



Q2 2020



A new era - ArcticZymes Technologies

Our Vision

With our daily work we want to make an important contribution to a healthier world. Driven by this goal, our experienced scientists are constantly working to find and unlock new solutions

Our Mission

As experts in our field, we discover, develop and provide enzymes without compromises on a consistently high level to make our customers' lives easier by unlocking new solutions

Agenda

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Outlook



Chapter 1

Highlights

Highlights Q2 2020

Strong underlying growth with corona upsides


Group Q2 EBITDA
NOK 27.2 mill.
(-0.5)

ArcticZymes
Q2 sales
NOK 33.4
mill.(9.0)

ArcticZymes
Coronavirus
related upsides
in sales
~NOK 11 mill.

Rebranded
company to
ArcticZymes
Technologies

Biotec
BetaGlucans
operating
profitably



Chapter 2

ArcticZymes update

ArcticZymes Update

Commercial Achievements

- ◆ Key attributors to quarterly growth



Therapeutics (Salt Active Nuclease)

- ✓ 34% contribution to total sales
- ✓ Use extended into COVID-19 vaccine development
- ✓ Signed a supply agreement with ReiThera



Covid-19 Upsides (Multiple enzymes)

- ✓ 33% contribution to total sales
- ✓ Served all commercial needs during the peak
- ✓ Upscaled the production batch size for COD UNG


Putting coronavirus related sales upsides aside, there is strong growth in the underlying business



ArcticZymes Update

Innovation

- ◆ Awarded 2 grants from Innovation Norway towards technology development to aid the fight against coronavirus
 - ◆ Accelerate the upscaling of SAN production
 - ◆ Accelerates ongoing efforts
 - ◆ fits timely with foreseen commercial demand for coronavirus and non-coronavirus activities
 - ◆ Commercialization of enzymes supporting the COVID-19 & viral diagnostic test development
 - ◆ Build other enzymes around COD UNG > provide a more complete offering
 - ◆ Reverse transcriptases & thermostable polymerases



Chapter 3

BetaGlucans update

Biotec BetaGlucans

Operating profitably



Animal Health

- Lower Q2 sales compared to Q1 for M-Glucan®
- Expected due to early order from main customer in Q1
- Expect fluctuations in sales for remaining quarters



Consumer Health

- Continued to achieved growth in M-Gard® sales
- Driven by new customer
- Sales upsides relate to manufacturers targeting coronavirus



SBG® (Adjuvant)

- Expedited 2nd SBG® order relating to commitments supporting clinical trials
- Licensing deal progressing - productive face-to-face meeting in Tromsø



Woulgan®

- Sales deliver to expectation
- Discontinued Woulgan® production
- Divestment progressing with interest from several parties



