



**Q2 2020**

# A new era - ArcticZymes Technologies

## Our Vision

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

## Our Mission

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



# Agenda

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Chapter 1

# Highlights



# Highlights Q2 2020

Strong underlying growth with corona upsides

Group Q2 EBITDA  
NOK 27.2 mill.  
(-0.5)

ArcticZymes  
Coronavirus  
related upsides  
in sales  
~NOK 11 mill.

Biotech  
BetaGlucans  
operating  
profitably

ArcticZymes  
Q2 sales  
NOK 33.4  
mill.(9.0)

Rebranded  
company to  
ArcticZymes  
Technologies



Chapter 2

# ArcticZymes update

# ArcticZymes Update

## Commercial Achievements

### ◆ Key attributors to quarterly growth



#### **Therapeutics** (Salt Active Nuclease)

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



#### **Covid-19 Upsides** (Multiple enzymes)

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

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





# ArcticZymes Update

## Innovation

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





Chapter 3

# BetaGlucans update

# Biotec BetaGlucans

Operating profitably



## Animal Health

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



## Consumer Health

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



## SBG® (Adjuvant)

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



## Woulgan®

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





Chapter 4

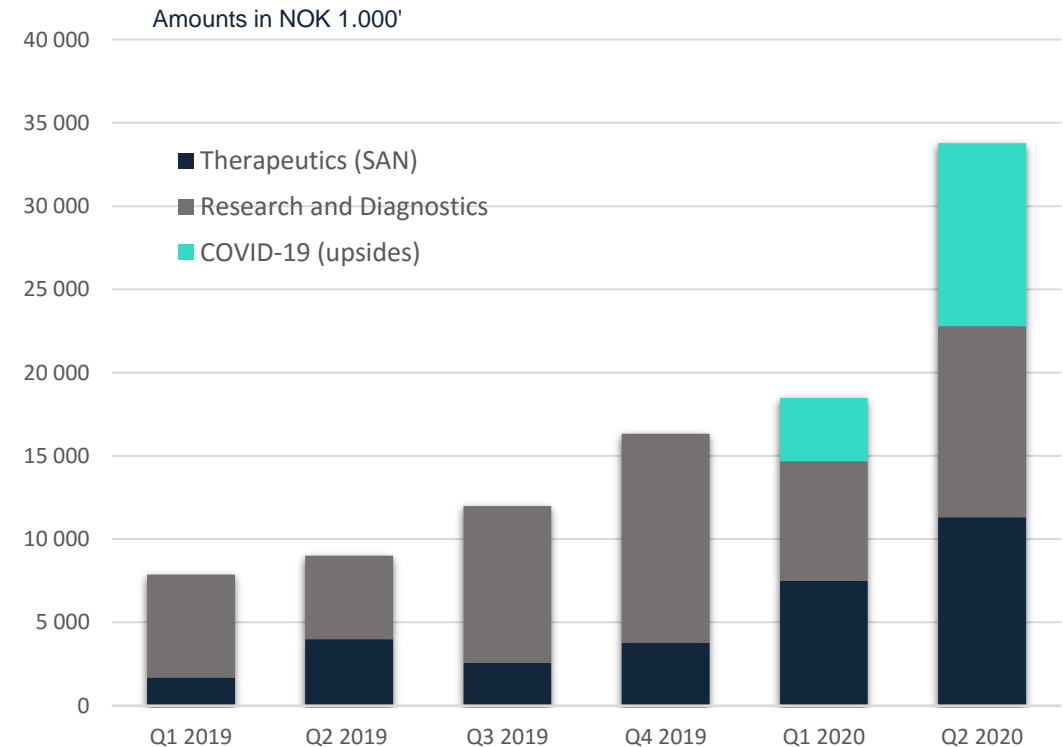
# Financials

# ArcticZymes Sales Q2 2020

COVID-19 upsides represents one third of sales

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

## Sales per segment

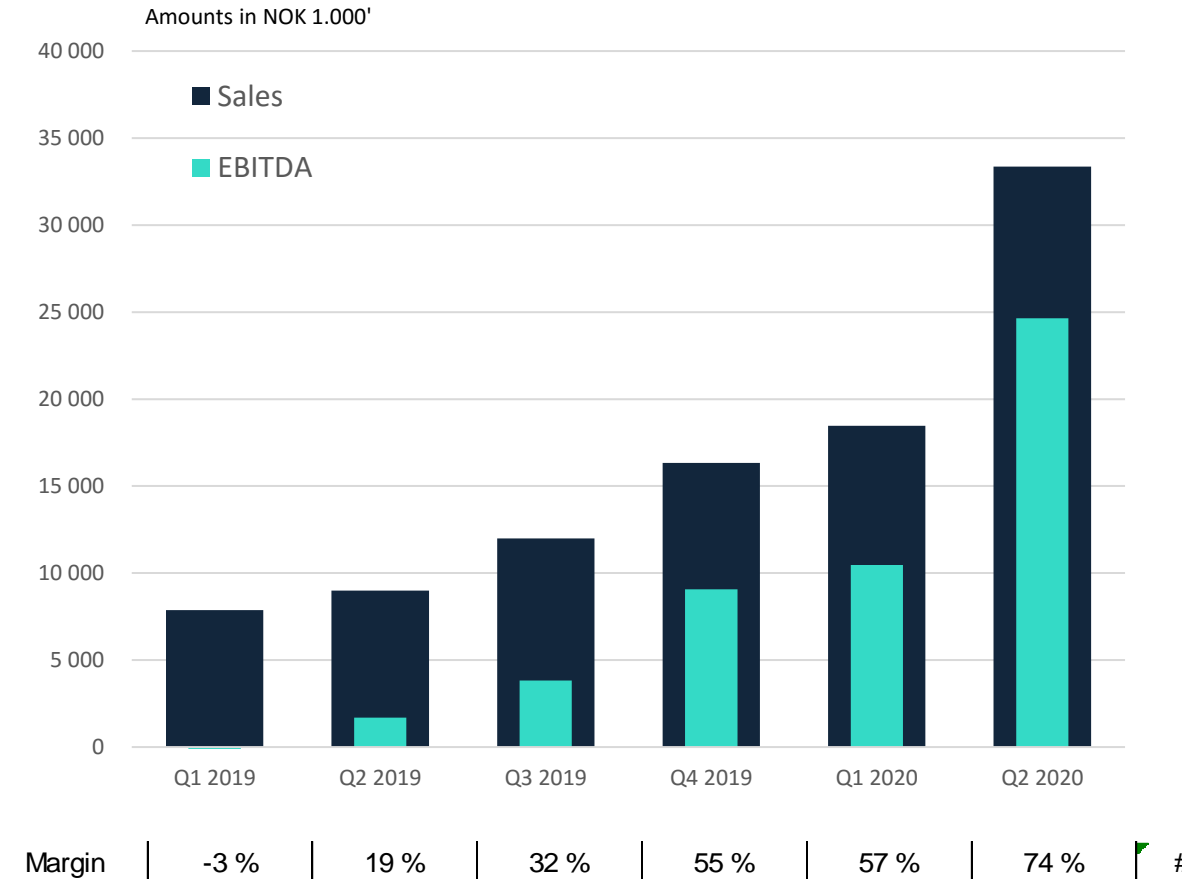




# ArcticZymes Performance

## Firing on all cylinders in Q2

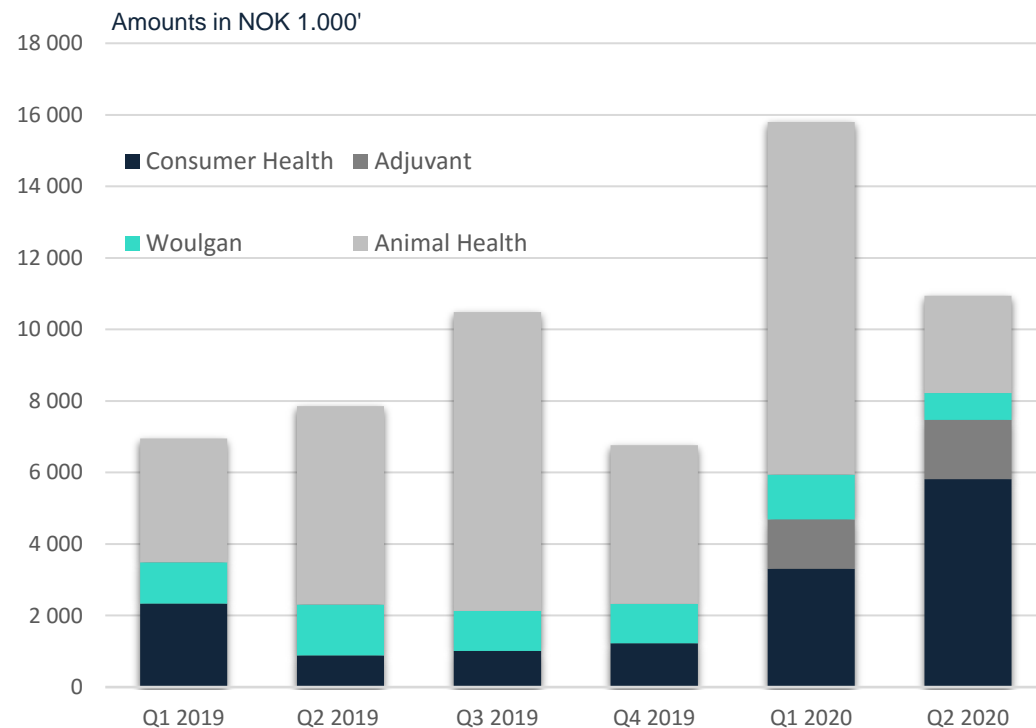
Enzymes	Q2		YTD	
(Amounts in NOK 1.000)	2020	2019	2020	2019
Sales revenues	33 373	9 002	51 848	16 871
Operating expenses	-8 810	-7 658	-17 992	-16 543
EBITDA	24 639	1 701	35 101	1 458



