



# A Platform for Long-term Growth

Q2 2024

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**ArcticZymes**  
Technologies



# Agenda

- 1 Overview, highlights & strategic priorities
- 2 Sales update
- 3 Biomanufacturing segment update
- 4 Financials
- 5 Q&A

# Overview

## A Norwegian biotech with growth potential

### Worldclass Products

- Provide novel enzymes for advanced therapies and molecular diagnostics
- Strong reputation in Molecular Tools and Bioprocessing segments.
- Net Promoter Score = 84

### Segment & Customers

- Targeting segments with high growth potential
- Customers are life science tools companies, CDMO, Pharma and Biotech

### Talent & Culture

- Management team committed to creating a culture where exceptional innovation thrives
- World class R&D team
- Strong manufacturing capabilities complying to ISO13485 and GMP
- 53 employees, HQ in Tromsø
- Direct sales in US & Europe

### Strong Financials

- Margins > 90% all products
- Recurring revenue streams – sticky business
- Sales of 119 MNOK (2023)
- No debt – 240 MNOK in Cash reserve
- Listed on the Norwegian Stock Exchange



# Highlights Q2 2024

All time high  
number of  
orders

Achieved  
Q1 revenue  
27.5 MNOK  
(28.2 MNOK)

Presentation at  
ASGCT on SAN  
HQ GMP

EBITDA  
Performance  
2.6 MNOK  
(6.8 MNOK)

Significant  
progress in CDMO  
/ Distribution  
partnership talks

**Building a Platform for Long-term Growth**

# Strategic priorities

Building a platform for long term growth – the journey has started

## Short Term

1

Continue journey to become more market driven

Commercialization

Channel development through partners

Scientific marketing

2

GMP upgrade of current enzymes

Ability to expand usage in more drug development phases  
2 new GMP nucleases plus an ELISA kit in development

3

Relaunch of current Molecular tools enzymes

Application data and positioning

## Long Term

1

Build Advanced therapies biomanufacturing pipeline

RNA enzymes & NextGen SAN

2

Develop/commercialize new Molecular Tools enzymes

Sample prep, amplification and synthetic biology

3

M&A Opportunities

Build portfolio

Strengthen GMP manufacturing capabilities

Enhance commercial channels



# **Sales Update Q2 2024**



# Sales

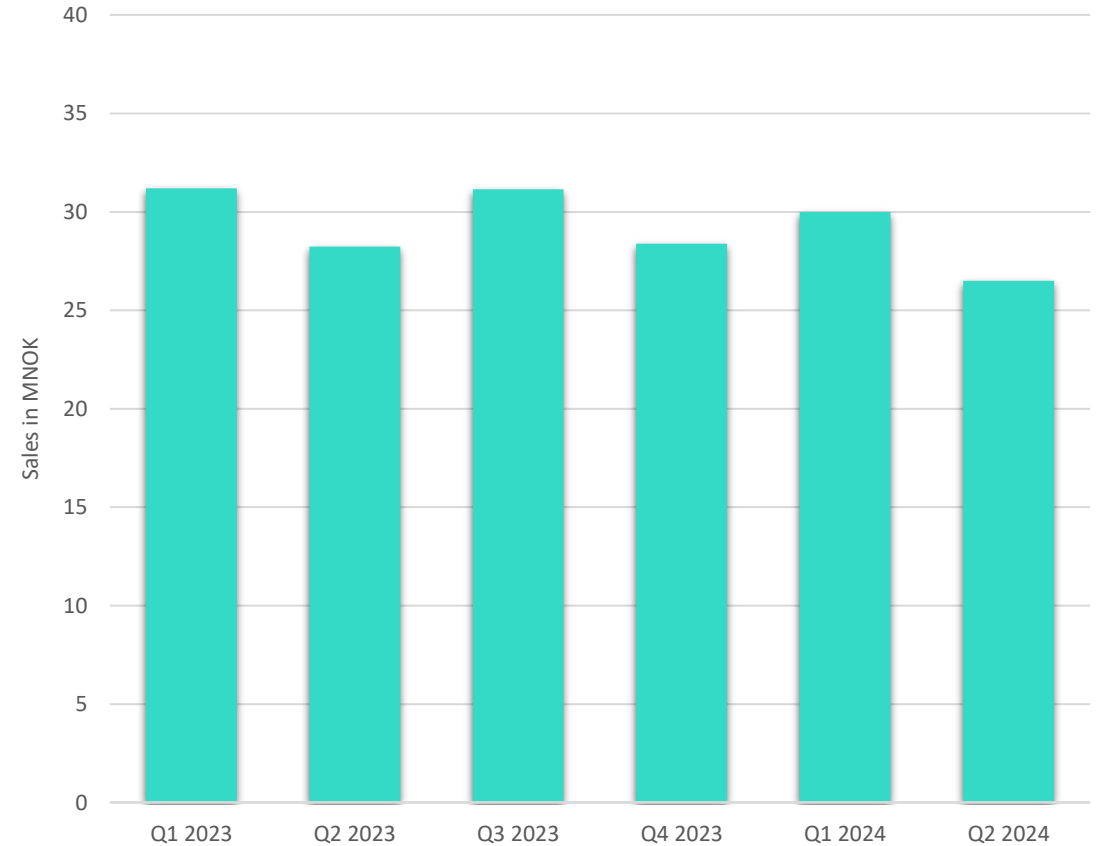
Trend continues to be flat but positive indicators for long term growth