Chapter 4

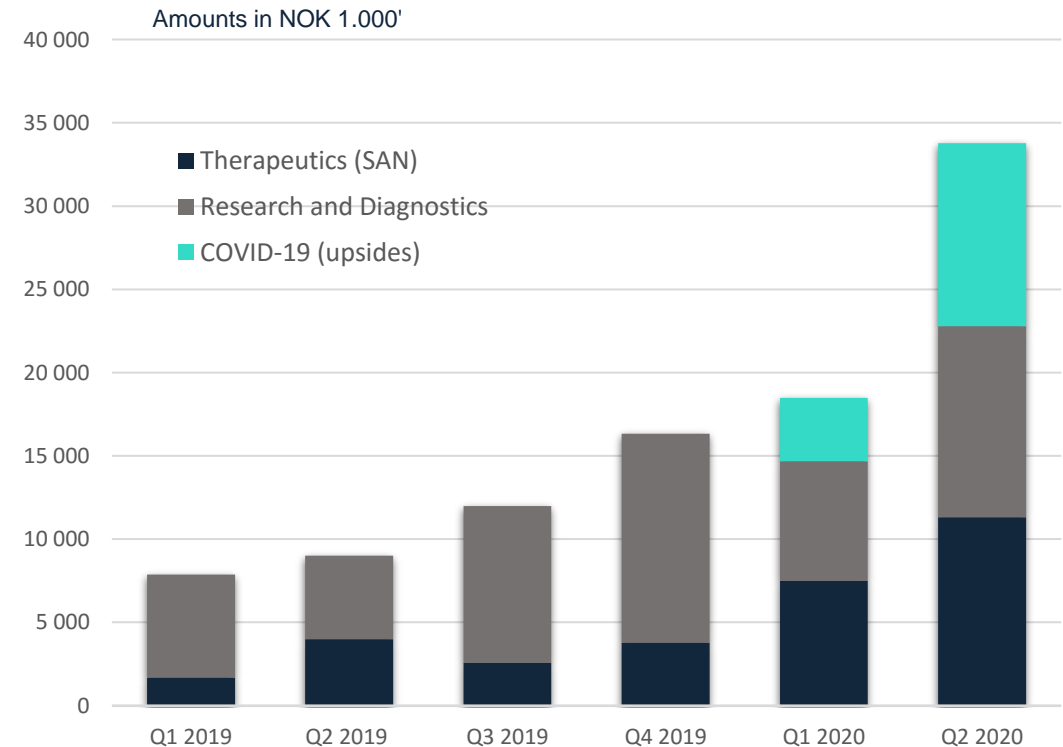
Financials

ArcticZymes Sales Q2 2020

COVID-19 upsides represents one third of sales

- Sales growth of 270%
 - Underlying business growth (excl. COVID-19 upsides) of 150%
- Therapeutics segment (SAN) continues to grow 11 MNOK in sales
- COVID-19 upsides estimated at 11 MNOK in Q2
- Research & Diagnostics growth of 130%

