



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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**Highlights Q2 2020**

**ArcticZymes update**

**BetaGlucans update**

**Q2 Financials**

**Outlook**

The background image is a wide-angle photograph of a mountainous landscape at night. The mountains in the foreground and middle ground are heavily covered in snow. The sky is a deep blue, filled with numerous small white stars. A vibrant, multi-colored aurora borealis (Northern Lights) is visible, with bright green and blue streaks and patches. The calm water in the foreground reflects the light from the mountains and the sky. A large, solid teal-colored graphic shape is positioned in the lower-left corner of the slide.

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.

ArcticZymes  
Q2 sales  
NOK 33.4  
mill.(9.0)

Rebranded  
company to  
ArcticZymes  
Technologies

Biotec  
BetaGlucans  
operating  
profitably

The background image is a wide-angle photograph of a mountain range at night. The mountains are covered in snow and are illuminated from below, showing a warm glow. The sky is dark blue, filled with numerous stars. Two bright, vertical streaks of light, characteristic of the Aurora Borealis, are visible, one on the left and one on the right, both pointing upwards.

Chapter 2

# ArcticZymes update

# ArcticZymes Update

## Commercial Achievements

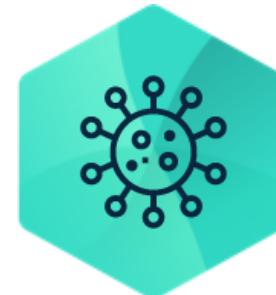
- Key contributors to quarterly growth



### 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

A wide-angle landscape photograph of a mountain range at night. The mountains are covered in snow and are reflected perfectly in the calm water in the foreground. The sky is a deep blue, filled with numerous stars. Two bright, vertical streaks of light, characteristic of the Aurora Borealis, are visible against the dark sky.

