PROSPECTUS

AGILYX ASA

(a public limited liability company incorporated under the laws of Norway)

Admission to listing and trading of the Company's Shares on Oslo Børs

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The information contained in this prospectus (the "**Prospectus**") relates to the listing (the "**Listing**") of the Company's 78,273,705 outstanding shares, each with a par value of NOK 0.02 (the **"Shares"**) on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**"). Prior to the Listing, the Company completed a private placement of 6,265,250 shares with a par value of 0.02 each (the "**Private Placement Shares**") issued at a subscription price of NOK 24 per Private Placement Share in a private placement directed towards certain investors for gross proceeds of NOK 150 million (equivalent to USD 15 million) (the "**Private Placement**"), as announced on 2 September 2022. The Private Placement Shares are expected to be issued on or about 15 September 2022, meaning that the total number of Shares to be admitted to trading on Oslo Børs is 85,538,955.

The Shares have been trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs since 30 October 2020 under the ticker code "AGLX" with ISIN NO 001 0872468. On 7 September 2022, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 13 September 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 16 September 2022, under the ticker code "AGLX". The existing Shares are registered in the Norwegian Central Depository (Nw.: *Verdipapirsentralen i Norge*) (the "**VPS**") in book-entry form.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRBIE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARE, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 *"Risk Factors"* when considering an investment in the Company.

The date of this Prospectus is 13 September 2022

IMPORTANT NOTICE

This Prospectus has been prepared by Company in connection with the Listing of the Shares on Oslo Børs and in order to provide information about the Group and its business.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of the affiliates, representatives, advisors of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 15 "manTransfer Restrictions".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company or the Manager, or any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 *"General Information"*. Investing in the Shares involves certain risks. See section 2 *"Risk Factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 19 *"Definitions and glossary"*.

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The majority of the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and some of the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and there are assets of the Company located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

1 SUMMARY

INTRODUCTION

Warning…… This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Securities…… The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 0872468.

Issuer…… The Company's registration number in the Norwegian Register of Business Enterprises is 923 974 709 and its Legal Entity Identifier (LEI) is 5493000E25PBC2PXV881. The Company's registered office is located at Bygdøy terrasse 4, 0287 Oslo, Norway. The Company's website can be found at www.agilyx.com.

Competent authority…… The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00 has reviewed and, on 13 September 2022, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information…… The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 22 November 2019 as a private limited liability company and transformed to a public limited liability company on 27 July 2022. The Company's registration number in the Norwegian Register of Business Enterprises is 923 974 709 and its Legal Entity Identifier (LEI) is 5493000E25PBC2PXV881.

Principal activities……. The Company licenses chemical recycling technology to partners that build and operate plastic recycling facilities. The Company offers a platform for hard-to-recycle plastics from waste streams, converting them into valuable and low-carbon products.

According to section 3 of the Company's articles of association, the Company's objective is to own shares in other companies, and either itself or through other companies, develop, produce, market, license and sell IP and technology that enables the chemical recycling of difficult-to-recycle plastic into plastic feedstock and other hydrocarbon products.

Major shareholders……

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 12 September 2022.

Table 1 – Major shareholders

#	Shareholders	Number of Shares	Percent
1	Citibank, N.A.	32,806,854	41.91
2	Six Sis AG	6,275,919	8.01
3	Morgan Stanley & Co Int. Plc.	4,418,140	5.64
4	Clearstream Banking S.A.	4,355,307	5.56

Key managing directors……

The Company's executive management consists of 8 individuals. The names of the members of the management and their respective positions are presented in the below table.

Table 2 – Overview of the executive management

Name	Current position within the Company
Tim Stedman	CEO
Chris Faulkner	CTO
Russell Main	CFO
Isabel Charlotte Hacker	General Counsel
Carsten Larsen	CCO
Mark Barranco	Senior VP of Engineering and Execution
Kate Ringier	VP of Communications and Government Affairs
Joe Vaillancourt	CEO of Cyclyx International, LLC

Independent auditor……

The Company's independent auditor is RMS Norge AS, with company registration number 982 316 588 and registered business address at Ruseløkkveien 30, 0251 Oslo, Norway.

What is the key financial information regarding the issuer?

The table below sets out key financial information extracted from the Company's audited consolidated income statements for the years ended 31 December 2019, 2020 and 2021 (prepared in accordance with IFRS for the financial years ended 31 December 2021 and 2020 and IFRS as restated by management for the financial year ended 31 December 2019) and for the six-month interim period ended 30 June 2022, with comparable figures for the same period in 2021 (prepared in accordance with IAS 34).

Table 3 – Key Financials – Income Statement	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Revenue	4,889,227	4,336,151	1,711,220	7,828,500	790,505
Gross Margin	63,408	1,894,665	1,271,917	(754,728)	(404,343)
Total Operating Expenses	16,522,624	8,841,010	6,337,582	10,324,051	7,842,939
Net Financial Items	729,054	(13,522,568)	(8,865,669)	1,506,097	2,471,295
Other comprehensive profit (loss) for period	(15,730,162)	(20,468,914)	(13,931,334)	(9,572,682)	(5,775,988)

The table below sets out key financial information extracted from the Company's audited consolidated balance sheet as of 31 December 2019, 2020 and 2021 (prepared in accordance with IFRS for the financial years ended 31 December 2021 and 2020 and IFRS as restated by management for the financial year ended 31 December 2019) and for the six-month interim period ended 30 June 2022, with comparable figures for the same period in 2021 (prepared in accordance with IAS 34).

Table 4 – Key Financials – Balance sheet	**As at 31 December**			**As at 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Total assets	28,009,748	44,950,224	8,646,088	23,575,822	28,009,748
Total Liabilities	12,843,469	18,884,797	24,139,455	16,761,239	13,461,926
Total Equity	15,166,279	26,065,427	(15,493,367)	6,814,583	14,547,822

The table below sets out key financial information extracted from the Company's audited consolidated statement of cash flow for the years ended 31 December 2019, 2020 and 2021 (prepared in accordance with IFRS for the financial years ended 31 December 2021 and 2020 and IFRS as restated by management for the financial year ended 31 December 2019) and for the six-month interim period ended 30 June 2022, with comparable figures for the same period in 2021 (prepared in accordance with IAS 34).

Table 5 – Key Financials – Cash Flow	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Net cash from operations	(15,672,805)	(6,746,842)	(2,270,534)	(4,855,803)	(8,336,340)
Net cash from investments	(2,618,497)	(3,431,821)	(2,126,711)	(1,704,307)	(1,938,219)
Net cash from financing	(1,037,472)	46,733554	3,463,500	407,959)	(573,539)
Net increase (decrease) in cash and cash equivalents	(19,328,774)	36,554,891	(933,745)	(6,152,151)	(10,848,098)
Cash and Cash equivalents at the beginning of period	38,898,928	2,344,037	3,277,782	19,570,154	(10,848,098)
Cash and cash equivalents at end of period	19,570,154	38,898,928	2,344,037	13,418,003	28,050,830

What are the key risks that are specific to the issuer?

Material risk factors……

- The Group has incurred certain losses and has to date financed its operations by raising capital from new and existing stakeholders. The Group's commercial success is, inter alia, dependent on the successful implementation of various operational agreements and business model assumptions. If the Company's expectations are not met in full, it could lead to reduced cash generation and revenues during this same period.

- The Group has had limited operating revenues to date, and if future revenue projections are not met, it could increase cash burn and thus require funding to the Group.

- The Group is dependent on the use of certain technology and intellectual property rights and the Group cannot guarantee that its measures for preserving the secrecy of its know-how and trade secrets are sufficient to prevent other from obtaining such information to use the know-how.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN…….	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 0872468.
Currency, par value and number of securities……	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 1,565,474.10 diveded in 78,273,705 Shares, each with a nominal value of NOK 0.02. Following the issuance of the Private Placement Shares, which are expected to be issued on or about 15 September 2022, and registration of the share capital in the Norwegian Register of Business Enterprises, the Company's share capital will be increased to NOK 1,690,779.10 divided in 85,538,955 Shares, each with a nominal value of NOK 0.02.
Rights attached to the securities……	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions……	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy……	The Company has not established any dividend policy to date, but will strive to follow a dividend policy favorable to the shareholders.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs ASA under the ticker code "AGLX" with ISIN NO 001 0872468. On 7 September 2022, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 13 September 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on 16 September 2022, under the ticker code "AGLX".

What are the key risks that are specific to the securities?

Material risk factors……

- The Shares are not currently listed on a regulated market. There can be no assurance that an active and liquid trading market for the Shares will develop or be sustained following the listing on Oslo Børs.
- The Company has incorporated a stock incentive program for its employees and other people providing services to the Group and any exercise of options or any other offering of shares could reduce the proportionate ownership and voting interests of existing shareholders.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading…… On 7 September 2022, the Company applied for admission to trading and listing of its Shares on Oslo Børs. Oslo Børs approved the listing application on 13 September 2022. The Company expects commencement of trading in the Shares on Oslo Børs on or about 16 September 2022.

Why is this prospectus being produced?

Reasons for the Listing…… The main reason for the Listing is to facilitate greater liquidity in the Shares attract new prospective shareholders in order to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition,

the Company will have enhanced access to the capital markets for financing of potential growth opportunities in the future.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries, the securities and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks relating to the Company and the Industry in which the Company Operates

2.1.1 *The Group has a limited operating history*

The Group has a fairly limited operating history and has of today only generated limited revenues. The Company currently has one constructed and operating facility, through its investment in an associated company with Americas Styrenics ("**AmSty**"), Regenyx LLC ("**Regenyx**") but has now reached the significant milestone of having the first true licensing project move into construction ("**Toyo Styrene**") and has had the validation of Exxon Mobil Corporation ("**ExxonMobil**") investing and accepting feedstock sales with the creation of the Cyclyx International, LLC ("**Cyclyx**"), a subsidiary of Agilyx Corporation. The Group has incurred certain losses and has to date financed its operations by raising capital from new and existing stakeholders. The Group's commercial success is, *inter alia*, dependent on the successful implementation of various operational agreements and business model assumptions. To become and remain profitable, the Group must succeed in its ongoing agreements and also succeed in commercializing its business pipeline and its technologies such that they generate further revenues. This will require the Group to be successful in a range of complex and interdependent activities. The Group may not succeed at a rate sufficient to generate revenues that are significant enough to achieve profitability. The Company is a growth company which is currently moving into a more commercial phase and has made certain assumptions about the costs and funding requirements to grow and optimize its operations. For instance, several growth initiatives, including further projects for polystyrene (polystyrene or "**PS**"), PMMA, and mixed waste plastic, are moving through the development phase into the investment phase. Such investments are expected by management to positively impact revenue and profitability over the near to-medium term. With respect to these principal assumptions, the Company assumes that the growth initiatives continue in accordance with the board of directors and management's expectations. If the Company's expectations are not met in full, it could lead to reduced cash generation and revenues during this same period. If any of the above-mentioned risks materialize, this could have an adverse effect on the Company's financial position.

2.1.2 *The Group has had limited operating revenues to date*

Agilyx generates revenue through the development phases of projects (feedstock testing design engineering FEL1 – FEL3), license sales, construction (supply and fabrication of Agilyx core equipment), operations (off-take royalties and services), and royalties from Cyclyx feedstock sales. Cyclyx currently generates revenues from feedstock sales, feedstock studies, and the development of advanced waste plastic processing facilities ("**APPF**"), which Cyclyx refers to as Cyclyx Circularity Centers ("**CCC**") on behalf of the members of the Cyclyx consortium (as described in more detail in Section 8.3 below under "*Feedstock, management, servicing any member of the Cyclyx consortium*"). These revenues from the operating companies of the Group are critical to enhance cash flow generation and thereby reduce the cash burn of the Group. If future revenue projections are not met, it could increase cash burn and thus require additional funding to the Group.

To date, the license agreement between Regenyx and AmSty is the only active operating agreement granting license to Agilyx's intellectual property rights ("**IPR**"). Agilyx has recently signed two additional agreements, each providing a license to the Agilyx IPR; one to AmSty for the development of a 100 tonnes per day ("**TPD**") facility in St James, LA, USA, and one to Toyo Styrene for the development of a 10 TPD facility to be located in the Chiba Prefecture of Japan. The latter (Toyo 10 TPD facility) has recently moved into construction and certain revenues are currently being derived through equipment sales. The granting of a license does not guarantee that a customer will progress a project through to construction and to operations resulting in a loss of future e construction and royalty revenue for the Group. Further, there can be no assurance that the Group will be able to sell licenses to projects in development now or in the future, which could affect future revenue streams as described above.

2.1.3 *The Group has supported the development of the Cyclyx joint venture which is a new disruptive business model*

Cyclyx was established to mitigate the risk that the advanced recycling industry faces in that only 10% of all waste plastics are captured in recycling systems. That 10% of waste plastics recovered are of high quality that currently gets processed a certain way for mechanical recycling uses and would not be cost effective for the various advanced recycling technologies given the state of maturity of its current uses. Even if current recycling systems accepted more waste plastics, the chemical complexity of various polymers and compounds together with the various organic and chemical contaminations would not be able to be processed in existing plastic recycling facilities to meet the specification requirements of the various advanced recycling technologies or their product pathways. As a result, Cyclyx is leveraging the Agilyx chemical profiles of waste plastics to develop a new approach for waste plastic recycling. It combines ongoing waste plastic characterizations, the development of custom advanced waste plastic processing facilities (referred to CCCs) designed for Cyclyx consortium member partners, new sourcing and takeback programs that flow new waste plastics into the Cyclyx system and a consortium based model (described in more detail in Section 8.3 below) that helps create new supply chains, faster international scale and new customized feedstock at a cost lower than what the market produces today. This approach has been endorsed by ExxonMobil as well as many large chemical and large industrial member companies and has been operationalized. However, the waste and recycling industry is a very geographically localized activity amongst many thousands of small companies and many different legislative regimes. As a result, there are several risks to the Cyclyx model as described below.

Cyclyx may not be able to establish partnerships in all international territories limiting its ability to scale. Cyclyx may not achieve high local participation rates for its new takeback programs limiting the overall volumes of waste plastics recovered. The new takeback programs Cyclyx is initiating are targeted at all waste plastics which is new to the industry. The waste plastics recovered under these programs may be lower in quality than expected or more difficult to preprocess; therefore Cyclyx's new CCCs may not be able to produce a standard specification feedstock being sourced from many thousands of different sources for many different advanced recycling customers. Cyclyx may not be able to achieve the efficiencies it expects in building its new supply chains, therefore any of these risks could negatively impact feedstock sales pricing (higher than market would accept) and thus could negatively impact revenue for Cyclyx and the Group.

2.1.4 *The Group is dependent on key personnel and employees*

The Group's personnel are important to the project development and prospects of the Group, and the Group is dependent on highly qualified personnel and management, including Tim Stedman (CEO), Joe Vaillancourt (CEO Cyclyx), Mark Barranco (SVP Engineering and Executions, Regenyx GM), Chris Faulkner (CTO), Carsten Larsen (SVP Business Development and Chief Commercial Officer), Kate Ringier (VP Communications and Government Affairs), Isabel Charlotte Hacker (General Counsel), Russ Main (CFO) and Stephen Hamlet (VP Human Resources). Please refer to Section 13.3 for an overview of the expertise of the key personnel. The Group has employed several key employees and will hire additional personnel. There is a risk that the Group will have difficulties in competing with other employers, and it may not be successful in attracting suitable and qualified employees and retaining existing employees, which in turn may have a material adverse effect on the Group's operations. Furthermore, any loss of key personnel and/or employees may adversely impair the Group's operations and prospects.

The Group's key employees are employed in various geographies, and the Group's standard nondisclosure agreement includes a 12-month, post-employment non-solicitation clause. However, the majority of the Group's key employees have not agreed to non-compete clauses with effect post-employment. The Company's protection against leavers participating in competing businesses may therefore be unsatisfactory. Furthermore, as each country and state have different laws governing the use and compliance of post-employment non-competition

undertakings, with many limiting the extent to which post-employment non-competition undertakings can be enforced, there is a risk that the Group's important relationships with current or prospective customers, funders, partners and vendors could be compromised in the event that key employees left the Group. In addition, several key employees have not entered into any written employment agreements with the Company and most of the Group's key employees do not have notice periods and may thus leave on short notice. The stage of Agilyx's development does not lend itself to the classic succession planning approaches. The focus on hiring people who are multi-dimensional and flexible has allowed Agilyx to reassign responsibilities. While this ensures that short-term needs are addressed, the risk is that the shortage of talent could delay important initiatives while Agilyx works to hire a replacement.

2.1.5 *The Group is dependent on the use of certain technology and intellectual property rights, which may be difficult or costly to defend and maintain or may be subject to third party rights.*

The Group's business is dependent upon its proprietary technology. The Group's technology is based on a combination of patents, trade secrets, know-how, and confidential procedures, and is protected as registered IPR and unregistered IPR and through contractual provisions to maintain secrecy and prevent un-authorized use. The Group cannot guarantee that its measures for preserving the secrecy of its know-how and trade secrets are sufficient to prevent others from obtaining such information to use the know-how.

Currently, the Group has its main operations in the U.S., but it has several proposed operations in other countries. The Group holds active patents in the U.S., Europe, Canada, Mexico, India, and United Arab Emirates, and has pending patent applications in other jurisdictions, however with no certainty of issuance. The extent of the Group's IPR thus varies in different countries, and filing, prosecuting, maintaining and defending the Group's patents throughout the world could be highly expensive. Consequently, the Group may be unable to prevent third parties from using its inventions in certain countries, especially in jurisdictions offering no or little protection of IPR, or in jurisdictions where enforcement may be difficult. Competitors could potentially also use the Group's technology in jurisdictions where the Group has not obtained patent protection. For instance, the Group has received a notice from the European Patent Office (EPO) dated 4 January 2022 of an opposition filed by the French company TotalEnergies Raffnage Chimie against Agilyx Corporation's European patent EP2981593. The opposition is based on claims that the invention lacks novelty and inventive step and insufficient disclosure. The case is at an early stage, and the EPO has not passed any decisions. If the opposition is finally successful, the patent will be annulled. Annulment due to the patent being invalid means that the Group does not have exclusive rights to the technology covered by the patent.

Accordingly, the Group's efforts to enforce its IPR may be inadequate to obtain a significant commercial advantage from the intellectual property that the Group develops or licenses from third parties potentially causing the Group to incur financial costs without successfully upholding the respective IPR. Furthermore, some of the Group's commercial agreements include wide indemnity provisions, including provisions where the Group, as the supplier, indemnifies the customer from claims resulting from any infringement of third party IPR potentially causing the Group to incur additional financial costs.

As mentioned above in Section 2.1.4, almost none of the Group's key employees have agreed to non-compete clauses with effect post-employment. There is a risk that key employees may leave the Group for a competitor at any time and, as most have no notice period requirement, this could affect the Group's operations and/or IPR development.

The Group has a growth strategy and is targeting the expansion of its customer base for existing and new products through research and development. These growth strategies include expanding process technology for other plastics depolymerization and/or chemical recycling beyond polystyrene, polymethylmethacrylate and polyolefin-rich mixed plastics as well as developing new or alternative proprietary equipment in the field of plastics recycling including feedstock management, chemical recycling and depolymerization. It is expected that an increased target market and customer base will result in increased competition. No assurance can be given that any new technology(ies) under research and development will be commercially successful. If the Group is unable to keep up with competitors, develop new technology(ies) or have commercial success with its technology under research and development, this could adversely affect the perceived value of the Group's products and services reducing their sales as well as adversely affect future development on the Group's business, financial condition through lower revenue, results of operations and/or prospects.

2.1.6 *The Group's business comprises handling of hazardous substances that could burn, explode, be contaminated or lead to personal injuries*

The Group's business could involve controlled use of potentially harmful hazardous materials, including volatile solvents and chemicals. The Group faces the risk of fire, explosion, contamination or injury from the use, storage, handling and disposal of these materials. In the event of fire, explosion, contamination or injury, the Group could be subject to civil or criminal sanctions or fines or be held liable for damages, operating licenses could be revoked, or the Group could be required to suspend or modify its operations. This could in turn have a material adverse effect on the Group and its business and could ultimately lead to insolvency or bankruptcy. The Group's business activity is also heavily reliant on complex processing equipment for its operations as is typical for chemical processes and manufacturing. Facilities that license the Group's technology consist of large-scale equipment combining many components which are intended to run complex production processes. The different components may suffer unexpected malfunctions from time to time and will be dependent on repairs and spare parts to resume operations, which may not be available in the short term. Unexpected malfunctions of components may significantly affect the intended operational efficiency of a facility. Operational performance and cost can be difficult to predict and is often influenced by factors outside of the Group's control, such as scarcity of natural resources, environmental hazards and remediation, cost associated with decommissioning of machines, labor disputes and strikes, difficulty, or delays in obtaining governmental permits, damages or defects in electronic systems, leaks from pipelines, industrial accidents, fire and natural disasters. Should any of these risks or other operational risks materialize, it may result in the death of, or personal injury to, facility workers, the loss of production equipment, damage to production facilities, monetary losses, delay and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on the Group's business, results of operations, cash flow, financial conditions or prospects.

The Group's employees, as well as employees of customers at sites where facilities are or are in the process of being installed, may from time to time be at risk of contact with hazardous substances. This may lead to personal injuries which the Group may be liable for. In addition to human suffering, this may have an adverse effect on the Group's financial position and reputation.

2.1.7 *Risk related to the Group's operations through collaborations and other various forms of partnerships may affect the Groups' profitability, cash flows and financial condition*

The Group has collaborations with other parties, such as an investment in an associated company, Regenyx, with AmSty and Cyclyx, a subsidiary of Agilyx Corporation, with ExxonMobil. With respect to the companies where a Group company is not the sole shareholder, the Group's ability to receive dividends and other payments from such companies depends not only upon such companies' cash flows and profits, but also upon the terms of agreements with the shareholders of such companies. Conflict or disagreement with such shareholders may lead to majority decisions against the Group's interests or a deadlock and result in the Group's inability to pursue its desired strategy and/or force it to exit from such companies. Also, agreements with such shareholders, or the virtue of not being the sole shareholder, may restrict the Group's freedom to carry out its business. Each of the parties' rights and obligations under agreements with other shareholders may also be vague and subject to different understandings. There can be no assurance that the Group's partners in such companies will continue their relationships with the Group in the future, that any agreements entered into have encountered for all situations or potential conflicts between shareholders, or that the Group will be able to pursue its stated strategies with respect to its joint ventures and the markets in which they operate. Furthermore, the partners in such companies may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) undergo a change of control; (c) experience financial and other difficulties; or (d) be unable or unwilling to fulfil their obligations under the joint ventures, which may adversely affect the Group's financial condition. Furthermore, the joint venture partner, AmSty, has a put option whereby AmSty can sell back their equity investment in Regenyx to the Company which is at fair market value which the Company deemed to be immaterial, as further described in Section 9.7.

2.1.8 *A small number of customers account for a significant portion of the Group's total operating revenues*

The Group's income is mainly revenue from licensing proprietary technology and know-how to third parties, including providing support and consultancy work to customers related to utilizing the Group's technology and know-how. As such, the Group derives a significant amount of its total operating revenues from its current top five customers, which are Exxon, Technip, Toyo, AmSty and Mitsubishi. Consequently, the Group's financial condition and results of operations could be adversely affected if these customers interrupt or curtail their activities, terminate their customer agreements with the Group or fail to renew their existing customer agreements, and the Group is unable to enter into agreements with new customers at comparable terms. As

such, the loss of any significant customer could adversely affect the Group's financial condition and results of operations.

2.2 General risks related to laws, regulations and compliance

2.2.1 *The Group is subject to a wide variety of laws and regulations and is dependent on governmental licences and approvals to commence and continue its operations*

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 customers, or potential customers, operate. At the same time, the introduction of any laws and regulations that would restrict the construction or operation of chemical recycling facilities or restrict the free transportation and supply of waste plastic, could have a negative effect on the Group's operations. Agilyx participates in industry trade associations in the USA, EEA and EU which are actively monitoring policy developments and advocating for policies that will promote the growth of the chemical 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.

Furthermore, the Group and its customers may be required to obtain certain permits and approvals from governmental authorities for further development of existing projects and in terms of any future projects. The dependency on such permits and approvals could represent considerable risks and if the Group does not obtain the necessary permits and approvals that it requires to operate its business, it may have a material adverse effect on the Group's business, operations and financial results.

2.2.2 *Risks related to GDPR*

The Group is handling data that may relate to an identified or identifiable natural person, i.e. data subject, and therefore qualifies as personal data within the meaning of the European General Data Protection Regulation ("**GDPR**") or other applicable law, legislation or regulations. As an international licensor of technology, operating both within and outside the EU/EEA, mainly to business clients, the Company processes personal data related to employees, customers and suppliers, which may be transferred from within the EU/EEA to jurisdictions outside the EU/EEA, for example by EU/EEA-stored personal data being accessed by other companies of the Group from outside the EU/EEA. The Group is liable for incorrect processing of the personal data and damages caused by unauthorised processing and disclosure of personal data. The Group recognizes the importance of adhering to applicable data and privacy protection laws and regulations. Failure to comply with data and privacy protection obligations may result in financial penalties imposed by data protection authorities, regulatory oversight, significant brand and reputational damage, legal action (class action or breach of contract) and shareholder divestment. The Group is currently not fully compliant with GDPR. For example, the Group has currently not implemented appropriate policies and procedures to ensure and document compliance with the GDPR. Continued non-compliance with the GDPR may result in administrative fines of up to EUR 20,000,000 or 4% of the global turnover of the Group for the previous calendar year, which would have a significant adverse effect on the Company's financial position.

2.3 Risk related to financial matters and market risk

2.3.1 *The Group might be subject to risks related to contractual default or delays in providing services by counterparties/vendors*

As further described in Section 9.6, the Group has entered into several material contracts, including contracts related to the creation of the Cyclyx venture with ExxonMobil Chemical, under which ExxonMobil undertakes to invest in Cyclyx and build and scale the Cyclyx model and the construction of the Toyo Styrene project (as described above in Section 2.1.2) by which the Group has multiple vendors that the Group sources materials and fabricate its core equipment with.

There can be no assurances that the Group's current and future commercial partnerships will be successful, or that any of the potential benefits of the current agreements will be realized timely or upheld at a similar level in the future. Consequently, should the Group or its contractual counterparties, for any reason, default or delay services per their obligations under such contracts. this could have an adverse effect on future revenue generation for the Company.

2.4 Risks related to the Shares and the Listing

2.4.1 *There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares are not currently listed on a regulated market. There can be no assurance that an active and liquid trading market for the Shares will develop or be sustained following the Listing. If a market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be able to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Oslo Børs can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

2.4.2 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company has incorporated a stock incentive program for its employees and other people providing services to the Group. Under the stock incentive program for employees, the Company has issued 11,870,108 options. In addition, at the date of this Prospectus, there are approximately 2,450,000 warrants outstanding.

It is possible that the Company may decide to offer new shares or other securities in order to finance new capital-intensive investments in the future in connection with unexpected liabilities or expenses, or for any other purposes. Any such offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

2.4.3 *Shareholders outside of Norway are subject to exchange rate risk*

All the Shares will be priced in Norwegian Kroner (NOK), the lawful currency of Norway, and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

2.4.4 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate based on their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

2.4.5 *The Company has a major shareholder with significant voting power.*

Upon admission to trading on Oslo Børs, it is expected that Citibank, N.A., a nominee account for multiple investors, directly or indirectly, will control approximately 42% of the Shares in the Company. Citibank, N.A. will hence be in a position to exercise considerable influence, or control, over all matters requiring shareholder approval. This concentration of share ownership could delay, postpone or prevent a change of control in the Company, and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by other investors.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Agilyx ASA, with business address Bygdøy terrasse 4, 0287 Oslo, Norway, solely in connection with the Listing of the Shares on Oslo Børs described herein.

The Board of Directors of Agilyx ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

13 September 2022

The Board of Directors of Agilyx ASA

Peter Michael Russell Norris
Chair

Ranjeet Gill Bhatia
Board Member

Carolyn Sarah Clarke
Board Member

Catherine Clinton Keenan
Board Member

Steen Jakobsen
Board Member

4 GENERAL INFORMATION

4.1 Other important information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus.

Neither the Company, nor any of their respective affiliates, representatives, advisers or selling agents, makes any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"* beginning on page 3.

4.2 Presentation of financial and other information

4.2.1 *Financial information*

The Company has prepared the annual consolidated financial statements for the financial years ended 31 December 2021 in accordance with IFRS, together with audited comparable figures for the financial year ended 31 December 2020 (the "**IFRS Financial Statements**"). For the financial year ended 31 December 2019, the Group has prepared consolidated, audited financial statements in accordance with United States Generally Accepted Accounting Policies ("**USGAAP**") (the "**USGAAP Financial Statements**", and together with the IFRS Financial Statements, the "**Annual Financial Statements**"). For the purpose of this Prospectus, the Company has prepared unaudited IFRS adjustments to the 2019 USGAAP figures (the "**Restated Financial Information**"). The Company has further prepared unaudited consolidated financial statements for the six-month period ended 30 June 2022 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**").

The IFRS Financial Statements, which are included as Appendix B (IFRS 2021 with audited 2020 comparable figures) were audited by RSM Norge AS ("**RSM**"). The USGAAP Financial Statements were audited by KBF CPAs LLP ("**KBF**"). RSM was appointed the Company's auditor at its incorporation, 22 November 2019.

In addition, RSM has done a limited audit review of the Interim Financial Statementss. The Interim Financial Statements, including RSM's limited review, is included as Appendix D.

Other than set out above, RSM or KBF has not audited, reviewed or produced any report or any other information provided in this Prospectus.

RSM had the following emphasis of matter regarding the IFRS Financial Statements:

Emphasis of matter regarding basis for preparation:

"*The financial statements were prepared to meet the requirements in connection with Agilyx ASA's listing of shares on Oslo Stock Exchange, including the prospectus prepared in connection therewith. Our opinion is not modified in respect of this matter*".

For the audited 2019 consolidated figures for Agilxy Corporation prepared in accordance with US GAAP, KBF had the following emphasis of matter:

Emphasis of matter regarding adoption of new accounting standard:

"*As discussed in Note 3(e) to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in 2019 due to the adoption of ASU 2014-09, Revenue from Contracts with Customers (Topic 606), and related amendments. Our opinion is not modified with respect to this matter*".

Emphasis of matter regarding going concern:

"*The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter*".

The reason behind the emphasis of matter regarding going concern for the year ended 31 December 2019 was the Company's limited operating history and significant operating losses.

Other than set out above, the audit reports to the Financial Statements does not contain qualifications, modifications of opinion, disclaimers or an emphasis of matter.

Other than set out above, neither RSM's report nor KBF's report contains any modifications of emphasis on matters.

4.2.2 *Functional currency and foreign currency*

In this Prospectus, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" or "**$**" are to the lawful currency of the United States, and all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Company has USD as functional currency, and the Financial Statements are presented in USD.

Transactions recorded in the financial statements of each subsidiary are made in its functional currency, i.e., the currency that best reflects the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities, and other monetary items in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

4.2.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, the figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 *Alternative performance measures 2021 - APMs*

The Group does not use financial or non-financial alternative performance measures to present the Group's development, performance or position.

4.3 Third-party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 8 *"Industry and Market Overview"* and Section 9 *"Business of the Group"* and other publicly available information. While the Group has compiled, extracted, and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Group may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position in the future is based on the Group's own assessment and knowledge of the potential market in which it operates.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements, and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified using forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs, or current expectations upon which its forward-looking statements are based will occur.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 *"Risk Factors"*.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE LISTING

The main reason for the Listing is to facilitate greater liquidity in the Shares and attract new prospective shareholders to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition, the Company will have enhanced access to the capital markets for financing potential growth opportunities in the future.

6 DIVIDEND AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal requirements set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 6.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 6.2 *"Legal constraints on the distribution of dividends"*, further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 17 *"Norwegian Taxation"*.

The Company has not established any dividend policy to date but will strive to follow a dividend policy favorable to the shareholders. As of the date of this Prospectus, the Company will focus on investments that can grow the business and does not seek to distribute dividends.

The Company has not paid any dividends on its Shares during the financial years that ended 31 December 2019, 2020 and 2021.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealized gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;

- the calculation of the distributable equity shall be made based on the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorize the Board of Directors to declare dividends based on the Company's annual accounts;

- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and

- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period

of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through DNB Bank ASA (the "**VPS Registrar**"). Shareholders registered in the VPS that have not supplied the VPS Registrar with details of their bank account will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders that have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7 THE PRIVATE PLACEMENT

7.1 Overview

On 2 September, the Company announced that it had raised approximately NOK 150 million (equivalent to USD 15 million) in gross proceeds through the Private Placement through issuance of a total of 6,265,250 new Shares, each at a subscription price of NOK 24 through an accelerated bookbuilding process. The reason for the offer was, inter alia, to generate equity to support the Company's late stage engineering of a previously announced polystyrene project with AmSty in the US, and to initiate development through a final investment decision regarding a new 100 TPD polystyrene project in Europe. See Section 7.3 for more information on how the Company plans to primarily use the proceeds from the Private Placement.

The Private Placement was managed by Arctic Securities AS, Carnegie AS and Citigroup Global Markets Limited (jointly, the "**Managers**").

The Private Placement Shares was settled with existing and unencumbered shares in the Company that were already listed on Euronext Growth Oslo, pursuant to a share lending agreement entered into between Saffron Hill Ventures 2 LP, Arctic Securities AS and the Company. The share loan is expected to be settled on or about 14 September 2022 with new shares in the Company resolved issued by the Company's board of directors pursuant to an authorization granted by the Company's annual general meeting held on 12 May 2022, as further described in Section 7.2.

The rights attached to the Private Placement Shares are the same as those attached to the Company's other Shares and will rank pari passu with existing Shares in all respects.

7.2 Resolution to issue the Private Placement Shares

On 12 May 2022, the general meeting of the Company resolved to authorize the Board of Directors to issue Shares in connection with the Private Placement and the Private Placement Shares:

"*the Company's board of directors are authorised to increase the share capital on the following conditions:*

(1) The share capital may, in one or more rounds, be increased by a total of up to NOK 310,131.60 divided into 15,506,580 shares, each with a par value of NOK 0.02.
(2) The authorisation is valid from the time of registration with the Norwegian Register of Business Enterprises and until the ordinary general meeting in 2023, but no later than 30 June 2023.
(3) The shareholders' pre-emption right for subscription of shares pursuant to company laws may be set aside.
(4) The authorisation includes increase of the share capital against non-cash contributions and the right to assume special obligations on the Company.
(5) The board decides the other terms and conditions for the share capital increase and may amend the articles of association following the completion of share capital increases pursuant to the terms in this authorisation.
(6) *Upon registration with the Norwegian Register of Business Enterprises of this authorisation, the previous authorisation to increase the share capital as resolved by the ordinary general meeting held on 12 May 2021 shall be cancelled*".

The existing shareholders' pre-emptive rights to subscribe for and be allocated Shares was deviated from in order to be able to issue the Private Placement Shares to investors in the Private Placement.

7.3 Use of Proceeds

The gross proceeds from the Private Placement were approximately NOK 150 million (equivalent to USD 15 million).

The Company estimates that the total expenses in connection with the Private Placement amounted to approximately NOK 11.6 million. Hence, the net cash proceeds from the Private Placement are estimated to amount to approximately NOK 138.4 million.

The net proceeds from the Private Placement is expected to be primarily used for:

- the late stage engineering of a previously announced polystyrene project with AmSty in the US, with an expectation of this entering construction within 12 months, as further described in Section 9.1.1; and

- to initiate development through a final investment decision regarding a new 100 TPD polystyrene project in Europe off the basis of a signed memorandum of understanding with a UK based petrochemical major, as announced on 1 September 2022. See Section 9.5 for more information.

7.4 Dilution

The immediate dilutive effect on the ownership of the Company's shareholders who did not participate in the Private Placement was approximately 7.4%.

The net asset value per existing Share as at 30 June 2022 was NOK 0.08 calculated as total equity divided by the number of outstanding Shares as per 30 June 2022. The subscription price in the Private Placement was NOK 24 per Private Placement Share.

Net asset value per share	30 June 2022
In USD thousands	
Assets	
Non-current assets	6,943,338
Current assets	16,632,484
Total assets	**23,575,822**
Liabilities	
Non-current liabilities	5,663,217
Current liabilities	11,098,022
Total liabilities	**16,761,239**
Net asset value	**6,814,583**
Number of shares	78,273,705
NAV/share (USD)	0.08
NAV/share (NOK)	0.86
Subscription price (NOK)	24.00
USD / NOK 6 September 2022	9.97

7.5 The Company's share capital following the Private Placement

The share capital increase pertaining to the Private Placement is expected to be registered in the Norwegian Register of Business Enterprises on or about 15 September 2022. As of the date of this Prospectus, the Company's share capital is NOK 1,565,474.10 diveded in 78,273,705 Shares, each with a nominal value of NOK 0.02. Following the issuance of the Private Placement Shares, which are expected to be issued on or about 15 September 2022, and registration of the share capital in the Norwegian Register of Business Enterprises, the Company's share capital will be increased to NOK 1,690,779.10 divided in 85,538,955 Shares, each with a nominal value of NOK 0.02.

7.6 Participation of major shareholders and members of the Management and Board of Directors

The following members of the Management and Board of Directors in the Company were allocated shares in the Private Placement:

- Steen Jakobsen, member of the Board of Directors: 400,000 Private Placement Shares
- Tim Stedman, CEO: 8,342 Private Placement Shares
- Joe Vaillancourt, Cyclyx CEO: 12,513 Private Placement Shares
- Chris Faulkner, CTO: 2,000 Private Placement Shares
- Russ Main, CFO: 1,500 Private Placement Shares

- Mark Barranco, SVP Engineering and Execution: 4,167 Private Placement Shares
- Isabel Hacker, General Counsel: 5,000 Private Placement Shares

The following major shareholders were allocated shares in the Private Placement:

- Saffron Hill Ventures 2 LP: 1,150,000 Private Placement Shares
- Corvina Holdings LTD, (Virgin Group): 104,271 Private Placement Shares

7.7 Manager and advisor

Arctic Securities AS, Carnegie AS and Citigroup Global Markets Limited acted as joint global coordinators and bookrunners and Advokatfirmaet Schjødt AS acted as legal advisor to the Company in connection with the Private Placement.

7.8 Interests of natural and legal persons involved in the Private Placement

The Managers and their affiliates may have interests in the Private Placement as it has provided from time to time, and may provide in the future, services to the Company and its affiliates in the ordinary course of business, for which it may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own existing Shares in the Company. The Managers does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Other than what is set out above, the Company is not aware of any other interests (including conflict of interests) of natural and legal persons involved in the Private Placement.

8 INDUSTRY AND MARKET OVERVIEW

This Section provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants and other professionals.

8.1 Market introduction

The addressable market for the Group should in broad terms be considered any industry with material use of plastics or fuel where it would be feasible to install and operate a chemical plastics-conversion plant as well as any industry involved in plastics recycling and waste plastics management. There are numerous different ways of considering the size of these markets but, whichever approach is used, the fundamental conclusion is the same, that the addressable market opportunity is very significant.

Facilitating companies' ability to recycle plastics into virgin material through chemical recycling presents an attractive market opportunity given the large annual production of plastics, which today primarily ends up at landfills, the broader environment or, in some geographies, is incinerated. About 95% of plastic packaging material value, or USD 80–120 billion annually, is lost to the economy after a first short use-cycle.[1] The global recycled plastic market size is anticipated to reach USD 69.2 billion by 2030, according to a new report by Grand View Research, Inc., growing at a compound annual growth rate ("**CAGR**") of 4.8% over the forecast period.[2]

An alternative approach to considering the scale of this market opportunity is simply to look at the virgin demand for plastics, which at some point in its life will become waste. McKinsey & Company ("**McKinsey**") estimates that demand in 2020 stood at approximately 350 million tonnes per year ("**TPY**") and expects this to grow to approximately 700 million TPY by 2040.[3]

The commercialization of chemical plastic-conversion technology is still in its early stage. However, the Group has already proven the commercial application of its technology through the launch and operation of its commercial closed-loop plastic to plastic facility which was established in 2018.

8.2 Market development

The market for plastics recycling solutions should currently be considered an emerging market as the value chain is still developing in most geographies. The market is growing largely due to increased calls from consumers, Fast Moving Consumer Goods ("**FMCGs**") pledges, and regulations calling for an increase in recycled polymers. While the building of recycling plants requires sizable capital investments, solving the global waste plastic problem is becoming of such urgency for governments and industry players that they are committing considerable resources to develop the required infrastructure, e.g., the "alliance to end plastic waste", which is a consortium of members from across the value chain that have committed USD 1.5 billion to address the collection and recycling deficiencies of waste plastics. According to a report from McKinsey from May 2022: Recent climate pledges and commitments from Consumer Packaged Goods ("**CPG**") companies underscore the urgent need to act around advanced recycling to deliver on consumer expectations.[4] In the years to come, increased use of advanced-recycling technologies could be a win–win for companies that can consistently provide recycled materials and for consumers who are motivated to buy these products. Ultimately, these technologies can benefit the environment and improve the viability of the plastics recycling value chain.

8.2.1 *Market size and growth outlook*

Production of plastic polymers is a large market of more than 350 million metric tons (see figure 1 below) that continues to grow and is expected to double in size by 2040. The challenge of plastic is that only 10 percent is currently being recycled. Producers are therefore looking for ways to develop more circular solutions for plastics and hence the market for recycling plastic polymers is growing rapidly. It is expected, as indicated in the (McKinsey) figure below, that the recycling market for plastics will grow quickly as the value chain materializes

[1] Source: World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company, The New Plastics Economy – Rethinking the future of plastics (2016, http://www.ellenmacarthurfoundation.org/publications).

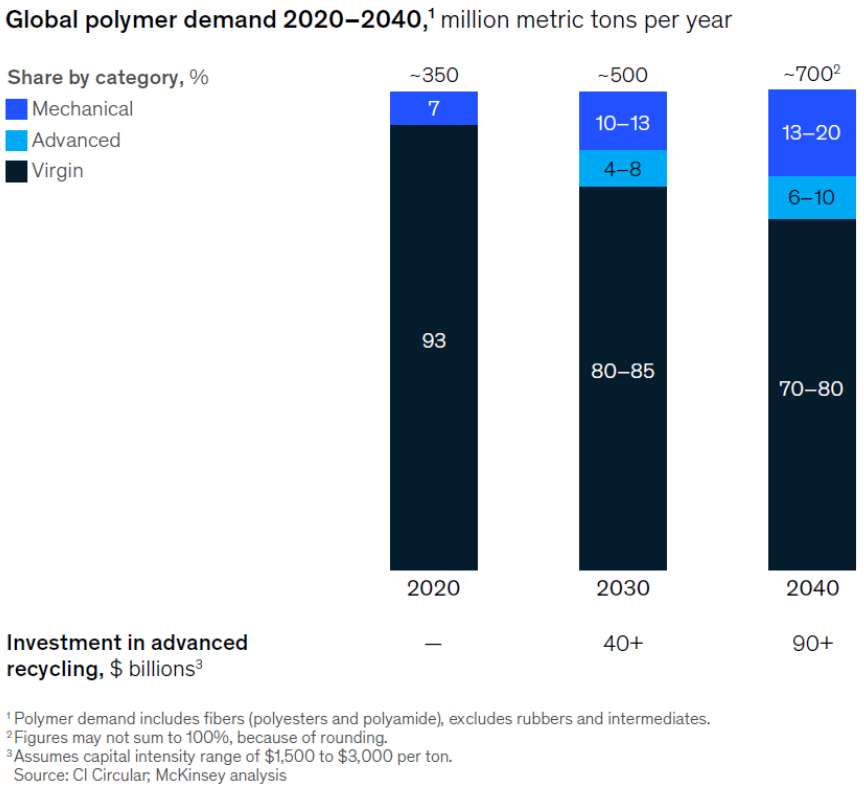
[2] Source: Bloomberg, Recycle Plastics Market Sze Worth $69.2 Billion By 2030: Grand View Research, Inc. (May, 2022, https://www.bloomberg.com/press-releases/2022-05-09/recycled-plastics-market-size-worth-69-2-billion-by-2030-grand-view-research-inc)

[3] Source: McKinsey & Company, Advanced recycling: Opportunities for growth (16 May 2022, https://www.mckinsey.com/industries/chemicals/our-insights/advanced-recycling-opportunities-for-growth)

[4] Source: McKinsey & Co's Report: Advanced Recycling: Opportunities for Growth (May 2022)

with companies operating at a scale being able to reduce costs through scale-efficiency and standardization. There are two main approaches for the recycling of plastics, mechanical recycling and chemical/advanced recycling. According to McKinsey, advanced recycling technology has the potential for more than 20 percent year-over-year growth through 2030. In addition, growth is expected to be driven by strong pressures from consumers, governments, industries and other stakeholders for circular and recycled products and services. Particularly, the regulatory environment will have significant impact as measures taken to tackle the plastic waste problem, such as new plastics taxes and a tightening possibility to place non-recycled products on the market, are expected to significantly impact companies towards introducing circular recycled products made from plastic waste. Agilyx is in a unique situation in this market due to its knowledge of waste plastic and its offering of recycling technology for several types of plastics, i.e. market segments described in Section 8.3 *"Market segments"*.

Figure 1: Global polymer demand, 2020-2040 (million metric tonnes per year)*



** This figure highlights the growing opportunity for advanced recycling (recycling of plastics), estimated to have a share of 4-8% of global plastic supply by 2030. That would mean a market up to 40 million metric tons of recycled plastic coming from advanced recycling technologies. This creates a significant opportunity for the Group to participate in this growing market.*
Source: McKinsey & Co's Report: Advanced Recycling: Opportunities for Growth (May 2022)

8.2.2 *Market regulation and public funding*

The wider development of the market is significantly supported by government regulation and high stakeholder pressure for environmentally friendly and sustainable solutions. Several governments across the globe have set measurable targets to reduce plastic waste and increase recycling rates. Amongst them, the EU has set targets for a 50% recycling rate for plastic packaging by 2025 and 55% by 2030. They have also committed to make all plastic packaging placed on the EU market either reusable or recyclable in a cost-effective manner by 2030.

Measures to achieve these targets are being implemented, such as the aforementioned plastic tax of EUR 800/tonnes, which makes recycled plastic solutions increasingly relevant for the plastics value chain, in particular manufacturers as well as consumer goods companies. Additionally, governments are pushing for grants to boost recycling activities, such as the US Recover Act calling for USD 500 million in recycling infrastructure grants.

In response to these regulatory pressures the value chain has started to adapt significantly with more than 80 global packaging, and retail companies having made public commitments to reach recycled content in their packaging between 15 to 50 percent by 2025 and display such commitments on their respective websites. Likewise, plastic companies, such as ExxonMobil, LyondellBasell, Sabic, AmSty and Ineos, are also making firm commitments to driving the market for plastic recycling facilities rapidly forward.

8.2.3 *Competitive positioning*

The market landscape for plastic conversion technology solutions is an emerging industry with effectively no companies providing end-to-end offerings, that is a solution that addresses the need to source waste, process it, convert it and then purify the resulting product.

The landscape is generally split between players with waste feedstock expertise and players with conversion capabilities. Waste managers have significant waste feedstock management expertise but lack the capabilities to convert this waste and then purify it as necessary for use in virgin material. Examples of waste management companies include Veolia and Waste Management Inc.

Similarly, recycling players have a variety of conversion technologies, but predominantly lack feedstock management expertise that addresses the needs to being able to source and process waste to optimize performance of their technology. Examples of these companies include plastic energy and recycling technologies. Differently, the Group is effectively promoting its waste plastic feedstock and conversion expertise by combining feedstock management with a robust conversion technology. Hence, the Group is well positioned as a fully integrated player offering solutions to its customers throughout the value chain. Continued investments into conversion technology as well as building up the feedstock management system, including their conversion database, is the basis for a sustainable competitive edge.

8.3 Market segments

Chemical conversion technology, including licensing and provision of specialized equipment

Agilyx conversion technologies are attractive in several market segments, including:

Polystyrene to Styrene Monomer

Agilyx technology can convert distinct waste streams of various polystyrene products (flexible, rigid, and foam) into styrene monomer. Agilyx has partnered with Technip Energies as an exclusive license partner to produce purified styrene monomer. The global styrene market is expected to grow from USD 49.3 billion in 2021 to USD 52.28 billion in 2022 at a CAGR of 6.0%. The styrene market is expected to grow to USD 62.81 billion in 2026 at a CAGR of 4.7%. The styrene monomer market is estimated by various sources to be of the order of USD 50 billion in 2021.[5] The addition of this purification step with Technip Energies also allows the use of more challenging waste, thus allowing greater scope for sourcing material both in terms of and cost availability (e.g. currently non-recylable insulation foams from the construction industry).

Poly Methyl Methacrylate ("**PMMA**") *to Methyl Methacrylate* ("**MMA**") *Monomerdepolymerizing PMMA into MMA Monomer.*

Agilyx has partnered with Mitsubishi Chemical UK Limited globally to further develop and scale this solution. The PMMA market size is more than 1.3 million tons, which is equivalent to approximately 40 times the Agilyx system of 50 tonnes per day.

Mixed Waste Plastic to Synthetic Crude Oil

Agilyx technology is also applicable to converting mixed waste plastic into a synthetic crude oil that can be used by refineries as replacement of crude oil and can be marketed for use in circular naphtha to produce new plastics such as polyethylene and polypropylene (together known as polyolefins) as well as to produce low carbon fuels. Mixed waste plastic consists mainly of polyolefins (polyethylene, polypropylene) (polyolefins or "**PE**"). The size of the virgin market for polyolefins is estimated by various sources to be greater than USD 230 billion in 2021 whereas the size of the low carbon fuels market is estimated to be USD 600 billion.[6]

Feedstock management, servicing any member of the Cyclyx consortium

Focused on the critical areas of sourcing and processing waste, Cyclyx is a waste plastic feedstock supply chain innovator working with industry participants in a consortium-based business model to develop innovative recycling solutions for all types of waste plastics. Through its unique know-how and understanding of the chemical composition of waste plastic and innovative solutions to create custom recycling feedstocks, Cyclyx aims to increase the recyclability of plastics by creating new recycling options, such as custom-built APPFs, developing new, innovative supply chains, and by leveraging the Cyclyx consortium model to allow these solutions to scale.

[5] Source: The Business Research Company, Styrene Global Market Report 2022 (April 2022, https://www.thebusinessresearchcompany.com/report/styrene-global-market-report

[6] Source: Global innovation Needs Assessment, *Low-carbon fuels* (1 November 2021 https://www.climateworks.org/wp-content/uploads/2021/11/GINA-Low-carbon-fuels.pdf)

Cyclyx provides waste as a feedstock to downstream customers supporting both mechanical and chemical recycling. Further, in the case of chemical recycling, Cyclyx is uniquely positioned to support both those customers requiring a more pure or clean type of feed where this is required by their chose technology route, as well as material that is more challenging to convert but which is suitable for Agilyx conversion technology customers.

The addressable end markets for chemically converted plastics using Agilyx technology include consumer goods and food packaging, automotive (including rubber), aviation (including low carbon fuels), bunker fuels, medical/pharmaceutical, home appliances, building & construction, electronics, amongst others.

Please see Section 9.1 "*Introduction to Agilyx ASA*" below for further information.

8.4 Regulatory environment

8.4.1 *Introduction*

The Group is subject to a variety of laws and regulations in different countries, including those related to the chemical recycling industry in general and the transportation and supply of plastic waste. These laws and regulations may be interpreted, implemented or amended in a manner that affects the Group's business negatively as well as positively.

This section sets forth a description of material laws and regulations relevant to the Group's business operations. A more detailed presentation of the risk factors relating to the regulatory environment is given in Section 2.2 *"General risks related to laws, regulations and compliance"* above.

8.4.2 *Laws, regulations and standards*

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 chemical 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.

Below is a description of current potential regulation that could have an impact on the Group within the EU and the USA. Within other jurisdictions, Agilyx relies on its licensees and/or other business partners to monitor the regulatory environment within the particular region.

<u>USA</u>

As of July 2022, there are currently 20 states in the US that have enacted legislation recognizing the economic and environmental benefits of advanced recycling and have regulated advanced recycling technologies as manufacturing operations. Further states are considering regulation and this will evolve as new legislation is introduced.

The Environmental Protection Agency ("**EPA**") recently released an advanced notice of proposed rulemaking seeking comments and data to inform whether to regulate pyrolysis and gasification units as solid waste incineration units. Regulating advanced recycling as solid waste incineration would be inconsistent with Clean Air Act legal criteria and the 20 states that have passed laws appropriately regulating these facilities as manufacturing operations.

Furthermore, the EPA also recently released its National Recycling Goal to increase the U.S. recycling rate to 50% by 2030.

<u>EU</u>

The Waste Framework Directive is the EU's legal framework for treating and managing waste in the EU and aims to contribute to the circular economy, introducing a waste hierarchy. Potential measures may include waste reductions targets and collection rules which could potentially impact feedstock availability for chemical recycling.

The Packaging and Packaging Waste Directive sets out recycling targets of used packaging for EU Member states.

Waste Shipment Regulation Translates into EU rules the obligations of the Basel Convention (1989) and of the OECD decision (2001) establishing a control system for waste shipments for recovery within the OECD meaning more plastic waste would be managed in region. The European Parliament and Council are currently defining positions and amendments.

EU Taxonomy is intended to guide companies and investors towards sustainable products and portfolios, formalizing criteria for what is considered sustainable. A key objective of the Taxonomy is to reduce environmental pollution, including greenhouse gas emissions and chemical and plastics pollution. On 30 March 2022, the European Commission's Platform on Sustainable Finance published its recommendations for technical screening criteria for the EU taxonomy. The recommendations have been developed and will now feed into the work of the Commission, which is expected to adopt a Delegated Act by the end of 2022.

9 BUSINESS OF THE GROUP

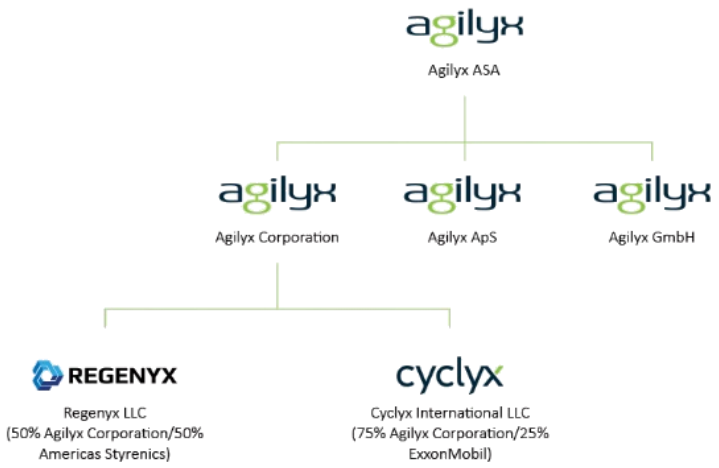
9.1 Introduction to Agilyx ASA

The Company, was established as Agilyx AS in November 2019, located in Oslo, Norway. Agilyx AS was converted to Agilyx ASA in 2022 and the holding company for Agilyx Corporation a company established in 2004 in Longview, Washington state in the U.S., as well as Agilyx GmbH and Agilyx ApS, (the "**Group**"). The Group headquarter is located in Portsmouth, New Hampshire with satellite offices located in Tigard, Oregon (USA), Switzerland and Denmark. The Group went through an internal reorganization in January 2020, where the Company acquired 100% of the shares in Agilyx Corporation against issuance of consideration shares to the existing shareholders in Agilyx Corporation on a share for share basis. In addition to the Company and Agilyx Corporation, the Group also comprises of Agilyx GmbH, Agilyx ApS and the following two entities:

- Regenyx, LLC which was formed in April 2019, an investment of an associated company with AmSty, to operate and advance the commercialization of waste polystyrene back into virgin-equivalent, food-grade polystyrene.

- Cyclyx International LLC, a subsidiary of Agilyx Corporation with ExxonMobil, which is 75% owned by Agilyx Corporation, was launched in December 2020 as an innovative consortium-based plastic feedstock management company.

Figure 2: Overview of the Group structure[1]



[1] *This is an overview of the Group structure, which shows that the Company is the ultimate parent of the Group. Source: Company data*

<u>The Group</u>

The Group has developed comprehensive systems, proven technologies, and a unique chemistry knowledge base to give waste plastics a new purpose. The Group has proprietary technology for identifying, sourcing, managing, and preprocessing plastic waste into feedstock. Agilyx's integrated solutions can also convert both mixed waste plastics as well as specific plastics, working with partners, such as Technip Energies and others, to offer truly differentiated services. Agilyx is committed to using innovative technology to help solve the immense global problem of plastic waste.

Agilyx licenses its patented conversion technology and sells equipment to clients, whether they are existing strategic companies or newer entrepreneurial enterprises, to help them take waste plastic feedstock and turn it into products. The Group provides its customers and partners valuable know-how and robust technology that allows them to become part of the circular economy.

Cyclyx

Focused on the sourcing and processing of waste, Cyclyx is a waste plastic feedstock supply chain innovator working with industry participants in a consortium-based business model to develop innovative recycling solutions for all types of waste plastics. The consortium-based business model is one where Cyclyx looks to collaborate with many other businesses who have the recycling of waste plastic as one of their main strategic initiatives through the creating of Cyclyx memberships. Interested companies join Cyclyx as non-equity investor members. Once members, the member companies have the opportunity to collaborate with Cyclyx through a range of commercial activities, testing their plastic waste to determine what recycling options could exist, creating takeback programs to aggregate the waste plastic from member companies and their customers, building new supply chains that move the waste plastic from origin to where it is processed, as offtake commitment for the customer process feedstock made from the waste plastic.

Through its unique know-how and understanding of the chemical composition of waste plastic and innovative solutions to create custom recycling feedstocks, Cyclyx aims to increase the recyclability of plastics by creating new recycling options with the development and creation of custom-built APPF, the development of a new, innovative supply chain, and by leveraging the Cyclyx consortium model to allow these solutions to scale.

9.1.1 *Strategy and objectives*

Building on knowledge that was accrued and developed over 18 years converting various waste plastics into a variety of petrochemical products and low carbon fuels, the strategy is to commercialize these learnings, know-how and proprietary intellectual property in a capital-light technology licensing model.

Although Agilyx and Cyclyx have a very robust existing data set and demonstration programs with many downstream customers that gives the Group confidence that the Group can find new recycling options for all waste plastics, it should be noted that so far no other company seems to have ever attempted the approach that Cyclyx is undertaking. Currently only approximately 10% of waste plastic is recycled and that is because the existing recycling industry only accepts the highest quality waste plastic in order to make a universally fungible recyclate material that can used by downstream manufacturers as a raw material to make new (non-food grade) plastic products. Cyclyx is using its knowhow to customize the compounding for a new set of customers who are aiming to recycle waste plastic back to its molecular profile in order that it can be made back into virgin equivalent polymers including food grade to wide range of different products. In order to do that, Cyclyx needs to customize its production for each discrete customer. In order to do so in a cost effective manner, Cyclyx needs to accept all waste plastics in order to have the flexibility of compounding custom feed for various customers specification. As a result of the above, there are a few potential challenges that Cyclyx will need to address:

1. feedstock characterizations have not been performed on a wide set of mixed waste plastics as there are many thousands if not millions of discrete varied sources. Consequently, Cyclyx's assumptions about what their forecasted characterizations are may be materially different, limiting the level of recyclability achieved;
2. Cyclyx may not have downstream customers in all areas for which it is aggregating new waste plastics or that the customers want the type of recyclate Cyclyx can produce limiting the total amounts of plastics that are actually recycled; and
3. the ability to compound various waste plastics specifically to discrete customers' product specification may be limited in certain geographies based on the volume and types of waste plastics available.

