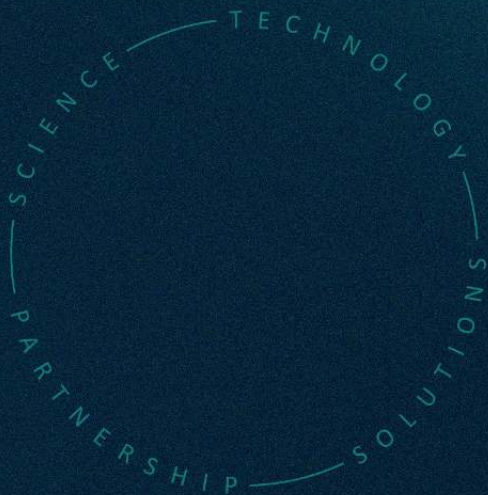




62

EMPLOYEES

03

COUNTRIES

07

GENERATIONS OF
IP-PROTECTED
TECHNOLOGY

1500+

DATA-BASED ANALYSES
FOR PARTNER RECYCLING
OPTIMIZATION

GLOBAL EXPANSION OF AGILYX OPERATIONS

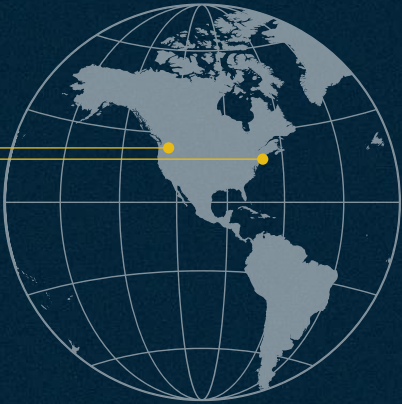
NORTH AMERICA

PORTLAND, U.S.

Agilyx Technical Services,
Regenyx JV (50:50 Agilyx,
AmSty), Cyclyx Tigard

BOSTON, U.S.

Cyclyx Portsmouth,
Agilyx Corporate Office



EUROPE

OSLO, NO

Agilyx Corporate Office

GREATER ZURICH, CH

Group Management Services



DISCLAIMER

This annual report includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Agilyx AS and its subsidiaries and affiliates (the “Agilyx Group”) lines of business. These expectations, estimates, and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates,” “anticipates,” “intends” or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic, market and political conditions in the geographic areas and industries that are or will be major markets for the Agilyx Group’s businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates, the COVID-19 pandemic and subsequent economic effects, and such other factors as may be discussed from time to time. Although Agilyx AS believes that its expectations and the information in this annual report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this annual report. Neither Agilyx AS nor any other company within the Agilyx Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the annual report, and neither Agilyx AS, any other company within the Agilyx Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the annual report. Agilyx AS undertakes no obligation to publicly update or revise any forward-looking information or statements in the annual report, other than what is required by law.

The Agilyx Group consists of various legally independent entities, constituting their own separate identities. Agilyx is used as the common brand or trademark for most of these entities. In this annual report we may sometimes use the “Company,” “Agilyx”, “Group”, “we” or “us” when we refer to Agilyx companies in general or where no useful purpose is served by identifying any particular Agilyx company. This report does not constitute an offer of any securities for sale.

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Welcome

Letter from our CEO

The year 2020 will likely always be remembered for the global and monumental challenge of tackling COVID-19. The pandemic caused and continues to cause significant suffering, while simultaneously triggering many new ways of living and working. Businesses had to be nimble to redefine their operations to ensure the safety of employees, while still meeting the evolving needs of their customers. Yet while we all worked to address this tragic and devastating but ultimately transient challenge, we also more deeply understood that we face an urgent and potentially far more permanent environmental threat related to plastic waste and climate change.

While the pandemic upended many elements of our lives, it did not alter the global movement toward a low-carbon, circular economy. The entire plastics value chain is under pressure—from customers, consumers and regulators—to transform and redesign products and processes to create a more environmentally-responsible lifecycle – and to do so urgently.

When I joined Agilyx last year, I was both humbled and inspired by the passion that motivates our entire team in its mission to help solve the challenge of plastic waste. As a company dedicated to advanced recycling, Agilyx is well-positioned to enable and accelerate the necessary change to make the circular economy a reality.

Sustainability is at the core of everything we do, and our commitment to circularity is fully integrated into our business. This is why we are particularly proud to e-publish our first-ever integrated annual report. It has been less than



a year since we publicly listed our shares, during which time we have made excellent progress in enhancing our governance and our commitment to sustainability, as evidenced by new sustainability goals that both reflect our core business priorities and are aligned with the United Nations Sustainable Development Goals.

We are also very proud of the recent launch of Cyclyx International, LLC, a post-use plastic feedstock management company. Cyclyx is rethinking waste plastics by creating an entirely new supply chain of plastics for recycling. Cyclyx has a bold vision to expand the aggregation and recycling of post-use plastics, to reduce landfill disposal, reduce environmental pollution and to increase the global recyclability of post-use plastics from 10% to 90%.

Our industry still has a long way to go. In the spirit of continuous improvement, we have defined a sustainability roadmap that will move us into closer alignment with the Global Reporting Initiative (GRI) framework for sustainability reporting. See pages 21-22 of the report to view this roadmap, as well as our sustainability goals.

I would like to personally thank all of the dedicated Agilyx employees who are passionate about our mission to drive circularity and solve the plastic waste crisis at scale. Your inspirational commitment sets us on the path to a better world.

Tim Stedman
CEO, Agilyx

Board of Directors Report



RANJEET BHATIA
Saffron Hill Ventures



WILLIAM K. CAESAR
Generate Capital



CATHERINE C. KEENAN
Founder and Principal, Catherine C. Keenan LLC - Consulting



PETER NORRIS (CHAIR)
Virgin Group Holdings Limited

Against the challenging backdrop of COVID-19 and its effects on our society, 2020 was a year during which Agilyx made significant strides. The Agilyx Board of Directors welcomed Preben Rasch-Olsen and Catherine Keenan as new Board Members in 2020. Also during the year, Agilyx added significant leadership talent to the team.

In August 2020, Tim Stedman joined Agilyx as chief executive officer. Agilyx's previous CEO, Joe Vaillancourt, assumed the role of chief executive officer of Cyclyx International, to advance the Company's plastic feedstock management business. Russell Main joined Agilyx as chief financial officer. Subsequently, Russell moved to the CFO position in Cyclyx International and was replaced in January 2021 by Beatriz Malo de Molina as incoming CFO of Agilyx AS.

ACTIVITY AND GEOGRAPHIC LOCATIONS

Agilyx AS is the parent company of the Agilyx Group, and is located in Oslo, Norway. The Agilyx Group headquarters are located in Portsmouth, New Hampshire (USA) and operational activities are located in Oregon (USA) and Switzerland.

The shares of Agilyx AS were listed on the Oslo Euronext Growth market (formerly known as Merkur) in September 2020, under the ticker AGLX.

Agilyx has developed comprehensive systems, technologies and know-how in order to transform formerly non-recyclable plastics into a range of valuable products. We have developed our technology to produce a premium refinery grade crude oil feedstock that has been commercially sold and provides the flexibility to be used in multiple products. We

also have broadened our solutions platform to be the only company in the world that can take waste polystyrene and produce styrene monomers that can be fully recycled back into polystyrene products.

Agilyx is committed to continuous innovation and lives by the expectation that our technology and feedstock management systems must improve constantly to deliver greater quality and operational efficiencies for our customers and partners, while also striving to ensure improved environmental impact.

FINANCIAL DEVELOPMENT AND POSITION

The legal structure of Agilyx AS (Norway) was formed in early 2020 largely as a holding company for the activities of Agilyx Corporation (USA), which is a wholly owned subsidiary. Agilyx GmbH (CH) was established also as a wholly owned subsidiary of the Group. Agilyx AS, the Norwegian entity, did not have any employees or operations during 2020. For this reason, the consolidated accounts for the group of companies (referred to as "Group consolidated") and the financial statements for Agilyx AS as a holding company are not comparable.

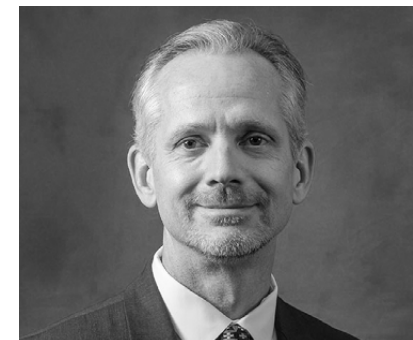
Consolidated Group revenues for the 12-month period ending December 31, 2020 were \$4.3 million, with a gross margin of \$1.9 million. R&D expenses of \$1.5 million and SG&A expenses of \$7.1 million related to the Company's gearing for growth and expansion led to an operating loss of \$6.7 million. Results from investments in joint ventures were negative \$3.2 million and interest expenses were \$0.3 million, leading to a net loss of \$10.1 million for the year. The revenue and expenses of the parent company Agilyx AS were insignificant to the consolidated figures.



PREBEN RASCH-OLSEN
Rasche Investeringer



TIM STEDMAN
Agilyx



JOE VAILLANCOURT
Cyclyx International, LLC.

During 2020, Agilyx announced several international projects with Toyo in Japan, and Braskem in North America. We view these as a testament to the global applicability of the Agilyx conversion technology and of the potentially global market for the Company's expertise in enabling the recycling of waste plastic materials. In addition, the formation of Cyclyx International LLC, including the 25% ownership in this entity by ExxonMobil Chemical Corporation was also announced in late 2020. Cyclyx is key to the overall Agilyx strategy, given the importance of chemically managing the diversity of plastic waste, feedstock availability and appropriate sourcing management. Feedstock is a critical part of the plastics recycling value chain, and together with Agilyx's robust conversion technology and expertise in this field, forms the basis for the business model and go-to-market strategy of the Company. While the announced projects are in the development stages, we believe they represent important milestones for Agilyx in its global impact and growth.

As of December 31, 2020, total consolidated assets reached \$45.7 million, of which cash and cash equivalents were \$38.9 million. This amount was the result of proceeds from the Agilyx IPO, as well as the \$8 million contribution from ExxonMobil Chemical Corporation into the Cyclyx International LLC joint venture. The Group had total non-current liabilities of \$1.5 million and current liabilities of \$5.0 million (including deferred revenue of \$1.9 million and current portion of notes payable of \$2.0 million). Total equity, including net loss for the period, reached \$39.2 million.

Cash flows from operations in 2020 were negative \$6.9 million as a result of scaling to deliver the growth strategy. The liquidity secured from the Company's financing operations provides funding for its activities and strategy as planned.

The total assets of the parent company, Agilyx AS, as of December 31, 2020 reached \$88.7 million, of which cash was \$28.7 million and shares in subsidiaries \$60 million. Agilyx AS does not have any external indebtedness. The total equity of Agilyx AS was \$88.3 million.

There were no subsequent events after the balance sheet date.

TECHNOLOGY, ENGINEERING AND R&D

Agilyx is focused on marketing its technological know-how to customers seeking to find circular pathways that involve post-use plastic waste. Investments into technology, engineering and technology-enabling facilities, including research and product development laboratories are key enablers of Agilyx's future growth potential. The Company's ability to design and implement customer solutions enables the development of advanced recycling as a viable circular pathway for post-use plastic waste. The Company intends to continue to add to the already significant chemical profiling database of post-use plastics that it has built over the past 16 years. In 2020, the company approved funding of \$1.5 million to invest in expanded laboratory functionality to three times its previous capability in the Tigard (Oregon, USA) and Portsmouth (New Hampshire, USA) facilities. These and similar investments are expected to continue as the business expands.

GOING CONCERN STATEMENT

The Board confirms, in accordance with the accounting act § 3-3a that the financial statements are prepared under the assumption of going concern.

RISKS

Agilyx is exposed to a number of important risks as a result of its size, its stage of development, the nascent industry in which it operates, as well as execution and financial risks. While these risks are real and important, the Board believes that the Company is aware of and capable of managing to the best of its ability the different risks to which it is exposed. These risks are summarized in the risk section of the Company's [Admission Document](#) to the Euronext Growth exchange dated 29 September 2020, and all potential investors and shareholders are encouraged to familiarize themselves with this document.

Financial risks: The key financial risks the group is exposed to are related to liquidity.

However, the group has a good liquidity position as per December 31, 2020. Agilyx monitors its risks associated with insufficient capital against the company's planned activities. Agilyx will, if necessary, attempt to raise capital through private placements, debt or other financing, partnerships, and strategic alliances or from other sources. The group may fail to raise capital on acceptable terms, or not do it at all, and this can result in a liquidation of the group.

Ability to adequately identify and manage risks: Agilyx is a growing company in a relatively new industry, and there are many risks associated with introducing and scaling new technology to a new application. Although we are confident that

management is focused on identifying and managing these operational risks to the best of their ability, there can be no guarantees that such risks will not materially impact the performance or the financial results of the Company over time or at any point in time.

Technological risks: Agilyx's core conversion technology, its ability to correctly sample, source, price, blend and otherwise work with feedstock materials is dependent on patented technologies, know-how and the technical capabilities of staff and laboratory facilities. To the extent any of these are compromised or impaired, this would have materially negative consequences for Agilyx.

Regulatory risks: The Agilyx business model is impacted by corporation, tax, trade and environmental laws and regulations in the regions, countries and continents where Agilyx and its clients, or potential clients, operate. It is our belief that policymakers globally will continue introducing laws and regulations that support the development of a circular economy, including also for plastic waste, which is aligned with Agilyx's mission. At the same time, the introduction of any laws and regulations that would restrict the construction or operation of advanced recycling facilities, or restrict the free transportation and supply of waste plastic, could have a negative effect on the Company's operations. Agilyx participates in industry trade associations in the USA and EU, which are actively monitoring policy developments and advocating for policies that will promote the growth of the advanced recycling sector. It is impossible to predict with any certainty the timing, intended and unintended consequences of any such regulatory developments. Changes in this area could materially and potentially negatively or positively affect Agilyx's growth, development and/or financial results.

