



Q2 2022



Agenda

1

Highlights – Q2 2022

2

Business Update

3

Financials

4

Outlook 2022 and Beyond



Highlights

Highlights Q2 2022

Growth trend continues

Achieved growth in
quarterly sales
30.4 MNOK

Growth continues in
Molecular Tools and
Biomanufacturing

Appointed a new VP
of Bus. Dev. and
Marketing
Dirk Hahneiser

EBITDA
performance
9.5 MNOK

Initiated the
establishment of a
Drug Master File
(DMF)



Business Update

Business Updates

Commercial



Biomanufacturing

- ✓ Quarterly sales 14.8 MNOK (78% growth)
- ✓ Accounts for 49% of total Q2 sales
- ✓ Upturn in sales following pandemic continues
- ✓ Leveraging sales in all geographical regions. Americas being largest contributor
- ✓ Initiated the implementation of a DMF for SAN HQ for submission to the U.S. FDA



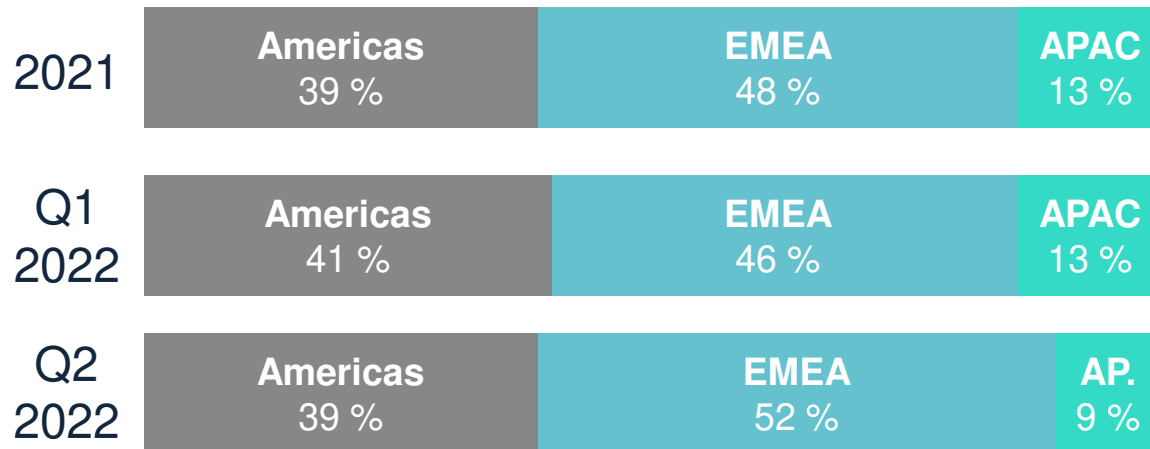
Molecular Tools (Research & Diagnostics)

- ✓ Quarterly sales 15.5 MNOK (18% growth)
- ✓ Accounts for 51% of total Q2 sales
- ✓ Research and Diagnostics contribution to Q2 sales were 33% and 18%, respectively
- ✓ Research - rSAP main driver (60% contribution)
- ✓ Diagnostics - Cod UNG sales drop due to supply chain readjustment following Omicron outbreak

Business Updates

Commercial

Geographical Sales Contribution



- China: Sales hampered by Coronavirus lockdowns and closure of borders to receive international shipments

Global Reach Strengthened



- Appointed Dirk Hahneiser as VP of Bus. Dev. & Marketing (*pictured above*)
 - Experience from Johnson & Johnson, Ecolab and Thermo Fisher Scientific
- Doubled the N. American commercial team by hiring a new Bus. Dev. Manager (Scott Frayo)

Business Updates

Innovations and Operations



Innovations

- ✓ Applications Lab in Oslo (ShareLab)
 - ✓ Successfully hired 2 applications scientist
 - ✓ Focus of demonstrating utilising of AZT's enzymes in complete workflows
- ✓ 2022 product launches on track
- ✓ RNA therapeutic enzymes are progressing



Operations

- ✓ New production facility continues to increase capacity through the incremental recruitment
- ✓ Two customer cGMP audits
 - ✓ A top 10 international pharmaceutical company
 - ✓ A leading international viral vector CDMO