Agilyx provides multiple revenue streams with limited direct market risk combined with the capability to quickly scale through partnerships while pursuing different product pathways. Agilyx is an asset light model shielding itself from the financial risks associated with commodity pricing and capital intensity as Agilyx customers bare that burden. The bigger risk is that feedstock to operate the conversion/recycling facilities may not be market available. That risk is covered by the Cyclyx model for which Agilyx has a controlling interest and set of feedstock preferences. The Cyclyx model, although provides feedstock availability where historically it did not exist even to Agilyx competitors, Cyclyx has a consortium approach that will help it scale internationally in order to flow new waste plastics in the Cyclyx system where it now can be recycled and Agilyx has feedstock advantage both in terms of access and cost.

Agilyx custom designs and supports various large commercial and industrial companies that will build and operate chemical conversion facilities to convert different types of waste into product that can be used to make virgin-

equivalent plastics and/or low-carbon fuels. In addition, working through Cyclyx, Agilyx supports customers accessing suitable plastic waste to meet their needs, at the appropriate quality and price.

Agilyx has developed two distinct platforms:

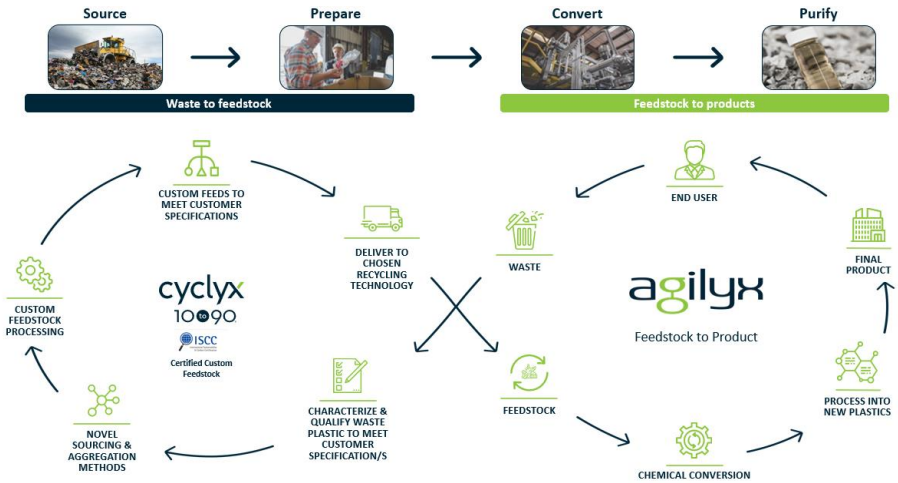
- Feedstock management, servicing any member of the Cyclyx consortium, and supporting the sourcing and processing of waste to be a useable feedstock

Figure 3: Cyclyx Membership[1]

[1] Figure 3 illustrates the number of members in the Cyclyx consortium as of June 2022. Source: Company data.

- Chemical conversion technology, including the provision of critical equipment, to convert feedstocks, especially those that are too challenging for other technologies to handle, into products aligned to the customers need.

Figure 4: Agilyx Integrated Technology[1]



[1] Figure 4 illustrates the cohesion between the Cyclyx and the Agilyx technology. Source: Company data.

Chemical conversion technology and feedstock management

Agilyx has advanced its licensing approach through the development of a growing number of strategic partnerships and is currently focusing its growth strategies on the following elements:

Grow existing commercial pathways: The Group has commercialized three conversion pathways: (i) polystyrene to styrene circularity; (ii) PMMA circularity; and (iii) mixed plastics to chemicals and refinery feeds, which includes circularity back to polyolefins via a mass balance approach, as well as the feedstock management solution that is now Cyclyx. Agilyx has signed multiple development, license and offtake agreements in order to drive the adoption of these pathways forward. Agilyx will continue to focus on expanding the business development efforts for these initial commercial pathways.

Develop and expand technology to new pathways: The Group continues to invest in and partner with industry leaders to commercialize new technology pathways. New pathways currently under development include the Group's efforts in additional plastics circularity pathways and low-carbon fuels.

Drive international expansion: Agilyx technology was initially developed in the United States since then Agilyx has developed projects and licensed its technologies in North America, Europe and Asia. Agilyx sees significant interest in recycling of plastics around the world and is focused on accelerating its international expansion to meet the demand for its conversion and feedstock management technologies and know-how, including the expansion of Cyclyx outside of North America.

Agilyx has a strong and growing business development pipeline, with more than 80 active projects in 24 countries across 5 continents. Currently, the pipeline consists of more than 1400 thousand metric tons per year (Kt/yr) of potential with customer projects in all market segments (polystyrene, PMMA, and mixed waste plastics). Projects that have been publicly announced include polystyrene based projects with the likes of AmSty and Ineos Styrolution Americans, two of the largest producers of styrene and polystyrene in North America. In addition the Group is also working on polystyrene projects with companies such as Toyo Styrene in Japan, where the project is now in the construction phase, and Kumho in South Korea.

The main partner on PMMA is Mitsubishi Chemical and projects have been announced in mixed waste plastic with AEON in Australia and the Virgin Group. In addition, there are many others projects being worked that are either too early in their development to be announced or where the strategic partner has a communication policy that does not allow them to be named at this stage, as was the case with the recent announcement of a polystyrene project Europe. Implementation of these projects will enable the Group to meet its targets announced for 2025/26, as further described in Section 11.8 "*Outlook*". However, if the Group seeks to raise additional capital in the future, this could help the Group to reach its announced revenue goals faster and accelerate and de-risk the Group's growth, including the performance of some of the Group's key development projects as well as the role of the Group's technology. Please refer to Section11.8 11.8 "*Outlook*" for an overview of the Group's current revenue forecast.

The chemical recycling industry for plastic is still in early-stage and evolving. The issues being addressed by the various industry players include:

(i) **Business model selection**: i.e. license, build-own and operate, or some combination of the two;
(ii) **Partnership development and nature**: stay truly independent or partner with an existing industry player. No full consolidation steps have occurring as of yet;
(iii) **Technology**: focus on selected plastic products or aim to have a broader portfolio of technologies. Technology risks include both scale and cost competitiveness, and competitive advantage compared to competing technologies. A significant driver of competitiveness will be the capability to access the most advantaged feedstock.

The integration of Cyclyx and (other) Agilyx capabilities provides the basis for driving scale and long-term competitive advantage. Cyclyx has the ability to access waste as a feedstock at significant scale given the nature of the consortium that it is building. While many of those in the consortium are looking for relatively clear waste, there will be large amounts of more challenging, "unrecyclable" waste that will be generated, providing an ideal, low-cost source of material for those customers using the Agilyx conversion technology offerings.

Competitive Strengths

As the plastic waste crisis continues to grow, there is an increasing recognition that waste also represents a significant untapped market of above ground hydrocarbons. Chemical recycling offers the opportunity to take this

resource and use it as part of a circular solution, making it possible to address both the issue of waste and answer the needs of brand owners and regulators.

According to Closed Loop Partners: Thirty-seven of the world's largest consumer brands and retailers, including Coco-Cola, Danone, Nestle, PepsiCo, Unilever, Walmart, and others have made public commitments to use recycled plastics in their packaging within the next 10 years, signaling the opportunity to shift billions of dollars from the "take, make, waste" linear supply chain to circular supply chains. Current projections indicate new real demand of 5 million to 7.5 million metric tons by 2030, requiring an increase of supply of 200%-300%.

In North America alone, in aggregate, the relevant market opportunity for recycled polymers, monomers, intermediates, and other chemicals totals USD 120 billion annually that have a pathway back to plastics. However, including other pathways, such as diesel and gasoline, jet fuels, and liquid oils, would significantly increase the market opportunity.[7]

According to UNEP: Of the seven billion tonnes of plastic waste generated globally so far, less than 10 percent has been recycled. Millions of tonnes of plastic waste are lost to the environment or sometimes shipped thousands of kilometers to destinations where it is mostly burned or dumped.[8]

There are two main approaches for recycling of plastics, mechanical recycling and chemical/advanced recycling. According to McKinsey, advanced (chemical) recycling technology has the potential for more than 20 percent year-over-year growth through 2030. In addition, growth is expected to be driven by strong pressures from consumers, governments, industries and other stakeholders for circular and recycled products and services.[9] Particularly, the regulatory environment will have significant impact as measures taken to tackle the plastic waste problem, such as new plastics taxes and a tightening possibility to place non-recycled products on the market, are expected to significantly impact companies towards introducing circular recycled products made from plastic waste. Agilyx is in a unique situation in this market due to its knowledge of waste plastic and its offering of chemical recycling technology for several types of plastics.

End-to-end integrated solution enabling circular economy in cooperation with blue-chip partners

The Company believes that Agilyx is the only company in the market with an integrated technology approach offering feedstock sourcing via Cyclyx and Chemical conversion technology solutions via Agilyx.

Agilyx provides solutions across plastic waste recycling value chain from feedstock sourcing and reparation to chemical conversion and purification of plastic into the virgin quality recycled output. Solutions are developed in partnership with some of the most reputable companies globally in the respective fields providing additional validation.

Commercially validated technology with industrial scale facilities already in operation

With seven generations of technology and over a decade of operating experience and know-how, Agilyx was a first mover in chemical recycling and is therefore amongst the most experienced companies in this space. In 2018 Agilyx and AmSty created the joint venture, Regenyx. Regenyx is a commercial operation which recycles polystyrene waste into a recycled styrene monomer in Tigard, Oregon. In July 2021, Agilyx announced that it surpassed 16,000 hours of commercial operations at its certified chemical recycling operations in Oregon. This operational history encompasses the period when the unit was processing mixed waste plastic to Agilyx ynthetic Crude Oil ("**ASCO**") and was 100% owned by Agilyx prior to the formation of Regenyx, as well the period processing polystyrene waste since the formation of Regenyx. Both the mixed waste plastic and the polystyrene waste has been sourced directly by Agilyx utilizing the feedstock management program that has since been incorporated into Cyclyx.

Toyo Styrene in Japan announced in January 2022 they are entering into the construction phase of a 10 ton per day chemical recycling facility in Japan, enabled by Agilyx depolymerization technology. This plant will be the second operating plant using Agilyx technology and the first licensed plant and will convert post-use polystyrene into a styrene monomer oil that will be purified using Toyo Styrene's proprietary purification process. Styrene monomer produced from this process can then be converted back into high value polystyrene products which bear a significantly lower carbon footprint than similar products made with virgin styrene monomer.

[7] Source: Closed Loop Partners, *Accelerating cicular supply chains for plastics* (*https://www.closedlooppartners.com/wp-content/uploads/2021/01/CLP_Circular_Supply_Chains_for_Plastics_Updated.pdf*)

[8] Source: UN Environment, *Our planet is choking on plastic* (*https://www.unep.org/interactives/beat-plastic-pollution/*)

[9] Source: McKinsey&Company, Advanced recycling: Opportunities for growth (16 May 2022, *https://www.mckinsey.com/industries/chemicals/our-insights/advanced-recycling-opportunities-for-growth*)

Asset-light ready for rapid scale up business model

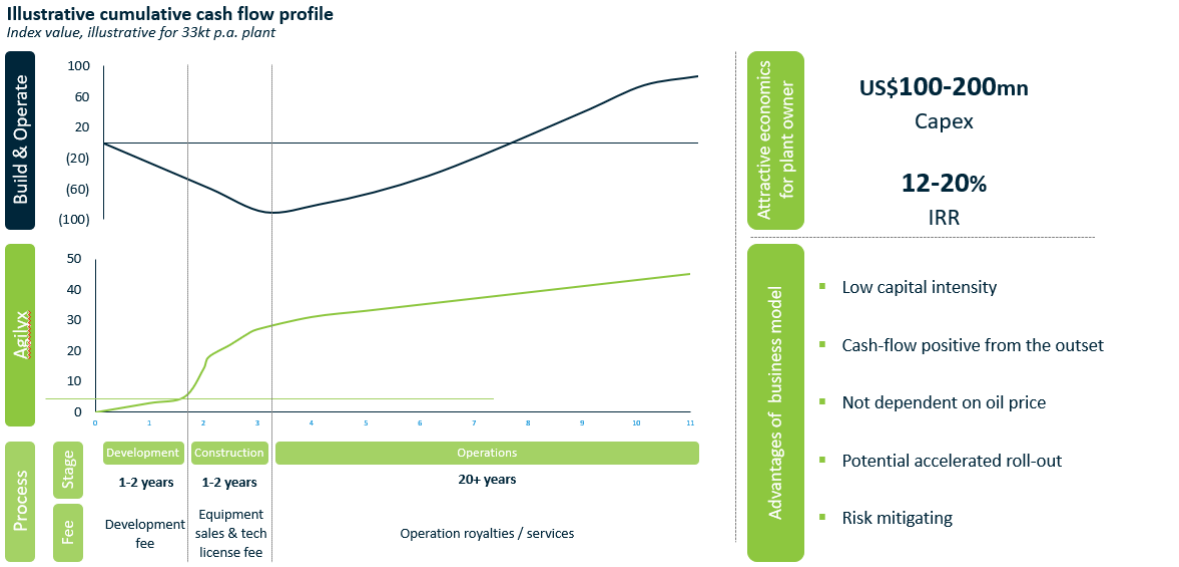
The early stage of the Company's development followed the classic build-own-operate approach that many others in this space are now following. However, with the development of the technology to include multiple conversion pathways, the Company also shifted to a asset-light business model focused on monetizing the years of development in both conversion technology and feedstock insight through a combination of licensing, project development and provision of the critical core equipment.

In the conversion technology business, revenue is generated through the development from early stage engineering through to detailed design (development phase). Typically customers would pay up front for the various phases of development but the Group has also stated that, on a very targeted basis, it would participate in joint development with a view to accelerating the commencement of the construction phase.

In the construction phase, revenue steps up as the Company not only provides the services of project oversight but also sells the critical core equipment and a license. As the core equipment is one of the long lead time items for the overall project, the cash inflow and consequent revenue recognition will be skewed towards the front end of the overall construction phase.

Once the project moves into the operation phase, further revenues will be forthcoming associated with royalty on through-put, linked to the license, as well as provision of services such as maintenance spares and operational support.

Figure 5: Asset-light business model with front-skewed cash flow stream[1]



[1] *Figure 5 summarises the expected cash flow from this asset-light model as compared to a typical build-own-operate approach and clearly demonstrates the lower capital intensity, early cash flow generation and mitigation of operating risk that this model allows. In addition, it also de-risks potential issues associated with any given customer or geography allowing greater flexibility to deal with uncertainty.*

Source: Company data.

Finally, as Cyclyx has the capability to address the needs of any plastic recycling technology, the Company is very well positioned to generate revenue and growth not just on the success of Agilyx conversion technology but also building off the successes of other companies.

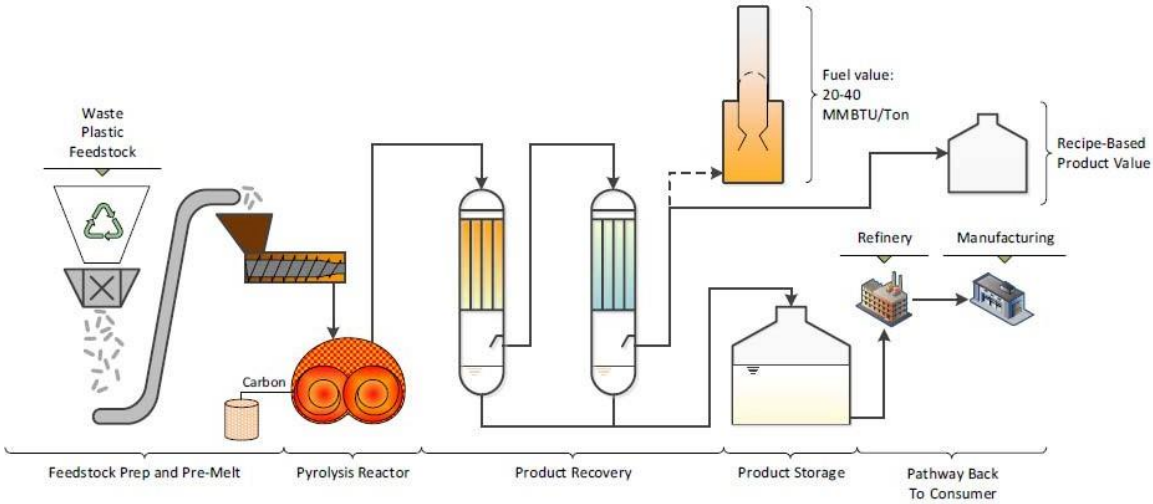
Entering Phase of Rapid Growth with Strong and Diversified project pipeline

As is further detailed in Section9.1.1 9.1.1, the Company now has 18 years of development and commercial validation at various different levels and with various counterparties. The extensive experience of dealing with real-world waste plastic is fundamental to the success in developing critical partnerships such as with ExxonMobil in Cyclyx as well as Technip Energies in the area of polystyrene circularity. These in combination with the Company's own successes in significantly increasing the breadth and depth of the business development pipeline for Agilyx and the growth in membership within Cyclyx, provide a basis for confidence that the Company is now entering a period of rapid growth.

9.1.2 *Technology*

Agilyx enables chemical and circular recycling pathways for end-of-use plastics through innovations, know-how, process technologies, and process equipment that are environmentally and economically sustainable. Agilyx deploys a proprietary technology platform for plastics conversion and recycling. At its core, Agilyx technology enables continuous chemistry at moderate temperatures. The Agilyx technology can convert or "depolymerize" plastics in a controlled manner, whereby plastics are converted to valuable products, including monomers (the building blocks of polymers or plastics), or synthetic chemicals which can then be used either in refinery applications (low carbon fuel) or can be further purified for application in other chemistries, including circular supply chains.

Figure 6: Simplified overview of Agilyx's technology[1]



[1] Figure 6 illustrates a simplified overview of Agilyx's proprietary technology platform for plastic conversion and recycling.

Source: Company data.

9.1.3 *Agilyx Depolymerization Process Schematic*

The technology for converting waste polystyrene, PMMA, or mixed plastics feedstock to styrene monomer, methyl methacrylate, or chemical and refinery feeds, respectively, consists of three primary systems: feedstock preparation, pyrolysis reaction, and product separation and storage. These core systems are supported by ancillary systems such as raw feedstock receipt, solids by-product handling, emissions controls for non-condensable process gases, liquid product storage system and common industrial process utilities. An operations and maintenance philosophy drives the design of the systems to facilitate an efficient, safe, and environmentally friendly site. The Agilyx technology uses a patented pyrolysis reactor, without catalysis, suitable for depolymerization and pyrolysis of plastics of all forms, in particular to enable circular supply chains for plastics such as polystyrene (PS #6), acrylics (PMMA) and polyolefins (PE #2 and #4, PP #5) as well as low carbon fuels.

The reactor module is differentiated by its dual screw conveying system and self-cleaning design. Agilyx currently designs systems based on two reactor sizes: 10 TPD and 50 TPD feed capacity. These systems can be deployed in multiple trains to achieve larger processing scales.

The Group's technology has its roots in processing mixed plastics into ASCO and its derivatives and has expanded its technology solutions platform to include more circular solutions. During this time, Agilyx has tested hundreds of different feedstock sources leading to the development of a proprietary and unique database of waste plastics and polymers, which is the underpinning data capability for the Cyclyx feedstock management business. Leveraging this database alongside other innovations, Cyclyx to cost-effectively deliver feedstocks for plastic circular supply chains.

9.2 Principal markets

Agilyx technology converts and recycles waste plastic to valuable products, addressing a large and growing market of various types of plastics. Agilyx participates and competes in the chemical recycling of waste plastics with capability to deal with specific plastics, such as polystyrene to styrene monomer and polymethyl

methacrylate to methyl methacrylate (depolymerization), as well as mixed waste plastics to synthetic crude oil (pyrolysis). Agilyx is primarily a service provider and technology enabler to companies that operate in the petrochemical industry as well as chemical manufacturers. The companies that Agilyx is engaged with in the petrochemical space are large players in plastic polymer production that are looking for alternative polymer production solutions such as that of Agilyx chemical recycling technology which offers a circular solution as opposed to a traditional linear take make waste approach. Agilyx is engaged with several leading global chemical/plastics producers including IneosStryolution, AmSty, Toyo Styrene, Mitsubishi Chemical, and Kumho Petrochemical to name a few.

In addition to enabling companies to produce circular plastics, Agilyx technology is also able to provide a solution in the form of lower carbon fuel using waste plastic as a feedstock. In this area, Agilyx is currently engaged with the Virgin Group on a project in the US utilizing Agilyx conversion technology for the production of lower carbon fuel for the aviation industry.

Agilyx also works with Engineering and Technology companies such as Technip Energies, that have a comprehensive portfolio of clients in the chemical industry. Through close collaboration and partnership, Technip Energies is able to market Agilyx's chemical recycling solution to a broad base of potential customers, and in turn selling licenses to these respective customers.

Agilyx is a technology enabler and seeks to license its technology to partners as outlined above. Agilyx is uniquely differentiated from its peer companies in the space who are currently building, owning and operating chemical recycling units.

Figure 7: **Overview of chemical recycling technologies**[1]

	Dissolution	Depolymerization	Pyrolysis	Gasification
Mechanism	**Selective solvent-based dissolution**	**Reverse polymerization**	**Thermochemical decomposition in the absence of oxygen**	**Partial oxidation**
Feedstock	Target soluble polymers (e.g. PVC, PP, PE, …)	High-purity polymers (e.g. PS, PET, PA, …)	Mixed plastics (pref.: PE, PP, PS)	Carbonaceous waste: Mixed plastics; RDF; MSW; Biomass; etc.
Main Product	Polymer	Monomers; oligomers	Oil; hydrocarbons	Syngas (CO, H_2)
Chemical Agent	Solvent	Solvent; Enzyme (or none: thermal)	-	Gasifying agent (O_2, H_2O, CO_2)
Temperature	90-280°C	80-280 °C	300-600 °C	600-2000 °C
Pressure	1-5 bar	1-40 bar (higher press. possible)	1 bar; negative press. or overpress. possible	1-60 bar
Examples	Newcycling, CreaSolv	Agilyx, Ioniqa, Eastman, Gr3n	Agilyx, Plastic Energy, Carboliq, Brightmark	Ebara-Ube Process, Enerkem, British Gas-Lurgi

[1] *Figure 7 provides an overview of the various technologies within the chemical recycling industry.*

Source: TU Bergakadmie, Freiburg.

The market for plastic recycling is mainly populated by smaller start-up companies with proprietary recycling technologies as highlighted in the table above. There are several companies with viable recycling technologies which include, inter alia, Plastic Energy, Brightmark, Carboliq, and Inoiqa. Agilyx has a unique position as the only company with technology for depolymerisation and pyrolysis, and the Agilyx/Cyclyx integrated solution also gives Agilyx a competitive advantage.

The Group's geographical distribution of revenues and total revenues by operating segments

Amounts in USD	**2020**	**2021**
Europe	774,600	428,689
USA	2,097,750	3,894,758
APAC	1,331,326	463,826

Other	132,475	101,954
Total sales by customers location	**4,336,151**	**4,889,227**
Product category		
Project development[1]	2,049,600	2,786,855
License[2], membership[3] and royalty fees[4]	2,154,076	131,458
Sale of goods[5]	132,475	1,970,914
Total sales by category	**4,336,151**	**4,889,227**

[1] Includes feedstock testing & analysis and plant design engineering

[2] Site or technology license to operate the plants

[3] Annual fee to become a member and receive services from Cyclyx

[4] Agilyx receives a royalty for every feedstock pound (lb) delivered to customers by Cyclyx and Agilyx also receives a royalty once a plant enters into operation based on offtake delivered

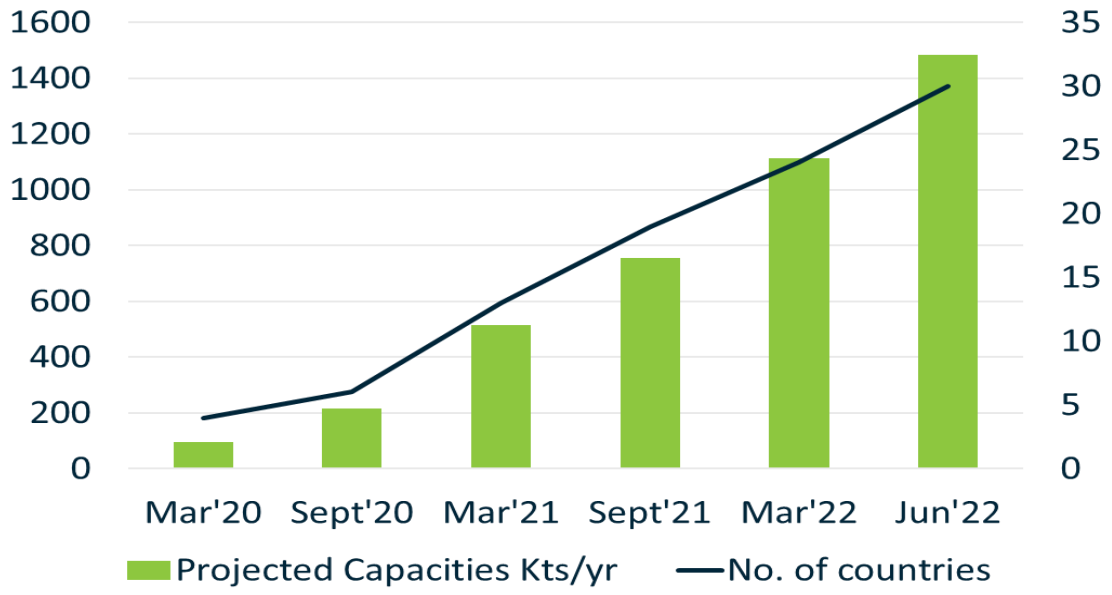
[5] Mainly Cyclyx sales of feedstock to customers

Segment Revenue:

In 2020 the revenues were 100 percent derived from Agilyx. Cyclyx started generating revenue in the second half of 2021 of which USD 1,949,874 of "Sales of Goods" and in "USA" were generated by Cyclyx.

As mentioned in Section 9.1.1 "*Strategy and objectives*" above, Agilyx has a strong, growing and diversified business development pipeline, with more than 80 active projects in 29 countries across 5 continents. Currently, the pipeline consists of more than 1400 thousand metric tons per year (Kt/yr) of potential Agilyx recycling capacities in all market segments (polystyrene, PMMA, and mixed waste plastics).

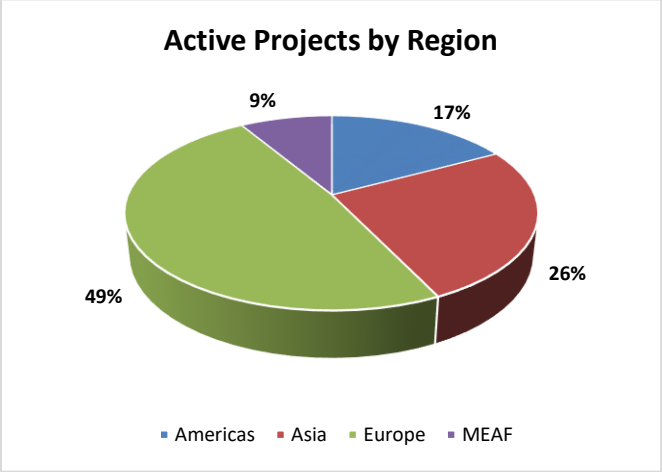
Figure 8: Project pipeline for all market segments



[1] *Figure 8 shows the total estimated capacities for all market segments.*

Source: Agilyx internal data.

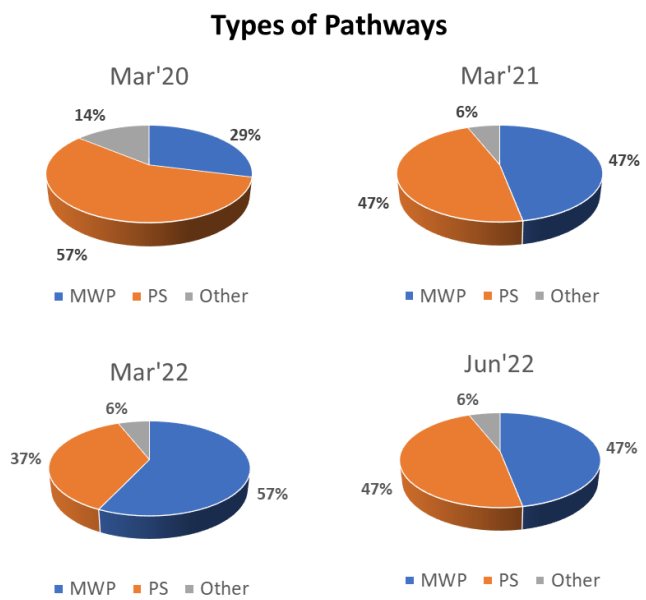
Figure 9: Project pipeline by region[1]



[1] *Figure 9 shows the current split in geography of the projects in the pipeline.*

Source: Agilyx internal data.

Figure 10: Project pipeline by market segment[1]



[1] *Figure 10 shows the pipeline of projects across the various pathways supported by Agilyx technology.*

Source: Agilyx internal data.

9.3 History and important events

From its inception in 2004 through 2015 the Group focused on developing its technology platform to design chemical recycling facilities that would convert non-recyclable, waste plastics (mixed waste plastics or "**MWP**") into high-quality synthetic crude oil. Agilyx achieved its goal of producing a consistent, high-quality crude oil that it trademarked as ASCO and certified its ASCO through the U.S. Environmental Protection Agency ("**EPA**") Toxic Substance Control Act ("**TSCA**") Program in 2013. In the years 2012 through 2015 Agilyx deployed a dual-pronged business model; Agilyx pursued both a design, build, own and operate model and a technology licensing model. During that time, the Group built one commercial facility and sold additional facilities and secured offtake agreements with U.S. Oil & Refining, Co. ("**USOR**"), as well as Delta Air Lines subsidiary Monroe Energy, LLC.

Beginning in 2015, due to declining crude oil prices, the Group focused its efforts away from producing ASCO and towards other petrochemical products, specifically designing and marketing systems to convert various waste plastic back into virgin-equivalent plastics. At that time, the Group specifically focused on converting waste

polystyrene into styrene monomer oil that an existing producers of styrene monomer could purify into pure styrene that could then be used for any into virgin-equivalent application such as food-grade polystyrene. With continued growing interest in circular plastic recycling solutions, there strong interest in its polystyrene, not alt east as with the Technip Energies purification development that allows us to bypass the existing styrene monomer producer, the Group are able to address a far greater number of potential customers. In addition to the potential to use the existing MWP technology for low carbon fuels or, via mass balance back to circular plastics such as polyethylene, the Group has active programs on PMMA with Mitsubishi Chemical and is exploring opportunities for other pathways such as polyvinyl chloride ("**PVC**").

In addition, Agilyx has matured its business model away from the design, build, own operate model, which creates significant exposure to commodity pricing volatility and capital intensity, towards the capital light technology licensing model pursuant to which Agilyx licenses certain intellectual property rights and sells equipment to clients. The licensing model offers a series of one-time and recurring revenue streams that lower risk and optimizes cash flow. In addition, the establishment of Cyclyx as the solution provides addressing the challenge for how to source and process waste, regardless of downstream conversion technology used, is proving to be a significant differentiator in this developing market of advanced or chemical recycling.

The table below sets out the key events in the development of the Agilyx business and the history of the Group:

Table 3 - Overview of key events in the history of the Group

Year	Event
2004	
-	Company founded by Kevin DeWhitt in Longview, Washington State, USA, as Plas2Fuel focused on converting non-recyclable plastics into a crude oil.
2006	
May	Agilyx deploys its first technology generation pilot batch reactor for the production of synthetic crude oil from waste plastics and polymers using pyrolysis.
July	First demonstration scale oil produced and brands its ASCO.
2007	
October	Agilyx releases its second-generation system, reducing cycle times by 33% and systematizing auxiliary components.
2008	
October	Generation 3 technology/system is released. Reaction times were reduced an additional 50% and the system includes design for manufacturability.
2009	
April	First shipment of ASCO to offtake partner, USOR.
2010	
April	Generation 4 technology is released. This generation of the batch system greatly enhanced the production of ASCO using into semi-batch design schemes. The Agilyx system scaled the design, improving system capacity by 4x while reducing cycle times by an additional 25%. Generation 4 of the technology also incorporated a more central automated control system for the reactor and balance of plant systems.
2012	
July	Generation 5 technology with semi-batch reactor system released, commissioned and commercialized. Generation 5 builds on the success of the Generation 4 technology platform scaling the semi-batch processing to 50 TPD feedstock capacity using 16 reactors in parallel. Generation 5 also includes Agilyx's proprietary downstream equipment: an oil condensing skid and an oil conditioning system.
2013	
2013	Joint development work with Therma Flite was completed resulting in the launch of Generation 6 technology incorporating a continuous reactor system design. Generation 6 of Agilyx technology encapsulates the move to a continuous system rather than a semi-batch operation. Additionally, the reactor incorporates patented protected self-cleaning mechanics and heating designs.
April	Agilyx receives the TSCA registration from EPA for ASCO.
2014	
2014	Agilyx operations exceed the processing of 8 million lbs of mixed waste plastics converted into over 800,000 gallons of crude oil.
2017	

May	Agilys releases Generation 7 System and commissions first waste polystyrene to styrene monomer facility incorporating full-system automation into Agilyx's core design and technology. This system expands the product pathway solutions with the capability in three categories: plastic to virgin equivalent plastic, plastic to chemical intermediates, and plastic to low carbon/ultra-low-sulfur fuels.
September	Joint development agreement reached with INEOS Styrolution.
2018	
August	Agilyx launches polyolefin to olefin circular solution platform.
2019	
March	First Recycled Styrene Monomer (RSM) shipment to AmSty.
May	Agilyx enters into a multi-tiered relationship with AmSty; 1.) the company forms a joint venture (Regenyx) with AmSty to commercialize the conversion of post-use polystyrene to RSM at the Tigard, OR, facility, 2.).
July	Agilyx expands its operations in Tigard to increase its polystyrene foam and rigids feedstock preprocessing capacity by 300%.
October	Agilyx formalizes its feedstock management program and incorporates Cyclyx, established as a business in Oregon. Takes over supply of polystyrene feedstock to Regenyx facility.
December	Agilyx and INEOS Styrolution announce they are advancing the development of a polystyrene (PS) chemical recycling facility in Channahon, Illinois.
2020	
January	Agilyx AS acquires 100% of the shares in Agilyx Corporation against issuance of consideration shares to the existing shareholders in Agilyx Corporation on a share for share basis. In connection with the Reorganization the company also carried out a private placement of 101,496 shares, raising gross proceeds of approximately NOK 95 million.
April	Agilyx exceeds 1 million lbs of RSM sold to AmSty through Regenyx.
April	Agilyx (Cyclyx) establishes a relationship with local municipality (Portland Metro) to work together, aggregate residential polystyrene, pre-process and deliver Agilyx's Tigard, OR, facility
April	Agilyx announces the licensing of its technology to Toyo Styrene Co., LTD (Toyo Styrene), an affiliate of Denka Company Limited. The site technology license agreement enables Toyo Styrene to deploy the Agilyx technology near Toyo Styrene's facility in the Chiba Prefecture of Japan. The facility will focus on recycling waste polystyrene back to styrene monomer.
May	Agilyx develops a PMMA to methyl methacrylate (MMA) product platform.
May	Agilyx enters a worldwide exclusive license agreement with Lucite International to use the Agilyx depolymerization technology for the recycling of PMMA.
August	Agilyx appoints Tim Stedman as CEO, replacing Joseph Vaillancourt who is refocused on spinning off the feedstock management program ("Cyclyx")
June	Agilyx launches new company Cyclyx International, Inc to promote and develop its feedstock aggregation and brokering business. Cyclyx licenses IP from Agilyx to generate customer specific feedstock recipes and to source waste plastic feedstocks appropriate for chemical recycling.
September	Agilyx, AmSty and INEOS announce that AmSty will be partnering with INEOS Styrolution to develop the 100 TPD RSM plant in Channahon, IL.
September	The Company completes a NOK 300 million private placement and its shares are admitted to trading on Euronext Growth.
November	Agilyx and Regenyx receive ISCC PLUS certification
November	Agilyx Expands Presence with European Hub.
December	Launched mixed waste plastics project with A.Eon.
December	Launched mixed waste plastics project with Braskem.
2021	
January	Launch of Cyclyx International LLC, a joint venture with ExxonMobil, as an innovative consortium-based plastic feedstock management company.
March	Cyclyx becomes ISCC Plus certified
July	Partnered with Technip Energies for first ever integrated waste to pure styrene solution.
August	Agilyx and Kumho announce collaboration to explore the development and construction of a chemical recycling project in South Korea.
December	Agilyx and Mitsubishi Chemical announce successful results of a full-scale production trial for polymethyl methacrylate (PMMA; commonly called acrylic).
December	Cyclyx announced development of a first of its kind customized plastic recovery facility to process waste plastics for ExxonMobil's advanced recycling projects on the Gulf Coast.
2022	
January	Toyo Styrene Enters into Construction phase of chemical recycling facility with Agilyx Technology.
February	Virgin Group and Agilyx form strategic partnership for low carbon fuel.

March	Agilyx joins Sustainable Medicines Partnership.
March	Cyclyx and its members introduce 10 to 90®, a consumer engagement brand designed to divert more plastics from landfill.
July	Project under development for commercial scale Polystyrene Chemical Recycling in Southern Europe with leading petrochemical company.
September	Agilyx ASA and a leading UK based global petrochemical major sign a memorandum of understanding for development of European Chemical Recylcing Facility
September	Agilyx ASA completes a private placement of 6,265,250 new shares at a subscription price of NOK 24, raising gross proceeds of NOK 150 million (equivalent to USD 15 million)

9.4 Business operations

9.4.1 *Introduction*

Agilyx provides plastics recycling solutions through licensing, supply of critical equipment, and provision of technical services. Agilyx conversion technology enables the conversion of waste plastics into high-value-added polymers and feedstocks. The market in which Agilyx operates and for which the Agilyx technology is relevant is described in more detail Section 8.1 "*Market introduction*" above.

The Agilyx technology is currently in its seventh generation and is operating at the Regenyx facility in Tigard, Oregon where waste polystyrene is converted back into its original components for production of new polystyrene products under the PolyUsable label. Regenyx showcases Agilyx seventh generation technology on a commercial scale.

An eighth generation of technology focused on mixed plastics conversion is under development and expected to be released by Agilyx by year-end 2022. The eighth generation builds on 18 years of learnings and know-how to incorporate enhanced unit operations and system integration features in a commercial scale MWP to ASCO conversion plant design. Agilyx' eighth generation technology will be deployed in the development and construction of client projects utilizing mixed plastics as a source of feed.

9.4.2 *Business description*

The Agilyx Group has developed comprehensive systems, proven technologies, and a unique chemistry knowledge base to give waste plastic new purpose. Agilyx has proprietary technology for identifying, managing and preprocessing plastic waste into feedstock. Agilyx's integrated solutions can take waste polymers and produce discreet monomers that can be fully recycled back into virgin-equivalent products. Agilyx is committed to using innovative technology for good and helping solve the immense global problem of plastic waste.

Agilyx licenses its patented waste plastic recycling technology and sells its patented waste plastic recycling equipment to clients, whether they are existing strategic companies or newer entrepreneurial enterprises, to help them take feedstock and turn it into a product. Agilyx provides its partners with valuable know-how and robust technology that allows them to become part of the circular economy.

Cyclyx sells a series of services that individually or combined "as a service model" support the development and industrial scaling of its main custom plastic feedstock product. Those services include: waste characterizations and product modeling; compounding recipe development; plastic waste shed analysis; waste plastic sourcing; waste plastic takeback programs; design, development and operation of customized advanced plastic processing facilities; International Sustainability Carbon Certification ("**ISCC**") PLUS certification: consumer engagement tools and affinity programs.

9.5 Offering and Services

The Group provides plastics recycling solutions in the form licensing, supply of equipment, and technical services. Licenses provide certain intellectual property rights for counterparties. Equipment supply includes proprietary equipment as well as critical equipment related to Agilyx's proprietary process technology. Technical service offerings include design, lab, project, and research and development services. These services range in scope and are defined on a project-by-project basis.

The Group licenses certain intellectual property rights related, but not limited, to its registered patents and trademarks as well as software, algorithms, and know-how pertaining to waste plastic as a feedstock. The Group

also licenses certain intellectual property rights pertaining to mixed plastics, polyolefin, polystyrene and polymethyl methacrylate recovery and recycling.

The Group sells proprietary equipment and modules related to waste plastic chemical recycling and depolymerization. These products include, but are not limited to, reactor vessels, material handling equipment, post-treatment vessels, and process handling equipment and associated auxiliary materials and instruments.

The Group sells design, lab, project and research and development services related to its business.

On 1 September 2022, the Company announced that it had signed a memorandum of understanding with a leading UK based global petrochemical major for development of a European chemical recycling facility. Within this agreement, the Company will complete the development and engineering for a post-use polystyrene to pure styrene monomer chemical recycling facility that will have a capacity of up to 100 TPD. The memorandum of understanding includes agreement to have an offtake arrangement that would allow the subsequent construction of the project to be funded either by the memorandum of understanding counterparty or by third party financing. It is expected that the project will enter construction after completion of the final investment decision package in approximately 18 months.

At the date of this Prospectus, there are no significant new products and/or services that have been introduced or publicly disclosed.

9.5.1 *Agilyx Offering and Services*

Agilyx technology enables the conversion of waste plastics into high-value-added products. The Group's technology uses a form of pyrolysis (heat without the presence of oxygen) to break down polymer chains into smaller molecules and convert them into gasified plastic. This mixture is then cooled into liquid form and processed into high-value, low-carbon products. The end-products are used as feedstocks for new products or in manufacturing processes. Agilyx technology enables circular supply chains for waste plastics such as polystyrene (PS #6), acrylics (PMMA), and polyolefins (PE #2 and #4, PP #5) as well as low carbon fuels.

Agilyx delivers engineering and project management services for project development.

Further details on the technology and offerings are contained in Sections 9.1.1 and 9.1.2.

9.5.2 *Cyclyx Products and Services: Source and Process*

<u>Custom Plastic Feedstock:</u>

Cyclyx's main product is a processed feedstock derived from waste plastics that can be used for a wide range of downstream recycled products including mechanical and chemical recycling pathways. Waste plastics are sourced from a wide variety of commercial, industrial and municipal sources and are preprocessed and compounded to meet the feedstock specification needs of its downstream customers under long term offtake contracts.

<u>Cyclyx Services:</u>

Cyclyx offers a series of services that individually or combined "as a service model" support the development and industrial scaling of its main custom plastic feedstock product. Those services include:

1. Waste Characterizations and Product Modeling:

Cyclyx tests various sources to determine their chemical profile, including polymer content, levels of organic and chemical contaminations and physical properties. It then utilizes its modeling capabilities to determine the types of recycled products (mechanical and/or chemical) that the waste plastics would be most suitable for, allowing partners to increase the recycling options for the plastic waste they generate. Agilyx and Cyclyx have jointly developed models (calculations) that looks at the chemistries and contaminations levels of each source of what plastic and calculates what % of each waste plastic supply can be used for each of its customers product specification that when custom mixed meets the customers; chemistry requirements.

2. Compounding Recipe Development:

Cyclyx works with downstream customers to translate the needs of their chosen recycling technology into a composite plastic feedstock specification. Cyclyx also develops a series of sub-recipes of waste plastics that when compounded in the identified percentages, result in a feedstock that allows its customers to produce more recycled products.

3. Plastic Waste Shed Analysis:

In most cases, customers that manufacture recycled products do not have insights or visibility to what waste plastics are available to meet their manufacturing needs. Cyclyx performs analysis of various waste sheds to help customers determine their ultimate manufacturing strategy based on the availability of appropriate waste plastics.

4. Waste Plastic Sourcing:

Current waste and recycling companies are not well-versed in the chemical characterization of recycled products, which limits their ability to source waste plastics appropriate to most manufacturers. Cyclyx provides exactly this type of waste plastic sourcing services, including identification of appropriate feedstocks, negotiating long-term commercial terms on behalf of its customers as well as the necessary supply chain services required from pickup, staging, transportation, preprocessing (including compounding) and final delivery.

5. Waste Plastic Takeback Programs:

As only a limited amount of plastic is currently recycled, Cyclyx has developed a series of new takeback programs designed to divert more plastics away from landfill into the Cyclyx system. The Cyclyx system is a in collaboration with commercial, industrial, municipal and retail partners to increase the capture of waste plastics into the Cyclyx supply chains, offering the potential to significantly the recyclability of these non-recycled plastics.

6. Design, Development and Operation of Customized Advanced Plastic Processing Facilities:

Most existing recycling facilities are not designed to preprocess waste plastics in ways that are responsive to the emerging chemical recycling industry requirements. Cyclyx has developed a series of designs of different scales that can be customized to the feedstock specifications of its downstream customers. Cyclyx provides custom designs for its customers but also has the capabilities to oversee the construction and operation of the facilities on behalf of its customers.

7. ISCC PLUS Certification:

For downstream off-takers to benefit from adding recycled content into their raw material streams, that material needs to be certified as recycled content. In 2021, Cyclyx received the ISCC PLUS certification for its entire system/process. That certification requires that each source of waste plastic is tested, characterized and certified.

9.6 Material contracts

Contracts related to the creation of the Cyclyx venture with ExxonMobil Chemical

A three-party arrangement between ExxonMobil Chemical, Cyclyx and Agilyx exists encompassing a series of contracts that were established in December 2020. The basic tenet is that ExxonMobil will invest in Cyclyx and help build and scale the Cyclyx model. In return for taking the investment risk in Cyclyx, a feedstock supply agreement was entered into between Cyclyx and ExxonMobil whereby Cyclyx will source material, or enable the sourcing of material, for ExxonMobil anywhere in the world but with an initial focus in the United States. The initial scale is targeted to achieve 300,000 TPY by the fourth year. Agilyx receives a royalty on every ton sourced under this agreement by Cyclyx for the provision of feedstock to any third-party customers. In addition, Agilyx works with ExxonMobil to refine the waste plastic specification that ExxonMobil can use for its chemical recycling pathway. Consequently, ExxonMobil and Agilyx entered into a joint development and feedstock license agreement.

Contracts with Toyo Styrene Co., Ltd

Contracts with Toyo Styrene Co., Ltd, an affiliate of Denka Company Ltd, Nippon Steel Chemical & Material Co., Ltd, and Daicel Co., Ltd, include a Technology License Agreement ("**TLA**") and an Equipment Purchase Agreement ("**EPA**")**.** The TLA has resulted in payment of upfront fees for a 10 TPD depolymerization plant utilizing Agilyx technology, which is currently under construction, and which will result in payment of running royalties upon commencement of operations in 2024. The TLA also includes provisions for payments of expansion royalties and additional upfront fees once Toyo exercises its option to expand the licensed capacity in the future. The EPA governs the sales of Agilyx proprietary and critical equipment with structured payments from Toyo tied to achieving certain defined milestones across the construction phase of the project.

Contracts with Technip

Contracts with Technip Energies include a license collaboration agreement and a joint development agreement. These agreements aim to accelerate the implementation of the Group's technology solutions for the recycling of waste polystyrene. Under these agreements, Technip Energies will market and license the integrated technologies

of Agilyx polystyrene depolymerization and Technip Energies purification, leveraging the expertise, resources, and global presence of respective companies.

9.7 Investments

In December 2019, Agilyx acquired the exclusive, perpetual rights to its pyrolysis reactor technology as well as the manufacturing rights for this equipment that is integral to the Agilyx core conversion technology. The purchase price of the technology was USD 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 USD 178,750 for the years ended 2020 and 2021.

Agilyx invested in leasehold improvements and property, plant and equipment ("**PP&E**") of USD 0.5 million and USD 0.2 million, respectively, in 2021 and PP&E of USD 0.3 million in 2020. PP&E includes machinery and equipment, computers and various fixtures.

Agilyx invested USD 2.0 million and USD 3.3 million in 2021 and 2020, respectively, for investment in Regenyx to support continued operations.

Agilyx has committed to investing approximately USD 500,000 in 2022 to upgrade several core equipment modules in its Regenyx operations. These investments are being paid for from operating cash and will help to improve uptime and throughput for the Regenyx operations. Amsty is matching the investment with a payment of USD 500,000 as well for this project.

Furthermore, under certain conditions, Agilyx is subject to a contractual obligation to purchase all of AmSty's equity investment in Regenyx at the option of AmSty ("put option"). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value.

Other than the above-mentioned investments, the Group has not made any material investments for the years 2019, 2020 and 2021.

9.8 Legal and regulatory proceedings

The Group is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

9.9 Dependency on patents, licenses etc.

9.9.1 *Patents*

As a technology licensor, the Group is dependent on its patents and related IPR. The Group has other IPR which it is not dependent on. The Group's business model is based on development and licensing of technology for use in third party facilities, so the ownership to, and protection of, its IPR is of high importance, including its patent portfolio. Some of the Group's core technology is, however, not self-developed but purchased. Further, some technology and know-how are not patentable but protected primarily as trade secrets. The Group's patent portfolio contains method, utility and apparatus claims related to the processing of waste plastic to products or equipment used in the processing of waste plastic to monomers, base chemicals, and/or fuels.

As of the date of this Prospectus, the Group owns the following patents:

Patent Name	Patent Number	Description
System for recycling plastics	US 7,758,729	A method patent related to recycling of mixed waste plastics to products
Systems and methods for recycling plastics	US 8,188,325	A systems and method patent related to recycling of mixed waste plastic to purified crude oil.
Systems and methods for recycling plastic	US 8,193,403	A systems and method patent related to recycling of mixed waste plastic to purified crude oil.
Devices, systems, and methods for recycling plastic	US 8,192,586	A system and method patent that includes apparatus claims for recycling or vaporizing plastic.

Patent Name	Patent Number	Description
Devices, systems, and methods for recycling plastic	US 8,192,587	A system and method patent that includes apparatus claims for recycling or vaporizing plastic.
Methods for recycling plastics and treating pyrolysis vapors	US 9,145,520	A systems and method patent related to recycling of mixed waste plastic to purified crude oil.
Methods for conditioning synthetic crude oil from pyrolysis	US 9,162,944	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Methods and systems for conditioning synthetic crude oil	US 9,493,713	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Methods and systems for conditioning synthetic crude oil	Canada 2,943,855	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Methods and systems for conditioning synthetic crude oil	Europe 2981593	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Methods and systems for conditioning synthetic crude oil	India 363787	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Systems and methods for recycling waste plastics, including polystyrene	US 10,301,235	A system and method patent related to the rcylcing of mixed plastics to oil as well as polystyrene to styrene monomer.
Systems and methods for recycling waste plastics, including polystyrene	US 10,731,080	A system and method patent related to the rcylcing of mixed plastics to oil as well as polystyrene to styrene monomer.
Systems and methods for recycling waste plastics, including polystyrene	US 11,041,123	A system and method patent related to the rcylcing of mixed plastics to oil including claims to recover styrene monomer from polystyrene as well as constituent monomers from their respective polymers.
Systems and methods for recycling plastic	Canada 2,794,932	A systems and method patent related to recycling of mixed waste plastic to purified crude oil.
Systems and methods for recycling plastic	Mexico 325523	A systems and method patent related to recycling of mixed waste plastic to purified crude oil.
Systems and methods for conditioning synthetic crude oil	Mexico 362467	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.
Systems and methods for conditioning synthetic crude oil	United Arab Emirates 3880	A systems and method patent related to the treatment synthetic crude oils made from pyrolysis of polymers materials.

Additionally, the Group has license to US patent no. 5417492 (expired) and US patent no. 9290330 and related know-how and trade secret knowledge.

9.10 Likely future development

As a technology focused business, the Company is likely to continue to expand and deepen its expertise in waste plastics to product technology in its existing commercialized pathways and feedstock management systems. Additionally, it is conceivable that Agilyx will broaden its expertise in waste plastic technologies, and new recycling routes for other polymers.

9.11 Research and development

The Group conducts certain research and development activities to grow and expand the technology solutions, products, and services offered by the Group. Certain research and development activities include, but are not limited to:

- optimization of the Group's current technology offerings. As an example, increasing efficiencies, simplifying designs, and streamlining services,
- expanding the Group's product and service offerings to customers and business partners, tailored to market needs and demands, and
- enhancing the Group's technology portfolio by incorporating new processes, designs, and technology to the Group's products and services while promoting safety and value to is stakeholders.

10 CAPITALISATION AND INDEBTEDNESS

10.1 Introduction

The financial information presented below has been extracted from the Group's Financial Statements and should be read in conjunction with the other parts of the Prospectus, in particular Section 11 *"Selected Financial Information and Other Information"* and Section 12 "*Operating and Financial Review*".

This Section 10 *"Capitalisation and indebtedness"* provides information about the Group's audited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 June 2022 and, in the "Adjustment amount" column, the estimated impact to the Group's consolidated capitalisation and net financial indebtedness as of 12 September 2022.

Other than as set forth above, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 30 June 2022.

10.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as at 30 June 2022:

Table 4 – Capitalisation (USD)

	As at 30 June 2022	Adjustment amount	As adjusted
(In USD)			
Total current debt (including current portion of non-current debt)…			
- Guaranteed	-	-	-
- Secured[5]	219,134	-	219,134
- Unguaranteed / unsecured[6]	10,878,888	-	10,878,888
Total current debt:	**11,098,022**	**-**	**11,098,022**
Total non-current debt (excluding current portion of non-current debt):			
Guaranteed	-	-	-
Secured[5]	627,542	-	627,542
Unguaranteed / unsecured[7]	5,035,675	-	5,035,675
Total non-current debt:	**5,663,217**	**-**	**5,663,217**
Total indebtedness	**16,761,239**	**-**	**16,761,239**
Shareholders equity			
Share capital[1]	131,116	12,517	143,633
Legal reserve(s)[2,3]	48,299,689	13,850,636	62,059,311
Other reserves[4]	(41,616,222)	-	(41,616,222)
Total shareholders' equity	**6,814,583**	**-**	**20,586,722**
Total capitalisation	**23,575,822**	**13,863,154**	**37,347,961**

[1] The amount of USD 12,517 in the "Adjustment amount" column reflects 6,265,250 shares issued in the Private Placement for a par value of NOK 0.02 each, amounting to NOK 125,305, which converted to USD represents USD 12,517.

[2] Legal reserve of 48,299,689 reflects share premium of USD 40,579,786 and additional paid in equity of USD 7,719,903.

[3] Net proceeds of USD 13,850,636 (NOK 138,651,795) in the "Adjustment amount" column represents gross proceeds of USD 15,020,828 (NOK 150,366,000) from 6,265,250 shares issued in the Private Placement for NOK 24 pr share, net of share capital of USD 12,517 (NOK 125,305) and net of share issue costs of USD 1,157,674 (NOK 11,588,900).

[4] Other reserves of USD (41,616,222) reflect the Company's uncovered loss of USD (42,938,997) and non-controlling interests of USD 1,322,775.

[5] The current and long-term lease liabilities of resepectively USD 219,134 and 627,542 are secured with pledge in assets.

[6] The amount of USD 10,878,888 consists of USD 700,582 in Current part of note payables, USD 1,900,788 of Accounts payable, USD 760,522 in Accrued expenses and other current liabilities and Contract Liabilities of USD 7,516,996.

[7] The amount of USD 5,035,675 represents non-current Contract liability.

10.3 Net financial indebtedness

The following table set forth information about the Group's consolidated net financial indebtedness as at 30 June 2022:

Table 5 – Net financial indebtedness

(In USD)		As at 30 June 2022	Adjustment amount	As adjusted
(A)	Cash[3]	13,418,003	13,863,154	27,190,142
(B)	Cash equivalents	-	-	-
(C)	Other current financial assets[1]	1,803,491	-	1,803,491
(D)	**Liquidity (A + B + C)**	**15,221,494**	**13,863,154**	**28,993,633**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt	700,582	-	700,582
(F)	Current portion of non-current financial debt[2]	219,134	-	219,134
(G)	**Current financial indebtedness (E + F)**	**919,716**	**-**	**919,716**
(H)	**Net current financial indebtedness (G - D)**	**(14,301,778)**	**(13,863,154)**	**(28,073,917)**
(I)	Non-current financial debt (excluding current portion and debt instruments)	-	-	-
(J)	Debt instruments[4]	5,035,675	-	5,035,675
(K)	Non-current trade and other payables[2]	627,542	-	627,542
(L)	**Non-current financial indebtedness (I + J + K)**	**5,663,217**	**-**	**5,663,217**
(O)	**Total financial indebtedness (H+L)**	**(8,638,561)**	**(13,863,154)**	**(22,410,700)**

[1] This amount refers to Accounts receivable of USD 1,803,491.
[2] The current and long-term lease liabilities of resepectively USD 219,134 and USD 627,542 are secured with pledge in assets.
[3] Net proceeds of USD 13,863,154 (NOK 11,588,900), from the issuance of 6,265,250 shares in the Private Placement for NOK 24 pr share providing gross proceeds of USD 15,020,828 (NOK 150,366,000), netted with approximate share issue costs of USD 1,157,674 (NOK 12,500,000).
[4] The amount of USD 5,035,675 reflects debt liabilities in relation to warrants (a financial instrument).

10.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

10.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of the Prospectus beyond that described in the tables above.

11 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

11.1 Introduction and basis for preparation

The following selected financial information has been derived from the IFRS Financial Statements and the Restated Financial Information. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Statements attached as Appendix B (IFRS 2021 and 2020), Appendix C (USGAAP 2019), Appendix D (IAS 34 Q2 2022) and the Restated Financial Information, attached as Appendix E (the Group's USGAAP financial statements for 2019, restated to IFRS) to this Prospectus.

11.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see Note 1 of the Financial Statements, attached hereto as Appendix B (IFRS 2021 and 2020); Appendix C (USGAAP 2019); and Appendix D (IAS 34 Q2 2022).

11.3 Income statement

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated Financial Information and the Interim Financial Statements.

Table 6 - Statement of profit or loss	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Revenue	4,889,227	4,336,151	1,711,220	7,828,500	790,508
Gross Margin	63,408	1,894,665	1,271,917	(754,728)	(404,343)
Total Operating Expenses	16,522,624	8,841,010	6,337,582	10,324,051	7,842,283
Net financial items	729,054	(13,622,568)	(8,865,669)	1,506,097	2,471,295
Total comprehensive profit (loss) for the period	**15,730,162**	**(20,468, 914)**	**(13,931,334)**	**(9,572,682)**	**(5,775,988)**

11.4 Balance sheet

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated Financial Information and the Interim Financial Statements. The development in the balance sheet is commented further in Section 12 *"Operating and financial review"*.

Table 7 – The Group's balance sheet	**As at 31 December**			**As at 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Total assets	28,009,748	44,950,224	8,646,088	23,575,822	21,765,939
Total equity	15,166,279	26,065,427	(15,493,367)	6,814,583	14,547,822
Total liabilities	12,843,469	18,884,797	24,139,455	16,761,239	13,461,926

11.5 Statement of cash flow

The table below sets out key financial information extracted from the IFRS Financial Statements, the Restated Financial Information and the Interim Financial Statements.