Key operational risks: Agilyx is dependent on the ability of customers and partners to complete and operate complex technical projects and processing equipment. The Company relies on the expertise of employees as well as independent contractors, engineering services and equipment suppliers large and small. Agilyx seeks to monitor performance and to set guidelines for the partners and affiliates that contribute to its successful operation. Nevertheless, there is a risk that a failure within the operating supply chain and as a result of the activities of our partners could have a significantly negative impact on Agilyx's own ability to operate.

Other operational risks: Agilyx is dependent on the Board and management's ability to accurately align strategy to market developments and trends, and to prioritize the correct allocation of capital and human resources. There are also significant risks related to the existence and correct implementation of good corporate governance and the appropriate health and safety protocols. Data management and the potential for cyberattacks are also increasingly important areas of risk and regulatory oversight. Failure to adequately understand or mitigate these types of risks, whether individually or in combination, could have a significant and negative impact on the Company's results and reputation.

The Board of Directors is aware of the specific risks that can at any time affect the development of a company in its early stages of development, and particularly in a growth stage. Agilyx actively seeks to have a portfolio of insurance coverage for its activities and exposures, including Directors and Officers insurance. These risks are detailed in the Company's Admission Document, referenced above. We encourage all readers to also review the Admission Document.

WORK ENVIRONMENT

As of December 31, 2020, the Group had 62 full-time employees, excluding Agilyx AS which had no employees in 2020, as stated in the Board of Directors Report under the Financial Development and Position.

Agilyx holds people, human rights, labor rights, safety, and welfare as a foundational priority. During the year, no serious accidents or serious injuries were reported. Working conditions for employees are considered to be good. Agilyx endeavors to offer all employees, regardless of gender, religion, beliefs or nationality, equal and attractive career opportunities. The Company aims to have full equality between men and women, and no tolerance for discrimination based on disability, gender, sexual orientation, race, ethnic or cultural background.

ENVIRONMENT AND ESG

The Company's core business is aimed toward enabling circularity in the difficult area of waste plastics. Agilyx works continuously to reduce the environmental impacts of our activities, and our activities comply with all local environmental standards.

As we help achieve the global goal of a circular economy for plastics, we are also committed to reducing our own environmental footprint.

The Board of Directors recognizes the importance of environmental performance, and ESG more broadly, to all our stakeholders, and strongly supports the Company's commitment to sustainability and transparency.

By including the Agilyx Sustainability Report in this Annual Report, we are responding to investors' preference to see combined reporting of both financial and non-financial information about the Company's performance in an integrated format.

OUTLOOK

Agilyx expects popular sentiment, consumer demands and regulatory requirements for recycling plastics to drive significant market development in the near and medium term. The EU target for a 50% recycling rate for plastic packaging by 2025 and the plastic tax that will be introduced in 2021 are examples of this. In the USA, the Recover Act and other proposed legislation aimed at phasing out single-use plastics are expected to contribute to the growth of the advanced recycling industry. In addition, global consumer packaged goods majors continue to set ambitious recycling targets for plastic products and packaging.

Agilyx's proven technology is uniquely positioned as a viable and more sustainable alternative to landfilling and incineration of difficult-to-recycle post-use plastic waste. The global shift towards a demand for a circular value chain for plastics also supports the broader positive trend. Supported by our business development pipeline, projects under development, and a growing number of strategic partners, we believe the outlook for 2021 and beyond is positive and in line with our strategy.

DECLARATION BY THE BOARD

We confirm that, to the best of our knowledge, the financial statements for the period from January 1 to December 31, 2020 have been prepared in accordance with all applicable accounting standards and give a true and fair portrayal of the business and its assets, liabilities, profit, and overall financial position as of December 31, 2020. The Board of Directors has proposed to transfer the net loss of \$297,956 in Agilyx AS to other equity.

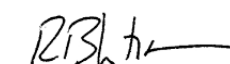
The Board of Directors,

Oslo, Norway, April 20, 2021

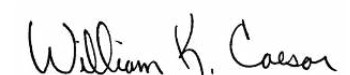
Peter Norris
Chair



Ranjeet Bhatia
Board Member



William K. Caesar
Board Member



Catherine C. Keenan
Board Member



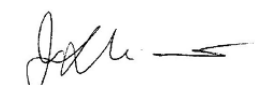
Preben Rasch-Olsen
Board Member



Tim Stedman
Board Member
CEO, Agilyx



Joe Vaillancourt
Board Member



About Agilyx

GET TO KNOW AGILYX

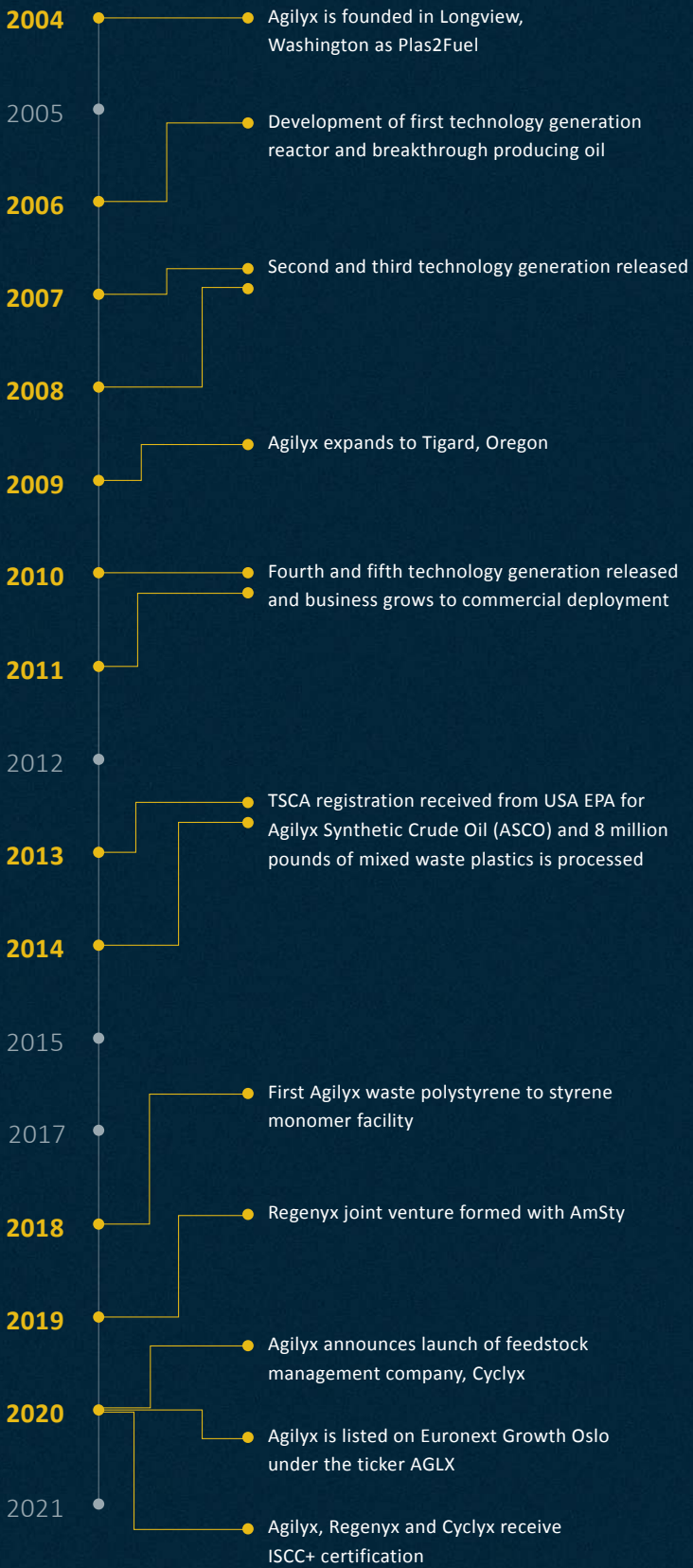
Our Company’s passion for solving the global waste plastic problem and turning plastics into a circular resource started in a garage in Washington state in 2004. Initially designed to convert non-recyclable post-use plastic to synthetic crude, Agilyx technology and chemical expertise was refined over a decade to turn waste plastic into multiple upcycled products and materials: plastic intermediates and virgin-equivalent plastic. Since the Company’s beginnings, Agilyx has been hard at work developing pyrolysis technologies, understanding the complex chemistries of waste plastics, feedstock supply chain issues, and comprehensive solution sets to make plastics circular.

Many things have evolved and changed throughout our 16-year evolution. We have now incorporated our seventh generation technology, making significant improvements in the design, functionality and environmental stewardship of our conversion system. Agilyx was the first company to demonstrate that most unrecycled plastics are not only valuable, but also circular on a commercial scale. At the heart of this breakthrough is a reactor-based system that converts various post-use plastics back into monomers for virgin-equivalent plastics, chemical intermediates and lower carbon fuels.

Our mission is as clear as it was in 2004. **We want to make plastics a reusable resource and circular.** To do this, we must focus on developing new product pathways as well as plastics-to-chemical intermediates. Our advanced recycling technologies and feedstock management system combined enables a new and circular life to plastic waste, supporting multiple United Nations Sustainable Development Goals, brand owner commitments, EU government policies and societal trends.

During 2020, Agilyx reached a point in its development where it became clear that scaling for growth and implementation was the right strategy. We could see that there was an increasing level of awareness and interest in the technology that we developed. We needed capital to grow.

In January 2020, Agilyx established Agilyx AS, our holding company in Norway, and in September of the same year, we completed our listing on the Merkur Market, part of the Oslo Stock Exchange (now Euronext Growth) under the ticker symbol AGLX.



Agilyx is dedicated to:

- Environmental stewardship
- Eliminating plastic waste
- Converting plastics into a range of valuable products
- Expanding material recovery options
- Empowering local communities

OUR MISSION

Simply stated, our mission is to make plastics circular. Responsible management of post-use plastic has been challenged globally. We view waste plastic as a resource that could have significant economic and environmental benefits if managed properly. Our goal is to enable our customers to give post-use plastic a new, circular life by converting this valuable material back into its original building blocks for reuse.

At Agilyx, we are committed to enabling the conversion of waste plastics to high-value-added polymers and feedstocks. To do so, we leverage a combination of technical expertise, operating know-how, technology platforms and partnerships with industry leaders committed to a more environmentally responsible reality for plastics and polymers.

Our Business Approach

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

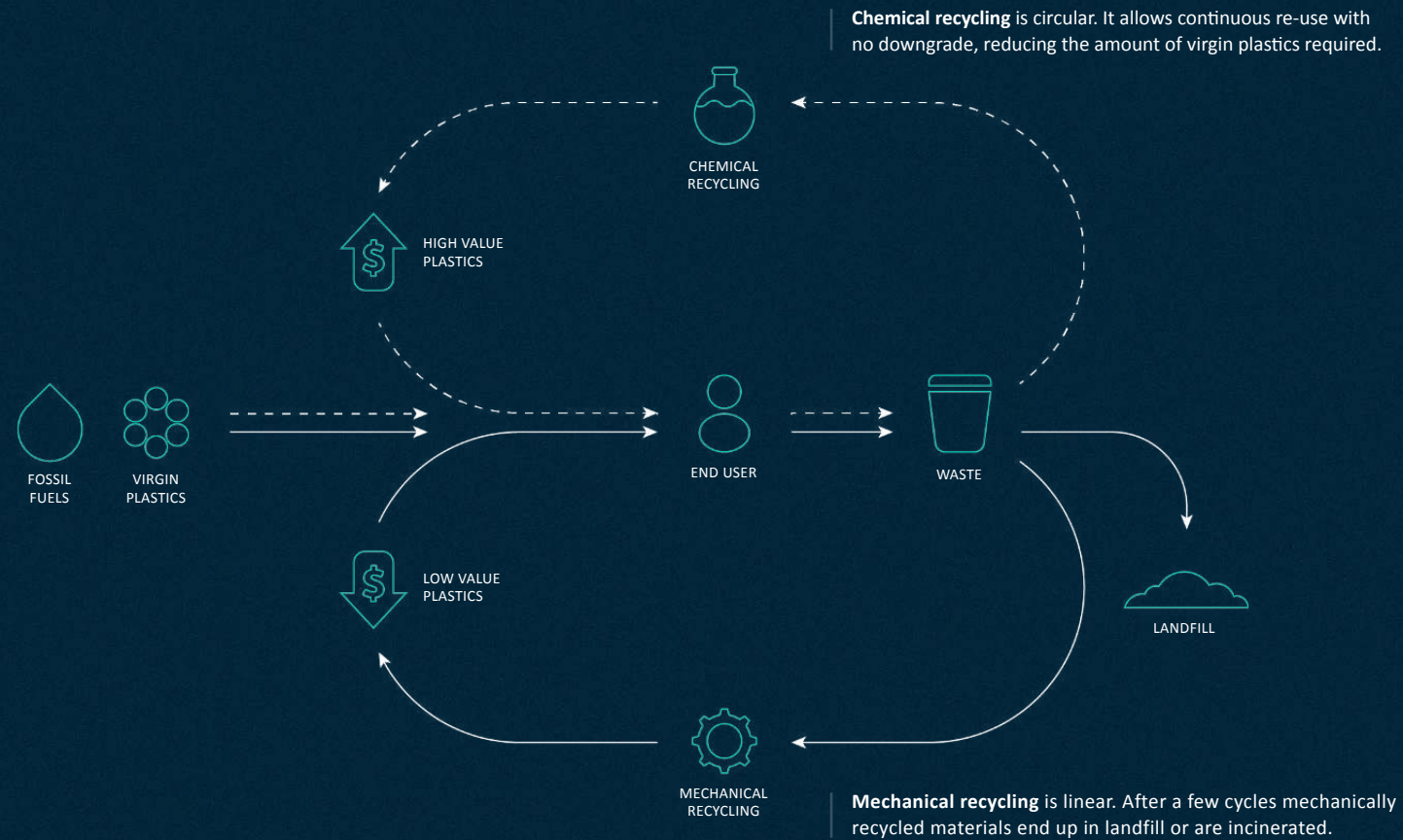
This will help the world meet a growing demand for circularity, through regulations such as the EU Vision for a Circular Plastics Economy, and through actions and commitments taken by major brands that the value chain must work to support.