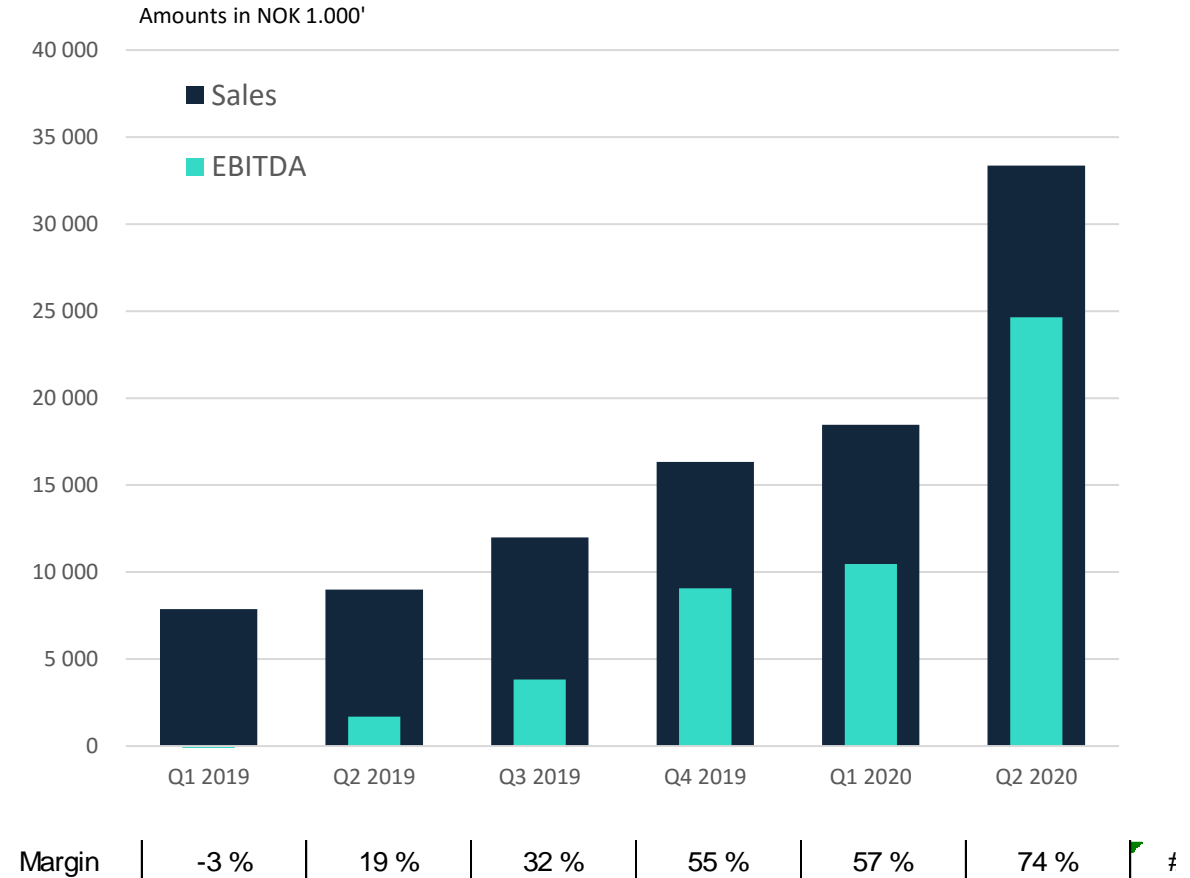
Sales per segment



ArcticZymes Performance

Firing on all cylinders in Q2

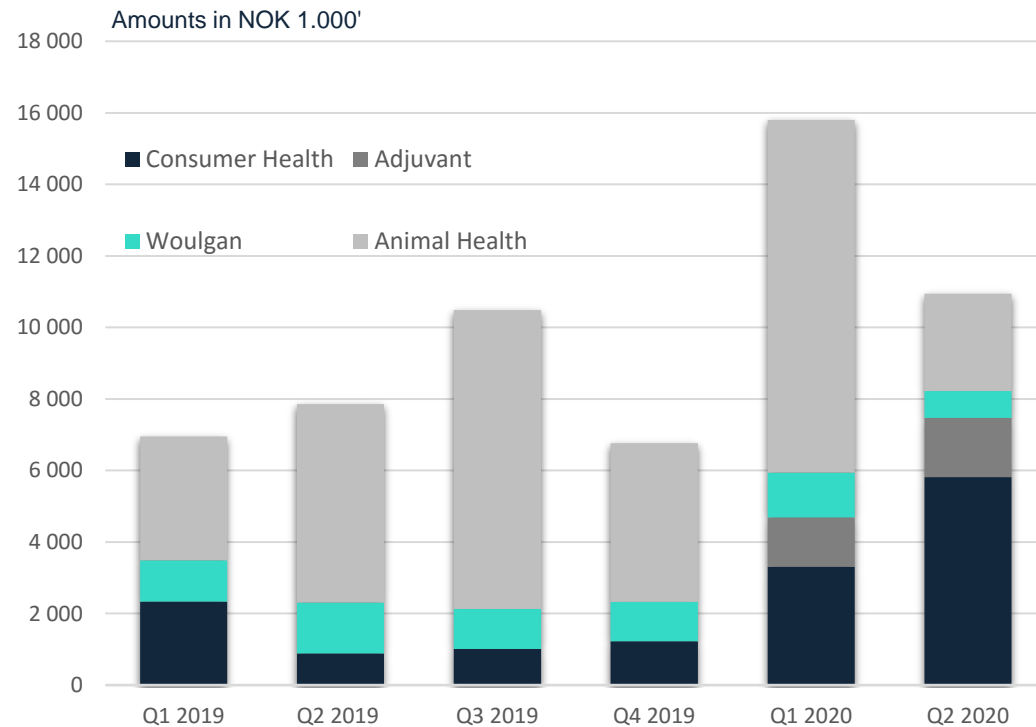
Enzymes <i>(Amounts in NOK 1.000)</i>	Q2		YTD	
	2020	2019	2020	2019
Sales revenues	33 373	9 002	51 848	16 871
Operating expenses	-8 810	-7 658	-17 992	-16 543
EBITDA	24 639	1 701	35 101	1 458