Chapter 3

# BetaGlucans update

# Biotec BetaGlcans

## 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 achieve 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

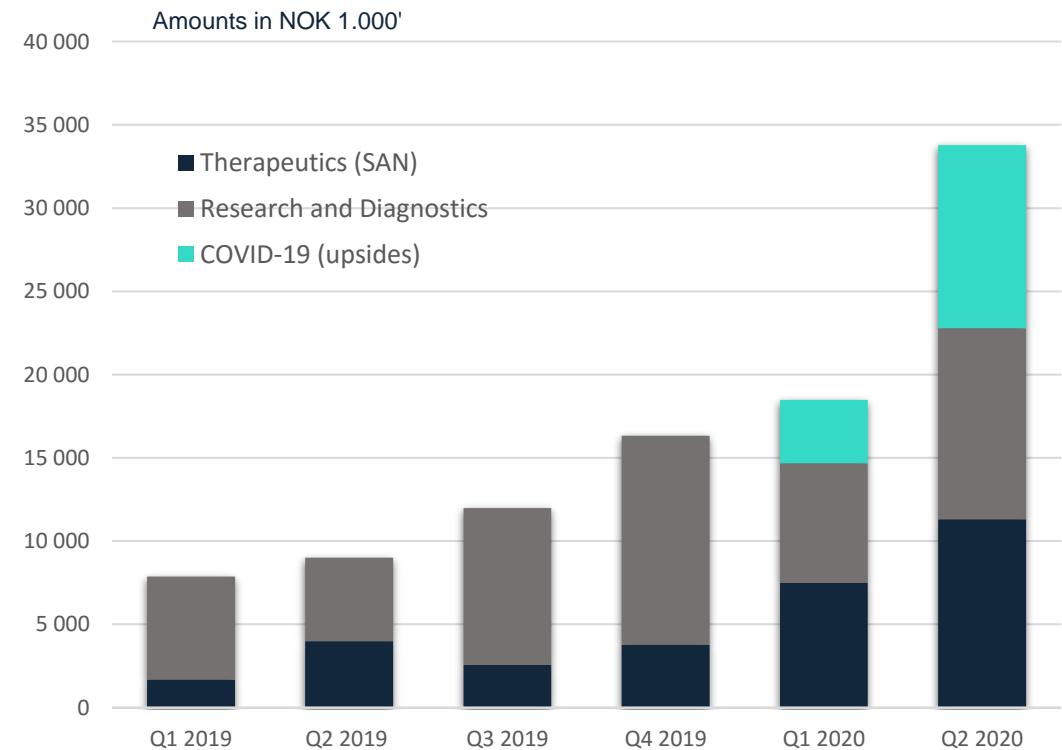
# Financials

# 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**



