A scenic photograph of a coastal town, likely Lofoten in Norway, nestled in a fjord. The sun is setting behind a mountain range, casting a warm, golden glow over the scene. The water is calm, reflecting the sky and the buildings. Several boats are docked along the shore. The overall atmosphere is peaceful and picturesque.

# H1 2024 Report

## **AGILYX ASA – 2024 HALF YEAR REPORT**

In the first half of the 2024 financial year, Agilyx substantially completed the operational changes associated with the pivot of the Company's strategy from the licensing and delivery of proprietary pyrolysis conversion plants to a concentration on the sourcing and supply of post-use feedstock to the recycling industry through its affiliate Cyclyx. Successful development of the new strategy will enable Agilyx to become the leading global provider of plastic waste feedstock to the recycling industry.

The changes in the Agilyx business in the reporting period have involved a significant reduction of direct headcount in the conversion technology business and a curtailment of new project activity. At the same time, Cyclyx has continued a rapid expansion of its operating capacity, including the development of the plan for its second plant in the US Gulf Coast.

In keeping with the change in strategy, the reported results of Agilyx for the first half of the 2024 financial year show a material reduction in conversion project revenues and associated operating costs. Cyclyx activities have continued to grow rapidly over the same period, and Agilyx has today announced an underwritten fundraising totaling \$87 million to be invested in Agilyx and Cyclyx operations.

### **STRATEGIC SHIFT TO INVESTMENT HOLDING COMPANY AND FOCUS ON FEEDSTOCK MANAGEMENT**

Since its founding in 2004, Agilyx has pioneered technologies for converting post-use plastic into reusable forms, securing 20 patents, and achieving a series of industry firsts. Through extensive R&D, the company developed a unique understanding of post-use plastic chemistry, the impacts of contamination and the great complexity and variability of wastestreams. In 2021, Agilyx formed Cyclyx to commercialize this proprietary feedstock knowledge and tackle the critical challenge of post-use plastic feedstock availability to the recycling industry.

With demand for high-grade recycled plastics surging, and substantial premiums paid for recycled vs virgin plastic, chemical recycling capacity is expected to grow ninefold to exceed 5 million tons per annum by 2030, as per BloombergNEF. Availability of post-use plastic feedstock at required specifications is widely recognized as the limiting factor for the scaling of recycling processes. Cyclyx has a unique offering and substantial lead in this fast-growing market. To take advantage of this market opportunity and achieve a leadership role in the sector, Agilyx has strategically shifted its priority from licensing its pyrolysis conversion technology to supporting the rapid expansion of Cyclyx.

## **RAPID DEVELOPMENT OF CYCLYX**

In October 2023, Cyclyx received a \$135 million equity injection from ExxonMobil and LyondellBasell leading to the final investment decision (“FID”) to build the first Cyclyx Circularity Center (CCC1), a 178,000 inbound tons per year facility with a long-term offtake from ExxonMobil and LyondellBasell.

With construction of CCC1 on track for mid-2025 commissioning, Cyclyx is advancing towards FID for CCC2, expected in late September 2024 with a total investment amount of \$143 million and commissioning planned for H1 2026. The facility’s output will be sold to ExxonMobil and LyondellBasell under a long-term supply contract generating a 15% unlevered return on Agilyx’s investment. At full capacity, CCC2 is expected to generate \$13.0 million of annual cash flow at the Agilyx level and \$3.5 million to Agilyx but retained at the Cyclyx level. Combined, the first 2 CCCs, are expected to generate \$18.4 million of cash flows annually with over 80% of this cash flowing directly to Agilyx.

The CCCs will enable industrial scale custom compounding and delivery of on-spec feedstock to plastic recyclers. In addition, Cyclyx continues to expand its sourcing capabilities through local take-back programs and with corporate partnerships, as evidenced by the quality of its consortium members ranging from global brands to petrochemical companies.

In the first half of 2024, Cyclyx significantly strengthened its team adding key positions, including a CFO, General Counsel, VP of Project Management, and VP of Government and Military Affairs. This expansion brought the total FTE count to 88, with 38 new hires in H1 2024, significantly bolstering capabilities in project execution and waste sourcing.

