24,590,661</b>	<b>24,041,155</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Equity</b>			
Share capital	16	143,040	143,501
Share premium		53,854,378	54,091,827
Additional paid-in capital		8,591,495	9,671,993
<b>Total paid-in equity</b>		<b>62,588,913</b>	<b>63,907,321</b>
Uncovered loss		(56,124,834)	(66,306,641)
Foreign currency translation		(101,111)	(117,782)
Non-controlling interest		696,640	9,107,076
<b>Total equity</b>		<b>7,059,608</b>	<b>6,589,974</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term lease liability		465,435	535,114
Warrant liability	14	6,303,189	4,772,264
<b>Total non-current liabilities</b>		<b>6,768,624</b>	<b>5,307,378</b>
<b>Current liabilities</b>			
Accounts payable	12	2,640,756	6,223,303
Accrued expenses and other current liabilities	13	1,909,543	890,682
Contract liability		5,945,535	4,879,049
Current portion lease liability		266,595	150,769
<b>Total current liabilities</b>		<b>10,762,429</b>	<b>12,143,803</b>
<b>TOTAL LIABILITIES</b>		<b>17,531,053</b>	<b>17,451,181</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>24,590,661</b>	<b>24,041,155</b>

Oslo, Norway  
22 August 2023



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**Jan Secher**

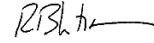
Chairman



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**Tim Stedman**

CEO



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**Ranjeet Bhatia**

Board Member



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**Catherine C. Keenan**

Board Member



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**Steen Jakobsen**

Board Member



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**Carolyn Clarke**

Board Member



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**Martha Crawford**

Board Member



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**Peter Norris**

Board Member



## Group Cashflow Statement

Agilyx ASA interim consolidated statements of cash flows for the six months ended 30 June

Amounts in USD	Unaudited HY 2022	Unaudited HY 2023
<b>Loss for the period</b>	<b>(9,572,682)</b>	<b>(11,051,371)</b>
Depreciation and amortization	270,824	341,461
Amortization on ROU assets	100,352	65,812
Result from investment in Regenyx	833,045	1,095,819
Stock based compensation	677,223	822,998
Fair value gain on financial instruments	(2,534,972)	(1,273,425)
Interest expense	35,666	28,264
Accounts receivable	(133,601)	887,178
Inventory	-	(618,955)
Accounts payable and accrued liabilities	412,748	2,563,686
Prepaid expenses and other assets	(1,084,538)	(503,983)
Contract liability	6,140,543	(1,066,486)
Other timing differences	(411)	(16,671)
<b>Net cash from operations</b>	<b>(4,855,803)</b>	<b>(8,725,673)</b>
Regenyx investment funding	(833,045)	(1,095,819)
Purchases of property and equipment	(871,262)	(5,233,290)
<b>Net cash from investments</b>	<b>(1,704,307)</b>	<b>(6,329,109)</b>
Proceeds from Cyclyx member contributions	1,031,104	9,280,000
Increases in share capital	131,116	237,910
Principal paid on lease liabilities	(147,324)	(46,147)
Interest paid on lease liabilities	(35,666)	(28,264)
Principal paid on notes payable	(571,271)	-
<b>Net cash from financing</b>	<b>407,959</b>	<b>9,443,499</b>
Net decrease in cash and cash equivalents	(6,152,151)	(5,611,283)
Cash and cash equivalents at beginning of the period	19,570,154	13,671,319
<b>Cash and cash equivalents at end of the period</b>	<b>13,418,003</b>	<b>8,060,036</b>