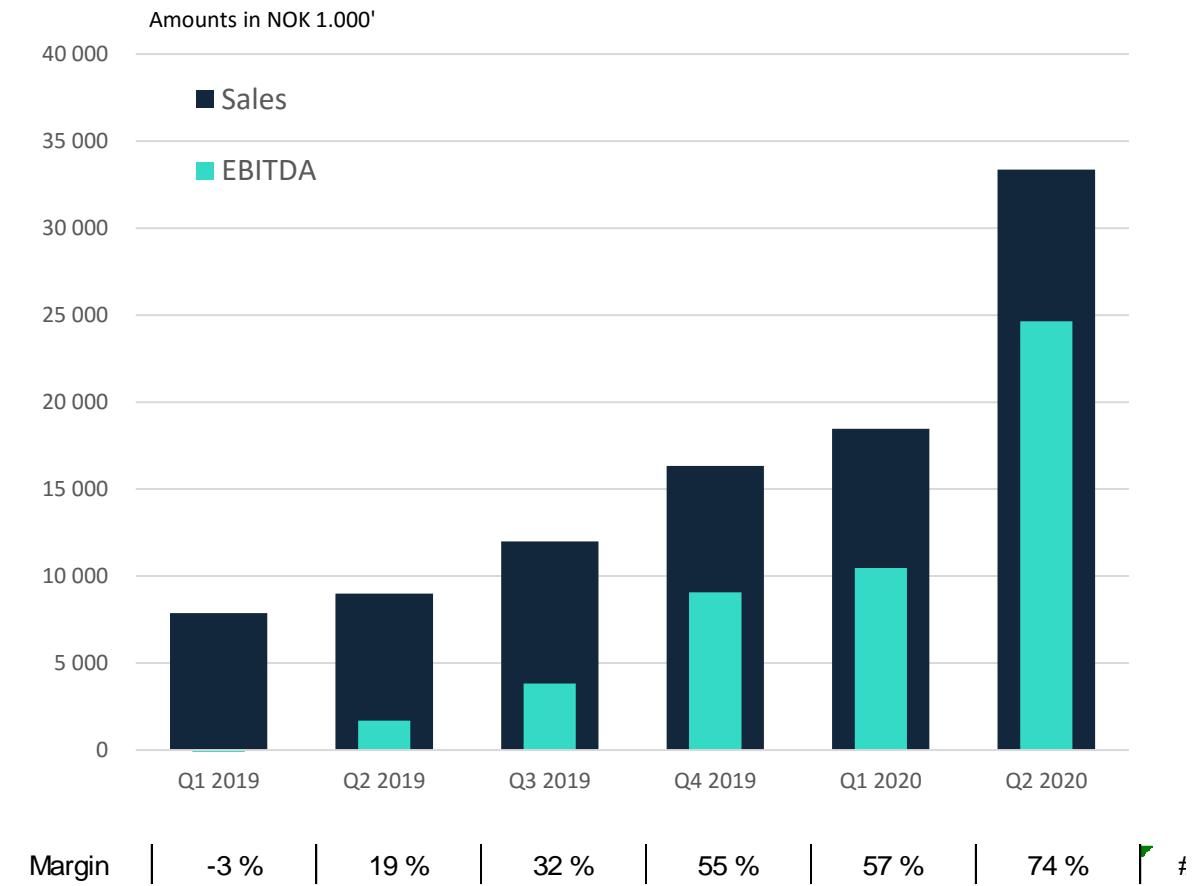
# ArcticZymes Performance

## Firing on all cylinders in Q2

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



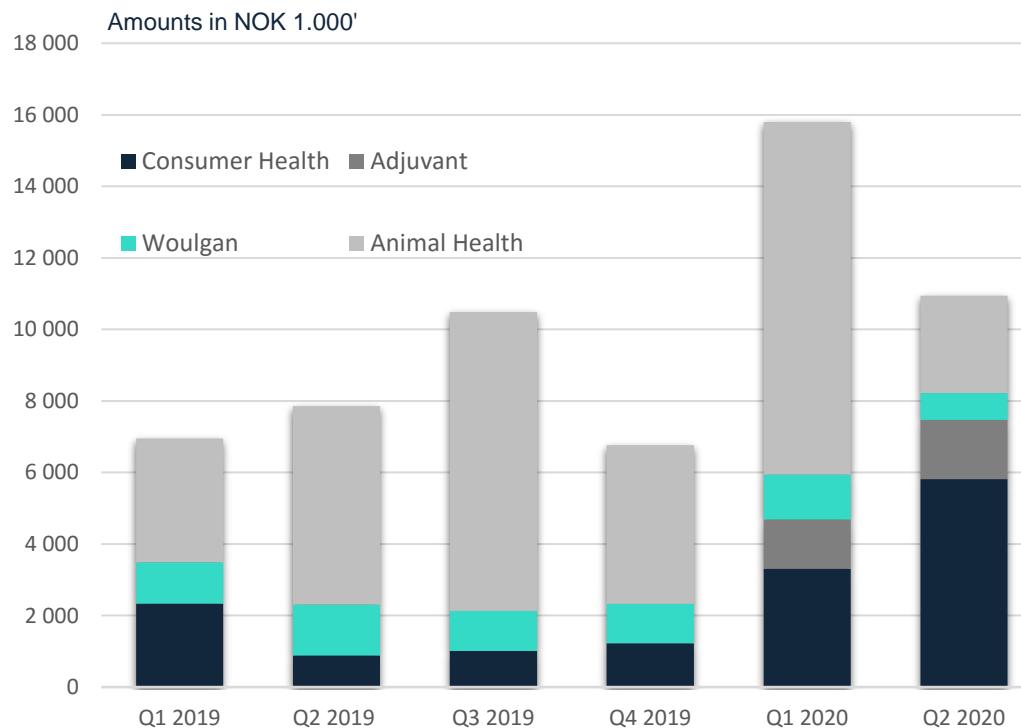
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# BetaGlucans Sales Q2 2020