Table 8 – Cash flow statement	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Net cash from operating activities	(15,672,805)	(6,746,842)	(2,270,534)	(4,855,803)	(8,336,340)
Net cash from investing activities	(2,618,497)	(3,431,821)	(2,126,711)	(1,704,307)	(1,938,219)
Net cash from financing activities	(1,037,472)	46,733,554	3,463,500	407,959	(573,539)
Net increase (decrease) in cash and cash equivalents	**(19,328,774)**	**36,554,891**	**(933,745)**	**(6,152,151)**	**(10,848,098)**
Cash and cash equivalents at beginning of period	**38,898,928**	**2,344,037**	**3,277,782**	**19,570,154**	**38,898,928**
Cash and cash equivalents at end of period	**19,570,154**	**38,898,928**	**2,344,037**	**13,418,003**	**28,050,830**

11.6 Statement of changes in equity

The table below sets out selected data extracted from the Company's audited statement of changes in equity for the years ended 31 December 2021 and 2020.

Table 9 – Statement of changes in equity

(amounts in USD)	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Total attributable to equity holders of the patent	Non-controlling interest	Total
Balance as at 1 January 2020	**137,623,033**	**-**	**3,763,889**	**(156,880,288)**	**(15,493,366)**	**-**	**(15,493,366)**
Exercise of convertible debt		11,288,200			11,288,200		11,288,200
Proceed from stock offering at time of inversion	11,506	10,758,277			10,769,783		10,769,783
Costs related to stock offering		(646,398)			(646,398)		(646,398)
Capital reorganization *	(137,571,088)	(11,288,200)	(3,763,889)	152,623,177	-		-
Proceeds from stock offering pre-listing	17,529	31,464,308			31,481,837		31,481,837
Costs related to stock offering		(1,888,910)			(1,888,910)		(1,888,910)
Proceeds from exercise of stock options and warrants	2,385	83,751	2,458,758		2,544,921		2,544,921
Payment made from non-controlling interest in Cyclix Int LLC				6,000,000	6,000,000	2,000,000	8,000,000
Equity settled share based payment			478,274		478,274		478,274
Total comprehensive profit (loss) for the period				(20,468,914)	(20,468,914)		(20,468,914)
Balance 31 December 2020	**83,365**	**39,771,028**	**2,937,059**	**(18,726,025)**	**24,065,427**	**2,000,000**	**26,065,427**
proceeds from exercise of stock options and warrants	2,857	722,536	2,365,626		3,091,019		3,091,019
equity settled share based payment			1,739,995		1,739,995		1,739,995
Total comprehensive profit (loss) for the period				(14,771,695)	(14,771,695)	(958,467)	(15,730,162)
Balance 31 December 2021	**86,222**	**40,493,564**	**7,042,680**	**(33,497,720)**	**14,124,746**	**1,041,533**	**15,166,279**

**the legal structure of the Group was changed in January 2020. A new company, Agilyx AS, was established to serve as the parent of the Group subsequent to an internal reorganisation. The inversion transaction that initiated this adjustment is described in more details in Notes 1 and 25.*

11.7 Key financial information by operating segment and geographic area

The activities of Agilyx are considered to include two segments from 2021 onward with the creation of Cyclyx International LLC which began operations in 2021. The table sets out the Company's revenue by geographic area, as extracted from the Financial Statements.

Agilyx two segments are conversion technology solutions ("feedstock to product") and feedstock-as-a-service ("waste to feedstock"), as further detailed below.

- **Conversion technology solutions (Regenyx)**
  This segment involves project management and technology development during the various phases involved in establishing chemical recycling facilities with partners (feasibility studies, development, construction/engineering using vendors) and associated intellectual property licensing fees during development and ensuing operations.

Agilyx runs a closed loop plastic-to-plastic facility through the company Regenyx (a 50/50% joint venture with AmSty). The plant was originally developed as a part of the Company's feasibility study. Regenyx has ongoing commercial activities whereby waste plastic is converted into quality plastic monomer oil.

This segment provides the Company with two revenue streams, development phase revenues and license revenues.

- **Feedstock-as-a-service (through Cyclyx)**
  This segment involves delivering custom feedstock supply through leveraging the Company's proprietary feedstock management system and business consortium.

Table 10 – Consolidated revenue by geographic area	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Europe	428,689	774,600	500,000	88,119	213,757
USA	3,894,758	2,097,750	1,141,220	5,604,940	94,836
APAC	463,826	1,331,326	70,000	2,074,951	460,023
Other	101,954	132,475	0	60,490	21,892
Total sales by customers location	**4,889,227**	**4,336,151**	**1,711,220**	**7,828,500**	**790,508**

Profit and Loss						
	2020			**2021**		
Revenues from external customers	**Cyclyx**	**Agilyx**	**Total**	**Cyclyx**	**Agilyx**	**Total**
	-	4,336,151	4,336,151	1,949,874	2,939,353	4,889,227

There were no segment reporting prior to 2021 as Cyclyx was not created.

11.8 Outlook

11.8.1 *Statement by the Board of Directors*

The Company has previously publicly estimated a USD 200-300 million revenue goal by 2025/2026 (the "**Revenue Forecast**") and which is based on the principal assumptions stated under Section 11.8.2.1 *"Methodology and assumptions"* below. The accounting policies applied pertaining to the Revenue Forecast is in accordance with the accounting policies set out in the note 2 in the Annual Financial Statements.

The Revenue Forecast is based on a number of assumptions, the most significant of which are detailed below in Section 11.8.2.2 "Principal Assumptions", and many of which are outside of the Group's control or influence.

The Revenue Forecast reflects the Company's views about future events and is, by its nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future, based on information, estimates and plans at the time they were announced. Actual results are likely to be different from the Revenue Forecast since anticipated events may not occur as expected and may vary. Readers should read the Revenue Forecasts in respect to Section 2 *"Risk Factors"*, Section 4.2 *"Presentation of financial and other information"*, Section 4.4 *"Cautionary note regarding forward-looking statements"*, Section 11 *"Selected financial information and other information"*, as well as other sections of this Prospectus.

Reference is made to Section 3 *"Responsibility for the Prospectus"*, wherein the Board approves the Prospectus in its entirety.

11.8.2 *Revenue Forecasts*

11.8.2.1 Methodology and assumptions

This Revenue Forecast has been prepared on the basis that is both (a) comparable with the Financial Information presented in this Prospectus, and (b) consistent with the Company's accounting policies set out Section 4.2.1 "*Financial information*" of this Prospectus. Although the Revenue Forecast has been prepared on a basis comparable to the historical financial information, the Revenue Forecast is based estimates made by the Company based on assumptions about future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the Revenue Forecast presented herein. The Revenue Forecast is also based on factors which are outside the Group's control or influence. These include changes in political, legal, fiscal, market or economic conditions, improvements in macroeconomic conditions, and actions by customers or competitors. While the Revenue Forecast is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, the Revenue Forecast is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change. It is also likely that one or more of the assumptions the Company has relied upon will not prove to be accurate in whole or in part. The Company's actual results of operations could deviate materially from its forecasts or estimates as a result of other factors, including, those described under Section 2 *"Risk Factors"*, including Section 4.4 *"Cautionary note regarding forward-looking statements"*.

Agilyx's expectations presented in the Revenue Forecast as to future developments may deviate substantially from actual developments, and the Company's actual results of operations are likely to be different from the Revenue Forecast since anticipated events may not occur as expected or may materially differ from the forecast provided. Accordingly, readers should treat this information with caution and not place undue reliance on the expectations set forth below. For the purpose of preparing the Revenue Forecast, the Company has applied the principal assumptions set forth in Section 11.8.2.2 *"Principal assumptions"* below.

11.8.2.2 Principal assumptions

In the Revenue Forecast, the Company reported expectations on its consolidated revenue growth in the near-term to continue to be driven by the timely conversion of (i) pre-development projects into development; (ii) projects in development to progress into construction; and (iii) projects in construction to progress into operations. In respect to these principal assumptions, the Company has built into the forecast contingencies around in particular timing of projects through the various phases and conservative estimates of project stage revenue values. On timing, Agilyx has built additional decision gate timing between phases as experienced in prior engagements. For revenue, Agilyx has taken the low end of range for all project revenues by phase, and assumes that the Group's growth will continue in accordance with the board of directors and management's expectations. If the timing and/or contingencies deviates from the above mentioned assumptions both positively or negatively, this will drive variaces to the Company's revenue forecast.

The Group's future revenues are based on the key assumption that, on average, one new Agilyx project will progress into development each quarter (four annually), but not all projects that are in the development stage will move into construction as this is the decision of the respective customer; however, projects that do progress into construction are highly likely to move into operations due the large monetary commitment by the respective customers to build the plant. Cyclyx volumes are dependent on the objectives and forecasts of the Cyclyx consortium member companies and, due to the technology agnostic nature of the Cyclyx offering, not therefore linked only to the progression of Agilyx conversion projects although it would be expected that these would be likely to use Cyclyx services once in operation.

The Group's revenues going forward depends on many factors outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements or deterioration in macroeconomic conditions, and timely actions/decisions by its customers to advance projects to the next level of progress. In these principal assumptions, management assumes that the aforementioned factors are relatively stable during the forecasted timeframe.

Sales cycles in the conversion technology space can be long and highly engineering intensive. Agilyx has recently experienced commercial traction with its technology with Toyo Styrene, which is constructing a recycling facility for Polystyrene in Japan. This project moving into construction will significantly improve future revenue potential versus the prior reporting periods as the construction phase contributes significant revenue for the Company. While revenue contribution from the current pipeline has been relatively low in recent years, development / construction work and project activity is growing. In respect to these principal assumptions, it is expected that revenue contribution from the Agilyx opportunity pipeline for recycling facilities operated with Agilyx technology will grow in the coming years as the technology will be adopted by several other companies in the plastic recycling market. Several growth initiatives, including further projects for polystyrene, PMMA, and MWP, are moving through the development phase into the investment phase. Such investments are expected by management to impact revenue and profitability over the near to-medium term. In respect to these principal assumptions, the Company assumes that the growth initiatives continue in accordance with the board of directors and management's expectations. The growth initiatives underway is a factor which the board of directors and management can influence.

12 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General Information", Section 9 "Business of the Group", Section 11 "Selected Financial and Other Information" and the IFRS Financial Statements, the USGAAP Financial Statements, the Interim Financial Statements and the Restated Financial Information, including related notes, attached to this Prospectus as Appendix B, Appendix C, Appendix D, and Appendix E, respectively. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

12.1 Segment information for the Group for the years ended 2021

The Group operates and manages two segments comprising of Agilyx and Cyclyx. Prior to 2021, Cyclyx did not exist as a separate business and so no segment reporting or analysis is provided. See Section 11.7 for details about the two segments.

12.2 Key factors affecting the Group's results of operations and financial performance

The key factors for the segments are (i) the speed of Agilyx projects moving through the various stages of development, construction and operations and (ii) the forecast needs of feedstock from Cyclyx consortium members which do include Agilyx plants that are in operation.

12.3 Recent developments and trends

Since the end of the 2021 fiscal year, the most significant development has been the Toyo project moving from the development phase to construction. Please see Section 9.6 for more information regarding the Toyo project. The Toyo project will result in significant construction revenues for the Group in fiscal 2022/2023. In addition, the Group has expanded the sales pipeline for pre-development projects and will continue to progress projects into development in 2022. Cyclyx will also start to excellerate feedstock sales to the Cyclyx consortium member companies in 2022 and continue to develop the first APPF, referred to as Cyclyx Circularity Center (CCC), in Texas the funding of which (the development of the CCC) was secured and recently announced.

12.4 Results of operations

12.4.1 *Results of operations for the six-month period ended 30 June 2022 compared to the six-month period ended 30 June 2021*

Table 11 - Consolidated statement of profit or loss	**Six-month period ended 30 June**		
(Amounts in USD)	**2022** *IAS 34 Unaudited*	**Change in %**	**2021** *IAS 34 Unaudited*
Revenues	7,828,500	**890%**	790,508
Cost of revenues	8,583,228	**618%**	1,194,852
Gross margin	**(754,728)**	**(87%)**	**(404,343)**
Research costs	1,141,101	**17%**	1,367,258
Sales and marketing	774,802	**0%**	774,777
General and administrative	8,408,148	**(47%)**	5,700,904
Total operating expenses	**10,324,051**	**(32%)**	**7,842,939**
Operating loss	**(11,078,779)**	**(34%)**	**(8,247,283)**
Financial income and financial expenses			
Impairment of investment in associate	(833,045)	**0%**	(836,312)
Fair value gain/(loss) on financial instruments	2,534,972	**(5%)**	2,660,968
Interest expense	(66,184)	**41%**	(111,675)
Other financial income	20,374	**(97%)**	800,419
Other financial expense	(150,020)	**(256%)**	(42,105)

Net financial items	**2,471,295**	**(39%)**	**1,506,097**
Profit (loss) before tax	**(9,572,682)**	**(66%)**	**(5,775,988)**
Income tax expense	-	**-**	-
Profit (loss) for period	**(9,572,682)**	**(66%)**	**(5,775,988)**
Other comprehensive profit (loss) for the period	-	**-**	-
Total comprehensive profit (loss) for the period	**(9,572,682)**	**(66%)**	**(5,775,988)**

Revenues

Revenues are driven primarily from Cyclyx feedstock sales and Agilyx projects moving through various phases of the project life cycle (development (includes engineering & design), licensing, construction and operations). The increase in revenue of USD 7.0 million from 2021 to 2022 was mainly attributable to Cyclyx feedstock sales of USD 5.2 million which is a new sales channel starting in late 2021 and an increase in Agilyx project revenue of USD 1.6 million due primarily to increased sales from Toyo project which moved into construction phase in mid first half of 2022.

Cost of Revenues

Cost of revenues increased USD 7.4 million from June 2021 to June 2022 due primarily to the costs of revenue associated with the increase in revenues of USD 7 million and some additional costs associated with building up Cyclyx feedstock testing for future sources of feedstock for future revenue for the Company.

The Group's geographical distribution of revenues and total revenues by operating segments

(*Amounts in USD*)

	H1 2022	**H1 2021**
Europe	88,119	213,757
USA	5 604,940	94,836
APAC	2,074,951	460,023
Other	60,490	21,892
Total sales by customers location	**7,828,500**	**790,508**
Product category		
Project development	2,396,181	752,930
License, membership and royalty fees	228,919	10,116
Sale of goods	5,203,400	27,462
Total sales by category	**7,828,500**	**790,508**

Operating Expenses

Research and development: The Company continues to invest substantial funding in research and development ("**R&D**") in H1 2022 (USD 1.10 million) with building internal engineering capabilities and developing new technology pathways for future sales. The decrease in R&D spend from H1 2021 to 2022 of 17% was attributable to timing of R&D initiatives year on year.

Sales & Marketing: The Company invested an equal amount of spend on sales and marketing initiatives as prior year most of which was for marketing initiatives, website enhancements and IR activities.

General & Administrative: General and administrative ("**G&A**") expense increased USD 2.7 million from H1 2020 to 2022 as the Company has invested in additional headcount and infrastructure to support the business growth and preparation for the up-listing to the main exchange of the Oslo Stock Exchange (IFRS financial statement conversion and audits and preparation of listing prospectus).

Net Financial Items:

Net financial items positive impact to profit and loss reduced by USD 965,000 in H1 2022 vs 2021 due primarily to not receiving any further Covid relief income in 2022 versus the prior year. Other financial expenses increased by USD 108 thousand in 2022 due primarily to foreign expense associated with international billings.

12.4.2 *Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020 and 31 December 2019 under IFRS*

Table 12 - Consolidated statement of profit or loss	**Year ended 31 December**		
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Unaudited*
Revenues	4,889,227	**4,336,151**	1,711,220
Cost of revenues	4,825,819	**2,441,487**	439,303
Gross margin	**63,408**	**1,894,665**	**1,271,917**
Research costs	2,252,214	**1,505,752**	3,047,854
Sales and marketing	1,097,922	**412,285**	690,770
General and administrative	13,172,488	**6,922,973**	2,598,958
Total operating expenses	**16,522,624**	**8,841,010**	**6,337,582**
Operating loss	**(16,459,216)**	**(6,946,346)**	**(5,065,665)**
Financial income and financial expenses			
Impairment of investment in associate	(948,272)	**(505,781)**	(7,588,029)
Fair value gain/(loss) on financial instruments	1,169,120	**(12,752,194)**	(500,373)
Interest expense	(199,635)	**(346,811)**	(1,053,226)
Other financial income	799,999	**112,738**	257,959
Other financial expense	(92,158)	**(30,520)**	
Net financial items	**729,054**	**(13,522,568)**	**(8,865,669)**
Profit (loss) before tax	**(15,730,162)**	**(20,468,914)**	**(13,931,334)**
Income tax expense	-	**-**	-
Profit (loss) for period	**(15,730,162)**	**(20,468,914)**	**(13,931,334)**
Other comprehensive profit (loss) for the period	-	**-**	-
Total comprehensive profit (loss) for the period	**(15,730,162)**	**(20,468,914)**	**(13,931,334)**

Revenues

Revenues are driven primarily from Agilyx projects moving through various phases of the project life cycle (development (includes engineering & design), licensing, construction and operations). The increase in revenue of USD 2.6 million from 2019 to 2020 was mainly attributable to an increased number of projects in development phase and in 2020, Agilyx booked license revenue of USD 2.2 million. The increase in revenue of USD 0.6 million in 2021 is primarily driven by feedstock sales by the Cyclyx segment of USD 1.7 million and an increase in development phase revenue of USD 0.7 million, partially offset by no Agilyx license revenue in 2021 of approximately USD 2.0 million. Agilyx did not have any license revenue in 2021 due to no new projects moving out of the development phase and into licensing/construction during the year.

The Group's geographical distribution of revenues and total revenues by operating segments (*Amounts in USD thousands*)	**2020**	**2021**
Europe	774,600	428,689
USA	2,097,750	3,894,758
APAC	1,331,326	463,826
Other	132,475	101,954
Total sales by customers location	**4,336,151**	**4,889,227**

Product category		
Project development	2,049,600	2,786,855
License, membership and royalty fees	2,154,076	131,458
Sale of goods	132,475	1,970,914
Total sales by category	**4,336,151**	**4,889,227**

Cost of Revenues

Cost of revenues include all cost associated with driving revenues in the business. In Agilyx, cost of revenues include project costs to complete the development and construction of projects, including management oversight, engineering efforts and overhead costs attributed directly to projects. In Cyclyx, cost of revenue included landed cost of feedstock sales, overhead costs to support sourcing and delivery of sales. Also any testing and chemical characterization of potential feedstock sources is include as well. The increase from 2020 to 2021 was mainly attributable to Cyclyx volume, which there were none in 2020 as business did not generate revenues until 2021.

Operating Expenses

R&D: The Company invested substantial funding in R&D in 2019 (USD 3.0 million) with building internal engineering capabilities and developing new technology pathways for future sales. The increase in R&D spend from 2020 to 2021 of USD 0.8 million as attributable to initiatives performed on PMMA pathways and continued design improvements of core equipment offerings.

Sales & Marketing: The Company invested substantially in 2021 by increasing the business development team, marketing initiatives, website enhancements and IR activities after going public in September 2020.

G&A: G&A expense increased USD 4.3 million from 2019 to 2020 as the Company has invested in additional headcount and infrastructure to support the business growth and preparation for listing on Euronext Growth in September 2020. G&A increased USD 6.3 million in 2021 as the Company has stood up the Cyclyx organization, implemented infrastructure such as a new ERP (Enterprise Resource Planning) system, enhanced IT systems & security, and enhanced capabilities in engineering, project management and finance support.

The below table below shows the number of full-time employees of the Group by main category of activity.

Table 13 - Category of activity	As of 31 December 2021	As at 31 December 2020	As at 31 December 2019
Agilyx	64	51	44
Cyclyx	26	11	0

Net Financial Items:

In 2019 the primary net financial items were associated with the impairment of the investment in associate (USD 5.4 million) and the interest on convertible debt USD 1.0 million.

In 2020 the primary net financial items, was the loss on warrant fair value (USD 12.8 million) and investment funding in Regenyx (USD 0.5 million).

In 2021 the primary net financial item, was the gain of on warrant fair value USD 1.2 million and the government paycheck protection program (PPP) income for covid relief of USD 0.8 million, partially offset by the investment funding in Regenyx (USD 0.9 million).

12.5 Net Financial position

Table 14- Financial position as of 30 June 2022 compared to 30 June 2021		
(Amounts in USD thousands)	**As at 30 June 2021** *IAS 34 Audited*	**As at 30 June 2022** *IAS 34 Audited*
ASSETS		
Non-current assets		
Intangible assets	4,487,805	4,210,305
Property, plant and equipment	312,492	1,623,680
Right of use asset	806,141	874,108

Other non-current assets	118,550	235,245
Total non-current assets	**5,724,988**	**6,943,338**
Current assets		
Accounts receivable	13,359	1,803,491
Inventory	060,571	987,417
Prepaid expenses and other current assets	1,464,950	423,573
Cash and cash equivalents	28,050,830	13,418,003
Total current assets	**29,529,139**	**16,632,484**
TOTAL ASSETS	**35,254,127**	**23,575,822**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Equity		
Share capital	84,654	86,993
Share premium	39,937,978	40,623,909
Additional paid-in capital	6,151,261	7,719,903
Total paid-in equity	**46,173,893**	**48,430,805**
Uncovered loss	(24,819,975)	(42,938,997)
Non-controlling interest	1,537,065	1,322,775
Total equity	**22,890,983**	**6,814,583**
LIABILITIES		
Non-current liabilities		
Long-term notes payable	275,000	0
Long-term lease liability	536,431	627,542
Other long-term liabilities	605,646	0
Warrant liability	6,241,238	5,035,675
Total non-current liabilities	**7,658,315**	**5,663,217**
Current liabilities		
Accounts payable	1.064,170	1,900,788
Accured expenses and other current liabiltiies	760,104	760,522
Contract liability	1,437,693	7,516,996
Current portion lease liability	226,819	219,134
Current portion of notes payable	1,216,043	700,582
Total current liabilities	**4,704,829**	**11,098,022**
TOTAL LIABILITIES	**12,363,144**	**16,761,239**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**35,254,127**	**23,575,822**

Total Assets:

Total assets for the Group decreased USD 11.7 million from June 2021 to June 2022 due primarily to a decrease in cash and cash equivalents of USD 14.7 million, partially offset by an increase in receivables of USD 1.8 million primarily from a receivable of USD 1.2 million from the USA Tax Authorities for covid relief, an increase in Cyclyx feedstock inventory of USD 1 million and additional property plant and equipment of USD 1.3 million (USD 926 thousand) and more machinery and equipment (USD 789 thousand).

Total Equity:

Total equity decreased USD 16.1 million from June 2021 to June 2022 primarily due to the increase in uncovered losses of USD 18.9 million, partially offset by additional paid in capital of USD 1.5 million.

Total Liabilities:

Total liabilities increased USD 4.4 million from June 2021 to June 2022 primarily due to increase in contract liability (deferred revenue) of USD 6.1 million red revenue), partially offset by a decrease in warrant liability of USD 1.2 million and a reduction of current portion of notes payable of USD 500 thousand at June 2022.

12.5.1 *Balance sheet as of 31 December 2021 compared to 31 December 2020*

Table 15 – Balance sheet as of 31 December 2021 vs 2020	**As at 31 December**	
(Amounts in USD)	**2021** *IFRS Audited*	**2020** *IFRS Audited*
ASSETS		
Non-current assets		
Intangible assets	4,398,430	4,577,180
Property, plant and equipment	835,117	270,992
Right of use asset	974,460	930,340
Other non-current assets	35,802	98,555
Total non-current assets	6,243,809	5,877,067
Current assets		
Accounts receivable	1,669,890	9,064
Prepaid expenses and other current assets	525,895	165,165
Cash and cash equivalents	19,570,154	38,898,928
Total current assets	21,765,939	39,073,157
TOTAL ASSETS	**28,009,748**	**44,950,224**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Equity		
Share capital	86,222	83,365
Share premium	40,493,564	39,771,028
Additional paid-in capital	7,042,680	2,937,059
Total paid-in equity	47,622,466	42,791,452
Uncovered loss	(33,497,720)	(18,726,025)
Non-controlling interest	1,041,533	2,000,000
Total equity	15,166,279	26,065,427
LIABILITIES		
Non-current Liabilities		
Long-term notes payable	-	875,000
Long-term lease liability	745,439	701,885
Warrant liability	6,952,190	10,486,936
Other long-term liabilities	-	536,840
Total non-current Liabilities	7,697,629	12,600,661
Current liabilities		
Accounts payable	1,447,148	627,429
Accrued expenses and other current liabilities	801,415	494,069
Provision	-	1,030,000
Payables to group companies	-	-

Contract liability	1,376,452	1,896,848
Current portion lease liability	248,972	240,348
Current portion of notes payable	1,271,853	1,995,443
Derivative liability - conversion feature	-	-
Total current liabilities	5,145,840	6,284,136
TOTAL LIABILITIES	**12,843,469**	**18,884,797**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**28,009,748**	**44,950,224**

Total Assets:

Total assets for the group decreased USD 17 million from December 2020 to December 2021 due primarily to decrease in cash and cash equivalents (USD 19.3 million), partially offset by an increase in receivables of (USD 1.7 million).

Total Equity:

Total equity decreased USD 10.9 million from December 2020 to December 2021 primarily due to the increase in uncovered losses of USD 14.8 million, partially offset by additional paid in equity of USD 4.8 million.

Total Liabilities:

Total liabilities decreased USD 6.1 million from December 2020 to December 2021 primarily due to warrant liability of USD 3.5 million as valuation decreased mainly due to reduced market pricing of warrants at December 2022 and a reduction of contract liability of USD 500 thousand (deferred revenue) and the current portion of notes receivable of USD 700 thousand due to pay down of debt.

12.5.2 *Balance sheet as of 31 December 2020 compared to 1 January 2020*[1]

Table 16 – Balance sheet as of 31 December 2020 vs 2019	**As at 31 December**	**As at 1 January**
(Amounts in USD)	**2020** *IFRS Audited*	**2020** *IFRS Restated Unaudited*[1]
ASSETS		
Non-current assets		
Intangible assets	4,577,180	4,755,930
Property, plant and equipment	270,992	124,220
Right of use asset	930,340	1,054,036
Other non-current assets	98,555	27,700
Total non-current assets	5,877,067	5,961,886
Current assets		
Accounts receivable	9,064	250,000
Prepaid expenses and other current assets	165,165	90,165
Cash and cash equivalents	38,898,928	2,344,037
Total current assets	39,073,157	2,684,202
TOTAL ASSETS	**44,950,224**	**8,646,088**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Equity		
Share capital	83,365	137,623,033
Share premium	39,771,028	-
Additional paid-in capital	2,937,059	3,763,889

[1] The management considers the 2019 IFRS Restated Unaudited balance sheet as of 31 December 2019 to be in effect similar to the Group's consolidated balance sheet as of 1 January 2020.

Total paid-in equity	42,791,452	141,386,922
Uncovered loss	(18,726,025)	(156,880,289)
Non-controlling interest	2,000,000	-
Total equity	26,065,427	(15,493,367)
LIABILITIES		
Non-current Liabilities		
Long-term notes payable	875,000	2,525,000
Long-term lease liability	701,885	871,939
Warrant liability	10,486,936	193,527
Other long-term liabilities	536,840	-
Total non-current Liabilities	12,600,661	3,590,466
Current liabilities		
Accounts payable	627,429	529,664
Accrued expenses and other current liabilities	494,069	1,757,546
Provision	1,030,000	3,778,009
Payables to group companies	-	-
Contract liability	1,896,848	2,887,800
Current portion lease liability	240,348	182,097
Current portion of notes payable	1,995,443	10,913,500
Derivative liability - conversion feature	-	500,373
Total current liabilities	6,284,136	20,548,989
TOTAL LIABILITIES	**18,884,797**	**24,139,455**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**44,950,224**	**8,646,088**

Total Assets:

Total assets for the group increased USD 36 million from December 2019 to December 2020 due primarily to the increase in cash and cash equivalents of USD 36.6 million from the proceeds of the private placement in September 2020.

Total Equity:

Total equity increased USD 41 million from December 2019 to December 2020 primarily due to two separate equity raises of approximately USD 10 million and USD 30 million.

Total Liabilities:

Total liabilities decreased USD 5.2 millionn from December 2019 to December 2020 primarily due primarily to the decrease in current portion of notes payable of USD 8.9 million, reduction of long term notes payable of USD 1.6 million as notes were converted to equity at the inverion in early 2020, the reduction in contract liability (deferred revenue) of USD 1.0 million and the reduction of provisions and accrued expenses of USD 4.1 million, partially offset by the increase in warrant liability of USD 10.3 million.

12.6 Liquidity and capital resources

12.6.1 *Sources of liquidity*

The Group's primary source of liquidity up to December 31, 2021 has been cash and cash equivalents which primarily stem from the capital raise in connection with the initial listing on Euronext Growth in September 2020. The Group had indebtedness of USD 1.3 million in 2021 and USD 2.9 million in 2020. This indebtedness, also detailed in Section 12.6.8 "Debt maturity details", will be settled and paid in full in November 2022 and there is no committed further debt. As of 31 December 2021, total equity was USD 15.2 million, corresponding to an equity ratio of 8.4%. This compares to a total equity of USD 26.1 million and an equity ratio of 11.0% as of

December 31, 2020. The primary reason for the reduction in equity in 2021 was the increase in uncovered loss of USD 14.8 million partially offset by the increase in share premium and additional paid in capital of USD 4.5 million.

On 2 September 2022, the Group completed a NOK 150 million (equivalent to USD 15 million) private placement, as further described in Section 7 "the Private Placement".

The expected main sources of future funding are the capital markets (which mainly is expected to be equity financing), and payments from Agilyx & Cyclyx revenue contracts and services.

12.6.2 *Restrictions on use of capital*

There are no restrictions on the use of capital resources that have or could materially effect, directly or indirectly, the Company's operations. For more information about the Group's financing arrangements, see Section 12.6.8 "Debt maturity details".

12.6.3 *Summarized cash flow information*

The following table presents the Company's historical cash flows for the years ended 31 December 2019, 2020 and 2021.

Table 16 - Statement of cash flows	**Year ended 31 December**			**Six-month period ended 30 June**	
(In NOK thousands)	**2021** *IFRS Audited*	**2020** *IFRS Audited*	**2019** *IFRS Restated Unaudited*	**2022** *IAS 34 Unaudited*	**2021** *IAS 34 Unaudited*
Cash flow from operating activities	(15,672,805)	(6,746,842)	(2,270,534)	(4,855,803)	(8,336,340)
Cash flow from investing activities	(2,618,497)	(3,431,821)	(2,126,711)	(1,704,307)	(1,938,219)
Cash flow from financing activities	(1,037,472)	46,733,554	3,463,500	407,959	(573,539)
Net increase (decrease) in cash and cash equivalents	**(19,328,774)**	**36,554,891**	**(933,745)**	**(6,152,151)**	**(10,848,098)**
Cash and cash equivalents at beginning of period	**38,898,928**	**2,344,037**	**3,277,782**	**19,570,154**	**38,898,928**
Cash and cash equivalents at end of period	**19,570,154**	**38,898,928**	**2,344,037**	**13,418,003**	**28,050,830**

Net change in cash and cash equivalents decreased USD 19.3 million in 2021, and cash and cash equivalents decreased to USD 19.6 million at the end of the year, compared to USD 38.9 million at the end of 2020.

Net change in cash and cash equivalents increased USD 36.6 million in 2020, and cash and cash equivalents increased to USD 38.9 million at the end of the year, compared to USD 2.3 million at the end of 2019.

12.6.4 *Cash flow from operating activities*

Net cash flow from operating activities was negative USD 15.7 million in 2021, compared to negative USD 6.7 million in 2020 and negative USD 2.3 million in 2019. The change from 2020 to 2021 was primarily driven by negative working capital in 2021 and the favorable effect in 2020 of the fair value loss on financial instruments. The change from 2019 to 2020 was primarily driven by the increase in losses in 2020 and the favorable effect of the investment in Regenyx in 2019.

Net cash flow from operating activities improved USD 3.4 million from June 2021 to June 2022 primarily due to the increase in contract liability (deferred revenue) associated with deferred Toyo project revenue and deferred Cyclyx feedstock revenues, partially offset with the increase loss from the same period.

12.6.5 *Cash flow from investing activities*

Net cash flow from investing activities was negative USD 2.6 million in 2021, compared to negative USD 3.4 million in 2020 and negative USD 2.1 million in 2019. The change from 2020 to 2021 was mainly due to additional funding activity in 2020 for the Regenyx operations. The change from 2019 to 2020 was a result of the increased funding in 2020 of Regenyx compares to 2019.

Net cash flow from investing activities improved USD 200 thousand from June 2021 to June 2022 due to reduced Regenyx funding in 2021 of USD 1.1 million, partially offset by increased purchases of property and equipment of USD 863 thousand during the same period.

12.6.6 *Cash flow from financing activities*

Net cash flow from financing activities was negative USD 1.0 million in 2021, compared to positive USD 46.7 million in 2020 and positive 3.5 million in 2019. The changes from this time period primarily relates to the proceeds from capital increases of USD 39.8 million in 2020 and Cyclyx member contributions of USD 8.0 million in 2020.

Net cash flow from financing activities improved USD 981 thousand from June 2021 to June 2022 primarily due to the proceeds from member contribution of USD 1 million in first half of 2022.

12.6.7 *Financing arrangements*

The Group has one 8% p.a. interest bearing debt arrangement with BCR Environmental Corporation ("**BCR**") which will be paid in full in 2022 as highlighted in Section 12.6.1 above.

The covenants are as set out below for the arrangement. The Group has had no breaches nor are any expected.

Agilyx will keep any collateral owned or possessed clear and free of liens, dispose of, sell or otherwise transfer any part or all of the collateral without the prior written consent of the holder. Agilyx will not do anything that may impair the rights of holder in the collateral. Agilyx will take all appropriate and necessary measures within its control to maintain, obtain, preserve and protect the collateral, including maintaining registration and remaining in good standing with appropriate governmental authorities, and (b) at the reasonable request of holder, promptly assign and execute all and any applications and other instruments that holder deems necessary to maintain or protect Agilyx' rights in the collateral. Agilyx will comply with all of the agreements, covenants, representations and warranties contained in the purchase agreement.

12.6.8 *Debt maturity details*

The below tables shows the estimated repayment schedule for outstanding debt and interest payment forecast as 31 December 2021.

Table 17 – Debt repayment schedule *(In USD thousands)*	**2022**	**2023**	**2024**	**2025**	**2026-**
BCR	875,000	-	-	-	-
Total	**875,000**	**-**	**-**	**-**	**-**

Table 18 – Interest payment forecast *(In USD thousands)*	**2022**	**2023**	**2024**	**2025**	**2026-**
BCR	414,104	-	-	-	-
Total	**414,104**	**-**	**-**	**-**	**-**

12.6.9 *Investments in progress or for which firm commitments have already been made*

The Company has firm commitments for capital expenditures totalling USD 0.5 million for equipment updates in mid to late 2022 in the Regenyx operations.

12.7 Related party transactions

The Group's related parties includes the related parties to the Company and its subsidiaries, as well as to the members of the Board of Directors, and the members of management. Related parties also include companies in which the individuals mentioned in this paragraph have considerable influence.

The Group's consolidated financial statements include the following transactions with related parties.

Table 19 – Related party transactions	**Year ended 31 December**			**Six-month period ended 30 June**	
(Amounts in USD thousands)	**2021** *IFRS* *Audited*	**2020** *IFRS* *Audited*	**2019** *IFRS Restated* *Unaudited*	**2022** *IAS 34* *Unaudited*	**2021** *IAS 34* *Unaudited*
Revenue – Exxon Mobil	1,764,197	0	0	5,200,000	-
Deferred Revenue – Exxon Mobil	1,292,741	0	0	2,074,950	-
Accounts Payable – Exxon Mobil	198,494	0	0	0	-
Totals	**3,255,432**	**0**	**0**	**7,274,950**	**-**

Other than shown in the above table, the Group has not conducted any other related parties transactions in 2019 through 2021.

12.8 Critical accounting policies and estimates

The Group's general accounting policies are summerized in note 1 in the Financial Statements, attached hereto as Appendix B (IFRS 2021 and 2020), Appendix C (USGAAP 2019) and Appendix D (IAS 34 Q2 2022).

12.9 Trend information

The Group is not aware of any recent significant changes in the trends related to production, sales or inventory, costs or selling prices in the period between 31 December 2021 and to the date of this Prospectus. The Group is also not aware of any significant changes to the Group’s financial performance in the period between 31 December 2021 and to the date of this Prospectus.

12.10 Significant changes in the issuer's financial position

There has been no significant change in the Group's financial position which has occurred since 30 June 2022.

As of the date of this Prospectus, the Company is not aware of any environmental issues that may have an effect on the utilization of any of the existing tangible fixed assets.

13 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

13.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

13.2 Board of Directors

13.2.1 *Overview*

The Company's board of directors consists of five members. Please find details regarding the Company's members of the Board of Directors, as at the date of this Prospectus, in the table below:

Table 20 – Overview of the members of the Board of Directors

Name	Position	Served since	Term expires	Shares	Options
Peter Michael Russell Norris	Chair	May 2022	2024	156,645*	-
Ranjeet Gill Bhatia	Board Member	May 2022	2024	92,700**	-
Carolyn Sarah Clarke	Board Member	May 2022	2024	-	-
Catherine Clinton Keenan	Board Member	May 2022	2024	-	-
Steen Jakobsen	Board Member	May 2022	2024	400,000	-

*Shares held through Coutts nominees
** Shares held through Mintwood AS

The Company's registered office at Bygdøy terrasse 4, 0287 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

13.2.2 *Brief biographies of the Board of Directors*

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Peter Michael Russell Norris– *Chair*

Mr. Norris is Chair of Virgin Group Holdings Limited, a multinational venture capital firm with holdings in a wide range of industries. He has over 37 years of experience in investment banking and business management. Mr. Norris began his career at Barings in 1976. In 1984, he joined Goldman Sachs, before returning to Barings in 1987 to head the South East Asian advisory operations. Upon returning to London in 1994, he became CEO of Barings Investment Banking Group. Three months after his appointment, the notorious derivatives trading scandal in Singapore was revealed, which brought down the bank. In 1995, Mr. Norris established a corporate finance business, constructed around the needs of a customer base of owner-entrepreneurs.

In 2007, he merged this business with Quayle Munro Holdings Plc, an AIM listed company and became the CEO of the combined entity. He served in this capacity until the end of 2009, when he resigned his executive position to take the role of Chair of the Virgin Group. He remains a senior adviser to Quayle Munro. Prior to becoming Chair of Virgin, Mr. Norris acted as an adviser to the Group from 1996 and chaired Virgin Active from 2002 to 2007. Mr. Norris graduated from Oxford University with a first-class degree in Modern History and Modern Languages.

Current directorships and executive management positions.....	Directorships: 59 Godolphin Road Management Company Limited (director), Sine Wave

	Entertainment Limited (chair), Oakley Road Limited (board member), Sundog Pictures Limited (board member), The Lottery Foundation (board member), Not4 Limited (board member), Ashcombe Advisers LLP (partner), The People's Lottery Holding Company Limited (director), P & T Norris LLP (partner), Bob Books LTD (director), Lucinda Jane LTD (director), Lulu Guinness Limited (director), Lulu Guinness Holdings Limited (in liquidation) (director), Tennis Tournaments Limited (director), Agilyx ASA (chair), Agilyx A/S (director), SOHO Property Limited (director), Hiddenlight Productions Limited (director), Sundog UB Holdings Limited (director), VAL TM Limited (director), Virgin Group Holdings Limited (chair), Virgin Hotels, LLC (chair), Virgin Red Limited (chair), Brilliant Holdings Limited (board member), Virgin UK Holdings Limited (director), VAL Trademark Two Limited (director), VAL Trademark Three Limited (director), VAL TM (Holdings) Limited (director), Best For Britain Limited (director) Management position(s): P&T Norris LLP (Partner)
Previous directorships and executive management positions last five years	Directorships: Trafalgar Entertainment Group Limited (director), Image Metrics Inc (director), London First (director), QM Advisory Limited (dissolved) (director), QM Capital Partners Limited (director), QMM Holdings Ltd (in liquidation) (director), Quayle Munro Holdings Limited (director), The Virgin Foundation (director), Virgin Unite Trading Limited (director); Lucinda Jane Limited (director) Management position(s): N/A

Ranjeet Gill Bhatia – *Board Member*

Mr. Bhatia advises Saffron Hill Ventures and in 2009 led Agilyx' first institutional investment round. Other notable ESG investments include Coyuchi, and Marrone Bio (NASDAQ: MBII) where Saffron Hill was an early investor. In addition to Agilyx, he currently serves on the Boards of Coyuchi, Faceware Technologies, and Image Metrics. Prior to co-founding Saffron Hill Ventures, Mr. Bhatia worked as Advisor to the Chairman of Loot Ltd. where he advised on e-commerce strategy and investment and in a venture capital capacity for Lord Rothschild. Mr. Bhatia has had a long-term interest in environmental technology and policy. After interning in the Clinton administration´s White House Office on Environmental Policy, he worked in the environment and energy consulting groups at Booz-Allen & Hamilton, and Dyncorp.

Mr. Bhatia earned an MBA from UCLA's Anderson School of Business, an MA in International Relations and Economics from the Johns Hopkins University School of Advanced International Studies (SAIS), and a BA in Environmental Science from Occidental College.

Current directorships and executive management positions.....	Directorships: Coyuchi Inc (director), Agilyx ASA (director), Optasia Medical Ltd (director)

	Management position(s): Saffron Hill Investors Guernsey (managing director)
Previous directorships and executive management positions last five years	Directorships: Image Metrics Inc (director), Faceware Technologies Inc (director), Brilliant Holdings (chair)
	Management position(s): N/A

Carolyn Sarah Clarke – *Board Member*

Carolyn Clarke is a chartered accountant and member of the council of the Chartered Institute of Internal Auditors. She qualified with PwC and spent 20 years in roles including external audit, transactions, internal audit, risk, governance, conduct and controls optimization. After admission to partnership in 2008 Carolyn established PwC as the leading international firm in Mongolia. In 2015 Carolyn moved to take on an in-house Head of Audit, Risk and Control role with Centrica plc, the largest utility and energy company in the UK. Carolyn founded and leads a boutique consultancy focused on assurance, risk, governance and control activities, Brave Consultancy. She chairs the board of Care International UK, a global international development and humanitarian organization and is an independent director of Starling Bank, a pioneering digital bank, where she chairs the Ethics and Sustainability Committee.

Current directorships and executive management positions.....	Directorships: Agilyx ASA (board member), Starling Bank (Independent Non-Executive Director), Elcogen plc (Non-Executive Director), Chartered Institute of Internal Auditors (council member), Brave Consultancy Ltd (director) Management position(s): N/A
Previous directorships and executive management positions last five years	Directorships: N/A
	Management position(s): Centrica Plc (head of audit, risk and control)

Catherine Clinton Keenan– *Board Member*

An executive with 32 years of experience in the Chemical and Plastics industry, Catherine Keenan has deep experience in strategy development, government and public affairs, sustainability, crisis management, stakeholder engagement, branding and reputation management.

She served as Vice President, Public Affairs, Sustainability and Environment Health and Safety at Trinseo S.A., a global materials company from 2010 to 2020. She began her career at The Dow Chemical Company and held a series of leadership roles with responsibilities including Mergers and Acquisitions integration, industry affairs, public policy issues management, media relations and marketing communications.

She is founder of a consulting firm dedicated to serving organizations that are accelerating transformation, by building affordable, business-centric programs for sustainability and corporate responsibility that build value with customers, employees and stakeholders.

She is a graduate of Lehigh University with a Bachelor's Degree in Journalism/Science Writing and a minor in Chemistry.

Current directorships and executive management positions.....	Directorships: Agilyx ASA (board member)

	Management position(s): Catherine C Keenan (Founder and principal)
Previous directorships and executive management positions last five years	Directorships: N/A
	Management position(s): Trinseo LLC (VP, public affairs, sustainability and EHS)

Steen Jakobsen – *Board member*

Steen Jakobsen joined Saxo Bank in 2000 and serves as Chief Investment Officer. As CIO he focuses on delivering asset allocation strategies and analysis of the overall macroeconomic and political landscape.

As head of the SaxoStrats team, Saxo Bank's in-house team of experts, he is responsible for all research including Quarterly Outlooks and was the founder of Saxo Bank's renowned Outrageous Predictions. Prior to joining Saxo Bank, he worked with Swiss Bank Corp, Citibank, Chase Manhattan, UBS and served as Global Head of Trading, FX and Options at Christiania (now Nordea). Jakobsen's approach to trading and investing is thought-provoking and not afraid to counter consensus. This frequently sparks debate among the global market community.

On a daily basis Jakobsen and his team conduct research across asset classes, covering major macroeconomic developments, market moves, political events and Central Bank policies. With more than 30 years of experience, Jakobsen regularly appears as a guest host on CNBC and Bloomberg News. Steen Jakobsen graduated from the University of Copenhagen in 1989 with a MSc in Economics.

Current directorships and executive management positions.....	Directorships: Agilyx ASA (board member), Frontline Ltd (board member), Flex LNG (board member), Alegra Capital (board member)
	Management position(s): Saxo Bank Group (chief investment officer)
Previous directorships and executive management positions last five years	Directorships: N/A
	Management position(s): N/A

13.3 Management

13.3.1 *Overview*

The management of the Company consists of 8 individuals. Please find details regarding the Company's management, as at the date of this Prospectus, in the table below:

Table 21 – Overview of the members of the Company's management

Name	Position	Employed since	Shares	Options
Timothy Michael Stedman	Chief Executive Officer (CEO)	August 2020	86,842	2,893,900
Chris Faulkner	Chief Technology Officer (CTO)	July 2014	482,000	200,000
Russell Main	Chief Financial Officer (CFO)	May 2020	1,500	900,000
Isabel Charlotte Hacker	General Counsel	January 2021	17,700	250,000
Carsten Larsen	Chief Commercial Officer (CCO)	September 2021	15,000	500,000
Mark Barranco	Senior VP of Engineering and execution	December 2020	4,167	400,000
Kate Ringier	VP of Communication and Government Affairs	August 2020	0*	293,200
Joe Vaillancourt	CEO of Cyclyx International, LLC	January 2021	12,513	1,877,700**

*Philip Ringier holds 19,800 shares in the Company. Philip Ringier is Kate Ringier's husband.
**1,722,200 options are qualified options and 155,500 options are non-qualified options.

The Company's registered office, at Bygdøy Terrasse 4, 0287 Oslo, Norway, serves as the business address for the members of the management in relation to their positions in the Company.

13.3.2 *Biographies of the members of management*

The following sets out a brief introduction to each of the members of the Company's management:

Timothy Michael Stedman– *Chief Executive Officer (CEO)*

Mr. Stedman has nearly 30 years of experience in the chemical industry covering plastics, elastomers and basic chemicals, such as olefins. He has held positions in operations, sales and marketing, global supply chains, business leadership as well as strategy and corporate development.

Prior to joining Agilyx, Mr. Stedman was the senior vice president, strategy and corporate development for Trinseo where he was responsible for leading Trinseo's mergers and acquisition strategy development. Previously, he served as senior vice president for the plastics and feedstocks businesses and global supply chain for Trinseo. In this role, he was responsible for business leadership for performance plastics, polystyrene, and styrene monomer. He also served on the board of Americas Styrenics, a joint venture between Trinseo and CP Chem. Before his time at Trinseo, Mr. Stedman spent over 20 years at ExxonMobil. His last role was as the business director for ExxonMobil Chemical's basic chemical business (USD 8 billion revenue) and prior to that he was the site manager for the Fife Ethylene Plant.

Mr. Stedman holds a Bachelor of Engineering in chemical engineering with French from the University of Manchester Institute of Science and Technology, U.K., and the Ecole Nationale Supérieure des Industries Chimiques, Nancy, France. He is also a chartered engineer and a Fellow of the Institute of Chemical Engineers (U.K.). Mr. Stedman previously served on the boards of Petrochemicals Europe and the European Petrochemical Association and was also a member of the energy and climate change leadership group of the International Council of Chemical Associations (ICCA). Mr. Stedman previously represented Trinseo on the operating committee of the plastics division of the American Chemistry Council and as a vice president of the Steering Board of PlasticsEurope.

Current directorships and executive management positions.....	Directorships: N/A Management position(s): Agilyx ASA (CEO)
Previous directorships and executive management positions last five years	Directorships: N/A

	Management position(s): Trinseo GmbH (Senior Vice President positions and Business president Basic Plastics and Feedstock)

Chris Faulkner – *Chief Technology Officer (CTO)*

Dr. Faulkner brings over 15 years of technical and organizational expertise on the engineering, process, analytics and administrative fronts to deliver products and operating assets. He has held engineering, scientist and management positions in the renewable energy and chemicals industry sectors with a focus on sustainability and stewardship. Dr. Faulkner has a proven track record of commercializing innovations and successful project management. He is an inventor of novel polymer composite materials and has led the certification and commercialization of the international product launch of a 5 kWe combined heat and power fuel cell system.

Dr. Faulkner brings technical, commercialization, innovation, project management and business acumen to the advancement of the Agilyx Solutions platform of superior materials management and chemical recycling. In addition to his role at Agilyx, Dr. Faulkner sits on the board of directors of Regenyx, a joint venture chemical recycling facility between Agilyx and Americas Styrenics (AmSty).

Dr. Faulkner holds a doctorate in Chemical Engineering from Vanderbilt University.

Current directorships and executive management positions.....	Directorships: Regenyx LLC (board member)
	Management position(s): Agilyx ASA (CTO)
Previous directorships and executive management positions last five years	Directorships: N/A
	Management position (s): N/A

Russell Main – *Chief Financial Officer (CFO)*

Mr. Main is Chief Financial Officer of Agilyx. Mr. Main held the role of Chief Financial Officer at Agilyx since May 2020, during which time he was central to leading activities culminating in the successful IPO in 2020. On January 1, 2021 Russ transitioned to CFO of Cyclyx, where he was instrumental in helping to build organizational capabilities and structures to ensure the success of that exciting new company. Russ transitioned back to CFO of Agilyx in August 2021 and has over 25 years of executive finance and operational experience with a track record of optimizing finance, operations, technology and profitability within highly complex global environments.

Before joining Agilyx, Russ was CFO of Abode Systems Inc., a DIY Home Security and Automation company and was instrumental in growing this startup. Prior, he worked for Tyco International for over 23 years, assuming senior financial leadership positions in their corporate group and their North and Latin America divisions.

Mr. Main holds a Bachelor of Science degree in Economics/Finance from Bentley University.

Current directorships and executive management positions.....	Directorships: N/A
	Management position(s): Agilyx ASA (CFO)
Previous directorships and executive management positions last five years	Directorships: N/A
	Management position (s): Abode Systems Inc (CFO)

Isabel Charlotte Hacker – *General Counsel*

Dr. Isabel Charlotte Hacker is the General Counsel of Agilyx Corporation. Dr. Hacker has over 25 years of legal expertise in business, corporate, commercial, and M&A law, covering plastics and chemicals, manufacturing and consumer goods.

Prior to joining Agilyx, Dr. Hacker served as Associate General Counsel for global materials provider Trinseo. Dr. Hacker has also held senior advisory roles at Yum! Brands and General Mills International, as well as working for leading law firms Freshfields and Clifford Chance, specializing in M&A and corporate law.

Dr. Hacker holds qualifications from Ruprecht-Karls-Universität Heidelberg and The College of Law in London, in addition to a PhD in law from the University of Bonn.

Current directorships and executive management positions.....	Directorships: Cyclyx International LLC (board member) Management position(s): Agilyx ASA (General Counsel)
Previous directorships and executive management positions last five years	Directorships: N/A Management position(s): Trinseo GmbH (Associate General Counsel)

Carsten Larsen – *Chief Commercial Officer (CCO)*

Carsten Larsen is Chief Commercial Officer at Agilyx. An experienced commercial leader, Mr. Larsen brings more than 25 years of industrial expertise, most recently having served as commercial director, Plastics Circularity EMEA & APAC for Dow Inc. In this role he was responsible for developing new business models and growth strategies that monetize the plastics waste recycling streams for EMEA and APAC, including mechanical and chemical recycling platforms. Mr. Larsen managed the development of recycling solutions that helped customers and brand-owners achieve their sustainability objectives, enabling a shift towards a more circular economy for plastics.

Mr. Larsen is an inclusive business leader who has supported and led various activities around diversity and inclusion throughout his career. After joining Dow as a trainee in 1993, Mr. Larsen worked his way through the business holding positions in account management, marketing and business development. In 2014, Mr. Larsen moved to Johannesburg to assume the role of Managing Director for Dow Southern Africa and had commercial oversight for four businesses in Sub-Saharan Africa. Mr. Larsen returned to Switzerland in 2017 when he was named commercial director, EMEA & India.

Mr. Larsen holds a bachelor's degree in international business administration from Copenhagen Business School. He has served on the boards of the American Chamber of Commerce in South Africa and the Chemical & Allied Industries' Association. He has also served as chair for the Epoxy Industry Association.

Current directorships and executive management positions.....	Directorships: N/A Management position(s): Agilyx ASA (CCO)
Previous directorships and executive management positions last five years	Directorships: N/A Management position(s): N/A

Mark Barranco – *Senior VP of Engineering and Execution*

Mr. Barranco is the Senior Vice President of Engineering and Execution of Agilyx. Mr. Barranco brings over 30 years of petrochemical industry experience in a variety of technical and business roles spanning basic chemical products, such as olefins and aromatics, to derivatives such as polymers and resins. In addition to his role at Agilyx, Mr. Barranco serves as General Manager of Regenyx, a joint venture chemical recycling facility between Agilyx and Americas Styrenics (AmSty).

Prior to joining Agilyx, Mr. Barranco worked for ExxonMobil Chemical Company where he progressed through numerous managerial and leadership assignments. His last role was Senior Strategy Advisor where he championed the strategic learning process across the Chemical company, drove structured decision-making processes in development of business strategies, and advised senior leaders on the effectiveness of business strategy execution. His previous role was Regional Sales Manager where he managed the Polyethylene Sales, Distribution and Sales Support organizations for the Americas Region through a period of significant growth and geographic expansion. Early career roles in Technology were followed by numerous cross-functional business leadership positions across multiple disciplines including Marketing, Sales, Planning, Financial Reporting and Supply Chain Operations, some of which involved global responsibilities.

Prior to ExxonMobil, Mr. Barranco was a Commissioned Submarine Warfare Officer in the United States Navy where he served 5 years of active duty in various Division Officer and Assistant Department Head roles on nuclear-powered submarines. Mr. Barranco holds a BS in Systems Engineering from the United States Naval Academy and an MBA from Rutgers University.

Current directorships and executive management positions.....	Directorships: N/A Management position(s): Agilyx ASA (Senior Vice President)
Previous directorships and executive management positions last five years	Directorships: N/A Management position (s): N/A

Kate Ringier – *VP of Communication and Government Affairs*

Kate Ringier is the Vice President of Communications and Government Affairs. Ms. Ringier brings 20 years of strategic communications expertise, including crisis communications, media relations, branding, message creation, as well as speechwriting and change management experience. Throughout her career, she has held numerous communications roles in consumer goods, media and the chemical industry.

Prior to joining Agilyx, Ms. Ringier led a global marketing communications team at chemical manufacturer, Trinseo, where she developed both internal and external communications strategy, established business messaging and tone, oversaw media relations, public policy and trade association activities as well as initiatives in support of elevating external visibility with key stakeholders, including business media, customers, suppliers, and regulators.

Ms. Ringier oversees strategic internal and external communications strategy and leads all corporate communications and government affairs activities for Agilyx, including media relations, public relations and issues management.

Ms. Ringier studied Public Relations at Boston University, College of Communications.

Current directorships and executive management positions.....	Directorships: N/A Management position(s): Agilyx (Vice President)

Previous directorships and executive management positions last five years	Directorships: N/A Management position(s): N/A

Joe Vaillancourt – *Chief Executive Officer (CEO) of Cyclyx International, LLC*

Mr. Vaillancourt has more than 25 years of operational, financial, and strategic experience in industrial, environmental and energy innovation and infrastructure development. Throughout his career, Mr. Vaillancourt has led in excess of USD 2 billion of debt and equity financings as well as M&A activities and has helped commercialize 15 environmental technologies working closely with large strategic companies and private equity firms in the energy and industrial sectors. Mr. Vaillancourt currently serves as the CEO and Director of Cyclyx International and has done so since its inception in January 2021. Prior to this role, Mr. Vaillancourt served as the CEO and Director of Agilyx since 15 March 2017

Prior to Agilyx and Cyclyx, Mr. Vaillancourt spent 15 years at Waste Management where he was one of the founding members of the corporate venturing group responsible for developing new and innovative growth platforms in the environmental, sustainability, solid waste, recycling, energy and cleantech sectors. Mr. Vaillancourt has also held various roles in founding more than 10 companies in a diverse set of industries.

Mr. Vaillancourt holds a Bachelor of Science in Finance and an MBA from the University of Massachusetts at Lowell. Mr. Vaillancourt is an external advisory board member of the Manning School of Business at the University of Massachusetts at Lowell and has held Director positions in over 15 companies.

Current directorships and executive management positions.....	Directorships: Cyclyx International LLC (board member and chair), BioGreen360, Inc (board member and chair), University of Massachusetts Lowell, Manning School of Business (external advisory board member) Management position(s): Cyclyx International LLC (CEO)
Previous directorships and executive management positions last five years	Directorships: Agilyx AS (board member) Management position (s): N/A

13.4 Remuneration and benefits

13.4.1 *Remuneration of the Board of Directors*

Table 22 – Remuneration of the Board of Directors

Name and position	Position	Salary	Benefits in kind	Bonus	Pensions costs	Total remuneration
		(In USD)	*(In USD)*	*(In USD)*	*(In USD)*	*(In USD)*
Board of Directors		116,455	-	-	-	116,455

According to a letter of appointment, Carolyn Clarke is entitled to receive an annual fee of one hundred and fifty thousand (150,000) NOK plus an additional (annual) stipend of one hundred and forty-five thousand (145,000) NOK as chair of the audit committee, in each case gross.

13.4.2 *Remuneration of the Management*

The below table sets forth the amount of remuneration paid by the Company to its executive management for the financial year ended 31 December 2021.

Table 23 – Remuneration of the Management

Name and position	Position	Salary *(In USD thousands)*	Benefits /Medical Insurance *(In USD thousands)*	Bonus *(In USD thousands)*	Pensions costs *(In USD thousands)*	Total remuneration *(In USD thousands)*
Timothy Michael Stedman	CEO	405.2	37	80.9	38.6	561.8
Chris Faulkner	CTO	230	16.6	40	6	292.6
Russell Main	CFO	250	23.1	45	1.4	319.6
Isabel Charlotte Hacker	General Counsel	273.2	26.5	54.6	28.9	383.3
Carsten Larsen	CCO	94.4	0	56.7	10.4	161.5
Mark Barranco	Senior VP of Engineering and execution	255	3	0	7.6	265.7
Kate Ringier	VP of Communications and Government Affairs	207.6	17.9	5.8	15.6	246.9
Joe Vaillancourt	CEO, Cyclyx International, LLC	350	24.1	0	0	374.1

13.5 Employees

The Group had 90 employees as of 31 December 2021.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2019, 2020 and 2021.

Table 24 – Employees	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
Group	90	62	44

The below table below shows the number of full-time employees of the Group by main category of activity.

Table 25 - Category of activity	As of 31 December 2021	As at 31 December 2020	As at 31 December 2019
Agilyx	64	51	44
Cyclyx	26	11	0

The below table below shows the number of full-time employees of the Group by geographic location.

Table 26 - Geographic location	As of 31 December 2021	As at 31 December 2020	As at 31 December 2019
US	83	61	44
Europe	7	1	0

13.6 Share incentive programs

The Board of Directors authroized a stock incentive plan on 4 June 2020, later amended on 22 April 2021 and 19 May 2021. The purpose of this stock incentive plan is to enable the Company to attract and retain the services of (i) selected employees, officers and directors of the Company or any parent or subsidiary of the Company and, (ii) selected non-employee agents, consultants, advisers and independent contractors of the Company or any parent or subsidiary of the Company in order to stimulate continuous growth and further development of the Group's business.