## Interim Consolidated Statement of Changes in Equity (Unaudited)

USD	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Foreign currency translation	Total attributable to equity holders of the parent	Non-controlling interest	Total
<b>Group Equity</b>								
<b>Balance, 1 January 2022</b>	86,222	40,493,564	7,042,680	(34,116,177)	-	13,506,289	1,041,533	14,547,822
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)	-	-	-	-	-	-
Equity settled share-based payment	-	-	677,223	-	-	677,223	-	677,223
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	-	-	-	1,031,104	1,031,104
Total comprehensive loss for the period	-	-	-	(8,822,820)	-	(8,822,820)	(749,862)	(9,572,682)
<b>Balance, 30 June 2022</b>	<b>131,116</b>	<b>40,579,786</b>	<b>7,719,903</b>	<b>(42,938,997)</b>	<b>-</b>	<b>5,491,808</b>	<b>1,322,775</b>	<b>6,814,583</b>
<b>Balance, 1 January 2023</b>	143,040	53,854,378	8,591,495	(56,124,834)	(101,111)	6,362,968	696,640	7,059,608
Proceeds from exercise of stock options and warrants	461	237,449	257,500	-	-	495,410	-	495,410
Equity settled share-based payment	-	-	822,998	-	-	822,998	-	822,998
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	-	-	-	9,280,000	9,280,000
Other comprehensive loss	-	-	-	-	(16,671)	(16,671)	-	(16,671)
Total comprehensive loss for the period	-	-	-	(10,181,807)	-	(10,181,807)	(869,564)	(11,051,371)
<b>Balance, 30 June 2023</b>	<b>143,501</b>	<b>54,091,827</b>	<b>9,671,993</b>	<b>(66,306,641)</b>	<b>(117,782)</b>	<b>(2,517,102)</b>	<b>9,107,076</b>	<b>6,589,974</b>

## Notes to the Accounts

### **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 (USA) 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 AS became the parent of the Agilyx Group through a reorganization in early January 2020. The Group was reorganized such that the shareholders of Agilyx Corporation contributed their shares in Agilyx Corporation for shares in Agilyx 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 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 Accounting Standard 34 Interim Financial Reporting ("IAS 34"). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 annual report.

The interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its cash flow requirements despite incurring losses in the half year ended June 30, 2023 and June 30, 2022. The current macroeconomic conditions present a headwind for the Agilyx conversion business and revenue generation is slower than anticipated. There is, therefore, a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Management has continued to take actions to ensure the Group will continue as a going concern, including actively managing payables and obtaining additional funding via the Bond agreement described in note 19. The Group's major shareholder has provided documented assurance that they will continue to support the Group. Therefore, despite the uncertainties described above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and at least one year from 22 August 2023.

The first full annual report prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations as approved by the European Union (collectively "IFRSs") were prepared for the year ended December 31, 2021.

The accounting policies, significant estimates and judgements for the six months ended June 30, 2023 are consistent with those disclosed in the December 31, 2022 financial statements, other than any new amendments that became effective for periods beginning January 1, 2023, which are discussed below.

#### **New standards, interpretations and amendments adopted at January 1, 2023**

Of the amendments that were effective for the first time for periods beginning on or after January 1, 2023 none 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. Agilyx Group is currently assessing the impact of these new accounting standards and amendments, but does not expect a material impact at this stage.

## Note 2: Significant Events and Transactions

Cyclyx International is advancing the development of a previously announced, first of its kind, Cyclyx Circularity Center (CCC), an advanced plastic feedstock processing facility in Texas. Financial support has been secured from ExxonMobil Product Solutions Company for initial funding of up to \$9.53M to allow completion of engineering and to facilitate the ordering of key long lead time equipment, of which \$8.53M has already been received (at December 31, 2022: \$1.75M). The advance has been included within equity, specifically non-controlling interest, as it represents a non-dilutive capital contribution which Cyclyx or any other member of the Agilyx Group, does not have any obligation to repay and there is therefore no expectation of an outflow of economic resources being required in order to settle the advance.

It is anticipated that completion of construction of the CCC will be the first half of 2024 and commissioning is expected in the second half of 2024.

## Note 3: Revenues

<b>Geographical distribution of revenues</b>	<b>HY 2022</b>	<b>HY 2023</b>
APAC	2,074,951	4,419,551
Europe	88,119	155,925
USA	5,604,940	3,569,108
Other	60,490	-
<b>Total sales by customers location</b>	<b>7,828,500</b>	<b>8,144,584</b>
<b>Product category</b>		
Sale of goods	5,203,400	7,668,737
Project development	2,396,181	-
License, membership and royalty fees	228,919	475,847
<b>Total sales by category</b>	<b>7,828,500</b>	<b>8,144,584</b>

#### Note 4: 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.

##### Operating expenses classified by nature

	<b>HY 2022</b>	<b>HY 2023</b>
Raw materials and consumables	4,572,722	2,090,776
Salaries and related costs (note 5)	7,742,250	8,401,650
Depreciation and amortization	371,176	407,273
Professional fees	4,935,068	6,498,266
Office expenses	536,091	670,819
Insurance	283,497	254,336
Other operating expenses	466,475	694,001
<b>Total expenses</b>	<b>18,907,279</b>	<b>19,017,121</b>

#### Note 5: Salary And Social Costs

	<b>HY 2022</b>	<b>HY 2023</b>
Salaries	5,723,631	6,001,579
Benefits and other expenses	748,272	997,923
Share based compensation (note 15)	677,223	822,998
Pension costs	75,505	(17,937)
Social security and payroll tax costs	517,619	597,087
<b>Total salaries</b>	<b>7,742,250</b>	<b>8,401,650</b>

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 a contribution plan. Agilyx has no pension arrangements in any of its other entities. This is in line with the corresponding local legislation of its operations.

