



**Q1 2022**

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# Highlights

# Highlights Q1 2022

Achieved an outstanding quarterly performance

Highest quarterly sales ever  
**49.2 MNOK**

Best ever quarterly sales for  
Biomanufacturing  
and Molecular Tools

AZT expands  
activities into Oslo at  
ShareLab

Strong EBITDA  
performance  
**27.9 MNOK**

New OEM supply  
agreement with  
global License  
Science company



# **Business Update**

# Business Updates

## Commercial Sales



### Biomanufacturing

- ✓ Best-ever quarterly sales 18.8 MNOK
- ✓ Accounts for 38% of total Q1 sales
- ✓ Experiencing an upturn in sales following pandemic
- ✓ European sales improve and contribute 39% towards Q1 biomanufacturing sales
- ✓ Active discussions ongoing with numerous customers regarding RNA therapeutics - relates to existing enzymes and pipeline innovations



### Molecular Tools (Research & Diagnostics)

- ✓ Best-ever quarterly sales 30.4 MNOK
- ✓ Accounts for 62% of total Q1 sales
- ✓ Research and Diagnostics contribution to Q1 sales were 23% and 39%, respectively
- ✓ Research - rSAP attributed 50% towards Q1 sales
- ✓ Diagnostics - Cod UNG and dsDNase main drivers
- ✓ Covid-related sales remain and considered as established business

# Business Update

## Innovations

- Establishing a new applications laboratory at ShareLab in Oslo
  - ShareLab is a service platform provider of laboratory and office facilities to biotechnology companies
  - It will support application development activities to demonstrate the utility of AZT's enzymes in customer relevant workflows
  - It has strategic relevance to have part of AZT located at the heart of the Norwegian biotech industry
  - Dr. Darren Ellis has been hired to lead the activities at ShareLab and is currently recruiting two application scientists
- In Tromsø, the innovation pipeline is progressing with several products anticipated to be ready for launch in 2022 and first enzyme products for RNA therapeutic applications in 2023



# Business Update

## Operations

- New production facilities
  - Fully operational with all production processes transferred
  - Support all future manufacturing
- Customer audits
  - Three customers conducted cGMP audits of the Company and new production facilities
  - One of the audits was the first audit conducted following the pandemic
  - Part of a mandatory process customers must perform to qualify AZT as a critical component supplier



*New "common" fermentation room*



*Customer audit AZT as a trusted long-term supplier*

# Business Updates

## Strategic Growth Initiatives

- AZT remains committed to execute on its strategic growth initiatives
- **Organic growth**
  - Ongoing recruitment drive to strengthening the organisation cross functionally
  - Greater competences/support in quality and cGMP product development and commercialisation are demanded in order to leverage the future potential in biomanufacturing
- **Inorganic growth**
  - Continue to intensified activities towards acquisitions
  - Discussions with several earlier acquisition targets
  - New targets are under consideration following an expanded search effort