BetaGlucans Sales Q2 2020

COVID-19 impacts demand for M-Gard

Sales per segment

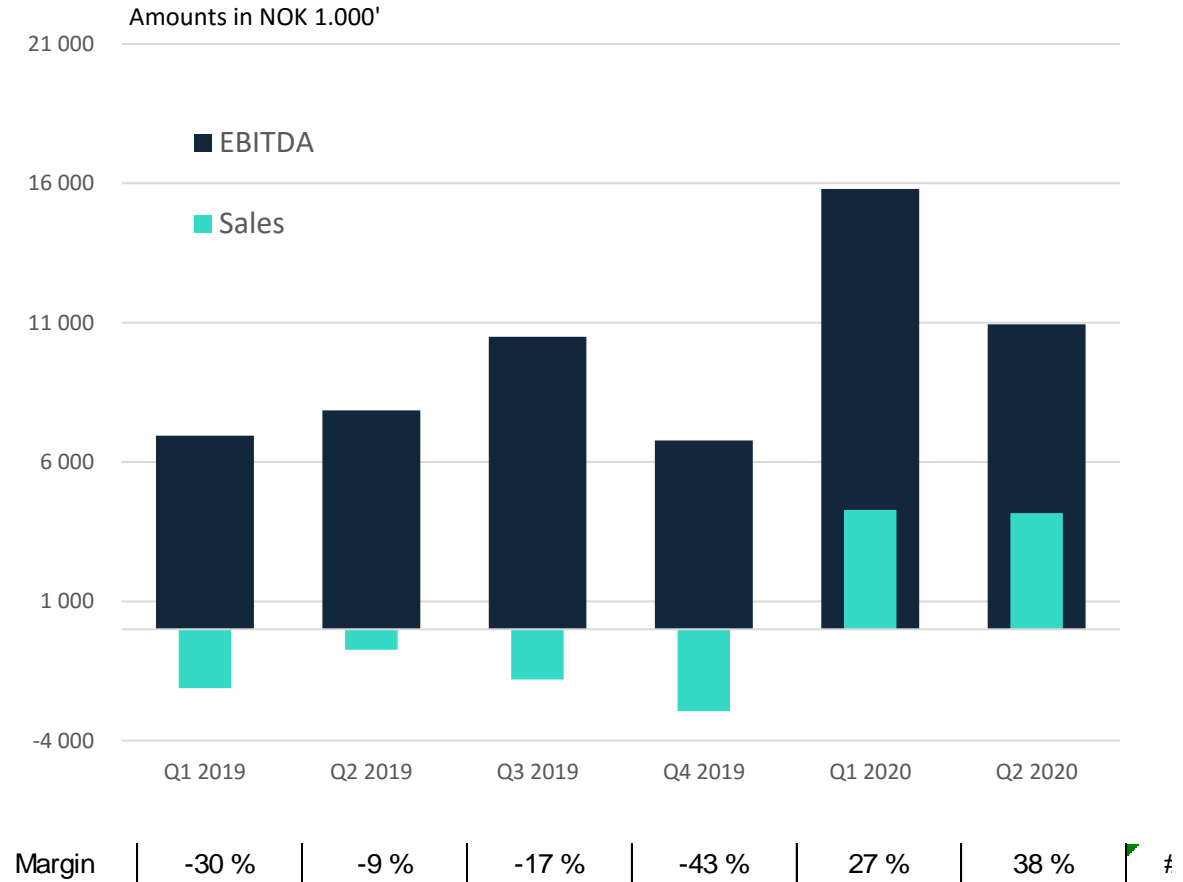


- ◆ Upsides in Consumer Health sales of M-Gard[®] related to COVID-19
- ◆ Animal Health will continue to fluctuate from quarter to quarter. Expects to be flat on annual basis
- ◆ Declining sales of Woulgan[®] as we are divesting the platform. Accounts for 0.8 MNOK in Q2. Slow down partially explained by COVID-19 in Germany
- ◆ Adjuvant supply continued in Q2