As brand owners set ambitious goals for recycled content, a significant ramp-up of recycling capabilities will be needed, which creates growth potential for our Company. We plan to meet that need, and realize our mission, through multiple attractive value-creation avenues which include: our technology platform and continuous research and development; our global presence with scalable operations and customer reach; and our innovative focus and complementary capabilities as a capable organization.

Our Development Process

DEVELOPMENT	CONSTRUCTION	OPERATIONS
Conversion Technology Deliver feasibility studies Pre-engineering support	Conversion Technology Technology license sale Sale of Agilyx core equipment	Conversion Technology Operations and maintenance
Feedstock Management Identification and characterizations of plastics	Feedstock Management Feedstock recipe matched to conversion technology and product	Feedstock Management Optimization to drive efficiency characterizations of plastics

MECHANICAL AND CHEMICAL RECYCLING



TRANSFORMING THE VALUE CHAIN

Sustainability is top of mind for manufacturers, brands and consumers alike. This has resulted in ambitious new governmental regulations around circularity and recycling, corporate pledges to slash the amount of virgin plastics in packaging and products, and a consumer commitment to buy and use more recycled plastics. This increased demand for recycled plastics requires new ways of sourcing and preprocessing from both chemical and mechanical recycling.

According to an analysis by E&Y in 2019, the global market for recycled plastics could reach \$55 billion per

year by 2030. Currently, recycled plastic meets only about 6% of this demand. Supplies of recycled content will need to at least triple by 2030, according to [Closed Loop Partners \(CLP\)](#). CLP projects demand of 5 to 7.5 million metric tons of recycled plastics by the end of this decade.

This is where Agilyx technology and know-how are key enablers. To address the gap between supply and demand for recycled plastics, we are working to transform the existing value chain for plastic and waste to make it truly circular. Key to addressing the gap is Agilyx’s understanding and management of the diverse chemistries that exist in mixed post-use plastic.

Plastics are too valuable to be wasted but they are difficult to manage. Advanced recycling, also known as chemical recycling, generally allows a larger variety of plastics to be recycled and converted into high-quality products that can be recycled again and again without degradation.

In the USA alone, more than 65 advanced recycling projects valued at \$5.3 billion — including \$4.3 billion for advanced recycling — have been [announced since mid-2017](#). These projects, including those of Agilyx, have the potential to divert more than 4 million metric tons of waste from USA landfills each year.

Making Plastics Circular



WASTE TO VALUE

Agilyx creates chemical and circular recycling pathways for end-of-use plastics through innovations, know-how and processes that are environmentally and economically sustainable.



OUR TECHNOLOGY

Agilyx was one of the first companies to demonstrate that previously unrecycled plastics were not only valuable, but also circular on a commercial scale. Agilyx’s IP-protected solutions incorporate technology for converting post-use plastic feedstock to valuable monomers, base chemicals and oils, consisting of three primary systems: feedstock preparation, pyrolysis reaction, and product separations and storage. An operations and maintenance philosophy drives the design of the systems to facilitate an efficient, safe and environmentally friendly site. Two additional proprietary systems play an integral role: feedstock preparation and plastics management through sophisticated algorithms, tools and knowledge of post-use plastics.



PYROLYSIS

Using pyrolysis to return plastic to its molecular components, Agilyx enables the chemical recycling of waste plastic into new, valuable products. Here’s how it works:

What is Pyrolysis?

Pyrolysis is a thermochemical process that uses heat, without the presence of oxygen, to break down polymer chains into their component molecules, leading to the generation of a pyrolysis oil.

This product can then be further processed to close the cycle and produce new polymers with the same quality as virgin plastics made from fossil sources.

- Innovative Plastic Preparation**
Agilyx, along with its subsidiary Cyclyx, focuses on chemically profiling all sources of waste plastic. Once waste plastics have been characterized, artificial intelligence tools are used to identify the appropriate product pathways for which these plastics would be best suited. Plastic waste feedstocks arrive from a variety of sources and are then preprocessed and customized to our customers’ specifications that will allow stable and efficient production.
- Differentiated Pyrolysis**
The custom feedstock enters a proprietary continuous-feed pyrolysis reactor, which breaks down the chemical bonds in the feedstock and produces a syngas ready for collection and storage or further processing. There are many different pyrolysis reactor designs. Our reactor design has several differentiating attributes. One significant design element is that we do not use catalysts in our system. A primary advantage of our pyrolysis design is that we can use the same technology platform to make a wide range of products, and we can generally take more contaminated, lower-quality feedstocks compared to many other chemical conversion systems.
- Product Recovery and Storage**
After the pyrolysis stage, our systems also contain specific product recovery mechanisms designed for each targeted product: monomers, base chemicals or intermediates, or synthetic crudes. The syngas produced from the pyrolysis stage is collected and cooled, producing a condensate, which is further processed to a substrate oil or directly to a specific finished product. The products are then shipped to customers.

PATHWAYS

We are always expanding into new polymer-to-polymer pathways. Our robust technology is flexible and adaptable for multiple conversion pathways, including:



Plastics
PS, PMMA,
PET (developing)



Plastics from Intermediates
Mixed Waste Plastics to Naphtha/
Base Chemicals for Polyolefins



Fuels
Mixed plastics to VGO, ULSD
marine fuel, low carbon
diesel and gasoline fuels



CYCLIX TECHNOLOGY

Agilyx’s launch of Cyclyx International offers sophisticated plastic management through a comprehensive set of chemical fingerprinting of feedstock sources, artificial intelligence models and tools directed at creating recipes of feedstocks, which we believe will dramatically increase the recyclability of post-use plastics and create new recycling pathways.

2020 Highlights

Introducing Cyclyx

In 2020, Agilyx leveraged its 16 years of chemical conversion expertise of post-use plastics and four years of feedstock sourcing and supply chain management to launch Cyclyx International, LLC, a feedstock management company.

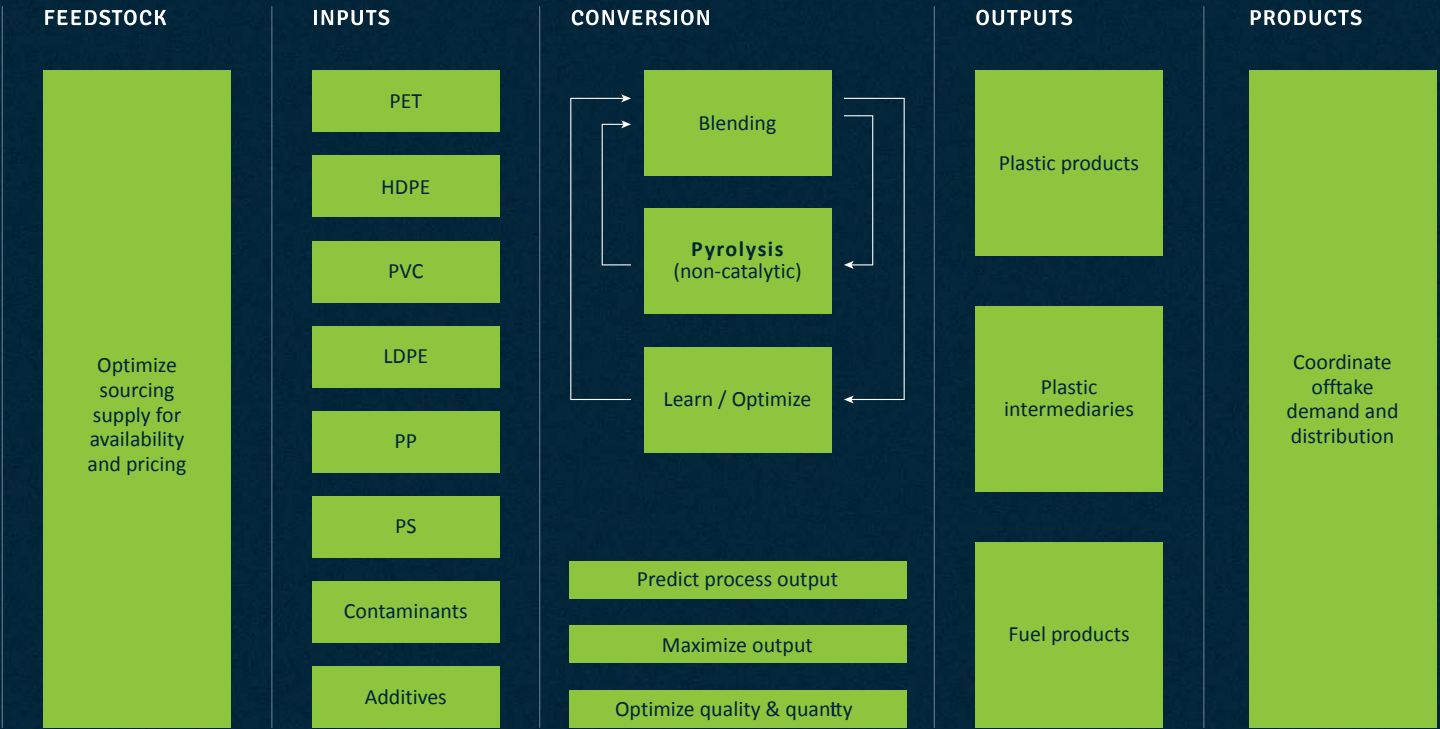
The mission of Cyclyx is **to greatly expand the aggregation and recovery of post-use plastics, to reduce landfill disposal, environmental pollution and increase the recyclability of post-use plastics from 10% to 90%.** To do this, Cyclyx combines three innovations:

- Novel sourcing and supply chain management.
- A consortium-based business model.
- Chemically characterizing waste plastic and creating custom feedstock.

A key element to meet this goal is collaboration. The Cyclyx platform is designed as an industry consortium comprised of partners across the value chain. This consortium approach allows Cyclyx to partner with businesses, brands, waste service providers and municipalities to serve as a connector between large volumes of plastic waste that are currently not being recycled to create innovative supply chain solutions.

CYCLYX SOPHISTICATED PLASTIC MANAGEMENT

COMPREHENSIVE SET OF ARTIFICIAL INTELLIGENCE MODELS AND TOOLS





Our Projects

Collaboration with partners has and will continue to be a key factor in Agilyx’s ongoing success, and achieving our ambitious business and sustainability goals.

Our projects in development span four continents, with plant capacity ranging from 10 tons per day (TPD) to 100 TPD. Within the projects, we are converting polystyrene, PMMA and mixed plastic feedstocks transitioning to feedstock that can be used for the productions of virgin equivalent plastics

We announced several key partner milestones in 2020, including:

- A collaboration with Braskem to explore an advanced recycling project in North America.
- A joint venture with ExxonMobil for plastic waste recycling, Cyclyx.
- An agreement with A.Eon to convert mixed waste plastics to generate electricity.
- The advancement of our facility development with Toyo Styrene.
- A collaboration with Lucite International and Mitsubishi Chemical Corporation to advance our collaboration to develop circular solutions for polymethyl methacrylate (PMMA).
- The completion of a certified circular recycling pathway for polystyrene, in partnership with AmSty.

Agilyx and COVID-19

The COVID-19 pandemic impacted nearly every industry – and the recycling and plastics industries were no different.

The importance of plastics in our lives was more visible during the COVID-19 pandemic as the world grappled with an increased need for plastic products, from medical devices and protective equipment to clear plastic partitions and take-out food packaging.

While the demand for plastics increased in 2020, so did the demand for environmentally responsible solutions for managing plastic waste and reducing unnecessary packaging. This increased demand is directly related to Agilyx’s mission of making plastics circular and our work to address the plastic waste crisis.

Agilyx runs an essential business and was identified as such, and we were able to operate safely throughout 2020 without disruption.

To protect employees during the pandemic, we took a number of direct actions:

- As many employees as possible were given the option to work from home with flexible work options.
- Essential workers were kept safe in the workplace through additional personal protective equipment, screening protocols, training, and distancing arrangements.
- We continued providing essential recycling services in the local community by maintaining a COVID-safe drop-off access point for local citizens and businesses.

Despite the challenges of COVID-19, we maintained a strong position as our business continued to grow. We do not anticipate that the pandemic will have a significant impact on our ability to achieve our business and sustainability goals.



Sustainability

At Agilyx, circularity and sustainability are foundational principles upon which our business is built. Our first Agilyx Report on Sustainability and Environment/Social/Governance (ESG) is incorporated within our first-ever Annual Report, demonstrating our belief that sustainability is a key metric to Agilyx’s overall success. As part of our commitment to transparency and disclosure, we intend to integrate sustainability and ESG metrics into our annual reporting process.