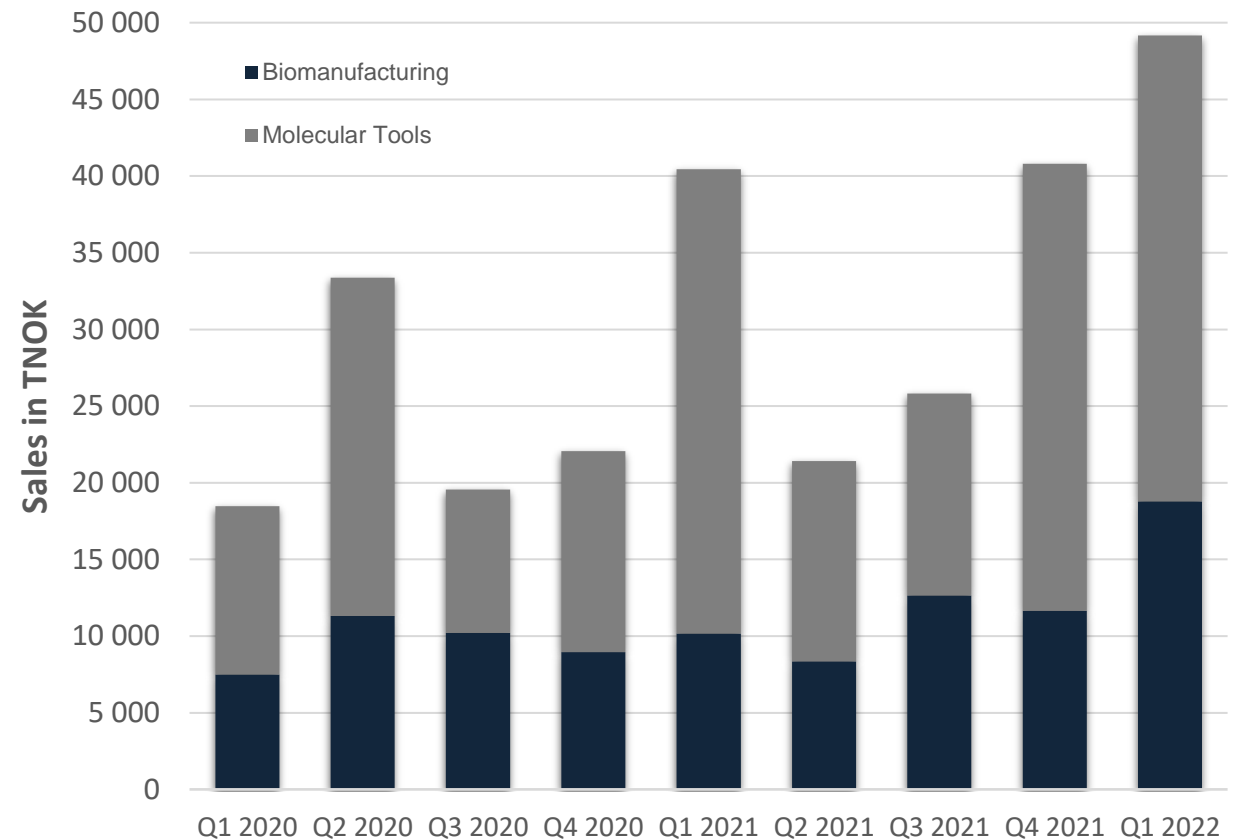
# Financials

# ArcticZymes Sales Q1 2022

Trend from last two years has changed

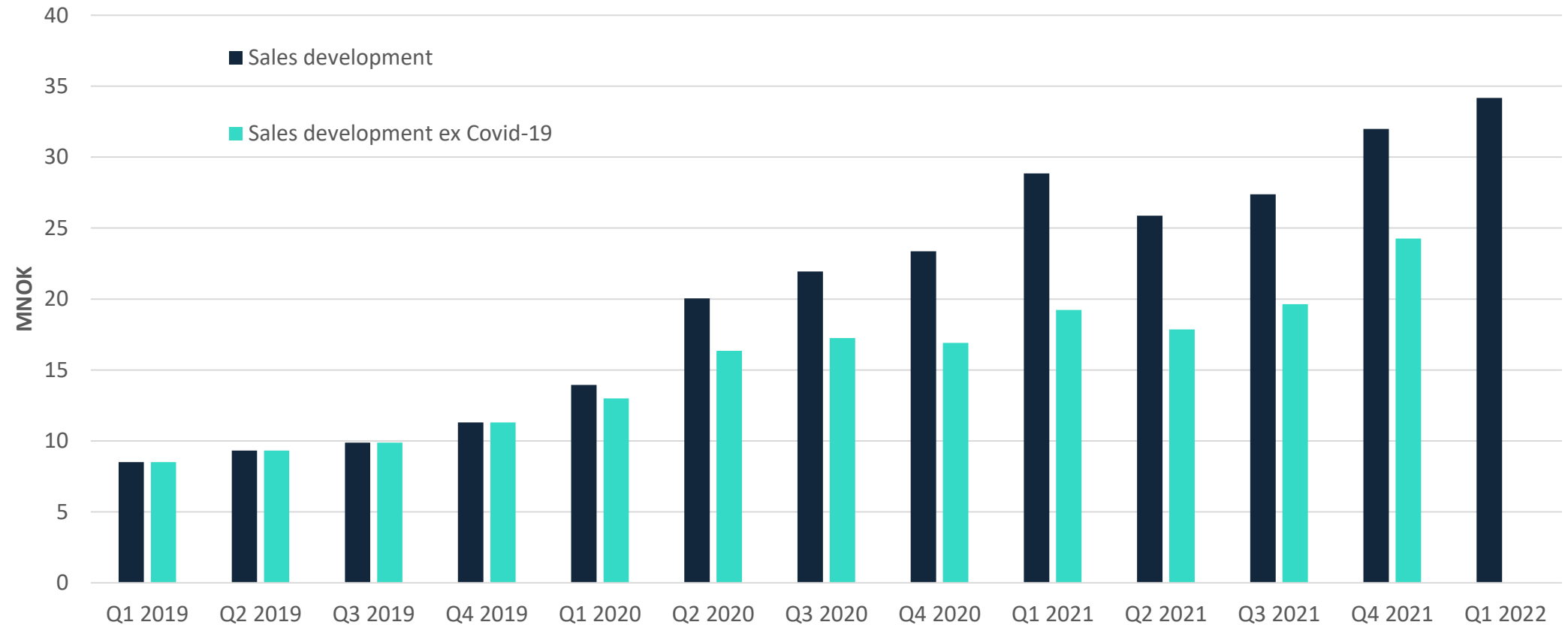
- Sales increase of 20 % compared to same quarter last year
  - Achieved 49.2 MNOK (40.9 MNOK)
- Currency had an estimated 0.6 MNOK positive impact on underlying sales growth