13.7 Benefits upon termination

There are no employment contracts with termination benefits for any non-executive employee of the US subsidiary. The key executives employed by US subsidiaries (Mark Barranco, Russ Main, Chris Faulkner, and

Joseph Vaillancourt) have employment agreements that do not require a termination notice period by either party and specify 6 months' severance with 4 months of COBRA healthcare coverage if the termination is other than for cause and a release statement is signed.

All European employees have employment contracts with termination notice periods of between 2 and 6 months.

Tim Stedman has specified severance of 6 months if the termination is other than For Cause and a release statement is signed. If the termination is not For Cause, Mr. Stedman's current year's share options vest.

Carolyn Clarke is entitled to receive fees as a non-executive director.

Other than set out above, no members of the administrative, management or supervisory bodies' service contracts with the Company or any of its subsidiaries provides for benefits upon termination of employment.

13.8 Pension and retirement benefits

The Company has a pension scheme that meets the requirements set out in the Norwegian Obligatory Occupational Pension Act. Actual pension schemes are determined by the country of each legal entity: Agilyx AS that of Norway; Agilyx GmbH that of Switzerland, Agilyx ApS that of Denmark, Agilyx Corporation that of the US, and Cyclyx International, LLC that of the US. Retirment benefits for the US are in the form of a USD 401 thousand, with Agilyx Corporation matching up to 3% of an employee’s contribution over a 3 year vesting period.

For the year ended 31 December 2021, the pension cost for members of the Management employed in the Group was approximately US USD 108.6 thousand.

For the year ended 31 December 2021, the pension cost for the Company's Board Members was approximately USD 38.6 thousand.

13.9 Nomination committee

The nomination committee is appointed at the Company's general meeting, pursuant to Article 10 of the Company's articles of association. The nomination committee is responsible for recommending candidates to the Board of Directors and the remuneration of the Board of Directors in accordance with the instructions for the nomination committee issued by the Board of Directors and sanctioned by the shareholders in the Company's general meeting.

The nomination committee consists of two members, all deemed to be independent of the Board of Directors and the Company's management: Fredrik D. Sneve and Tor A. Svelland.

All members of the nomination committee were elected on the Company's general meeting held on 12 May 2022 for a tenure of two years.

13.10 Audit committee

The Company's audit consists of Carolyn Clarke (chair), Ranjeet Bhatia and Steen Jakobson.

The audit committee's main duties are to assist the Board of the Company with oversight of: the integrity of the financial reporting process and statements, the Company's independent registered auditors' qualifications and independence, and the performance of the Company's independent registered auditors, the system of internal control, the audit process, risk assessment and risk management as well as the Company’s process for monitoring compliance with laws and regulations and the code of conduct The audit committee shall consist of at least two members.

13.11 Compensation committee

The Company's compensation consists of Steen Jakobsen (chair), Catherine Keenan and Peter Norris.

The compensation committee's main duties are to assist the Board of the Company to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation, including establishing, implementing and executing the Company’s compensation policy and programs for the members of the Board and the Management. The Committee also reviews and endorses recommendations made by Management regarding the remuneration framework for the Company and the Group members.

13.12 Corporate Governance

The Company has adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**").

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

13.13 Conflict of interests

Peter Norris, chair of the Company's board of directors, was director of Lucinda Jane Limited (formerly Lulu Guinness Limited) on the day it entered into administration, 20 May 2020. At the beginning of 2020, the company was severely affected by a collapse in sales following the onset of Covid which coincided with a peak working capital financing requirement. The company was unable to source external finance either in debt or equity and consequentially, the Directors had to take the decision to cease trading and to appoint a receiver. Licunda Jane Limited was moved from administration to liquidation on 13 October 2020.

Moreover, Peter Norris has been associated with QMM Holdings Ltd, which was an investment holding company which owned a minority in a significant housebuilding company, Morris Homes. The shareholding was sold for cash and QMM Holdings Ltd was put into members' voluntary liquidation on a solvent basis in order to distribute its cash asset to shareholders.

Other than set out above, during the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

Peter Norris is an investor in Saffron Hill Ventures 2 LP and a director of Virgin Group, both of which holds 36,473,500 and 3,746,671 Shares, respectively. Further, Ranjeet Bhatia is a managing director and involved in the investment decisions for Saffron Hill Ventures 2 LP. Saffron Hill Ventures 2 LP holds 36,473,500 Shares.

Other than set out above, there are no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A) and Norwegian law.

14.1 Company corporate information

The Company's registered legal and commercial name is Agilyx ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 923 974 709 and the Company's Legal Entity Identifier code (LEI-code) is 5493000E25PBC2PXV881.

The Company was incorporated in Norway on 22 November 2019 as a private limited liability company and transformed to a public limited liability company pursuant to the resolutions made on the annual general meeting held on 12 May 2022.

The Shares have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS under ISIN NO 001 0872468. The Company's register of shareholders in the VPS is administrated by the VPS Registrar, being DNB Bank ASA, DNB Markets Registrars department (address: Dronning Eufemias gate 30, 0021 Oslo, Norway).

The Company's registered office is located at Bygdøy terrasse 4, 0287 Oslo, Norway. The Company's website can be found at www.agilyx.com. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

14.2 Legal structure

The Company functions as parent company of the Group. The following table sets out information about the Company's significant subsidiaries, as of the date of this Prospectus.

Table 27 - Group structure

Subsidiary / Operating division	Share-holding	Voting rights	Country of incorporation	Registered office	Description
Agilyx Corporation	100%	100%	USA	Tigard, Oregon, USA	Washington, limited liability company
Regenyx LLC	50%	50%	USA	Tigard, Oregon, USA	Delaware Limited Liability Company
Agilyx ApS	100%	100%	Denmark	Kongens Lyngby, Denmark	Danish private limited liability company.
Agilyx GmbH	100%	100%	Switzerland	Feusisberg, Switzerland	Swiss private limited liability company.
Cyclyx International, LLC	75%	75%	USA	Delaware, USA	Delaware Limited Liability Company

14.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 1,565,474.10 diveded in 78,273,705 Shares, each with a nominal value of NOK 0.02. Following the issuance of the Private Placement Shares, which are expected to be issued on or about 15 September 2022, and registration of the share capital in the Norwegian Register of Business Enterprises, the Company's share capital will be increased to NOK 1,690,779.10 divided in 85,538,955 Shares, each with a nominal value of NOK 0.02. All Shares are validly issued, fully paid and non-assessable.

The Company has only one class of Shares. Accordingly, there is no difference in the voting rights among the Shares. Each Share carries one vote, and all Shares carry equal rights in all respects, including rights to dividends.

The table below shows the development in the Company's share capital for the period covered by the historical financial information, i.e. from 2019 and up to the date of this Prospectus:

Table 28 – Development in Share capital

Date registered	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
22 November 2019	Incorporation	30,000	30,000	1.00	1.00	30	30
7 January 2020	Share capital reduction	(30,000)	0	-	1.00	-	0
7 January 2020	Share capital increase	101,496	101,496	936	1.00	101,496	101,496
16 January 2020	Share capital increase	458,106	559,602	936	1.00	458,106	559,602
28 April 2020	share capital increase	100	559,702	1	1.00	100	559,702
28 September 2020	Share capital increase	167,037	727,055	1,796	1.00	167,353	727,055
28 September 2020	Share split	0	727,055	-	0.01	71,978,445	72,705,500
13 November 2020	Share Capital increase - Options	13,908	740,963	0.5743	0.01	1,390,800	74,096,300
16 December 2020	Share capital increase - warrants	8,062	749,025	0.01	0.01	806,200	74,902,500
28 January 2021	Share capital increase - warrants	4,375	753,400	0.01	0.01	437,500	75,340,000
13 April 2021	Share capital increase	4,374.88	757,774.88	0.5743	0.01	437,488	75,777,488
30 April 2021	Share capital increase	5,702.06	763,476.94	0.5743	0.01	570,206	76,347,694
16 July 2021	Share capital increase	5,312.80	768,789.74	0.5743	0.01	531,280	76,878,974
14 September 2021	Share capital increase	6,539.72	775,329.46	0.5743	0.01	653,972	77,532,946
13 May 2022	Share capital increase / increase of par value of shares	775,329.46	1,550,658.92	-	0.02	-	77,532,946
15 June 2022	Share capital increase / exercise of options	14,815.18	1,565,474.10	0.574*	0.02	740,759	78,273,705
Or or about 15 September 2022	Share capital increase / Private Placement	125,305	1,690,779.10	24	0.02	6,265,250	85,538,955

*cashless exercise of 200,000 options at an average strike price of approx. NOK 4.635 each and a regular exercise of 540,759 options of options at a strike price of NOK 0.5743 each

14.4 Lock-up

For a period of 6 months after the Private Placement, the Company has agreed to not, without the prior written consent of the managers in the Private Placement, issue or undertake to issue any new shares or any other equity securities of the Company or any securities convertible into, or exercisable or exchangeable for, equity securities of the Company, or publicly announce an intention to effect any such issuance or transaction. This undertaking shall not apply to the granting of share options or restricted share units to employees, board members or advisors or the issuance by the Company of shares under share options or warrants granted by it.

Pursuant to an executive employment agreement, Joe Vaillancourt has agreed that until 31 December 2024 he will not dispose 50% of any Shares he might own or hold at the time.

Chris Faulkner signed a lock-up undertaking on 24 May 2022 pursuant to which he will not dispose of any Shares for a period of seven (7) months with the exception of the disposal of Shares the proceeds of which he will use to pay any governmental or other taxes owed due to and in connection with the exercise of Agliyx options to purchase Shares.

None of the lock-up agreements described above contains a contractually stipulated waiver of the lock-up, meaning that for as long as the described agreements are in effect and not terminated, neither party is required nor entitled to waive the lock-up.

14.5 Admission to trading

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs since 30 September 2020 under the ticker code "AGLX" with ISIN NO 001 0872468. On 7 September 2022, the Company

applied for the Shares to be admitted to trading and Listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 13 September 2022. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 16 September 2022, under the ticker code "AGLX".

In the US, Agilyx's shares can be traded on the OTCQX Best Market in New York under the "AGXXF" ticker symbol. Agilyx AS shares can be bought or sold through any US registered brokerage.

Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

14.6 Board authorization to issue shares

At the Company's ordinary general meeting held on 12 May 2022, the Board of Directors was granted an authorization to increase the share capital. Pursuant to the authorization, the share capital may, in one or more transactions, be increased by a total of up to NOK 310,131.60, divided into 15,506,580 shares, each with a nominal value of NOK 0.02. The authorization is valid until the ordinary general meeting in 2023, but no later than 30 June 2023.

14.7 Authorization to acquire treasury Shares

At the Company's general meeting held on 12 May 2022, the Board of Directors was granted an authorization to acquire own shares up to an aggregate nominal value of NOK 155,086. The highest and lowest purchase price for each share shall be NOK 60 and NOK 0.01, respectively. The authorization may only be used for the purpose of (i) utilizing the Company's shares as transaction currency in acquisitions, mergers, de-mergers or other transactions; (ii) sale and/or transfer of the Company's shares to employees or board members in the Company, as part of the Company's option program, as approved by the Board of Directors; or (iii) investment or subsequent sale or deletion of shares. The authorization is valid until the annual general meeting in 2023, but no later than 30 June 2023.

14.8 Board authorization to increase share capital in connection with options

At the Company's ordinary general meeting held on 12 May 2022, the Board of Directors was granted an authorization to increase the share capital in connection with the Company's share option program. Pursuant to the authorization, the share capital may, in one or more transactions, be increased by a total of up to NOK 60,000, divided into 3,000,000 shares, each with a nominal value of NOK 0.02. The authorization is valid until the ordinary general meeting in 2023, but no later than 30 June 2023. The authorization can only be used to increase the share capital in connection with the Company's share option programme.

14.9 Other financial instruments

Warrants:

The Company has granted ordinary share warrants (independent subscription rights for ordinary shares) in connection with various debt and equity issuances ("**Warrants**") on a no-consideration basis. The following table reflects the total of outstanding Warrants as of 30 June 2022 that are exercisable into ordinary shares:

	Number of ordinary shares	Exercise price per share (USD)	Expiration
Ordinary share warrants converted to subscription rights	2,447,200	1.00	2022 - 2025

	31 December 2021	30 June 2022
Warrant liabilities	7,570,647	5,035,675

Warrants are non-transferable and may be exercised by written notice to the Board of Directors within five (5) years from the date of issue. The exercise of a Warrant entitles the warrant holder to subscribe for a common share in the Company. Upon exercising a Warrant, a cash contribution that was resolved by the General Meeting of the Company on 27 August 2020 will have to be paid by the warrant holder for the respective share. Warrant holders do not have any pre-emptive rights or any other shareholder rights in case of any increase or decrease of the Company’s share capital, any liquidation, merger or de-merger or any other transformation.

From a financial point of view, the Warrants are the only financial instruments measured at fair value through the profit and loss. This treatment is required for the Warrants because the terms of the Warrant include a cash less exercise option, which triggers derivative treatment in accordance with IFRS 9. This is because their values change in response to a specified financial instrument price (Company stock price), they required no initial net investment and they will be settled at a future date.

All Warrants and related subscription rights are measured using level 3 inputs on the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during any of the periods presented.

The valuation of the Warrant liability was performed using the Black Scholes Model, the following inputs were significant in the computation of fair values at each reporting date:

	31 December 2021	**30 June 2022**
Expected term	Various	Various
Equity volatility	30.00-35.00%	35.00-40.00%
Risk free rate	0.39-0.98%	2.53-2.98%

The agreements were typically for five years in total with expiry dates between 2022 and 2025.

As the outstanding Warrants for Agilyx are well in the money as of the 30 June 2022 and 31 December 2021 reporting dates, the valuations performed determined that the preponderance of the amount, for each of the respective dates, was intrinsic value in nature. Hence there was very little time value associated with the estimate of value calculated. As a result of this relationship, the change in the value of the instruments is going to be more closely correlated with the change in the underlying equity price as opposed to a change in volatility. This determination was corroborated with the sensitivity calculations completed.

During the six months ended 30 June 2022, no Warrants were exercised.

The sensitivity analysis of a reasonably possible change in one significant unobservable input, being the underlying equity value, holding other inputs constant would be:

	Equity value at expiration -5%	**Equity value at expiration + 5%**
At 31 December 2021	(378,160)	378,160
At 30 June 2022	(251,783)	251,783

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	Warrant liability
At 1 January 2021	11,267,832
Warrants exercised (converted into 437,500 ordinary shares)	(2,365,626)
Loss on warrant value – presented as fair value through profit and loss	(1,331,559)
At 31 December 2021	7,570,647
Warrants exercised	-
Gain on warrant value – presented as fair value through profit and loss	(2,534,972)
At 30 June 2022	5,035,675

Options:

The Company issues options under the terms and conditions of the its stock incentive plan from 2020, which allows the option holder upon exercise and payment of the strike price one share per vested option. Options are non-transferable and non-assignable. The vesting period and strike price for an option are determined by the Board of Directors prior to its grant. Conditions for exercising vested options include exercising options during the relevant option exercise period into common shares. Vested options may only be exercised through an online portal or other option related service provider engaged by the Company. Options not exercised and continue to vest may be exercised in future exercise periods until the relevant expiration date. The same regime applies in case of total disability or death of the employee or change of control of the Company. The options plan contains specific terms, eligibility and conditions of the options and is administrated by the Board of Directors.

14.10 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each Share carries one vote. The rights attaching to the Shares are described in Section 14.15 *"The Articles of Association and certain aspects of Norwegian law"*.

14.11 Takeover bids and forced transfer of shares

The Company has not received any takeover bid since its inception.

14.12 Change in control

As of the date of this Prospectus, to the knowledge of the Company, there is no arrangement or agreement that may at a subsequent date result in a change in control in the Company.

14.13 Transferability of the Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares are registered in the VPS.

14.14 Ownership structure

As of 12 September 2022, the Company had a total of 1,234 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 12 September 2022 is set out below:

Table 29 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	Citibank, N.A.	32,806,854	41.91
2	Six Sis AG	6,275,919	8.01
3	Morgan Stanley & Co Int. Plc.	4,418,140	5.64
4	Clearstream Banking S.A.	4,355,307	5.56

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. See Section 16.816.8 *"Disclosure obligations"* for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, four shareholder holds 5% or more of the Shares.

Upon admission to trading on Oslo Børs, it is expected that Citibank, N.A., directly or indirectly, will control approximately 42% of the Shares in the Company. Citibank, N.A. will hence be in a position to exercise considerable influence, or control, over all matters requiring shareholder approval. This concentration of share ownership could delay, postpone or prevent a change of control in the Company, and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by other investors. Save for Citibank, N.A., the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 14.15.2 *"Certain aspects of Norwegian law"* and 16.11 *"Compulsory acquisition"* for further information.

14.15 The Articles of Association and certain aspects of Norwegian law

14.15.1 *The Articles of Association*

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association. The translation is an unofficial transaltion of the Articles of Association, which is officially set out in Norwegian.

Company name

Pursuant to Section 1 of the Articles of Association, the Company's name is Agilyx ASA.

Registered office

Pursuant to Section 2 of the Articles of Association, the Company's registered business office is in Oslo municipality.

Objective of the Company

Pursuant to Section 3 of the Articles of Association, the Company's operations are to own shares in other companies, and either itself or through other companies, develop, produce, market, license and sell IP and technology that enables the chemical recycling of difficult-to-recycle plastic into plastic feedstock and other hydrocarbon products.

Share capital and nominal value

Pursuant to Section 4 of the Articles of Association, the company's share capital is NOK 1,565,471.10 divided on 78,273,705 Shares, each with a nominal value of NOK 0.02. The shares shall be registered in the Norwegian Central Securities Depository (Euronext VPS).

Transfer of shares

Pursuant to Section 5, the company's shares are freely transferable. According to the Companies Act, the shareholders do not have preemption rights.

Signature

Pursuant to Section 6, the chair and the general manager each acting alone, or two board members jointly, are authorised to sign on behalf of the company.

Nomination committee

Pursuant to Section 10 of the Articles of Association, the Company shall have a nomination committee, consiting of two to four members, elected by the General Meeting.

General meetings

Pursuant to Section 7 of the Articles of Association, the General Meeting shall be made by written notification to all shareholders with a known address. Provided documents concerning items to be discussed at the General Meeting are made available at the company's web-site, the requirement of mailing the documents to the shareholders does not apply. This also applies for documents which, according to the law, shall be included in or attached to the Notice of General Meeting. Despite this, each shareholder is entitled to request that the documents concerning items to be discussed at the General Meeting are mailed.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

14.15.2 *Certain aspects of Norwegian law*

14.15.2.1 General meeting of shareholders

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or

a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

14.15.2.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of

the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

14.15.2.3 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

14.15.2.4 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

14.15.2.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

14.15.2.6 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and

exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

14.15.2.7 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

14.15.2.8 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

14.15.2.9 Compulsory acquistion

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect. If a shareholder acquires shares representing 90% or more of the total number of issued shares, as well 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial enterprise authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court.

The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to

have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

14.16 Shareholder agreements

The Company is not aware of any shareholders' agreements related to the Shares that will be in force upon Listing.

15 TRANSFER RESTRICTIONS

15.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

15.2 Selling restrictions

15.2.1 *United States*

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements.

Any offer or sale in the United States will be made solely by affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

Neither Swedbank nor Nordea may underwrite, offer or sell securities in the United States. Consequently, neither Swedbank nor Nordea will participate in the soliciation, offer or sale of any Shares within or directed into the United States and will not be involved in any activities relating to the Shares within or directed into the United States.

15.2.2 *United Kingdom*

Offers of Shares pursuant to the Offering are only being made to persons in the United Kingdom who are 'qualified investors' within the meaning of the UK version of the EU Prospectus Regulation (2017/1129/ EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the UK) or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as the "Relevant Persons"). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Manager is acting exclusively for the Company and no one else in connection with the Offering. The Manager will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the

Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for the giving of advice in relation to the Offering or any transaction, matter or arrangement referred to in this Prospectus.

15.2.3 *European Economic Area*

In relation to each Relevant Member State, other than Norway, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to persons who are "qualified investors" within the meaning of Article 2(e)in the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or
- in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

These EEA selling restrictions are in addition to any other selling restrictions set out in this Prospectus.

15.2.4 *Additional jurisdictions*

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Manager are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong

Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

15.3 Transfer restrictions

15.3.1 *United States*

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

15.3.2 *European Economic Area*

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

16 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

16.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also wholly-owns the Norwegian Central Securities Depository (VPS).

16.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

16.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the the electronic trading system of Euronext.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making

activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

16.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about

beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 14.15.214.15 *"Certain aspects of Norwegian corporate law"* under the subheading *"Voting rights – amendments to the articles of association"*.

16.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 14.15.2 *"Certain aspects of Norwegian corporate law"*.

16.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of the EU Market Abuse Regulation (EU) 596/2014, pursuant to Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be

determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

16.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

16.13 Other information

16.13.1 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

16.13.2 *Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway*

The Company is a public limited liability company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

16.13.3 *Norwegian law could limit shareholders' ability to bring an action against the Company*

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

16.13.4 *Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

16.13.5 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

17 NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("**resident or Norwegian shareholders**") and holders that are not residents of Norway for such purposes ("**non-resident or foreign shareholders**").*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.Taxation of dividends.

17.1.1 *Resident corporate shareholders*

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Nw: "*Fritaksmetoden*"). However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%. For Norwegian corporate shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax, the effective tax rate of taxation of dividends is 0.75%.

17.1.2 *Resident personal shareholders*

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Nw: "*Skjermingsfradrag*"). The tax basis is upward adjusted with a factor of 1.6 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 35.2%.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point and adjusted downwards with the tax rate. The allowance of one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance for the following years, any excess allowance is added to the cost price of the share and thereby included in the basis calculating the tax-free allowance on the same share the following year.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw.: "*aksjesparekonto*"). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.20% (2022), cf. above. Norwegain Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 17.2.2 "Taxation of capital gains upon realisation of shares resident personal shareholders" for further information in respect of Norwegian share saving accounts.

17.1.3 *Non-Norwegian Personal Shareholders*

Dividends distributed to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the sharheolder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax rate at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a saving account, ref. above, lies with the account operator.

17.1.4 *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS).

In order for a Non-Norwegian Corporate Shareholder resident in the EEA to be exempt from withholding tax, the company must provide all documentation mentioned above, as well as a declaration stating that the circumstances entitling the company to the exemption have not changed since the documentation was issued.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

17.2 Taxation upon realization of shares

17.2.1 *Resident corporate shareholders*

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

17.2.2 *Resident personal Shareholders*

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 35.20% (for 2022); i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.60 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22% (2022), increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 35.20%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 17.1.2 "Resident personal shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set of against gains form realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of Shares held through a share saving account (Nw: aksjesparekonto) will be exempt from Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable

income, subject to tax at an effective tax rate of 35.20% (for 2022). Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share savings account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

17.2.3 *Non-resident shareholders*

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax. Please refer to Section 17.1.2 "Resident personal shareholders" above for a description of the availability of a Norwegian share saving acocunt.

17.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation in Norway on net (taxable) wealth exceeding NOK 1,700,000. The net wealth tax rate is currently 0.95 per cent on net wealth between NOK 1,700,000 and NOK 20,000,000, and 1.10 per cent on net wealth exceeding NOK 20,000,000. The general rule is that the Shares will be included in the net wealth with 75% of the Shares' listing value as of 1 January in the assessment year, i.e. the year following the income year.

Non-resident shareholders (personal and corporate) are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

17.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

17.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

18 ADDITIONAL INFORMATION

18.1 Independent auditor

The Company's independent auditor is RSM Norge AS, with registration number 982 316 588 and business address at Ruseløkkveien 30, 0251 Oslo, Norway. RSM Norge AS is a member of The Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforeningen*). RSM Norge AS has been the Company's auditor throughout the period covered by financial information included in this Prospectus.

The IFRS Financial Statements have been audited by RSM Norge AS as set forth in their report included herein. The USGAAP Financial Statement have been audited by KBF CPAs LLP (business address: 14241 Dallas Parkway, Ste. 200, Dallas, TX 75254, US). KBF CPAS (License# 6448) is a certified public accountant (CPA) firm licensed by Washington State Board of Accountancy. The registration date is 24 August 2017.

Neither RSM Norge AS nor KBF CPAs LLP has audited, reviewed or produced any report on any other information provided in this Prospectus.

18.2 Advisors

Advokatfirmaet Schjødt AS (address: Ruseløkkveien 14-16, N-0251 Oslo, Norway) functions as the Company's Norwegian legal counsel.

18.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Bygdøy Terrasse 4, 0287, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.agilyx.com. The content of www.agilyx.com is not incorporated by reference into, or otherwise form part of, this Prospectus.

19 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus:

Table 30 – Definitions and glossary

Defined terms	Meanings
AAP	Advanced plastic processing facilities
Agilyx	Agilyx ASA and its consolidated subsidiaries
Annual Financial Statements	The annual consolidated financial statements for the financial years ended 31 December 2021 prepared in accordance with IFRS with audited comparable figures for the financial year ended 31 December 2020, together with the consolidated, audited financial statements prepared in accordance with United States Generally Accepted Accounting Policies for the financial year ended 2019
AmSty	Americas Styrenics
APAC	Asia-Pacific
APPF or CCC	Advanced plastic processing facilities or Cyclyx Circularity Centre
APM	Alternative performance measures
Articles of Association	The articles of association of the Company
ASCO	Agilyx Synthetic Crude Oil
Board Members or Board of Directors	The members of the board of directors of the Company
Brands or Brands segment	The brand segment of the Group
CAGR	Compound annual growth rate
CCC	Cyclyx Circularity Center
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Citi	Citigroup Global Markets Limited
CPG	Consumer Packaged Goods
Companies Act	Norwegian Public Limited Companies Act of 1997 No. 45
Company	Agilyx ASA
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 14 October 2021
Cyclyx	Cyclyx International, LLC
EBITDA	Net profit (loss) for the period before net financial items, income tax expense, total depreciation, amortization and impairment
EEA	The European Economic Area
EMEA	Europe, Middle East and Africa
ESMA	The European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency

EPA	Environmental Protection Agency
Euronext Growth	A multilateral trading facility operated by Oslo Børs ASA
ExxonMobil	Exxon Mobil Corporation
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
Financial Statements	The Annual Financial Statements and the Interim Financial Statements
FMGS	Fast Moving Consumer Goods
G&A	General and administrative
Group	The Company together with its consolidated subsidiaries
Gross Profit Margin (%)	The gross margin is defined by the Group as Gross profit as a percentage of net sales
IFRS	International Financial Reporting Standards as adopted by the EU
IFRS Financial Statements	The Group's audited consolidated financial statement for 2021 with audited comparable 2020 figures for the Group
Interim Financial Statements	The unaudited consolidated financial statements for the six-month period ended 30 June 2022, prepared in accordance with IAS 34
ISCC	International Sustainability Carbon Certification
ISIN	Securities number with the Norwegian Central Securities Depository (VPS)
IP	Intellectual property
KBF	KBF CPAs LLP
Kumho	Kumho Petrochemical Ltd. & Co
Listing	Listing of the Company's Shares on Oslo Børs
Managers	Arctic Securities AS, Carnegie AS and Citigroup Global Markets Limited
McKinsey	McKinsey & Company
MMA	Methyl Methacrylate
MWP	Mixed Waste Plastics
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
NOM account	Nominee account
Norwegian FSA	Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Public Limited Liability Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
PE	Polyolefins
PMMA	Poly Methyl Methacrylate
PP&E	Property, plant and equipment
Prospectus	This Prospectus dated 13 September 2022
PS	Polystyrene

PVC	Polyvinyl chloride
Regenyx	Regenyx LLC
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
Restated Financial Information	The unaudited IFRS adjustments to the 2019 USGAAP figures prepared for the purpose of this Prospectus
RSM	RSM Norge AS
R&D	Research and development
Share(s)	The Company's outstanding shares, each with a par value of NOK 0.02
Schjødt	Advokatfirmaet Schjødt AS
TSCA	Toxic Substance Control Act
Toyo Styrene	The Company's first true licensing project, which has moved into the construction phase
TPD	Tonnes per day
TPY	Tonnes per year
USD or "$"	The lawful currency of the United States
USGAAP	United States Generally Accepted Accounting Policies
USGAAP Financial Statements	The Group's consolidated, audited financial statements for 2019 prepared in accordance with USGAAP
USOR	U.S. Oil & Refining, Co
U.S. or United States	The United States of America
VPS	The Norwegian Central Securities Depository (Norwegian: *"Verdipapirsentralen"*)
VPS Registrar	DNB Bank ASA, DNB Markets Registrars department (address: Dronning Eufemias gate 30, 0021 Oslo, Norway)

APPENDIX A:

Articles of Association

VEDTEKTER

AGILYX ASA

Org. nr. 923 974 709

Fastsatt 24. mai 2022

§ 1
Foretaksnavn

Selskapets foretaksnavn er Agilyx ASA.

Selskapet er et allmennaksjeselskap.

§ 2
Forretningskommune

Selskapets forretningskontor er i Oslo kommune.

§ 3
Selskapets virksomhet

Selskapets virksomhet er å eie aksjer i andre selskaper og enten selv eller gjennom andre selskaper utvikle, produsere, markedsføre, lisensiere og selge IP og teknologi som gjør det mulig ved hjelp av kjemiske prosesser å omforme plast som er vanskelig å resirkulere til drivstoff og plastråstoff.

§ 4
Aksjekapitalen

Selskapets aksjekapital er NOK 1 565 474,10 fordelt på 78 273 705 aksjer, hver pålydende NOK 0,02. Selskapets aksjer skal være registrert i Verdipapirsentralen (Euronext VPS).

§ 5
Samtykke til aksjeerverv. Forkjøpsrett

Erverv av aksjer er ikke betinget av samtykke fra selskapet. Aksjeeierne har ikke forkjøpsrett og aksjene er fritt omsettelige.

ARTICLES OF ASSOCIATION

AGILYX ASA

Org. no. 923 974 709

Adopted 24 May 2022

§ 1
Company name

The name of the company is Agilyx ASA.

The company is a public limited liability company.

§ 2
Business office

The company's registered business office is in Oslo municipality.

§ 3
Operations of the company

The company's operations are to own shares in other companies, and either itself or through other companies, develop, produce, market, license and sell IP and technology that enables the chemical recycling of difficult-to-recycle plastic into plastic feedstock and other hydrocarbon products.

§ 4
Share capital

The company's share capital is NOK 1,550,658.92 divided into 78,273,705 shares, each with nominal value NOK 0,02. The shares shall be registered in the Norwegian Central Securities Depository (Euronext VPS).

§ 5
Consent to acquisition of shares. Pre-emption rights

Acquisition of shares is not determined by approval from the company. The shareholders do not have pre-emption rights and the shares are freely transferrable.

§ 6
Signatur

Selskapet tegnes av styreleder og daglig leder hver for seg, eller to styremedlemmer i fellesskap.

§ 7
Generalforsamling

Selskapets generalforsamling skal innkalles ved skriftlig henvendelse til alle aksjonærer med kjent adresse.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjonærene på selskapets internettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjonærene. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

§ 8
Forhåndsstemme

Styret kan besluttet at selskapets aksjonærer kan avgi forhåndsstemmer i en periode før generalforsamling. Forhåndsstemme kan avgis skriftlig eller elektronisk. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen.

§ 9
Påmelding etc. til generalforsamling

Retten til å delta og stemme på generalforsamling kan bare utøves dersom erverv av aksjer er innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen (registreringsdatoen).

Aksjeeier som har aksjer registrert ved forvalter godkjent etter allmennaksjeloven § 4-10 har stemmerett for det antall aksjer som er omfattet av forvalteravtalen forutsatt at aksjeeieren senest på registreringsdatoen gir Selskapet sitt navn og adresse samt en bekreftelse fra forvalteren at aksjeeieren er reell eier av aksjene omfattet av forvalteravtalen, og videre forutsatt at

§ 6
Signature

The chairman and the general manager each acting alone, or two board members jointly, are authorised to sign on behalf of the company.

§7
General meeting

Notice of the General Meeting shall be made by written notification to all shareholders with a known address.

Provided documents concerning items to be discussed at the General Meeting are made available at the company's web-site, the requirement of mailing the documents to the shareholders does not apply. This also applies for documents which, according to the law, shall be included in or attached to the Notice of General Meeting. Despite this, each shareholder is entitled to request that the documents concerning items to be discussed at the General Meeting are mailed.

§ 8
Advance voting

The Board may decide that the shareholders may cast prior votes during a period prior to the General Meeting. The votes may be cast in writing or electronically. For such voting an adequate method for authenticating the sender shall be applied.

§ 8
Registration of attendance etc. for general meetings

The right to participate in and vote at general meetings can only be used if the acquisition of shares is registered with the shareholder register on the fifth business day prior to the general meeting (the record date).

An owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Liability Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares shall no later than the record date provides the Company with his name and address together with a confirmation from the custodian to the effect

Selskapets styre ikke avviser slikt reelt eierskap etter mottak av bekreftelsen.

that he is the beneficial owner of the shares held in custody, and provided further the Board shall not disapprove such beneficial ownership after receipt of such notification.

Aksjeeiere som vil delta på generalforsamlingen personlig eller ved fullmakt skal meddele Selskapet dette innen frist fastsatt av styret, som ikke kan utløpe tidligere enn fem kalenderdager før møtet.

Shareholders who wish to participate at general meetings, either in person or by proxy, shall notify the Company within a deadline determined by the Board, which can not expire earlier than 5 calendar days prior to the meeting

§ 10
Valgkomité

Selskapet skal ha en valgkomite bestående av fra to til fire medlemmer. Valgkomiteen skal fremme forslag til generalforsamlingen for valg av aksjonærvalgte styremedlemmer og deres godtgjørelse. Valgkomiteen skal også fremme forslag til medlemmer av komiteen. De videre arbeids- og ansvarsoppgaver er beskrevet i egne regler godkjent av generalforsamlingen.

§ 10
Nomination Committee

The Company shall have a Nomination Committee consisting of two to four members. The Nomination Committee shall give proposals on the election of shareholder elected board members and their remuneration to the General Meeting. The Nomination Committee shall also propose members for the Nomination Committee. The further tasks and responsibilities are set out in a separate charter approved by the General Meeting.

APPENDIX B:

The Group's audited consolidated financial statement for 2021 with audited comparable 2020 figures for the Group (IFRS)

agilyx

2021 Group and Parent Report IFRS

AGILYX AS PARENT AND CONSOLIDATED INCOME STATEMENT

For the Period Ended December 31 (Amounts in USD)

Parent				Group	
2020	**2021**	**Note**	**Operating revenue and operating expenses**	**2020**	**2021**
-	-	3	Revenues	4,336,151	4,889,227
-	-	4	Cost of revenues	2,441,487	4,825,819
-	**-**		**Gross margin**	**1,894,665**	**63,408**
-	-		Research costs	1,505,752	2,252,214
-	-		Sales and marketing	412,285	1,097,922
384,988	792,270		General and administrative	6,922,973	13,172,488
384,988	**792,270**	4 & 5	**Total operating expenses**	**8,841,010**	**16,522,624**
(384,988)	**(792,270)**		**Operating loss**	**(6,946,346)**	**(16,459,216)**
			Financial income and financial expenses		
-	-	10	Impairment of investment in associate	(505,781)	(948,272)
(12,945,721)	1,169,120	14	Fair value gain (loss) on financial instruments	(12,752,194)	1,169,120
-	-		Interest expense	(346,811)	(199,635)
87,032	7,354		Other financial income	112,738	799,999
-	(23,111)		Other financial expense	(30,520)	(92,158)
(12,858,689)	**1,153,363**		**Net financial items**	**(13,522,568)**	**729,054**
(13,243,677)	**361,093**		**Profit (loss) before tax**	**(20,468,914)**	**(15,730,162)**
-	**-**		**Income tax expense**	**-**	**-**
(13,243,677)	**361,093**		**Profit (loss) for the period**	**(20,468,914)**	**(15,730,162)**
-	**-**		**Other comprehensive profit (loss) for the period**	**-**	**-**
(13,243,677)	**361,093**		**Total comprehensive profit (loss) for the period**	**(20,468,914)**	**(15,730,162)**
			Loss for the period attributable to:		
			Equity holders of the parent	(20,468,914)	(14,771,695)
			Non-controlling interest	-	(958,467)
				(20,468,914)	**(15,730,162)**
		24	Earnings per share, basic	(0.34)	(0.19)
		24	Earnings per share, diluted	(0.34)	(0.19)

AGILYX AS PARENT AND CONSOLIDATED BALANCE SHEET

As of December 31 (Amounts in USD)

ASSETS

	Parent					Group	
As at January 1, 2020	2020	2021	Note	Non-current assets	As at January 1, 2020	2020	2021
-	-	-	7	Intangible assets	4,755,930	4,577,180	4,398,430
-	-	-	8	Property, plant and equipment	124,220	270,992	835,117
-	-	-	9	Right of use asset	1,054,036	930,340	974,460
-	11,744,472	31,484,467	17	Shares in subsidiaries	-	-	-
-	-	-		Other non-current assets	27,700	98,555	35,802
-	**11,744,472**	**31,484,467**		**Total non-current assets**	**5,961,886**	**5,877,067**	**6,243,809**
				Current assets			
-	-	-	11	Accounts receivable	250,000	9,064	1,669,890
-	-	6,939		Prepaid expenses and other current assets	90,165	165,165	525,895
3,407	28,721,621	11,307,524		Cash and cash equivalents	2,344,037	38,898,928	19,570,154
3,407	**28,721,621**	**11,314,463**		**Total current assets**	**2,684,202**	**39,073,157**	**21,765,939**
3,407	**40,466,093**	**42,798,930**		**TOTAL ASSETS**	**8,646,088**	**44,950,224**	**28,009,748**

AGILYX AS PARENT AND CONSOLIDATED BALANCE SHEET (CONT.)

As of December 31 (Amounts in USD)

LIABILITIES AND STOCKHOLDERS' EQUITY

				Equity			
3,407	83,365	86,222	16	Share capital	137,623,033	83,365	86,222
-	39,771,028	40,493,564		Share premium	-	39,771,028	40,493,564
-	2,937,059	7,042,680		Additional paid-in capital	3,763,889	2,937,059	7,042,680
3,407	**42,791,452**	**47,622,466**		**Total paid-in equity**	**141,386,922**	**42,791,452**	**47,622,466**
-	(13,243,677)	(12,882,584)		Uncovered loss	(156,880,289)	(18,726,025)	(33,497,720)
-	-	-		Non-controlling interest	-	2,000,000	1,041,533
3,407	**29,547,775**	**34,739,882**		**Total equity**	**(15,493,367)**	**26,065,427**	**15,166,279**

LIABILITIES

Parent					Group		
As at January 1, 2020	**2020**	**2021**	**Note**	**Non-current liabilities**	**As at January 1, 2020**	**2020**	**2021**
-	-	-	19	Long-term notes payable	2,525,000	875,000	-
-	-	-	9	Long-term lease liability	871,939	701,885	745,439
-	10,486,936	6,952,190	14	Warrant liability	193,527	10,486,936	6,952,190
-	-	-	19	Other long-term liabilities	-	536,840	-
-	**10,486,936**	**6,952,190**		**Total non-current liabilities**	**3,590,466**	**12,600,661**	**7,697,629**
				Current liabilities			
-	-	-	12	Accounts payable	529,664	627,429	1,447,148
-	72,288	84,438	13	Accrued expenses and other current liabilities	1,757,546	494,069	801,415
-	-	-	21	Provision	3,778,009	1,030,000	-
-	359,094	1,022,420	17	Payables to group companies	-	-	-
-	-	-	20	Contract liability	2,887,800	1,896,848	1,376,452
-	-	-	9	Current portion lease liability	182,097	240,348	248,972
-	-	-	19	Current portion of notes payable	10,913,500	1,995,443	1,271,853
-	-	-	22	Derivative liability-conversion feature	500,373	-	-
-	**431,382**	**1,106,858**		**Total current liabilities**	**20,548,989**	**6,284,136**	**5,145,840**
-	**10,918,318**	**8,059,048**		**TOTAL LIABILITIES**	**24,139,455**	**18,884,797**	**12,843,469**
3,407	**40,466,093**	**42,798,930**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**8,646,088**	**44,950,224**	**28,009,748**

Oslo, Norway | July 22, 2022

Peter Norris
Chairman

Tim Stedman
CEO

Ranjeet Bhatia
Board Member

Catherine C. Keenan
Board Member

Steen Jakobsen
Board Member

Carolyn Clarke
Board Member

AGILYX AS PARENT AND CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended December 31 (Amounts in USD)

Parent			Group	
2020	2021		2020	2021
(13,243,677)	**361,093**	**Profit (loss) for the period**	**(20,468,914)**	**(15,730,162)**
-	-	Depreciation	210,014	254,850
-	-	Amortisation on ROU assets	209,110	251,018
-	-	Loss on lease modification/termination	-	(480)
-	-	Result from investment in Regenyx	506,151	948,272
-	-	Stock based compensation	478,274	1,739,995
-	-	Government PPP loan forgiveness	-	(769,400)
12,945,721	(1,169,120)	Fair value (gain) loss on financial instruments	12,752,194	(1,169,120)
-	-	Interest expense	73,657	69,342
-	-	Accounts receivable	240,936	(1,660,826)
431,383	675,476	Accounts payable and accrued liabilities	161,225	1,111,022
-	(6,939)	Prepaid expenses and other assets	(84,076)	(360,730)
-	-	Other timing differences	(825,413)	(356,586)
133,426	**(139,490)**	**Net cash from operations**	**(6,746,842)**	**(15,672,805)**
(11,214,253)	(18,000,000)	Cash contribution from parent to subsidiaries	-	-
-	-	Regenyx investment funding	(3,253,790)	(1,978,272)
-	-	Purchases of property and equipment	(178,031)	(640,225)
(11,214,253)	**(18,000,000)**	**Net cash from investments**	**(3,431,821)**	**(2,618,497)**
-	-	Proceeds from government programs	779,400	-
39,802,448	725,393	Proceeds from capital increases	39,802,448	725,393
-	-	Proceeds from Cyclyx member contributions	8,000,000	-
(3,407)	-	Share capital paid back at formation	(3,704)	-
-	-	Principal paid on lease liabilities	(197,217)	(242,480)
-	-	Interest paid on lease liabilities	(73,657)	(69,342)
-	-	Repayment of notes payable	(1,573,716)	(1,451,043)
39,799,041	**725,393**	**Net cash from financing**	**46,733,554**	**(1,037,472)**
28,718,214	(17,414,097)	Net increase (decrease) in cash and cash equivalents	36,554,891	(19,328,774)
3,407	28,721,621	Cash and cash equivalents at beginning of the period	2,344,037	38,898,928
28,721,621	**11,307,524**	**Cash and cash equivalents at end of the period**	**38,898,928**	**19,570,154**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group						
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Total attributable to equity holders of the parent	Non-controlling interest	Total
Balance, January 1, 2020	**137,623,033**	**-**	**3,763,889**	**(156,880,288)**	**(15,493,367)**	**-**	**(15,493,367)**
Exercise of convertible debt	-	11,288,200	-	-	11,288,200	-	11,288,200
Proceed from stock offering at time of inversion	11,506	10,758,277	-	-	10,769,783	-	10,769,783
Costs related to stock offering	-	(646,398)	-	-	(646,398)	-	(646,398)
Capital reorganization*	(137,571,088)	(11,288,200)	(3,763,889)	152,623,177	-	-	-
Proceeds from stock offering pre-listing	17,529	31,464,308	-	-	31,481,837	-	31,481,837
Costs related to stock offering	-	(1,888,910)	-	-	(1,888,910)	-	(1,888,910)
Proceeds from exercise of stock options and warrants	2,385	83,751	2,458,785	-	2,544,921	-	2,544,921
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	6,000,000	6,000,000	2,000,000	8,000,000
Equity settled share based payment	-	-	478,274	-	478,274	-	478,274
Total comprehensive profit (loss) for the period	-	-	-	(20,468,914)	(20,468,914)	-	(20,468,914)
Balance, December 31, 2020	**83,365**	**39,771,028**	**2,937,059**	**(18,726,025)**	**24,065,427**	**2,000,000**	**26,065,427**
Proceeds from exercise of stock options and warrants	2,857	3,088,162	2,365,626	-	3,091,019	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	1,739,995	-	1,739,995
Total comprehensive profit (loss) for the period	-	-	-	(14,771,695)	(14,771,695)	(958,467)	(15,730,162)
Balance, December 31, 2021	**86,222**	**40,493,564**	**7,042,680**	**(33,497,720)**	**14,124,746**	**1,041,533**	**15,166,279**

** The legal structure of the group was changed in January 2020. A new company, Agilyx, AS, was established to serve as the parent company of the group subsequent to an internal reorganization. The inversion transaction that initiated this adjustment is described in more detail in notes 1 and 25.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Parent				
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Total
Balance, January 1, 2020	**3,407**	**-**	**-**	**-**	**3,407**
Reduction of ordinary shares	(3,407)	-	-	-	(3,407)
Capital increase by inversion	51,945	-	-	-	51,945
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 and warrants	2,385	83,751	2,458,785	-	2,544,921
Equity settled share based payment	-	-	478,274	-	478,274
Net result for the year	-	-	-	(13,243,677)	(13,243,677)
Balance, December 31, 2020	**83,365**	**39,771,028**	**2,937,059**	**(13,243,677)**	**29,547,775**
Proceeds from exercise of stock options and warrants	2,857	722,536	2,365,626	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	1,739,995
Net result for the year	-	-	-	361,093	361,093
Balance, December 31, 2021	**86,222**	**40,493,564**	**7,042,680**	**(12,882,584)**	**34,739,882**

NOTE 1: ACCOUNTING POLICIES

Agilyx AS is a Norwegian company, located in Oslo, Norway and the parent and ultimate parent company in the Agilyx Group. The Agilyx Group headquarters are located in Portsmouth, New Hampshire and Tigard, Oregon (USA) with satellite offices located in Switzerland and Denmark.

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 (see note 25 for additional information on the inversion transaction). However, the underlying business of the Agilyx Group has been in existence since 2004.

The Agilyx Group has developed comprehensive systems, proven technologies and a unique chemistry knowledge base to give post-use plastics new purpose. We have the proprietary technology for identifying, managing and preprocessing waste into feedstock. Our integrated solutions can take waste polymers and produce discreet monomers that can be fully recycled back into virgin-equivalent products. Agilyx is committed to using innovative technology for good and helping solve the immense global problem of plastic waste.

Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP). For the years ended December 31, 2020 and December 31, 2021, the consolidated financial statements of Agilyx AS were presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP).

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations as approved by the European Union (collectively IFRSs). These financial statements for the year ended December 31, 2021 are the first that the Agilyx Group has prepared in accordance with IFRS. Refer to Note 2 for information on how Agilyx Group adopted IFRS.

The US Dollar is the presentation currency of the Agilyx Group. All foreign operations use US Dollar as their functional currency.

The consolidated financial statements have been prepared on a historical cost basis, except for warrants and Derivative liability related to the conversion feature within the convertible debt, which have been measured at fair value (see note 14 and 22).

Principles of Consolidation

The consolidated financial statements include the accounts of Agilyx AS and its subsidiaries Agilyx Corporation, Agilyx GmbH, Agilyx ApS and Cyclyx International, LLC. The cost price of shares and partnership units are eliminated against the equity in the underlying companies. Agilyx Corporation holds 50% interest in Regenyx LLP, which has been accounted for under the equity method.

Control is achieved when Agilyx Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Agilyx Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Agilyx Group has less than a majority of the voting or similar rights of an investee, Agilyx Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Agilyx Group's voting rights and potential voting rights

Agilyx Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Agilyx Group obtains control over the subsidiary and ceases when Agilyx Group loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue

Performance obligations and timing of revenue recognition
Agilyx Group's revenues can be divided into three main streams, as analyzed numerically in note 3:

Project development
Revenues related to project developments are recognized over the contract period using percentage of completion as the method for measuring the revenue. This is because the projects created have no alternative use for Agilyx Group and the contracts require payment to be received for the time and effort spent by the group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the group's failure to perform its obligations under the contract. On partially complete design contracts, Agilyx Group recognizes revenue based on stage of completion of the project, which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represents the amount to which the group would be entitled based on its performance to date.

License, membership and royalty fees
License revenues are recognized when the license is delivered and the rights are transferred to the buyer. The rights relate to Agilyx Group's patented conversion technology which helps customers to take feedstock and turn it into a product. Once the rights are transferred to the buyer, Agilyx Group usually has a present right to payment and retains none of the significant risks and rewards of the goods in question.

Sales of goods
Revenues from the sale of goods are recognized at the point in time of the delivery, when control of the goods and risk of ownership has transferred to the customer. There is limited judgment needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Agilyx Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price
Agilyx Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There are no revenue contracts with significant financing components.

Allocating amounts to performance obligations
For sales contracts there is a fixed unit price for each product sold. Therefore, there is no judgment involved in allocating the contract price to each unit ordered. Where a customer orders more than one product line, Agilyx Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Agilyx Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies, related to the presentation of remaining performance obligations.

Research and Development Expenses

Expenditure on internally developed product or technology is capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold
- Adequate resources are available to complete the development
- There is an intention to complete and sell the product
- The Group is able to sell the product
- Sale of the product will generate future economic benefits, and
- Expenditure on the project can be measured reliably.

Capitalized development costs are amortized over the periods Agilyx Group expects to benefit from selling the products developed. No projects have met this criteria for any of the periods presented.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the consolidated income statement as incurred.

Income Tax

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Agilyx Group operates and generates taxable income.

Deferred taxation
Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where Agilyx Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when Agilyx Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with IFRS 2 – share-based payment. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards, using the accelerated method. The amount recognized as an expense, commences on the first of the month following the date of the grant and is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

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” in the Company’s income statement.

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 contractual terms of the underlying agreements.

Financial Instruments

Financial assets
Agilyx Group categorizes all of its financial assets as amortized cost, due to the nature and purpose of the assets.

These assets arise principally from the provision of goods and services to customers (e.g. accounts receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (principally cash and cash equivalents). They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment, as required.

Impairment provisions for current and non-current trade receivables are recognized based on the simplified approach within IFRS 9 – see note 11 for further commentary on the application of this.

Agilyx Group's financial assets measured at amortized cost comprise accounts receivables and cash and cash equivalents in the consolidated balance sheet.

Financial liabilities
Agilyx Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss
This category comprises warrants and subscription rights, as well as a conversion feature on convertible debt, which existed at the opening balance sheet date, all of which are derivative financial instruments. They are carried in the consolidated balance sheet at fair value with changes in fair value recognized in the consolidated profit and loss. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities - measured at amortized cost
Other financial liabilities include notes payable, accounts payable, payables to Group companies and lease liabilities. These are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Any interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Accounts payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

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, based on the useful economic life as described in note 7. 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 8. This period's depreciation is charged to this year's operating expenses in the income statement.

Investment in Regenyx

Where Agilyx Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an equity method investment. This is the case with the investment in Regenyx (see note 10). Regenyx was initially recognized in the consolidated balance sheet at cost. Subsequently Regenyx is accounted for using the equity method, where Agilyx Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss. See notes below and in note 10 related to the impairment loss recognized in relation to this investment.

Profits and losses arising on transactions between Agilyx Group and Regenyx are recognized only to the extent of unrelated investors' interests in Regenyx. The investor's share in Regenyx's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

In the income statement the profit or loss is shown in financial income.

Subsidiaries

Investments in subsidiaries are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Leases

Identifying leases

Agilyx Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

1. There is an identified asset;
2. Agilyx Group obtains substantially all the economic benefits from use of the asset; and
3. Agilyx Group has the right to direct use of the asset.

Agilyx Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Agilyx Group obtains substantially all the economic benefits from use of the asset, Agilyx Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Agilyx Group has the right to direct use of the asset, Agilyx Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Agilyx Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Initial Measurement

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. The incremental borrowing rate is determined with reference to the current external borrowing rates of Agilyx Group, adjusted so as to arrive at the rate of interest that Agilyx Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favor of the group if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Impairment of Non-financial Assets

Agilyx Group non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. See note 10, for specific analysis performed on the investment in Regenyx.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income.

Receivables

Trade receivables and other receivables are recognized at amortized cost, less any provision for expected credit losses of receivables. See note 11 for further information on how Agilyx Group applies the simplified model for expected credit losses, as permitted by IFRS 9 Expected Credit Losses.

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.

Independent Subscription Rights - Derivative Liability

Agilyx Corporation has granted warrants in connection with various debt and equity issuances that were exercisable into ordinary shares. 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.

The warrant agreements include a cashless exercise option, which introduces variability into the number of shares that could be issued. The instruments therefore fails the fixed for fixed requirement in IAS 32 and is classified as a derivative liability. The instruments meet the definition of a derivative because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. See note 14 for additional information on these instruments and the valuation approach.

Provisions

The group has recognized a provision for the liability incurred as a result of the contractual obligation to fund the operations of Regenyx for the first 24 months of its operations. The provision is measured at the best estimate of the expenditure required to settle the obligation at each reporting date.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. See COVID-19 pandemic section below for additional information related to the government PPP loan, which was forgiven during 2021.

Cash Flow

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

Critical Accounting Estimates and Judgments

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make certain estimates and judgments 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. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed 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.

Significant estimates and judgments are applied in the following areas:

- Estimating the amounts due for the initial funding period provision related to the Regenyx investment (note 21)
- Assumptions and estimates related to the impairment of the investment in Regenyx, including future cash flows (note 10)
- Recording accounts receivable, and consideration of any potential allowance for expected credit losses (note 11)
- Useful lives attributed to property plant and equipment and intangible assets (notes 7 and 8)
- Revenue recognized in accordance with the stage of completion method (see accounting policy above and note 3)
- Stock-based compensation expense (note 15)
- Warrant and stock subscription rights, valuation assumptions (note 14 and 22)
- Valuation assumptions applied in valuing the conversion feature included within convertible debt at the opening balance sheet date (note 22)
- Assumptions related to the initial recognition of leases and the subsequent accounting for these agreements, including incremental borrowing rates and determination of lease term applied when computing lease liabilities (see also accounting policy above and note 9)

Fair value measurement

Warrant and stock subscription rights, the derivative conversion feature embedded within the convertible debt at the opening balance sheet and the stock compensation expenses, all require measurement at, and/or disclosure of, fair value.

The fair value measurement of Agilyx Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. Please refer to the applicable notes as referenced above for additional information on the fair value measurements applied within these financial statements.

New Standards Interpretations and Amendments Adopted January 1, 2021

As explained in note 2, Agilyx Group adopted IFRS for the first time in these financial statements with an effective date of January 1, 2020. For all periods presented, standards that were effective for annual periods ended on or after January 1, 2021 were applied consistently.

Of the new standards that were effective for the first time for periods beginning on or after January 1, 2021 (primarily amendments to IFRS 16 for COVID-19 related rent concessions and amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to Interest Rate Benchmark reform), none of these had a specific impact on the results of the Agilyx Group.

New Standards Interpretations and Amendments Not Yet Affective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning January 1, 2022:

- Onerous contracts – cost of fulfilling a contract (amendments to IAS 37);
- Property, plant and equipment: proceeds before intended use (amendments to IAS 16);
- Annual improvements to IFRS standards 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to conceptual framework (amendments to IFRS 3).

The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2);
- Definition of accounting estimates (amendments to IAS 8); and
- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12).

Agilyx Group is currently assessing the impact of these new accounting standards and amendments, but does not expect any a material impact at this stage.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak on the economy and the Company's operations is fluid and constantly evolving. Management is actively monitoring the global situation and its impact on the Agilyx Group financial condition, liquidity, operations, suppliers, customers, industry and workforce, but the magnitude of such impact is yet uncertain. The ultimate severity, magnitude and duration of COVID-19 is rapidly changing and hard to predict and measure. The potential future impact of the COVID-19 pandemic on the Agilyx Group's business, results of operations and financial performance is difficult to predict and will depend on future developments, and such effects could exist for an extended period of time. While management expects the COVID-19 pandemic to continue to impact our results of operations, cash flows and financial position, the current level of uncertainty over the economic and operational impacts of COVID-19 means the related impact to our business cannot be reasonably estimated at this time.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act, among other things, included provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also appropriated funds for the Small Business Administration's (SBA) Paycheck Protection Program loans (PPP loan), which are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

On April 20, 2020, Agilyx Corporation obtained a $779,400 PPP loan through Comerica Bank. The application for these funds required Agilyx Corporation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Agilyx Corporation. This certification further required Agilyx Corporation to take into account current business activity at the time and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that was not significantly detrimental to the business. As permitted under the terms of the CARES Act, the Agilyx Corporation applied for forgiveness recipients of loans under the Paycheck Protection Program and was granted forgiveness of the loan under notice of forgiveness on May 31, 2021. The receipt of these funds, and the forgiveness of the loan attendant to these funds, was dependent on Agilyx Corporation having initially qualified for the loan and qualifying for the forgiveness of such loan. Such forgiveness was determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and certain other eligible costs.

While outstanding, the PPP loan has a two-year term and bore interest at a rate of 1.00% per annum. Monthly principal and interest payments under the PPP loan were originally deferred for six months. The Paycheck Protection Flexibility Act of 2020 extended the deferral period for loan payments to either (a) the date that the Small Business Administration remitted the borrower's loan forgiveness amount to the lender or (b) if the borrower did not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period. Agilyx Corporation did not have to make any repayments as a result of this Act.

NOTE 2: FIRST-TIME ADOPTION OF IFRS

These financial statements, for the year ended December 31, 2021, are the first Agilyx Group has prepared in accordance with IFRS. For the years ended December 31, 2020 and December 31, 2021, the consolidated financial statements of Agilyx AS were presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP).

Accordingly, Agilyx Group has prepared financial statements that comply with IFRS applicable as at December 31, 2021, together with the comparative period data for the year ended 31 December 2020. In preparing the financial statements, Agilyx Group's opening statement of financial position was prepared as at January 1, 2020, which represents Agilyx Group's date of transition to IFRS. This note explains the principal adjustments made in restating its Norwegian GAAP financial statements, including the consolidated balance sheet as at January 1, 2020, and the financial statements as of, and for, the years ended December 31, 2020 and 2021.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS, the only exemptions that were applicable to Agilyx Group related to Lease accounting and the investment in Regenyx.

- Agilyx Group assessed all contracts existing at January 1, 2020 to determine whether a contract contained a lease based upon the conditions in place as at January 1, 2020.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the relevant group company's incremental borrowing rate at January 1, 2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before January 1, 2020.
- The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognized as an expense on either a straight-line basis over the lease term or another systematic basis.
- Agilyx Group took advantage of the exemption available in appendix C of IFRS 1 to not go back and revisit the accounting for investments in associates, that took place prior to the transition to IFRS. The analysis performed in relation to the investment in Regenyx therefore begins with the carrying value of $1,603,509 as previously presented.

Estimates

The estimates at January 1, 2020, December 31, 2020 and 2021 are consistent with those made for the same dates in accordance with Local GAAP (apart from in the instances where differences were noted in the accounting treatment- see subsequent notes for further details in relation to Leases, Warrant valuations, Stock based compensation, Regenyx and convertible debt treatment).