Business Updates

Strategic Growth Initiatives

- **AZT remains committed to execute on its strategic growth initiatives**
- **Organic growth**
 - Ongoing recruitment drive to strengthen the organisation cross functionally continues
 - Greater competences/support in quality, regulatory, project management, cGMP product development and commercialisation are demanded to leverage potential from biomanufacturing
- **Inorganic growth**
 - Intensive activity towards M&A
 - Established a priority list of mutually interested targets which comprises earlier and newly identified targets
 - Initial discussions are ongoing between AZT and interested targets

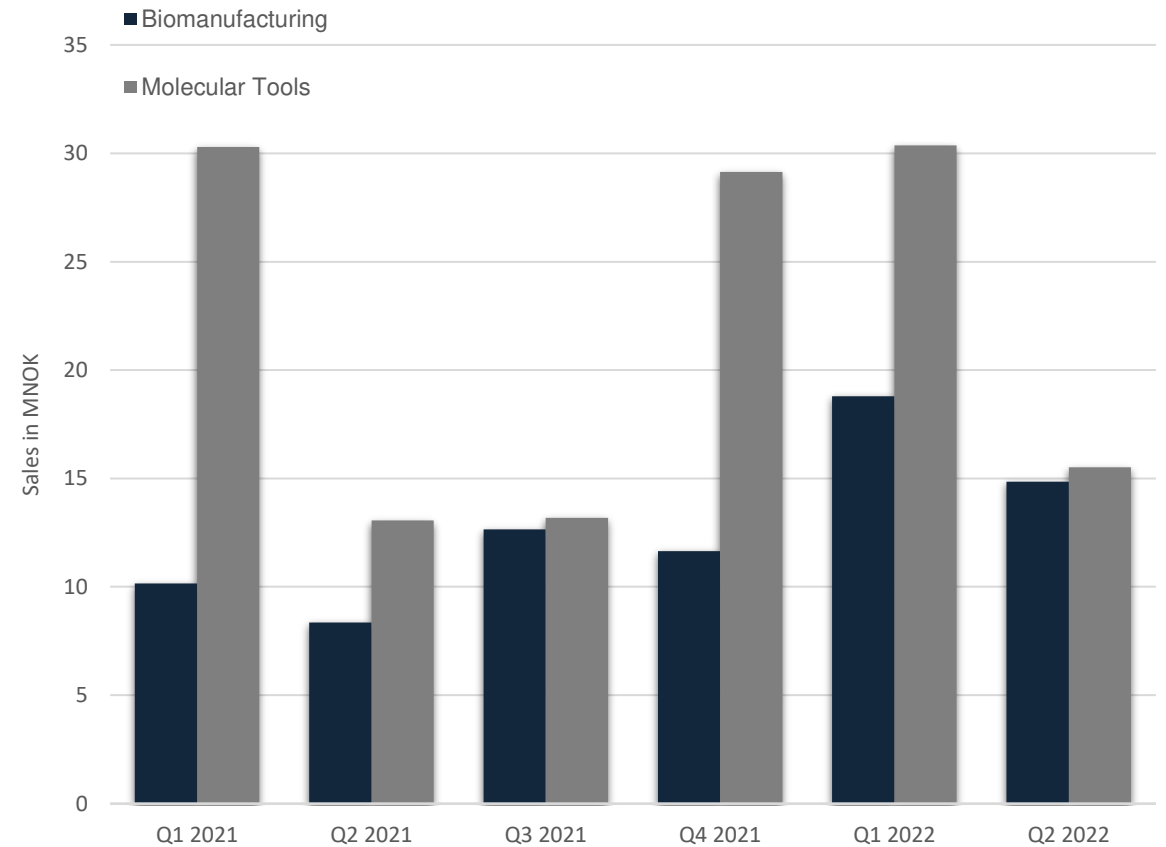


Financials

Sales

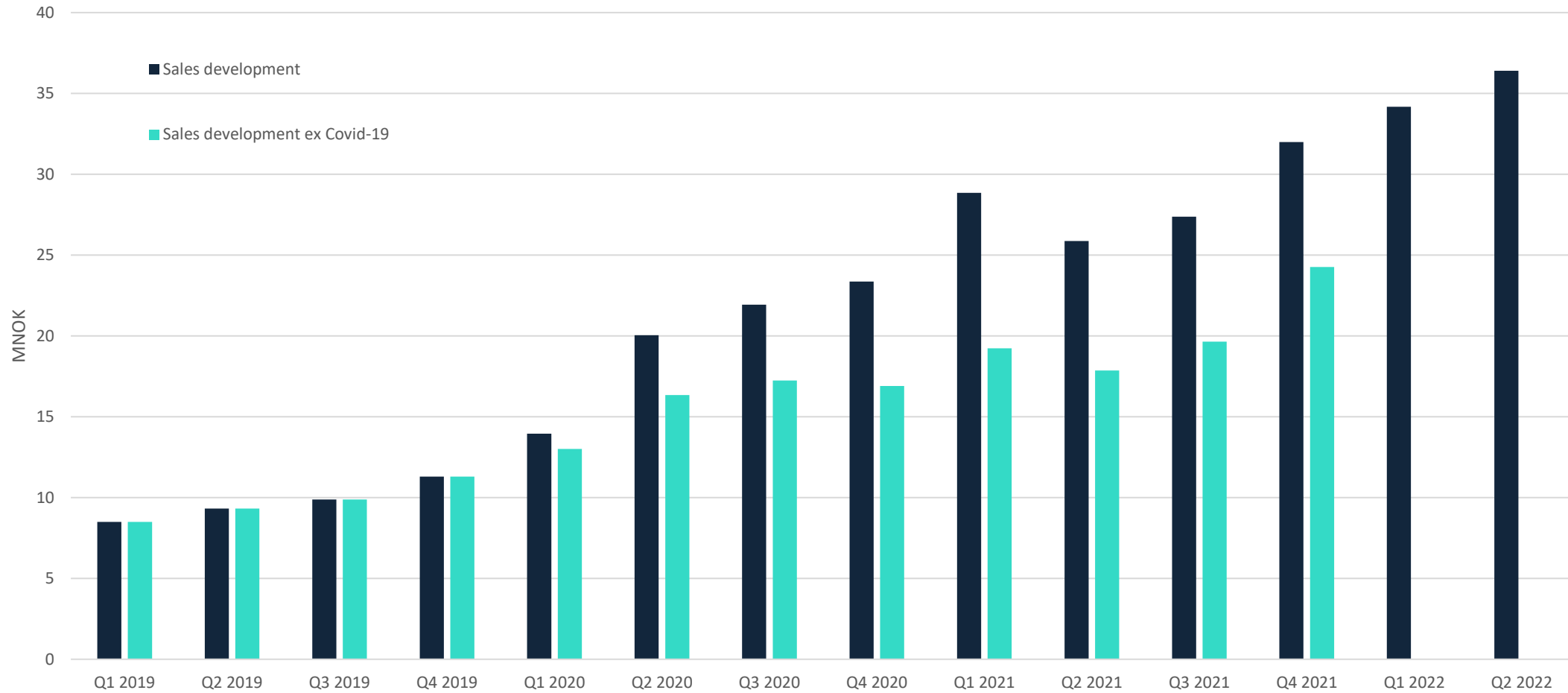
Currency impacts underlying growth positively

- Sales increase of 43 % compared to same quarter last year
 - Achieved 30.4 MNOK (21.3 MNOK)
- Currency had an estimated 2.5 MNOK positive impact on underlying sales growth in Q2 and NOK 3.1 MNOK YTD
- Biomanufacturing (SAN)
 - 14.8 MNOK (8.4 MNOK)
 - Increase of 78% (+6.4 MNOK)
- Molecular Tools (Research & Diagnostics)
 - 15.5 MNOK (13.1 MNOK)
 - Increase of 18% (+2.4 MNOK)