- Biomanufacturing (SAN)
  - 18.8 MNOK (10.2 MNOK)
  - Increase of 85% (8.6 MNOK)
- Molecular Tools (Research & Diagnostics)
  - 30.4 MNOK (30.3 MNOK)
  - Increase of 0.3% (0.1 MNOK)

Sales per commercial business



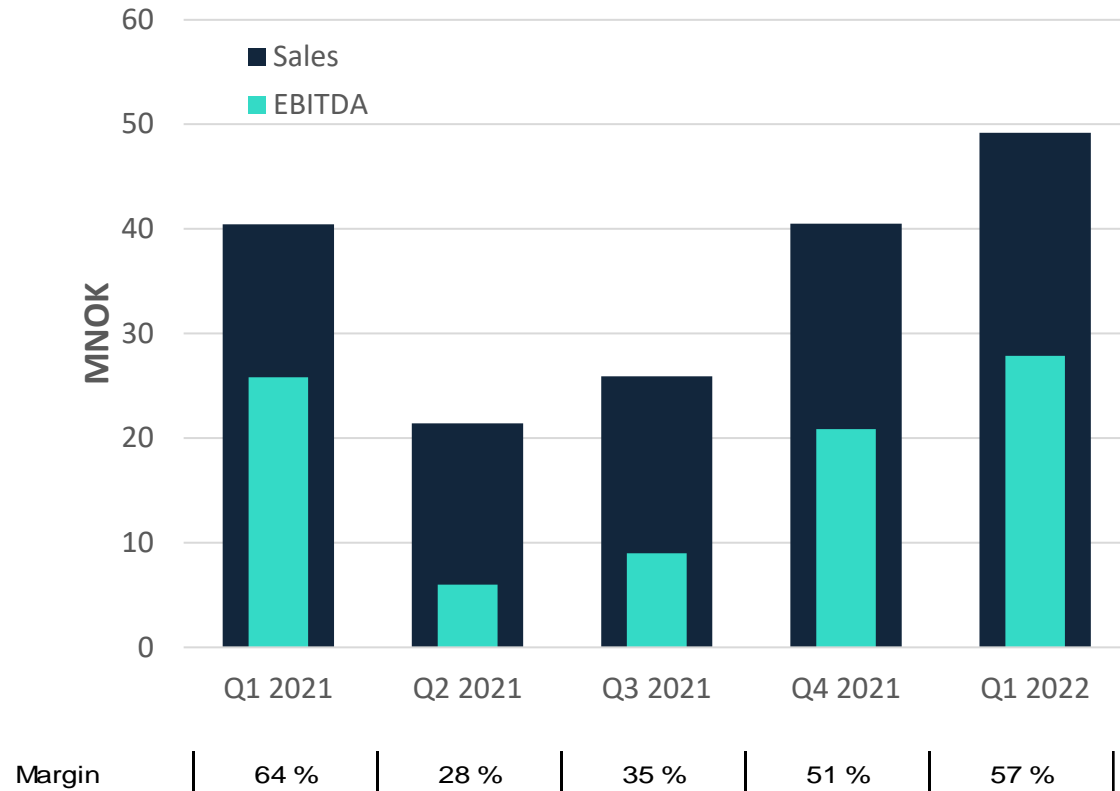
# 12 Month rolling average quarterly sales