We are excited about the tremendous progress we made on our sustainability journey during 2020, and our momentum for 2021 and beyond. At the same time, we recognize that much more needs to be done to make plastics circular, and we are committed to continue to listen and collaborate as we develop solutions together with all stakeholders.

Sustainability and Our Mission

Agilyx’s mission and core business align with global environmental priorities such as shifting from a linear to a circular economy, and the transition to a low-carbon future.

What do the experts say?

A recent report published by The Pew Charitable Trusts, [“Breaking the Plastic Wave”](#), stated that without action, the annual flow of plastic into the ocean will nearly triple by 2040, to 29 million metric tons per year. To break this cycle, we must dramatically ramp up both upstream solutions (reduction) and downstream solutions (recycling, including investing in new technologies).

The new circular plastics economy presents opportunities “for companies ahead of the curve, ready to unlock value from a circular economy that derives revenue from the circulation of materials rather than the extraction and conversion of fossil fuels.”



At Agilyx, our technology enables our customers to create fully circular models where plastics can be used and recycled again and again.

To further accelerate the shift to circularity, in 2020, we launched Cyclyx International, a post-use plastic feedstock management company working to develop recycling supply chains for all types of post-use plastics.

Cyclyx’s goal is to significantly increase the recyclability of plastics by using our expertise in understanding the chemical composition of waste plastic in collaboration with industry partners to create a new supply chain.

MAKING THE CIRCULAR ECONOMY REAL

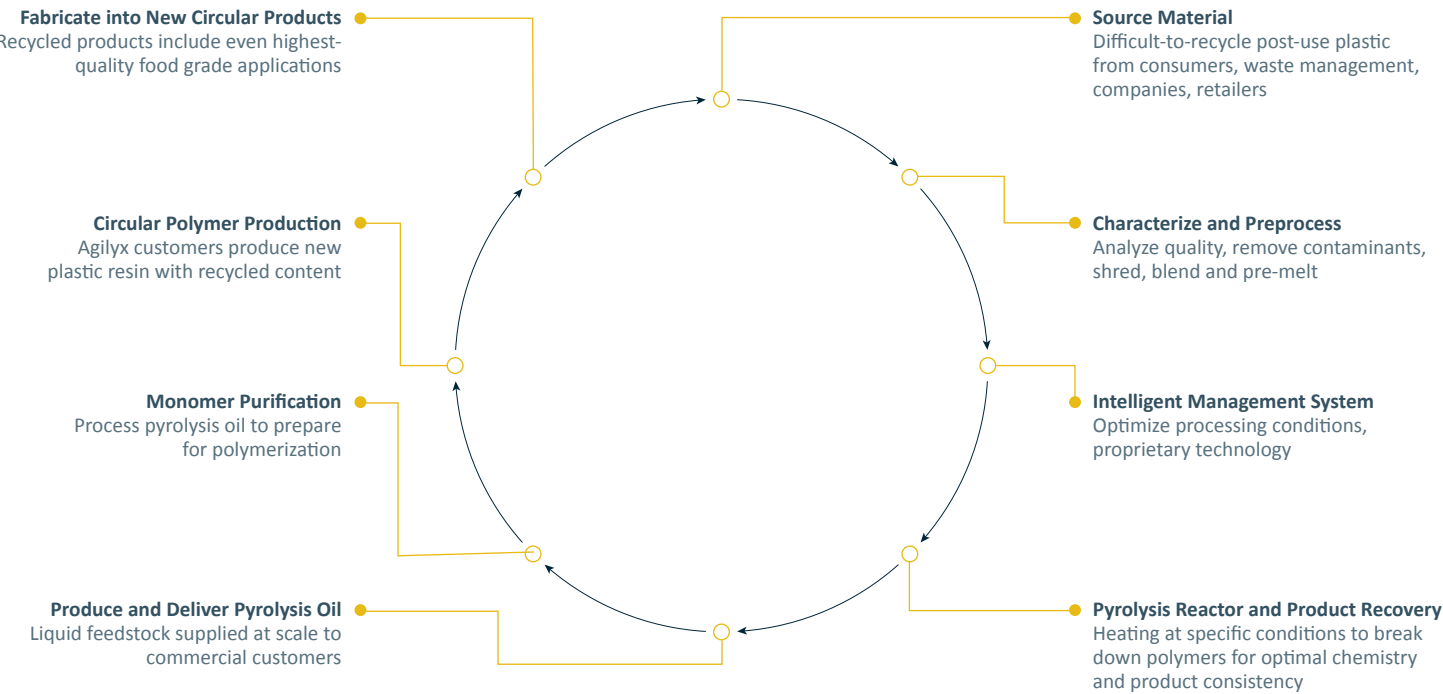
At its most basic level, the circular economy – sometimes referred to as circularity – is about eliminating waste and reusing resources rather than discarding them. Circular thinking is becoming a foundational element for public policy and regulation in economies around the world.

When it comes to circular pathways for plastics specifically, advanced recycling technology is a key enabler of circularity. Advanced recycling returns post-use plastics to their basic components, and allows those components to be reused in chemical processes that would otherwise have used virgin materials. The process keeps the existing molecules – and the carbon – in use.

Shifting to a circular economy means moving away from the linear economics that have been in place since the industrial revolution, with its paradigm of take, make and dispose. The new circular economy thinking focuses on redesign, reuse and recycling.

By building more circular pathways with advanced recycling, we can keep more plastics out of landfills and the environment.

ADVANCED RECYCLING: MAKING PLASTICS CIRCULAR



What do the experts say?

The [Ellen MacArthur Foundation](#), one of the leading organizations in circular thinking, recently stated, “Chemical recycling is a needed complement to mechanical recycling to enable a circular economy, especially for avoiding that chemicals and materials that are hard to recycle are sent to landfill or energy recovery.”

They also called for the creation of regulatory frameworks and standards that “ensure that chemical recycling is supported in the same manner as mechanical recycling,” and that chemical recycling as an emerging recycling technology should be assessed in a life cycle perspective, in order to optimize/balance its economic, environmental and social impacts.

Including more recycled content in products means reducing the use of fossil resources like oil and gas, thereby conserving our natural resources.

Advanced recycling will be part of society’s transition to a low-carbon future. In 2018, the Dutch think tank [CE Delft](#) stated that depolymerization saves 1.5 tonnes of CO2 per 1.0 tonne of plastic recycled versus making new virgin materials.

Circular approaches will be essential to address the climate crisis. For example, the 2021 [Circularity Gap Report](#) by Circle Economy cautions that even if all countries fulfill Paris Agreement pledges, temperatures may still rise by 3.2°C by 2100. But if the world becomes just 17% circular (currently it is 8.9%), the outcome will be different; global GHG emissions could be cut by 39% and resource use by 28%.

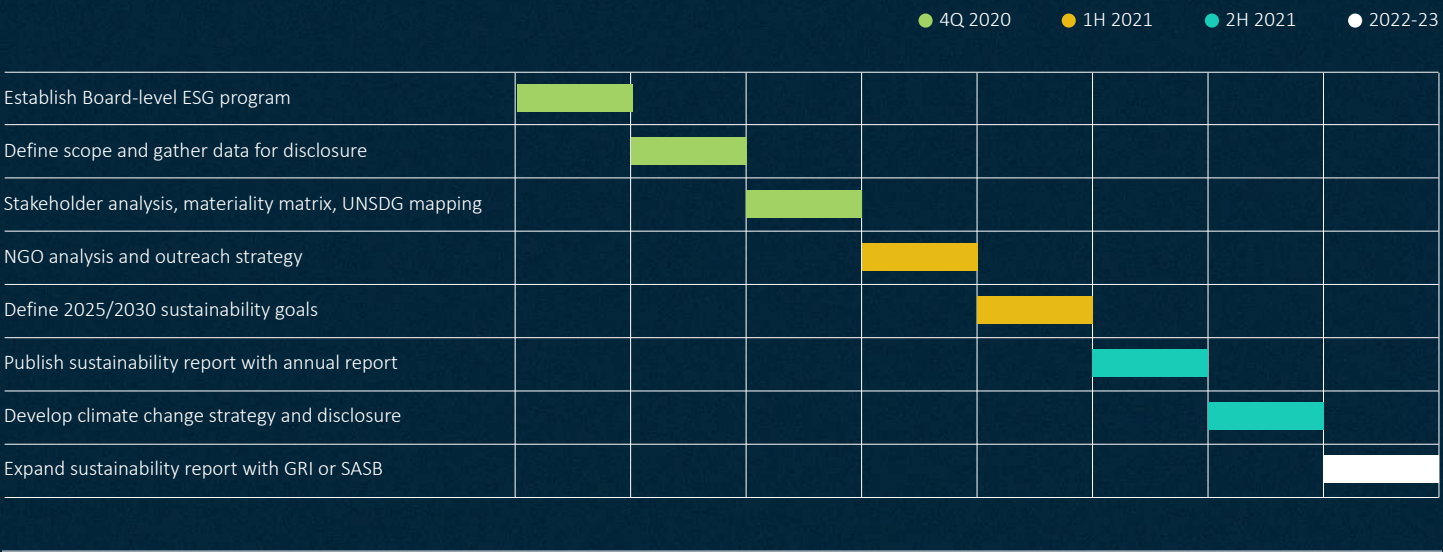
When it comes to the plastic waste crisis, there are no silver bullets. Plastic pollution is a complex systemic challenge, and complex problems require a diverse set of solutions – of which advanced recycling is just one part.

Agilyx supports a broad and multi-pronged approach that includes mechanical recycling and advanced recycling, as well as improved infrastructure, redesign of packaging for reuse and recyclability, new business models, collaboration with non-governmental organizations (NGOs) and the value chain, forward-thinking public policy and regulations, and sustained consumer engagement and education.

The people of Agilyx are committed to developing technologies that contribute to a more sustainable world. As society searches for circular and sustainable solutions to the plastic waste crisis, we hear the calls to redesign, rethink, and build back better; and we are inspired to address those challenges.

Management Approach and Methodology

SUSTAINABILITY ROADMAP



The business case for sustainability reporting and goal setting is clear at Agilyx. Our stakeholders expect full engagement by the Company on sustainability and environmental activities. Agilyx is committed to increasing transparency and working toward a more robust ESG reporting program. We take it seriously and are taking action.

Agilyx management and the Board strongly support and are leading the Company’s commitment to sustainability. They set the tone at the top and provide oversight and direction for the Company’s sustainability roadmap and strategy, as well as its commitment to increasing transparency.

During 2020, our first-ever sustainability roadmap was endorsed by the Board of Directors.

This sustainability report was developed with particular attention to the [United Nations Sustainable Development Goals](#) (UNSDGs), which represent the world’s agenda

for a more inclusive and sustainable world. Agilyx joins the many companies who are working to align activities with the UNSDGs.

This sustainability report and the process to develop it were informed by the Global Reporting Initiative (GRI), although the report itself does not meet the requirements for a full GRI-aligned report. The Company is in the process of adopting the reporting standards set forth by GRI and other standard-setting bodies and will provide an index to the GRI standards in future reports.

Following the best practices of GRI and other organizations, we mapped the UNSDGs to the Company’s primary mission and business activities, as well as Agilyx’s environmental footprint and impact on stakeholders.

To further shape this sustainability report, we identified our stakeholder groups, conducted a stakeholder analysis, and developed a materiality matrix. The UNSDG mapping and materiality matrix were used to

develop and frame the Company’s new ESG Goals, and to guide this integrated report.

SCOPE

This sustainability report focuses on sustainability progress and opportunities during 2020 and early 2021; quantitative data covers January 1, 2020 to December 31, 2020 unless otherwise noted.

This sustainability report covers Agilyx’s wholly owned operations, as well as the majority-owned Cyclyx entity. This sustainability report includes reference to Agilyx employees who are assigned to support Regenyx, our 50-50 joint venture with AmSty. The report also includes some references to our Tigard, Oregon, facility, which encompasses operations and assets wholly owned directly by Agilyx, as well as assets owned by Regenyx. However, this sustainability report does *not* include environmental or other disclosures for the Regenyx joint venture, except where specifically noted.

SDG Mapping

United Nations Sustainable Development Goals (UNSDGs) are the blueprint to achieve a better and more sustainable future for all.

Agilyx mapped the UNSDGs not only to our own business, but also to our value chain. This approach helps us understand which UNSDGs Agilyx can most contribute to, as well as where we enable further action on additional UNSDGs through our value chain partners. This prioritization and mapping process for the SDGs was based on the materiality analysis, review of value chain and NGO perspectives, and expert analysis.

Agilyx has identified five SDGs as most *directly* relevant to Agilyx’s mission, value chain and stakeholders:



#8 Decent work and economic growth: Agilyx is a creator of high quality “green jobs” that are part of transforming our economy for a better future.



#9 Industry, innovation, and infrastructure: Agilyx is part of a broader effort to transform our waste management systems to become more circular, through investment in recycling access and infrastructure, and technology innovation to convert post-use plastics to new upcycled products.



#11 Sustainable cities and communities: Cyclyx is engaged with solid waste management authorities, advocating for greater investment in infrastructure for recycling at national and local levels.



#12 Responsible consumption and production: Agilyx directly supports the subgoal of “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.” Advanced recycling technology from Agilyx can be a key contributor in the move towards a circular economy, with a focus on sustainable resource use and turning waste into value.



#13 Climate action: Advanced recycling technology can reduce society’s reliance on fossil fuels because plastics made from post-use feedstock have a lower greenhouse gas footprint than traditional virgin plastics made from fossil sources like oil and natural gas. Agilyx and the advanced recycling sector are aligned with the transition to a low-carbon economy.