## Combined sales

- ✓ Quarterly sales of 26.5 MNOK (28.2 MNOK)
- ✓ Slight decrease from Q1 2024
- ✓ 52% of sales came from EMEA region, whereas US had 45% and APAC 3%
  - ✓ Similar to historic purchasing patterns

Sales combined



# Sales per area

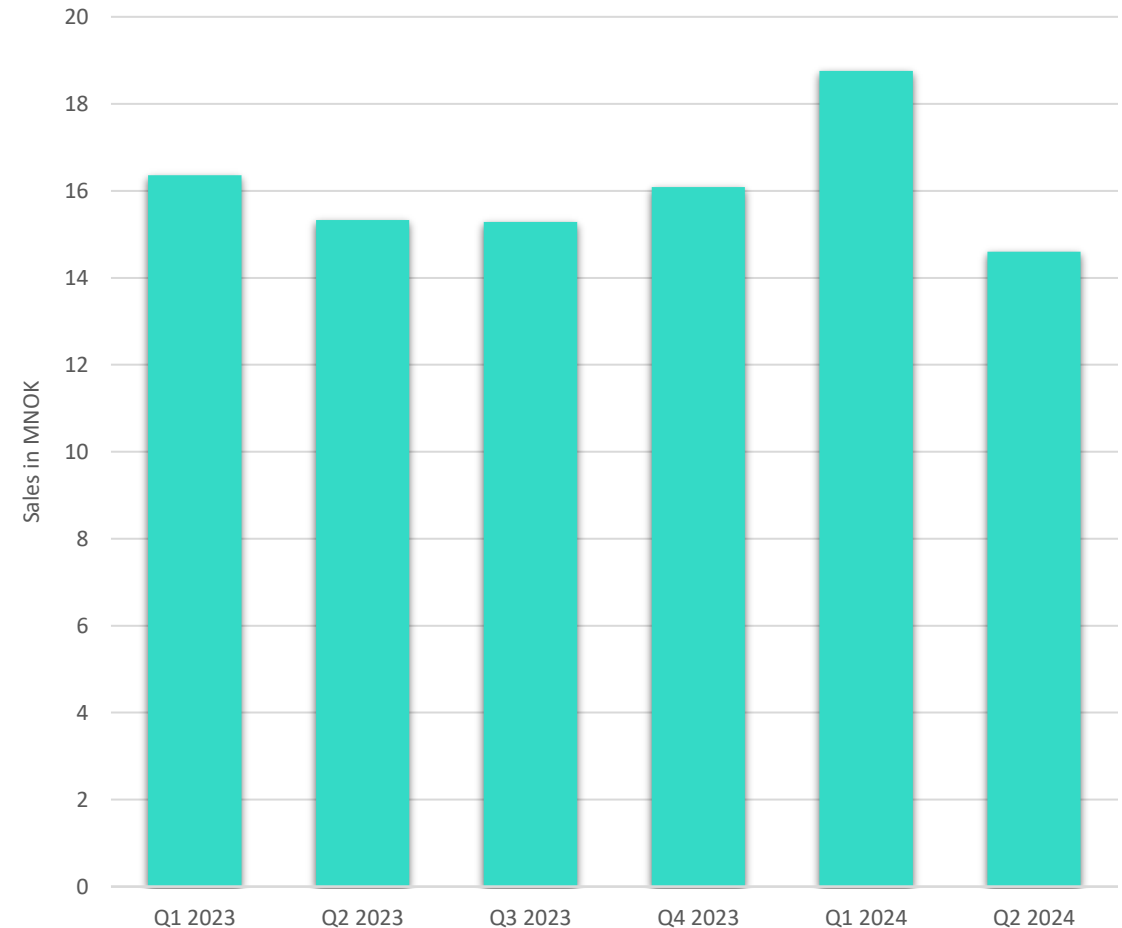
## Commercial



### Molecular Tools

- ✓ Quarterly sales 14.6 MNOK
- ✓ Accounts for 55% of total Q2 sales