## **REDUCED AGILYX OPERATING COSTS AND NARROWED FOCUS OF CONVERSION BUSINESS**

Agilyx has decreased its direct operating costs and headcount. The current complement of 26 FTEs in Agilyx itself represents a 64% reduction compared to January 2023. The impact of the most recent reductions will be reflected in the financials for the second half of FY24. Agilyx continues to fully support Cyclyx shared services, while retaining critical IP and engineering competency. Leveraging the success of the Toyo project, the Company is building a book of demand for recycled styrene monomer and has completed final engineering on a full-scale polystyrene system. We do not anticipate that Agilyx will invest in conversion systems but will instead identify a strategic partner to commercialize the technology.

## **INVESTOR RELATIONS AND CAPITAL MARKETS**

As Cyclyx operations continue to roll out, Agilyx anticipates rapid growth of its investment and current returns from Cyclyx projects through 2026. Agilyx is therefore enhancing investor outreach and preparing for a dual U.S. listing in 2025. The announced private placement fully funds CCC2 and working capital needs through 2026.

The company has recently added to its executive ranks. Bertrand Laroche joined Agilyx in 2023 as SVP of Corporate Development and he will now move into the role of Chief Financial Officer. His expertise in principal investing, capital markets and corporate development has already proven invaluable. His promotion to CFO, along with Peter Norris's appointment as Board Chair, strengthens leadership as the company embarks on its next chapter. Peter is the current Chair of Virgin Group and brings deep capital markets and corporate development expertise to the Board.

## **OUTLOOK**

As Agilyx shifts towards Cyclyx and feedstock management, our goals are to:

- Solidify our leading position in feedstock management and capitalize on emerging opportunities to become the global provider of plastic waste feedstock to the petrochemical industry.
- Achieve profitability by 2026 through Cyclyx CCCs, monetization of IP and R&D, and strategic partnerships.
- Enhance our engagement with investors and capital markets.

The \$87 million financing announced today will accelerate this transition, driving cash flow generation and positioning Agilyx for sustained growth.

## **FIRST HALF OVERVIEW**

Agilyx today released unaudited financial results for the first half ended June 30, 2024. The Company's consolidated financial statements are below.

- Net sales were \$0.4 million for the first half, compared to \$4.6 million in the prior year's first half.
- Total operating costs were \$6.0 million (\$5.1 net of one-time impairment charges), compared to \$7.8 million in the prior year's first half with salaries and related costs of \$2.9 million, down from \$4.6 million in the prior year's first half
- Net loss was \$11.4 million for the first half, compared to a net loss of \$11.1 million for the prior year's first half.
- Cash and equivalents totaled \$1.7 million at the close of the first half.
- Cyclyx generated unconsolidated revenues of \$5.0 million primarily from post-use plastic feedstock sales.

## GROUP INCOME STATEMENT

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

Amounts in USD	Note	Unaudited HY 2023	Unaudited HY 2024
<b>Operating revenue and operating expenses</b>		<b>(restated*)</b>	
Revenues	2	4,635,633	448,476
Cost of revenues	3	(4,226,131)	(758,858)
<b>Gross margin</b>		<b>409,502</b>	<b>(310,382)</b>
Research costs		(1,732,421)	(1,446,529)
Sales and marketing		(712,107)	(427,609)
General and administrative		(5,379,524)	(4,154,688)
<b>Total operating expenses</b>	3 & 4	<b>(7,824,052)</b>	<b>(6,028,826)</b>
<b>Operating loss</b>		<b>(7,414,550)</b>	<b>(6,339,208)</b>
<b>Financial income and financial expenses</b>			
Share of loss of equity accounted associates		-	(3,899,489)
Impairment of investment in associate	8	(1,095,819)	(49,382)
Fair value gain on financial instruments	11	1,273,425	(1,218,026)
Interest income (expense)		(18,728)	20,166
Other financial income		20,095	19,831
Other financial expense		(320,867)	(7,853)
<b>Net financial items</b>		<b>(141,894)</b>	<b>(5,134,753)</b>
<b>Loss before tax</b>		<b>(7,556,444)</b>	<b>(11,473,961)</b>
<b>Income tax expense</b>		-	-
<b>Loss from continuing operations</b>		<b>(7,556,444)</b>	<b>(11,473,961)</b>
<b>Discontinued operation</b>			
Loss from discontinued operation, net of tax	16	(3,478,256)	-
<b>Loss for the period</b>		<b>(11,034,700)</b>	<b>(11,473,961)</b>
Other comprehensive profit (loss) for the period		(16,671)	99,256
<b>Total comprehensive loss for the period</b>		<b>(11,051,371)</b>	<b>(11,374,705)</b>
Total comprehensive loss for the period attributable to:			
Equity holders of the parent		(10,181,807)	(11,374,705)
Non-controlling interest		(869,564)	-
		<b>(11,051,371)</b>	<b>(11,374,705)</b>
Loss per share from continuing operations, basic and diluted		(0.09)	(0.12)
Loss per share from continuing and discontinued operations, basic and diluted		(0.13)	(0.12)