Two additional SDGs are areas where Agilyx’s value chain partners can most contribute, and Agilyx enables them by proving new pathways for managing post-use plastics in a more circular way:



#14 Life below water: Companies that are downstream in the value chain from Agilyx – including packaging companies, consumer goods companies, brands and retailers, as well as waste management authorities – are working to minimize plastic in the oceans and waterways by diverting post-use plastics to advanced recycling.



#15 Life on land: By creating pathways to divert post-use plastic that would have been sent to landfill, Agilyx is an enabler of efforts within our value chain to reduce plastic pollution on land.

Stakeholders

STAKEHOLDER ENGAGEMENT PRINCIPLES

Agilyx is committed to fostering transparent and productive dialogue with our stakeholders. Engagement, feedback and collaboration are vital to our long-term success and our sustainability efforts.

The methods by which we engage with each stakeholder group vary according to their needs and proximity. Agilyx prioritizes transparency, accuracy, and purpose in its interactions with our key stakeholders.

STAKEHOLDER ANALYSIS

For the purposes of developing our sustainability program, we engage with a broad range of stakeholder groups.

GROUP	ENGAGEMENT AND INTEREST
EMPLOYEES: Our employees are inspired by our mission to provide a technological solution to recover plastics previously thought to be unrecyclable.	We engage with employees through regular town hall meetings, email messages from senior management, lunch and learn events, in-person meetings, social media and trainings. Employees are most interested in job growth and career opportunities at Agilyx, as well as the ability to contribute to the Company’s mission around recycling.
LOCAL COMMUNITIES NEAR OUR FACILITIES: Agilyx strives to be a good neighbor by providing recycling services, partnering with local small businesses, and demonstrating openness.	We engage through our drop-off services, community events, partnership with local organizations, charitable contributions, and social media. Local neighbors are most interested in learning what goes on inside our facility, including tours and educational programs. They also value the ability to drop off their post-use plastic for recycling.
VALUE CHAIN PARTNERS: Chemical and plastics companies, waste recycling companies, transport companies, JV partners, converters/packaging companies, and brand owners. These companies look to Agilyx to provide proof-of-concept for advanced recycling technology, to bring innovative business models to the marketplace, and to rapidly scale up to commercial volumes.	We engage with our value chain partners for business development, joint projects and commercial activities through in-person and virtual meetings, email, phone calls, facility tours and audits, video conferences, and participation in conferences. Plastic producers are under pressure to provide their customers and brand owners with products that contain more recycled content. Value chain partners of Agilyx’s are most interested in the effectiveness, reliability and efficiency of Agilyx’s advanced recycling technology, the opportunity to scale-up and expand capacity more rapidly, and our ability to innovate and apply Agilyx technology to create advanced recycling pathways for more types of plastics. Brand owners want to buy larger volumes of high-quality recycled plastic and to reduce the greenhouse gas footprint of their consumer products.
GOVERNMENT & REGULATORY BODIES: Agilyx values our interactions with local, state, and national government officials, and is committed to regulatory compliance as well as participation in policymaking related to advanced recycling.	We engage through webinars, in-person and virtual meetings, regulatory filings, tours of our facility in Oregon (virtual and in-person), audits and regulatory inspections. We also engage in policymaking through our industry trade association, the Advanced Recycling Alliance for Plastics. Local and state regulators are most interested in Agilyx’s compliance with environmental permits and regulations, as well as its environmental emissions and energy use. Our facility in Tigard is regularly inspected by the Oregon Department of Environmental Quality. Elected officials and national/federal policymakers are interested in learning about how advanced recycling works and how it can play a role in addressing waste issues in their state, region or country, as well as what policies can accelerate the realization and expansion of advanced recycling facilities.
INDUSTRY & TRADE ASSOCIATIONS: Agilyx is active in associations that represent advanced recycling companies in the USA and Europe.	We engage through our membership in organizations like the Advanced Recycling Alliance for Plastics, the American Chemistry Council, the Association of Plastics Recyclers, and Chemical Recyclers Europe. Industry associations play a critical role in building awareness of the benefits of advanced plastics recycling technologies and building broad support for advanced recycling technologies through an expanding network of allies.
SHAREHOLDERS & INVESTMENT COMMUNITY: Our investor relations program helps ensure that all participants in the financial markets have access to accurate, clear, relevant and complete information about the Company’s performance and market position.	We engage with investors through in-person and virtual meetings, regular investor conference calls/webinars, investor disclosures including those on Oslo Bors NewsWeb, and the investor section of our website. The investor relations team receives and responds to requests for information. Consistent with our disclosure policy, we make our investor communications available on the investor section of our website. Investors are typically interested in material information that can affect the Company’s value, including financial metrics as well as non-financial metrics related to ESG. More broadly, the investment community is interested in how Agilyx’s business aligns with trends around ESG investing.
NON-GOVERNMENTAL ORGANIZATIONS (NGOS) AND INSTITUTIONS: NGOs represent an important sector of society and include environmental advocates, academic and technical institutes, foundations and research organizations – all of which have interests in the circular economy.	We engage with NGOs and institutions through direct interaction, as well as through industry trade associations. Interactions include meetings, conferences, educational events, and collaboration projects. We also interact with institutions such as universities and federal research labs that are engaged in technical studies related to advanced recycling, by providing information and contributing technical data to their research. We also actively track key publications and studies by NGOs, including landmark studies like Breaking the Plastic Wave by The Pew Charitable Trust (2020). In their engagement with Agilyx, NGOs are most interested in influencing policymaking and public opinion and forming collaborations to shape corporate action. As part of our sustainability goals announced in April 2020, Agilyx intends to join or form several new collaborations or partnerships in the coming years with leading NGOs.

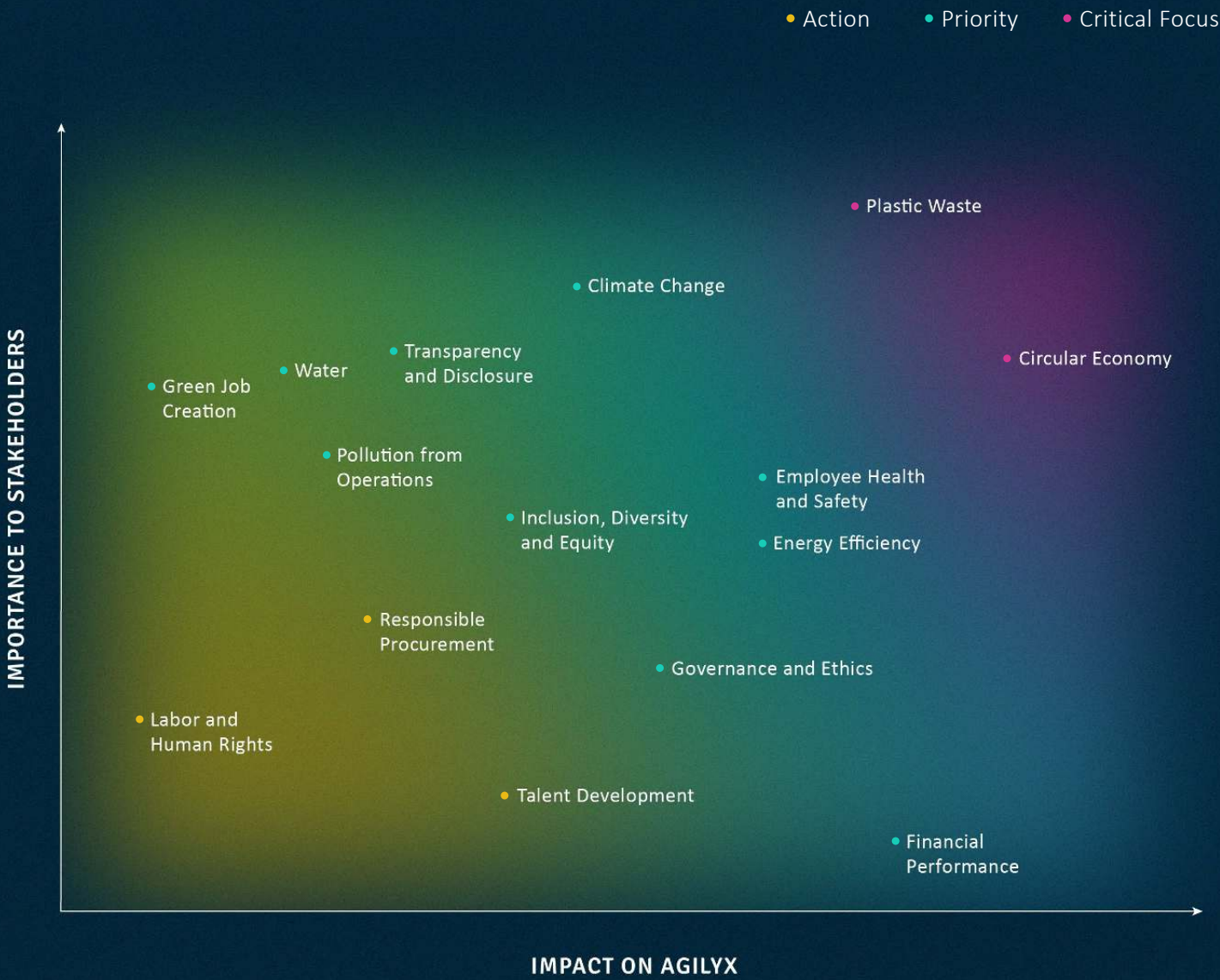
Materiality Matrix

In 2020, Agilyx began developing its first-ever materiality matrix to reflect the importance that our stakeholders place on sustainability issues and their relative impact and importance for Agilyx. We developed the matrix using internal and external inputs that included:

- Assessment of macro trends and industry/sector trends.
- Analysis of sustainability priorities of peer companies and partners in the value chain.
- Stakeholder interviews and research.
- Analysis of ESG frameworks of third-party raters including SASB, CDP, MSCI and others.

We also mapped the United Nations Sustainable Development Goals (UNSDGs) to the Company’s core business activities. Taken together, this materiality matrix and the SDG mapping effectively inform Agilyx’s sustainability roadmap, as well as our sustainability goals.

MATERIALITY MATRIX



Sustainability Goals

Setting ambitious goals is an essential part of any company ESG program. In line with philosophy of the United Nations Global Compact (UNGC), sustainability goals help clarify priorities across the entire organization and improve ultimate performance.

At Agilyx, we have defined three critical goal areas:

Circular/Environmental, Climate and Societal. These three areas align with our core business strategy, stakeholder expectations, our materiality matrix, and the UNSDGs.

Within each of our three goals areas, we have set quantitative and time-bound goals. These goals not only establish ambitious and motivating challenges to our organization, but also serve as a public commitment around which we will disclose our progress publicly.

These goals were endorsed by the management and Board of Directors of Agilyx in December 2020.

GOAL 1: CIRCULAR / ENVIRONMENTAL

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



GOAL 2: CLIMATE

The climate crisis demands urgent action from all sectors, and Agilyx is committed to do its part. It is a critical challenge for the global economy to transform away from a fossil-fuel basis and transition toward a low-carbon economy. Advanced recycling can play a key role in this transition by providing low-carbon fuels, using waste as raw materials, and making high quality plastics with a lower greenhouse gas footprint.



GOAL 3: SOCIETAL

The COVID-19 pandemic highlighted the fact that we are all connected and, as such, we must work together toward greater inclusion and equity. Collaboration is essential in deeply understanding different perspectives, and developing sustainable solutions. Agilyx is working to expand and deepen its collaborations with diverse stakeholder groups and to create a more inclusive work environment.



CIRCULARITY



CLIMATE



SOCIETAL

WE COMMIT TO THE FOLLOWING GOAL TARGETS:

Circular / Environmental

- Deliver technology for partners to build new commercial-scale advanced recycling facilities that enable the conversion of at least 1,500 tons per day of post-use plastic annually by 2030.
- Through Cyclyx, divert post-use plastic that was destined for landfill/incineration/ environment, and redirect it to advanced recycling:
 - 300,000 tons annually by 2025.
 - 3,000,000 tons annually by 2030.
- Drive our long-term vision to increase the rate of plastics recycling from 10% to 90%.

Climate

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

Societal

In addition to establishing corporate social responsibility policies in 2020, we commit to the following societal goal targets:

Collaborations

Establish 5 new collaborations with institutions, government authorities, NGOs, and associations by 2025, to help bring practical solutions to addressing the global plastic waste crisis (vs baseline of 2019).

Gender equity

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

Environmental Disclosures

ELECTRICITY/ENERGY

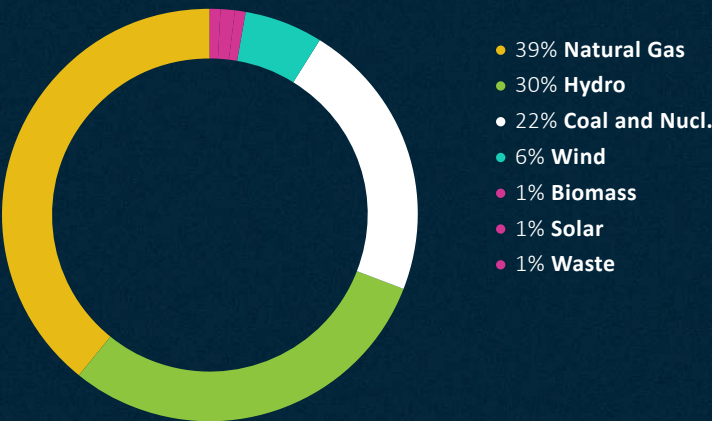
Agilyx’s primary use of energy is through purchased electricity that operates the Tigard, Oregon facility encompassing Agilyx, Cyclyx and Regenyx operations. This electricity is purchased from the local utility provider, Portland General Electric (PGE), a leader in renewable energy. PGE has set a target to achieve net zero GHG emissions by 2040.