## COVID-19 impacts demand for M-Gard

### Sales per segment

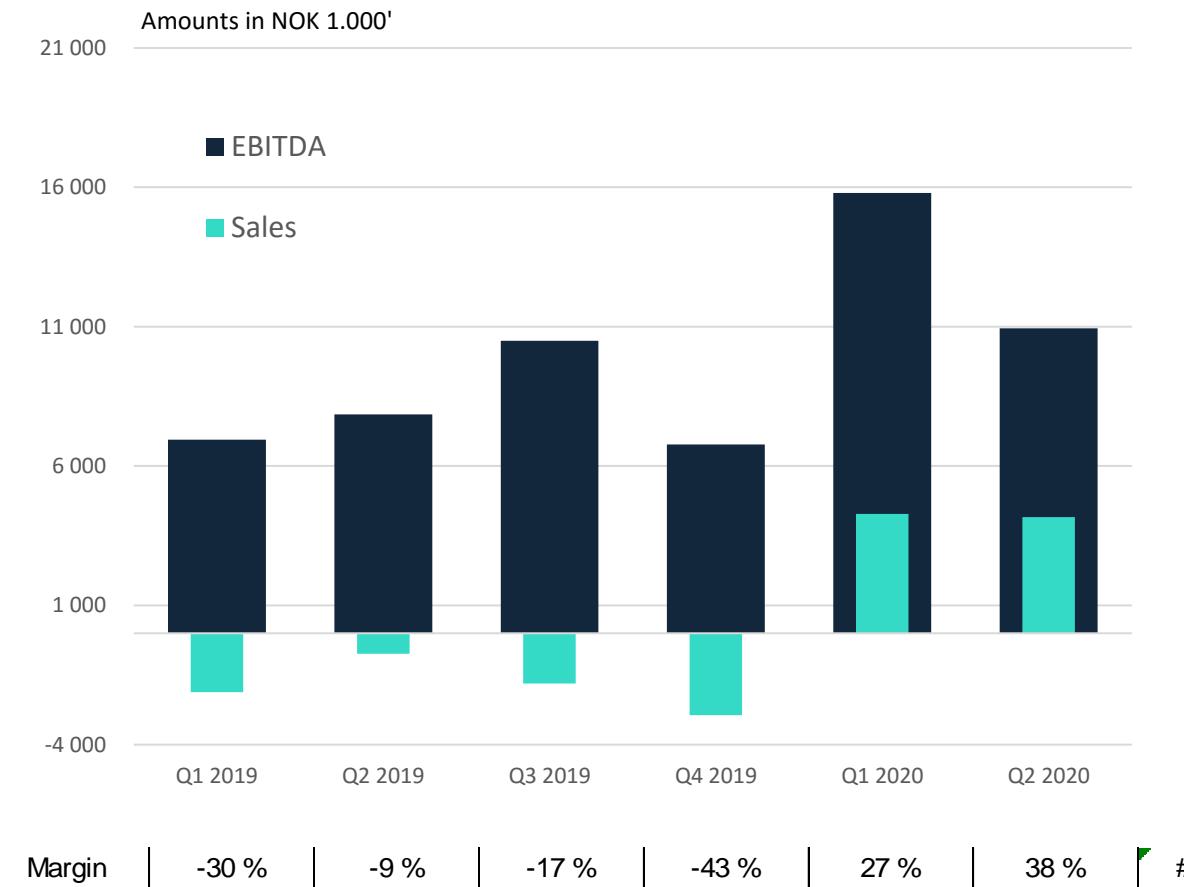


- Upsides in Consumer Health sales of M-Gard® related to COVID-19
- Animal Health will continue to fluctuate from quarter to quarter. Expects to be flat on annual basis
- Declining sales of Woulgan® as we are divesting the platform. Accounts for 0.8 MNOK in Q2. Slow down partially explained by COVID-19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

# BetaGlucans Performance

Positive EBITDA for second straight quarter

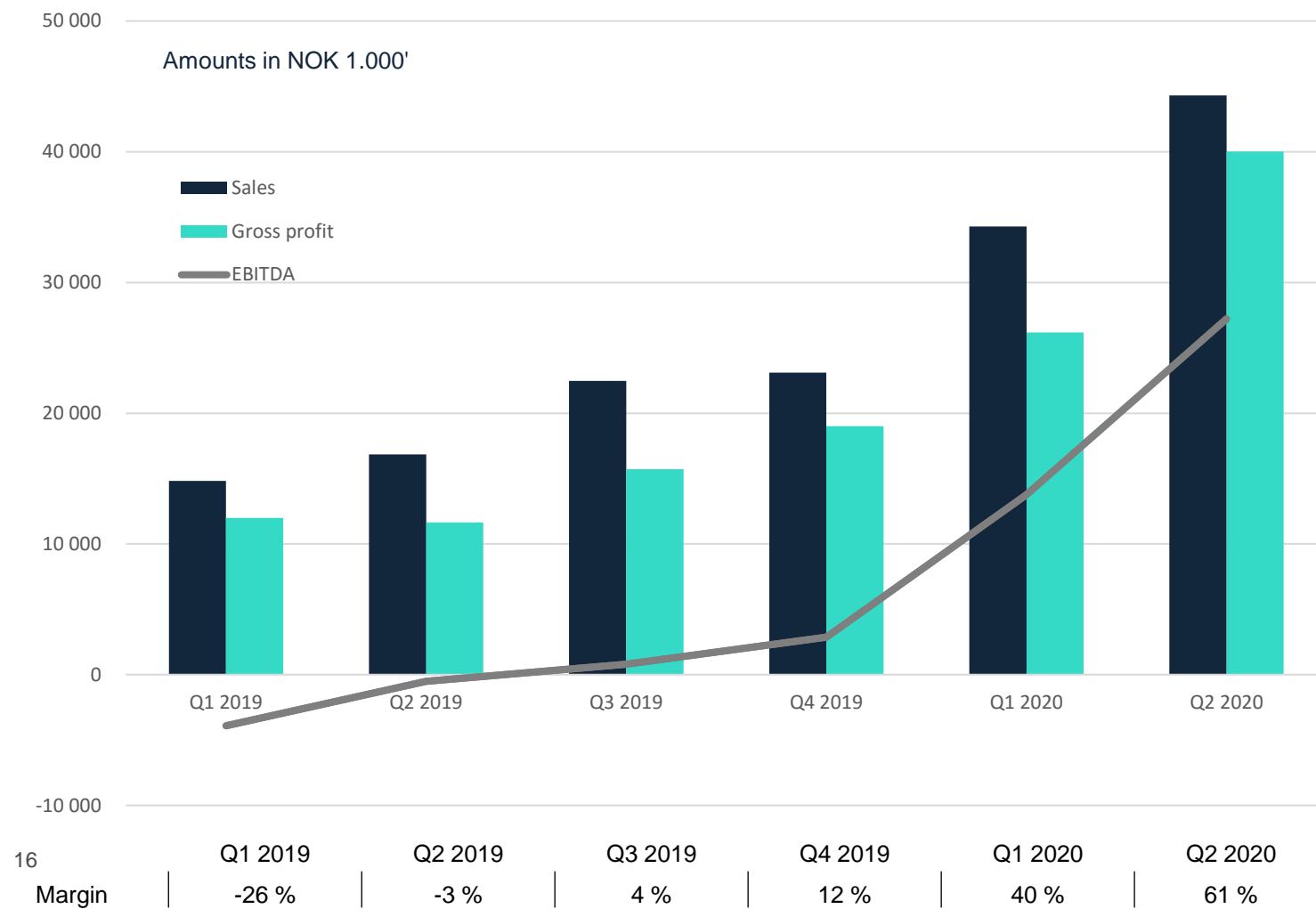
Enzymes (Amounts in NOK 1.000)	Q2		YTD	
	2020	2019	2020	2019
Sales revenues	10 947	7 851	26 745	14 798
Operating expenses	-2 938	-5 140	-6 457	-11 660
EBITDA	4 178	-737	8 458	-2 846