\* The comparative information has been restated due to the deconsolidation of Cyclyx following a loss of control in 2023. See Note 16.

## GROUP BALANCE SHEET

Agilyx ASA interim Consolidated Balance Sheet

Amounts in USD	Note	Audited As at December 31, 2023	Unaudited As at June 30, 2024
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Intangible assets	6	3,586,680	2,763,177
Property, plant and equipment	7	1,336,219	931,712
Right of use asset		284,111	162,965
Investment in associate		113,002,939	109,103,450
Other non-current assets		35,802	35,802
<b>Total non-current assets</b>		<b>118,245,751</b>	<b>112,997,106</b>
<b>Current assets</b>			
Accounts receivable	9	588,878	920,776
Deferred project costs		2,165,727	2,160,750
Prepaid expenses and other current assets		772,997	525,328
Cash and cash equivalents		8,527,632	1,674,213
<b>Total current assets</b>		<b>12,055,234</b>	<b>5,281,067</b>
<b>TOTAL ASSETS</b>		<b>130,300,985</b>	<b>118,278,173</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Equity</b>			
Share capital	13	162,269	162,269
Share premium		73,239,523	73,239,523
Additional paid-in capital		9,432,289	9,239,855
<b>Total paid-in equity</b>		<b>82,834,081</b>	<b>82,641,647</b>
Retained earnings		41,349,154	29,875,193
Foreign currency translation		(223,858)	(124,602)
<b>Total equity</b>		<b>123,959,377</b>	<b>112,392,238</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Long-term lease liability		60,441	-
Warrant liability	11	3,293,206	4,511,232
<b>Total non-current Liabilities</b>		<b>3,353,647</b>	<b>4,511,232</b>
<b>Current liabilities</b>			
Accounts payable		1,830,507	455,153
Accrued expenses and other current liabilities	10	924,937	742,543
Current portion lease liability		232,517	177,007
<b>Total current liabilities</b>		<b>2,987,961</b>	<b>1,374,703</b>
<b>TOTAL LIABILITIES</b>		<b>6,341,608</b>	<b>5,885,935</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>130,300,985</b>	<b>118,278,173</b>