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At January 1, 2020

ASSETS

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Non-current assets	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
-	-	-	-		Intangible assets	4,755,930	-	-	4,755,930
-	-	-	-		Property, plant and equipment	124,220	-	-	124,220
-	-	-	-	B	Right of use asset	-	-	1,054,036	1,054,036
-	-	-	-	D	Investment in Associate	1,603,509	(1,603,509)	-	-
-	-	-	-		Other non-current assets	27,700	-	-	27,700
-	**-**	**-**	**-**		**Total non-current assets**	**6,511,359**	**(1,603,509)**	**1,054,036**	**5,961,886**
					Current assets				
-	-	-	-		Accounts receivable	250,000	-	-	250,000
-	-	-	-		Prepaid expenses and other current assets	90,165	-	-	90,165
3,407	-	-	3,407		Cash and cash equivalents	2,344,037	-	-	2,344,037
3,407	**-**	**-**	**3,407**		**Total current assets**	**2,684,202**	**-**	**-**	**2,684,202**
3,407	**-**	**-**	**3,407**		**TOTAL ASSETS**	**9,195,561**	**(1,603,509)**	**1,054,036**	**8,646,088**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Equity	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
3,407	-	-	3,407		Ordinary shares	137,623,033	-	-	137,623,033
-	-	-	-		Additional paid-in capital	3,763,889	-	-	3,763,889
3,407	**-**	**-**	**3,407**		**Total paid-in equity**	**141,386,922**	**-**	**-**	**141,386,922**
-	-	-	-	A, D, E, F	Uncovered loss	(150,804,871)	(5,381,518)	(693,900)	(156,880,289)
3,407	**-**	**-**	**3,407**		**Total equity**	**(9,417,949)**	**(5,381,518)**	**(693,900)**	**(15,493,367)**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At January 1, 2020 (Cont.)

LIABILITIES

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Non-current liabilities	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
-	-	-	-		Long-term notes payable	2,525,000	-	-	2,525,000
-	-	-	-	B	Long-term lease liability	-	-	871,939	871,939
-	-	-	-	A	Warrant liability	-	-	193,527	193,527
-	**-**	**-**	**-**		**Total non-current liabilities**	**2,525,000**	**-**	**1,065,466**	**3,590,466**
					Current liabilities				
-	-	-	-		Accounts payable	529,664	-	-	529,664
-	-	-	-		Accrued expenses and other current liabilities	1,757,546	-	-	1,757,546
-	-	-	-	E	Provision	-	3,778,009	-	3,778,009
-	-	-	-		Deferred revenue	2,887,800	-	-	2,887,800
-	-	-	-	B	Current portion lease liability	-	-	182,097	182,097
-	-	-	-		Current portion of notes payable	10,913,500	-	-	10,913,500
-	-	-	-	F	Derivative liability-conversion feature	-	-	500,373	500,373
-	**-**	**-**	**-**		**Total current liabilities**	**16,088,510**	**3,778,009**	**682,470**	**20,548,989**
-	**-**	**-**	**-**		**TOTAL LIABILITIES**	**18,613,510**	**3,778,009**	**1,747,936**	**24,139,455**
3,407	**-**	**-**	**3,407**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**9,195,561**	**(1,603,509)**	**1,054,036**	**8,646,088**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2020

ASSETS

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Non-current assets	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Intangible assets	4,577,180	-	-	4,577,180
-	-	-	-	B	Property, plant and equipment	349,288	-	(78,296)	270,992
-	-	-	-	B	Right of use asset	-	-	930,340	930,340
-	-	-	-	D	Investment in Associate	1,608,846	(1,608,846)	-	-
59,998,959	303,399	(48,557,886)	11,744,472	C, G	Shares in subsidiaries	-	-	-	-
-	-	-	-		Other non-current assets	98,555	-	-	98,555
59,998,959	**303,399**	**(48,557,886)**	**11,744,472**		**Total non-current assets**	**6,633,869**	**(1,608,846)**	**852,044**	**5,877,067**
					Current assets				
-	-	-	-		Accounts receivable	9,064	-	-	9,064
-	-	-	-		Prepaid expenses and other current assets	165,165	-	-	165,165
28,721,621	-	-	28,721,621		Cash and cash equivalents	38,898,928	-	-	38,898,928
28,721,621	**-**	**-**	**28,721,621**		**Total current assets**	**39,073,157**	**-**	**-**	**39,073,157**
88,720,580	**303,399**	**(48,557,886)**	**40,466,093**		**TOTAL ASSETS**	**45,707,026**	**(1,608,846)**	**852,044**	**44,950,224**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Equity	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
83,365	-	-	83,365		Ordinary shares	83,365	-	-	83,365
88,328,914	-	(48,557,886)	39,771,028	G	Share premium	88,328,914	-	(48,557,886)	39,771,028
174,875	303,399	2,458,785	2,937,059	A, C	Additional paid-in capital	174,875	303,399	2,458,785	2,937,059
88,587,154	**303,399**	**(46,099,101)**	**42,791,452**		**Total paid-in equity**	**88,587,154**	**303,399**	**(46,099,101)**	**42,791,452**
(297,956)	-	(12,945,721)	(13,243,677)	A, B, C, D, E	Uncovered loss	(51,376,050)	(2,942,245)	35,592,270	(18,726,025)
-	-	-	-		Non-controlling interest	2,000,000	-	-	2,000,000
88,289,198	**303,399**	**(59,044,822)**	**29,547,775**		**Total equity**	**39,211,104**	**(2,638,846)**	**(10,506,831)**	**26,065,427**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2020 (Cont.)

LIABILITIES

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Non-current Liabilities	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Long-term notes payable	875,000	-	-	875,000
-	-	-	-	B	Long-term lease liability	-	-	701,885	701,885
-	-	10,486,936	10,486,936	A	Warrant liability	-	-	10,486,936	10,486,936
-	-	-	-	B	Other long-term liabilities	591,091	-	(54,251)	536,840
-	**-**	**10,486,936**	**10,486,936**		**Total non-current liabilities**	**1,466,091**	**-**	**11,134,570**	**12,600,661**
					Current liabilities				
-	-	-	-		Accounts payable	627,429	-	-	627,429
72,288	-	-	72,288	B	Accrued expenses and other current liabilities	510,111	-	(16,043)	494,068
-	-	-	-	E	Provision	-	1,030,000	-	1,030,000
359,094	-	-	359,094		Payables to group companies	-	-	-	-
-	-	-	-		Deferred revenue	1,896,848	-	-	1,896,848
-	-	-	-	B	Current portion lease liability	-	-	240,348	240,348
-	-	-	-		Current portion of notes payable	1,995,443	-	-	1,995,443
431,382	**-**	**-**	**431,382**		**Total current liabilities**	**5,029,831**	**1,030,000**	**224,305**	**6,284,136**
431,382	**-**	**10,486,936**	**10,918,318**		**TOTAL LIABILITIES**	**6,495,922**	**1,030,000**	**11,358,875**	**18,884,797**
88,720,580	**303,399**	**(48,557,886)**	**40,466,093**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**45,707,026**	**(1,608,846)**	**852,044**	**44,950,224**

RECONCILIATION OF TOTAL CONSOLIDATED INCOME STATEMENT

At December 31, 2020

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Operating revenue and operating expenses	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Revenues	4,336,151	-	-	4,336,151
-	-	-	-		Cost of revenues	2,441,487	-	-	2,441,487
-	**-**	**-**	**-**		**Gross margin**	**1,894,665**	**-**	**-**	**1,894,665**
-	-	-	-		Research and development	1,505,752	-	-	1,505,752
-	-	-	-		Sales and marketing	412,285	-	-	412,285
384,988	-	-	384,988	B, C	General and administrative	6,668,667	303,399	(49,093)	6,922,973
384,988	**-**	**-**	**384,988**		**Total operating expenses**	**8,586,704**	**303,399**	**(49,093)**	**8,841,010**
(384,988)	**-**	**-**	**(384,988)**		**Operating (loss)**	**(6,692,040)**	**(303,399)**	**49,093**	**(6,946,346)**
					Financial income and financial expenses				
-	-	-	-	D, E	Impairment of investment in Regenyx	(3,248,453)	2,742,672	-	(505,781)
-	-	(12,945,721)	(12,945,721)	A	Fair value gain/ (loss) on warrant agreements	-	-	(12,752,194)	(12,752,194)
-	-	-	-	B	Interest expense	(277,823)	-	(68,988)	(346,811)
87,032	-	-	87,032		Other financial income (expense), net	82,218	-	-	82,218
87,032	**-**	**(12,945,721)**	**(12,858,689)**		**Net financial items**	**(3,444,058)**	**2,742,672**	**(12,821,182)**	**(13,522,568)**
(297,956)	**-**	**(12,945,721)**	**(13,243,677)**		**Total comprehensive profit (loss) for the period**	**(10,136,098)**	**2,439,273**	**(12,772,089)**	**(20,468,914)**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2021

ASSETS

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Non-current assets	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-		Intangible assets	4,398,430	-	-	4,398,430
-	-	-	-	B	Property, plant and equipment	896,619	-	(61,502)	835,117
-	-	-	-	B	Right of use asset	-	-	974,460	974,460
-	-	-	-	D	Investment in Associate	1,509,988	(1,509,988)	-	-
78,920,887	1,121,466	(48,557,886)	31,484,467	C, G	Shares in subsidiaries	-	-	-	-
-	-	-	-		Other non-current assets	35,802	-	-	35,802
78,920,887	**1,121,466**	**(48,557,886)**	**31,484,467**		**Total non-current assets**	**6,840,839**	**(1,509,988)**	**912,958**	**6,243,809**
					Current assets				
-	-	-	-		Accounts receivable	1,669,890	-	-	1,669,890
6,939	-	-	6,939		Prepaid expenses and other current assets	525,895	-	-	525,895
11,307,524	-	-	11,307,524		Cash and cash equivalents	19,570,154	-	-	19,570,154
11,314,463	**-**	**-**	**11,314,463**		**Total current assets**	**21,765,939**	**-**	**-**	**21,765,939**
90,235,350	**1,121,466**	**(48,557,886)**	**42,798,930**		**TOTAL ASSETS**	**28,606,778**	**(1,509,988)**	**912,958**	**28,009,748**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Equity	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
86,222	-	-	86,222		Ordinary shares	86,222	-	-	86,222
89,051,450	-	(48,557,886)	40,493,564	G	Share premium	89,051,450	-	(48,557,886)	40,493,564
1,096,803	1,121,466	4,824,411	7,042,680	A, C	Additional paid-in capital	1,096,803	1,121,466	4,824,411	7,042,680
90,234,475	**1,121,466**	**(43,733,475)**	**47,622,466**		**Total paid-in equity**	**90,234,475**	**1,121,466**	**(43,733,475)**	**47,622,466**
(1,105,983)	-	(11,776,601)	(12,882,584)	A, B, C, D, E	Uncovered loss	(67,620,349)	(2,631,454)	36,754,083	(33,497,720)
-	-	-	-		Non-controlling interest	1,041,533	-	-	1,041,533
89,128,492	**1,121,466**	**(55,510,076)**	**34,739,882**		**Total equity**	**23,655,659**	**(1,509,988)**	**(6,979,392)**	**15,166,279**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2021 (Cont.)

LIABILITIES

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Non-current liabilities	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-	B	Long-term lease liability	-	-	745,439	745,439
-	-	6,952,190	6,952,190	A	Warrant liability	-	-	6,952,190	6,952,190
-	-	-	-	B	Other long-term liabilities	37,229	-	(37,229)	-
-	**-**	**6,952,190**	**6,952,190**		**Total non-current liabilities**	**37,229**	**-**	**7,660,400**	**7,697,629**
					Current liabilities				
-	-	-	-		Accounts payable	1,447,148	-	-	1,447,148
84,438	-	-	84,438	B	Accrued expenses and other current liabilities	818,437	-	(17,022)	801,415
1,022,420	-	-	1,022,420		Payables to group companies	-	-	-	-
-	-	-	-		Deferred revenue	1,376,452	-	-	1,376,452
-	-	-	-	B	Current portion lease liability	-	-	248,972	248,972
-	-	-	-		Current portion of notes payable	1,271,853	-	-	1,271,853
1,106,858	**-**	**-**	**1,106,858**		**Total current liabilities**	**4,913,890**	**-**	**231,950**	**5,145,840**
1,106,858	**-**	**6,952,190**	**8,059,048**		**TOTAL LIABILITIES**	**4,951,119**	**-**	**7,892,350**	**12,843,469**
90,235,350	**1,121,466**	**(48,557,886)**	**42,798,930**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**28,606,778**	**(1,509,988)**	**912,958**	**28,009,748**

RECONCILIATION OF TOTAL CONSOLIDATED INCOME STATEMENT

At December 31, 2021

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Operating revenue and operating expenses	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-		Revenues	4,889,227	-	-	4,889,227
-	-	-	-		Cost of revenues	4,825,819	-	-	4,825,819
-	**-**	**-**	**-**		**Gross margin**	**63,408**	**-**	**-**	**63,408**
-	-	-	-		Research and development	2,252,214	-	-	2,252,214
-	-	-	-		Sales and marketing	1,097,922	-	-	1,097,922
792,270	-	-	792,270	B, C	General and administrative	12,412,710	818,067	(58,289)	13,172,488
792,270	**-**	**-**	**792,270**		**Total operating expenses**	**15,762,846**	**818,067**	**(58,289)**	**16,522,624**
(792,270)	**-**	**-**	**(792,270)**		**Operating (loss)**	**(15,699,438)**	**(818,067)**	**58,289**	**(16,459,216)**
					Financial income and financial expenses				
-	-	-	-	D, E	Impairment of investment in Regenyx	(2,077,130)	1,128,858	-	(948,272)
-	-	1,169,120	1,169,120	A	Fair value gain/ (loss) on warrant agreements	-	-	1,169,120	1,169,120
-	-	-	-	B	Interest expense	(134,039)	-	(65,596)	(199,635)
(15,757)	-	-	(15,757)		Other financial income (expense), net	707,841	-	-	707,841
(15,757)	**-**	**1,169,120**	**1,153,363**		**Net financial items**	**(1,503,328)**	**1,128,858**	**1,103,524**	**729,054**
(808,027)	**-**	**1,169,120**	**361,093**		**Total comprehensive profit (loss) for the period**	**(17,202,766)**	**310,791**	**1,161,813**	**(15,730,162)**
-	**-**	**-**	**-**		**Less: Non-controlling interest**	**958,467**	**-**	**-**	**958,467**
(808,027)	**-**	**1,169,120**	**361,093**		**Total comprehensive profit (loss) for the period excluding Non-controlling interest**	**(16,244,299)**	**310,791**	**1,161,813**	**(14,771,695)**

Notes to the reconciliation of equity and consolidated balance sheets as at January 1, 2020, December 31, 2020 and 2021 and consolidated income statements for the years ended December 31, 2020 and 2021		
Note	**Description**	**Nature of adjustment**
A	**Warrant liability and Subscription rights adjustment** This adjustment affected both the parent company and group statements, inserting the fair value of the warrants at each reporting date, on to the balance sheet and then flowing any corresponding movement in the fair value through the income statement for each period. Under NGAAP, these amounts were not recognized on the balance sheet, but due to the terms and nature of the warrant agreements, these represent derivative financial instruments in accordance with IFRS and therefore they must be measured at fair value through the profit and loss. Note 14 discloses the respective fair values at each reporting date and details of the income statement movements for both periods presented.	IFRS adjustment
B	**Recognition of right of use assets and lease liabilities in accordance with IFRS 16** Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 1, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognized an increase of $1,054,036 (December 31, 2020: $942,233 and December 31, 2021 $994,411) of lease liabilities at January 1, 2020 (allocated between current and non-current (see also note 9) and $1,054,036 (December 31, 2020: $930,340 and December 31, 2021 $974,460) of right-of-use assets at January 1, 2020. Under NGAAP, assets held under finance leases are capitalized and included in property, plant and equipment. Under IFRS, they are presented in right-of-use assets. A finance lease was entered into during 2020, thus at December 31 2020, $78,296 and at December 31, 2021 $61,502 was reclassified from property, plant and equipment to right-of-use assets. The changes in the income statement for the periods ended December 31, 2020 and 2021 relate to amortization of right of use assets and interest incurred on the lease liabilities, these numbers correlate with the amounts disclosed in note 9 for amortization and interest.	IFRS adjustment
C	**Stock compensation adjustment** Previously, the Agilyx Group recognized the cost, for the stock compensation plan as an expense on a straight line basis over the vesting period, this approach was in accordance with USGAAP, but did not align with NGAAP nor IFRS and is therefore included as a reconciling item in the bridges presented above. NGAAP and IFRS require the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period using an accelerated recognition basis. NGAAP and IFRS also require that graded vesting awards with only service conditions be recognized and measured only as, in substance, multiple awards whereas previously, the Company elected to treat graded vesting awards as a single award. An additional expense of $818,067 has been recognized in the income statement for the year ended December 31, 2021 ($303,399 period ended December 31, 2020).	Restatement

D	**Impairment of Investment in Regenyx** Objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx (in particular during the initial 24 month funding period - see note F for provision recognized in this regard) and AmSty in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed. Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2020. Subsequent capital investments by Agilyx have been offset by losses incurred by Regenyx (with the recognition of losses being capped once the investment balance is equal to zero, in accordance with the provisions of IAS 28). This adjustment is as a result of a new assessment of Regenyx, whereby it was separately assessed for impairment because it is able to generate cash flows that are largely independent of the cash inflows from other assets or group. If the assessment had been made previously, this adjustment would also have been recognized in accordance with NGAAP and the entry is therefore presented in the restatement columns in the tables above.	Restatement
E	**Provision for initial funding obligation** For the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. As at January 1, 2020 and December 31, 2020 Regenyx was expected to generate negative cash flows and these cash outflows were anti-dilutive and therefore did not adjust Agilyx Group's proportional investment in Regenyx. This commitment created a provision in accordance with IAS 37 since it was a liability of uncertain timing or amount, which varied depending on the underlying performance of the entity (which Agilyx does not control). The cash outflows were expected to occur during or shortly after the funding period was over. The uncertainty as to the amount of liability arises due to Agilyx not controlling Regenyx and due to the nature of operations, which make forecasting of cash flows difficult. Management have applied their judgment and available qualitative and quantitative information in order to arrive at the recognized which are included in the tables above and in note 21. This adjustment is as a result of a new assessment of Regenyx, as noted in D above. If the assessment had been made previously, this adjustment would also have been recognized in accordance with NGAAP and the entry is therefore presented in the restatement columns in the tables above.	Restatement
F	**Derivative liability - conversion feature** Prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding. The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020. The conversion feature meets the IFRS 9 definition of a derivative, because, its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020). An adjustment for $500,373 was therefore made at the opening balance sheet date and subsequently reversed during 2020 after the transaction was completed.	IFRS adjustment

G	**Write down of investment In Agilyx Corp in Parent only statements** In accordance with the provisions of IAS 27, due to Agilyx Corporation having a net liabilities position at the acquisition date, the investment amount should be carried at zero.	IFRS adjustment
H	**Capital reorganization** Following the inversion transaction described in more detail in note 25, the share premium and additional paid in capital reserves of the Group were adjusted to match those of the parent company, so as to present continuity following the common control transaction.	IFRS adjustment
I	**Impact on earnings per share as previously reported** Since Earnings per share was not previously reported under NGAAP, this note does not include disclosure of the impact of the restatements on any earnings per share calculation.	IFRS adjustment
J	**Statement of cash flows** Under NGAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognizes lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by $292,033 for the year ended December 31, 2021 ($251,018, December 31, 2020) and cash outflows from financing activities increased by the same amounts. In addition, under NGAAP, the debt forgiveness in 2021 was classified as an operating activity, whereas under IFRS the $769,400 has been reclassified to financing activities.	IFRS adjustment

NOTE 3

GEOGRAPHICAL DISTRIBUTION OF REVENUES

	Group	
	2020	2021
Europe	774,600	428,689
USA	2,097,750	3,894,758
APAC	1,331,326	463,826
Other	132,475	101,954
Total sales by customers location	**4,336,151**	**4,889,227**

PRODUCT CATEGORY

	Group	
	2020	2021
Project development	2,049,600	2,786,855
License, membership and royalty fees	2,154,076	131,458
Sale of goods	132,475	1,970,914
Total sales by category	**4,336,151**	**4,889,227**
No sales was recognized in the parent company Agilyx AS in 2020 and 2021.		

NOTE 4

OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement. Below is the total operating expenses presented by nature. The parent company's operating expenses included fees related to its function as parent.

OPERATING EXPENSES CLASSIFIED BY NATURE

	Group		Parent	
	2020	2021	2020	2021
Raw materials and consumables	686,885	1,577,866	-	-
Salaries and related costs (note 5)	5,630,056	10,647,373	-	408,346
Depreciation and amortization	419,124	505,867	-	-
Professional fees	3,574,500	5,900,404	199,085	383,924
Insurance	294,774	482,033	-	-
Office expenses	420,177	835,401	-	-
Other operating expenses	256,981	1,399,499	185,903	-
Total expenses	**11,282,497**	**21,348,443**	**384,988**	**792,270**

NOTE 5

SALARY AND SOCIAL COSTS

	Group		Parent	
	2020	2021	2020	2021
Salaries	3,636,264	8,191,615	-	339,532
Social security and payroll tax costs	386,828	(463,210)	-	50,230
Share-based compensation (note 16)	478,274	1,739,995	-	-
Pension costs	28,341	136,681	-	18,584
Benefits and other expenses	1,100,349	1,042,292	-	-
Total salaries	**5,630,056**	**10,647,373**	**-**	**408,346**
Number of average full time employees	**53**	**81**	**0**	**2**

Parent related salaries and benefits are cross-charged to Agilyx Corp as those costs are deemed to benefit those operations. Agilyx AS is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme complies with the requirements under that law. Agilyx GmbH, Switzerland has a mandatory pension arrangement for all employees through a state-run system. The arrangements are 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.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2021

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, Group CEO	405,225	156,534	511,701	1,073,460
Chris Faulkner, CTO	230,000	62,607	34,942	327,549
Russell Main, CFO	250,000	69,557	7,681	327,238
Mark Barranco, SVP Engineering & Education	255,000	10,681	144,774	410,455
Joe Vaillancourt, Cyclyx CEO	350,000	24,103	-	374,103
Kate Ringier, VP Communications & Government Affairs	207,621	39,257	152,767	399,645
				2,912,450

The CEO's salary and benefits is related to all of 2021, additionally, the CEO receives his salary from Agilyx GmbH, Switzerland.

Tim Stedman has a severance agreement whereby he will receive 100% pay for 6 months for termination by the Company without cause.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2020

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, CEO	134,145	104,794	201,314	440,253
Chris Faulkner, CTO	203,846	17,577	15,744	237,167
Russell Main, CFO	150,192	12,884	4,937	168,013
Mark Barranco, SVP Engineering & Education	19,615	252	10,199	30,066
Joe Vaillancourt, Cyclyx CEO	303,846	318,262	-	622,108
Kate Ringier, VP Communications & Government Affairs	52,250	8,444	42,956	103,650
				1,601,257

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.

REMUNERATION TO AUDITOR					
	Group			Parent	
	Previous auditor 2020	Current auditor 2020	Current auditor 2021	Current auditor 2020	Current auditor 2021
Audit fees	48,711	44,763	88,685	14,998	30,935
Confirmation services	-	8,900	4,957	8,900	4,957
Tax services	-	200	3,206	200	3,206
Other non-audit services	26,935	16,628	15,442	16,628	15,442
Total fees	**75,646**	**70,491**	**112,290**	**40,726**	**54,540**

NOTE 6: SEGMENT INFORMATION

Agilyx has two main segments:

1. **Agilyx**- this segment licenses its patented conversion technology and sells its patented equipment to industry players, whether they are existing strategic companies or newer entrepreneurial enterprises, to help them take feedstock and turn it into a product. Agilyx provides partners with valuable know-how and robust technology that allows them to become part of the circular economy.
2. **Cyclyx**- is focused on getting the right feed for the conversion technology that a given customer is using. The aim is to do this while maximizing availability and lowering cost. The Cyclyx approach is an industry-wide answer, serving the entire market regardless of which conversion technology a company is using.

Factors that management used to identify the reportable segments

Both of these segments meet the quantitative thresholds to be a reportable segment. Management has concluded that these segments should be reported separately on the basis that:

- Both segments are separate legal entities (see also note 16) that offer differing products and services.
- They are managed separately and each have their own Chief Executive Officer and board of directors.
- They are managed separately because each business requires different technology and marketing strategies.
- Both prepare discrete financial information for the board and Chief Operating Decision Makers (CODM) to use in making decisions about resource allocation and assessing performance.
- The Chief Operating Decision Maker of the consolidated Agilyx Group is the Chief Executive Officer, Tim Stedman. He is on the Board of both segments and therefore reviews the results of the operating segments. He uses that information to make decisions, which affect the resources allocated to each segment individually, as well as on a consolidated basis.

Measurement of operating segment profit or loss, assets and liabilities

Segmental performance is measured in accordance with IFRS. Operating segments are presented using the management approach, where the information presented is on the same basis as the internal reports provided to the CODM.

Inter-segment sales and balances are eliminated from the table below, which have a combined impact of improving 2021 income by $514,752. No tax benefit is derived from these transactions as all parties reside in the same tax jurisdiction.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax, defined benefit and warranty related liabilities. Loans and borrowings are not allocated as these are deemed to serve a group function.

PROFIT AND LOSS						
	2020			2021		
	Cyclyx	Agilyx	Total	Cyclyx	Agilyx	Total
Revenues from external customers	-	4,336,151	4,336,151	1,949,874	2,939,353	4,889,227
Depreciation and amortization	-	419,214	419,214	13,349	492,518	505,867
Segment loss	(126)	(6,946,220)	(6,946,346)	(4,398,621)	(12,060,595)	(16,459,216)
Result from investment in Regenyx	-	-	(505,781)	-	-	(948,272)
Fair value gain/(loss) on warrant agreements	-	-	(12,752,194)	-	-	1,169,120
Interest expense	-	-	(346,811)	-	-	(199,635)
Other financial income (expense), net	-	-	82,218	-	-	707,841
Non-controlling interest	-	-	-	-	-	958,467
Group net loss	-	-	(20,468,914)	-	-	(14,771,695)
BALANCE SHEET						
	2020			2021		
	Cyclyx	Agilyx	Total	Cyclyx	Agilyx	Total
Non-current asset additions	**22,444**	**241,006**	**263,450**	**405,458**	**535,042**	**940,500**
Reportable segment assets	**8,022,444**	**36,927,780**	**44,950,224**	**6,707,612**	**21,302,136**	**28,009,748**
Total group assets	-	-	44,950,224	-	-	28,009,748
Reportable segment liabilities	**23,512**	**5,503,906**	**5,527,418**	**2,980,993**	**1,638,433**	**4,619,426**
Loans and borrowings (excluding leases)	-	-	2,870,443	-	-	1,271,853
Derivative financial liabilities	-	-	10,486,936	-	-	6,952,190
Total group liabilities	-	-	18,884,797	-	-	12,843,469

Revenue by geography- Revenue by geography is included in Note 3. The Cyclyx segment revenue is primarily derived from the US.

Non-current assets by geography- All non-current assets reside in the US.

The Group has the following major customers, which each accounted for at least 10% of revenues in 2021 or 2020:

	2020	2021	Segment
Customer A	100,000	1,767,950	Agilyx (2020) Cyclyx (2021)
Customer B	2,804,950	1,309,374	Agilyx
Customer C	349,600	568,795	Agilyx
Customer D	1,332,277	456,673	Agilyx

NOTE 7

Intangible assets include the following contracts	Licensed technology	Exclusivity license	Total
(i) Cost			
Balance at January 1, 2020	**3,575,000**	**1,188,378**	**4,763,378**
Additions	-	-	-
Balance at December 31, 2020	**3,575,000**	**1,188,378**	**4,763,378**
Balance at January 1, 2021	**3,575,000**	**1,188,378**	**4,763,378**
Additions	-	-	-
Balance at December 31, 2021	**3,575,000**	**1,188,378**	**4,763,378**
(ii) Accumulated amortization			
Balance at January 1, 2020	**7,448**	**-**	**7,448**
Amortization charge	178,750	-	178,750
Balance at December 31, 2020	**186,198**	**-**	**186,198**
Balance at January 1, 2021	**186,198**	**-**	**186,198**
Amortization charge	178,750	-	178,750
Balance at December 31, 2021	**364,948**	**-**	**364,948**
(iii) Net book value			
Balance at January 1, 2020	**3,567,552**	**1,188,378**	**4,755,930**
Balance at December 31, 2020	**3,388,802**	**1,188,378**	**4,577,180**
Balance at December 31, 2021	**3,210,052**	**1,188,378**	**4,398,430**
Economic life	20	4	

In December 2019, the Company entered into an agreement to purchase technology under a license 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 years ended 2020 and 2021.

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. Licenses for the models have been granted for 15 years with the first 4 years of exclusivity. Amortization of the contract will start when the deliveries under the contract is completed and in service.

NOTE 8

Property, plant and equipment	Leasehold improvements	Machinery and equipment	Total
Costs			
At cost January 1, 2020	215,327	261,978	477,305
Additions	12,161	165,875	178,036
At cost December 31, 2020	**227,488**	**427,853**	**655,341**
Additions	488,381	151,843	640,224
At cost December 31, 2021	**715,869**	**579,696**	**1,295,565**
Depreciation			
Accumulated depreciation January 1, 2020	215,327	137,758	353,085
Depreciation for the year	2,674	28,590	31,264
Accumulated depreciation December 31, 2020	**218,001**	**166,348**	**384,349**
Depreciation for the year	4,002	72,097	76,099
Accumulated depreciation December 31, 2021	**222,003**	**238,445**	**460,448**
Net book value January 1, 2020	**-**	**124,220**	**124,220**
Net book value December 31, 2020	**9,487**	**261,505**	**270,992**
Net book value December 31, 2021	**493,866**	**341,251**	**835,117**
Economic life	Contract period	3-20 years	

Machinery and equipment include computers, furniture, fixtures and other equipment.

Leasehold improvements relates to the lease of facilities in the US which expires in 2029.

All tangible assets are depreciated on a straight line basis over the expected useful life.

NOTE 9

RIGHT OF USE ASSETS AND LEASE LIABILITIES

Agilyx Group has four leases that are in the scope of IFRS 16: three property leases and one lease of computer equipment. None of these contracts have variable lease payments. One property contract includes an extension option, which Agilyx Group management are reasonably certain will be exercised , due to significant investment in the property, the extension period has therefore been included in the lease term.

Right of use assets	Property	Computer equipment	Total
Leases recognized on adoption of IFRS 16 at January 1, 2020	1,054,036	-	1,054,036
Additions	-	85,414	85,414
Amortization	(201,992)	(7,118)	(209,110)
At December 31, 2020	**852,044**	**78,296**	**930,340**
Additions	300,276	-	300,276
Amortization	(234,224)	(16,794)	(251,018)
Disposal/termination of old lease	(5,138)	-	(5,138)
At December 31, 2021	**912,958**	**61,502**	**974,460**

Lease liability	Property	Computer equipment	Total
Leases recognized on adoption of IFRS 16 at January 1, 2020	1,054,036	-	1,054,036
Additions	-	85,414	85,414
Lease payments	(251,085)	(19,789)	(270,874)
Interest expense	68,988	4,669	73,657
Lease liabilities at December 31, 2020	**871,939**	**70,294**	**942,233**
Additions	300,276	-	300,276
Lease payments	(292,033)	(19,789)	(311,822)
Interest expense	65,596	3,746	69,342
Disposal/termination of old lease	(5,618)	-	(5,618)
Lease liabilities at December 31, 2021	**940,160**	**54,251**	**994,411**
Useful Economic life	3-7 years	5 years	

The following is a presentation of the undiscounted committed cash flows related to the remaining lease liabilities:

	0-12 months	Between 1-2 years	Between 2-5 years	5+ years	Total
As at January 1, 2020	251,086	286,012	633,666	103,495	1,274,259
As at December 31, 2020	286,012	259,292	477,869	-	1,023,173
As at December 31, 2021	298,622	245,054	438,873	155,411	1,137,960

NOTE 10: INVESTMENT IN REGENYX

Agilyx holds a 50% interest in Regenyx. Regenyx was formed in April 2019 and shares its operation space with Agilyx and Cyclyx in Tigard, OR.

Despite holding a 50% interest, Agilyx has assessed that it does not have control or joint control of Regenyx. This is driven by the other 50% shareholder controlling the purchases and sales of Regenyx, via various mechanisms within the operating agreements. Agilyx does have the power to participate in the financial and operating policy decisions of the investee, via its board position. Agilyx has therefore determined that it has significant influence over Regenyx and its investment is therefore measured using the equity method as an investment in associate.

For the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. Commencing after this twenty-four month period and ending on the five year anniversary of Regenyx's formation, under certain conditions Agilyx is subject to a contractual obligation to purchase all of AmSty's equity investment in Regenyx at the option of AmSty ("put option"). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx

Impairment of Investment

Agilyx Group is split into two CGU's for impairment analysis purposes, Agilyx and Cyclyx, which is in alignment with the segments disclosed in note 6. Regenyx is part of the Agilyx reportable segment. Furthermore, the investment in Regenyx is separately assessed for impairment because it is able to generate cash flows that are largely independent of the cash inflows from other assets or groups of assets.

For the investment in Regenyx, objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx (in particular during the initial 24 month funding period- see note 21 for provision recognized in this regard) and AmSty in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed.

Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2020. As can be seen in the tables below, subsequent capital investments by Agilyx over and above the initially budgeted amounts, led to impairments for the 2020 and 2021 year ends. As at December 31, 2021 and December 31, 2020 , the same IAS 28 criteria were triggered as at January 1, 2020 and therefore the additional investment amounts were considered to be fully impaired and their value written down to zero on the basis that the recoverable amount using the value in use and fair value less cost to sell methodologies would lead to a fully written off investment.

Despite the impairment, Agilyx Group continues to invest in Regenyx for the broader benefits that it brings to the group, which include servicing an important customer in AmSty, as well as, providing R&D and marketing value to demonstrate various new and current technologies being developed and implemented by the Group.

CALCULATION OF BALANCE SHEET VALUE OF INVESTMENT IN REGENYX	
Opening balance at January 1, 2020	1,603,509
Estimated cash outflow for committed initial funding period (note 21)	3,778,009
Impairment charge – fully impair opening balance	(5,381,518)
Revised balance at January 1, 2020	**-**
Adjusted estimated cash outflow for committed funding period (note 21)	350,000
Investment during 2020- above initial estimated cash outflow	155,781
Impairment charge – fully impair balance	(505,781)
Balance sheet value December 31, 2020	**-**
Investment during 2021- above initial estimated cash outflow	948,272
Impairment charge – fully impair balance	(948,272)
Balance sheet value December 31, 2021	**-**

SUMMARIZED FINANCIAL INFORMATION OF REGENYX		
As at December 31	**2020**	**2021**
Current assets	328,622	584,772
Non-current assets	3,080,731	2,845,422
Current liabilities	178,825	406,311
Non-current liabilities	12,838	3,907
Net assets (100%)	3,217,690	3,019,976
Period Ended December 31	**2020**	**2021**
Revenues	546,626	798,284
Total and other comprehensive loss	(3,270,060)	(3,119,103)

NOTE 11

ACCOUNTS RECEIVABLE

	Group			Parent	
	As at January 1, 2020	**2020**	**2021**	**2020**	**2021**
Trade accounts receivable	250,000	9,064	154,524	-	-
Related party receivables	-	-	350,371	-	-
Payroll tax refund receivable	-	-	1,164,995	-	-
Total accounts receivable	**250,000**	**9,064**	**1,669,890**	**-**	**-**

The carrying amount of accounts receivable is measured at amortized cost, which approximates fair value.

Agilyx applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for all accounts receivable. To measure expected credit losses on a collective basis, accounts receivables are grouped based on similar credit risk and aging. The expected loss rates are based on Agilyx's historical credit losses experienced over the period since adoption of IFRS. Historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked. Given this context, the impact of any forward looking factors is not expected to adjust the conclusion that no allowance is required.

One of the main factors applied when concluding that no allowance is required, is the aging of the accounts receivable balances:

		Group	
	As at January 1, 2020	**2020**	**2021**
Non-overdue amounts	250,000	3,964	-
0-30 days past due	-	80	1,356,208
31-60 days past due	-	-	148,874
61-90 days past due	-	5,020	-
Over 90 days past due	-	-	164,808
	250,000	**9,064**	**1,669,890**

NOTE 12

ACCOUNTS PAYABLE

	Group			Parent	
	As at January 1, 2020	2020	2021	2020	2021
Accounts payable	529,664	580,507	1,241,420	-	-
Related party payables	-	46,922	205,728	-	-
Total accounts payable	**529,664**	**627,429**	**1,447,148**	**-**	**-**

NOTE 13

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Group			Parent		
	As at January 1, 2020	2020	2021	As at January 1, 2020	2020	2021
Payroll and related accruals	171,630	190,001	278,761	-	-	84,438
Products and services	12,797	79,068	297,654	-	21,270	-
Value added taxation	-	-	-	-	51,018	-
Accrued interest	1,573,119	-	-	-	-	-
Current license payment	-	225,000	225,000	-	-	-
Total accrued expenses and other current liabilities	**1,757,546**	**494,069**	**801,415**	**-**	**72,288**	**84,438**

NOTE 14

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, 2021 that are exercisable into ordinary shares:

	Number of ordinary shares	Exercise price per share - USD	Expiration
Ordinary share warrants converted to subscription rights	2,244,600	1.00	2022-2025
	Group only January 1, 2020	**Group and parent December 31, 2020**	**Group and parent December 31, 2021**
Warrant liabilities	193,527	10,486,936	6,952,190

The ordinary share warrants and subscription rights, along with the derivative described in note 22, are the only financial instruments measured at fair value through the profit and loss. This treatment is required for the warrants because the terms of the warrant include a cashless exercise option, which triggers derivative treatment in accordance with IFRS 9. Because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date.

All ordinary share warrants and subscription rights are measured using level 3 inputs on the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during any of the years presented.

The valuation of the warrant liability was performed using the Black Scholes Model and the following inputs were significant in the computation of fair values at each reporting date:

	Group only January 1, 2020	Group and parent December 31, 2020	Group and parent December 31, 2021
Expected term	Various	Various	Various
Equity volatility	25.00- 30.00%	30.00- 35.00%	30.00- 35.00%
Risk-free rate	1.56- 1.63%	0.13- 0.27%	0.39- 0.98%

The warrant liabilities vest across a number of dates, which correlate with the initial agreement of the warrant. The agreements were typically for five years in total with expiry dates between 2022 and 2025.

As the outstanding warrants for Agilyx are well in the money as of the December 31, 2020, and 2021 reporting dates, the valuations performed determined that the preponderance of the amount, for each of the respective dates, was intrinsic value in nature. Hence there was very little time value associated with the estimate of value calculated. As a result of this relationship, the change in the value of the instruments is going to be more closely correlated with the change in the underlying equity price as opposed to a change in volatility. This determination was corroborated with the sensitivity calculations completed.

During 2021, 437,500 warrants were exercised (2020: 806,200).

The sensitivity analysis of a reasonably possible change in one significant unobservable input, being the underlying equity value, holding other inputs constant would be:

	Equity value at expiration -5%	Equity value at expiration + 5%
At January 1, 2020	(9,677)	9,677
At December 31, 2020	(524,346)	524,346
At December 31, 2021	(347,160)	347,160

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below (this is applicable for both the Group and Parent only financial statements):

	Warrant liability
At January 1, 2020	**-**
Liability recognized upon initial adoption of IFRS (see also Note 2) on a consolidated basis and after the Inversion transaction, in the parent only statements	193,527
Warrants exercised (converted into 806,200 ordinary shares)	(2,458,785)
Loss on warrant value- presented as fair value through profit and loss	12,752,194
At December 31, 2020	**10,486,936**
Warrants exercised (converted into 437,500 ordinary shares)	(2,365,626)
Gain on warrant value- presented as fair value through profit and loss	(1,169,120)
At December 31, 2021	**6,952,190**

NOTE 15

STOCK OPTION PLAN

	Stock Option Activity			
	Number of shares	Weighted average exercise price	Weighted average contractual term (years)	Aggregate intrinsic value
Balance at January 1, 2020	**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 at December 31, 2020	**12,182,400**	**$0.75**	**8.39**	**50,556,190**
Share authorized				
Options granted	1,793,750	3.52	-	-
Options exercised	(2,192,946)	0.12	-	8,706,073
Options forfeited/expired	(350,580)	4.94	-	
Balance at December 31, 2021	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Options vested and expected to vest at December 31, 2021	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Options Exercisable	**5,855,186**	**$0.50**	**6.90**	**21,065,879**

The following information is relevant in the determination of the fair value of options granted during the year under the equity share based remuneration schemes operated by the Group.

	All employees		Key management personnel	
	2021	2020	2021	2020
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	$1.09	$0.67	$0.68	$0.66
Exercise price (weighted average)	$1.17	$0.75	$0.68	$0.66
Contractual life (weighted average)	7.87	8.39	7.5	8.49
Expected volatility (weighted average)	33%	33%	35%	35%
Expected dividend growth rate	0%	0%	0%	0%
Risk-free interest rate (weighted average)	1.07%	1.12%	1.03%	1.03%

The 2020 plan became effective as of 4 June 2020. Prior to this date Agilyx Corp had implemented a 2009 Stock Incentive plan. The 2009 plan was considered null and void after the effective date of the 2020 plan, but were replaced with new options in the new plan. The result was a modification of the options granted to each relevant counterparty which resulted in accelerated vesting. The result was beneficial (i.e. a higher fair value) to the employees since the service conditions were shortened for each counterparty. The total value of the modified grants was $216,535. Management calculated the total compensation cost for each new tranche and will be recognizing the new compensation cost straight-lined over the new vesting periods.

Estimated volatility is calculated based on the historical volatility of similar entities whose share prices are publicly traded.

The total number of shares that may be issued under this plan are 15,000,000 shares. If an option expires, terminates or is canceled, the unissued shares subject to that option shall again be available under the Plan.

The options outstanding have a range of exercise prices from $0.06 to $4.68

NOTE 16

SHAREHOLDERS AS OF DECEMBER 31, AND SHARES HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS

	2021	
Citibank	38,507,400	49.7 %
SIX SIS AG	6,342,165	8.2 %
Clearstream Banking S.A.	4,557,699	5.9 %
Merrill Lynch	3,642,400	4.7 %
MP Pension PK	1,870,351	2.4 %
Sundt AS	1,806,700	2.3 %
Morgan Stanley & Co. Int. Plc.	1,437,798	1.9 %
BNP Paribas Securities Services	1,296,246	1.7 %
JPMorgan Chase Bank	1,146,177	1.5 %
Caceis Bank	1,057,477	1.4 %
Others	15,868,533	20.5 %
Total	**77,532,946**	**100.0 %**

Ordinary shares include 77,532,946 shares at par value NOK 0.01, all issued and fully paid.

	2020	
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 Pension 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 %**

Ordinary shares include 74,902,500 shares at par value NOK 0.01, all issued and fully paid.

As at January 1, 2020 there were 341,727 Ordinary Shares. Within the statement of changes in equity the share capital column provides a reconciliation of the par value of the Ordinary shares during 2020 and 2021. The tables above present the year end balances in total, the movements can be computed using the share capital column and adjusting for the NOK exchange rate at the relevant transaction dates.

There are no special rights or restrictions with regards the Ordinary shares, each is entitled to one vote and a proportional share any remaining assets in the event of a liquidation.

The total number of authorized shares was 87,705,500 at December 31, 2020 and December 31, 2021 and 1,000,000 at January 1, 2020 (prior to inversion transaction). The difference between the authorized number of shares and those that are fully issued and paid relates to shares reserved by Agilyx Group to be issued under Stock option contracts.

THE FOLLOWING DESCRIBES THE NATURE AND PURPOSE OF EACH RESERVE WITHIN EQUITY:	
Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value, in the post inversion period
Additional paid in capital	Pre inversion amounts related to the exercise of stock options and post inversion transactions related to stock options and warrants.
Uncovered loss	All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

SHARES AND OPTIONS HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS

Name	Title	Options Granted	Shares Owned	Note
Timothy Stedman	CEO and board member	2,893,900	67,200	1.
Ranjeet Bhatia	GM and board member	5,000	92,700	2.
Joe Vaillancourt	Board member	1,877,700	-	3.
Preben Rasch-Olsen	Board member	5,000	166,800	4.
Peter Norris	Board member	10,000	156,645	5.
William Caesar	Board member	5,000	25,300	6.
Catherine Keenan	Board member	3,750	-	-

Note

1. The CEO has received options to purchase shares as a part of the total compensation package. The exercise price for each share is $1.06. Additionally, Mr. Stedman has personally acquired 67,200 shares. The options granted expire on August 17, 2030.
2. Mr. Bhatia is a member of the Board, represents Saffron Hill Ventures, controls 92,700 shares and was granted 5,000 options with an exercise price of $2.95.
3. Mr. Vaillancourt is a member of the Board and former CEO having 1,877,700 options with an exercise price of $0.06.
4. Mr. Rasch-Olsen is a member of the Board, represents Carucel Holding, controls 166,800 shares and was granted 5,000 options with an exercise price of $2.95.
5. Mr. Norris is chair of the Board, represents Virgin Group Holdings Limited, controls 156,645 shares and was granted 10,000 options with an exercise price of $2.95.
6. Mr. Caesar is a member of the Board, represents Generate Capital, controls 25,300 shares and was granted 5,000 options with an exercise price of $2.95.

NOTE 17

SHARES IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

Agilyx AS has the following shares in subsidiaries as of December 31, 2021

Subsidiary	Office	Share	Voting rights	Equity	Book value - 2020	Book value - 2021
Agilyx Corp	Portland, OR, USA	100%	100%	11,786,347	11,581,467	31,321,462
Agilyx GmbH	Zurich, Switzerland	100%	100%	180,699	163,005	163,005
Agilyx ApS	Stuckenbergs, Denmark	100%	100%	15,290	-	-
Cyclyx International, LLC	Portsmouth, NH, USA	75%	75%	4,290,985	-	-
					11,744,472	**31,484,467**

Related party transactions:

Group level - During 2021, Cyclyx had $1.7M of product sales to ExxonMobil Chemical Co., a minority holder in Cyclyx.

Included within Related party receivables in note 11, is $350,371 due from Regenyx as at December 31, 2021 (none at December 31, 2020 and January 1, 2020).

Included within Related party payables in note 12, is $198,500 due to ExxonMobil Chemical Co., at December 31, 2021 (none at December 31, 2020 and January 1, 2020), and $7,228 amounts due to board members at December 31, 2021 (December 31, 2020: $46,922, and January 1, 2020: none).

Parent level - At December 31, 2021 the parent company, Agilyx AS, has an intercompany payable of $453,563 to Agilyx Corp (December 31, 2020: $224,773 and January 1, 2020: none) and $568,857 payable to Agilyx GmbH (December 31, 2020: $134,321 and January 1, 2020: none). These inter-group payables represent operating and management costs incurred and or paid at the subsidiary and subsequently recharged to the parent.

Specific 2021 parent related costs included:	
Management charges from Agilyx GmbH	431,000
Salary related cross-charges to Agilyx Corp	(408,000)

Subsidiary Information:

Agilyx Corp- Agilyx Corp was formed in 2004 in Oregon, United States of America. Agilyx Corp 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 Corp into shares of Agilyx AS (see note 25 for additional information).

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, United States of America on December, 2020. Since inception, Agilyx Group has owned 75% of the entity, with 25% owned by ExxonMobil Chemical Corporation ("EMCC"). The partnership was formed to develop low-cost pathways to recycle plastics. EMCC contributed operational funds of $8,000,000 while Agilyx Corp contributed technology and know-how that was not revalued due to consolidation within the group accounts. EMCC's cash contribution was recognized 75% to the equity holders of the parent and 25% to the non-controlling interest.

Summarized financial information in relation to Cyclyx International, LLC, before intra group eliminations, is presented below:		
	2020	**2021**
As at December 31		
Current assets	8,000,000	7,390,312
Non-current assets	22,444	753,132
Current liabilities	-	3,977,439
Non-current liabilities	-	-
For the period ended December 31		
Revenue	-	2,201,245
Profit or (loss)	(126)	(3,833,889)
Profit or (loss) allocated to non-controlling interest	-	(958,467)
Additional information regarding the Cyclyx operation can be seen in note 6.		

NOTE 18

INCOME TAXES

Components of the income tax expense

There was no provision for income taxes recorded at both the group and parent level for the years ended December 31, 2020 and 2021, respectively.

	Group		Parent	
	2020	2021	2020	2021
Basis for income tax expense				
Result before taxes	(20,468,914)	(15,730,162)	(13,243,677)	361,093
Issue costs shares	(2,535,308)	-	(2,535,308)	-
State benefit	(5,100)	(1,300)	-	-
Foreign expense	-	(19,973)	-	-
Permanent differences	(312,311)	(2,094,112)	12,752,194	(1,169,120)
Changes in temporary differences	11,902,853	(2,456,558)	-	-
Basis for payable taxes in the income statement	**(11,418,780)**	**(20,302,104)**	**(3,026,791)**	**(808,027)**
Deferred tax asset:				
Loss carried forward	35,802,834	45,543,245	665,894	843,660
Research & other credits	2,538,872	2,640,341	-	-
Deferred revenue	-	-	-	-
Reserves and accruals	6,510	13,433	-	-
Stock-based compensation	-	60,685	-	-
Unrealized gain/loss	2,269,697	1,495,815	-	-
Lease liability	207,762	219,267	-	-
Investment in partnership	926,360	1,030,570		
Total deferred tax assets	**41,752,035**	**51,003,356**	**665,894**	**843,660**
Deferred tax liabilities:				
Other intangibles	(35,531)	(43,920)	-	-
Fixed assets	(20,121)	(26,815)	-	-
Prepayments	(31,999)	(33,762)	-	-
Right of Use assets	(205,140)	(214,869)	-	-
Investment in partnership	(183,239)	(158,986)		-
Total deferred tax liabilities	**(476,030)**	**(478,352)**	**-**	**-**
Net deferred tax assets	**41,276,005**	**50,525,004**	**665,894**	**843,660**
Recognized deferred tax assets	**-**	**-**	**-**	**-**
Statutory tax rate	21%	21%	22%	22%
Effective tax rate	0%	0%	0%	0%

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Unrecognized deferred tax assets totaled $51,003,356 (2020: $41,752,035) and in Norway $843,660 (2020: $665,894).

As of December 31, 2021, net operating loss for federal income tax purposes in US of approximately $161.9 million, portions of which will begin expire in 2030. Total state net operating loss carryforward in US of approximately $140.5 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 Corp also has federal credits for approximately $1.9 million, which will begin to expire in 2030 and state research credits of approximately $0.7 million whose expiration date is not determined. These tax credits are subject to the same limitations discussed above.

Loss carried forward in Norway as of December 31, 2021, of approximately $3.8 million has no expiration date.

NOTE 19

NOTES PAYABLE, CONVERTIBLE NOTES PAYABLE AND OTHER LONG TERM LIABILITIES

	Group		
	As at January 1, 2020	2020	2021
Long term notes	**2,525,000**	**875,000**	**-**
Accrued interest	-	250,060	-
Exclusivity license agreement	-	225,000	-
Project liabilities	-	61,780	-
Total other long-term liabilities	**-**	**536,840**	**-**

The long-term notes payable are related to financing of a license agreement which matures in 2022.

The current portion of this notes payable amounts to $1,271,853 (December 31, 2020: $1,995,443 and January 1, 2020 $1,425,000) and is classified as current liabilities.

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

Convertible notes payable

In addition to the above note, included within the current note payable balance at January 1, 2020 is $9,488,500 of convertible notes payable, which are described in more detail below.

On April 9, 2015, the Company entered into a Note Purchase Agreement authorizing the issuance of convertible promissory notes (the "2015 Notes"). The 2015 Notes accrued interest at a rate of 8.5% per annum. At any time after the Company had issued at least $4 million in aggregate principal of the 2015 Notes, the holders of a majority-in-interest in the 2015 Notes could elect to cause the conversion of the entire principal and accrued interest under all of the 2015 Notes into shares of the Company's common stock at an effective per share purchase price equal to $100 per share. The 2015 Notes were secured by all of the assets of the Company but were subordinated to the 2017 Notes discussed below.

The Note Purchase Agreement was amended multiple times during 2015, 2016, and 2017, which has increased the amounts available for issuance up to $33 million and extended the maturity date for all 2015 Notes until December 31, 2018. Effective February 9, 2018, the majority-in-interest holders elected to convert the entire balance of 2015 Notes and accrued interest of $34,107,100 into 341,071 shares of common stock.

If not earlier converted to common stock, the remaining convertible notes have a maturity date of December 31, 2022, with a simple interest rate of 13% charged on those notes. The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. See note 22 for further analysis of the derivative feature.

On January 7, 2020 as part of the inversion transaction described in more detail in note 25, the convertible notes were settled.

NOTE 20

CONTRACT LIABILITY

The Company's contract liability balances at January 1, 2020 at December 31, 2020 and 2021 was $2,887,800, $1,896,848 and $1,376,452, respectively. These balances represent billings in excess of revenue recognized on project-related activities that are recognized on a percent complete basis and product shipments billed in advance. The Company has classified this amount as current as it expects to recognize the revenues over the next twelve months. An accounting roll forward for the periods presented are as follows:

Balance at January 1, 2020	**2,887,800**
Billings deferred	3,212,724
Revenue recognized	(4,203,676)
Ending balance as of December 31, 2020	**1,896,848**
Billings deferred	4,193,881
Revenue recognized	(4,714,277)
Ending balance as of December 31, 2021	**1,376,452**

NOTE 21

PROVISION

As reported in note 10, for the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. As at January 1, 2020 and December 31, 2020 Regenyx was expected to generate negative cash flows and these cash outflows were anti-dilutive and therefore did not adjust Agilyx Group's proportional investment in Regenyx. This commitment created a provision in accordance with IAS 37 since it was a liability of uncertain timing or amount, which varied depending on the underlying performance of the entity (which Agilyx does not control). The cash outflows were expected to occur during or shortly after the funding period was over. The uncertainty as to the amount of liability arises due to Agilyx not controlling Regenyx and due to the nature of operations, which make forecasting of cash flows difficult. Management have applied their judgment and available qualitative and quantitative information in order to arrive at the recognized amounts:

	Group
Opening balance at January 1, 2020	3,778,009
Reversal of estimated 2020 expenditure	(3,098,009)
Adjustment to increase 2021 estimated expenditure	350,000
Balance sheet value December 31, 2020	**1,030,000**
Reversal of estimated 2021 expenditure	(1,030,000)
Balance sheet value December 31, 2021	**-**

There was no liability outstanding at December 31, 2021 since the funding obligation expired in April 2021.

NOTE 22

DERIVATIVE LIABILITY - CONVERSION FEATURE

As described in note 19, prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding.

The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020.

The conversion feature meets the IFRS 9 definition of a derivative, because, its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020).

The value of the derivative liability at each reporting date was:

	Group - as at		
	January 1, 2020	**December 31, 2020**	**December 31, 2021**
Derivative liability- conversion feature	500,373	-	-

The derivative liability related to the conversion feature is measured using level 2 inputs on the fair value hierarchy.

Due to the close proximity of the opening balance sheet to the share exchange date (January 7, 2020), the value of the derivative has been computed using the intrinsic value method, which was the value of the conversion feature over and above the principal and interest which was converted.

Since the opening balance sheet was so close to the share exchange date, the intrinsic value applied is considered to be a reliable reflection of the value of that instrument, no sensitivities have therefore been presented in relation to this instrument.

NOTE 23: FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Agilyx Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

In common with all other businesses, Agilyx Group is exposed to risks that arise from its use of financial instruments. This note describes Agilyx Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments, by category

The principal financial instruments used by Agilyx Group are listed those listed in the table below, all of which are measured at amortized cost, plus the Warrant/Subscription rights and derivative liability related to the conversion feature at the opening balance sheet date, which are measured at fair value through the profit and loss:

	Group - as at			Parent - as at		
	January 1, 2020	December 31, 2020	December 31, 2021	January 1, 2020	December 31, 2020	December 31, 2021
Accounts receivable	250,000	9,064	1,669,890	-	-	-
Cash and cash equivalents	2,344,037	38,898,928	19,570,154	3,407	28,721,621	11,307,524
Total Financial Assets	**2,594,037**	**30,907,992**	**21,240,044**	**3,407**	**28,721,621**	**11,307,524**
Notes payable	13,438,500	2,870,443	1,271,853	-	-	-
Accounts payable	529,664	627,429	1,447,148	-	-	-
Payable to Group Companies	-	-	-	-	359,094	1,022,420
Lease liabilities	1,054,036	942,233	994,411	-	-	-
Financial liabilities at amortized cost	**15,022,200**	**4,440,105**	**3,713,412**	**-**	**359,094**	**1,022,420**
Warrant liability	193,527	10,486,936	6,952,190	-	10,486,936	6,952,190
Derivative liability- conversion feature	500,373	-	-	-	-	-
Total Financial Liabilities	**15,716,100**	**14,927,041**	**10,665,602**	**-**	**10,846,030**	**7,974,610**

(ii) Financial instruments not measured at fair value
Financial instruments not measured at fair value includes all the instruments listed in the table above (except the warrants and conversion feature derivative). Due to the short term nature of Accounts receivable, Accounts payable and the Payable to Group Companies, amounts, the amortized cost is considered to approximate fair value. The Notes payable and Lease liabilities both carry market rates of interest, for these amounts the amortized cost is also considered to approximate fair value.

(iii) Financial instruments measured at fair value
The only financial instruments measured at fair value through profit and loss are the Warrants and Subscription rights, described in more detail in note 14 and the derivative liability related to the conversion feature at the opening balance sheet date, described in more detail in note 22.

(iv) General objectives, policies and processes
The Board has overall responsibility for the determination of Agilyx Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Agilyx Group finance function. The Board receives monthly reports from the V.P. and Corporate Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to Agilyx Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Agilyx Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. As noted in Note 11, historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Agilyx Group only deals with highly reputable banks and financial institutions. At times, Agilyx Group does hold funds with certain banks that are beyond federally insured levels, however, management regularly monitor the banking relationships to minimize any risk that may arise in this respect.

Interest rate risk
Agilyx Group is exposed to interest rate risk from long-term borrowings. Management has chosen to mitigate the exposure to movements in interest rates by lending via the Note payable at a fixed rate of interest. While using only a fixed rate note payable, Agilyx Group does limit any potential upside, that could be achieved by having a variable interest rate during times of falling rates, however, given the Agilyx Group's current growth mindset, it is more valuable to the group to have certainty over interest payment amounts, in order to be able to properly budget and forecast future expenditures.

Liquidity risk
Liquidity risk arises from Agilyx Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that Agilyx Group will encounter difficulty in meeting its financial obligations as they fall due. The current policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board regularly receives cash flow projections as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The budgets are set by management and agreed by the board in advance, enabling the Agilyx Group's cash requirements to be anticipated.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Group - as at				Parent - as at			
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at January 1, 2020								
Notes payable	11,027,500	1,782,000	1,020,600	13,830,100	-	-	-	-
Accounts payable	529,664	-	-	529,664	-	-	-	-
Payable to Group Companies	-	-	-	-	-	-	-	-
Warrant liability	-	-	193,527	193,527	-	-	-	-
Derivative liability-conversion feature	500,373	-	-	500,373	-	-	-	-
	12,057,537	1,782,000	1,214,127	15,053,664	-	-	-	-

	Group - as at				Parent - as at			
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at December, 31 2020								
Notes payable	2,155,078	945,000	-	3,100,078	-	-	-	-
Accounts payable	627,429	-	-	627,429	-	-	-	-
Payable to Group Companies	-	-	-	-	359,094	-	-	359,094
Warrant liability	-	2,195,323	8,291,613	10,486,936	-	2,195,323	8,291,613	10,486,936
	2,782,507	3,140,323	8,291,613	14,214,443	359,094	2,195,323	8,291,613	10,846,030
As at December, 31 2021								
Notes payable	1,373,601	-	-	1,373,601	-	-	-	-
Accounts payable	1,447,148	-	-	1,447,148	-	-	-	-
Payable to Group Companies	-	-	-	-	1,022,420	-	-	1,022,420
Warrant liability	1,734,967	3,238,018	1,979,205	6,952,190	1,734,967	3,238,018	1,979,205	6,952,190
	4,555,716	3,238,018	1,979,205	9,772,939	2,757,387	3,238,018	1,979,205	7,974,610
See note 9 for undiscounted contractual cash flow information in relation to the lease liabilities.								