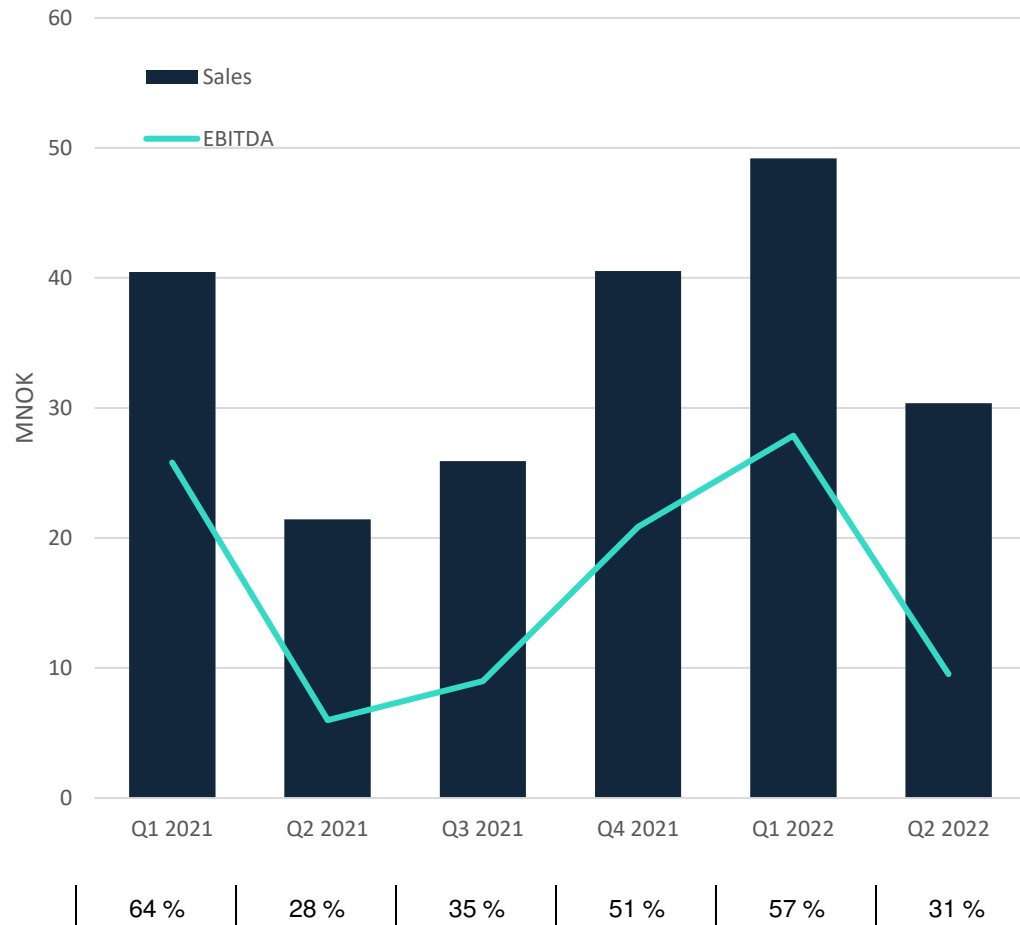
12 month rolling average quarterly sales

Growth trend continues



Profitability and expenses

Investments in organic growth influences our figures



● Sales

- Q2 - MNOK 30.4 vs. 21.3 (+43%)
- YTD - MNOK 79.5 vs 62.2 (+28%)

● EBITDA

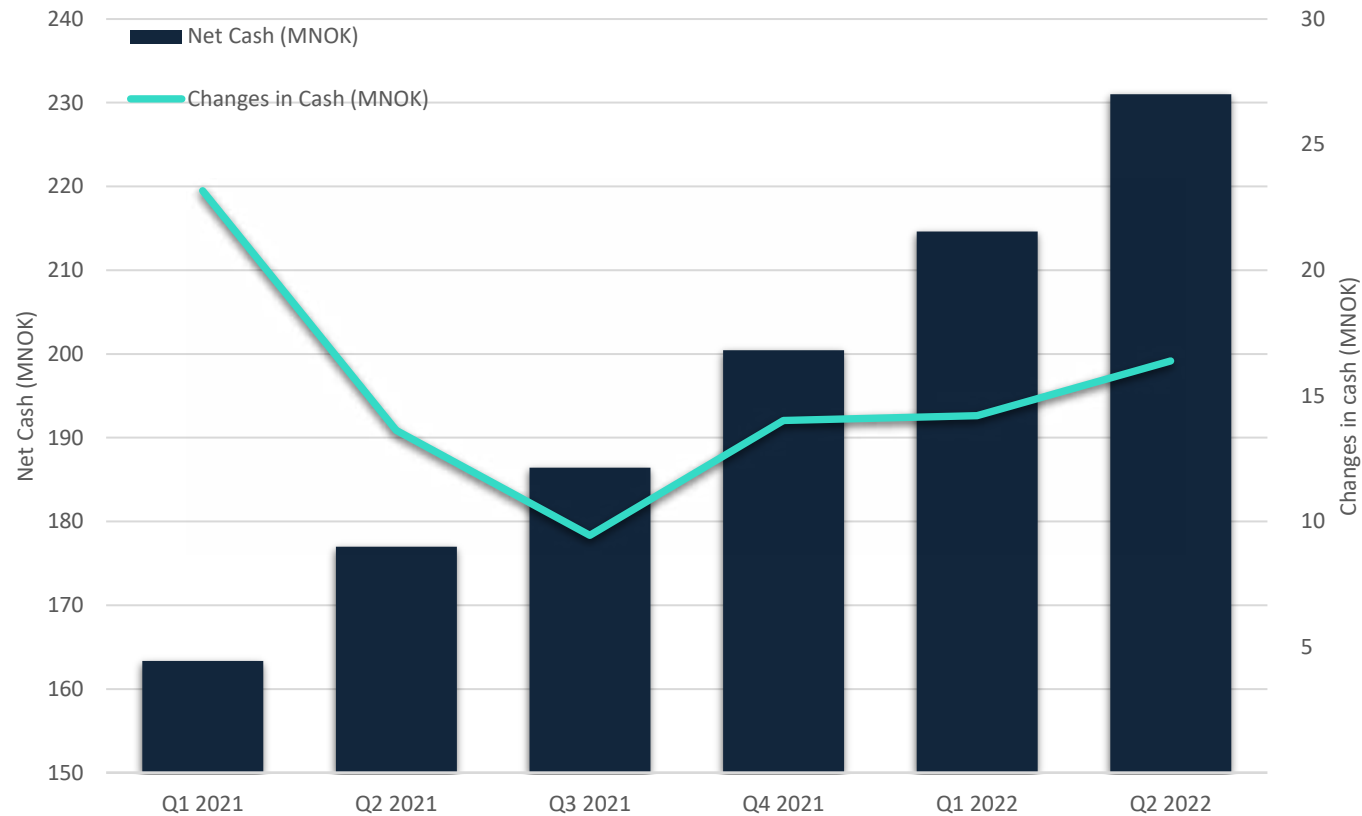
- Q2 - MNOK 9.5 vs 6.0 (+58%)
- YTD - MNOK 37.4 vs 31.8 (+18%)