**OSLO, NORWAY**

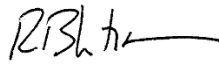
20 August 2024



---

**Peter Norris**

Chairman



---

**Ranjeet Bhatia**

CEO



---

**Carolyn Clarke**

Board Member



---

**Catherine C. Keenan**

Board Member



---

**Steen Jakobsen**

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 2023	Unaudited HY 2024
<b>Profit (loss) for the period</b>	<b>(11,051,371)</b>	<b>(11,374,705)</b>
Depreciation and intangible amortization	341,461	310,756
Amortization on ROU assets	65,812	109,326
Asset impairment	-	927,538
Result from investment in Cyclyx	-	3,899,489
Result from investment in Regenyx	1,095,819	49,382
Stock based compensation	822,998	(192,434)
Fair value (gain) loss on financial instruments	(1,273,425)	1,218,026
Interest expense	28,264	10,231
Accounts receivable	887,178	(331,896)
Inventory	(618,955)	-
Accounts payable and accrued liabilities	2,563,686	(1,557,747)
Prepaid expenses and other assets	(503,983)	(631,554)
Contract liability	(1,066,486)	884,199
Other timing differences	(16,671)	1,587
<b>Net cash from operations</b>	<b>(8,725,673)</b>	<b>(6,677,802)</b>
Regenyx investment funding	(1,095,819)	(49,382)
Purchases of property and equipment	(5,233,290)	(10,284)
<b>Net cash from investments</b>	<b>(6,329,109)</b>	<b>(59,666)</b>
Proceeds from Cyclyx member contributions	9,280,000	-
Increases in share capital	237,910	-
Principal paid on lease liabilities	(46,147)	(105,720)
Interest paid on lease liabilities	(28,264)	(10,231)
<b>Net cash from financing</b>	<b>9,443,499</b>	<b>(115,951)</b>
Net decrease in cash and cash equivalents	(5,611,283)	(6,853,419)
Cash and cash equivalents at beginning of the period	13,671,319	8,527,632
<b>Cash and cash equivalents at end of the period</b>	<b>8,060,036</b>	<b>1,674,213</b>



## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

USD	Share capital	Share premium	Additional paid-in capital	Retained earnings	Foreign currency translation	Total attributable to equity holders of the parent	Non-controlling interest	Total
Group equity								
<b>Balance, January 1, 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)
Net result for the period	-	-	-	(10,181,807)	-	(10,181,807)	(869,564)	(11,051,371)
<b>Balance, June 30, 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>
<b>Balance, January 1, 2024</b>	162,269	73,239,523	9,432,289	41,349,154	(223,858)	123,959,377	-	123,959,377
Equity settled share-based payment	-	-	(192,434)	-	-	(192,434)	-	(192,434)
Other comprehensive loss	-	-	-	-	99,256	99,256	-	99,256
Net result for the period	-	-	-	(11,473,961)	-	(11,473,961)	-	(11,473,961)
<b>Balance, June 30, 2024</b>	<b>162,269</b>	<b>73,239,523</b>	<b>9,239,855</b>	<b>29,875,193</b>	<b>(124,602)</b>	<b>112,392,238</b>	<b>-</b>	<b>112,392,238</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).

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 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 2023 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, 2024 and June 30, 2023. To ensure the Group will continue as a going concern, Management has secured USD 40 million of equity through a guarantee from its existing shareholders and a USD 40 million debt financing which is fully underwritten by DNB Markets. Therefore, despite the current limited cash balance, the directors have assurances that the Group has adequate resources to continue in operational existence for the foreseeable future and at least one year from 21 August 2024.

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, 2024 are consistent with those disclosed in the December 31, 2023 financial statements, other

than any new amendments that became effective for periods beginning January 1, 2024, which are discussed below.

### New standards interpretations and amendments adopted January 1, 2024

Of the amendments that were effective for the first time for periods beginning on or after January 1, 2024 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 any material impact at this stage.

## NOTE 2: REVENUES

<b>Geographical distribution of revenues</b>	<b>HY 2023</b>	<b>HY 2024</b>
Europe	155,925	-
USA	60,157	15,000
APAC	4,419,551	433,476
<b>Total sales by customers location</b>	<b>4,635,633</b>	<b>448,476</b>
<b>Product category</b>		
Project development	-	97,242
Services	-	319,467
License, membership and royalty fees	264,581	-
Sale of goods	4,371,052	31,767
<b>Total sales by category</b>	<b>4,635,633</b>	<b>448,476</b>

## NOTE 3: OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement.

Below are the total operating expenses presented by nature.

## Operating expenses classified by nature

	HY 2023	HY 2024
Raw materials and consumables	62,820	5,292
Salaries and related costs (note 4)	4,590,183	2,888,246
Depreciation and amortization	407,273	420,082
Professional fees	5,940,394	2,221,511
Insurance	244,447	190,525
Office expenses	565,384	531,830
Other operating expenses	239,682	530,198
<b>Total expenses</b>	<b>12,050,183</b>	<b>6,787,684</b>

## NOTE 4: SALARY AND SOCIAL COSTS

	HY 2023	HY 2024
Salaries	2,998,319	2,200,156
Social security and payroll tax costs	356,729	327,993
Share based compensation (note 12)	822,998	(192,434)
Pension costs	(21,114)	2,705
Benefits and other expenses	433,251	549,826
<b>Total salaries</b>	<b>4,590,183</b>	<b>2,888,246</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.