In addition to the financial liabilities noted above, there are two other potential cash outflows in relation to the investment in Regenyx, which may affect liquidity. During the initial funding period, Agilyx was responsible for funding the operations of Regenyx, this resulted in cash outflows, for 2020 of $3,253,790 and for 2021 $1,978,272 as reported on the cash flow statement and as provided for in the provision in note 21. Furthermore, the Regenyx contribution agreement includes a put option as defined in note 10, which could result in a cash outflow ,should the option be exercised by AmSty. The cash outflow would be based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx.

Capital disclosures

Agilyx Group's managed capital includes equity and debt. The objectives for Agilyx Group when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Agilyx Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets to reduce debt.

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and ensure compliance with any covenants attached to the bank and borrowing facilities.

NOTE 24

EARNINGS PER SHARE

Net loss per share is computed under the provisions of IAS 33, earnings per share. Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period.

The following table sets forth the reconciliation of the numerator and denominator used in the computation of basic net loss per common share for the years ended December 31, 2021 and 2020:

	Years Ended December 31,	
	2020	2021
Numerator:		
Net loss	(20,468,914)	(15,730,162)
Net loss attributable to ordinary shareholders	(20,468,914)	(14,771,695)
Denominator:		
Weighted average shares outstanding- basic	60,972,113	76,537,046
Net loss per common share- basic	(0.34)	(0.19)

Since Agilyx Group incurred an operating loss in both periods, the outstanding warrants and stock options would have an anti-dilutive impact on the earnings per share calculation, therefore the diluted earnings per share is equal to the basic earnings per share.

NOTE 25: INVERSION TRANSACTION - JANUARY 7, 2020

On January 7, 2020, the former owners of Agilyx Corporation exchanged their shares in the company through an inversion transaction, receiving shares in Agilyx AS and retaining their relative interest, prior to a private placement transaction, which followed the successful completion of the inversion transaction and introduced some new shareholders. Agilyx AS was a new company at that time, resulting in Agilyx AS being the new parent company of the Agilyx Group. As the shareholder structure of the group remained unchanged, after the inversion transaction, the reorganization was considered a common control transaction outside the scope of IFRS 3 Business Combinations.

Further, as Agilyx AS. was a new company, it issued shares as consideration and the shareholder structure and ownership percentages remained the exact same, prior to the private placement which took place after the share exchange took place. The inversion transaction / reorganization was considered to be a transaction with no economic substance, and in reality only a continuity of the old Agilyx Corporation. Based on this assessment, the reorganization has been accounted for in the following way:

- In the consolidated financial statements, Agilyx, AS has incorporated all the assets and liabilities of the existing Agilyx Corporation at their precombination values
- Agilyx AS's consolidated financial statements include Agilyx Corporation group's full-year results (including comparatives), even though the transaction occurred on January 7, 2020 (subsequent to the opening balance sheet date of January 1, 2020)
- The equity of the group represents the equity of Agilyx Corporation until the reorganization, when paid in capital of the group is exchanged to represent the paid in capital of Agilyx AS.

The inversion transaction was contingent on the settlement of all outstanding convertible notes and as such the outstanding balance at January 7, 2020 was settled. This included total interest accrued of $1,573,119 (note 13) and the principal payable of $9,488,500 (note 19).

Immediately following the inversion transaction, a private stock offering was approved, resulting in the issuance of 101,496 shares, with a par value of 1 NOK, at a subscription price of NOK 936, to new and existing shareholders. This generated proceeds of $10,758,277. In order to go through the private stock offering process, costs of $646,398 were incurred, these have been presented as a reduction in the share premium reserve, within equity.

NOTE 26: SUBSEQUENT EVENTS

Revolving line of credit- On April 8, 2022, the Company signed a term sheet for a $5 million line of credit with a Norwegian bank. Stated interest rates on drawn amounts will be LIBOR plus 6% and there are upfront commitment and unused portion fees. The Company cannot submit a drawdown request until it has been admitted to the main list on the Oslo Stock Exchange.

Material contract with customer- On March 30, 2022, the Company entered into a material contract with a customer to sell its proprietary equipment. This contract will cause the Company to place several large purchase orders to meet the contract's various requirements. The Company has negotiated favorable upfront payment terms and believes it can meet the related contingent liabilities as they arise.

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To the General Meeting of Agilyx AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Agilyx AS, which comprise:

- The financial statements of the parent company Agilyx AS (the Company), which comprise the balance sheet as at 31 December 2021 and 31 December 2020, the income statements showing a profit of USD 361 093 and a loss of USD 13 243 677 respectively, statements of changes in equity and cash flow statements for the years 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 2021 and 31 December 2020, the income statements showing a loss of USD 15 730 162 and a loss of USD 20 468 914 respectively, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements comply with applicable statutory requirements,

- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and 31 December 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU, and

- The financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and 31 December 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Emphasis of Matter – Basis of Preparation

The financial statements were prepared to meet the requirements in connection with Agilyx AS's listing of shares on Oslo Stock Exchange, including the prospectus prepared in connection therewith. Our opinion is not modified in respect of thos matter.

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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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

Oslo, 22. July 2022
RSM Norge AS

Cecilie Tronstad

Cecilie Tronstad
State Authorised Public Accountant

agilyx

APPENDIX C:

Agilyx Corporation's audited consolidated financial statements for 2019 (USGAAP)

AGILYX CORPORATION

Consolidated Financial Statements
December 31, 2019 and 2018

With Independent Auditor's Report

KBF
CERTIFIED PUBLIC ACCOUNTANTS

AGILYX CORPORATION
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DECEMBER 31, 2019 AND 2018

Independent Auditor's Report

To the Board of Directors and Stockholders
Agilyx Corporation:

We have audited the accompanying consolidated financial statements of Agilyx Corporation and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Agilyx Corporation as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Adoption of New Accounting Standard

As discussed in Note 3(e) to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in 2019 due to the adoption of ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), and related amendments. Our opinion is not modified with respect to this matter.

Emphasis of Matter Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

KBF CPAs LLP

KBF CPAs LLP

Portland, Oregon
April 27, 2020

AGILYX CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 2,373,198	$ 3,267,777
Accounts receivable	371,690	-
Restricted cash	15,011	10,005
Prepaid expenses and other current assets	105,480	248,813
Total current assets	2,865,379	3,526,595
Non-current assets:		
Property and equipment, net	3,357,371	3,324,263
Other non-current assets	27,700	10,700
Licensed technology, net	4,515,552	-
Total assets	$ 10,766,002	$ 6,861,558

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	$ 699,267	$ 378,275
Accrued expenses	193,086	138,981
Deferred revenue	2,887,800	62,455
Accrued interest	1,573,119	519,886
Capital lease obligation	7,780	-
Licensed technology payable	1,425,000	-
Convertible notes payable	9,488,500	-
Total current liabilities	16,274,552	1,099,597
Non-current liabilities:		
Licensed technology payable, net of current portion	2,525,000	-
Capital lease obligation, net of current portion	21,174	-
Convertible notes payable	-	7,500,000
Total liabilities	18,820,726	8,599,597
Stockholders' deficit:		
Common stock, no par value. Authorized, 1,000,000 shares; issued and outstanding shares 341,727 as of December 31, 2019 and 2018	137,623,033	137,623,033
Additional paid-in capital	3,799,669	3,459,328
Accumulated deficit	(150,037,940)	(142,820,400)
Total Agilyx Corporation stockholders' deficit	(8,615,238)	(1,738,039)
Redeemable noncontrolling interest	560,514	-
Total stockholders' deficit	(8,054,724)	(1,738,039)
Total liabilities and stockholders' deficit	$ 10,766,002	$ 6,861,558

See accompanying notes and independent auditor's report.

AGILYX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Revenues	$ 2,055,810	$ 2,500,000
Cost of revenues	3,095,613	745,909
Gross margin (loss)	(1,039,803)	1,754,091
Operating expenses:		
Research and development	3,047,854	3,024,061
General and administrative	2,533,986	2,570,727
Sales and marketing	690,770	146,470
Total operating expenses	6,272,610	5,741,258
Loss from operations	(7,312,413)	(3,987,167)
Other income (expense):		
Interest expense, net	(1,054,496)	(561,991)
Other income (expense), net	(13,959)	2,022,114
Total other income (expense)	(1,068,455)	1,460,123
Net loss	(8,380,868)	(2,527,044)
Net loss attributable to noncontrolling interest	(1,163,328)	-
Net loss attributable to Agilyx Corporation stockholders	$ (7,217,540)	$ (2,527,044)

See accompanying notes and independent auditor's report.

AGILYX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Redeemable Noncontrolling Interest	Total Stockholders' Deficit
Balances, December 31, 2017	656	$ 103,515,933	$ 3,325,881	$ (140,293,356)	$ -	$ (33,451,542)
Conversion of convertible notes and accrued interest	341,071	34,107,100	-	-	-	34,107,100
Stock-based compensation expense	-	-	133,447	-	-	133,447
Net loss	-	-	-	(2,527,044)	-	(2,527,044)
Balances, December 31, 2018	341,727	137,623,033	3,459,328	(142,820,400)	-	(1,738,039)
Sale of subsidiary units to noncontrolling interest	-	-	276,158	-	1,723,842	2,000,000
Stock-based compensation expense	-	-	16,183	-	-	16,183
Common stock warrant issued	-	-	48,000	-	-	48,000
Net loss	-	-	-	(7,217,540)	(1,163,328)	(8,380,868)
Balances, December 31, 2019	341,727	$ 137,623,033	$ 3,799,669	$ (150,037,940)	$ 560,514	$ (8,054,724)

See accompanying notes and independent auditor's report.

AGILYX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities:		
Net loss	$ (8,380,868)	$ (2,527,044)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	248,098	17,456
Stock-based compensation	16,183	133,447
Loss on disposal of equipment	14,063	-
Changes in operating assets and liabilities:		
Accounts receivable	(371,690)	-
Prepaid expenses and other assets	126,333	(188,910)
Accounts payable	95,992	(118,720)
Accrued expenses	54,105	(633,855)
Deferred revenue	2,825,345	62,455
Accrued interest	1,053,233	531,784
Net cash used in operating activities	(4,319,206)	(2,723,387)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(270,071)	(1,472,691)
Proceeds from sale of equipment	15,500	-
Net cash used in investing activities	(254,571)	(1,472,691)
Cash Flows From Financing Activities:		
Issuance of convertible notes payable	1,988,500	6,610,000
Proceeds from sale of units to redeemable noncontrolling interest	2,000,000	-
Payments under capital lease obligations	(4,296)	-
Payments under licensing agreement	(300,000)	-
Net cash provided by financing activities	3,684,204	6,610,000
Net increase (decrease) in cash, cash equivalents and restricted cash	(889,573)	2,413,922
Cash, cash equivalents and restricted cash - beginning of year	3,277,782	863,860
Cash, cash equivalents, and restricted cash - end of year	$ 2,388,209	$ 3,277,782
Supplemental Disclosures:		
Cash paid for interest	$ 1,269	$ 29,750
Non-Cash Investing and Financing Activities:		
Conversion of convertible notes and accrued interest to common stock	$ -	$ 34,107,100
Capital expenditures included in accounts payable	-	26,234
Accrued interest capitalized in construction-in-process	-	252,420
Purchase of licensed technology through issuance of note payable	4,250,000	-
Acquisition of equipment through capital lease	33,250	-

See accompanying notes and independent auditor's report.

AGILYX CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) Organization

Prior to 2015, Agilyx Corporation (the "Company") designed, sold and operated systems that converted mixed waste plastics into synthetic crude oil and other petrochemical products. Beginning in 2015, due to declining crude oil prices, the Company focused its efforts away from crude oil and towards other petrochemical products, specifically designing and marketing systems to convert used polystyrene into styrene monomer. With a growing interest in plastic recycling solutions, the Company is seeing strong interest in its polystyrene as well as its mixed-plastic solutions. In addition there is emerging interest in pathways for polyethylene, polypropylene, PET and pMMA. The Company is headquartered in Tigard, Oregon.

The Company from 2015 through 2016 was in the process of converting their existing equipment at their facility for use in the new process of recycling polystyrene. The costs incurred related to achieving technological feasibility of the polystyrene to styrene monomer process were expensed as incurred. Upon achieving technological feasibility of the process in early 2017, the Company capitalized expenditures related to the build-out of the facility, and interest thereon, as construction-in-process. In February 2019, the Company completed the facility retrofit. In April 2019, the Company formed Regenyx, LLC (or "Regenyx"), which owns and operates the facility.

Agilyx continues to be a leader in the industry at converting waste plastics to high-value oils and chemical substrate products. They leverage their technical expertise, operating know-how, technology platform, and partnerships with industry leaders to help advise and lead projects for customers looking to develop a plant that can convert difficult-to-recycle waste plastics into valuable resources. Over the last three years, Agilyx has worked with a number of petrochemical companies to expand its commercial product pathways by qualifying several products in polymers, chemical substrates used as raw material to make new polymers and various fuels.

(2) Market Risk and Liquidity; Ability to Continue as a Going Concern

The market for the Company's products is developing. The Company believes that its future success depends on the ability to successfully develop its technology platform in order to generate sales and sufficient positive cash flows from operations to sustain ongoing operations. An inability by the Company to develop, own and operate its systems or to generate demand for its systems and deliver them to customers at a profit will have a material adverse impact on the Company's financial position, results of operations, and liquidity, and ultimately its ability to continue as a going concern. In the event the business strategies are not successful, the Company will need to raise additional debt or equity financing, which may or may not be available at terms acceptable to the Company.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. Due to the Company's limited operating history and significant operating losses to date, there is substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has a history of losses and has an accumulated deficit of approximately $150,000,000 as of December 31, 2019. Management believes that they have the ability to take the necessary steps to ensure the Company will continue by executing its strategy to ultimately achieve positive cash flow and profitability. However, there is no guarantee profitability will be achieved or sustained, or that cash flows will be sufficient to fund obligations as they come due.

(3) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of Agilyx Corporation and its subsidiary, Regenyx. All intercompany accounts and transactions are eliminated in consolidation.

(b) Redeemable Noncontrolling Interest

Agilyx Corporation owns a 50% interest in Regenyx, with the remaining 50% minority interest owned by a separate unaffiliated entity, Americas Styrenics, LLC (or "AmSty"). The financial statements of Regenyx are included in the consolidated financial statements. The net loss of Regenyx, which is included in consolidated net loss, is allocated to AmSty, the non-controlling interest, proportionate to its ownership interest in Regenyx. The non-controlling interest is the portion of equity in Regenyx that is not attributable, directly or indirectly, to the parent but rather attributable to AmSty. See Note 4.

(c) Use of Estimates

The preparation of the consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, the valuation of equity instruments and realization of deferred tax assets.

(d) Research and Development Expenses

Research and development costs are expensed as incurred.

(e) Revenue Recognition

Effective January 1, 2019, the Company adopted Accounting Standards Updated ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606), and its related amendments using the modified retrospective transition method. The Company elected the practical expedient to only evaluate open contracts as of January 1, 2019. The adoption of this ASU did not have a material impact on the Company's results of operations.

The new standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Central to the revenue recognition framework is a five-step revenue recognition model that requires reporting entities to:

1) Identify the contract,
2) Identify the performance obligations of the contract,
3) Determine the transaction price of the contract,
4) Allocate the transaction price to the performance obligations, and
5) Recognize revenue

The Company's business model currently targets revenue through the following sources i) project feasibility studies and engineering support, ii) feedstock characterizations, iii) delivery of goods, iv) licencing revenues based on various operating metrics, and v) manufacturing support. To date the Company has recognized revenues from project feasibility studies, engineering management, conducting feedstock characterization research and delivery of goods. The Company accounts for individual performance obligations when bundled in a contract separately.

The Company evaluates each contract for variable consideration as well as material rights. The Company has concluded that the price is fixed on all of their contracts. The Company typically negotiates feasibility studies in phases and as such considers material rights. The Company has determined there are no material rights within their contracts. For contracts with multiple performance obligations, the transaction price is allocated between each distinct performance obligation based on a relative standalone selling price of the goods and services. Standalone selling price is determined using an expected cost-plus margin approach.

Feasibility studies and engineering support
The Company satisfies its performance obligations for feasibility studies and engineering support over time because of the continuous transfer of control to the customer. The customer typically controls the work in process as evidenced by the Company's right to invoice for work completed to date plus a reasonable profit. The Company measures progress to completion of a project using a cost-to-cost method on the labor portion of a project as it best depicts the transfer of control to the customer which occurs as labor and other costs are consumed.

The Company may receive up-front payments related to feasibility studies. Up-front payments are recognized as deferred revenue and considered earned as the Company satisfies its performance obligation. The Company has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component when it is expected to transfer a promised good or service to the customer and when the customer pays is one year or less. Total deferred revenue for the periods ending December 31, 2019 and 2018 was $2,887,800 and $62,455, respectively. Deferred revenue is expected to be recognized in one year or less.

Feedstock characterizations
The Company satisfies its performance obligations for delivery of feedstock characterizations at a point in time when the customer receives control of the goods. The Company measures revenue as the amount of consideration expected to be received in exchange for transferring the feedstock samples.

Delivery of goods (Regenyx)
The Company enters into sales contracts for its material with AmSty for nearly all of its styrene monomer production output. The Company recognized revenue under these contracts at the point in time when the customer receives control of the goods. Point of purchase and shipping terms were evaluated to best represent when controls is transferred to the customer.

Amounts billed to customers for shipping and handling are included in revenues when control of the good is transferred to the customer. Shipping and handling is arranged with third party carriers in connection with delivering goods to customers.

(f) Concentration of Credit Risk and Related Party

The Company grants credit to customers of various sizes throughout the United States and Europe. Credit risk associated with accounts receivable is periodically reviewed by management, and if required, an allowance for doubtful accounts is established. Accounts determined to be uncollectible are written off against the allowance for doubtful accounts after all means of collections have bene exhausted and the potential for recovery is remote. The Company has not recorded an allowance for doubtful accounts as of December 31, 2019.

For the year ended December 31, 2019, the Company derived revenue from three customers totaling 88% of total revenue and 100% of accounts receivable. The Company derived revenues from international customers totaling 59% of revenues for the year ended December 31, 2019. The Company has accounts receivable from international customers totaling 67% as of December 31, 2019.

For the year ended December 31, 2019, the Company derived revenue from related parties totaling 52% of total revenue and 66% of accounts receivable. The Company has related parties through their joint ownership of Regenyx.

(g) Cost of Revenues

The Company recognizes costs of revenues for those employees and personnel involved in the delivery of services to customers, along with materials and equipment to support those services.

(h) Cash and Cash Equivalents

All highly liquid investments purchased with an original maturity date of 90 days or less are considered to be cash equivalents. The Company periodically invests excess cash primarily in money market accounts, which are subject to minimal credit and market risk. In the ordinary course of business, the Company may have cash or cash equivalents on deposit with various financial institutions, which exceed or are not eligible for FDIC insurance coverage.

(i) Restricted Cash

The Company is required to maintain a cash balance as security for its corporate credit cards. The cash reserve is maintained in a separate bank account and restricted for general use. Restricted cash totaled $15,011 and $10,005 at December 31, 2019 and 2018, respectively.

(j) Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment and leasehold improvements is calculated on a straight-line basis over the estimated useful lives of the assets, which is generally three to ten years, or lease term if shorter.

The Company evaluates the recoverability of its long-lived assets, which principally consist of property and equipment and licensed technology, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets are depreciated over their estimated useful lives and are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If circumstances require a long lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

(k) Construction-in-Process

Construction-in-process ("CIP") represents the direct costs of construction and the acquisition costs of equipment and machinery related to its facility build-out. Capitalization of CIP ceases, and the amounts capitalized are transferred to property and equipment when substantially all of the activities necessary to prepare the asset for its intended use are completed. No depreciation is provided until the assets are completed and ready for their intended use.

(l) Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") ASC 718 *Compensation - Stock Compensation*. This statement 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 award. The Company recognizes stock-based compensation expense over the vesting period of the awards on a straight-line basis. The fair value of common stock option awards are estimated on the date of grant using the Black-Scholes option-pricing model.

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 U.S. 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.

The table below sets forth the assumptions used on the date of grant for estimating the fair value of options granted during 2019 and 2018:

	2019	2018
Weighted-average expected term (years)	6.25	5.50 – 6.25
Risk-free interest rate	2.5%	2.4% – 2.9%
Dividend yield	0%	0%
Volatility	60%	60%

(m) Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(n) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, aimed at making leasing activities more transparent and comparable. The new standard requires substantially all leases be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases currently classified as operating leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020 and early adoption is permitted. The Company is currently evaluating the impact of ASU 2016-02 on its financial statements and related disclosures.

(4) Variable Interest Entity

In April 2019, the Company formed Regenyx, a commercial-scale chemical recycling facility, by contributing $3,447,684 in machinery and equipment for 100% of the outstanding 10,000 membership units of Regenyx. Immediately subsequent to formation of Regenyx, 50% interest, or 5,000 membership units, was sold to AmSty for $3,000,000 in consideration, $2,000,000 of which was paid by AmSty upon closing of the transaction and $1,000,000 is contingent upon Regenyx meeting certain production milestones. A total of $1,723,842 was recognized as a non-controlling interest and $276,158 as additional paid-in capital. After this transaction, the Company holds a 50% interest in Regenyx.

For the first twenty-four months after formation of Regenyx, Agilyx is solely responsible for funding its operations. Commencing after this twenty-four month period and ending on the five year anniversary of Regenyx's formation, under certain conditions Agilyx is subject to a contractual obligation to purchase all of AmSty's equity investment in Regenyx at the option of AmSty ("put option"). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. Regenyx sells finished goods to AmSty, sales of which were $339,084 in 2019.

Regenyx is a variable interest entity and it was determined that Agilyx is the primary beneficiary of the entity. Accordingly, Agilyx consolidates the financial statements of Regenyx. The amounts presented for Regenyx in the table below exclude intercompany balances eliminated in consolidation as reported in the consolidated balance sheets:

Cash	$	44,172
Accounts receivable		121,690
Prepaid expenses and other current assets		15,315
Property and equipment, net		3,233,146
Total Assets	$	3,414,323
Accounts payable	$	169,603
Accrued expenses		8,749
Capital lease obligation		28,954
Total Liabilities	$	207,306

(5) Property and Equipment, Net

Property and equipment consist of the following as of December 31, 2019 and 2018:

		2019		2018
Furniture and fixtures	$	74,853	$	54,603
Computers		77,163		192,566
Machinery and equipment		3,832,653		321,948
Software		131,771		116,776
Leasehold improvements		215,327		215,327
Construction-in-process		-		3,290,222
		4,331,767		4,191,442
Less accumulated depreciation and amortization		(974,396)		(867,179)
Property and equipment, net	$	3,357,371	$	3,324,263

Depreciation expense recorded in 2019 and 2018 totaled $240,650 and $17,456, respectively.

(6) Intangible Assets

In 2019, the Company entered into a license technology agreement and an exclusivity license. The licensed technology agreement was financed via a note payable, see note 7(b). The exclusivity license agreement is a four year term with an up-front payment of $225,000, and $225,000 due annually through 2022; in addition to the payments, a common stock warrant with a fair value of $48,000 was granted to the licensor. Finally, as part of the exclusivity license agreement, the Company is obligated to pay royalties on a quarterly basis for sales relating to the licensed

technology. The payment obligations are included in licensed technology payable on the consolidated balance sheet as of December 31, 2019.

Intangible assets consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Licensed technology	$ 3,575,000	$ -
Exclusivity license	948,000	-
	4,523,000	-
Less accumulated amortization	(7,448)	-
Licensed technology, net	$ 4,515,552	$ -

Amortization expense recorded in 2019 and 2018 was $7,448 and $0, respectively.

(7) Debt

The composition of debt is as follows:

	2019	2018
Convertible notes payable	$ 9,488,500	$ 7,500,000
Licensed technology payable	3,950,000	-
	13,438,500	7,500,000
Less current portion	(10,913,500)	-
Total non-current debt	$ 2,525,000	$ 7,500,000

(a) Convertible Notes Payable

On April 9, 2015, the Company entered into a Note Purchase Agreement authorizing the issuance of convertible promissory notes (the "2015 Notes"). The 2015 Notes accrued interest at a rate of 8.5% per annum. At any time after the Company had issued at least $4 million in aggregate principal of the 2015 Notes, the holders of a majority-in-interest in the 2015 Notes could elect to cause the conversion of the entire principal and accrued interest under all of the 2015 Notes into shares of the Company's common stock at an effective per share purchase price equal to $100 per share. The 2015 Notes were secured by all of the assets of the Company but were subordinated to the 2017 Notes discussed below.

The Note Purchase Agreement was amended multiple times during 2015, 2016, and 2017, which has increased the amounts available for issuance up to $33 million and extended the maturity date for all 2015 Notes until December 31, 2018. Effective February 9, 2018, the majority-in-interest holders elected to convert the entire balance of 2015 Notes and accrued interest of $34,107,100 into 341,071 shares of common stock.

At December 31, 2019 and 2018, a total of $9,488,500 and $7,500,000 in 2017 Notes are outstanding, respectively. If not earlier converted to common stock, the 2017 Notes have a maturity date of five years from the date of issuance. In connection with the issuance of 2017 Notes, the Company granted 4,971 warrants to purchase common stock at an exercise price of $100 per share. The Company has determined that the value of the warrants are immaterial

to the financial statements. The warrants are exercisable into common stock for a period of five years from the issuance date.

At December 31, 2019, a total of $1,548,829 of accrued interest under the 2017 Notes is outstanding.

(b) Licensed Technology

In December 2019, the Company entered into an agreement to purchase certain pyrolysis technology that previously had been licensed under a licensing agreement entered into in March 2017. The purchase price of the technology was $3,575,000 and is being financed by a note payable agreement with the licensor. The arrangement accrues interest at 8% per annum, and calls for quarterly principal and interest payments of $300,000 with the first payment being made immediately after closing and a final payment of approximately $400,000. The licensed technology 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 $7,448 for the year ended 2019.

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. Licenses for the models have been granted for 15 years with the first 4 years of exclusivity. The agreement calls for the Company to make consecutive annual payments of $225,000 with the first payment due on commencement of the agreement. During the agreement term, the company is obligated to pay royalties, on a quarterly basis, in connection with any revenues generated utilizing the licensed technologies. No royalties were paid under this agreement in 2019.

The AI Models licensor was granted a Common Stock warrant in connection with the license agreement to exercise shares of common stock (Note 8). The warrant has an exercise price of $0.01 per share and is exercisable through December 2025. The fair value of the warrant totals $48,000. The warrant remains outstanding and unexercised at December 31, 2019.

At December 31, 2019, a total of $24,290 of accrued interest under the licensed technology agreement is outstanding.

(8) Common Stock Warrants

The Company has granted warrants in connection with various debt and equity issuances. The following table reflects the terms of outstanding warrants as of December 31, 2019 that are exercisable into common stock:

	Number of common shares	Exercise price per share	Expiration
Common stock warrant	14.084507	$ 71,000	October 2023
Common stock warrant	0.427500	1,430,000	Various dates in 2020
Common stock warrant	0.427500	1,430,000	Various dates in 2020
Common stock warrant	0.045	1,430,000	Various dates in 2020
Common stock warrant	0.307134	1,432,600	October 2020
Common stock warrant	0.408849	71,000	July 2020
Common stock warrant	0.817698	71,000	July 2020
Common stock warrant	18,750	100	Various dates in 2022 and 2023
Common stock warrant	8,062	0.01	December 2025
Common stock warrant	4,971	100	October 2024

(9) Stock Incentive Plan

During 2009, the Company adopted the 2009 Stock Incentive Plan ("2009 Plan") which provides for granting of options to buy common stock intended to either qualify as incentive stock options under the Internal Revenue Code or nonqualified stock options. All stock awards granted prior to adoption of the 2009 Stock Incentive Plan were brought under the Plan and are subject to the rights and restrictions under the 2009 Plan. Under the 2009 Plan, vesting of options granted varies per the applicable grant agreement, which range from zero to four years, and all options expire ten years after the date of grant. The total shares reserved under the 2009 Plan was 89,183 at December 31, 2019.

Options are issued with an exercise price equal to or greater than the fair market value of the underlying stock on the date of grant, as determined by the board of directors. Upon exercise of stock options, new shares of common stock are issued.

Stock-based compensation expense was included in the Company's statements of operations as follows:

	2019	2018
Research and development expense	$ 9,687	$ 50,432
General and administrative expense	6,496	83,015
Total stock-based compensation expense	$ 16,183	$ 133,447

Stock option activity during the periods indicated is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term (years)
Balance at December 31, 2017	68,074	$ 13.14	9.6
Granted	7,344	6.03	
Exercised	-	-	
Forfeited	(10,275)	6.03	
Cancelled/expired	(3,022)	166.14	
Balance at December 31, 2018	62,121	6.03	8.6
Granted	21,509	6.03	
Exercised	-	-	
Forfeited	(5,250)	6.03	
Cancelled/expired	-	-	
Balance at December 31, 2019	78,380	$ 6.03	7.9
Exercisable at December 31, 2019	55,022	$ 6.03	
Available to be granted at December 31, 2019	10,803		

As of December 31, 2019, total unrecognized compensation cost related to unvested stock option awards remaining outstanding was approximately $49,000 and is expected to vest over a weighted average period of 2.1 years, subject to forfeitures. The Company accounts for forfeitures as they occur. As of December 31, 2019, a total of 17,171 options remain unvested with a weighted average exercise price of $6.03 per share. No further options will be granted under the 2009 plan, but the options will remain outstanding. The Board of Directors intends on adopting a new plan in 2020.

(10) Income Taxes

The benefit for income taxes differs from the amount of income tax benefit determined by applying the applicable U.S. statutory federal income tax rate to pretax loss as a result of the following differences:

	Years ended December 31,			
	2019		2018	
Computed income tax provision (benefit) at the statutory rate	$ (1,759,982)	21.0%	$ (530,679)	21.0%
Adjustments for tax effects of:				
State tax	(380,087)	4.5	(118,455)	4.7
Research and development credits	45,865	-0.6	156,261	-6.2
Permanent items	5,609	-0.1	31,467	-1.3
Disallowed interest	216,078	-2.6	111,771	-4.4
Noncontrolling interest in flow-through entity	269,317	-3.2	-	-
Outside basis in flow-through entity	148,073	-1.8	-	-
Other	(73,718)	0.9	69,775	-2.7
Valuation allowance	1,528,845	-18.2	279,860	-11.1
Income tax (benefit)	$ -	-%	$ -	-%

ASC 740, *Income Taxes*, provides for the recognition of deferred tax assets if realization of these assets is more likely than not. The Company evaluated both positive and negative evidence to determine if some or all of its deferred tax assets should be recognized. Based on the available objective evidence, management has provided a full valuation allowance against its net deferred tax assets at December 31, 2019 and 2018.

The components of net deferred tax assets are as follows:

	2019	2018
Deferred tax assets:		
Net operating losses	$ 31,709,026	$ 30,048,029
Research and development credits	1,393,226	1,439,090
Accruals and reserves	3,301	3,619
Stock-based compensation expense	120,146	118,840
	33,225,699	31,609,578
Less valuation allowance	(33,059,275)	(31,530,427)
Net deferred tax assets	166,424	79,151
Deferred tax liabilities:		
Depreciation and amortization	(4,384)	(66,419)
Prepaids	(13,967)	(12,732)
Interest in flow-through entity	(148,073)	-
Total deferred tax liabilities	(166,424)	(79,151)
Net deferred tax assets	$ -	$ -

As of December 31, 2019, the Company had net operating loss carryforwards of $133.6 million for federal purposes and $61.0 million for Oregon purposes. If not utilized, these carryforwards will begin to expire in 2029 and 2027, respectively.

As of December 31, 2019, the Company has research credit carryforwards of $1.7 million for federal purposes and $0.2 million for Oregon purposes. If not utilized, these carryforwards will begin to expire in 2029 and 2020, respectively.

As of December 31, 2019, the Company's unrecognized tax benefits totaled $0.5 million. For the years ended December 31, 2019 and 2018, the unrecognized tax benefits are shown as an offset to the applicable deferred tax asset.

A provision of the Internal Revenue Code requires that the utilization of net operating losses and research and experimentation credits be limited when there is a change of more than 50% in ownership of the Company as defined by the Internal Revenue Code. The Company has not formally determined but believes the multiple changes in ownership may have occurred. Such ownership changes, if determined to have occurred, could substantially limit the utilization of net operating loss carryforwards, any available research and experimentation credit carryforwards and any other tax assets incurred prior to the change in ownership date.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. At December 31, 2019 and 2018, there were no interest and penalties associated with unrecognized tax benefits.

At December 31, 2019, the Company's statutes of limitation are closed for all federal and state years before 2016. The Company is not currently under Internal Revenue Service or state examination.

(11) Operating Lease Commitments

The Company leases a single facility for its headquarters and conversion facility, which expires in April 2024. The Company has an option to extend the lease for an additional five years after the April 2024 expiration at fair market lease rates. Expenses are recognized on a straight-line basis over the life of the lease. Total rent expense for the years ended December 31, 2019 and 2018 was $348,216 and $188,389, respectively.

The following is a schedule of total future minimum lease payments under the non-cancelable operating lease as of December 31, 2019:

Years Ending December 31:	Operating Leases
2020	$ 411,264
2021	423,602
2022	436,310
2023	449,399
2024	151,268
Total minimum lease payments	$ 1,871,843

(12) Capital Lease Commitments

The Company leases equipment under a capital lease that expires in 2023. Equipment capitalized under the capital lease at December 31, 2019 totals $33,250, with accumulated depreciation of $1,663.

Future minimum lease payments under capital leases are as follows:

Years ending December 31:	2020	$ 9,540
	2021	9,540
	2022	9,540
	2023	3,975
Total lease payments		32,595
Less amounts representing interest		(3,641)
Present value of minimum lease payments		28,954
Current portion of capital leases		(7,780)
Long-term portion of capital leases		$ 21,174

(13) Commitments and Contingencies

The Company entered into a joint development and purchase agreement, as amended, with a vendor to develop and purchase certain equipment that will be integrated into its overall technology platform. The Company is committed to pay $325,000 annually through March 31, 2025 to retain exclusivity. The minimum required payments will be offset against equipment purchases each calendar year. The annual minimum payments do not carryover into succeeding years to offset against equipment purchases. Accordingly, any amounts paid under the annual minimum that are not applied against equipment purchases during the calendar year are expensed.

In November 2013, the Company filed a demand for arbitration against one of its customers for nonpayment of a $1.3 million milestone payment under its contract with the customer. In 2014, the Company resolved its legal dispute with this customer. The terms of the settlement indicated that the Company was required to remit $2.3 million to the customer and that both parties discharge any claims or allegations against the other party. The Company paid $1.6 million to the customer as of December 31, 2014. As of December 31, 2017, $0.7 million was recorded in accrued expenses on the accompanying balance sheets related to this settlement agreement.

On January 31, 2018, the Company amended the settlement agreement, issuing a subordinated Promissory Note in the amount of $674,250. The subordinated note payable was due in 11 equal monthly payments of principal and interest totaling $64,000 beginning January 31, 2018. All amounts have been paid under the Promissory note as of December 31, 2018.

In November 2016, the Company was awarded a $3.0 million grant under the Redevelopment Assistance Capital Program ("RACP") in Delaware County Pennsylvania. The grant is to aid the Company in developing a facility in Delaware County. The potential grant expired during 2018 and is no longer available to the Company.

In April 2019, the Company sold 50% of its ownership in Regenyx to AmSty. The sales price included a contingent portion by which AmSty would pay an additional $1,000,000 if Regenyx

meets certain operational milestones. The Company accounts for the contingent considerations under ASC 450, *Contingencies*. As of December 31, 2019 Regenyx has not met these milestones, and accordingly, no amounts have been recorded for this contingent receivable.

Legal

The Company is periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations. The ultimate resolution of these actions is not expected to have a material adverse effect on the Company's financial position or results of operations.

(14) Subsequent Events

Convertible Note Issuance

In January 2020, the Company issued additional convertible promissory notes totaling $2,050,000.

The Company's outstanding convertible promissory notes were settled on January 7, 2020, resulting in conversion of $9,578,500 of outstanding principal and $1,286,927 of accrued interest into 108,648 shares of common stock at an effective price per share of $100. Additionally, one debt holder exercised its warrant for 8,000 shares. The shares from the settlement and warrant exercise were included in the 1-for-1 share exchange. All fractional shares as a result of the conversion were settled in cash. One debt holder elected to receive cash in the amount of $2,248,308 to settle outstanding principal and accrued interest instead of receiving common stock.

Share Exchange

On January 6, 2020 the shareholders of the Company approved a contribution agreement. Under the contribution agreement all outstanding shares of the Company are exchanged 1-for-1 with shares of Agilyx AS, a company incorporated in Norway. Completion of the share exchange was contingent upon the settlement in common stock or cash of all outstanding convertible promissory notes as well as receipt of gross proceeds of $10,000,000 from a private placement of Agilyx AS shares. Upon completion of the above events the Company exchanged 458,106 shares. Outstanding warrants and stock options were not exchanged and remain outstanding subsequent to the share exchange.

On January 7, 2020, the private placement of Agilyx AS shares was approved resulting in an issuance of 101,496 shares with par value of NOK 1 at a price of NOK 936, for total proceeds of NOK 95,000,256 or approximately $9,580,000, net of offering costs.

On January 6, 2020 the Stockholders of Agilyx voted on and approved a contribution agreement with Agilyx AS, a company incorporated in Norway. The contribution agreement exchanges all shares in the Company into shares in Agilyx AS, effectively making Agilyx AS the parent company of Agilyx.

Licensed Technology
On April 13, 2020, the Company licensed their technology with Toyo Styrene Co., LTD ("Toyo Styrene"), an affiliate of Denka Company Limited. The agreement allows Toyo Styrene to deploy the Agilyx technology near Toyo Styrene's facility in the Chiba Prefecture of Japan. The agreement results in an up-front payment of $1,500,000, with $750,000 payable at inception and $750,000 payable when process design documents are delivered to Toyo Styrene. Further, there are contingent expedited fees totaling $592,000 due under the agreement, and royalty fees associated with future sales under the license agreement.

The Company has evaluated subsequent events and transactions from the balance sheet date through April 27, 2020, the date at which the financial statements were available to be issued.

APPENDIX D:

The Group's unaudited consolidated interim financial statements for the six-month period ended 30 June 2022 (IAS 34)

agilyx

TRANSFORMATIVE INNOVATIONS

2022 Half-Year Report

Table of Contents

A Letter from our CEO

I'm pleased to report a strong start to 2022, as Agilyx continues to grow our unique offering as the only integrated solution provider addressing the significant challenge of plastic waste and providing the basis for transforming this challenge into opportunity.

That solution begins with the exciting growth of Cyclyx, our joint venture with ExxonMobil. Having added seven new members, including key leaders across a variety of industries: BNSF, Dow, NOVA Chemicals, TenCate Grass, among others, and expanded its leadership team, creating a digital asset and data function to help the company scale its platform internationally, Cyclyx is well poised for its ambitious growth trajectory.

Growing the Cyclyx consortium has helped us to increase our impact, including the expansion of collection channels with the launch of the 10 to 90® mission brand, and active piloting of a series of new takeback and engagement programs designed to divert more low-quality waste plastics away from landfills and into the Cyclyx system. The goal is in the name – to increase recycling rates of plastics from 10% to 90%.

The recently announced Cyclyx Circularity Center, in partnership with ExxonMobil, is also a key development for Agilyx, Cyclyx and the future of our global circular economy. This is the first in a series of customized plastic recovery facilities that will provide an industry answer to ensure that we're getting the right feed to the right technology, meeting the growing need of advanced recyclers as well as supporting feed availability to mechanical recyclers.

We've also made exciting progress in our Agilyx partnerships, which allow us to convert waste plastics into the highest-possible value products. We're doing this through licensing conversion technologies to key industry leaders, providing them the specialized core equipment and technology that will help them to become part of the circular economy.

In the first half of 2022 we moved forward in key Agilyx partnerships, including moving into the construction phase with Toyo Styrene for a 10 ton-per-day chemical recycling facility in Japan, bringing our proven chemical recycling technology into the Asian markets. We are also expanding our partnership with Technip Energies, leveraging Agilyx conversion technology and Technip Energies purification process, offering the only fully combined chemical recycling solution in the market today for waste polystyrene.

These operational developments paired with our financial results for the first half of 2022 demonstrate the progress we are taking to grow our organization. We have now completed the process of converting our financial accounts from Norwegian GAAP to IFRS, allowing us to file for up-listing from the Euronext Growth to the main exchange of the Oslo Bors, opening up a wider set of investors into Agilyx. We expect this process to be concluded in September.

Tim Stedman

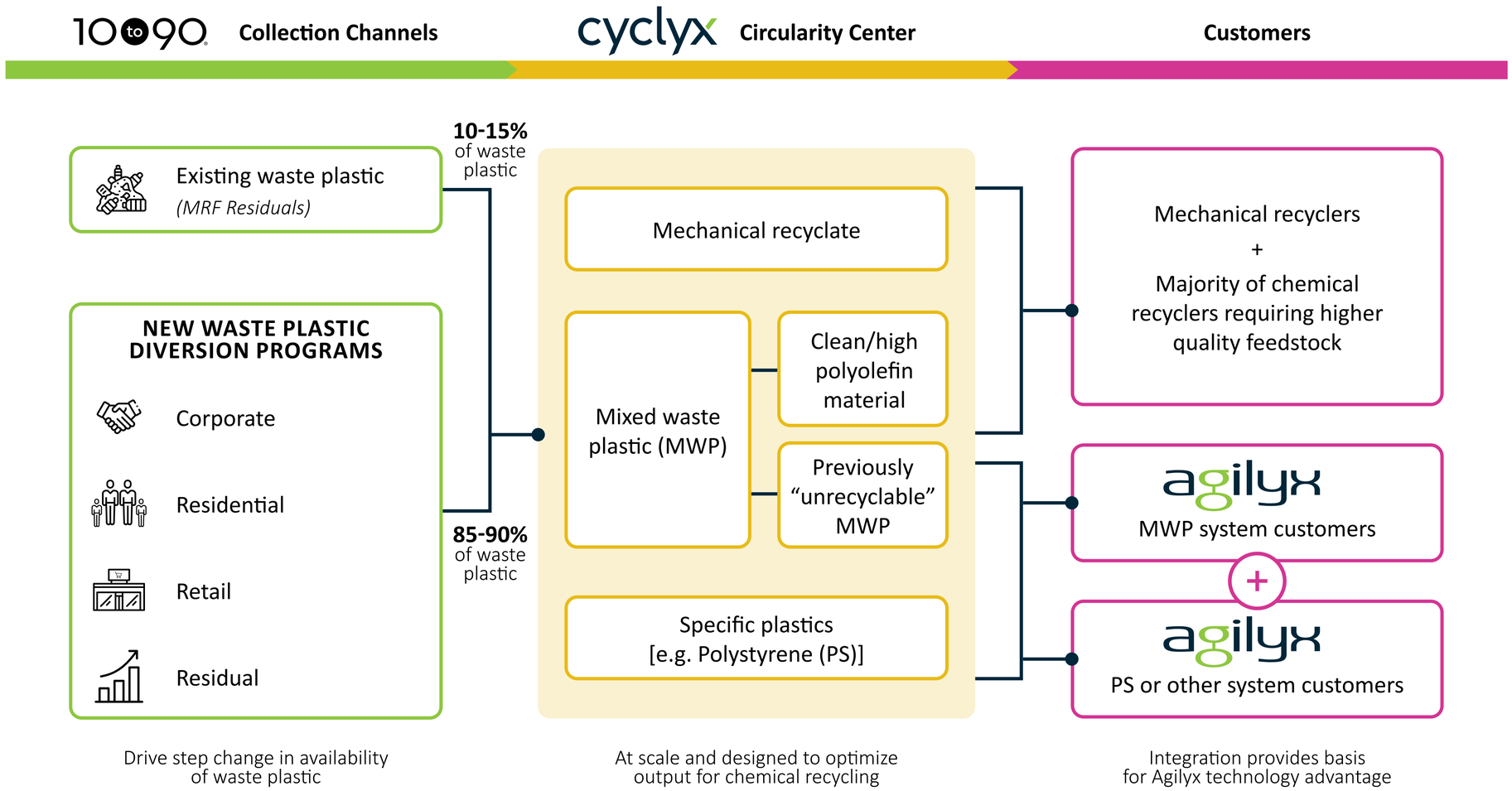
The Big Picture

What We Do

Plastic waste is an immense global challenge that must be addressed, and we believe the time to address it is now.

Agilyx, combined with the feedstock management expertise of Cyclyx, is committed to significantly increasing recycling rates of waste plastics. We are the only company in the market to offer an integrated solution for chemical recycling and feedstock management.

Agilyx and Cyclyx: Integrated Recycling Solution



Our Technology + Innovation

Our offering is truly end-to-end through the combination of Cyclyx and Agilyx, allowing us to support the broader industry to drive recycling rates upward. Our goal is to help increase the global plastic recycling rate from 10% to 90% by building new supply chains for previously unrecycled plastics.

Collection Channels

Our 10 to 90 mission brand is a series of new takeback and engagement programs designed to divert more low-quality waste plastics away from landfill and into the Cyclyx system, where those waste plastics can be recycled. This is a key component to our integrated solution, and an essential step toward a circular economy.

Waste to Feedstock, Feedstock to Product

Cyclyx is getting the right feed to the right technology, creating a new supply chain for waste plastic, diverting post-use plastic from landfill. Agilyx has developed a number of conversion pathways and has proven capability based on our robust seventh generation non-catalyst pyrolysis technology.

Agilyx Group is Dedicated to:

Environmental stewardship

Eliminating plastic waste

Converting plastics into a range of valuable products

Expanding material recovery options

Empowering local communities

Sustainability + Our Mission

Agilyx's mission and core business align with two critical global environmental priorities: addressing the plastic waste crisis and climate change.

Our technologies provide solutions that will help shift our world from a linear to a circular economy, and transition to a lower-carbon future. Working with our customers, we are creating fully circular models where plastics can be continuously recycled.

Agilyx H1 in Brief

Technology Development & Partnerships

- → Cyclyx commissions new plastics laboratory in New Hampshire, expanding waste plastic processing capabilities
- → Agilyx joins the Sustainable Medicines Partnership

Supply Partnerships

- → Cyclyx and its members introduce 10 to 90®, a consumer engagement brand designed to divert more plastics from landfill

Projects Moving into Development

- → Virgin Group and Agilyx to form strategic partnership to produce lower carbon fuel
- → Cyclyx developing first of its kind specialized high volume plastic recovery facility on Gulf Coast to support advanced recycling
- → New project under development for commercial scale polystyrene chemical recycling facility in Southern Europe with leading petrochemical company

Licenses and Projects Moving into Construction

- → Toyo Styrene enters into the construction phase of chemical recycling facility in Japan utilizing Agilyx technology

Leadership

- → Cyclyx appoints James Trevathan Chief Operating Officer
- → Cyclyx expands its executive management team to better leverage its digital and data assets supporting the company's growth
- → Stephen Hamlet appointed Vice President of Human Resources at Agilyx

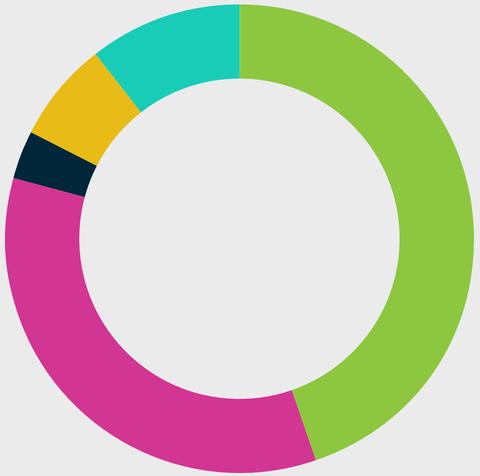
New Cyclyx Members

To date in 2022, Cyclyx has welcomed the following new consortium members:

- → Cyclyx announces Styropek as newest member
- → Dow joins Cyclyx as consortium's newest member
- → Cyclyx welcomes Suncast as consortium's newest member and early retail adopter of advancing circular solutions
- → Cyclyx welcomes freight railway BNSF to consortium and John Lovenburg to its executive advisory board
- → NOVA Chemicals joins Cyclyx as newest consortium member
- → Cyclyx welcomes Sealed Air as newest member of consortium
- → Velcro Companies joins Cyclyx as newest consortium member
- → Advanced Drainage Systems joins the Cyclyx consortium
- → Cyclyx announces TenCate Grass as newest consortium member

Cyclyx Members

As of August 2022, the membership breakdown for Cyclyx is:



- 45% Petrochemical
- 34% Commercial & Industrial
- 10% Waste & Recycling
- 7% Retail & Logistics
- 3% CPG

Strategic Cooperation Examples

spotlight on:

Houston Recycling Collaboration

Cyclyx is in the process of rolling out six new 10 to 90® initiatives in the Houston, Texas area, as a part of the Houston Recycling Collaboration. 10 to 90® is a series of new residential takeback programs combined with educational and affinity reward toolsets designed to increase the diversion of all waste plastic from landfill and to flow these waste plastics to new recycling options with the ultimate goal of increasing the local recycling rate of waste plastic from 10% to 90%. As a founding member of the HRC, Cyclyx is working with its partners in Houston to roll out several of these new initiatives in the area.

spotlight on:

Circularity Centers

Cyclyx is working with consortium members to develop and build a national network of advanced waste plastic processing facilities, known as circularity centers, in strategic locations across the United States. Design work has already begun on the first circularity center located in the Houston, Texas area and the facility is expected to be operational by the first half of 2024. The function of the circularity centers is to source and process waste plastic in an effort to improve access to recycling and help increase the plastic recycling rate from 10% to 90%.

Partnership Testimonials

As a pioneer in chemical recycling and the only integrated recycling solution that incorporates collection, recycling and developing new pathways for recycled materials, we play a key role in enabling a circular economy. Hear more about this impact directly from our partners:

ExxonMobil

"We have seen increasing demand for Cyclyx's business model since we launched the joint venture alongside Agilyx in January of 2021. Cyclyx's new Circularity Center will help us to have committed supply for our advanced recycling facility in Baytown, Texas, helping us to meet our plans there for growth."

- Dave Andrew

Vice president of new market development at ExxonMobil, on the company's partnership with Cyclyx.

TOYO STYRENE

"As the first step toward the circular economy, we will construct a chemical recycling plant for this project, collect post-industrial materials for the time being, and start a chemical recycling business. Furthermore, in order to build a carbon free society through chemical recycling in Japan, we are also planning to participate in a platform that integrates citizens, businesses, and local government, which is being undertaken by Ichihara City, Chiba Prefecture."

- Sanshiro Matsushita

President of Toyo Styrene, on the company's partnership with Agilyx.

"Cyclyx's unique approach to significantly increase plastic recycling rates supports Dow's commitment to boost plastic circularity and keep plastic out of the environment ... Our work with Cyclyx supports Dow's collaboration on leading technologies to enable a sustainable future with resource-efficient production of certified circular plastics – to preserve the environmental benefits of plastics, including the critical role plastics play in reducing carbon emissions."

- Mary-Jane Hogg
Dow global director of waste strategy, on joining the Cyclyx Consortium.

"Joining Cyclyx supports the sustainability goals recently published in the 2021 Sustainability Report and will help ADS to expedite our goal of keeping one billion pounds of plastic from landfills and the waste stream. Being part of Cyclyx aligns with our 10-year sustainability goals that highlight our continued commitment to using recycled plastic, reducing the impact of our energy footprint and safeguarding the environment, while helping to manage the world's most precious resource, water."

- Scott Barbour
Advanced Drainage Systems, Inc. (ADS) president and CEO, on joining the Cyclyx Consortium.

"Joining Cyclyx is just another step in our commitment to continuously improve upon our sustainability practices. Circular solutions are vital to the turf industry, and advancements in feedstock management through organizations like Cyclyx are rapidly becoming more important as we continue to find ways to replicate our end-of-life turf recycling success globally."

- Joe Fields
TenCate Grass America co-CEO, on joining the Cyclyx Consortium.

Financials

AGILYX ASA INTERIM CONSOLIDATED INCOME STATEMENT - UNAUDITED (AMOUNTS IN USD)			
For the six months ended June 30			
OPERATING REVENUE AND OPERATING EXPENSES	**NOTE**	**HY 2021**	**HY 2022**
Revenues	3	790,508	7,828,500
Cost of revenues	4	1,194,852	8,583,228
Gross margin		**(404,343)**	**(754,728)**
Research costs		1,367,258	1,141,101
Sales and marketing		774,777	774,802
General and administrative		5,700,904	8,408,148
Total operating expenses	**4 & 5**	**7,842,939**	**10,324,051**
Operating loss		**(8,247,283)**	**(11,078,779)**
FINANCIAL INCOME AND FINANCIAL EXPENSES			
Impairment of investment in associate	9	(836,312)	(833,045)
Fair value gain on financial instruments	13	2,660,968	2,534,972
Interest expense		(111,675)	(66,184)
Other financial income		800,419	20,374
Other financial expense		(42,105)	(150,020)
Net financial items		**2,471,295**	**1,506,097**
Loss before tax		**(5,775,988)**	**(9,572,682)**
Income tax expense		**-**	**-**
Loss for the period		**(5,775,988)**	**(9,572,682)**
Other comprehensive profit (loss) for the period		**-**	**-**
Total comprehensive loss for the period		**(5,775,988)**	**(9,572,682)**
Loss for the period attributable to:			
Equity holders of the parent		(5,313,053)	(8,822,820)
Non-controlling interest		(462,935)	(749,862)
		(5,775,988)	**(9,572,682)**
Loss per share, basic		(0.07)	(0.11)
Loss per share, diluted		(0.07)	(0.11)

AGILYX ASA INTERIM CONSOLIDATED BALANCE SHEET - UNAUDITED (AMOUNTS IN USD)			
ASSETS			
Non-current assets	**NOTE**	**AS AT DECEMBER 31, 2021**	**AS AT JUNE 30, 2022**
Intangible assets	7	4,398,430	4,210,305
Property, plant and equipment	8	835,117	1,623,680
Right of use asset		974,460	874,108
Other non-current assets		35,802	235,245
Total non-current assets		**6,243,809**	**6,943,338**
Current assets			
Accounts receivable	10	1,669,890	1,803,491
Inventory		60,571	987,417
Prepaid expenses and other current assets		465,324	423,573
Cash and cash equivalents		19,570,154	13,418,003
Total current assets		**21,765,939**	**16,632,484**
TOTAL ASSETS		**28,009,748**	**23,575,822**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Equity			
Share capital	15	86,222	131,116
Share premium		40,493,564	40,579,786
Additional paid-in capital		7,042,680	7,719,903
Total paid-in equity		**47,622,466**	**48,430,805**
Uncovered loss		(34,116,177)	(42,938,997)
Non-controlling interest		1,041,533	1,322,775
Total equity		**14,547,822**	**6,814,583**
LIABILITIES			
Non-current Liabilities			
Long-term lease liability		745,439	627,542
Warrant liability	13	7,570,647	5,035,675
Total non-current Liabilities		**8,316,086**	**5,663,217**
Current liabilities			
Accounts payable	11	1,447,148	1,900,788
Accrued expenses and other current liabilities	12	801,415	760,522
Contract liability		1,376,452	7,516,996
Current portion of lease liability		248,972	219,134
Current portion of notes payable		1,271,853	700,582
Total current liabilities		**5,145,840**	**11,098,022**
TOTAL LIABILITIES		**13,461,926**	**16,761,239**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY		**28,009,748**	**23,575,822**

Oslo, Norway | August 25, 2022

Peter Norris
Chairman

Catherine C. Keenan
Board Member

Tim Stedman
CEO

Steen Jakobsen
Board Member

Ranjeet Bhatia
Board Member

Carolyn Clarke
Board Member

AGILYX ASA INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED (AMOUNTS IN USD)

For the six months ended June 30

	HY 2021	HY 2022
Profit (loss) for the period	**(5,775,988)**	**(9,572,682)**
Depreciation and Intangible amortisation	128,325	270,824
Amortisation on ROU assets	115,658	100,352
Result from investment in Regenyx	836,312	833,045
Stock based compensation	848,576	677,223
Government PPP loan forgiveness	(779,400)	-
Fair value (gain) loss on financial instruments	(2,660,968)	(2,534,972)
Interest expense	33,080	35,666
Accounts receivable	(4,295)	(133,601)
Accounts payable and accrued liabilities	686,732	412,748
Prepaid expenses and other assets	(1,381,560)	(1,084,538)
Contract liability	(459,155)	6,140,543
Other timing differences	76,343	(411)
Net cash from operations	**(8,336,340)**	**(4,855,803)**
Regenyx investment funding	(1,866,312)	(833,045)
Purchases of property and equipment	(71,907)	(871,262)
Net cash from investments	**(1,938,219)**	**(1,704,307)**
Proceeds from Cyclyx member contributions	-	1,031,104
Increases in share capital	168,232	131,116
Principal paid on lease liabilities	(108,691)	(147,324)
Interest paid on lease liabilities	(33,080)	(35,666)
Repayment of notes payable	(600,000)	(571,271)
Net cash from financing	**(573,539)**	**407,959**
Net increase (decrease) in cash and cash equivalents	(10,848,098)	(6,152,151)
Cash and cash equivalents at beginning of the period	38,898,928	19,570,154
Cash and cash equivalents at end of the period	**28,050,830**	**13,418,003**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED (AMOUNTS IN USD)

Group equity	SHARE CAPITAL	SHARE PREMIUM	ADDITIONAL PAID-IN CAPITAL	UNCOVERED LOSS	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTEREST	TOTAL
Balance, January 1, 2021	**83,365**	**39,771,028**	**2,937,059**	**(19,506,921)**	**23,284,531**	**2,000,000**	**25,284,531**
Proceeds from exercise of stock options and warrants	1,289	166,950	2,365,626	-	2,533,865	-	2,533,865
Equity settled share based payment	-	-	848,576	-	848,576	-	848,576
Total comprehensive loss for the period	-	-	-	(5,313,053)	(5,313,053)	(462,935)	(5,775,988)
Balance, June 30, 2021	**84,654**	**39,937,978**	**6,151,261**	**(24,819,974)**	**21,353,919**	**1,537,065**	**22,890,984**
Balance, January 1, 2022	**86,222**	**40,493,564**	**7,042,680**	**(34,116,177)**	**13,506,289**	**1,041,533**	**14,547,822**
Proceeds from exercise of stock options and warrants	771	130,345	-	-	131,116	-	131,116
Par value increase (from NOK 0.01 to NOK 0.02)	44,123	(44,123)	-	-	-	-	-
Equity settled share based payment	-	-	677,223	-	677,223	-	677,223
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	-	-	1,031,104	1,031,104
Total comprehensive loss for the period	-	-	-	(8,822,820)	(8,822,820)	(749,862)	(9,572,682)
Balance, June 30, 2022	**131,116**	**40,579,786**	**7,719,903**	**(42,938,997)**	**5,491,808**	**1,322,775**	**6,814,583**

Note 1: Accounting Policies

Agilyx ASA is a Norwegian company, located in Oslo, Norway and the parent and ultimate parent company in the Agilyx Group. The Agilyx Group headquarters are located in Portsmouth, New Hampshire and Tigard, Oregon (USA) with satellite offices located in Switzerland and Denmark.