### Senior Officers and Members of the Executive Board remuneration - HY2023

	Salary	Other benefits	Share based compensation	Total
Timothy Stedman, Group CEO	229,732	42,383	59,851	331,966
Chris Faulkner, CTO	126,585	13,776	35,619	175,980
Russell Main, CFO	138,256	47,121	24,195	209,572
Mark Barranco, SVP Engineering & Education	141,010	10,644	50,597	202,251
Joe Vaillancourt, Cyclyx CEO	184,111	9,982	59,491	253,584
Louise Byrant, SVP Investor Relations	142,198	-	29,961	172,159
Isabel Charlotte Hacker, General Council	178,042	51,559	50,232	279,833
Carsten Larsen, CCO	161,643	24,006	106,812	292,461
Stephen Hamlet, VP of Human Resources	98,451	-	13,215	111,666
Kate Ringier, VP Communications & Government Affairs	116,143	23,128	27,720	166,991
				2,196,463

### Senior Officers and Members of the Executive Board remuneration - HY2022

	Salary	Other benefits	Share based compensation	Total
Timothy Stedman, Group CEO	216,589	191,511	125,087	533,187
Chris Faulkner, CTO	109,358	46,720	21,716	177,794
Russell Main, CFO	119,931	51,439	2,060	173,430
Mark Barranco, SVP Engineering & Education	122,333	47,699	51,202	221,234
Joe Vaillancourt, Cyclyx CEO	167,351	299,641	-	466,992
Isabel Charlotte Hacker, General Council	162,441	74,426	61,921	298,788
Carsten Larsen, CCO	134,076	14,748	134,598	283,422
Kate Ringier, VP Communications & Government Affairs	105,966	38,784	37,563	182,313
				2,337,160

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.

## Note 6: Segment Information

The below tables include all relevant segment information as required by IFRS 8. There has been no change in the segments or basis of allocation from the basis described in the annual financial statements.

### Profit and Loss

	HY 2022			HY 2023		
	Cyclyx	Agilyx	Total	Cyclyx	Agilyx	Total
Revenues from external customers	5,427,515	2,400,985	7,828,500	3,508,952	4,635,632	8,144,584
Depreciation and amortization	15,364	355,812	371,176	29,922	377,351	407,273
Segment loss	<u>(2,909,778)</u>	<u>(8,169,001)</u>	(11,078,779)	<u>(3,771,836)</u>	<u>(7,100,701)</u>	(10,872,537)
Result from investment in Regenyx			(833,045)			(1,095,819)
Fair value gain on warrant agreements			2,534,972			1,273,425
Interest expense			(66,184)			(29,563)
Other financial expense, net			(129,646)			(310,206)
Non-controlling interest			749,862			869,564
Other comprehensive loss			-			<u>(16,671)</u>
Group net loss - Equity Holders of the Parent			<u>(8,822,820)</u>			<u>(10,181,807)</u>

### Balance Sheet

	FY 2022			HY 2023		
<b>Non-current asset additions</b>	201,500	732,614	934,114	5,106,105	127,185	5,233,290
<b>Reportable segment assets</b>	<u>9,614,712</u>	<u>14,975,949</u>	<u>24,590,661</u>	<u>16,919,953</u>	<u>7,121,202</u>	<u>24,041,155</u>
Total group assets			<u>24,590,661</u>			<u>24,041,155</u>
<b>Reportable segment liabilities</b>	<u>6,016,341</u>	<u>5,211,523</u>	11,227,864	<u>6,375,229</u>	<u>6,303,688</u>	12,678,917
Derivative financial liabilities			<u>6,303,189</u>			<u>4,772,264</u>
Total group liabilities			<u>17,531,053</u>			<u>17,451,181</u>

Revenue by geography - Revenue by geography is included in note 3. The Cyclyx 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 the six months ended June 30, 2022 and 2023

	HY 2022	HY 2023	Segment
Customer A	5,222,595	3,297,685	Cyclyx
Customer B	2,074,951	4,371,051	Agilyx

During the period, the macroeconomic conditions and the direct impact they have had on the Group's performance, provided an indicator of impairment affecting both Cash Generating Units ("CGUs") (Agilyx and Cyclyx). Management performed an impairment review of both CGUs and did not identify any impairments based on the analysis performed.