# BetaGlucans Sales Q2 2020

## COVID-19 impacts demand for M-Gard

### Sales per segment



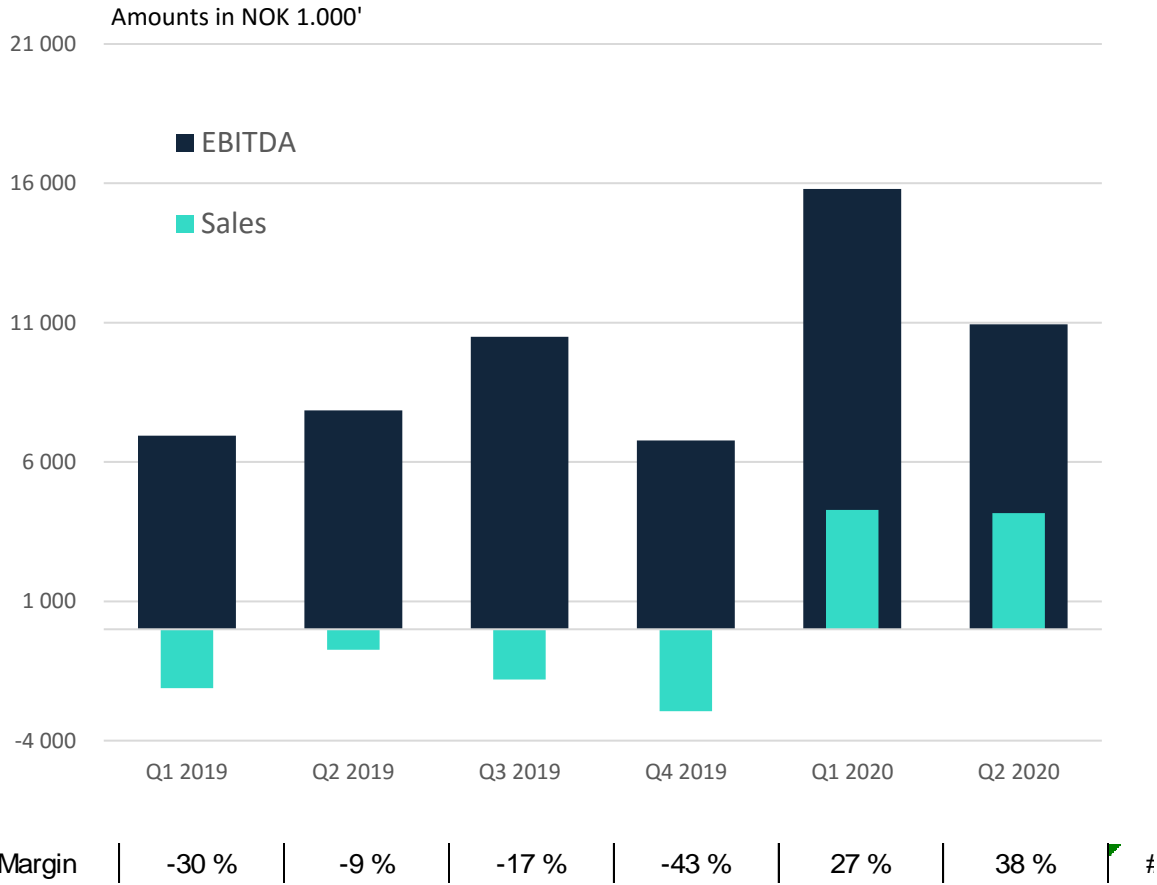
- ◆ Upsides in Consumer Health sales of M-Gard® related to COVID-19
- ◆ Animal Health will continue to fluctuate from quarter to quarter. Expects to be flat on annual basis
- ◆ Declining sales of Woulgan® as we are divesting the platform. Accounts for 0.8 MNOK in Q2. Slow down partially explained by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