Growth trend continues in 2022



# Profitability and expenses

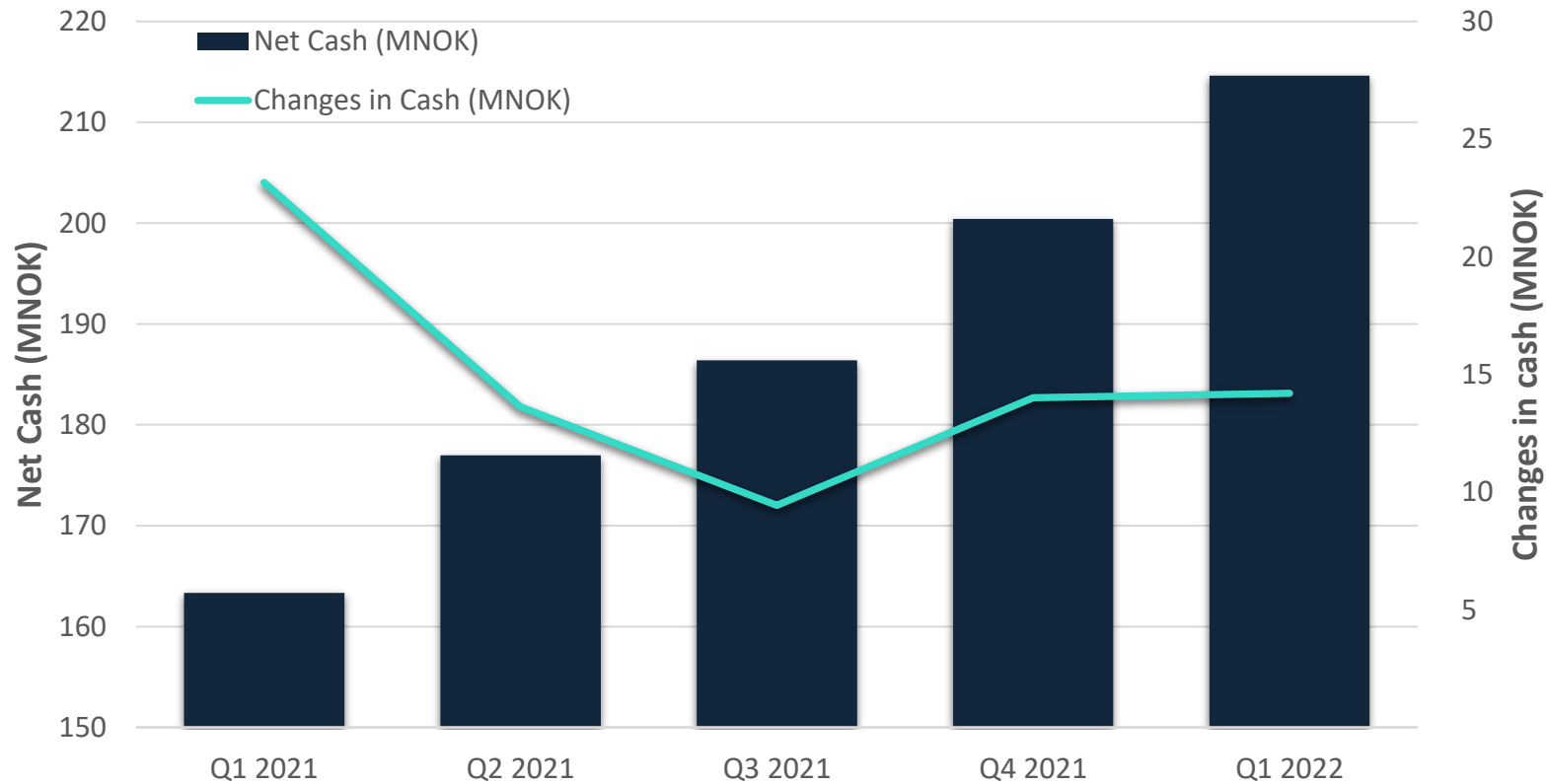
## Investments in organic growth influences our figures