# ArcticZymes Technologies

## Sales growth in all the «right» areas

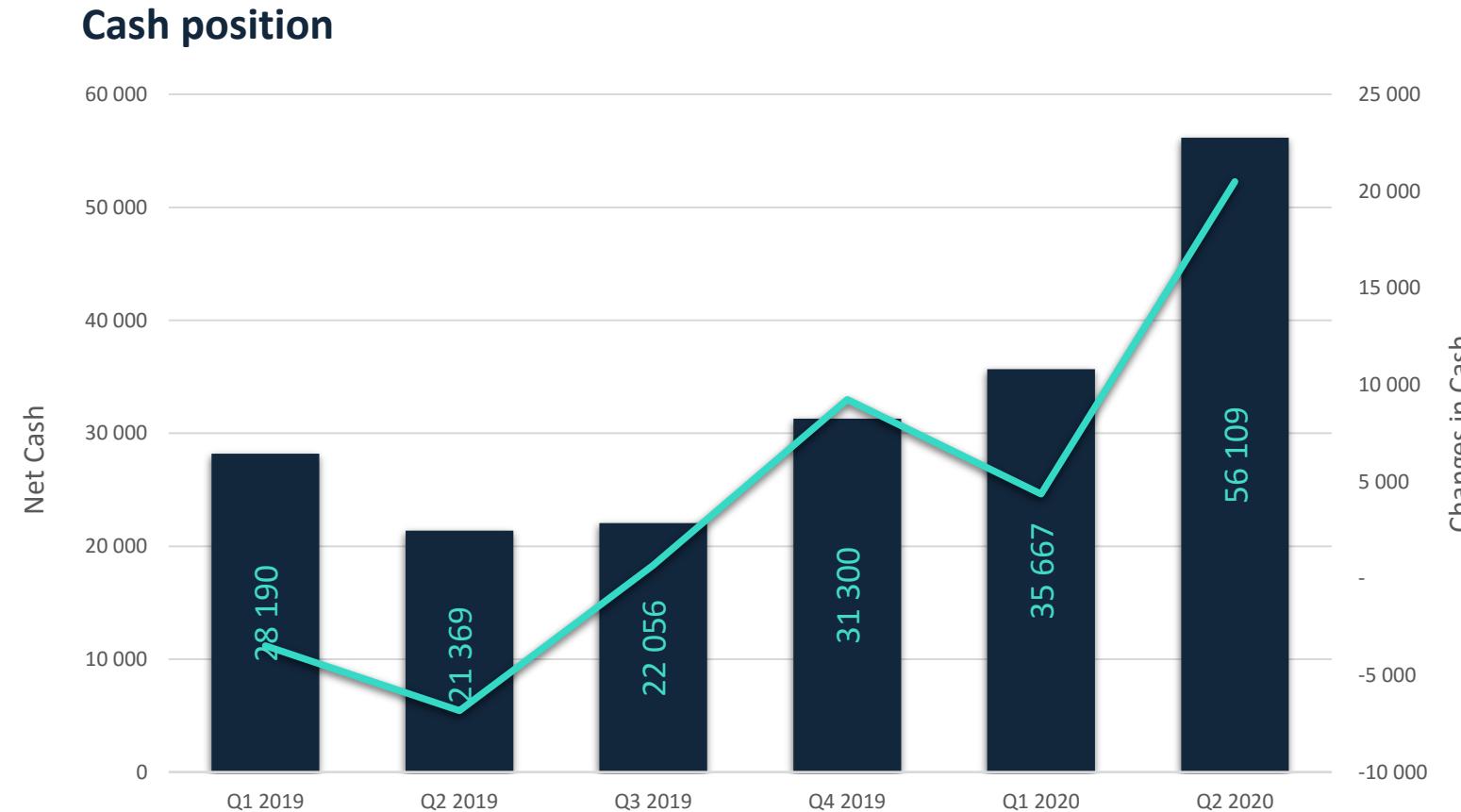
### Sales, Gross profit & EBITDA



- 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)