## Senior Officers and Members of the Executive Board remuneration – HY2024

	Salary	Other benefits	Share based compensation	Total
Russell Main, CEO and CFO	165,681	59,951	14,479	240,111
Chris Faulkner, CTO	127,351	54,902	19,881	202,134
Mark Barranco, SVP Engineering & Education	141,815	55,545	25,279	222,639
Joe Vaillancourt, Cyclyx CEO	203,300	196,517	329	400,146
Stephen Hamlet, VP of Human Resources	98,012	45,983	8,293	152,288
				<u>1,217,318</u>

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

	<b>Salary</b>	<b>Other benefits</b>	<b>Share based compensation</b>	<b>Total</b>
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
				<u>2,196,463</u>

## NOTE 5: SEGMENT INFORMATION

The below tables includes 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 2023				HY 2024			
	Cyclix	Agilyx	Adjustments to remove Cyclix	Total	Cyclix	Agilyx	Adjustments to remove Cyclix	Total
Revenues from external customers	3,508,952	4,635,632	(3,508,952)	4,635,632	5,016,973	448,476	(5,016,973)	448,476
Depreciation and amortization	29,922	377,351	(29,922)	377,351	33,791	420,082	(33,791)	420,082
Segment loss	<u>(3,457,987)</u>	<u>(7,414,550)</u>	3,457,987	(7,414,550)	<u>(9,155,188)</u>	<u>(6,339,208)</u>	9,155,188	(6,339,208)
Result from investment in Regenyx				(1,095,819)				(49,382)
Result from investment in Cyclix				-				(3,899,489)
Fair value gain/(loss) on warrant agreements				1,273,425				(1,218,026)
Interest expense				(18,728)				20,166
Other financial income (expense), net				<u>(300,772)</u>				<u>11,978</u>
Group net loss before tax and discontinued operations				<u>(7,556,444)</u>				<u>(11,473,961)</u>

## Balance sheet

	FY 2023				HY 2024			
	Cyclyx	Agilyx	Adjustments to remove Cyclyx	Total	Cyclyx	Agilyx	Adjustments to remove Cyclyx	Total
Non-current asset additions	34,023,291	8,005,440	(34,023,291)	8,005,440	6,956,528	-	(6,956,528)	-
Reportable segment assets	<u>76,502,783</u>	<u>17,298,046</u>	<u>(76,502,783)</u>	17,298,046	<u>124,999,906</u>	<u>9,174,723</u>	<u>(124,999,906)</u>	9,174,723
Investment in associate				<u>113,002,939</u>				<u>109,103,450</u>
Total group assets				<u>130,300,985</u>				<u>118,278,173</u>
Reportable segment liabilities	<u>6,411,760</u>	<u>3,048,402</u>	<u>(6,411,760)</u>	3,048,402	<u>32,789,251</u>	<u>1,374,703</u>	<u>(32,789,251)</u>	1,374,703
Derivative financial liabilities				<u>3,293,206</u>				<u>4,511,232</u>
Total group liabilities				<u>6,341,608</u>				<u>5,885,935</u>

Revenue by geography - Revenue by geography is included in Note 2. 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, 2023 and 2024.