● Expenses increased by 4.5 MNOK in Q2

- External support and consultancy increased
- Currency effects reduces other operating expenses by MNOK 2.0 in Q2

Cash flow

+16 MNOK in positive cash flow for Q2





Outlook

Outlook 2022 and Beyond

Remains unchanged

- **The Company outlook for 2022**

- Annual sales target of NOK 155 million
- Quarterly fluctuations will continue
- Lower contribution from coronavirus-related sales
- Expanded innovation activities into the Oslo region
- Further new product launches and upscaling
- Continue to invest in talent acquisition to support short- and long-term organic growth
- M&A activities will be a priority and with a goal to announce a deal within 2022

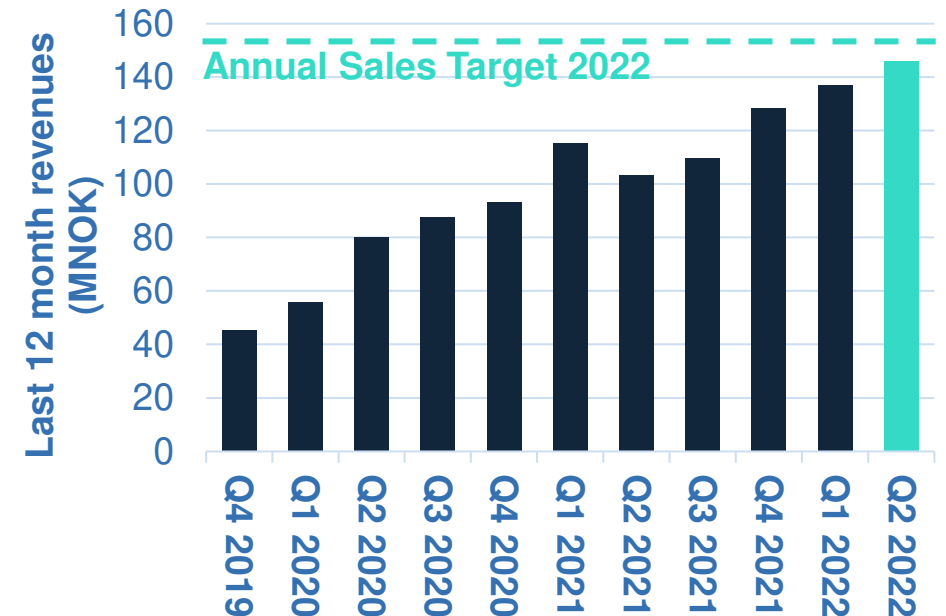
- **Longer-term outlook**

- The goal is to realise an annual sales potential of NOK 350 million by 2025 through organic growth

Annual Sale Target



Quarterly Rolling 12 Month Sales





Thank you

Q&A Session

arcticzymes.com