During 2020, more than 33% of the electricity used to power the Tigard facility came from renewable sources including wind and hydro.



ELECTRICITY / ENERGY SUPPLY BY SOURCE

AGILYX/CYCLYX/REGENYX IN TIGARD, OREGON



WATER MANAGEMENT

Agilyx recognizes that responsible water use is an important priority, especially in water-scarce regions. Our pyrolysis processes have very low water requirements, and we pledge to continue to understand and minimize our water impact in all activities, both in our directly owned facilities and in the design of future projects with partners.

Between 2016 and 2020, Agilyx engineers significantly reduced the overall use of water for our manufacturing processes, including the near elimination of process water and water discharge.

Agilyx Climate Disclosure and Greenhouse Gas Profile

Agilyx recognizes that climate change has and will continue to have significant impacts on our environment, including extreme weather conditions and rising sea levels, which has prompted regulations limiting the emission of greenhouse gases (GHG).

Continued efforts by companies and governments to mitigate climate change and shift to a low-carbon economy will create business opportunities for Agilyx.

As a technology company with a primary business model of licensing pyrolysis process technology to chemical companies and materials manufacturers, Agilyx contributes to the move toward a low-carbon economy by enabling our partners to shift from fossil-based raw materials to using recycled plastic as a feedstock.

Recent studies and life cycle analyses by research institutions and companies indicate the potential for the GHG footprint of plastics and low-carbon fuels made from Agilyx technology to be significantly lower than traditional manufacturing process for virgin plastics and fuels made from fossil-based oil and gas. However, additional research is needed and is underway to confirm these initial indications. Agilyx is one of several organizations supporting further research into the environmental impact of advanced recycling technology.



Agilyx employees took quick action to protect the Tigard facility from wildfires and, as a result, operations were only minimally disrupted by the nearby wildfires. The Company also provided support to employees whose homes were affected by the wildfires.

Agilyx engineers are working to quantify the GHG footprint of Agilyx processes and further reduce it by:

- Improving the energy efficiency of our pyrolysis processes.
- Capturing thermal value to return it back to the process.
- Continuing to refine our processes to minimize and avoid flaring of byproducts.
- Finding commercial uses for carbon residue and other byproducts.

Agilyx does not currently report its scope 1 or scope 2 GHG emissions, as the Company does not have any wholly owned production facilities.

ASSESSING CLIMATE RISK

As part of our enterprise risk management program, the Company’s Board of Directors regularly reviews risks including those from climate change and extreme weather. The Company’s current facilities and operations are not located in regions prone to hurricanes, drought, flooding or rising sea levels.

In summer 2020, the Company’s facility in Tigard, Oregon, was at risk due to wildfires nearby, but thanks to quick action from employees, no losses occurred.

Social Disclosures: Employee Health and Safety

A healthy work environment contributes to greater engagement and increased job satisfaction for employees, which ultimately is important for continued success of the Company.



Agilyx has a strong commitment to worker safety, and zero injuries is our goal. All plant operators are required to complete safety training upon hiring and on a regular basis, and every employee is required to follow safety protocols and policies. Employees are encouraged to immediately report any unsafe situations or conduct to the employee's manager or human resources.

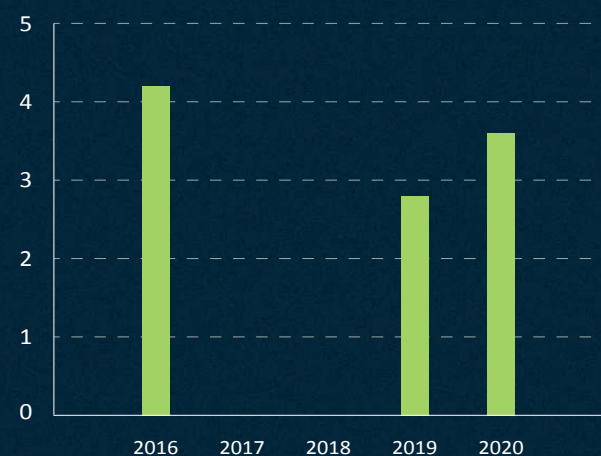
Over the past five years, Agilyx has averaged less than one recordable injury per year. In 2020, there were two OSHA-recordable injuries: a wrist sprain while an employee was breaking densified blocks, and an eye injury due to dust. In both cases, the employees fully recovered with no lasting effects from the injuries.

SAFETY PERFORMANCE (EMPLOYEES)

- 3.6 OSHA recordable rate in 2020.
- 0 severe injuries in 2020.
- As of year-end 2020, Agilyx employees worked more than 2000 days without a Lost Time Injury.
- For OSHA recordable rate for years 2016-2020, see bar chart.

OSHA RECORDABLE RATE

Per 200,000 hours worked



Social Disclosures: Workforce Development

Agilyx is an equal opportunity employer and is committed to creating a positive workplace environment for employee success.

Agilyx offers employees competitive compensation and benefits packages in all regions it operates in. Within the USA these benefits include:

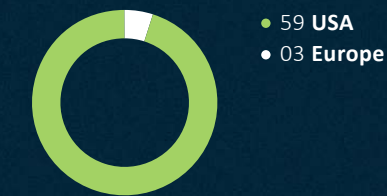
- Medical insurance including vision care, flexible spending account, health savings account and dental insurance.
- Life/Disability insurance.
- Workers compensation.
- A 401(k) plan for retirement savings, with a company match.
- 10 paid holidays per year.
- Paid Time Off for vacation, sick days and leaves of absence including parental leave (USA).

Agilyx is committed to the principles of diversity, equity and inclusion. The Company provides equal access to training and career development irrespective of gender and is committed to non-discrimination in recruiting and all employment practices.

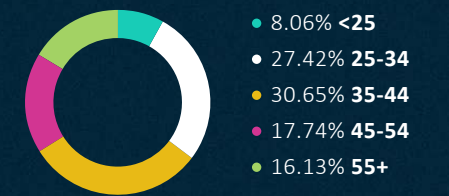
The Company has a range of policies that ensure appropriate behavior in the workplace. These policies prohibit violence, abuse and sexual harassment, and protect employees from retaliation. Agilyx also has policies on anti-trafficking, anti-forced labor, and anti-child labor, among others.

WORKFORCE

TOTAL EMPLOYEES BY REGION



WORKFORCE BY AGE



23
NEW EMPLOYEES
IN 2020

EMPLOYMENT POLICIES

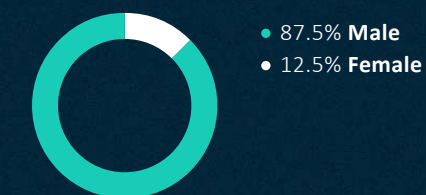
Agilyx provides each employee with a Company handbook that includes policies. In addition, Agilyx's corporate responsibility policies are posted publicly on Agilyx.com

05
TURNOVER IN 2020

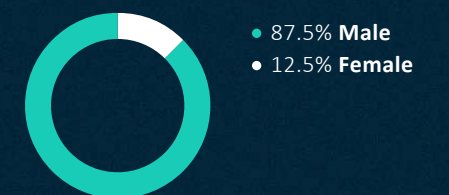
\$6,500,000.00
TOTAL WORKFORCE PAYROLL (USD)

GENDER BALANCE

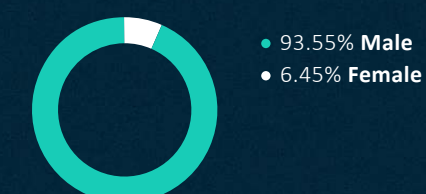
BOARD OF DIRECTORS



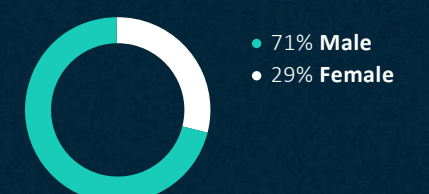
EXECUTIVE MANAGEMENT



MANAGEMENT / SUPERVISORS



WORKFORCE





Enabling Local Recycling

For residents of the Portland metro area, Agilyx provides an essential service as a recycling drop-off point, as well as facilitating, volunteering at, and marketing collection events locally.

From Green Days recycling events held by Fred Meyers grocery stores, to neighborhood recycling events, Agilyx has provided logistics, onsite collection/separation, and education for collecting polystyrene, all at zero cost to the community. This is in addition to Agilyx's free 24-hour public drop box for the community recycling of polystyrene.

To expand recycling opportunities throughout the state of Oregon, Agilyx helped to develop a municipal recycling program with Oregon Metro and started a polystyrene recycling drop off area at the Metro South transfer station. Agilyx purchased and installed a polystyrene densifier unit to help in facilitating this program.

SUPPORTING LOCAL SMALL BUSINESSES AND NON-PROFITS

The recycling field is full of entrepreneurs and mission-driven organizations that are working to help consumers recycle more plastic. Agilyx is helping to support local small businesses and non-profits in the recycling field, as part of the growing network supplying post-use polystyrene for advanced recycling.

James' Neighborhood Recycling:

Agilyx continues to help this entrepreneur's efforts by working onsite and helping in promotions of collection events.

Gogo Eco: Gogo Eco was initially set up by a worker in a medical clinic who saw a need for a new recycling program after seeing large amounts of EPS coolers being sent to a landfill on a daily basis. The group now provides a logistic service for clinics and also holds neighborhood recycling events.

The Broomsmen: Through their work with Agilyx, The Broomsmen have been able to provide their customers waste reduction and waste/recycling management for large events such as concerts and weddings. The Broomsmen have worked with Agilyx over the past years to provide a recycling outlet for post-use polystyrene food service items.

B-Line: B-Line is using their unique logistics infrastructure including motorized trikes to deliver products and also receive post-use polystyrene to customers throughout the Portland metro area.

Exceed Enterprise: Agilyx partnered with Exceed Enterprise, a provider of vocational services for people with diverse abilities, to develop a pilot donation-based polystyrene collection program. This program was developed to provide residents of SE Portland, Milwaukee and Oregon City an opportunity to recycle polystyrene without having to drive to the Tigard facility.

EDUCATION AND OUTREACH

Agilyx has provided internships for local college students to learn new trades and potentially work towards joining the Company.

Prior to the pandemic, Agilyx provided regular in-person recycling presentations for schools, churches, community events, and other gatherings to discuss the ongoing work at the Tigard facility. Through these presentations, Agilyx educates the public on how they can be a part of recycling non-curb-side items and the positive environmental impacts of plastic recycling.

Also prior to the pandemic, Agilyx arranged regular onsite tours of the facility for the public, government officials and university students working towards careers in engineering and environmental studies. Since the COVID-19 crisis, we continue to offer virtual tours and hope to restart in-person tours in the future.



Sustainability Milestones 2020

JUNE



Agilyx announced the launch of a new feedstock management company, Cyclyx. Cyclyx will aggregate and pre-process large volumes of plastic waste to be used as raw material to manufacture petrochemical products, including naphtha and chemical intermediate pathways. By sourcing large volumes of post-use plastics, Cyclyx is helping to drive further scale across the value chain. Our goal for Cyclyx is to source the following volumes of post-use plastic for advanced recycling: 300,000 tons per annum in 2025, and 3,000,000 tons per annum by 2030.

NOVEMBER



Agilyx adopted a new computerized training system, enhancing the Company's ability to deliver training to employees and keep records on training delivery.



Agilyx received ISCC PLUS certification for the complete pathway from waste aggregation to new polystyrene production at the Regenyx facility, marking the successful completion of a fully circular pathway for polystyrene recycling. This is a verification by an independent authority that confirms recycled pathways and processes.

DECEMBER



Agilyx joined Chemical Recycling Europe, the professional representative body of chemical recyclers in Europe and represents the interest of its members towards political bodies and the public. ChemRecEurope's aim is to deepen a positive industry-wide relationship throughout the whole chemical recycling value chain in Europe to accelerate the creation of circular economy for plastics.



Agilyx became a signatory of the America Recycles Pledge, a challenge by the USA Environmental Protection Agency (EPA), to increase the national recycling rate to 50 percent by 2030.

Governance

The Board of Directors of Agilyx has responsibility for oversight of Agilyx's governance and sustainability program, as well as enterprise risk management.

Governance Policies

- [Disclosure Policy](#)
- [Investor Relations Policy](#)
- [Professional and Ethical Standards Policy](#)
- [Corporate Culture of Mutual Respect Policy](#)
- [Respect for Human and Labour rights; Anti-harassment; Anti-forced Labor and Anti-child Labor Policy; Anti-trafficking Policy](#)
- [Equal Opportunities Policy](#)
- [Anti-corruption and Anti-bribery Policy](#)
- [Health, Safety and the Work Environment Policy](#)
- [Environmental Performance Policy](#)
- [Supplier Responsibility Policy](#)
- [Whistleblowing Policy](#)

The CEO and Executive Management Team are responsible for implementing company strategy including sustainability goals and programs. The Board of Directors has three committees, each with a chair: (1) Audit Committee, (2) Compensation Committee and (3) ESG Committee. The full Board of Directors has responsibility for nominating activity related to the committees.

The Board and ESG Committee will review ESG trends, progress and reporting at least annually.

Following the Company's share listing in September 2020, the Board instituted a number of governance enhancements, in alignment with our stakeholders' expectations.