---

	<b>HY 2023</b>	<b>HY 2024</b>	<b>Segment</b>
Customer A	3,297,685	4,157,196	Cyclyx
Customer B	4,371,051	433,476	Agilyx



## NOTE 6: INTANGIBLE ASSETS

Intangible assets include the following contracts

**(i) Cost**

**Balance at January 1, 2023**

Additions

**Balance at December 31, 2023**

**Balance at January 1, 2024**

Impairment

**Balance at June 30, 2024**

**(ii) Accumulated amortization**

**Balance at January 1, 2023**

Amortization charge

**Balance at December 31, 2023**

**Balance at January 1, 2024**

Amortization charge

Impairment

**Balance at June 30, 2024**

**(iii) Net book value**

**Balance at December 31, 2023**

**Balance at June 30, 2024**

	<b>Licensed technology</b>	<b>Exclusivity license</b>	<b>Total</b>
<b>Balance at January 1, 2023</b>	3,575,000	1,188,378	4,763,378
Additions	-	-	-
<b>Balance at December 31, 2023</b>	<b>3,575,000</b>	<b>1,188,378</b>	<b>4,763,378</b>
<b>Balance at January 1, 2024</b>	3,575,000	1,188,378	4,763,378
Impairment	-	(1,188,378)	(1,188,378)
<b>Balance at June 30, 2024</b>	<b>3,575,000</b>	<b>-</b>	<b>3,575,000</b>
<b>(ii) Accumulated amortization</b>			
<b>Balance at January 1, 2023</b>	543,698	217,250	760,948
Amortization charge	178,750	237,000	415,750
<b>Balance at December 31, 2023</b>	<b>722,448</b>	<b>454,250</b>	<b>1,176,698</b>
<b>Balance at January 1, 2024</b>	722,448	454,250	1,176,698
Amortization charge	89,375	118,500	207,875
Impairment	-	(572,750)	(572,750)
<b>Balance at June 30, 2024</b>	<b>811,823</b>	<b>-</b>	<b>811,823</b>
<b>(iii) Net book value</b>			
<b>Balance at December 31, 2023</b>	<b>2,852,552</b>	<b>734,128</b>	<b>3,586,680</b>
<b>Balance at June 30, 2024</b>	<b>2,763,177</b>	<b>-</b>	<b>2,763,177</b>

## NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment Costs	Leasehold improvements	Machinery and equipment	Total
At cost January 1, 2023	1,102,342	1,127,337	2,229,679
Additions	7,767,784	237,656	8,005,440
Deconsolidation due to loss of control of subsidiary	(7,953,544)	(193,731)	(8,147,275)
<b>At cost December 31, 2023</b>	<b>916,582</b>	<b>1,171,262</b>	<b>2,087,844</b>
At cost January 1, 2024	916,582	1,171,262	2,087,844
Additions	380	9,904	10,284
Asset impairment	(311,910)	-	(311,910)
<b>At cost June 30, 2024</b>	<b>605,052</b>	<b>1,181,166</b>	<b>1,786,218</b>
<b>Depreciation</b>			
Accumulated depreciation January 1, 2023	249,320	360,371	609,691
Depreciation for the year	46,761	211,489	258,250
Deconsolidation due to loss of control of subsidiary	(30,960)	(85,356)	(116,316)
<b>Accumulated depreciation December 31, 2023</b>	<b>265,121</b>	<b>486,504</b>	<b>751,625</b>
Accumulated depreciation January 1, 2024	265,121	486,504	751,625
Depreciation for the year	12,545	90,336	102,881
<b>Accumulated depreciation June 30, 2024</b>	<b>277,666</b>	<b>576,840</b>	<b>854,506</b>
<b>Net book value December 31, 2023</b>	<b>651,461</b>	<b>684,758</b>	<b>1,336,219</b>
<b>Net book value June 30, 2024</b>	<b>327,386</b>	<b>604,326</b>	<b>931,712</b>

## **NOTE 8: 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 event has occurred that will initiate the purchase of AmSty's investment in Regenyx.

### **Impairment of investments**

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 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.

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.

As announced in the annual report the Regenyx plant will be closing and winding up its operations.