- ✓ Expect growth especially within Endonuclease and Polymerase

Sales per area





# Sales per area

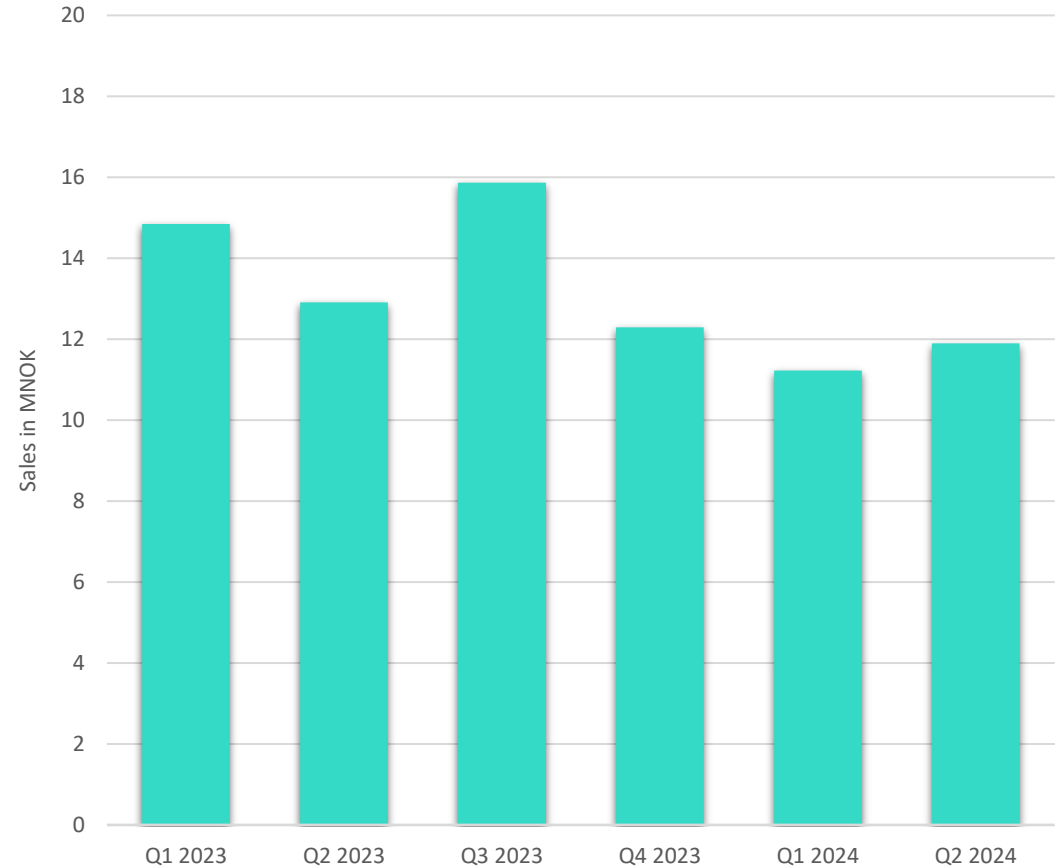
## Commercial



### **Biomanufacturing**

- ✓ Quarterly sales 11.9 MNOK
- ✓ Accounts for 45% of total Q2 sales
- ✓ The US biotech market continued to be challenging but orders starting to pick up
- ✓ SAN HQ GMP picking up in Q2 sales