# BetaGlucans Performance

Positive EBITDA for second straight quarter

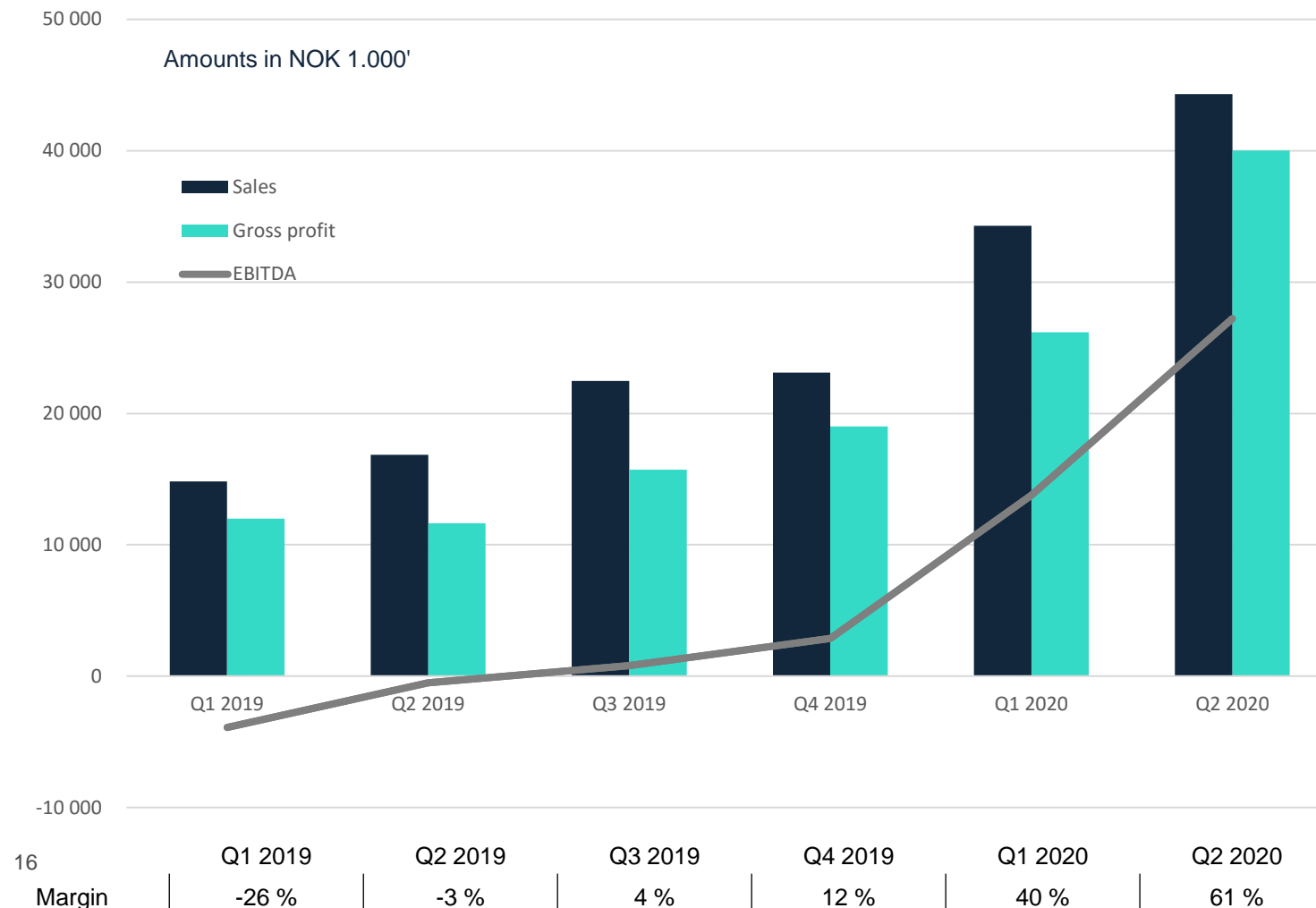
Enzymes <i>(Amounts in NOK 1.000)</i>	Q2		YTD	
	2020	2019	2020	2019
Sales revenues	10 947	7 851	26 745	14 798
Operating expenses	-2 938	-5 140	-6 457	-11 660
EBITDA	4 178	-737	8 458	-2 846