**Note 7: Intangible Assets**

	<b>Licensed technology</b>	<b>Exclusivity license</b>	<b>Total</b>
<b>(i) Cost</b>			
<b>Balance at January 1, 2022</b>	3,575,000	1,188,378	4,763,378
Additions	-	-	-
<b>Balance at December 31, 2022</b>	<b>3,575,000</b>	<b>1,188,378</b>	<b>4,763,378</b>
<b>Balance at January 1, 2023</b>	3,575,000	1,188,378	4,763,378
Additions	-	-	-
<b>Balance at June 30, 2023</b>	<b>3,575,000</b>	<b>1,188,378</b>	<b>4,763,378</b>
<b>(ii) Accumulated amortization</b>			
<b>Balance at January 1, 2022</b>	364,948	-	364,948
Amortization charge	178,750	217,250	396,000
<b>Balance at December 31, 2022</b>	<b>543,698</b>	<b>217,250</b>	<b>760,948</b>
<b>Balance at January 1, 2023</b>	543,698	217,250	760,948
Amortization charge	89,375	118,500	207,875
<b>Balance at June 30, 2023</b>	<b>633,073</b>	<b>335,750</b>	<b>968,823</b>
<b>(iii) Net book value</b>			
<b>Balance at December 31, 2022</b>	<b>3,031,302</b>	<b>971,128</b>	<b>4,002,430</b>
<b>Balance at June 30, 2023</b>	<b>2,941,927</b>	<b>852,628</b>	<b>3,794,555</b>



## Note 8: Property, Plant and Equipment

	Leasehold improvements	Machinery and equipment	Total
<b>Costs</b>			
At cost January 1, 2022	715,869	579,696	1,295,565
Additions	386,473	547,641	934,114
<b>At cost December 31, 2022</b>	<b>1,102,342</b>	<b>1,127,337</b>	<b>2,229,679</b>
At cost January 1, 2023	1,102,342	1,127,337	2,229,679
Additions	85,352	5,147,938	5,233,290
<b>At cost June 30, 2023</b>	<b>1,187,694</b>	<b>6,275,275</b>	<b>7,462,969</b>
<b>Depreciation</b>			
Accumulated depreciation January 1, 2022	222,003	238,445	460,448
Depreciation for the year	27,317	121,926	149,243
<b>Accumulated depreciation December 31, 2022</b>	<b>249,320</b>	<b>360,371</b>	<b>609,691</b>
Accumulated depreciation January 1, 2023	249,320	360,371	609,691
Depreciation for the year	26,477	107,109	133,586
<b>Accumulated depreciation June 30, 2023</b>	<b>275,797</b>	<b>467,480</b>	<b>743,277</b>
<b>Net book value December 31, 2022</b>	<b>853,022</b>	<b>766,966</b>	<b>1,619,988</b>
<b>Net book value June 30, 2023</b>	<b>911,897</b>	<b>5,807,795</b>	<b>6,719,692</b>

## 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 have occurred that will initiate the purchase of AmSty's investment in Regenyx.

### Impairment of investment

Agilyx Group is split into two CGUs for impairment analysis purposes, Agilyx and Cyclyx, which is in alignment with the segments disclosed in note 6. Regenyx is part of the Agilyx reportable segment. Furthermore, the investment in Regenyx is separately assessed for impairment because it is able to generate cashflows that are largely independent of the cash inflows from other assets or groups of assets.

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 to support the continued operation impairment to the carrying value has been recognized since January 1, 2021.