Sales per area

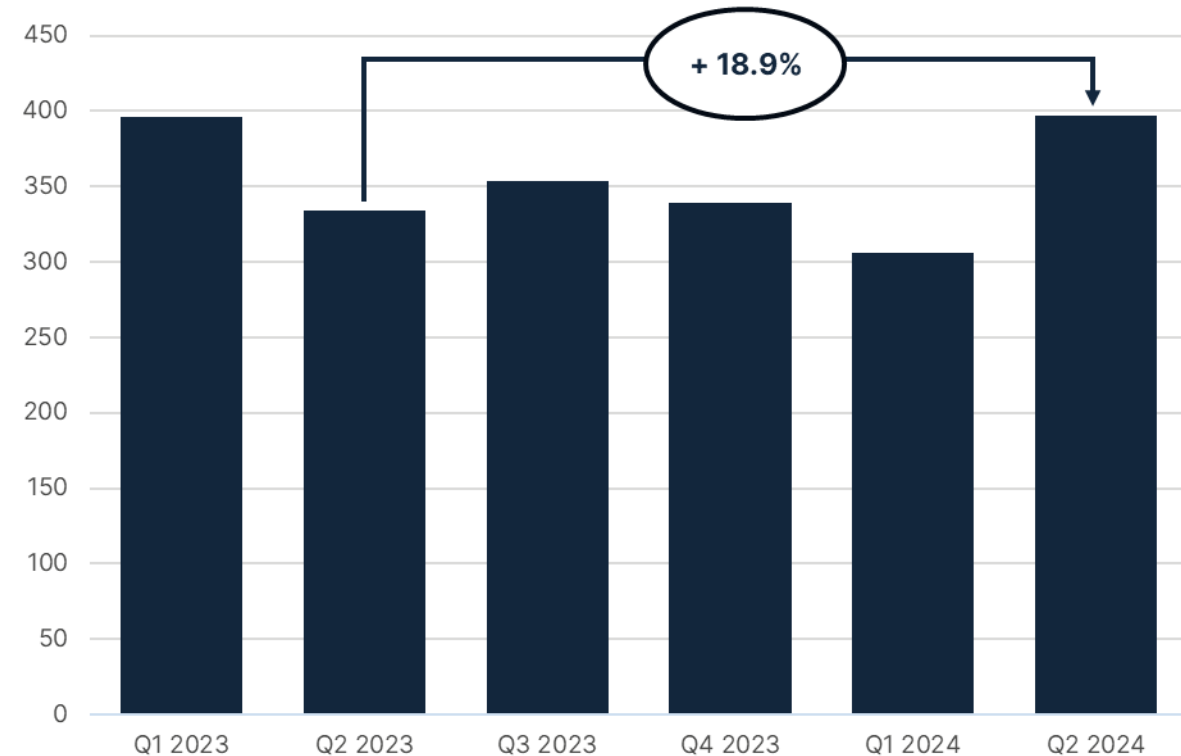


# Orders

## Uptick in orders shipped in Q2

- ✓ YoY orders shipped up 18.9%
- ✓ QoQ orders shipped up 29.7%
- ✓ Total orders shipped and Biomanufacturing orders shipped at all-time high levels
- ✓ Driven by smaller (value) orders from existing and new customers, fewer than normal larger orders
- ✓ Overall, order volume hints at increasing activity