# ArcticZymes Technologies

## Sales growth in all the «right» areas

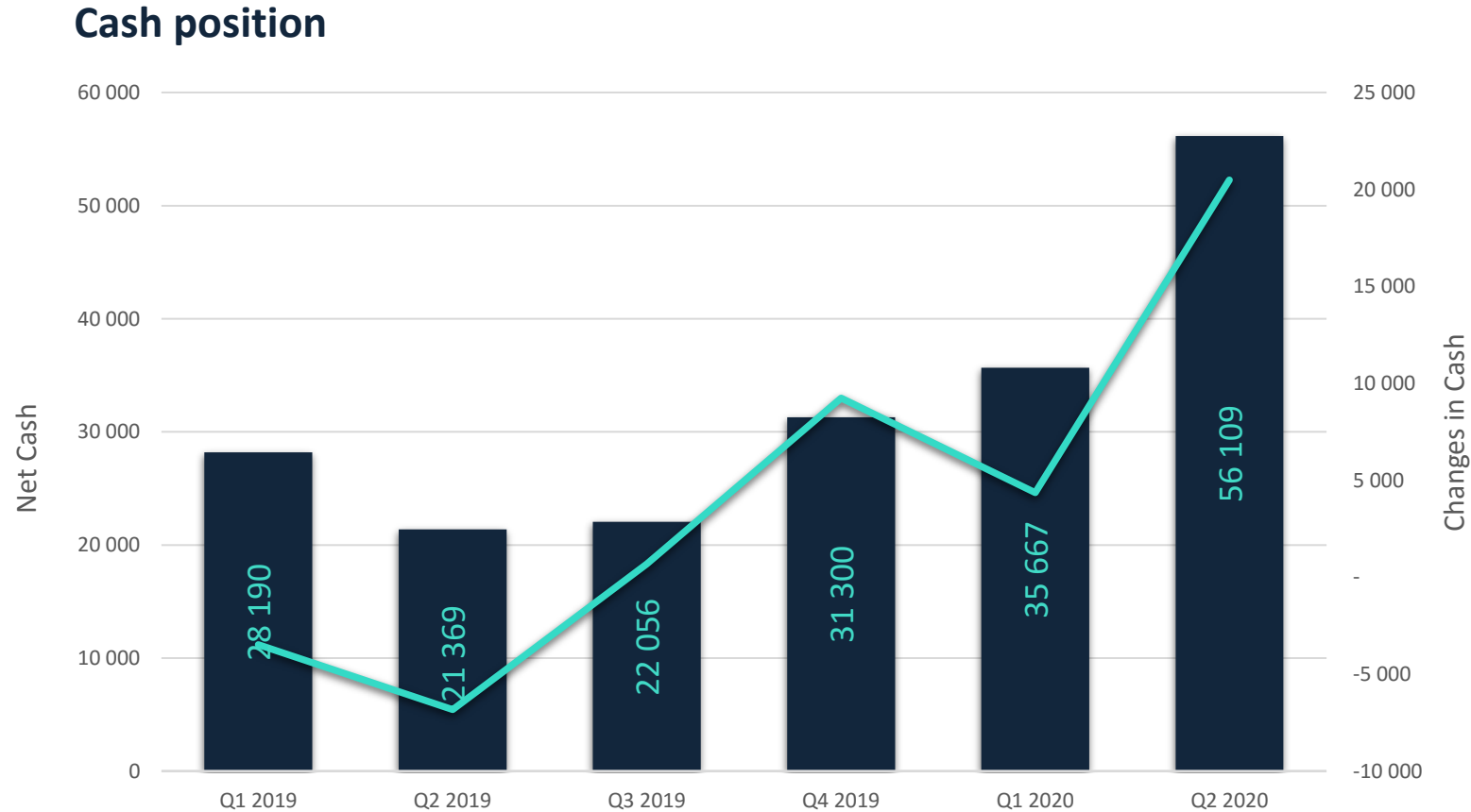
### Sales, Gross profit & EBITDA



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

# Cash Flow

Dictated by underlying growth in the business







Chapter 5

# Outlook

# Outlook

## Driving Strategic Growth & Profitability

### New Opportunities

Drive new opportunities that cement the foundation for 2021 and beyond

### Growth

Anticipate continued growth in the underlying business



### Profitability

Expect to deliver number 1 goal in achieving profitability during 2020

### Coronavirus Upsides

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





# Thank you!

[arcticzymes.com](http://arcticzymes.com)