## Calculation of balance sheet value of investment in Regenyx

<b>Balance sheet value January 1, 2023</b>	-
Investment during 2023	2,032,078
Impairment charge – fully impair balance	(2,032,078)
<b>Balance sheet value December 31, 2023</b>	-
Investment during 2024	49,382
Impairment charge – fully impair balance	(49,382)
<b>Balance sheet value June 30, 2024</b>	-

## NOTE 9: ACCOUNTS RECEIVABLE

	<b>FY 2023</b>	<b>HY 2024</b>
Trade accounts receivable	89,359	163,738
Related party receivables (note 14)	499,519	757,038
<b>Total accounts receivable</b>	<b>588,878</b>	<b>920,776</b>

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

## NOTE 10: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<b>FY 2023</b>	<b>HY 2024</b>
Payroll and related accruals	924,937	710,669
Products and Services accruals	-	31,874
<b>Total accrued expenses and other current liabilities</b>	<b>924,937</b>	<b>742,543</b>

## NOTE 11: 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, 2024 that are exercisable into ordinary shares:

	Number of ordinary shares	Exercise price pr share - USD	Expiration
Ordinary share warrants converted to subscription rights	2,322,100	1.00	2025
	<b>FY 2023</b>		<b>HY 2024</b>
Warrant liabilities	3,293,206		4,511,232

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:

	FY 2023	HY 2024
Expected term	7-Aug-25	7-Aug-25
Equity volatility	35%	35%
Risk free rate	4.45%	4.99%

As the outstanding warrants for Agilyx are well in the money as of the June 30, 2024 and December 31, 2023 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, 2024, no 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, 2023	(164,661)	164,660
At June 30, 2024	(225,561)	225,562

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, 2023	6,303,189
Loss on warrant value - presented as fair value gain through profit and loss	(3,009,983)
At December 31, 2023	3,293,206
Gain on warrant value - presented as fair value gain through profit and loss	1,218,026
At June 30, 2024	<u>4,511,232</u>

## NOTE 12: STOCK OPTION PLAN

	Stock option activity			
	Number of shares	Weighted average exercise price	Weighted average contractual term (years)	Aggregate Intrinsic value
<b>Balance at January 1, 2023</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	(1,104,814)	1.92		
<b>Balance at December 31, 2023</b>	<b>10,693,153</b>	<b>\$ 1.47</b>	<b>6.76</b>	<b>12,367,651</b>
Share authorized				
Options granted	-	-		
Options exercised	-	-		
Options forfeited/expired	(508,680)	3.18		
<b>Balance at June 30, 2024</b>	<b>10,184,473</b>	<b>\$ 1.39</b>	<b>6.22</b>	<b>16,092,974</b>
<b>Options vested and expected to vest at June 30, 2024</b>	<b>10,184,473</b>	<b>\$ 1.39</b>	<b>6.22</b>	<b>16,092,974</b>
<b>Options exercisable</b>	<b>9,530,305</b>	<b>\$ 1.17</b>	<b>6.19</b>	<b>15,908,094</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.

	All employees		Key management personnel	
	FY 2023	HY 2024	FY 2023	HY 2024
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	\$1.13	\$ -	\$1.20	\$ -
Exercise price (weighted average)	\$3.41	\$ -	\$3.47	\$ -
Contractual life (weighted average)	10.99	0	11.00	0.00
Expected volatility (weighted average)	53%	0%	59%	0%
Expected dividend growth rate	0%	0%	0%	0%
Risk free interest rate (weighted average)	3.08%	0.00%	3.10%	0.00%

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



## NOTE 13: SHAREHOLDERS AS OF JUNE 30, 2024 AND SHARES HELD BY THE CEO AND BOARD MEMBERS

	<u>As at June 30, 2024</u>	
Saffron Hill Ventures	39,762,365	41.6 %
Morgan Stanley & Co. Int. Plc.	19,057,255	19.9 %
Six Sis AG	5,866,101	6.1 %
Skandinaviska Enskilda Banken	4,616,034	4.8 %
Merrill Lynch	4,330,984	4.5 %
Citibank	3,427,663	3.6 %
Clearstream Bankings	2,922,301	3.1 %
JP Morgan	2,912,914	3.0 %
Euroclear Banks	1,769,484	1.8 %
MP Pension	1,537,203	1.6 %
The Bank of New York Mellon	1,490,462	1.6 %
UFI Capital	1,154,258	1.2 %
UBS	1,077,591	1.1 %
Others	5,761,592	6.0 %
<b>Total</b>	<b>95,686,207</b>	<b>100.0 %</b>

Ordinary shares include 95,686,207 shares at par value NOK 0.02, all issued and fully paid.