BetaGlucans Performance

Positive EBITDA for second straight quarter

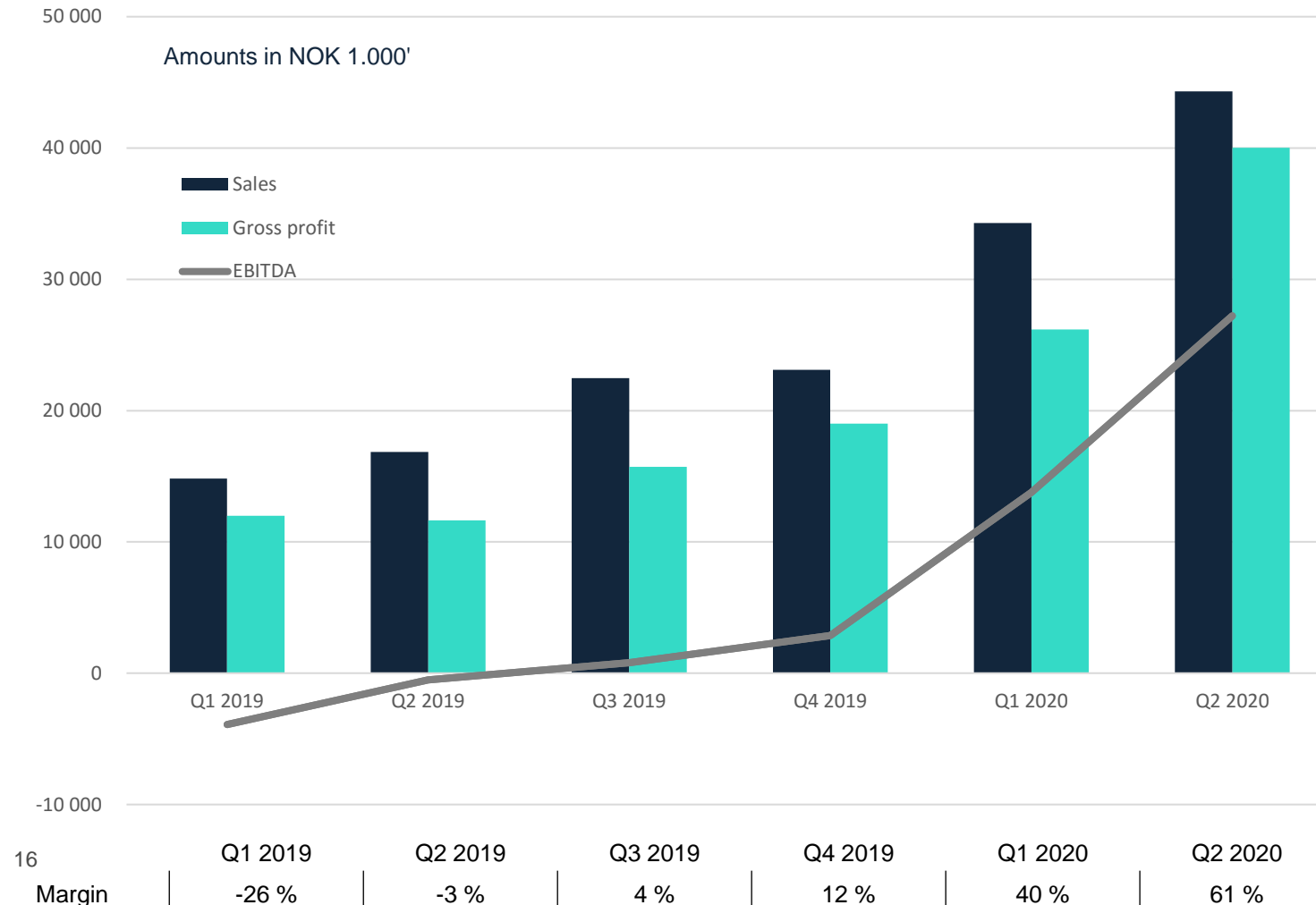
BetaGlucans	Q2		YTD	
(Amounts in NOK 1.000)	2020	2019	2020	2019
Sales revenues	10 947	7 851	26 745	14 798
Operating expenses	-2 938	-5 140	-6 457	-11 660
EBITDA	4 178	-737	8 458	-2 846