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 since 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

<b>Balance Sheet value January 1, 2022</b>	-
Investment during 2022	2,539,270
Impairment	(2,539,270)
<b>Balance Sheet value December 31, 2022</b>	-
Investment during 2023	1,095,819
Impairment	(1,095,819)
<b>Balance Sheet value June 30, 2023</b>	-

**Note 10: Accounts Receivable**

	<u>FY 2022</u>	<u>HY 2023</u>
Trade accounts receivable	231,738	428,615
Related party receivables (note 17)	1,815,159	1,127,660
Payroll tax refund receivable	396,556	-
<b>Total accounts receivable</b>	<b><u>2,443,453</u></b>	<b><u>1,556,275</u></b>

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

**Note 11: Inventory**

Inventories consist of the following:

	<u>FY 2022</u>	<u>HY 2023</u>
Raw materials	184,165	196,752
Finished goods	1,502,961	2,109,329
<b>Total inventory</b>	<b><u>1,687,126</u></b>	<b><u>2,306,081</u></b>

**Note 12: Accounts Payable**

	<u>FY 2022</u>	<u>HY 2023</u>
Accounts payable	2,640,756	6,115,200
Related party payables (note 17)	-	108,103
<b>Total accounts payable</b>	<b><u>2,640,756</u></b>	<b><u>6,223,303</u></b>

**Note 13: Accrued Expenses And Other Current Liabilities**

	<u>FY 2022</u>	<u>HY 2023</u>
Payroll and related accruals	334,813	665,210
Related party accruals (note 17)	103,894	64,759
Products and services	1,470,836	160,713
<b>Total accrued expenses and other current liabilities</b>	<b><u>1,909,543</u></b>	<b><u>890,682</u></b>

## 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 June 30, 2023 that are exercisable into ordinary shares:

	<b>Number of ordinary shares</b>	<b>Exercise price per share - USD</b>	<b>Expiration</b>
Ordinary share warrants converted to subscription rights	<b>2,322,100</b>	<b>1.00</b>	<b>2025</b>
		<b>FY 2022</b>	<b>HY 2023</b>
Warrant liabilities		<b>6,303,189</b>	<b>4,772,264</b>

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 periods 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:

	<b>December 31, 2022</b>	<b>June 30, 2023</b>
Expected term	<b>07-Aug-25</b>	<b>07-Aug-25</b>
Equity volatility	<b>30%</b>	<b>45%</b>
Risk free rate	<b>4.34%</b>	<b>4.83%</b>

As the outstanding warrants for Agilyx are well in the money as of the June 30, 2023 and December 31, 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 the six months ended June 30, 2023, 125,000 warrants were exercised.

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

	<u>Equity value at expiration -5%</u>	<u>Equity value at expiration + 5%</u>
At December 31, 2022	(315,160)	315,159
At June 30, 2023	(238,613)	238,613

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	<u>Warrant liability</u>
At January 1, 2022	7,570,647
Loss on warrant value - presented as fair value gain through profit and loss	(1,267,458)
At December 31, 2022	6,303,189
Warrants exercised (converted into 125,000 ordinary shares)	(257,500)
Loss on warrant value - presented as fair value gain through profit and loss	(1,273,425)
At June 30, 2023	<u>4,772,264</u>

**Note 15: Stock Option Plan**

	<b>Stock option activity</b>			
	<b>Number of shares</b>	<b>Weighted average exercise price</b>	<b>Weighted average contractual term (years)</b>	<b>Aggregate intrinsic value</b>
<b>Balance at January 1, 2022</b>	<b>11,432,624</b>	<b>\$1.17</b>	<b>7.8</b>	<b>33,223,561</b>
Share authorized				
Options granted	1,815,000	2.62		
Options exercised	(769,509)	0.28		
Options forfeited/expired	(188,899)	2.30		
<b>Balance at December 31, 2022</b>	<b>12,289,216</b>	<b>\$1.40</b>	<b>7.71</b>	<b>26,343,495</b>
Share authorized				
Options granted	140,000	3.41		
Options exercised	(631,249)	0.19		
Options forfeited/expired	(66,672)	1.70		
<b>Balance at June 30, 2023</b>	<b>11,731,295</b>	<b>\$1.51</b>	<b>7.27</b>	<b>19,438,730</b>
<b>Options vested and expected to vest at June 30, 2023</b>	<b>11,731,295</b>	<b>\$1.51</b>	<b>7.27</b>	<b>19,438,730</b>
<b>Options exercisable</b>	<b>7,707,315</b>	<b>\$1.09</b>	<b>7.10</b>	<b>14,615,596</b>

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.