As at January 1, 2023, there were 84,529,958 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, 2024. 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 95,686,207 at December 31, 2023 and June 30, 2024.

## NOTE 14: RELATED PARTY TRANSACTIONS

Included within Related party receivables in note 9, is \$138k due from Regenyx as at June 30, 2024 (\$195k at December 31, 2023), \$600k due from Cyclyx International LLC (\$286k at December 31, 2023), and \$19k due from Exxon Mobil (\$19k at December 31, 2023).

Included within accruals in note 10, is \$147k due to board members at June 30, 2024 (December 31, 2023: \$104k).

## NOTE 15: SUBSEQUENT EVENTS

After the close of the period the company secured commitments to a minimum \$40 million equity private placement, with expected closing date of August 21st 2024. The equity commitment triggers a binding bond underwriting of \$40 million from DNB Markets

## NOTE 16: LOSS OF CONTROL OF CYCLYX AND DISCONTINUED OPERATIONS

### Loss of control of Cyclyx

In October 2023, the Agilyx Group's ownership interest in Cyclyx was diluted from 75% down to 50%, via a small disposal of Equity Units and the issuance of new Equity Units (by Cyclyx) to Equistar Chemical, LP ("Equistar"). As part of the transaction, a Second Amended and Restated Limited Liability Company Agreement (the "Cyclyx Operating Agreement") was entered into by the three investors, Agilyx, Equistar and EMCC. Amongst other things, the Cyclyx Operating Agreement implemented a super majority rule which requires agreement from greater than 75% of unit holders in order for a number of decisions which affect the relevant activities of Cyclyx. Therefore, as a result of the reduced ownership interest and the execution of the Cyclyx Operating Agreement, Agilyx lost control of Cyclyx effective October 25, 2023. Subsequent to the loss of control, Cyclyx continues to meet the criteria to be disclosed as a reportable segment as outlined in Note 5.

Following the loss of control in 2023, the Cyclyx entity which represents a separate major line of business, met the criteria for classification as a discontinued operation. The results for the prior interim period have therefore been presented as a single line in the Consolidated Income Statement. The comparable Consolidated Income Statement has been re-presented to show the discontinued operation separately from a continuing operation in order to aid comparability. The post-tax loss from discontinued operations as presented on the consolidated Income Statement was determined as follows:

### Results of Cyclyx (discontinued operation)

<i>For the period ended June 30</i>	<b>2023</b>
Revenue	3,508,952
Expenses other than finance costs	(6,966,939)
Finance costs	<u>(20,269)</u>
Loss from discontinued operation, net of tax	(3,478,256)

Loss from Cyclyx (discontinued operation) attributable to:

Equity holders of the parent	(2,608,692)
Non-controlling interest	(869,564)
	<u>(3,478,256)</u>

Earnings per share - from Cyclyx (discontinued operations) 2023

Earnings per share, basic	(0.04)
---------------------------	--------

Cash flows - from / (used in) Cyclyx (discontinued operations) 2023

Net cash used in operating activities	(4,632,623)
Net cash used in investing activities	(3,302,283)
Net cash from financing activities	9,767,273
Net cash from discontinued operations	<u>1,832,367</u>

## DISCLAIMER

This report (the "Report") has been prepared by Agilyx ASA ("Agilyx" or the "Company", and together with its subsidiaries, the "Group") does not constitute an offer to sell or issue or a solicitation of an offer to buy or acquire any securities in the Company in any jurisdiction or any inducement to enter into investment activity. The contents of this Report have not been reviewed by or registered with any regulatory authority or stock exchange and does not constitute a prospectus. This Report should not be deemed to constitute investment advice by the Company or any of its directors, officers, agents, employees or advisers.

This Report contains certain statements that are, or may be deemed to be, forward-looking statements, which include all statements other than statements of historical fact. These statements involve known and unknown risks, uncertainties and other factors which may cause the involved Group's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These statements are only predictions. Actual events or results may differ materially. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement. Forward-looking statements are often identified by the words "believe", "budget", "potential", "expect", "anticipate", "intend", "plan" and other similar terms and phrases. The Company caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and the Company undertake no obligation to update or revise any of this information.