Orders shipped – Total



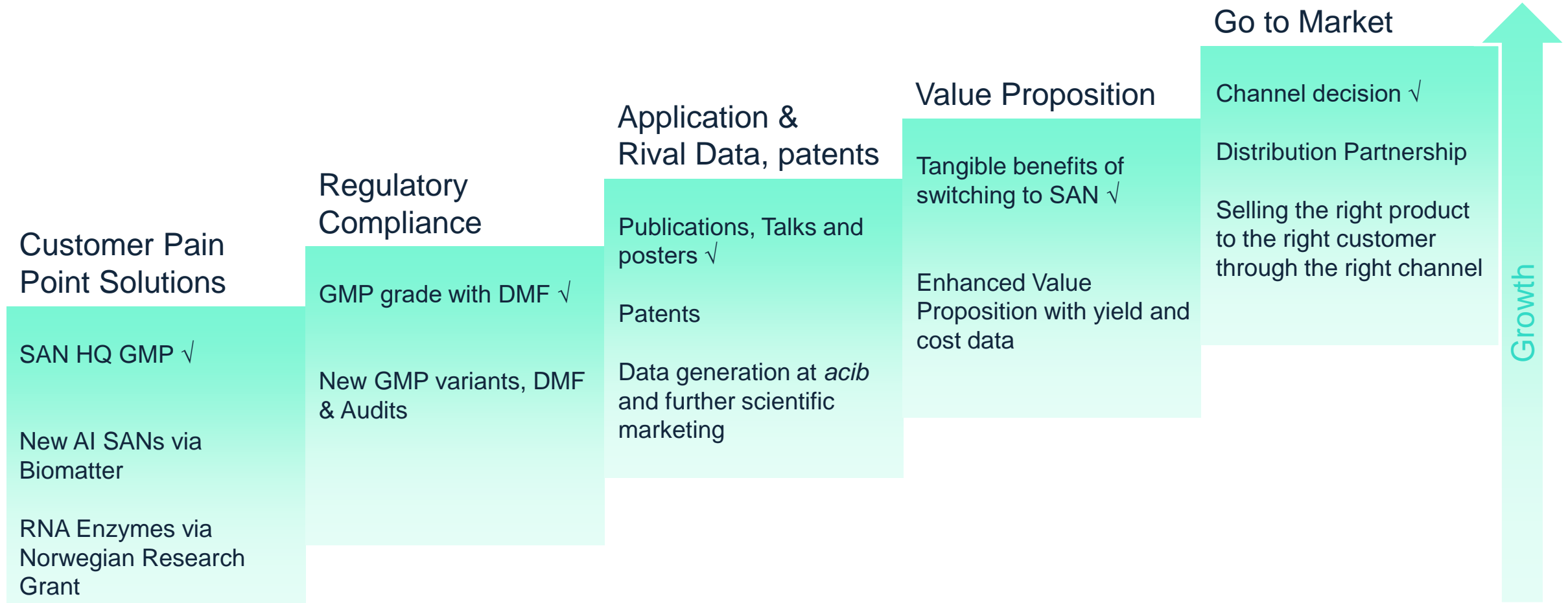


A close-up photograph of a female scientist with brown hair tied back, wearing a white lab coat and clear safety goggles. She is looking intently through the eyepiece of a white and black microscope. The background is a blurred laboratory setting with blue equipment.

# **Biomanufacturing Update**

# Penetrating the Advanced Biomanufacturing Market

Ascending the ladder for long-term growth





# SAN OEM Partnership Update

## Why

- Historical OEM company with limited reach to the same market as our competition
- Identified large companies in CGT space without SAN products
- Win:Win: AZT get market penetration/share for SAN, partner gain a more complete portfolio to offer its viral therapy customers

## Progress

- 2 partners progressing
- Requirement will be GMP grade nuclease
- Partner 1: Awaiting data from testing. Next step is pricing / timeline negotiations
- Partner 2: Tested, have accelerated product development plans to include SAN in their offering. Pricing / timeline negotiations proceeding – possible Q2 launch

## Outcome

- At least 1 multi-year supply agreements expected
- Expected volume-based revenue upside during 2025
- Increased uptick in ELISA revenue
- Increased penetration of CDMOs / BioPharma

# Partnership update - CDMO

Proceeding according to plan

## Become part of a CDMO's platform

- ◆ CDMO platform provider partnership deal is progressing with leading GCT CDMO
- ◆ Goal is to become standard nuclease applied in all new projects at CDMO
- ◆ Revenue from platform partnership expected Q4/Q1
- ◆ Gradual ramp up of revenue as platform is utilized on new projects at CDMO