KEY GOVERNANCE MILESTONES IN 2020

- Board of Directors expanded with additional *independent directors*, including two women in 2020 and early 2021.
- Board further formalized its *committee structure*, established a new committee on ESG to increase focus in this important area, and developed charters for each committee.
- Board endorsed a *multi-year sustainability roadmap* to serve as the Company's sustainability strategy. Key elements include a commitment to begin annual sustainability reporting starting in 2021 and defining long-term *sustainability goals* for the Company in 2021.
- *Corporate governance policies* were adopted by the Board and posted on the Company's public website.
- As part of our ongoing commitment to transparency, the Company website was enhanced with additional information for investors and a section dedicated to sustainability and ESG.

ESG POLICIES

Policies are a foundational element of Agilyx's ESG program. Our corporate governance policies, which address a range of ESG topics, are posted on our website as part of our commitment to disclosure and transparency. These policies apply to all Agilyx entities and employees globally.

All employees are expected to be familiar with these policies and to report any concerns or policy violations to human resources or a member of management. In addition, employees are provided with a handbook that outlines all country-specific policies, benefits and programs.

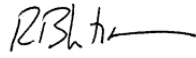
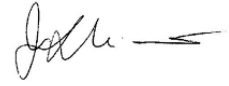
Financials

Agilyx AS Group Consolidated Financial Statements

All figures in USD

AGILYX AS PARENT AND CONSOLIDATED - INCOME STATEMENT				
For the Period Ended December 31, 2020				
Parent company				Group
2019	2020	Note	Operating revenue and operating expenses	2020
-	-	2	Revenues	4,336,151
-	-	3	Cost of revenues	2,441,487
-	-		Gross margin	1,894,665
-	-		Research and development	1,505,752
-	-		Sales and marketing	412,285
-	384,988	7	General and administrative	6,668,667
-	384,988	3	Total operating expenses	8,586,704
-	- 384,988		Operating loss	-6,692,040
Financial income and financial expenses				
-	-	6	Result from investment in joint venture	-3,248,453
-	-		Interest expense	-277,823
-	87,032		Other financial income (expense), net	82,218
-	87,032		Net financial items	-3,444,058
-	- 297,956		Net result for the year	-10,136,098

AGILYX AS PARENT AND CONSOLIDATED - BALANCE SHEET				
As of December 31, 2020				
Parent company			Group	
2019	2020	Note	Assets	2020
Non-current assets				
-	-	4	Intangible assets	4,577,180
-	-	5	Property, plant and equipment	349,288
-	-	6	Investment in joint venture	1,608,846
-	59,998,959	11	Shares in subsidiaries	-
-	-		Other non-current assets	98,555
-	59,998,959		Total non-current assets	6,633,869
Current assets				
-	-		Accounts receivable	9,064
-	-		Prepaid expenses and other current assets	165,165
3,407	28,721,621		Cash and cash equivalents	38,898,928
3,407	28,721,621		Total current assets	39,073,157
3,407	88,720,580		Total assets	45,707,026
Liabilities and stockholders' equity				
Equity				
3,407	83,365	8,9,10	Common stock	83,365
-	88,328,914	-	Share premium	88,328,914
-	174,875	-	Additional paid-in capital	174,875
3,407	88,587,154	-	Total paid-in equity	88,587,154
-	-297,956		Other equity	-51,376,050
-	-		Minority	2,000,000
3,407	88,289,198	12	Total equity	39,211,104
Liabilities				
Non-current liabilities				
-	-	14	Long-term notes payable	875,000
-	-	14	Other long-term liabilities	591,091
-	-		Total non-current liabilities	1,466,091
Current liabilities				
-	-		Accounts payable	627,429
-	72,288		Accrued expenses and other current liabilities	510,111
-	359,094	11	Payables to group companies	-
-	-	15	Deferred revenue	1,896,848
-	-	14	Current portion of notes payable	1,995,443
-	431,383		Total current liabilities	5,029,831
-	431,383		Total liabilities	6,495,922
3,407	88,720,580		Total liabilities and stockholders' equity	45,707,026

BALANCE SHEET CONTINUED				
Oslo, Norway, April 20, 2021				
Peter Norris Chair	Ranjeet Bhatia Board Member	William K. Caesar Board Member	Catherine C. Keenan Board Member	
				
	Preben Rasch-Olsen Board Member	Joe Vaillancourt Board Member	Tim Stedman Board Member CEO, Agilyx	
				

AGILYX AS PARENT AND CONSOLIDATED - STATEMENTS OF CASH FLOWS				
For the Period Ended December 31, 2020				
Parent company			Group	
2019	2020		2020	
-	-297,956	Net loss	-10,136,098	
-	-	Depreciation	217,131	
-	-	Result from investment in joint venture	3,248,823	
-	-	Stock based compensation	174,875	
-	-	Accounts receivable	240,936	
-	431,383	Accounts payable and accrued liabilities	177,268	
-	-	Prepaid expenses and other assets	-84,076	
-	-	Other timing differences	-774,569	
-	133,426	Net cash from operations	-6,935,710	
-	-11,214,253	Cash contribution from parent to subsidiaries	-	
-	-	Cash from Agilyx Corp at inversion	-	
-	-	Regenyx investment funding	-3,253,790	
-	-	Purchases of property and equipment	-263,444	
-	-11,214,253	Net cash from investments	-3,517,234	
-	-	Proceeds from government programs	779,400	
3,407	39,716,312	Proceeds from private stock offering	39,716,312	
-	-	Proceeds from Cyclyx member contributions	8,000,000	
-	86,136	Stock redemption and option exercises	86,136	
-	-3,407	Share capital paid back at formation	-3,704	
-	-	Repayment of notes payable	-1,573,716	
3,407	39,799,041	Net cash from financing	47,004,428	
3,407	28,718,214	Net increase in cash and cash equivalents	36,551,484	
		Cash and cash equivalents Agilyx Corporation at inversion	2,344,037	
-	3,407	Cash and cash equivalents at beginning of the period	3,407	
3,407	28,721,621	Cash and cash equivalents at end of the period	38,898,928	

Note 1: Accounting Policies

Agilyx AS is a Norwegian company and the parent company in the Agilyx Group

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statements are presented in USD, as it is considered to be the functional currency.

Agilyx AS 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 AS resulting in Agilyx Corporation becoming a 100% owned subsidiary of Agilyx AS. The transaction was accounted for as an inverse acquisition using continuity on Agilyx Corporation book values in the consolidated Group statements. Due to the reorganization into a new entity, this consolidated financial statement does not present comparable figures. However, the underlying business of the Agilyx Group has been in existence since 2004. Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP).

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Agilyx AS and its subsidiaries Agilyx Corporation, Agilyx GmbH and Cyclyx International, LLC. The cost price of shares and partnership units are eliminated against the equity in the underlying companies. All intercompany accounts and transactions are eliminated in consolidation. Agilyx LLC holds 50% in Regenx LLP, an investment under joint control and accounted for under the equity method.

REVENUE

Revenue is recognized when it is earned, i.e. when the claim to remuneration arises. This occurs when both the risk and control have been transferred to the customer or the service is performed. The revenue is recognized with the value of the remuneration at the time of transaction. Revenues from the sale of goods are recognized at the time of delivery and when the risk of ownership is transferred to the buyer. License revenues are recognized when the license is delivered and the rights are transferred to the buyer. Revenues related to project developments are recognized over the contract period using percentage of completion as the method for measuring the revenue.

COST OF SALES AND OTHER EXPENSES

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. Agilyx recognizes cost of revenues for those employees and personnel involved in the delivery of services to customers, along with materials and equipment to support those services. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate. The consolidated income statement presents costs according to function. Costs classified by nature are presented in Note 3.

VALUATION AND CLASSIFICATION OF ASSETS AND LIABILITIES

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value. Non-current assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Non-current assets with a limited

economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs are expensed as incurred.

INTANGIBLE ASSETS

Intangible assets that are acquired separately are recognized at historical cost. Intangible assets acquired in a business combination are recognized at historical cost when the criteria for balance sheet recognition have been met. Intangible assets with a limited economic life are amortized on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits do not exceed the carrying amount and any remaining development costs.

PROPERTY, PLANT AND EQUIPMENT

Fixed assets are recorded in the balance sheet at acquisition cost, less accumulated depreciation and any impairment losses. Depreciation is made from the time assets are put into regular operations and is calculated on straight line basis over the estimated economic asset lifetime. Depreciation rates are set out in Note 5. This period's depreciation is charged to this year's operating expenses in the income statement.

INVESTMENT IN JOINT VENTURE

In the consolidated financial statements, the equity method is used as a principle for investments in joint venture. Use of the method means that the book value in the balance sheet corresponds to the share of equity in the associated company, adjusted for any remaining excess values from the acquisition and unrealized internal gains. The profit share in the income statement is based on the share of profit after tax in the associated company and is adjusted for any depreciation of surplus values and unrealized gains. In the income statement, the profit share is shown under financial items.

LEASES

Agilyx differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operational leases. When a lease contract is classified as a financial lease and Agilyx is the lessee, the rights and obligations relating to the leasing contracts are recognized in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The

lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an ordinary operating cost. For 2020, all of the Group's leases were classified as operational leases.

RECEIVABLES

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The deferred tax asset has not been recognized as it does not meet the

criteria for such recognition. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation in accordance under NRS 15A – Share-based payment (and IFRS 2 Share-based payment). This standard requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the grant. The Company recognizes stock-based compensation expense over the vesting period of the awards on a straight-line basis.

The weighted-average expected option term for employee awards is based on the simplified method, which uses the average of the vesting period and contractual life of the underlying options. The expected option term for non-employee awards is the contractual life of the award. The risk-free interest rate is based on the USA Treasury rates in effect during the corresponding period of grant. Estimated volatility is calculated based on the historical volatility of similar entities whose share prices are publicly traded.

INDEPENDENT SUBSCRIPTION RIGHTS

Agilyx Corporation has granted warrants in connection with various debt and equity issuances that were exercisable into common stock. In connection to the share exchange that was completed January 7, 2020, these warrants were replaced with subscription rights where Agilyx AS issued 36,925 (3,692,500 after share split 1:100) subscription

rights exercisable by notice to the Board of Directors. Upon exercise, a cash contribution of \$100 (\$1 after share split) shall be paid for the warrants under the 2017 plan in Agilyx Corporation, and \$0.01 (0.00 after share split) for all other warrants. The subscription rights were issued by an extraordinary general meeting held August 27, 2020. Warrants are recognized at fair value at the date of the original grant.

FOREIGN CURRENCY TRANSLATION

Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Foreign currency exchange gains and losses generated from the settlement and remeasurement of these transactions are recognized in earnings and presented within “Other financial income (expense), net” in the Company’s Income Statement.

CASH FLOW

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

USE OF ESTIMATES

The preparation of audited consolidated financial statements in conformity with NGAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the audited consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates are associated with recording accounts receivable, inventories, intangible assets, long-lived assets, revenue

recognized in accordance with the percentage of completion method and stock-based compensation expense. The Company bases its estimates on historical experience and various other assumptions, including in certain circumstances future projections that management believes to be reasonable under the circumstances. Although the Company regularly assesses these estimates, actual results could differ from those estimates. Changes in estimates are recorded in the period in which they occur and become known.

NOTE 2: REVENUE

The activities of Agilyx are considered to include one segment only. No sales were recognized in the parent company Agilyx AS in 2020.	
Geographical distribution of revenues	Group
Europe	774,600
USA	2,097,750
APAC	1,331,326
Other	132,475
Total sales by customers location	4,336,151
Product category	
Project development	2,049,600
License fees	2,154,076
Sale of goods	132,475
Total sales by category	4,336,151

NOTE 3: OPERATION EXPENSES

Agilyx presents the operating expenses by function in the profit and loss statement. Below are the total operating expenses presented by type. The parent company’s operating expenses including fees related to its function as parent.		
Operating expenses by nature	Group	Parent
Raw materials and consumables	686,885	-
Salaries and related costs	5,326,657	-
Depreciation and amortization	217,131	-
Other operating expenses	4,797,518	384,988
Total expenses	11,028,191	384,988

NOTE 4: INTANGIBLES

Intangible assets include the following contracts	Licensed technology	Exclusivity license	Total
Balance, January 01, 2020	-	-	-
Additions at cost from Agilyx Corporation	3,575,000	1,188,378	4,763,378
Prior periods accumulated amortization	7,448	-	7,448
Amortization 2020	178,750	-	178,750
Accumulated amortization at December 31, 2020	186,198	-	186,198
Balance, December 31, 2020	3,388,802	1,188,378	4,577,180
Economic life	20	4	-

As Agilyx AS was formed in January 2020, the values at cost at year end 2019 in Agilyx Corporation are presented as Additions at cost from Agilyx Corp. The amortisation related to the additions for the corresponding periods are presented as prior periods accumulated amortisation.

In December 2019, the Company entered into an agreement to purchase technology under a licence contract. The purchase price of the technology was \$3,575,000, and it is being amortized on a straight-line basis over the estimated life of the technology through December 2039. Amortization expense under the license agreement totaled \$178,750 for the year ended 2020.

In December 2019, the Company entered into a Technology Transfer and License Agreement with another vendor to develop customized artificial intelligence models (“AI Models”) and products relating to feedstock management and operating assets optimization. Amortisation of the contract will start when the deliveries under the contract are completed and in service.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT			
	Leasehold improvements	Machinery and equipment	Total
At cost January 01, 2020	-	-	-
Additions at cost from prior periods	215,327	261,984	477,311
Additions 2020	12,161	251,283	263,444
At cost December 31, 2020	227,488	513,267	740,755
Accumulated depreciation prior periods	215,327	137,759	353,086
Depreciation for the year	2,674	35,706	38,381
Accumulated depreciation December 31, 2020	218,001	173,464	391,466
Net book value December 31, 2020	9,487	339,801	349,288
Economic life	Contract period	3-20 years	

As Agilyx AS was formed as a group in January 2020, the values at cost at year end 2019 in the 100% owned subsidiary Agilyx Corporation are presented as additions at cost from prior periods. The depreciation related to the additions for the corresponding prior periods are presented as accumulated depreciation prior periods.