	<b>All employees</b>		<b>Key management personnel</b>	
	<b>FY 2022</b>	<b>HY 2023</b>	<b>FY 2022</b>	<b>HY 2023</b>
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	\$1.02	\$1.13	\$1.05	\$1.20
Exercise price (weighted average)	\$2.62	\$3.41	\$2.75	\$3.47
Contractual life (weighted average)	6.12	10.99	6.15	11.00
Expected volatility (weighted average)	32%	53%	33%	59%
Expected dividend growth rate	0%	0%	0%	0%
Risk free interest rate (weighted average)	2.84%	3.08%	2.90%	3.10%

The options outstanding have a range of exercise prices from \$0.06 to \$3.89

## Note 16: Shareholders as of June 30, 2023 And Shares Held by the CEO And Board Members

	<b>As at June 30, 2023</b>	
Saffron Hill Ventures	36,623,500	42.9 %
Morgan Stanley & Co. Int. Plc.	8,081,767	9.5 %
Six Sis AG	5,596,819	6.6 %
Citibank	5,376,240	6.3 %
Clearstream Banking S.A.	4,123,742	4.8 %
Merrill Lynch	3,746,671	4.4 %
BNP Paribas Securities Services	2,212,069	2.6 %
SEB CMU/SECFIN Pooled Account	1,967,612	2.3 %
MP Pension PK	1,567,951	1.8 %
Sundt AS	1,067,186	1.3 %
Verdipapirfondet Fondsfinans Norge	919,292	1.1 %
Others	14,003,358	16.4 %
<b>Total</b>	<b>85,286,207</b>	<b>100.0 %</b>

Ordinary shares include 85,286,207 shares at par value NOK 0.02, all issued and fully paid.

At January 1, 2022 there were 77,532,946 ordinary shares. Within the statement of changes in equity the share capital column provides a reconciliation of the par value of the ordinary shares for the six months ended June 30, 2023. The table above presents the period end balance in total. The movements can be computed using the share capital column and adjusting for the NOK exchange rate at the relevant transaction dates.

The total number of authorized shares was 87,705,500 at December 31, 2022 and June 30, 2023.

## Note 17: Related Party Transactions

During the six months ended June 30, 2023, Cyclyx had \$3.3M of product sales to ExxonMobil Chemical Co., a minority holder in Cyclyx (\$5.1M for the 6 months ended June 30, 2022).

Included within Related party receivables in note 10, is \$406K due from Regenyx as at June 30, 2023 (\$1.4M at December 31, 2022), and \$722k due from Exxon Mobil (\$453K at December 31, 2022).

Included within Related party payables in note 11, is \$108K due to Non-Executive Board members at June 30, 2023 (December 31, 2022: \$0) and associated with their work in the year ended December 31, 2022.

Included within Related party accruals in note 13, is \$65k due to Non-Executive Board members at June 30, 2023 (December 31, 2022: \$104k).



## **Note 18: Income Taxes**

In December 2021, the Organization for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns, on 23 May 2023.

The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

The amendments to IAS 12 were effective immediately, however, the amendments have not yet been endorsed for adoption in the Agilyx Group's jurisdiction, and therefore, the Agilyx Group is unable to apply them as at 30 June 2023.

Therefore, for the half year ended 30 June 2023, the Agilyx Group has developed an accounting policy, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to not account for deferred taxes related to Pillar Two income taxes. The Agilyx Group believes this policy results in the most relevant and reliable information. While the Agilyx Group evaluates the implications of Pillar Two, the effect of the application of this accounting policy is expected to be consistent with the effect of the amendments to IAS 12 when they are adopted by the Agilyx Group.

## **Note 19: Subsequent Events**

On July 6, 2023 Agilyx ASA entered into a Bond Agreement with Nordic Trustee AS, to issue a series of twenty five \$200,000 bonds, to raise a total of \$5,000,000. Interest will be charged on these amounts at rates of between 12-15% per annum. The bonds will become payable on October 7, 2024, with a clause that permits early redemption by Agilyx ASA. The bonds are secured by a Guarantee issued by Agilyx Corporation over its shares and its shares in Cyclyx International LLC, its bank accounts and Intellectual Property Portfolio.

Agilyx ASA shall use its reasonable endeavors to ensure that the bonds are listed on the Oslo Børs or any other regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU and Regulation (EU) No.600/2014, within 9 months of July 7, 2023 and thereafter remain listed on an Exchange until the bonds have been redeemed in full.

In August 2023, the Group implemented reduction in costs, including a reduction in head count within the Agilyx conversion business, in response to macroeconomic conditions. The financial impact of this change is still being assessed with any benefit expected to come through in 2024.