# Expenses & Profitability

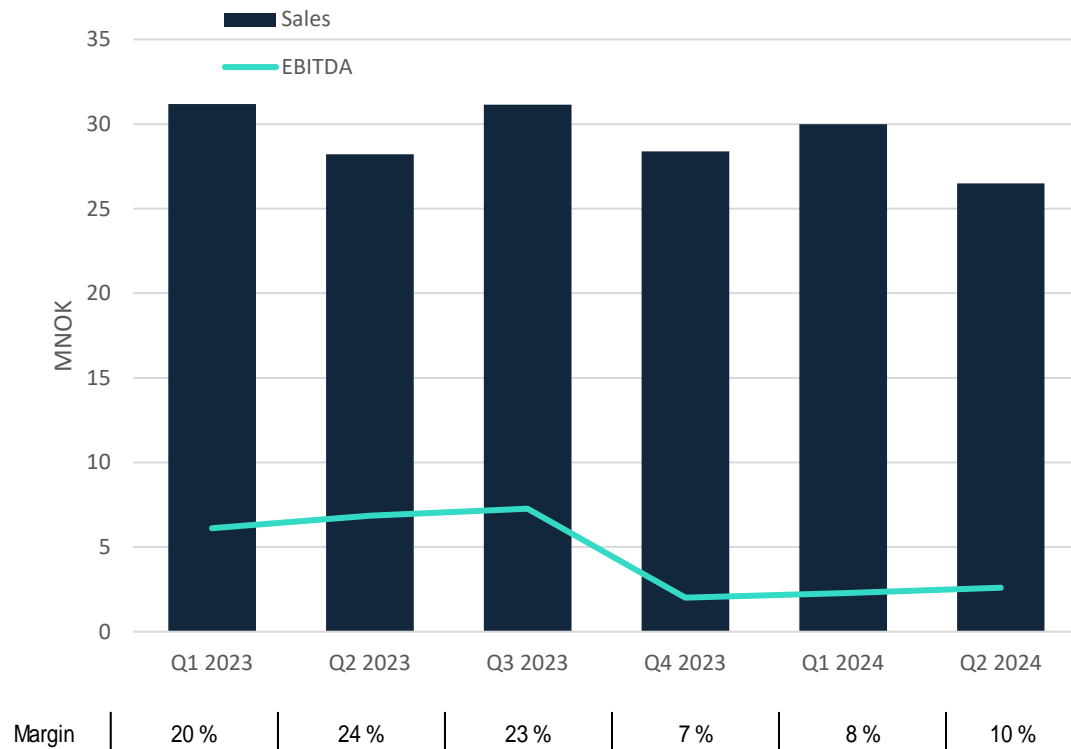


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# Profitability and expenses

## Expense development according to plan

### Sales & EBITDA



	Q2		YTD	
	2024	2023	2024	2023
Sales revenues	26,5	28,2	56,5	59,4
Other revenues	1,0	0,0	1,1	0,0
<b>Sum revenues</b>	<b>27,5</b>	<b>28,2</b>	<b>57,6</b>	<b>59,4</b>
Cost of materials	-1,5	-0,7	-2,5	-8,1
Change in inventory	-0,5	-0,2	-0,9	5,3
Personnel expenses	-12,9	-13,1	-30,9	-28,7
Other operating expenses	-10,0	-7,4	-18,4	-15,0
<b>Sum expenses</b>	<b>-24,9</b>	<b>-21,4</b>	<b>-52,7</b>	<b>-46,5</b>
<b>EBITDA</b>	<b>2,6</b>	<b>6,9</b>	<b>4,9</b>	<b>12,9</b>
Depreciation and amortisation	-1,5	-1,7	-3,0	-3,3
<b>EBIT</b>	<b>1,1</b>	<b>5,2</b>	<b>1,9</b>	<b>9,7</b>
Net financials	2,3	2,2	5,6	4,0
<b>EBT</b>	<b>3,4</b>	<b>7,4</b>	<b>7,5</b>	<b>13,7</b>