Machinery and equipment include computers, furniture, fixtures and other equipment. Leasehold improvements relates to the lease of facilities in the USA, which expires in 2024. All tangible assets are depreciated on a straight line basis over the expected useful life.

The Group leases office space in Oregon and New Hampshire, USA. Total annual lease commitments amount to approximately \$0.3 million. The lease contracts expire in the period of March 2023 to April 2024.

NOTE 6: INVESTMENT IN JOINT VENTURE	
Agilyx Corporation holds a 50% interest in Regenyx LLC. Regenyx was formed in April 2019.	
Calculation of balance sheet value December 31, 2020	
Share of equity at inversion	1,603,509
Share of result for the year	-3,248,453
Paid in to joint venture	3,253,790
Balance sheet value December 30, 2020	1,608,846

For the first 24 months after formation of Regenyx LLC, Agilyx is solely responsible for funding its operations.

NOTE 7: SALARY AND SOCIAL COSTS	
	Group
Salaries	3,636,264
Social security and payroll tax costs	386,828
Stock based compensation	174,875
Pension costs	28,341
Benefits and other expenses	1,100,349
Total salaries	5,326,657
Number of average full-time employees	53

Agilyx GmbH, Switzerland has a mandatory pension arrangement for all employees through a state-run system. The arrangement is 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.

There were no employees in 2020 in the parent Company Agilyx AS.

Directors remuneration			
	Salary	Other benefits	Total
Timothy Stedman, CEO	222,264	3,670	225,934
Board of Directors	54,339	-	54,339

The CEO's salary and benefits is related to the period from August 2020 when he was appointed CEO. The CEO receives his salary from Agilyx GmbH, Switzerland. The previous CEO received a total of \$363,262 for the period January to August 2020 that was paid out of Agilyx Corp.

Timothy Stedman has a severance agreement whereby he will receive 100% pay for six months for termination by the Company without cause.

Remuneration to auditor			
	Group		
	Previous auditor	Current auditor	Parent
Audit fees	48,711	41,763	11,998
Other certification services	-	7,122	7,122
Non-audit services	26,935	21,606	21,606
Total fees	75,646	70,491	40,726

NOTE 8: WARRANTS			
The Company has granted warrants in connection with various debt and equity issuances. The following table reflects the total of outstanding warrants as of December 31, 2020 that are exercisable into common stock.			
Common stock warrants	# of common shares	Exercise price per share	Expiration
Common stock warrants converted to subscription rights	2,884,700	1.00	2020-2024
Common stock warrants associated with the Technology License and Transfer Agreement	1,652	0.00	December 2025
Total	2,886,352		

NOTE 9: STOCK OPTION PLAN				
Stock option plan		Stock option activity		
	Number of shares	Weighted average exercise price	Weighted average contractual term (years)	Aggregate intrinsic value
Balance, December 31, 2019	7,838,000	\$0.06	6.2	-
Share authorized	-	-	-	-
Options granted	6,179,700	1.42	-	-
Options exercised	-1,390,800	0.06	-	-
Options forfeited/expired	-444,500	0.06	-	-
Balance, December 31, 2020	12,182,400	\$0.75	8.39	50,556,190

Options vested and expected to vest at December 31, 2020	12,182,400	\$0.75	8.39	50,556,190
Options exercisable	5,060,075	\$0.06	6.97	24,462,457
Intrinsic value of options exercised during the period	-	-	All options were exercised out-of-the-money	

Shares (options) authorized in pool	
2020 plan	15,000,000
Granted (net of forfeitures) life-to-date	-7,838,000
Shares granted	-6,179,700
Forfeitures/expirations	444,500
Options available at December 31, 2020	1,426,800

The 2020 plan became effective as of June 4, 2020. Prior to this date, Agilyx Corporation had implemented a 2009 Stock Incentive plan. The 2009 plan was considered null and void after the effective date of the 2020 plan, but was replaced with new options in the new plan. The total number of shares that may be issued under this plan is 15,000,000. If an option expires, terminates or is cancelled, the unissued shares subject to that option shall again be available under the plan.

NOTE 10: SHAREHOLDERS

Shareholders as of December 31, 2020 and shares held by the CEO and members of the Board of Directors.
Ordinary shares include 74,902,500 shares at par value NOK 0.01.

Shareholders	Number of shares	Ownership
Citibank, N.A.	38,440,500	51.3 %
SIX SIS AG	6,350,574	8.5 %
Merrill Lynch	3,642,400	4.9 %
Clearstream Banking S.A	2,808,002	3.7 %
Sundt AS	2,156,700	2.9 %
MP Pensjon PK	1,946,200	2.6 %
DNB Markets	1,455,522	1.9 %
BNP Paribas	1,423,988	1.9 %
Delphi Nordic	1,308,406	1.7 %
Citibank, N.A.	806,200	1.1 %
Others	14,564,008	19.4 %
Total	74,902,500	100.0%

Shares and options held by the CEO and members of the Board of Directors

Name	Title	Options / Shares	Note
Timothy Stedman	CEO	2,931,100	1)
Joe Vaillancourt	Former CEO, member of the Board	1,877,700	2)
Ranjeet Bhatia	Member of the Board	67,700	3)
Preben Rasch-Olsen	Member of the Board	166,800	4)
Peter Norris	Member of the Board	140,700	5)
William Caesar	Member of the Board	25,300	6)

- 1) The CEO has received 2,893,900 options to purchase shares as a part of the total compensation package. The excercise price for each share was \$1.06 as of December 31, 2020. Mr. Stedman also controls 37,200 shares.
- 2) Mr. Vaillancourt was the former CEO and is a member of the Board. He has 1,877,700 options to purchase shares at an exercise price of \$0.06 per share.
- 3) Mr. Bhatia is a member of the Board and is also a managing partner at Saffron Hill Ventures and controls 67,700 shares.
- 4) Mr. Rasch-Olsen is a member of the Board, represents Rasche Investeringer and controls 166,800 shares.
- 5) Mr. Norris is chair of the Board, represents Vigin Group Holdings Limited and controls 140,700 shares.
- 6) Mr. Caesar is a member of the Board, represents Generate Capital and controls 25,300 shares.

NOTE 11: SHARES IN SUBSIDIARIES					
Agilyx AS has the following shares in subsidiaries as of December 31, 2020.					
Subsidiary	Office	Share	Voting rights	Equity	Book value
Agilyx Corporation	Oregon, USA	100%	100%	5,669,990	59,835,954
Agilyx GmbH	Zurich, Switzerland	100%	100%	-510,857	163,005
Cyclyx Intl., LLC	New Hampshire, USA	75%	75%	7,999,874	-
					59,998,959

Related Party Transactions:
Group level — There were no transactions with related parties at the group level in 2020.

Parent level — The parent company, Agilyx AS, has an intercompany payable of \$224,773 to Agilyx Corporation and \$134,321 payable to Agilyx GmbH. These intergroup payables represent operating and management costs incurred and/or paid at the subsidiary and subsequently recharged to the parent.

Subsidiary Information:
Agilyx Corp — Agilyx Corp was formed in 2004 in Oregon, USA. Agilyx Corporation became a subsidiary of Agilyx AS by way of a share inversion that took place in January 2020. The share inversion effectively converted all the shares of Agilyx Corporation into shares of Agilyx AS.

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

Cyclyx International, LLC — Cyclyx International, LLC is a partnership officially formed in the state of Delaware, USA in December 2020. The partnership was formed with ExxonMobil Chemical Corporation (“EMCC”) to develop low-cost pathways to recycle plastics. EMCC contributed operational funds while Agilyx Corporation contributed technology and know-how that was not revalued due to consolidation within the group accounts.

NOTE 12: EQUITY						
Group equity	Common stock	Share premium	Additional paid-in capital	Other equity	Minority	Total
Balance, January 01, 2020	3,407	-	-	-	-	3,407
Reduction of common stock	-3,407	-	-	-	-	-3,407
Capital increase by inversion ¹	51,945	48,557,886	-	-47,239,952	-	1,369,879
Proceed from stock offering at time of inversion	11,506	10,758,277	-	-	-	10,769,783
Costs related to stock offering	-	-646,398	-	-	-	-646,398
Proceeds from stock offering pre-listing	17,529	31,464,308	-	-	-	31,481,837
Costs related to stock offering	-	-1,888,910	-	-	-	-1,888,910
Proceeds from exercise of stock options	2,385	83,751	-	-	-	86,136
Payment made from minority in Cyclyx International, LLC	-	-	-	6,000,000	2,000,000	8,000,000
Share option adjustment	-	-	174,875	-	-	174,875
Net result for the year	-	-	-	-10,136,098	-	-10,136,098
Balance, December 31, 2020	83,365	88,328,914	174,875	-51,376,050	2,000,000	39,211,104

1 The shares in Agilyx Corporation were used for capital increase in the parent company at the inversion. The shares were at the time valued to \$48,609,831. In the consolidated statements, this is treated as an inverse acquisition. Assets and liabilities in the subsidiary are therefore not valued to fair value, but are carried at book value in the consolidated accounts. Net book value of Agilyx Corporation was \$1,369,879 at the time of inversion.

Parent Equity	Common stock	Share premium	Additional paid-in capital	Other equity	Total
Balance, January 01, 2020	3,407	-	-	-	3,407
Reduction of common stock	-3,407	-	-	-	-3,407
Capital increase by inversion	51,945	48,557,886	-	-	48,609,831
Proceed from stock offering at time of inversion	11,506	10,758,277	-	-	10,769,783
Costs related to stock offering	-	-646,398	-	-	-646,398
Proceeds from stock offering pre-listing	17,529	31,464,308	-	-	31,481,837
Costs related to stock offering	-	-1,888,910	-	-	-1,888,910
Proceeds from exercise of stock options	2,385	83,751	-	-	86,136
Share option adjustment	-	-	174,875	-	174,875
Net result for the year	-	-	-	-297,956	-297,956
Balance, December 31, 2020	83,365	88,328,914	174,875	-297,956	88,289,198

NOTE 13: INCOME TAXES

Components of income tax expense
There was no provision for income taxes recorded at both the parent and group level for the year ended December 31, 2020.

Basis for income tax expense	Parent 2020	Group 2020
Result before taxes	-297,256	-10,136,098
Issue costs shares	-2,535,308	-2,535,308
State benefit	-	-8,618
Permanent differences	-	456,995
Changes in temporary differences	-	-615,174
Basis for payable taxes in the income statement	-2,832,564	-12,838,203

Deferred tax asset		
Loss carried forward	623,164	35,760,104
Research and other credits	-	2,538,872
Reserves and accruals	-	6,510
Other	-	336
Total deferred tax assets	623,164	38,305,822

Deferred tax liabilities		
Other intangibles	-	-35,531
Fixed assets	-	-20,121
Prepayments	-	-31,999
Investment in partnership	-	-183,239
Total deferred tax liabilities	-	-270,890

Net deferred tax assets	623,164	38,034,932
Recognized deferred tax assest	-	-

Tax rate	22%	-
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Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Net deferred tax assets totaled \$38,034,932 and in Norway \$623,164, all of which is fully reserved for.

As of December 31, 2020, net operating loss for federal income tax purposes in the USA is approximately \$141.9 million, portions of which will begin to expire in 2029. Total state net operating loss carryforward in USA of approximately \$69.6 million, which will begin to expire in 2032. Utilization of some of the federal and state net operating loss and credit carryforwards are subject to annual limitations due to the “change of ownership” provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitations may result in the expiration of net operating losses and credits before utilization. As of the date of the report, such an analysis is still under preparation.

Agilyx Corporation also has federal research credits for approximately \$1.8 million, which will begin to expire in 2029 and state research credits of approximately \$0.7 million which will expire in 2022. These tax credits are subject to the same limitations discussed above.

Losses carried forward in Norway as of December 31, 2020 of approximately \$2.8 million have no expiration date.

NOTE 14: LONG-TERM NOTES AND OTHER LONG-TERM LIABILITIES

	Group
Long-term notes	875,000
Accrued interest	250,060
Exclusivitiy license agreement	225,000
Project liabilities	61,779
Computer leases	54,252
Total other long-term liabilities	591,091

The notes payable is related to financing of a licence agreement and matures in 2022.

The current portion of the notes payable amounts to \$1,995,443 and is classified as current liabilities.

The agreed interest rate over the period is 8% p.a.

NOTE 15: DEFERRED REVENUE

The Company’s deferred revenue balance at December 31, 2020 was \$1,896,848. This balance represents billings in excess of revenue recognized on project related activities that are recognized on a percent complete basis. The Company has classified this amount as current as it expects to recognize the revenues over the next twelve months. An accounting for the year is as follows:	
Balance at inversion	2,887,800
Billings deferred	3,212,724
Revenue recognized	-4,203,676
Ending balance as of December 31, 2020	1,896,848

NOTE 16: EVENTS AFTER BALANCE SHEET DAY

There are no significant events after balance sheet date.



RSM Norge AS

Hilipsrud Brygge 1, 0252 Oslo
Pb 1312 Vikta, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

To the General Meeting of Agilyx AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agilyx AS showing a loss of USD 297 956 in the financial statements of the parent company and loss of USD 10 136 098 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Agilyx AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Agilyx AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av RSM Norge Revisorsforening.



Independent Auditor's Report 2020 for Agilyx AS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 20 April 2021
RSM Norge AS


Cecilie Tronstad
State Authorised Public Accountant