Agilyx ASA was incorporated on November 22, 2019 as a shelf company and there was no activity in 2019. Agilyx ASA 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 ASA resulting in Agilyx Corporation becoming a 100% owned subsidiary of Agilyx ASA. The transaction was accounted for as an inverse acquisition using continuity on Agilyx Corporation book values in the consolidated Group statements. However, the underlying business of the Agilyx Group has been in existence since 2004.

The Agilyx Group has developed comprehensive systems, proven technologies and a unique chemistry knowledge base to give waste plastics new purpose. We have the proprietary technology for identifying, managing and preprocessing waste into feedstock. Our integrated solutions can take waste polymers and produce discreet monomers that can be fully recycled back into virgin-equivalent products. Agilyx is committed to using innovative technology for good and helping solve the immense global problem of plastic waste.

These financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2021 annual report.

The first full annual report prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations as approved by the European Union (collectively “IFRSs”) were prepared for the year ended December 31, 2021.

These financial statements for the six months ended June 30, 2022 are the first interim financial statements that the Agilyx Group has prepared in accordance with IAS 34. For the six months ended June 30, 2021 Agilyx Group presented financial statements

in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). In accordance with IFRS 1 First Time Adoption of International Financial Reporting Standards, note 18 includes reconciliations of previously published information, to the updated IFRS presentation included within these financial statements.

The accounting policies, significant estimates and judgments for the six months ended June 30, 2022 are consistent with those disclosed in the December 31, 2021 financial statements, other than an inventory policy which has been added due to a significant increase in inventory levels during the six months ended June 30, 2022 and any new amendments that became effective for periods beginning January 1, 2022, which are discussed below.

Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

First in first out is used to determine the cost of ordinarily interchangeable items.

New Standards Interpretations and Amendments Adopted January 1, 2022

Of the amendments that were effective for the first time for periods beginning on or after January 1, 2022 (primarily amendments to IAS 37 related to Onerous contracts, IAS 16 related to proceeds before intended use for Property Plant and Equipment) none had a specific impact on the results of the Agilyx Group.

New Standards Interpretations and Amendments Not Yet Affected

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. Agilyx Group is currently assessing the impact of these new accounting standards and amendments, but does not expect a material impact at this stage.

Note 2: Significant Events and Transactions

The significant events and transactions that have occurred since December 31, 2021 up to the six months ended June 30, 2022, are listed below:

On April 8, 2022, the Company signed a term sheet for a $5 million line of credit with a Norwegian bank. Stated interest rates on drawn amounts will be LIBOR plus 6% and there are upfront commitment and unused portion fees. The Company cannot submit a drawdown request until it has been admitted to the main list on the Oslo Stock Exhcange.

On March 30, 2022, the Company entered into a material contract with a customer to sell its proprietary equipment. This contract will cause the Company to place several large purchase orders to meet the contract's various requirements. The Company has negotiated favorable upfront payment terms and believes it can meet the related contingent liabilities as they arise.

NOTE 3: REVENUES

GEOGRAPHICAL DISTRIBUTION OF REVENUES	HY 2021	HY 2022
Europe	213,757	88,119
USA	94,836	5,604,940
APAC	460,023	2,074,951
Other	21,892	60,490
Total sales by customers' location	**790,508**	**7,828,500**
PRODUCT CATEGORY		
Project development	752,930	2,396,181
License, membership and royalty fees	10,116	228,919
Sale of goods	27,462	5,203,400
Total sales by category	**790,508**	**7,828,500**

NOTE 4: OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement. Below is the total operating expenses presented by nature.

OPERATING EXPENSES CLASSIFIED BY NATURE	HY 2021	HY 2022
Raw materials and consumables	447,698	4,572,722
Salaries and related costs (note 5)	4,355,257	7,742,250
Depreciation and amortisation	243,983	371,176
Professional fees	3,093,161	4,935,068
Insurance	292,775	283,497
Office expenses	287,260	536,091
Other operating expenses	317,657	466,475
Total expenses	**9,037,791**	**18,907,279**

NOTE 5: SALARY AND SOCIAL COSTS

Agilyx presents the operating expenses by function in the profit and loss statement. Below is the total operating expenses presented by nature.

	HY 2021	HY 2022
Salaries	3,814,281	5,723,631
Social security and payroll tax costs	(792,013)	517,619
Share based compensation (note 14)	848,576	677,223
Pension costs	59,632	75,505
Benefits and other expenses	424,781	748,272
Total salaries	**4,355,257**	**7,742,250**

Agilyx ASA is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme complies with the requirements under that law. 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.

NOTE 6: SEGMENT INFORMATION

The below tables includes all relevant segment information as required by IFRS 8. There has been no change in the segments or basis of allocation from the basis described in the annual financial statements.

PROFIT AND LOSS	HY 2021			HY 2022		
	CYCLYX	AGILYX	TOTAL	CYCLYX	AGILYX	TOTAL
Revenues from external customers	31,158	759,350	790,508	5,427,515	2,400,985	7,828,500
Depreciation and amortization	765	243,218	243,983	15,364	355,812	371,176
Segment loss	(1,889,502)	(6,357,781)	(8,247,283)	(2,909,778)	(8,169,001)	(11,078,779)
Result from investment in Regenyx			(836,312)			(833,045)
Fair value gain on warrant agreements			2,660,968			2,534,972
Interest expense			(111,675)			(66,184)
Other financial income (expense), net			758,314			(129,646)
Non controlling interest			462,935			749,862
Group net loss - Equity Holders of the Parent			(5,313,053)			(8,822,820)
BALANCE SHEET	**FY 2021**			**HY 2022**		
Non-current asset additions	**405,458**	**535,042**	**940,500**	**448,996**	**422,266**	**871,262**
Reportable segment assets	**6,707,612**	**21,302,136**	**28,009,748**	**9,404,760**	**14,171,062**	**23,575,822**
Investment in associate			-			-
Total group assets			28,009,748			23,575,822
Reportable segment liabilities	**2,980,993**	**1,638,433**	**4,619,426**	**3,921,570**	**7,103,412**	**11,024,982**
Loans and borrowings (excluding leases)			1,271,853			700,582
Derivative financial liabilities			7,570,647			5,035,675
Total group liabilities			13,461,926			16,761,239

Revenue by geography- Revenue by geography is included in Note 3. The Cyclyx segment revenue is primarily derived from the US.

Non-current assets by geography- All non-current assets reside in the US.

The Group has the following major customers, which each accounted for at least 10% of revenues in the six months ended June 30, 2021 and 2022

	HY 2021	HY 2022	SEGMENT
Customer A	-	5,222,595	Cyclyx
Customer B	456,673	2,074,951	Agilyx
Customer C	213,757	-	Agilyx
Customer D	113,750	-	Agilyx

NOTE 7: INTANGIBLES

Intangible assets include the following contracts

(i) Cost	LICENSED TECHNOLOGY	EXCLUSIVITY LICENSE	TOTAL
Balance at January 1, 2021	3,575,000	1,188,378	4,763,378
Additions	-	-	-
Balance at December 31, 2021	**3,575,000**	**1,188,378**	**4,763,378**
Balance at January 1, 2022	3,575,000	1,188,378	4,763,378
Additions	-	-	-
Balance at June 30, 2022	**3,575,000**	**1,188,378**	**4,763,378**
(ii) Accumulated amortisation			
Balance at January 1, 2021	186,198	-	186,198
Amortisation charge	178,750	-	178,750
Balance at December 31, 2021	**364,948**	**-**	**364,948**
Balance at January 1, 2022	364,948	-	364,948
Amortisation charge	89,375	98,750	188,125
Balance at June 30, 2022	**454,323**	**98,750**	**553,073**
(iii) Net book value			
Balance at December 31, 2021	**3,210,052**	**1,188,378**	**4,398,430**
Balance at June 30, 2022	**3,120,677**	**1,089,628**	**4,210,305**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Costs	LEASEHOLD IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
At cost January 1, 2021	**227,488**	**427,853**	**655,341**
Additions	488,381	151,843	640,224
At cost December 31, 2021	**715,869**	**579,696**	**1,295,565**
Additions	546,495	324,767	871,262
At cost June 30, 2022	**1,262,364**	**904,463**	**2,166,827**
Depreciation			
Accumulated depreciation January 1, 2021	**218,001**	**166,348**	**384,349**
Depreciation for the year	4,002	72,097	76,099
Accumulated depreciation December 31, 2021	**222,003**	**238,445**	**460,448**
Depreciation for the year	1,581	81,118	82,699
Accumulated depreciation June 30, 2022	**223,584**	**319,563**	**543,147**
Net book value December 31, 2021	**493,866**	**341,251**	**835,117**
Net book value June 30, 2022	**1,038,780**	**584,900**	**1,623,680**

NOTE 9: INVESTMENT IN REGENYX

Agilyx holds a 50% interest in Regenyx. Regenyx was formed in April 2019 and shares its operation space with Agilyx and Cyclyx in Tigard, OR.

Despite holding a 50% interest, Agilyx has assessed that it does not have control or joint control of Regenyx. This is driven by the other 50% shareholder controlling the purchases and sales of Regenyx, via various mechanisms within the operating agreements. Agilyx does have the power to participate in the financial and operating policy decisions of the investee, via its board position. Agilyx has therefore determined that it has significant influence over Regenyx and its investment is therefore measured using the equity method as an investment in associate.

In the period between April 2021 and April 2024 under certain conditions Agilyx is subject to a contractual obligation to purchase all of AmSty's equity investment in Regenyx at the option of AmSty ("put option"). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events have occurred that will initiate the purchase of AmSty's investment in Regenyx.

Impairment of Investment

Agilyx Group is split into two CGU's for impairment analysis purposes, Agilyx and Cyclyx, which is in alignment with the segments disclosed in note 6. Regenyx is part of the Agilyx reportable segment. Furthermore, the investment in Regenyx is separately assessed for impairment because it is able to generate cashflows that are largely independent of the cash inflows from other assets or groups of assets.

For the investment in Regenyx, objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx and AmSty in order to support its continued operation.

Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2021. As can be seen in the tables below, subsequent capital investments by Agilyx, led to impairments for both balance sheet periods presented, on the basis that the recoverable amount using the value in use and fair value less cost to sell methodologies would lead to a fully written off investment.

Despite the impairment, Agilyx Group continues to invest in Regenyx for the broader benefits that it brings to the group, which include servicing an important customer in AmSty, as well as providing R&D and marketing value to demonstrate various new and current technologies being developed and implemented by the Group.

CALCULATION OF BALANCE SHEET VALUE OF INVESTMENT IN REGENYX	
Balance sheet value January 1, 2021	-
Investment during 2021- above initial estimated cash outflow	948,272
Impairment charge – fully impair balance	(948,272)
Balance sheet value December 31, 2021	-
Investment during 2022	833,045
Impairment charge – fully impair balance	(833,045)
Balance sheet value June 30, 2022	-

NOTE 10: ACCOUNTS RECEIVABLE

	FY 2021	HY 2022
Trade accounts receivable	154,524	262,757
Related party receivables (note 16)	350,371	1,144,177
Payroll tax refund receivable	1,164,995	396,557
Total accounts receivable	**1,669,890**	**1,803,491**

The carrying amount of accounts receivable is measured at amortised cost, which approximates fair value.

NOTE 11: ACCOUNTS PAYABLE

	FY 2021	HY 2022
Accounts payable	1,241,420	1,883,504
Related party payables (note 16)	205,728	17,284
Total accounts payable	**1,447,148**	**1,900,788**

NOTE 12: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	FY 2021	HY 2022
Payroll and related accruals	278,761	66,193
Products and services	297,654	469,329
Current license payment	225,000	225,000
Total accrued expenses and other current liabilities	**801,415**	**760,522**

NOTE 13: 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 June 30, 2022 that are exercisable into ordinary shares:

	NUMBER OF ORDINARY SHARES	EXERCISE PRICE PR SHARE - USD	EXPIRATION
Ordinary share warrants converted to subscription rights	**2,447,200**	**1.00**	**2022-2025**

	FY 2021	HY 2022
Warrant liabilities	**7,570,647**	**5,035,675**

The ordinary share warrants and subscription rights, are the only financial instruments measured at fair value through the profit and loss. This treatment is required for the Warrants because the terms of the Warrant include a cash less exercise option, which triggers derivative treatment in accordance with IFRS 9. This is because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date.

All ordinary share warrants and subscription rights are measured using level 3 inputs on the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during any of the periods presented.

The valuation of the Warrant liability was performed using the Black Scholes Model, the following inputs were significant in the computation of fair values at each reporting date:

	FY 2021	HY 2022
Expected term	Various	Various
Equity volatility	30.00- 35.00%	35.00- 40.00%
Risk free rate	0.39- 0.98%	2.53- 2.98%

The Warrant liabilities vest across a number of dates, which correlate with the initial agreement of the warrant. The agreements were typically for five years in total with expiry dates between 2022 and 2025.

As the outstanding warrants for Agilyx are well in the money as of the June 30, 2022 and December 31, 2021 reporting dates, the valuations performed determined that the preponderance of the amount, for each of the respective dates, was intrinsic value in nature. Hence there was very little time value associated with the estimate of value calculated. As a result of this relationship, the change in the value of the instruments is going to be more closely correlated with the change in the underlying equity price as opposed to a change in volatility. This determination was corroborated with the sensitivity calculations completed.

During the six months ended June 30, 2022 no warrants were exercised.

The sensitivity analysis of a reasonably possible change in one significant unobservable input, being the underlying equity value, holding other inputs constant would be:

	EQUITY VALUE AT EXPIRATION -5%	EQUITY VALUE AT EXPIRATION + 5%
At December 31, 2021	(378,160)	378,160
At June 30, 2022	(251,783)	251,783

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	WARRANT LIABILITY
At January 1, 2021	11,267,832
Warrants exercised (converted into 437,500 ordinary shares)	(2,365,626)
Loss on warrant value- presented as fair value through profit and loss	(1,331,559)
At December 31, 2021	7,570,647
Warrants exercised	-
Gain on warrant value- presented as fair value through profit and loss	(2,534,972)
At June 30, 2022	5,035,675

NOTE 14: STOCK OPTIONS

STOCK OPTION PLAN	STOCK OPTION ACTIVITY			
	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE CONTRACTUAL TERM (YEARS)	AGGREGATE INTRINSIC VALUE
Balance at January 1, 2021	**12,182,400**	**$0.75**	**8.4**	**50,556,190**
Share authorized				
Options granted	1,793,750	3.52		
Options exercised	(2,192,946)	0.12		8,706,073
Options forfeited/expired	(350,580)	4.94		
Balance at December 31, 2021	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Share authorized				
Options granted	1,200,000	2.79		
Options exercised	(740,730)	0.18		2,311,275
Options forfeited/expired	(21,786)	2.05		
Balance at June 30, 2022	**11,870,108**	**$1.40**	**7.63**	**20,081,380**
Options vested and expected to vest at June 30, 2022	**11,870,108**	**$1.40**	**7.63**	**20,081,380**
Options exercisable	**6,251,290**	**$0.74**	**6.69**	**14,456,550**

The following information is relevant in the determination of the fair value of options granted during the year under the equity share based remuneration schemes operated by the Group.

	ALL EMPLOYEES		KEY MANAGEMENT PERSONNEL	
	FY 2021	HY 2022	FY 2021	HY 2022
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	$1.09	$1.31	$0.68	$0.67
Exercise price (weighted average)	$1.17	$1.40	$0.68	$0.67
Contractual life (weighted average)	7.87	7.63	7.5	6.99
Expected volatility (weighted average)	33%	33%	35%	35%
Expected dividend growth rate	0%	0%	0%	0%
Risk free interest rate (weighted average)	1.07%	1.26%	1.03%	1.03%

The options outstanding have a range of exercise prices from $0.06 to $4.68

NOTE 15: SHAREHOLDERS

SHAREHOLDERS AS OF JUNE 30, 2022 AND SHARES HELD BY THE CEO AND BOARD MEMBERS	AS AT JUNE 30, 2022	
Citibank	37,656,200	48.1 %
Six Sis AG	6,275,919	8.0 %
Clearstream Banking S.A.	4,285,566	5.5 %
Merrill Lynch	3,642,400	4.7 %
Morgan Stanley & Co. Int. Plc.	2,638,688	3.4 %
MP Pension PK	1,836,251	2.3 %
BNP Paribas Securities Services	1,469,055	1.9 %
Sundt AS	1,198,000	1.5 %
DNB Bank	1,186,190	1.5 %
Caceis Bank	1,118,325	1.4 %
Others	16,967,111	21.7 %
Total	**78,273,705**	**100.0 %**

Ordinary shares include 78,273,705 shares at par value NOK 0.02, all issued and fully paid.

As at January 1, 2021 there were 74,902,500 Ordinary Shares. Within the statement of changes in equity the share capital column provides a reconciliation of the par value of the Ordinary shares for the six months ended June 30, 2022. The table above presents the period end balance in total. The movements can be computed using the share capital column and adjusting for the NOK exchange rate at the relevant transaction dates.

The total number of authorized shares was 87,705,500 at December 31, 2020 and June 30, 2022.

NOTE 16: RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2022, Cyclyx had $5.2M of product sales to ExxonMobil Chemical Co., a minority holder in Cyclyx (none for the 6 months ended June 30, 2021).

Included within Related party receivables in note 10, is $1.1M due from Regenyx as at June 30, 2022 ($350k at December 31, 2021).

Included within Related party payables in note 11, is $0 due to ExxonMobil Chemical Co., at June 30, 2022 ($198,500 at December 31, 2021), and $17,284 amounts due to board members at June 30, 2022 (December 31, 2021: $7,228).

NOTE 17: INCOME TAXES

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended June 30, 2022 and 2021 is 0%.

NOTE 18: FIRST-TIME ADOPTION OF IFRS

These interim financial statements, for the six months ended June 30, 2022, are the first interim statements Agilyx Group has prepared in accordance with IFRS. For the six months ended June 30, 2021, the consolidated financial statements of Agilyx ASA were presented in accordance with NGAAP. As reported in note 1, the annual financial statements for the year ended December 31, 2021, were the first full annual financial statements prepared in accordance with IFRS.

Accordingly, Agilyx Group has prepared financial statements that comply with IFRS applicable as at June 30, 2022, together with the comparative period data for the six months ended June 30, 2021. This note explains the principal adjustments made in restating its Norwegian GAAP financial statements, including the consolidated balance sheet as at June 30, 2021, and the financial statements as of, and for, the six months ended June 30, 2021.

Exemptions applied

Agilyx Group has applied certain exemptions as permitted by IFRS 1, using the principles established and reported in the annual financial statements for the year ended December 31, 2021.

Estimates

The estimates at June 30, 2021 are consistent with those made for the same dates in accordance with NGAAP (apart from in the instances where differences were noted in the accounting treatment- see subsequent notes for further details in relation to Leases, Warrant valuations, Stock based compensation, and Regenyx).

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET AT JUNE 30, 2021

ASSETS	GROUP				
Non-current assets	**NOTE**	**NGAAP**	**RESTATEMENTS**	**IFRS ADJUSTMENTS**	**IFRS AT JUNE 30, 2021**
Intangible assets		4,487,805	-	-	4,487,805
Property, plant and equipment	B	382,246	-	(69,754)	312,492
Right of use asset	B	-	-	806,141	806,141
Investment in associate	D	2,028,800	(2,028,800)	-	-
Other non-current assets		118,550	-	-	118,550
Total non-current assets		**7,017,401**	**(2,028,800)**	**736,387**	**5,724,988**
Current assets					
Accounts receivable		13,359	-	-	13,359
Prepaid expenses and other current assets		1,464,950	-	-	1,464,950
Cash and cash equivalents		28,050,830	-	-	28,050,830
Total current assets		**29,529,139**	**-**	**-**	**29,529,139**
TOTAL ASSETS		**36,546,540**	**(2,028,800)**	**736,387**	**35,254,127**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Equity					
Ordinary shares		84,654	-	-	84,654
Share premium	E, F	88,495,864	-	(48,557,886)	39,937,978
Additional paid-in capital	A, C	560,963	765,887	4,824,411	6,151,261
Total paid-in equity		**89,141,481**	**765,887**	**(43,733,475)**	**46,173,893**
Uncovered loss	A, B, C, D, E	(59,490,662)	(2,794,687)	37,465,374	(24,819,975)
Non-controlling interest		1,537,065	-	-	1,537,065
Total equity		**31,187,884**	**(2,028,800)**	**(6,268,101)**	**22,890,983**

LIABILITIES	GROUP				
Non-current Liabilities	**NOTE**	**NGAAP**	**RESTATEMENTS**	**IFRS ADJUSTMENTS**	**IFRS AT JUNE 30, 2021**
Long-term notes payable		275,000	-	-	275,000
Long-term lease liability	B	-	-	536,431	536,431
Warrant liability	A	-	-	6,241,238	6,241,238
Other long-term liabilities		605,646	-	-	605,646
Total non-current Liabilities		**880,646**	**-**	**6,777,669**	**7,658,315**
Current liabilities					
Accounts payable		1,064,170	-	-	1,064,170
Accrued expenses and other current liabilities		760,104	-	-	760,104
Deferred revenue		1,437,693	-	-	1,437,693
Current portion lease liability	B	-	-	226,819	226,819
Current portion of notes payable		1,216,043	-	-	1,216,043
Total current liabilities		**4,478,010**	**-**	**226,819**	**4,704,829**
TOTAL LIABILITIES		**5,358,656**	**-**	**7,004,488**	**12,363,144**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY		**36,546,540**	**(2,028,800)**	**736,387**	**35,254,127**
RECONCILIATION OF TOTAL CONSOLIDATED INCOME STATEMENT AT JUNE 30, 2021					
Operating revenue and operating expenses					
Revenues		790,508	-	-	790,508
Cost of revenues		1,194,852	-	-	1,194,852
Gross margin		**(404,344)**	**-**	**-**	**(404,344)**
Research and development		1,367,258	-	-	1,367,258
Sales and marketing		774,777	-	-	774,777
General and administrative	B, C	5,264,529	462,488	(26,113)	5,700,904
Total operating expenses		**7,406,564**	**462,488**	**(26,113)**	**7,842,939**
Operating profit (loss)		**(7,810,909)**	**(462,488)**	**26,113**	**(8,247,284)**
Financial income and financial expenses					
Impairment of investment in Regenyx	D	(1,446,358)	610,046	-	(836,312)
Fair value gain on warrant agreements	A	-	-	2,660,968	2,660,968
Interest expense	B	(78,595)	-	(33,080)	(111,675)
Other financial income (expense), net		758,314	-	-	758,314
Net financial items		**(766,639)**	**610,046**	**2,627,888**	**2,471,295**
Total comprehensive profit (loss) for the period		**(8,577,548)**	**147,558**	**2,654,001**	**(5,775,989)**
Less: Non-controlling interest		**(462,935)**	**-**	**-**	**(462,935)**
Total comprehensive profit (loss) for the period excluding Non-controlling interest		**(8,114,613)**	**147,558**	**2,654,001**	**(5,313,054)**

NOTES TO THE RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2021 AND CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2021

NOTE	DESCRIPTION	NATURE OF ADJUSTMENT
A	**Warrant liability and subscription rights adjustment** This adjustment inserted the fair value of the warrants on to the balance sheet and then flowing any corresponding movement in the fair value through the income statement. Under NGAAP, these amounts were not recognized on the balance sheet, but due to the terms and nature of the warrant agreements, these represent derivative financial instruments in accordance with IFRS and therefore they must be measured at fair value through the profit and loss. Note 13 discloses the respective fair values at each reporting date and details of the income statement movements for both periods presented.	IFRS adjustment
B	**Recognition of right of use assets and lease liabilities in accordance with IFRS 16** Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. Under NGAAP, assets held under finance leases are capitalized and included in property, plant and equipment. Under IFRS, they are presented in right-of-use assets. A finance lease was entered into during 2020, thus at June 30 2021, $69,754 was reclassified from property, plant and equipment to right-of-use assets. The changes in the income statement relate to amortization of right of use assets and interest incurred on the lease liabilities.	IFRS adjustment
C	**Stock compensation adjustment** Previously, the Agilyx Group recognized the cost, for the stock compensation plan as an expense on a straight line basis over the vesting period, this approach was in accordance with USGAAP, but did not align with NGAAP nor IFRS and is therefore included as a reconciling item in the bridges presented above. NGAAP and IFRS require the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period using an accelerated recognition basis. NGAAP and IFRS also require that graded vesting awards with only service conditions be recognized and measured only as, in substance, multiple awards whereas previously, the Company elected to treat graded vesting awards as a single award. An additional expense of $462,488 has been recognized in the income statement for the six months ended June 30, 2021.	Restatement
D	**Impairment of investment in Regenyx** Objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx and Americas Styrenics, LLC ("AmSty") in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed. Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired. This adjustment is as a result of a new assessment of Regenyx, whereby it was separately assessed for impairment because it is able to generate cashflows that are largely independent of the cash inflows from other assets or group. If the assessment had been made previously, this adjustment would also have been recognized in accordance with NGAAP and the entry is therefore presented in the restatement columns in the tables above.	Restatement
E	**Derivative liability - conversion feature** Prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding. The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020. The conversion feature meets the IFRS 9 definition of a derivative because its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020). An adjustment for $500,373 was therefore made at the opening balance sheet date for IFRS purposes and is an equity reserve adjustment only for these interim statements.	IFRS adjustment
F	**Capital reorganization** Following the inversion transaction described in more detail in the annual financial statements, the share premium and additional paid in capital reserves of the Group were adjusted to match those of the parent company, so as to present continuity following the common control transaction.	IFRS adjustment
G	**Impact on earnings per share as previously reported** Since earnings per share was not previously reported under NGAAP, this note does not include disclosure of the impact of the restatements on any earnings per share calculation.	IFRS adjustment
H	**Statement of cashflows** Under NGAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognizes lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by $141,771 for the six months ended June 30, 2021 and cash outflows from financing activities increased by the same amounts.	IFRS adjustment

NOTE 19: SUBSEQUENT EVENTS

Cyclyx International is advancing the development of a previously announced (https://newsweb.oslobors.no/message/549366), first of its kind, Cyclyx Circularity Center (CCC), an advanced plastic feedstock processing facility in Texas. External financial support has been secured for initial funding of up to $14.8M to allow completion of engineering and to facilitate the ordering of key long lead time equipment, of which $1.75M has already been received. Anticipated completion of construction will be in the second half of 2023 and commissioning is expected in the first quarter of 2024.

Responsibility Statement

We confirm that, to the best of our knowledge, the consolidated interim financial statements for the first half of 2022 which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operation. To the best of our knowledge, the interim report for the first half of 2022 includes a fair review of important events that have occurred during the period and their impact on the financial statements.

August 25, 2022

Peter Norris
Chairman

Catherine C. Keenan
Board Member

Tim Stedman
CEO

Steen Jakobsen
Board Member

Ranjeet Bhatia
Board Member

Carolyn Clarke
Board Member

RSM Norge AS

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To the Board of Directors of Agilyx ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated balance sheet of Agilyx ASA as at 30 June 2022, and the related consolidated income statement, the statement of changes in equity and the cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information that give a true and fair view in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not, in all material respects, give a true and fair view of the financial position of the entity as at 30 June 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 25 August 2022
RSM Norge AS

Cecilie Tronstad
State Authorised Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Cecilie Tronstad
State Authorised Public Accountant
På vegne av: RSM Norge AS
Serienummer: 9578-5999-4-1466689
IP: 81.191.xxx.xxx
2022-08-25 17:46:20 UTC

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Appendix: Revised International Financial Reporting Standards Financials

AGILYX ASA PARENT AND CONSOLIDATED INCOME STATEMENT

For the Period Ended December 31 (Amounts in USD)

Parent				Group	
2020	2021	Note	Operating revenue and operating expenses	2020	2021
-	-	3	Revenues	4,336,151	4,889,227
-	-	4	Cost of revenues	2,441,487	4,825,819
-	**-**		**Gross margin**	**1,894,665**	**63,408**
-	-		Research costs	1,505,752	2,252,214
-	-		Sales and marketing	412,285	1,097,922
384,988	792,270		General and administrative	6,922,973	13,172,488
384,988	**792,270**	4 & 5	**Total operating expenses**	**8,841,010**	**16,522,624**
(384,988)	**(792,270)**		**Operating loss**	**(6,946,346)**	**(16,459,216)**
			Financial income and financial expenses		
-	-	10	Impairment of investment in associate	(505,781)	(948,272)
(13,726,617)	1,331,559	14	Fair value gain (loss) on financial instruments	(13,517,913)	1,331,559
-	-		Interest expense	(346,811)	(199,635)
87,032	7,354		Other financial income	112,738	799,999
-	(23,111)		Other financial expense	(30,519)	(92,158)
(13,639,585)	**1,315,802**		**Net financial items**	**(14,288,286)**	**891,493**
(14,024,573)	**523,532**		**Profit (loss) before tax**	**(21,234,632)**	**(15,567,723)**
-	**-**		**Income tax expense**	**-**	**-**
(14,024,573)	**523,532**		**Profit (loss) for the period**	**(21,234,632)**	**(15,567,723)**
-	**-**		**Other comprehensive profit (loss) for the period**	**-**	**-**
(14,024,573)	**523,532**		**Total comprehensive profit (loss) for the period**	**(21,234,632)**	**(15,567,723)**
			Loss for the period attributable to:		
			Equity holders of the parent	(21,234,632)	(14,609,256)
			Non-controlling interest	-	(958,467)
				(21,234,632)	**(15,567,723)**
		24	Earnings per share, basic	(0.35)	(0.19)
		24	Earnings per share, diluted	(0.35)	(0.19)

AGILYX ASA PARENT AND CONSOLIDATED BALANCE SHEET

As of December 31 (Amounts in USD)

ASSETS

	Parent					Group	
As at January 1, 2020	2020	2021	Note	Non-current assets	As at January 1, 2020	2020	2021
-	-	-	7	Intangible assets	4,755,930	4,577,180	4,398,430
-	-	-	8	Property, plant and equipment	124,220	270,992	835,117
-	-	-	9	Right of use asset	1,054,036	930,340	974,460
-	11,744,472	31,484,467	17	Shares in subsidiaries	-	-	-
-	-	-		Other non-current assets	27,700	98,555	35,802
-	**11,744,472**	**31,484,467**		**Total non-current assets**	**5,961,886**	**5,877,067**	**6,243,809**
				Current assets			
-	-	-	11	Accounts receivable	250,000	9,064	1,669,890
-	-	6,939		Prepaid expenses and other current assets	90,165	165,165	525,895
3,407	28,721,621	11,307,524		Cash and cash equivalents	2,344,037	38,898,928	19,570,154
3,407	**28,721,621**	**11,314,463**		**Total current assets**	**2,684,202**	**39,073,157**	**21,765,939**
3,407	**40,466,093**	**42,798,930**		**TOTAL ASSETS**	**8,646,088**	**44,950,224**	**28,009,748**

AGILYX ASA PARENT AND CONSOLIDATED BALANCE SHEET (CONT.)

As of December 31 (Amounts in USD)

LIABILITIES AND STOCKHOLDERS' EQUITY

				Equity			
3,407	83,365	86,222	16	Share capital	137,623,033	83,365	86,222
-	39,771,028	40,493,564		Share premium	-	39,771,028	40,493,564
-	2,937,059	7,042,680		Additional paid-in capital	3,763,889	2,937,059	7,042,680
3,407	**42,791,452**	**47,622,466**		**Total paid-in equity**	**141,386,922**	**42,791,452**	**47,622,466**
-	(14,024,573)	(13,501,041)		Uncovered loss	(156,895,466)	(19,506,921)	(34,116,177)
-	-	-		Non-controlling interest	-	2,000,000	1,041,533
3,407	**28,766,879**	**34,121,425**		**Total equity**	**(15,508,544)**	**25,284,531**	**14,547,822**

LIABILITIES

Parent					Group		
As at January 1, 2020	**2020**	**2021**	**Note**	**Non-current liabilities**	**As at January 1, 2020**	**2020**	**2021**
-	-	-	19	Long-term notes payable	2,525,000	875,000	-
-	-	-	9	Long-term lease liability	871,939	701,885	745,439
-	11,267,832	7,570,647	14	Warrant liability	208,704	11,267,832	7,570,647
-	-	-	19	Other long-term liabilities	-	536,840	-
-	**11,267,832**	**7,570,647**		**Total non-current liabilities**	**3,605,643**	**13,381,557**	**8,316,086**
				Current liabilities			
-	-	-	12	Accounts payable	529,664	627,429	1,447,148
-	72,288	84,438	13	Accrued expenses and other current liabilities	1,757,546	494,069	801,415
-	-	-	21	Provision	3,778,009	1,030,000	-
-	359,094	1,022,420	17	Payables to group companies	-	-	-
-	-	-	20	Contract liability	2,887,800	1,896,848	1,376,452
-	-	-	9	Current portion lease liability	182,097	240,348	248,972
-	-	-	19	Current portion of notes payable	10,913,500	1,995,443	1,271,853
-	-	-	22	Derivative liability-conversion feature	500,373	-	-
-	**431,382**	**1,106,858**		**Total current liabilities**	**20,548,989**	**6,284,136**	**5,145,840**
-	**11,699,214**	**8,677,505**		**TOTAL LIABILITIES**	**24,154,632**	**19,665,693**	**13,461,926**
3,407	**40,466,093**	**42,798,930**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**8,646,088**	**44,950,224**	**28,009,748**

Oslo, Norway | August 25, 2022

Peter Norris
Chairman

Tim Stedman
CEO

Ranjeet Bhatia
Board Member

Catherine C. Keenan
Board Member

Steen Jakobsen
Board Member

Carolyn Clarke
Board Member

AGILYX ASA PARENT AND CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended December 31 (Amounts in USD)

Parent			Group	
2020	2021		2020	2021
(14,024,573)	**523,532**	**Profit (loss) for the period**	**(21,234,632)**	**(15,567,723)**
-	-	Depreciation	210,014	254,850
-	-	Amortisation on ROU assets	209,110	251,018
-	-	Loss on lease modification/termination	-	(480)
-	-	Result from investment in Regenyx	506,151	948,272
-	-	Stock based compensation	478,274	1,739,995
-	-	Government PPP loan forgiveness	-	(769,400)
13,726,617	(1,331,559)	Fair value (gain) loss on financial instruments	13,517,913	(1,331,559)
-	-	Interest expense	73,657	69,342
-	-	Accounts receivable	240,936	(1,660,826)
431,382	675,476	Accounts payable and accrued liabilities	161,224	1,111,022
-	(6,939)	Prepaid expenses and other assets	(84,076)	(360,730)
-	-	Other timing differences	(825,413)	(356,586)
133,426	**(139,490)**	**Net cash from operations**	**(6,746,842)**	**(15,672,805)**
(11,214,253)	(18,000,000)	Cash contribution from parent to subsidiaries	-	-
-	-	Regenyx investment funding	(3,253,790)	(1,978,272)
-	-	Purchases of property and equipment	(178,031)	(640,225)
(11,214,253)	**(18,000,000)**	**Net cash from investments**	**(3,431,821)**	**(2,618,497)**
-	-	Proceeds from government programs	779,400	-
39,802,448	725,393	Proceeds from capital increases	39,802,448	725,393
-	-	Proceeds from Cyclyx member contributions	8,000,000	-
(3,407)	-	Share capital paid back at formation	(3,704)	-
-	-	Principal paid on lease liabilities	(197,217)	(242,480)
-	-	Interest paid on lease liabilities	(73,657)	(69,342)
-	-	Repayment of notes payable	(1,573,716)	(1,451,043)
39,799,041	**725,393**	**Net cash from financing**	**46,733,554**	**(1,037,472)**
28,718,214	(17,414,097)	Net increase (decrease) in cash and cash equivalents	36,554,891	(19,328,774)
3,407	28,721,621	Cash and cash equivalents at beginning of the period	2,344,037	38,898,928
28,721,621	**11,307,524**	**Cash and cash equivalents at end of the period**	**38,898,928**	**19,570,154**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group						
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Total attributable to equity holders of the parent	Non-controlling interest	Total
Balance, January 1, 2020	**137,623,033**	**-**	**3,763,889**	**(156,895,466)**	**(15,508,544)**	**-**	**(15,508,544)**
Exercise of convertible debt	-	11,288,200	-	-	11,288,200	-	11,288,200
Proceed from stock offering at time of inversion	11,506	10,758,277	-	-	10,769,783	-	10,769,783
Costs related to stock offering	-	(646,398)	-	-	(646,398)	-	(646,398)
Capital reorganization*	(137,571,088)	(11,288,200)	(3,763,889)	152,623,177	-	-	-
Proceeds from stock offering pre-listing	17,529	31,464,308	-	-	31,481,837	-	31,481,837
Costs related to stock offering	-	(1,888,910)	-	-	(1,888,910)	-	(1,888,910)
Proceeds from exercise of stock options and warrants	2,385	83,751	2,458,785	-	2,544,921	-	2,544,921
Payment made from non-controlling interest in Cyclyx Int. LLC	-	-	-	6,000,000	6,000,000	2,000,000	8,000,000
Equity settled share based payment	-	-	478,274	-	478,274	-	478,274
Total comprehensive profit (loss) for the period	-	-	-	(21,234,632)	(21,234,632)	-	(21,234,632)
Balance, December 31, 2020	**83,365**	**39,771,028**	**2,937,059**	**(19,506,921)**	**23,284,531**	**2,000,000**	**25,284,531**
Proceeds from exercise of stock options and warrants	2,857	3,088,162	2,365,626	-	3,091,019	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	1,739,995	-	1,739,995
Total comprehensive profit (loss) for the period	-	-	-	(14,609,256)	(14,609,256)	(958,467)	(15,567,723)
Balance, December 31, 2021	**86,222**	**40,493,564**	**7,042,680**	**(34,116,177)**	**13,506,289**	**1,041,533**	**14,547,822**

** The legal structure of The Group was changed in January 2020. A new company, Agilyx AS, was established to serve as the parent company of The Group subsequent to the reorganization. The inversion transaction that initiated this adjustment is described in more detail in notes 1 and 25.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Parent				
	Share capital	Share premium	Additional paid-in capital	Uncovered loss	Total
Balance, January 1, 2020	**3,407**	**-**	**-**	**-**	**3,407**
Reduction of ordinary shares	(3,407)	-	-	-	(3,407)
Capital increase by inversion	51,945	-	-	-	51,945
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 and warrants	2,385	83,751	2,458,785	-	2,544,921
Equity settled share based payment	-	-	478,274	-	478,274
Net result for the year	-	-	-	(14,024,573)	(14,024,573)
Balance, December 31, 2020	**83,365**	**39,771,028**	**2,937,059**	**(14,024,573)**	**28,766,879**
Proceeds from exercise of stock options and warrants	2,857	722,536	2,365,626	-	3,091,019
Equity settled share based payment	-	-	1,739,995	-	1,739,995
Net result for the year	-	-	-	523,532	523,532
Balance, December 31, 2021	**86,222**	**40,493,564**	**7,042,680**	**(13,501,041)**	**34,121,425**

NOTE 1: ACCOUNTING POLICIES

Agilyx ASA is a Norwegian company, located in Oslo, Norway and the parent and ultimate parent company in the Agilyx Group. The Agilyx Group headquarters are located in Portsmouth, New Hampshire and Tigard, Oregon (USA) with satellite offices located in Switzerland and Denmark.

Agilyx ASA was incorporated on November 22, 2019 as a shelf company and there was no activity in 2019. Agilyx ASA 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 ASA resulting in Agilyx Corporation becoming a 100% owned subsidiary of Agilyx ASA. The transaction was accounted for as an inverse acquisition using continuity on Agilyx Corporation book values in the consolidated Group statements (see note 25 for additional information on the inversion transaction). However, the underlying business of the Agilyx Group has been in existence since 2004.

The Agilyx Group has developed comprehensive systems, proven technologies and a unique chemistry knowledge base to give post-use plastics new purpose. We have the proprietary technology for identifying, managing and preprocessing waste into feedstock. Our integrated solutions can take waste polymers and produce discreet monomers that can be fully recycled back into virgin-equivalent products. Agilyx is committed to using innovative technology for good and helping solve the immense global problem of plastic waste.

Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP). For the years ended December 31, 2020 and December 31, 2021, the consolidated financial statements of Agilyx ASA were presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP).

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations as approved by the European Union (collectively IFRSs). These financial statements for the year ended December 31, 2021 are the first that the Agilyx Group has prepared in accordance with IFRS. Refer to Note 2 for information on how Agilyx Group adopted IFRS.

The US Dollar is the presentation currency of the Agilyx Group. All foreign operations use US Dollar as their functional currency.

The consolidated financial statements have been prepared on a historical cost basis, except for warrants and Derivative liability related to the conversion feature within the convertible debt, which have been measured at fair value (see note 14 and 22).

Principles of Consolidation

The consolidated financial statements include the accounts of Agilyx ASA and its subsidiaries Agilyx Corporation, Agilyx GmbH, Agilyx ApS and Cyclyx International, LLC. The cost price of shares and partnership units are eliminated against the equity in the underlying companies. Agilyx Corporation holds 50% interest in Regenyx LLP, which has been accounted for under the equity method.

Control is achieved when Agilyx Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Agilyx Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Agilyx Group has less than a majority of the voting or similar rights of an investee, Agilyx Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Agilyx Group's voting rights and potential voting rights

Agilyx Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Agilyx Group obtains control over the subsidiary and ceases when Agilyx Group loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue

Performance obligations and timing of revenue recognition
Agilyx Group's revenues can be divided into three main streams, as analyzed numerically in note 3:

Project development
Revenues related to project developments are recognized over the contract period using percentage of completion as the method for measuring the revenue. This is because the projects created have no alternative use for Agilyx Group and the contracts require payment to be received for the time and effort spent by the group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the group's failure to perform its obligations under the contract. On partially complete design contracts, Agilyx Group recognizes revenue based on stage of completion of the project, which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represents the amount to which the group would be entitled based on its performance to date.

License, membership and royalty fees
License revenues are recognized when the license is delivered and the rights are transferred to the buyer. The rights relate to Agilyx Group's patented conversion technology which helps customers to take feedstock and turn it into a product. Once the rights are transferred to the buyer, Agilyx Group usually has a present right to payment and retains none of the significant risks and rewards of the goods in question.

Sales of goods
Revenues from the sale of goods are recognized at the point in time of the delivery, when control of the goods and risk of ownership has transferred to the customer. There is limited judgment needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Agilyx Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price
Agilyx Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There are no revenue contracts with significant financing components.

Allocating amounts to performance obligations
For sales contracts there is a fixed unit price for each product sold. Therefore, there is no judgment involved in allocating the contract price to each unit ordered. Where a customer orders more than one product line, Agilyx Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Agilyx Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies, related to the presentation of remaining performance obligations.

Research and Development Expenses

Expenditure on internally developed product or technology is capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold
- Adequate resources are available to complete the development
- There is an intention to complete and sell the product
- The Group is able to sell the product
- Sale of the product will generate future economic benefits, and
- Expenditure on the project can be measured reliably.

Capitalized development costs are amortized over the periods Agilyx Group expects to benefit from selling the products developed. No projects have met this criteria for any of the periods presented.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the consolidated income statement as incurred.

Income Tax

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Agilyx Group operates and generates taxable income.

Deferred taxation
Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where Agilyx Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when Agilyx Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with IFRS 2 – share-based payment. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards, using the accelerated method. The amount recognized as an expense, commences on the first of the month following the date of the grant and is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

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” in the Company’s income statement.

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 contractual terms of the underlying agreements.

Financial Instruments

Financial assets
Agilyx Group categorizes all of its financial assets as amortized cost, due to the nature and purpose of the assets.

These assets arise principally from the provision of goods and services to customers (e.g. accounts receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (principally cash and cash equivalents). They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment, as required.

Impairment provisions for current and non-current trade receivables are recognized based on the simplified approach within IFRS 9 – see note 11 for further commentary on the application of this.

Agilyx Group's financial assets measured at amortized cost comprise accounts receivables and cash and cash equivalents in the consolidated balance sheet.

Financial liabilities
Agilyx Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss
This category comprises warrants and subscription rights, as well as a conversion feature on convertible debt, which existed at the opening balance sheet date, all of which are derivative financial instruments. They are carried in the consolidated balance sheet at fair value with changes in fair value recognized in the consolidated profit and loss. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities - measured at amortized cost
Other financial liabilities include notes payable, accounts payable, payables to Group companies and lease liabilities. These are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Any interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Accounts payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

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, based on the useful economic life as described in note 7. 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 8. This period's depreciation is charged to this year's operating expenses in the income statement.

Investment in Regenyx

Where Agilyx Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an equity method investment. This is the case with the investment in Regenyx (see note 10). Regenyx was initially recognized in the consolidated balance sheet at cost. Subsequently Regenyx is accounted for using the equity method, where Agilyx Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss. See notes below and in note 10 related to the impairment loss recognized in relation to this investment.

Profits and losses arising on transactions between Agilyx Group and Regenyx are recognized only to the extent of unrelated investors' interests in Regenyx. The investor's share in Regenyx's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

In the income statement the profit or loss is shown in financial income.

Subsidiaries

Investments in subsidiaries are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Leases

Identifying leases

Agilyx Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

1. There is an identified asset;
2. Agilyx Group obtains substantially all the economic benefits from use of the asset; and
3. Agilyx Group has the right to direct use of the asset.

Agilyx Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Agilyx Group obtains substantially all the economic benefits from use of the asset, Agilyx Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Agilyx Group has the right to direct use of the asset, Agilyx Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Agilyx Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Initial Measurement

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. The incremental borrowing rate is determined with reference to the current external borrowing rates of Agilyx Group, adjusted so as to arrive at the rate of interest that Agilyx Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favor of the group if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Impairment of Non-financial Assets

Agilyx Group non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. See note 10, for specific analysis performed on the investment in Regenyx.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income.

Receivables

Trade receivables and other receivables are recognized at amortized cost, less any provision for expected credit losses of receivables. See note 11 for further information on how Agilyx Group applies the simplified model for expected credit losses, as permitted by IFRS 9 Expected Credit Losses.

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.

Independent Subscription Rights - Derivative Liability

Agilyx Corporation has granted warrants in connection with various debt and equity issuances that were exercisable into ordinary shares. In connection to the share exchange that was completed January 7, 2020, these warrants were replaced with subscription rights where Agilyx ASA 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.

The warrant agreements include a cashless exercise option, which introduces variability into the number of shares that could be issued. The instruments therefore fails the fixed for fixed requirement in IAS 32 and is classified as a derivative liability. The instruments meet the definition of a derivative because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. See note 14 for additional information on these instruments and the valuation approach.

Provisions

The group has recognized a provision for the liability incurred as a result of the contractual obligation to fund the operations of Regenyx for the first 24 months of its operations. The provision is measured at the best estimate of the expenditure required to settle the obligation at each reporting date.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. See COVID-19 pandemic section below for additional information related to the government PPP loan, which was forgiven during 2021.

Cash Flow

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

Critical Accounting Estimates and Judgments

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make certain estimates and judgments 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. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed 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.

Significant estimates and judgments are applied in the following areas:

- Estimating the amounts due for the initial funding period provision related to the Regenyx investment (note 21)
- Assumptions and estimates related to the impairment of the investment in Regenyx, including future cash flows (note 10)
- Recording accounts receivable, and consideration of any potential allowance for expected credit losses (note 11)
- Useful lives attributed to property plant and equipment and intangible assets (notes 7 and 8)
- Revenue recognized in accordance with the stage of completion method (see accounting policy above and note 3)
- Stock-based compensation expense (note 15)
- Warrant and stock subscription rights, valuation assumptions (note 14 and 22)
- Valuation assumptions applied in valuing the conversion feature included within convertible debt at the opening balance sheet date (note 22)
- Assumptions related to the initial recognition of leases and the subsequent accounting for these agreements, including incremental borrowing rates and determination of lease term applied when computing lease liabilities (see also accounting policy above and note 9)

Fair value measurement

Warrant and stock subscription rights, the derivative conversion feature embedded within the convertible debt at the opening balance sheet and the stock compensation expenses, all require measurement at, and/or disclosure of, fair value.

The fair value measurement of Agilyx Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. Please refer to the applicable notes as referenced above for additional information on the fair value measurements applied within these financial statements.

New Standards Interpretations and Amendments Adopted January 1, 2021

As explained in note 2, Agilyx Group adopted IFRS for the first time in these financial statements with an effective date of January 1, 2020. For all periods presented, standards that were effective for annual periods ended on or after January 1, 2021 were applied consistently.

Of the new standards that were effective for the first time for periods beginning on or after January 1, 2021 (primarily amendments to IFRS 16 for COVID-19 related rent concessions and amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to Interest Rate Benchmark reform), none of these had a specific impact on the results of the Agilyx Group.

New Standards Interpretations and Amendments Not Yet Affective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning January 1, 2022:

- Onerous contracts – cost of fulfilling a contract (amendments to IAS 37);
- Property, plant and equipment: proceeds before intended use (amendments to IAS 16);
- Annual improvements to IFRS standards 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to conceptual framework (amendments to IFRS 3).

The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2);
- Definition of accounting estimates (amendments to IAS 8); and
- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12).

Agilyx Group is currently assessing the impact of these new accounting standards and amendments, but does not expect any a material impact at this stage.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak on the economy and the Company's operations is fluid and constantly evolving. Management is actively monitoring the global situation and its impact on the Agilyx Group financial condition, liquidity, operations, suppliers, customers, industry and workforce, but the magnitude of such impact is yet uncertain. The ultimate severity, magnitude and duration of COVID-19 is rapidly changing and hard to predict and measure. The potential future impact of the COVID-19 pandemic on the Agilyx Group's business, results of operations and financial performance is difficult to predict and will depend on future developments, and such effects could exist for an extended period of time. While management expects the COVID-19 pandemic to continue to impact our results of operations, cash flows and financial position, the current level of uncertainty over the economic and operational impacts of COVID-19 means the related impact to our business cannot be reasonably estimated at this time.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act, among other things, included provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also appropriated funds for the Small Business Administration's (SBA) Paycheck Protection Program loans (PPP loan), which are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

On April 20, 2020, Agilyx Corporation obtained a $779,400 PPP loan through Comerica Bank. The application for these funds required Agilyx Corporation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Agilyx Corporation. This certification further required Agilyx Corporation to take into account current business activity at the time and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that was not significantly detrimental to the business. As permitted under the terms of the CARES Act, the Agilyx Corporation applied for forgiveness recipients of loans under the Paycheck Protection Program and was granted forgiveness of the loan under notice of forgiveness on May 31, 2021. The receipt of these funds, and the forgiveness of the loan attendant to these funds, was dependent on Agilyx Corporation having initially qualified for the loan and qualifying for the forgiveness of such loan. Such forgiveness was determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and certain other eligible costs.

While outstanding, the PPP loan has a two-year term and bore interest at a rate of 1.00% per annum. Monthly principal and interest payments under the PPP loan were originally deferred for six months. The Paycheck Protection Flexibility Act of 2020 extended the deferral period for loan payments to either (a) the date that the Small Business Administration remitted the borrower's loan forgiveness amount to the lender or (b) if the borrower did not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period. Agilyx Corporation did not have to make any repayments as a result of this Act.

NOTE 2: FIRST-TIME ADOPTION OF IFRS

These financial statements, for the year ended December 31, 2021, are the first Agilyx Group has prepared in accordance with IFRS. For the years ended December 31, 2020 and December 31, 2021, the consolidated financial statements of Agilyx ASA were presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. Agilyx Corporation presented its financial statements prior to 2020 according to generally accepted accounting principles in the United States (US GAAP).

Accordingly, Agilyx Group has prepared financial statements that comply with IFRS applicable as at December 31, 2021, together with the comparative period data for the year ended 31 December 2020. In preparing the financial statements, Agilyx Group's opening statement of financial position was prepared as at January 1, 2020, which represents Agilyx Group's date of transition to IFRS. This note explains the principal adjustments made in restating its Norwegian GAAP financial statements, including the consolidated balance sheet as at January 1, 2020, and the financial statements as of, and for, the years ended December 31, 2020 and 2021.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS, the only exemptions that were applicable to Agilyx Group related to Lease accounting and the investment in Regenyx.

- Agilyx Group assessed all contracts existing at January 1, 2020 to determine whether a contract contained a lease based upon the conditions in place as at January 1, 2020.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the relevant group company's incremental borrowing rate at January 1, 2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before January 1, 2020.
- The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognized as an expense on either a straight-line basis over the lease term or another systematic basis.
- Agilyx Group took advantage of the exemption available in appendix C of IFRS 1 to not go back and revisit the accounting for investments in associates, that took place prior to the transition to IFRS. The analysis performed in relation to the investment in Regenyx therefore begins with the carrying value of $1,603,509 as previously presented.

Estimates

The estimates at January 1, 2020, December 31, 2020 and 2021 are consistent with those made for the same dates in accordance with Local GAAP (apart from in the instances where differences were noted in the accounting treatment- see subsequent notes for further details in relation to Leases, Warrant valuations, Stock based compensation, Regenyx and convertible debt treatment).

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At January 1, 2020

ASSETS

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Non-current assets	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
-	-	-	-		Intangible assets	4,755,930	-	-	4,755,930
-	-	-	-		Property, plant and equipment	124,220	-	-	124,220
-	-	-	-	B	Right of use asset	-	-	1,054,036	1,054,036
-	-	-	-	D	Investment in Associate	1,603,509	(1,603,509)	-	-
-	-	-	-		Other non-current assets	27,700	-	-	27,700
-	**-**	**-**	**-**		**Total non-current assets**	**6,511,359**	**(1,603,509)**	**1,054,036**	**5,961,886**
					Current assets				
-	-	-	-		Accounts receivable	250,000	-	-	250,000
-	-	-	-		Prepaid expenses and other current assets	90,165	-	-	90,165
3,407	-	-	3,407		Cash and cash equivalents	2,344,037	-	-	2,344,037
3,407	**-**	**-**	**3,407**		**Total current assets**	**2,684,202**	**-**	**-**	**2,684,202**
3,407	**-**	**-**	**3,407**		**TOTAL ASSETS**	**9,195,561**	**(1,603,509)**	**1,054,036**	**8,646,088**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Equity	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
3,407	-	-	3,407		Ordinary shares	137,623,033	-	-	137,623,033
-	-	-	-		Additional paid-in capital	3,763,889	-	-	3,763,889
3,407	**-**	**-**	**3,407**		**Total paid-in equity**	**141,386,922**	**-**	**-**	**141,386,922**
-	-	-	-	A, D, E, F	Uncovered loss	(150,804,871)	(5,381,518)	(709,077)	(156,895,466)
3,407	**-**	**-**	**3,407**		**Total equity**	**(9,417,949)**	**(5,381,518)**	**(709,077)**	**(15,508,544)**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At January 1, 2020 (Cont.)

LIABILITIES

Parent						Group			
At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020	Note	Non-current liabilities	At January 1, 2020	Restatements	IFRS adjustments	IFRS at January 1, 2020
-	-	-	-		Long-term notes payable	2,525,000	-	-	2,525,000
-	-	-	-	B	Long-term lease liability	-	-	871,939	871,939
-	-	-	-	A	Warrant liability	-	-	208,704	208,704
-	**-**	**-**	**-**		**Total non-current liabilities**	**2,525,000**	**-**	**1,080,643**	**3,605,643**
					Current liabilities				
-	-	-	-		Accounts payable	529,664	-	-	529,664
-	-	-	-		Accrued expenses and other current liabilities	1,757,546	-	-	1,757,546
-	-	-	-	E	Provision	-	3,778,009	-	3,778,009
-	-	-	-		Deferred revenue	2,887,800	-	-	2,887,800
-	-	-	-	B	Current portion lease liability	-	-	182,097	182,097
-	-	-	-		Current portion of notes payable	10,913,500	-	-	10,913,500
-	-	-	-	F	Derivative liability-conversion feature	-	-	500,373	500,373
-	**-**	**-**	**-**		**Total current liabilities**	**16,088,510**	**3,778,009**	**682,470**	**20,548,989**
-	**-**	**-**	**-**		**TOTAL LIABILITIES**	**18,613,510**	**3,778,009**	**1,763,113**	**24,154,632**
3,407	**-**	**-**	**3,407**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**9,195,561**	**(1,603,509)**	**1,054,036**	**8,646,088**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2020

ASSETS

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Non-current assets	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Intangible assets	4,577,180	-	-	4,577,180
-	-	-	-	B	Property, plant and equipment	349,288	-	(78,296)	270,992
-	-	-	-	B	Right of use asset	-	-	930,340	930,340
-	-	-	-	D	Investment in Associate	1,608,846	(1,608,846)	-	-
59,998,959	303,399	(48,557,886)	11,744,472	C, G	Shares in subsidiaries	-	-	-	-
-	-	-	-		Other non-current assets	98,555	-	-	98,555
59,998,959	**303,399**	**(48,557,886)**	**11,744,472**		**Total non-current assets**	**6,633,869**	**(1,608,846)**	**852,044**	**5,877,067**
					Current assets				
-	-	-	-		Accounts receivable	9,064	-	-	9,064
-	-	-	-		Prepaid expenses and other current assets	165,165	-	-	165,165
28,721,621	-	-	28,721,621		Cash and cash equivalents	38,898,928	-	-	38,898,928
28,721,621	**-**	**-**	**28,721,621**		**Total current assets**	**39,073,157**	**-**	**-**	**39,073,157**
88,720,580	**303,399**	**(48,557,886)**	**40,466,093**		**TOTAL ASSETS**	**45,707,026**	**(1,608,846)**	**852,044**	**44,950,224**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Equity	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
83,365	-	-	83,365		Ordinary shares	83,365	-	-	83,365
88,328,914	-	(48,557,886)	39,771,028	G	Share premium	88,328,914	-	(48,557,886)	39,771,028
174,875	303,399	2,458,785	2,937,059	A, C	Additional paid-in capital	174,875	303,399	2,458,785	2,937,059
88,587,154	**303,399**	**(46,099,101)**	**42,791,452**		**Total paid-in equity**	**88,587,154**	**303,399**	**(46,099,101)**	**42,791,452**
(297,956)	-	(13,726,617)	(14,024,573)	A, B, C, D, E	Uncovered loss	(51,376,050)	(2,942,245)	34,811,374	(19,506,921)
-	-	-	-		Non-controlling interest	2,000,000	-	-	2,000,000
88,289,198	**303,399**	**(59,825,718)**	**28,766,879**		**Total equity**	**39,211,104**	**(2,638,846)**	**(11,287,727)**	**25,284,531**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2020 (Cont.)