- Quarterly Sales (MNOK 49.2 vs. 40.9)
- EBITDA increased by 2.1 MNOK (MNOK 27.9 vs 25.8)
- Expenses increased by 5.6 MNOK
  - Increase in personnel as we invest in organic growth
  - Increase in commercial activities
  - Cost of goods and inventory

# Cash Flow

14 MNOK in positive cash flow





# Outlook

# Outlook 2022 and Beyond

## Remains unchanged

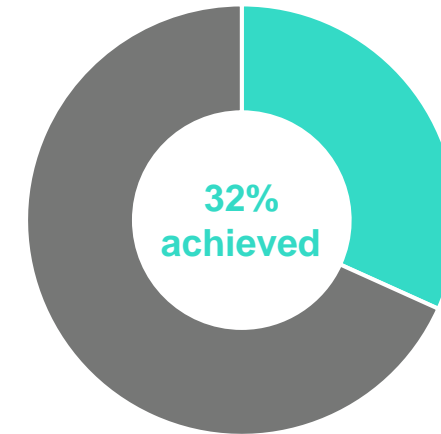
### • The Company outlook for 2022

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

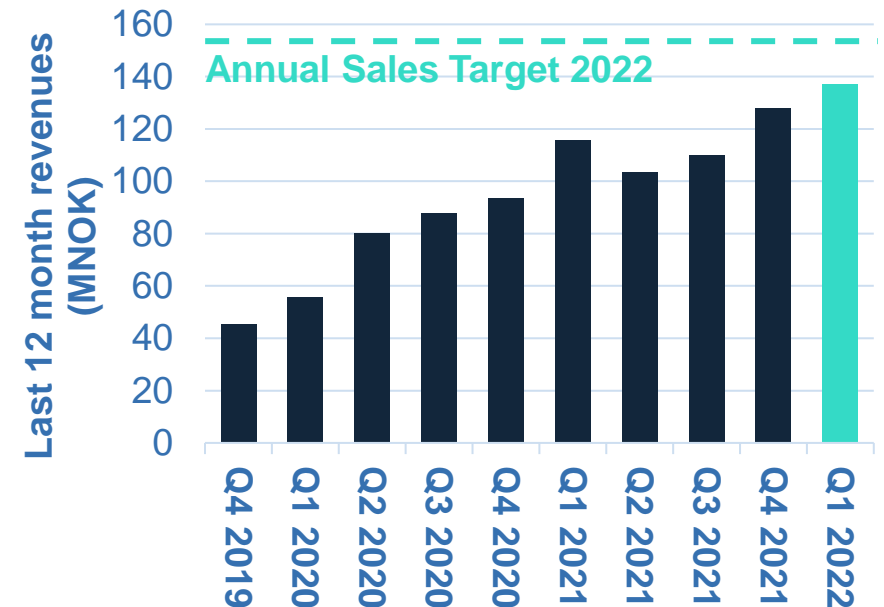
### • Longer-term outlook

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

Annual Sale Target



Quarterly Rolling 12 Month Sales





# Thank you

# Q&A Session

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