# ...but Q2 also impacted by other items

## One-offs and extraordinary

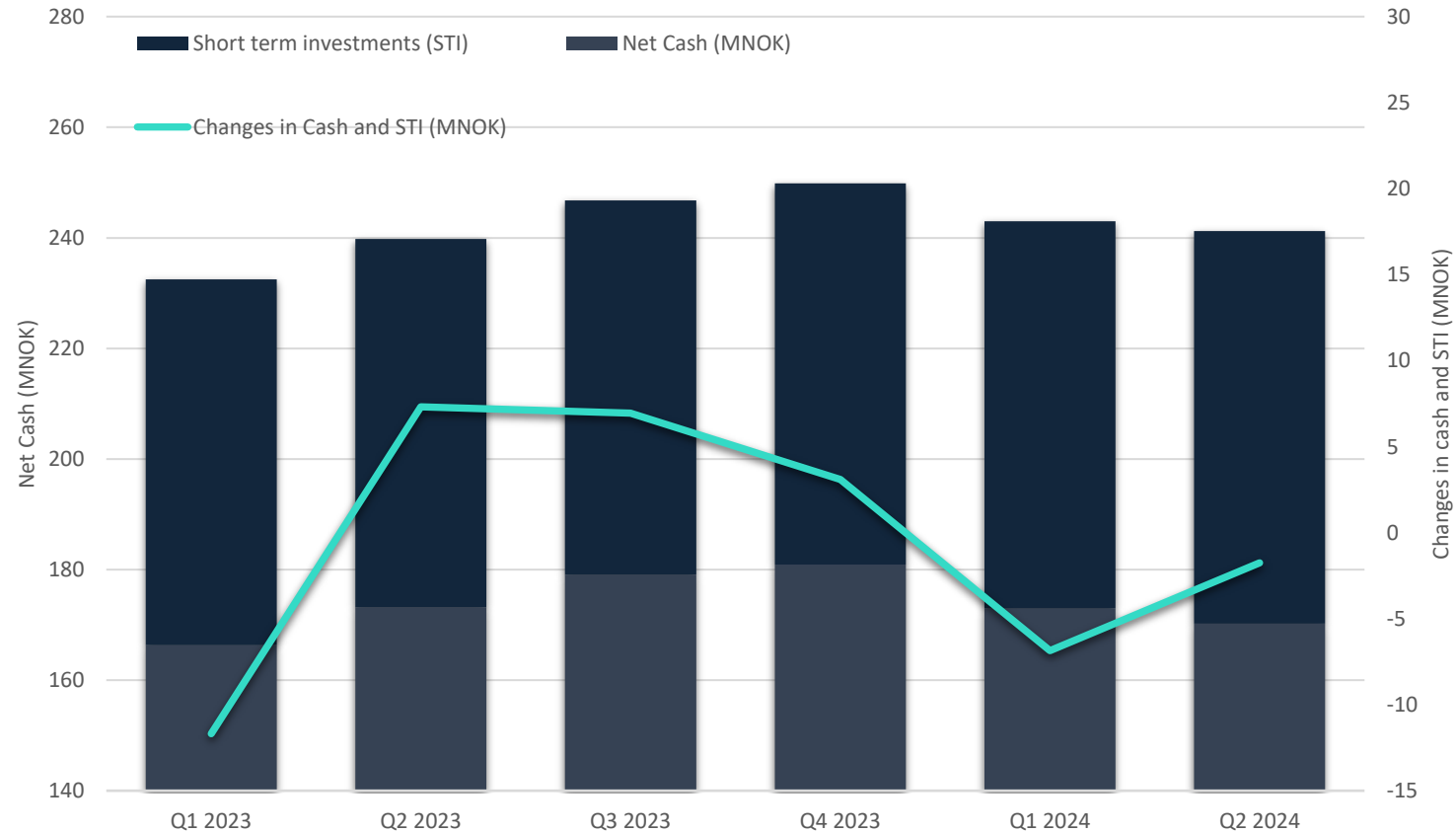
	Q2	
	2024	2023
Sales revenues	26,5	28,2
Other revenues	1,0	0,0
<b>Sum revenues</b>	<b>27,5</b>	<b>28,2</b>
Cost of materials	-1,5	-0,7
<i>Disposal inventory - Elisa kits</i>	<i>0,6</i>	
Change in inventory	-0,5	-0,2
Personnel expenses	-12,9	-13,1
Other operating expenses	-10,0	-7,4
<i>ERP project</i>	<i>1,4</i>	
<b>Sum expenses</b>	<b>-22,9</b>	<b>-21,3</b>
<b>Adjusted EBITDA</b>	<b>4,6</b>	<b>6,9</b>

- Q2 2024 impacted negatively by **MNOK 0.6** related to disposal of expired Elisa kits. Elisa kits are acquired by 3<sup>rd</sup> party and does not have same shelf life as own products. New kits have extended shelf life to avoid disposals
- Q2 2024 impacted negatively by **MNOK 1.4** in ERP implementation. Expected to be finalised in 2H 2024.



# Cash flow and short-term investments

- 1.7 MNOK in cash flow for Q2\*



# Outlook

- Long term **market fundamentals are intact**, and there are a significant number of new drug approvals within CGT – SAN growth
- **Partnership deals** with CDMO and distribution partners are important inflection points going forward for revenue growth
- Within the next 12 months two new GMP grade nucleases will be launched alongside one ELISA kit providing AZT with probably the **strongest nuclease portfolio** in the CGT space

# Thank you

## Q&A



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