ArcticZymes Technologies

Sales growth in all the «right» areas

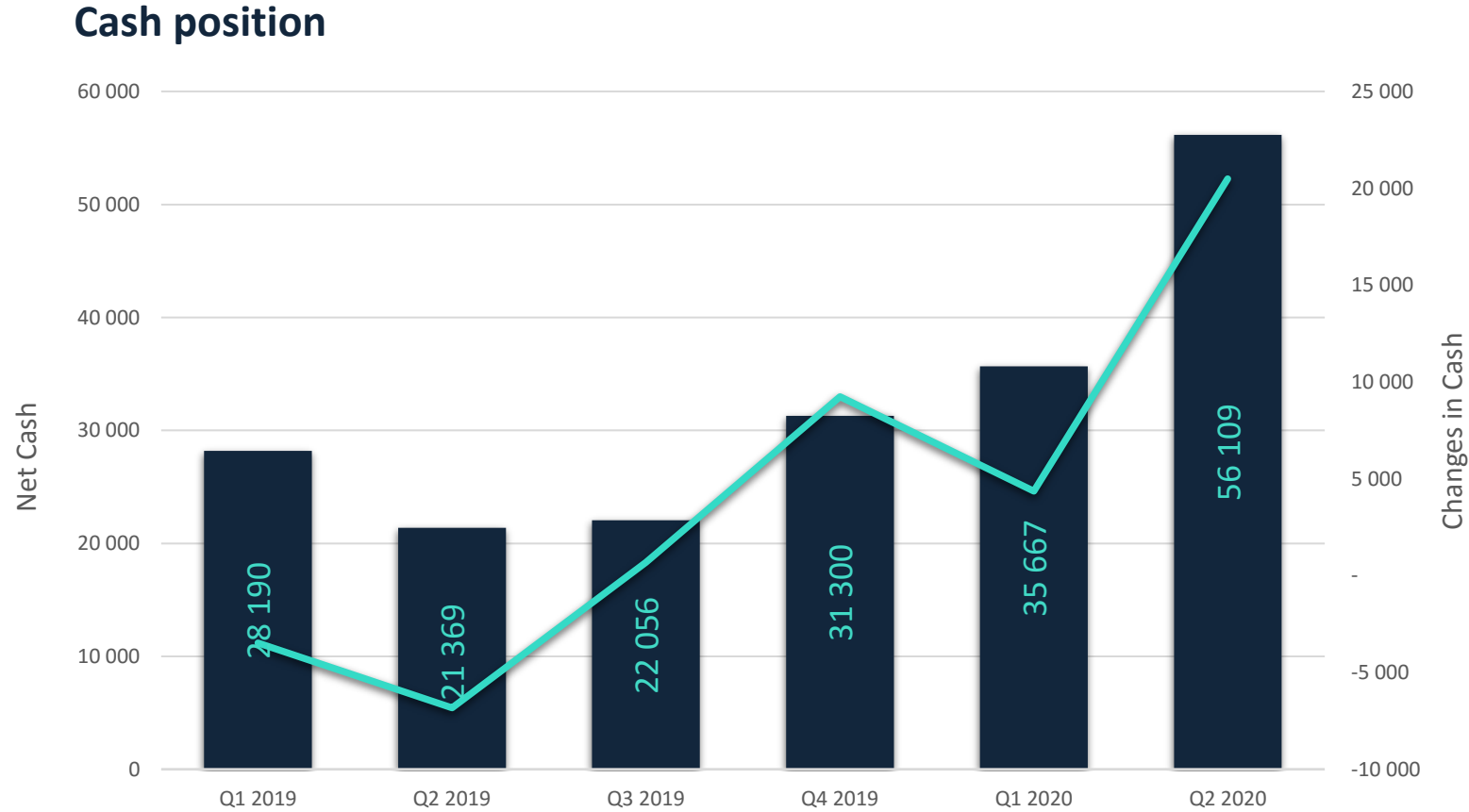
Sales, Gross profit & EBITDA



- Sales within high margin segments secures solid gross profit margin of 90%
- Enzymes segment is key contributor to growth in all ratios
- EBITDA of 27 MNOK for Q2 2020 (-0,5)
- Sales of 44 MNOK for Q2 2020 (16.9)

Cash Flow

Dictated by underlying growth in the business





Chapter 5

Outlook

Outlook

Driving Strategic Growth & Profitability

New Opportunities

Drive new opportunities that cement the foundation for 2021 and beyond

Growth

Anticipate continued growth in the underlying business



Profitability

Expect to deliver number 1 goal in achieving profitability during 2020

Coronavirus Upsides

Expect effect of Coronavirus upsides to be lower during the second half



Thank you!

arcticzymes.com