LIABILITIES

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Non-current Liabilities	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Long-term notes payable	875,000	-	-	875,000
-	-	-	-	B	Long-term lease liability	-	-	701,885	701,885
-	-	11,267,832	11,267,832	A	Warrant liability	-	-	11,267,832	11,267,832
-	-	-	-	B	Other long-term liabilities	591,091	-	(54,251)	536,840
-	**-**	**11,267,832**	**11,267,832**		**Total non-current liabilities**	**1,466,091**	**-**	**11,915,466**	**13,381,557**
					Current liabilities				
-	-	-	-		Accounts payable	627,429	-	-	627,429
72,288	-	-	72,288	B	Accrued expenses and other current liabilities	510,111	-	(16,043)	494,068
-	-	-	-	E	Provision	-	1,030,000	-	1,030,000
359,094	-	-	359,094		Payables to group companies	-	-	-	-
-	-	-	-		Deferred revenue	1,896,848	-	-	1,896,848
-	-	-	-	B	Current portion lease liability	-	-	240,348	240,348
-	-	-	-		Current portion of notes payable	1,995,443	-	-	1,995,443
431,382	**-**	**-**	**431,382**		**Total current liabilities**	**5,029,831**	**1,030,000**	**224,305**	**6,284,136**
431,382	**-**	**11,267,832**	**11,699,214**		**TOTAL LIABILITIES**	**6,495,922**	**1,030,000**	**12,139,771**	**19,665,693**
88,720,580	**303,399**	**(48,557,886)**	**40,466,093**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**45,707,026**	**(1,608,846)**	**852,044**	**44,950,224**

RECONCILIATION OF TOTAL CONSOLIDATED INCOME STATEMENT

At December 31, 2020

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020	Note	Operating revenue and operating expenses	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2020
-	-	-	-		Revenues	4,336,151	-	-	4,336,151
-	-	-	-		Cost of revenues	2,441,487	-	-	2,441,487
-	**-**	**-**	**-**		**Gross margin**	**1,894,665**	**-**	**-**	**1,894,665**
-	-	-	-		Research and development	1,505,752	-	-	1,505,752
-	-	-	-		Sales and marketing	412,285	-	-	412,285
384,988	-	-	384,988	B, C	General and administrative	6,668,667	303,399	(49,093)	6,922,973
384,988	**-**	**-**	**384,988**		**Total operating expenses**	**8,586,704**	**303,399**	**(49,093)**	**8,841,010**
(384,988)	**-**	**-**	**(384,988)**		**Operating (loss)**	**(6,692,040)**	**(303,399)**	**49,093**	**(6,946,346)**
					Financial income and financial expenses				
-	-	-	-	D, E	Impairment of investment in Regenyx	(3,248,453)	2,742,672	-	(505,781)
-	-	(13,726,617)	(13,726,617)	A	Fair value gain/ (loss) on warrant agreements	-	-	(13,517,913)	(13,517,913)
-	-	-	-	B	Interest expense	(277,823)	-	(68,988)	(346,811)
87,032	-	-	87,032		Other financial income (expense), net	82,219	-	-	82,219
87,032	**-**	**(13,726,617)**	**(13,639,585)**		**Net financial items**	**(3,444,057)**	**2,742,672**	**(13,586,901)**	**(14,288,286)**
(297,956)	**-**	**(13,726,617)**	**(14,024,573)**		**Total comprehensive profit (loss) for the period**	**(10,136,097)**	**2,439,273**	**(13,537,808)**	**(21,234,632)**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2021

ASSETS

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Non-current assets	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-		Intangible assets	4,398,430	-	-	4,398,430
-	-	-	-	B	Property, plant and equipment	896,619	-	(61,502)	835,117
-	-	-	-	B	Right of use asset	-	-	974,460	974,460
-	-	-	-	D	Investment in Associate	1,509,988	(1,509,988)	-	-
78,920,887	1,121,466	(48,557,886)	31,484,467	C, G	Shares in subsidiaries	-	-	-	-
-	-	-	-		Other non-current assets	35,802	-	-	35,802
78,920,887	**1,121,466**	**(48,557,886)**	**31,484,467**		**Total non-current assets**	**6,840,839**	**(1,509,988)**	**912,958**	**6,243,809**
					Current assets				
-	-	-	-		Accounts receivable	1,669,890	-	-	1,669,890
6,939	-	-	6,939		Prepaid expenses and other current assets	525,895	-	-	525,895
11,307,524	-	-	11,307,524		Cash and cash equivalents	19,570,154	-	-	19,570,154
11,314,463	**-**	**-**	**11,314,463**		**Total current assets**	**21,765,939**	**-**	**-**	**21,765,939**
90,235,350	**1,121,466**	**(48,557,886)**	**42,798,930**		**TOTAL ASSETS**	**28,606,778**	**(1,509,988)**	**912,958**	**28,009,748**

LIABILITIES AND STOCKHOLDERS' EQUITY

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Equity	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
86,222	-	-	86,222		Ordinary shares	86,222	-	-	86,222
89,051,450	-	(48,557,886)	40,493,564	G	Share premium	89,051,450	-	(48,557,886)	40,493,564
1,096,803	1,121,466	4,824,411	7,042,680	A, C	Additional paid-in capital	1,096,803	1,121,466	4,824,411	7,042,680
90,234,475	**1,121,466**	**(43,733,475)**	**47,622,466**		**Total paid-in equity**	**90,234,475**	**1,121,466**	**(43,733,475)**	**47,622,466**
(1,105,983)	-	(12,395,058)	(13,501,041)	A, B, C, D, E	Uncovered loss	(67,620,349)	(2,631,454)	36,135,626	(34,116,177)
-	-	-	-		Non-controlling interest	1,041,533	-	-	1,041,533
89,128,492	**1,121,466**	**(56,128,533)**	**34,121,425**		**Total equity**	**23,655,659**	**(1,509,988)**	**(7,597,849)**	**14,547,822**

RECONCILIATION OF EQUITY AND CONSOLIDATED BALANCE SHEET

At December 31, 2021 (Cont.)

LIABILITIES

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Non-current liabilities	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-	B	Long-term lease liability	-	-	745,439	745,439
-	-	7,570,647	7,570,647	A	Warrant liability	-	-	7,570,647	7,570,647
-	-	-	-	B	Other long-term liabilities	37,229	-	(37,229)	-
-	**-**	**7,570,647**	**7,570,647**		**Total non-current liabilities**	**37,229**	**-**	**8,278,857**	**8,316,086**
					Current liabilities				
-	-	-	-		Accounts payable	1,447,148	-	-	1,447,148
84,438	-	-	84,438	B	Accrued expenses and other current liabilities	818,437	-	(17,022)	801,415
1,022,420	-	-	1,022,420		Payables to group companies	-	-	-	-
-	-	-	-		Deferred revenue	1,376,452	-	-	1,376,452
-	-	-	-	B	Current portion lease liability	-	-	248,972	248,972
-	-	-	-		Current portion of notes payable	1,271,853	-	-	1,271,853
1,106,858	**-**	**-**	**1,106,858**		**Total current liabilities**	**4,913,890**	**-**	**231,950**	**5,145,840**
1,106,858	**-**	**7,570,647**	**8,677,505**		**TOTAL LIABILITIES**	**4,951,119**	**-**	**8,510,807**	**13,461,926**
90,235,350	**1,121,466**	**(48,557,886)**	**42,798,930**		**TOTAL LIABILITIES AND STOCKHOLDERS EQUITY**	**28,606,778**	**(1,509,988)**	**912,958**	**28,009,748**

RECONCILIATION OF TOTAL CONSOLIDATED INCOME STATEMENT

At December 31, 2021

Parent						Group			
NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021	Note	Operating revenue and operating expenses	NGAAP	Restatements	IFRS adjustments	IFRS at December 31, 2021
-	-	-	-		Revenues	4,889,227	-	-	4,889,227
-	-	-	-		Cost of revenues	4,825,819	-	-	4,825,819
-	**-**	**-**	**-**		**Gross margin**	**63,408**	**-**	**-**	**63,408**
-	-	-	-		Research and development	2,252,214	-	-	2,252,214
-	-	-	-		Sales and marketing	1,097,922	-	-	1,097,922
792,270	-	-	792,270	B, C	General and administrative	12,412,710	818,067	(58,289)	13,172,488
792,270	**-**	**-**	**792,270**		**Total operating expenses**	**15,762,846**	**818,067**	**(58,289)**	**16,522,624**
(792,270)	**-**	**-**	**(792,270)**		**Operating (loss)**	**(15,699,438)**	**(818,067)**	**58,289**	**(16,459,216)**
					Financial income and financial expenses				
-	-	-	-	D, E	Impairment of investment in Regenyx	(2,077,130)	1,128,858	-	(948,272)
-	-	1,331,559	1,331,559	A	Fair value gain/ (loss) on warrant agreements	-	-	1,331,559	1,331,559
-	-	-	-	B	Interest expense	(134,039)	-	(65,596)	(199,635)
(15,757)	-	-	(15,757)		Other financial income (expense), net	707,841	-	-	707,841
(15,757)	**-**	**1,331,559**	**1,315,802**		**Net financial items**	**(1,503,328)**	**1,128,858**	**1,265,963**	**891,493**
(808,027)	**-**	**1,331,559**	**523,532**		**Total comprehensive profit (loss) for the period**	**(17,202,766)**	**310,791**	**1,324,252**	**(15,567,723)**
-	**-**	**-**	**-**		**Less: Non-controlling interest**	**958,467**	**-**	**-**	**958,467**
(808,027)	**-**	**1,331,559**	**523,532**		**Total comprehensive profit (loss) for the period excluding Non-controlling interest**	**(16,244,299)**	**310,791**	**1,324,252**	**(14,609,256)**

Notes to the reconciliation of equity and consolidated balance sheets as at January 1, 2020, December 31, 2020 and 2021 and consolidated income statements for the years ended December 31, 2020 and 2021		
Note	**Description**	**Nature of adjustment**
A	**Warrant liability and subscription rights adjustment** This adjustment affected both the parent company and group statements, inserting the fair value of the warrants at each reporting date, on to the balance sheet and then flowing any corresponding movement in the fair value through the income statement for each period. Under NGAAP, these amounts were not recognized on the balance sheet, but due to the terms and nature of the warrant agreements, these represent derivative financial instruments in accordance with IFRS and therefore they must be measured at fair value through the profit and loss. Note 14 discloses the respective fair values at each reporting date and details of the income statement movements for both periods presented.	IFRS adjustment
B	**Recognition of right of use assets and lease liabilities in accordance with IFRS 16** Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 1, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognized an increase of $1,054,036 (December 31, 2020: $942,233 and December 31, 2021 $994,411) of lease liabilities at January 1, 2020 (allocated between current and non-current (see also note 9) and $1,054,036 (December 31, 2020: $930,340 and December 31, 2021 $974,460) of right-of-use assets at January 1, 2020. Under NGAAP, assets held under finance leases are capitalized and included in property, plant and equipment. Under IFRS, they are presented in right-of-use assets. A finance lease was entered into during 2020, thus at December 31 2020, $78,296 and at December 31, 2021 $61,502 was reclassified from property, plant and equipment to right-of-use assets. The changes in the income statement for the periods ended December 31, 2020 and 2021 relate to amortization of right of use assets and interest incurred on the lease liabilities, these numbers correlate with the amounts disclosed in note 9 for amortization and interest.	IFRS adjustment
C	**Stock compensation adjustment** Previously, the Agilyx Group recognized the cost, for the stock compensation plan as an expense on a straight line basis over the vesting period, this approach was in accordance with USGAAP, but did not align with NGAAP nor IFRS and is therefore included as a reconciling item in the bridges presented above. NGAAP and IFRS require the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period using an accelerated recognition basis. NGAAP and IFRS also require that graded vesting awards with only service conditions be recognized and measured only as, in substance, multiple awards whereas previously, the Company elected to treat graded vesting awards as a single award. An additional expense of $818,067 has been recognized in the income statement for the year ended December 31, 2021 ($303,399 period ended December 31, 2020).	Restatement

D	**Impairment of investment in Regenyx** Objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx (in particular during the initial 24 month funding period - see note F for provision recognized in this regard) and AmSty in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed. Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2020. Subsequent capital investments by Agilyx have been offset by losses incurred by Regenyx (with the recognition of losses being capped once the investment balance is equal to zero, in accordance with the provisions of IAS 28). This adjustment is as a result of a new assessment of Regenyx, whereby it was separately assessed for impairment because it is able to generate cash flows that are largely independent of the cash inflows from other assets or group. If the assessment had been made previously, this adjustment would also have been recognized in accordance with NGAAP and the entry is therefore presented in the restatement columns in the tables above.	Restatement
E	**Provision for initial funding obligation** For the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. As at January 1, 2020 and December 31, 2020 Regenyx was expected to generate negative cash flows and these cash outflows were anti-dilutive and therefore did not adjust Agilyx Group's proportional investment in Regenyx. This commitment created a provision in accordance with IAS 37 since it was a liability of uncertain timing or amount, which varied depending on the underlying performance of the entity (which Agilyx does not control). The cash outflows were expected to occur during or shortly after the funding period was over. The uncertainty as to the amount of liability arises due to Agilyx not controlling Regenyx and due to the nature of operations, which make forecasting of cash flows difficult. Management have applied their judgment and available qualitative and quantitative information in order to arrive at the recognized which are included in the tables above and in note 21. This adjustment is as a result of a new assessment of Regenyx, as noted in D above. If the assessment had been made previously, this adjustment would also have been recognized in accordance with NGAAP and the entry is therefore presented in the restatement columns in the tables above.	Restatement
F	**Derivative liability - conversion feature** Prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding. The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020. The conversion feature meets the IFRS 9 definition of a derivative, because, its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020). An adjustment for $500,373 was therefore made at the opening balance sheet date and subsequently reversed during 2020 after the transaction was completed.	IFRS adjustment

G	**Write down of investment in Agilyx Corp in Parent only statements** In accordance with the provisions of IAS 27, due to Agilyx Corporation having a net liabilities position at the acquisition date, the investment amount should be carried at zero.	IFRS adjustment
H	**Capital reorganization** Following the inversion transaction described in more detail in note 25, the share premium and additional paid in capital reserves of the Group were adjusted to match those of the parent company, so as to present continuity following the common control transaction.	IFRS adjustment
I	**Impact on earnings per share as previously reported** Since Earnings per share was not previously reported under NGAAP, this note does not include disclosure of the impact of the restatements on any earnings per share calculation.	IFRS adjustment
J	**Statement of cash flows** Under NGAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognizes lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by $292,033 for the year ended December 31, 2021 ($251,018, December 31, 2020) and cash outflows from financing activities increased by the same amounts. In addition, under NGAAP, the debt forgiveness in 2021 was classified as an operating activity, whereas under IFRS the $769,400 has been reclassified to financing activities.	IFRS adjustment

NOTE 3

GEOGRAPHICAL DISTRIBUTION OF REVENUES

	Group	
	2020	2021
Europe	774,600	428,689
USA	2,097,750	3,894,758
APAC	1,331,326	463,826
Other	132,475	101,954
Total sales by customers location	**4,336,151**	**4,889,227**

PRODUCT CATEGORY

	Group	
	2020	2021
Project development	2,049,600	2,786,855
License, membership and royalty fees	2,154,076	131,458
Sale of goods	132,475	1,970,914
Total sales by category	**4,336,151**	**4,889,227**
No sales was recognized in the parent company Agilyx ASA in 2020 and 2021.		

NOTE 4

OPERATING EXPENSES BY NATURE

Agilyx presents the operating expenses by function in the profit and loss statement. Below is the total operating expenses presented by nature. The parent company's operating expenses included fees related to its function as parent.

OPERATING EXPENSES CLASSIFIED BY NATURE

	Group		Parent	
	2020	2021	2020	2021
Raw materials and consumables	686,885	1,577,866	-	-
Salaries and related costs (note 5)	5,630,056	10,647,373	-	408,346
Depreciation and amortization	419,124	505,867	-	-
Professional fees	3,574,500	5,900,404	199,085	383,924
Insurance	294,774	482,033	-	-
Office expenses	420,177	835,401	-	-
Other operating expenses	256,981	1,399,499	185,903	-
Total expenses	**11,282,497**	**21,348,443**	**384,988**	**792,270**

NOTE 5

SALARY AND SOCIAL COSTS

	Group		Parent	
	2020	2021	2020	2021
Salaries	3,636,264	8,191,615	-	339,532
Social security and payroll tax costs	386,828	(463,210)	-	50,230
Share-based compensation (note 16)	478,274	1,739,995	-	-
Pension costs	28,341	136,681	-	18,584
Benefits and other expenses	1,100,349	1,042,292	-	-
Total salaries	**5,630,056**	**10,647,373**	**-**	**408,346**
Number of average full time employees	**53**	**81**	**0**	**2**

Parent related salaries and benefits are cross-charged to Agilyx Corp as those costs are deemed to benefit those operations. Agilyx ASA is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme complies with the requirements under that law. Agilyx GmbH, Switzerland has a mandatory pension arrangement for all employees through a state-run system. The arrangements are 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.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2021

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, Group CEO	405,225	156,534	511,701	1,073,460
Chris Faulkner, CTO	230,000	62,607	34,942	327,549
Russell Main, CFO	250,000	69,557	7,681	327,238
Mark Barranco, SVP Engineering & Education	255,000	10,681	144,774	410,455
Joe Vaillancourt, Cyclyx CEO	350,000	24,103	-	374,103
Kate Ringier, VP Communications & Government Affairs	207,621	39,257	152,767	399,645
				2,912,450

The CEO's salary and benefits is related to all of 2021, additionally, the CEO receives his salary from Agilyx GmbH, Switzerland.

Tim Stedman has a severance agreement whereby he will receive 100% pay for 6 months for termination by the Company without cause.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION - 2020

	Salary	Other benefits	Share-based compensation	Total
Timothy Stedman, CEO	134,145	104,794	201,314	440,253
Chris Faulkner, CTO	203,846	17,577	15,744	237,167
Russell Main, CFO	150,192	12,884	4,937	168,013
Mark Barranco, SVP Engineering & Education	19,615	252	10,199	30,066
Joe Vaillancourt, Cyclyx CEO	303,846	318,262	-	622,108
Kate Ringier, VP Communications & Government Affairs	52,250	8,444	42,956	103,650
				1,601,257

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.

REMUNERATION TO AUDITOR					
	Group			Parent	
	Previous auditor 2020	Current auditor 2020	Current auditor 2021	Current auditor 2020	Current auditor 2021
Audit fees	48,711	44,763	88,685	14,998	30,935
Confirmation services	-	8,900	4,957	8,900	4,957
Tax services	-	200	3,206	200	3,206
Other non-audit services	26,935	16,628	15,442	16,628	15,442
Total fees	**75,646**	**70,491**	**112,290**	**40,726**	**54,540**

NOTE 6: SEGMENT INFORMATION

Agilyx has two main segments:

1. **Agilyx**- this segment licenses its patented conversion technology and sells its patented equipment to industry players, whether they are existing strategic companies or newer entrepreneurial enterprises, to help them take feedstock and turn it into a product. Agilyx provides partners with valuable know-how and robust technology that allows them to become part of the circular economy.
2. **Cyclyx**- is focused on getting the right feed for the conversion technology that a given customer is using. The aim is to do this while maximizing availability and lowering cost. The Cyclyx approach is an industry-wide answer, serving the entire market regardless of which conversion technology a company is using.

Factors that management used to identify the reportable segments

Both of these segments meet the quantitative thresholds to be a reportable segment. Management has concluded that these segments should be reported separately on the basis that:

- Both segments are separate legal entities (see also note 16) that offer differing products and services.
- They are managed separately and each have their own Chief Executive Officer and board of directors.
- They are managed separately because each business requires different technology and marketing strategies.
- Both prepare discrete financial information for the board and Chief Operating Decision Makers (CODM) to use in making decisions about resource allocation and assessing performance.
- The Chief Operating Decision Maker of the consolidated Agilyx Group is the Chief Executive Officer, Tim Stedman. He is on the Board of both segments and therefore reviews the results of the operating segments. He uses that information to make decisions, which affect the resources allocated to each segment individually, as well as on a consolidated basis.

Measurement of operating segment profit or loss, assets and liabilities

Segmental performance is measured in accordance with IFRS. Operating segments are presented using the management approach, where the information presented is on the same basis as the internal reports provided to the CODM.

Inter-segment sales and balances are eliminated from the table below, which have a combined impact of improving 2021 income by $514,752. No tax benefit is derived from these transactions as all parties reside in the same tax jurisdiction.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax, defined benefit and warranty related liabilities. Loans and borrowings are not allocated as these are deemed to serve a group function.

PROFIT AND LOSS						
	2020			2021		
	Cyclyx	Agilyx	Total	Cyclyx	Agilyx	Total
Revenues from external customers	-	4,336,151	4,336,151	1,949,874	2,939,353	4,889,227
Depreciation and amortization	-	419,214	419,214	13,349	492,518	505,867
Segment loss	(126)	(6,946,220)	(6,946,346)	(4,398,621)	(12,060,595)	(16,459,216)
Result from investment in Regenyx	-	-	(505,781)	-	-	(948,272)
Fair value gain/(loss) on warrant agreements	-	-	(13,517,913)	-	-	1,331,559
Interest expense	-	-	(346,811)	-	-	(199,635)
Other financial income (expense), net	-	-	82,219	-	-	707,841
Non-controlling interest	-	-	-	-	-	958,467
Group net loss	-	-	(21,234,632)	-	-	(14,609,256)
BALANCE SHEET						
	2020			2021		
	Cyclyx	Agilyx	Total	Cyclyx	Agilyx	Total
Non-current asset additions	**22,444**	**241,006**	**263,450**	**405,458**	**535,042**	**940,500**
Reportable segment assets	**8,022,444**	**36,927,780**	**44,950,224**	**6,707,612**	**21,302,136**	**28,009,748**
Total group assets	-	-	44,950,224	-	-	28,009,748
Reportable segment liabilities	**23,512**	**5,503,906**	**5,527,418**	**2,980,993**	**1,638,433**	**4,619,426**
Loans and borrowings (excluding leases)	-	-	2,870,443	-	-	1,271,853
Derivative financial liabilities	-	-	11,267,832	-	-	7,570,647
Total group liabilities	-	-	19,665,693	-	-	13,461,926

Revenue by geography- Revenue by geography is included in Note 3. The Cyclyx segment revenue is primarily derived from the US.

Non-current assets by geography- All non-current assets reside in the US.

The Group has the following major customers, which each accounted for at least 10% of revenues in 2021 or 2020:			
	2020	2021	Segment
Customer A	100,000	1,767,950	Agilyx (2020) Cyclyx (2021)
Customer B	2,804,950	1,309,374	Agilyx
Customer C	349,600	568,795	Agilyx
Customer D	1,332,277	456,673	Agilyx

NOTE 7

Intangible assets include the following contracts	Licensed technology	Exclusivity license	Total
(i) Cost			
Balance at January 1, 2020	**3,575,000**	**1,188,378**	**4,763,378**
Additions	-	-	-
Balance at December 31, 2020	**3,575,000**	**1,188,378**	**4,763,378**
Balance at January 1, 2021	**3,575,000**	**1,188,378**	**4,763,378**
Additions	-	-	-
Balance at December 31, 2021	**3,575,000**	**1,188,378**	**4,763,378**
(ii) Accumulated amortization			
Balance at January 1, 2020	**7,448**	**-**	**7,448**
Amortization charge	178,750	-	178,750
Balance at December 31, 2020	**186,198**	**-**	**186,198**
Balance at January 1, 2021	**186,198**	**-**	**186,198**
Amortization charge	178,750	-	178,750
Balance at December 31, 2021	**364,948**	**-**	**364,948**
(iii) Net book value			
Balance at January 1, 2020	**3,567,552**	**1,188,378**	**4,755,930**
Balance at December 31, 2020	**3,388,802**	**1,188,378**	**4,577,180**
Balance at December 31, 2021	**3,210,052**	**1,188,378**	**4,398,430**
Economic life	20	4	

In December 2019, the Company entered into an agreement to purchase technology under a license 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 years ended 2020 and 2021.

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. Licenses for the models have been granted for 15 years with the first 4 years of exclusivity. Amortization of the contract will start when the deliveries under the contract is completed and in service.

NOTE 8

Property, plant and equipment	Leasehold improvements	Machinery and equipment	Total
Costs			
At cost January 1, 2020	215,327	261,978	477,305
Additions	12,161	165,875	178,036
At cost December 31, 2020	**227,488**	**427,853**	**655,341**
Additions	488,381	151,843	640,224
At cost December 31, 2021	**715,869**	**579,696**	**1,295,565**
Depreciation			
Accumulated depreciation January 1, 2020	215,327	137,758	353,085
Depreciation for the year	2,674	28,590	31,264
Accumulated depreciation December 31, 2020	**218,001**	**166,348**	**384,349**
Depreciation for the year	4,002	72,097	76,099
Accumulated depreciation December 31, 2021	**222,003**	**238,445**	**460,448**
Net book value January 1, 2020	**-**	**124,220**	**124,220**
Net book value December 31, 2020	**9,487**	**261,505**	**270,992**
Net book value December 31, 2021	**493,866**	**341,251**	**835,117**
Economic life	Contract period	3-20 years	

Machinery and equipment include computers, furniture, fixtures and other equipment.

Leasehold improvements relates to the lease of facilities in the US which expires in 2029.

All tangible assets are depreciated on a straight line basis over the expected useful life.

NOTE 9

RIGHT OF USE ASSETS AND LEASE LIABILITIES

Agilyx Group has four leases that are in the scope of IFRS 16: three property leases and one lease of computer equipment. None of these contracts have variable lease payments. One property contract includes an extension option, which Agilyx Group management are reasonably certain will be exercised , due to significant investment in the property, the extension period has therefore been included in the lease term.

Right of use assets	Property	Computer equipment	Total
Leases recognized on adoption of IFRS 16 at January 1, 2020	1,054,036	-	1,054,036
Additions	-	85,414	85,414
Amortization	(201,992)	(7,118)	(209,110)
At December 31, 2020	**852,044**	**78,296**	**930,340**
Additions	300,276	-	300,276
Amortization	(234,224)	(16,794)	(251,018)
Disposal/termination of old lease	(5,138)	-	(5,138)
At December 31, 2021	**912,958**	**61,502**	**974,460**

Lease liability	Property	Computer equipment	Total
Leases recognized on adoption of IFRS 16 at January 1, 2020	1,054,036	-	1,054,036
Additions	-	85,414	85,414
Lease payments	(251,085)	(19,789)	(270,874)
Interest expense	68,988	4,669	73,657
Lease liabilities at December 31, 2020	**871,939**	**70,294**	**942,233**
Additions	300,276	-	300,276
Lease payments	(292,033)	(19,789)	(311,822)
Interest expense	65,596	3,746	69,342
Disposal/termination of old lease	(5,618)	-	(5,618)
Lease liabilities at December 31, 2021	**940,160**	**54,251**	**994,411**
Useful Economic life	3-7 years	5 years	

The following is a presentation of the undiscounted committed cash flows related to the remaining lease liabilities:

	0-12 months	Between 1-2 years	Between 2-5 years	5+ years	Total
As at January 1, 2020	251,086	286,012	633,666	103,495	1,274,259
As at December 31, 2020	286,012	259,292	477,869	-	1,023,173
As at December 31, 2021	298,622	245,054	438,873	155,411	1,137,960

NOTE 10: INVESTMENT IN REGENYX

Agilyx holds a 50% interest in Regenyx. Regenyx was formed in April 2019 and shares its operation space with Agilyx and Cyclyx in Tigard, OR.

Despite holding a 50% interest, Agilyx has assessed that it does not have control or joint control of Regenyx. This is driven by the other 50% shareholder controlling the purchases and sales of Regenyx, via various mechanisms within the operating agreements. Agilyx does have the power to participate in the financial and operating policy decisions of the investee, via its board position. Agilyx has therefore determined that it has significant influence over Regenyx and its investment is therefore measured using the equity method as an investment in associate.

For the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. Commencing after this twenty-four month period and ending on the five year anniversary of Regenyx's formation, under certain conditions Agilyx is subject to a contractual obligation to purchase all of AmSty's equity investment in Regenyx at the option of AmSty ("put option"). The purchase price is based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx

Impairment of Investment

Agilyx Group is split into two CGU's for impairment analysis purposes, Agilyx and Cyclyx, which is in alignment with the segments disclosed in note 6. Regenyx is part of the Agilyx reportable segment. Furthermore, the investment in Regenyx is separately assessed for impairment because it is able to generate cash flows that are largely independent of the cash inflows from other assets or groups of assets.

For the investment in Regenyx, objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx (in particular during the initial 24 month funding period- see note 21 for provision recognized in this regard) and AmSty in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed.

Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2020. As can be seen in the tables below, subsequent capital investments by Agilyx over and above the initially budgeted amounts, led to impairments for the 2020 and 2021 year ends. As at December 31, 2021 and December 31, 2020 , the same IAS 28 criteria were triggered as at January 1, 2020 and therefore the additional investment amounts were considered to be fully impaired and their value written down to zero on the basis that the recoverable amount using the value in use and fair value less cost to sell methodologies would lead to a fully written off investment.

Despite the impairment, Agilyx Group continues to invest in Regenyx for the broader benefits that it brings to the group, which include servicing an important customer in AmSty, as well as, providing R&D and marketing value to demonstrate various new and current technologies being developed and implemented by the Group.

CALCULATION OF BALANCE SHEET VALUE OF INVESTMENT IN REGENYX	
Opening balance at January 1, 2020	1,603,509
Estimated cash outflow for committed initial funding period (note 21)	3,778,009
Impairment charge – fully impair opening balance	(5,381,518)
Revised balance at January 1, 2020	**-**
Adjusted estimated cash outflow for committed funding period (note 21)	350,000
Investment during 2020- above initial estimated cash outflow	155,781
Impairment charge – fully impair balance	(505,781)
Balance sheet value December 31, 2020	**-**
Investment during 2021- above initial estimated cash outflow	948,272
Impairment charge – fully impair balance	(948,272)
Balance sheet value December 31, 2021	**-**

SUMMARIZED FINANCIAL INFORMATION OF REGENYX		
As at December 31	**2020**	**2021**
Current assets	328,622	584,772
Non-current assets	3,080,731	2,845,422
Current liabilities	178,825	406,311
Non-current liabilities	12,838	3,907
Net assets (100%)	3,217,690	3,019,976
Period Ended December 31	**2020**	**2021**
Revenues	546,626	798,284
Total and other comprehensive loss	(3,270,060)	(3,119,103)

NOTE 11

ACCOUNTS RECEIVABLE

	Group			Parent	
	As at January 1, 2020	2020	2021	2020	2021
Trade accounts receivable	250,000	9,064	154,524	-	-
Related party receivables	-	-	350,371	-	-
Payroll tax refund receivable	-	-	1,164,995	-	-
Total accounts receivable	**250,000**	**9,064**	**1,669,890**	**-**	**-**

The carrying amount of accounts receivable is measured at amortised cost, which approximates fair value.

Agilyx applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for all accounts receivable. To measure expected credit losses on a collective basis, accounts receivables are grouped based on similar credit risk and aging. The expected loss rates are based on Agilyx's historical credit losses experienced over the period since adoption of IFRS. Historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked. Given this context, the impact of any forward looking factors is not expected to adjust the conclusion that no allowance is required.

One of the main factors applied when concluding that no allowance is required, is the aging of the accounts receivable balances:

		Group	
	As at January 1, 2020	2020	2021
Non-overdue amounts	250,000	3,964	-
0-30 days past due	-	80	1,356,208
31-60 days past due	-	-	148,874
61-90 days past due	-	5,020	-
Over 90 days past due	-	-	164,808
	250,000	**9,064**	**1,669,890**

NOTE 12

ACCOUNTS PAYABLE

	Group			Parent	
	As at January 1, 2020	2020	2021	2020	2021
Accounts payable	529,664	580,507	1,241,420	-	-
Related party payables	-	46,922	205,728	-	-
Total accounts payable	**529,664**	**627,429**	**1,447,148**	**-**	**-**

NOTE 13

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Group			Parent		
	As at January 1, 2020	2020	2021	As at January 1, 2020	2020	2021
Payroll and related accruals	171,630	190,001	278,761	-	-	84,438
Products and services	12,797	79,068	297,654	-	21,270	-
Value added taxation	-	-	-	-	51,018	-
Accrued interest	1,573,119	-	-	-	-	-
Current license payment	-	225,000	225,000	-	-	-
Total accrued expenses and other current liabilities	**1,757,546**	**494,069**	**801,415**	**-**	**72,288**	**84,438**

NOTE 14

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, 2021 that are exercisable into ordinary shares:

	Number of ordinary shares	Exercise price per share - USD	Expiration
Ordinary share warrants converted to subscription rights	2,447,200	1.00	2022-2025
	Group only January 1, 2020	**Group and parent December 31, 2020**	**Group and parent December 31, 2021**
Warrant liabilities	208,704	11,267,832	7,570,647

The ordinary share warrants and subscription rights, along with the derivative described in note 22, are the only financial instruments measured at fair value through the profit and loss. This treatment is required for the warrants because the terms of the warrant include a cashless exercise option, which triggers derivative treatment in accordance with IFRS 9. Because their values change in response to a specified financial instrument price (Agilyx Group stock price), they required no initial net investment and they will be settled at a future date.

All ordinary share warrants and subscription rights are measured using level 3 inputs on the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy during any of the years presented.

The valuation of the warrant liability was performed using the Black Scholes Model and the following inputs were significant in the computation of fair values at each reporting date:			
	Group only January 1, 2020	**Group and parent December 31, 2020**	**Group and parent December 31, 2021**
Expected term	Various	Various	Various
Equity volatility	25.00- 30.00%	30.00- 35.00%	30.00- 35.00%
Risk-free rate	1.56- 1.63%	0.13- 0.27%	0.39- 0.98%

The warrant liabilities vest across a number of dates, which correlate with the initial agreement of the warrant. The agreements were typically for five years in total with expiry dates between 2022 and 2025.

As the outstanding warrants for Agilyx are well in the money as of the December 31, 2020, and 2021 reporting dates, the valuations performed determined that the preponderance of the amount, for each of the respective dates, was intrinsic value in nature. Hence there was very little time value associated with the estimate of value calculated. As a result of this relationship, the change in the value of the instruments is going to be more closely correlated with the change in the underlying equity price as opposed to a change in volatility. This determination was corroborated with the sensitivity calculations completed.

During 2021, 437,500 warrants were exercised (2020: 806,200).

The sensitivity analysis of a reasonably possible change in one significant unobservable input, being the underlying equity value, holding other inputs constant would be:		
	Equity value at expiration -5%	**Equity value at expiration + 5%**
At January 1, 2020	(10,435)	10,435
At December 31, 2020	(563,392)	563,392
At December 31, 2021	(378,160)	378,160

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below (this is applicable for both the Group and Parent only financial statements):	
	Warrant liability
At January 1, 2020	**-**
Liability recognized upon initial adoption of IFRS (see also Note 2) on a consolidated basis and after the Inversion transaction, in the parent only statements	208,704
Warrants exercised (converted into 806,200 ordinary shares)	(2,458,785)
Loss on warrant value- presented as fair value through profit and loss	13,517,913
At December 31, 2020	**11,267,832**
Warrants exercised (converted into 437,500 ordinary shares)	(2,365,626)
Gain on warrant value- presented as fair value through profit and loss	(1,331,559)
At December 31, 2021	**7,570,647**

NOTE 15

STOCK OPTION PLAN

	Stock Option Activity			
	Number of shares	Weighted average exercise price	Weighted average contractual term (years)	Aggregate intrinsic value
Balance at January 1, 2020	**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 at December 31, 2020	**12,182,400**	**$0.75**	**8.39**	**50,556,190**
Share authorized				
Options granted	1,793,750	3.52	-	-
Options exercised	(2,192,946)	0.12	-	8,706,073
Options forfeited/expired	(350,580)	4.94	-	
Balance at December 31, 2021	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Options vested and expected to vest at December 31, 2021	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Options Exercisable	**5,855,186**	**$0.50**	**6.90**	**21,065,879**

The following information is relevant in the determination of the fair value of options granted during the year under the equity share based remuneration schemes operated by the Group.

	All employees		Key management personnel	
	2021	2020	2021	2020
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	$1.09	$0.67	$0.68	$0.66
Exercise price (weighted average)	$1.17	$0.75	$0.68	$0.66
Contractual life (weighted average)	7.87	8.39	7.5	8.49
Expected volatility (weighted average)	33%	33%	35%	35%
Expected dividend growth rate	0%	0%	0%	0%
Risk-free interest rate (weighted average)	1.07%	1.12%	1.03%	1.03%

The 2020 plan became effective as of 4 June 2020. Prior to this date Agilyx Corp had implemented a 2009 Stock Incentive plan. The 2009 plan was considered null and void after the effective date of the 2020 plan, but were replaced with new options in the new plan. The result was a modification of the options granted to each relevant counterparty which resulted in accelerated vesting. The result was beneficial (i.e. a higher fair value) to the employees since the service conditions were shortened for each counterparty. The total value of the modified grants was $216,535. Management calculated the total compensation cost for each new tranche and will be recognizing the new compensation cost straight-lined over the new vesting periods.

Estimated volatility is calculated based on the historical volatility of similar entities whose share prices are publicly traded.

The total number of shares that may be issued under this plan are 15,000,000 shares. If an option expires, terminates or is canceled, the unissued shares subject to that option shall again be available under the Plan.

The options outstanding have a range of exercise prices from $0.06 to $4.68

NOTE 16

SHAREHOLDERS AS OF DECEMBER 31, AND SHARES HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS

	2021	
Citibank	38,507,400	49.7 %
SIX SIS AG	6,342,165	8.2 %
Clearstream Banking S.A.	4,557,699	5.9 %
Merrill Lynch	3,642,400	4.7 %
MP Pension PK	1,870,351	2.4 %
Sundt AS	1,806,700	2.3 %
Morgan Stanley & Co. Int. Plc.	1,437,798	1.9 %
BNP Paribas Securities Services	1,296,246	1.7 %
JPMorgan Chase Bank	1,146,177	1.5 %
Caceis Bank	1,057,477	1.4 %
Others	15,868,533	20.5 %
Total	**77,532,946**	**100.0 %**

Ordinary shares include 77,532,946 shares at par value NOK 0.01, all issued and fully paid.

	2020	
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 Pension 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 %**

Ordinary shares include 74,902,500 shares at par value NOK 0.01, all issued and fully paid.

As at January 1, 2020 there were 341,727 Ordinary Shares. Within the statement of changes in equity the share capital column provides a reconciliation of the par value of the Ordinary shares during 2020 and 2021. The tables above present the year end balances in total, the movements can be computed using the share capital column and adjusting for the NOK exchange rate at the relevant transaction dates.

There are no special rights or restrictions with regards the Ordinary shares, each is entitled to one vote and a proportional share any remaining assets in the event of a liquidation.

The total number of authorized shares was 87,705,500 at December 31, 2020 and December 31, 2021 and 1,000,000 at January 1, 2020 (prior to inversion transaction). The difference between the authorized number of shares and those that are fully issued and paid relates to shares reserved by Agilyx Group to be issued under Stock option contracts.

THE FOLLOWING DESCRIBES THE NATURE AND PURPOSE OF EACH RESERVE WITHIN EQUITY:	
Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value, in the post inversion period
Additional paid in capital	Pre inversion amounts related to the exercise of stock options and post inversion transactions related to stock options and warrants.
Uncovered loss	All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

SHARES AND OPTIONS HELD BY THE CEO AND MEMBERS OF THE BOARD OF DIRECTORS

Name	Title	Options Granted	Shares Owned	Note
Timothy Stedman	CEO and board member	2,893,900	67,200	1.
Ranjeet Bhatia	GM and board member	5,000	92,700	2.
Joe Vaillancourt	Board member	1,877,700	-	3.
Preben Rasch-Olsen	Board member	5,000	166,800	4.
Peter Norris	Board member	10,000	156,645	5.
William Caesar	Board member	5,000	25,300	6.
Catherine Keenan	Board member	3,750	-	-

Note

1. The CEO has received options to purchase shares as a part of the total compensation package. The exercise price for each share is $1.06. Additionally, Mr. Stedman has personally acquired 67,200 shares. The options granted expire on August 17, 2030.
2. Mr. Bhatia is a member of the Board, represents Saffron Hill Ventures, controls 92,700 shares and was granted 5,000 options with an exercise price of $2.95.
3. Mr. Vaillancourt is a member of the Board and former CEO having 1,877,700 options with an exercise price of $0.06.
4. Mr. Rasch-Olsen is a member of the Board, represents Carucel Holding, controls 166,800 shares and was granted 5,000 options with an exercise price of $2.95.
5. Mr. Norris is chair of the Board, represents Virgin Group Holdings Limited, controls 156,645 shares and was granted 10,000 options with an exercise price of $2.95.
6. Mr. Caesar is a member of the Board, represents Generate Capital, controls 25,300 shares and was granted 5,000 options with an exercise price of $2.95.

NOTE 17

SHARES IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

Agilyx ASA has the following shares in subsidiaries as of December 31, 2021

Subsidiary	Office	Share	Voting rights	Equity	Book value - 2020	Book value - 2021
Agilyx Corp	Portland, OR, USA	100%	100%	11,786,347	11,581,467	31,321,462
Agilyx GmbH	Zurich, Switzerland	100%	100%	180,699	163,005	163,005
Agilyx ApS	Stuckenbergs, Denmark	100%	100%	15,290	-	-
Cyclyx International, LLC	Portsmouth, NH, USA	75%	75%	4,290,985	-	-
					11,744,472	**31,484,467**

Related party transactions:

Group level - During 2021, Cyclyx had $1.7M of product sales to ExxonMobil Chemical Co., a minority holder in Cyclyx.

Included within Related party receivables in note 11, is $350,371 due from Regenyx as at December 31, 2021 (none at December 31, 2020 and January 1, 2020).

Included within Related party payables in note 12, is $198,500 due to ExxonMobil Chemical Co., at December 31, 2021 (none at December 31, 2020 and January 1, 2020), and $7,228 amounts due to board members at December 31, 2021 (December 31, 2020: $46,922, and January 1, 2020: none).

Parent level - At December 31, 2021 the parent company, Agilyx ASA, has an intercompany payable of $453,563 to Agilyx Corp (December 31, 2020: $224,773 and January 1, 2020: none) and $568,857 payable to Agilyx GmbH (December 31, 2020: $134,321 and January 1, 2020: none). These inter-group payables represent operating and management costs incurred and or paid at the subsidiary and subsequently recharged to the parent.

Specific 2021 parent related costs included:	
Management charges from Agilyx GmbH	431,000
Salary related cross-charges to Agilyx Corp	(408,000)

Subsidiary Information:

Agilyx Corp- Agilyx Corp was formed in 2004 in Oregon, United States of America. Agilyx Corp became a subsidiary of Agilyx ASA by way of a share inversion that took place in January, 2020. The share inversion effectively converted all the shares of Agilyx Corp into shares of Agilyx ASA (see note 25 for additional information).

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, United States of America on December, 2020. Since inception, Agilyx Group has owned 75% of the entity, with 25% owned by ExxonMobil Chemical Corporation ("EMCC"). The partnership was formed to develop low-cost pathways to recycle plastics. EMCC contributed operational funds of $8,000,000 while Agilyx Corp contributed technology and know-how that was not revalued due to consolidation within the group accounts. EMCC's cash contribution was recognized 75% to the equity holders of the parent and 25% to the non-controlling interest.

Summarized financial information in relation to Cyclyx International, LLC, before intra group eliminations, is presented below:		
	2020	**2021**
As at December 31		
Current assets	8,000,000	7,390,312
Non-current assets	22,444	753,132
Current liabilities	-	3,977,439
Non-current liabilities	-	-
For the period ended December 31		
Revenue	-	2,201,245
Profit or (loss)	(126)	(3,833,889)
Profit or (loss) allocated to non-controlling interest	-	(958,467)
Additional information regarding the Cyclyx operation can be seen in note 6.		

NOTE 18

INCOME TAXES

Components of the income tax expense

There was no provision for income taxes recorded at both the group and parent level for the years ended December 31, 2020 and 2021, respectively.

	Group		Parent	
	2020	2021	2020	2021
Basis for income tax expense				
Result before taxes	(21,234,632)	(15,567,723)	(14,024,573)	523,532
Issue costs shares	(2,535,308)	-	(2,535,308)	-
State benefit	(5,100)	(1,300)	-	-
Foreign expense	-	(19,973)	-	-
Permanent differences	(312,311)	(2,094,112)	13,533,090	(1,331,559)
Changes in temporary differences	12,668,571	(2,618,996)	-	-
Basis for payable taxes in the income statement	**(11,418,780)**	**(20,302,104)**	**(3,026,791)**	**(808,027)**
Deferred tax asset:				
Loss carried forward	35,802,834	45,543,245	665,894	843,660
Research & other credits	2,538,872	2,640,341	-	-
Deferred revenue	-	-	-	-
Reserves and accruals	6,510	13,433	-	-
Stock-based compensation	-	60,685	-	-
Unrealized gain/loss	2,269,697	1,495,815	-	-
Lease liability	207,762	219,267	-	-
Investment in partnership	926,360	1,030,570		
Total deferred tax assets	**41,752,035**	**51,003,356**	**665,894**	**843,660**
Deferred tax liabilities:				
Other intangibles	(35,531)	(43,920)	-	-
Fixed assets	(20,121)	(26,815)	-	-
Prepayments	(31,999)	(33,762)	-	-
Right of Use assets	(205,140)	(214,869)	-	-
Investment in partnership	(183,239)	(158,986)		-
Total deferred tax liabilities	**(476,030)**	**(478,352)**	**-**	**-**
Net deferred tax assets	**41,276,005**	**50,525,004**	**665,894**	**843,660**
Recognized deferred tax assets	**-**	**-**	**-**	**-**
Statutory tax rate	21%	21%	22%	22%
Effective tax rate	0%	0%	0%	0%

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Unrecognized deferred tax assets totaled $51,003,356 (2020: $41,752,035) and in Norway $843,660 (2020: $665,894).

As of December 31, 2021, net operating loss for federal income tax purposes in US of approximately $161.9 million, portions of which will begin expire in 2030. Total state net operating loss carryforward in US of approximately $140.5 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 Corp also has federal credits for approximately $1.9 million, which will begin to expire in 2030 and state research credits of approximately $0.7 million whose expiration date is not determined. These tax credits are subject to the same limitations discussed above.

Loss carried forward in Norway as of December 31, 2021, of approximately $3.8 million has no expiration date.

NOTE 19

NOTES PAYABLE, CONVERTIBLE NOTES PAYABLE AND OTHER LONG TERM LIABILITIES

	Group		
	As at January 1, 2020	2020	2021
Long term notes	**2,525,000**	**875,000**	**-**
Accrued interest	-	250,060	-
Exclusivity license agreement	-	225,000	-
Project liabilities	-	61,780	-
Total other long-term liabilities	**-**	**536,840**	**-**

The long-term notes payable are related to financing of a license agreement which matures in 2022.

The current portion of this notes payable amounts to $1,271,853 (December 31, 2020: $1,995,443 and January 1, 2020 $1,425,000) and is classified as current liabilities.

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

Convertible notes payable

In addition to the above note, included within the current note payable balance at January 1, 2020 is $9,488,500 of convertible notes payable, which are described in more detail below.

On April 9, 2015, the Company entered into a Note Purchase Agreement authorizing the issuance of convertible promissory notes (the "2015 Notes"). The 2015 Notes accrued interest at a rate of 8.5% per annum. At any time after the Company had issued at least $4 million in aggregate principal of the 2015 Notes, the holders of a majority-in-interest in the 2015 Notes could elect to cause the conversion of the entire principal and accrued interest under all of the 2015 Notes into shares of the Company's common stock at an effective per share purchase price equal to $100 per share. The 2015 Notes were secured by all of the assets of the Company but were subordinated to the 2017 Notes discussed below.

The Note Purchase Agreement was amended multiple times during 2015, 2016, and 2017, which has increased the amounts available for issuance up to $33 million and extended the maturity date for all 2015 Notes until December 31, 2018. Effective February 9, 2018, the majority-in-interest holders elected to convert the entire balance of 2015 Notes and accrued interest of $34,107,100 into 341,071 shares of common stock.

If not earlier converted to common stock, the remaining convertible notes have a maturity date of December 31, 2022, with a simple interest rate of 13% charged on those notes. The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. See note 22 for further analysis of the derivative feature.

On January 7, 2020 as part of the inversion transaction described in more detail in note 25, the convertible notes were settled.

NOTE 20

CONTRACT LIABILITY

The Company's contract liability balances at January 1, 2020 at December 31, 2020 and 2021 was $2,887,800, $1,896,848 and $1,376,452, respectively. These balances represent billings in excess of revenue recognized on project-related activities that are recognized on a percent complete basis and product shipments billed in advance. The Company has classified this amount as current as it expects to recognize the revenues over the next twelve months. An accounting roll forward for the periods presented are as follows:

Balance at January 1, 2020	**2,887,800**
Billings deferred	3,212,724
Revenue recognized	(4,203,676)
Ending balance as of December 31, 2020	**1,896,848**
Billings deferred	4,193,881
Revenue recognized	(4,714,277)
Ending balance as of December 31, 2021	**1,376,452**

NOTE 21

PROVISION

As reported in note 10, for the first twenty-four months after formation of Regenyx LLC, Agilyx was solely responsible for funding its operations. As at January 1, 2020 and December 31, 2020 Regenyx was expected to generate negative cash flows and these cash outflows were anti-dilutive and therefore did not adjust Agilyx Group's proportional investment in Regenyx. This commitment created a provision in accordance with IAS 37 since it was a liability of uncertain timing or amount, which varied depending on the underlying performance of the entity (which Agilyx does not control). The cash outflows were expected to occur during or shortly after the funding period was over. The uncertainty as to the amount of liability arises due to Agilyx not controlling Regenyx and due to the nature of operations, which make forecasting of cash flows difficult. Management have applied their judgment and available qualitative and quantitative information in order to arrive at the recognized amounts:

	Group
Opening balance at January 1, 2020	3,778,009
Reversal of estimated 2020 expenditure	(3,098,009)
Adjustment to increase 2021 estimated expenditure	350,000
Balance sheet value December 31, 2020	**1,030,000**
Reversal of estimated 2021 expenditure	(1,030,000)
Balance sheet value December 31, 2021	**-**

There was no liability outstanding at December 31, 2021 since the funding obligation expired in April 2021.

NOTE 22

DERIVATIVE LIABILITY - CONVERSION FEATURE

As described in note 19, prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding.

The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020.

The conversion feature meets the IFRS 9 definition of a derivative, because, its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020).

The value of the derivative liability at each reporting date was:

	Group - as at		
	January 1, 2020	**December 31, 2020**	**December 31, 2021**
Derivative liability- conversion feature	500,373	-	-

The derivative liability related to the conversion feature is measured using level 2 inputs on the fair value hierarchy.

Due to the close proximity of the opening balance sheet to the share exchange date (January 7, 2020), the value of the derivative has been computed using the intrinsic value method, which was the value of the conversion feature over and above the principal and interest which was converted.

Since the opening balance sheet was so close to the share exchange date, the intrinsic value applied is considered to be a reliable reflection of the value of that instrument, no sensitivities have therefore been presented in relation to this instrument.

NOTE 23: FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Agilyx Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

In common with all other businesses, Agilyx Group is exposed to risks that arise from its use of financial instruments. This note describes Agilyx Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments, by category

The principal financial instruments used by Agilyx Group are listed those listed in the table below, all of which are measured at amortized cost, plus the Warrant/Subscription rights and derivative liability related to the conversion feature at the opening balance sheet date, which are measured at fair value through the profit and loss:

	Group - as at			Parent - as at		
	January 1, 2020	December 31, 2020	December 31, 2021	January 1, 2020	December 31, 2020	December 31, 2021
Accounts receivable	250,000	9,064	1,669,890	-	-	-
Cash and cash equivalents	2,344,037	38,898,928	19,570,154	3,407	28,721,621	11,307,524
Total Financial Assets	**2,594,037**	**30,907,992**	**21,240,044**	**3,407**	**28,721,621**	**11,307,524**
Notes payable	13,438,500	2,870,443	1,271,853	-	-	-
Accounts payable	529,664	627,429	1,447,148	-	-	-
Payable to Group Companies	-	-	-	-	359,094	1,022,420
Lease liabilities	1,054,036	942,233	994,411	-	-	-
Financial liabilities at amortized cost	**15,022,200**	**4,440,105**	**3,713,412**	**-**	**359,094**	**1,022,420**
Warrant liability	208,704	11,267,832	7,570,647	-	11,267,832	7,570,647
Derivative liability- conversion feature	500,373	-	-	-	-	-
Total Financial Liabilities	**15,731,277**	**15,707,937**	**11,284,059**	**-**	**11,626,926**	**8,593,067**

(ii) Financial instruments not measured at fair value
Financial instruments not measured at fair value includes all the instruments listed in the table above (except the warrants and conversion feature derivative). Due to the short term nature of Accounts receivable, Accounts payable and the Payable to Group Companies, amounts, the amortized cost is considered to approximate fair value. The Notes payable and Lease liabilities both carry market rates of interest, for these amounts the amortized cost is also considered to approximate fair value.

(iii) Financial instruments measured at fair value
The only financial instruments measured at fair value through profit and loss are the Warrants and Subscription rights, described in more detail in note 14 and the derivative liability related to the conversion feature at the opening balance sheet date, described in more detail in note 22.

(iv) General objectives, policies and processes
The Board has overall responsibility for the determination of Agilyx Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Agilyx Group finance function. The Board receives monthly reports from the V.P. and Corporate Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to Agilyx Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Agilyx Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. As noted in Note 11, historically Agilyx does not have issues with collectability of its receivable balances. Due to this historical experience and the procedures which are applied to new customers, no allowance for expected credit losses has been booked.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Agilyx Group only deals with highly reputable banks and financial institutions. At times, Agilyx Group does hold funds with certain banks that are beyond federally insured levels, however, management regularly monitor the banking relationships to minimize any risk that may arise in this respect.

Interest rate risk
Agilyx Group is exposed to interest rate risk from long-term borrowings. Management has chosen to mitigate the exposure to movements in interest rates by lending via the Note payable at a fixed rate of interest. While using only a fixed rate note payable, Agilyx Group does limit any potential upside, that could be achieved by having a variable interest rate during times of falling rates, however, given the Agilyx Group's current growth mindset, it is more valuable to the group to have certainty over interest payment amounts, in order to be able to properly budget and forecast future expenditures.

Liquidity risk
Liquidity risk arises from Agilyx Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that Agilyx Group will encounter difficulty in meeting its financial obligations as they fall due. The current policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board regularly receives cash flow projections as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The budgets are set by management and agreed by the board in advance, enabling the Agilyx Group's cash requirements to be anticipated.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Group - as at				Parent - as at			
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at January 1, 2020								
Notes payable	11,027,500	1,782,000	1,020,600	13,830,100	-	-	-	-
Accounts payable	529,664	-	-	529,664	-	-	-	-
Payable to Group Companies	-	-	-	-	-	-	-	-
Warrant liability	-	-	208,704	208,704	-	-	-	-
Derivative liability-conversion feature	500,373	-	-	500,373	-	-	-	-
	12,057,537	1,782,000	1,229,304	15,068,841	-	-	-	-

	Group - as at				Parent - as at			
	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total	Due between 0 - 12 months	Due between 1-2 years	Due after 2 years or more	Total
As at December, 31 2020								
Notes payable	2,155,078	945,000	-	3,100,078	-	-	-	-
Accounts payable	627,429	-	-	627,429	-	-	-	-
Payable to Group Companies	-	-	-	-	359,094	-	-	359,094
Warrant liability	-	2,195,323	9,072,509	11,267,832	-	2,195,323	9,072,509	11,267,832
	2,782,507	3,140,323	9,072,509	14,995,339	359,094	2,195,323	9,072,509	11,626,926
As at December, 31 2021								
Notes payable	1,373,601	-	-	1,373,601	-	-	-	-
Accounts payable	1,447,148	-	-	1,447,148	-	-	-	-
Payable to Group Companies	-	-	-	-	1,022,420	-	-	1,022,420
Warrant liability	1,734,962	3,864,310	1,971,375	7,570,647	1,734,962	3,864,310	1,971,375	7,570,647
	4,555,711	3,864,310	1,971,375	10,391,396	2,757,382	3,864,310	1,971,375	8,593,067
See note 9 for undiscounted contractual cash flow information in relation to the lease liabilities.								

In addition to the financial liabilities noted above, there are two other potential cash outflows in relation to the investment in Regenyx, which may affect liquidity. During the initial funding period, Agilyx was responsible for funding the operations of Regenyx, this resulted in cash outflows, for 2020 of $3,253,790 and for 2021 $1,978,272 as reported on the cash flow statement and as provided for in the provision in note 21. Furthermore, the Regenyx contribution agreement includes a put option as defined in note 10, which could result in a cash outflow ,should the option be exercised by AmSty. The cash outflow would be based on the fair market value of the membership units held by AmSty at the date of exercise. The strike price of the option is fair value. Hence, the value of consideration due upon exercise of the option and the asset acquired (shares), would be equal and therefore no value has been attributed to this put option. At the date of this report, no events has occurred that will initiate the purchase of AmSty's investment in Regenyx.

Capital disclosures

Agilyx Group's managed capital includes equity and debt. The objectives for Agilyx Group when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Agilyx Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets to reduce debt.

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and ensure compliance with any covenants attached to the bank and borrowing facilities.

NOTE 24

EARNINGS PER SHARE

Net loss per share is computed under the provisions of IAS 33, earnings per share. Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period.

The following table sets forth the reconciliation of the numerator and denominator used in the computation of basic net loss per common share for the years ended December 31, 2021 and 2020:

	Years Ended December 31,	
	2020	2021
Numerator:		
Net loss	(21,234,632)	(15,567,723)
Net loss attributable to ordinary shareholders	(21,234,632)	(14,609,256)
Denominator:		
Weighted average shares outstanding- basic	60,972,113	76,537,046
Net loss per common share- basic	(0.35)	(0.19)

Since Agilyx Group incurred an operating loss in both periods, the outstanding warrants and stock options would have an anti-dilutive impact on the earnings per share calculation, therefore the diluted earnings per share is equal to the basic earnings per share.

NOTE 25: INVERSION TRANSACTION - JANUARY 7, 2020

On January 7, 2020, the former owners of Agilyx Corporation exchanged their shares in the company through an inversion transaction, receiving shares in Agilyx ASA and retaining their relative interest, prior to a private placement transaction, which followed the successful completion of the inversion transaction and introduced some new shareholders. Agilyx ASA was a new company at that time, resulting in Agilyx ASA being the new parent company of the Agilyx Group. As the shareholder structure of the group remained unchanged, after the inversion transaction, the reorganization was considered a common control transaction outside the scope of IFRS 3 Business Combinations.

Further, as Agilyx ASA. was a new company, it issued shares as consideration and the shareholder structure and ownership percentages remained the exact same, prior to the private placement which took place after the share exchange took place. The inversion transaction / reorganization was considered to be a transaction with no economic substance, and in reality only a continuity of the old Agilyx Corporation. Based on this assessment, the reorganization has been accounted for in the following way:

- In the consolidated financial statements, Agilyx ASA has incorporated all the assets and liabilities of the existing Agilyx Corporation at their precombination values
- Agilyx ASA's consolidated financial statements include Agilyx Corporation group's full-year results (including comparatives), even though the transaction occurred on January 7, 2020 (subsequent to the opening balance sheet date of January 1, 2020)
- The equity of the group represents the equity of Agilyx Corporation until the reorganization, when paid in capital of the group is exchanged to represent the paid in capital of Agilyx ASA.

The inversion transaction was contingent on the settlement of all outstanding convertible notes and as such the outstanding balance at January 7, 2020 was settled. This included total interest accrued of $1,573,119 (note 13) and the principal payable of $9,488,500 (note 19).

Immediately following the inversion transaction, a private stock offering was approved, resulting in the issuance of 101,496 shares, with a par value of 1 NOK, at a subscription price of NOK 936, to new and existing shareholders. This generated proceeds of $10,758,277. In order to go through the private stock offering process, costs of $646,398 were incurred, these have been presented as a reduction in the share premium reserve, within equity.

NOTE 26: SUBSEQUENT EVENTS

Revolving line of credit- On April 8, 2022, the Company signed a term sheet for a $5 million line of credit with a Norwegian bank. Stated interest rates on drawn amounts will be LIBOR plus 6% and there are upfront commitment and unused portion fees. The Company cannot submit a drawdown request until it has been admitted to the main list on the Oslo Stock Exchange.

Material contract with customer- On March 30, 2022, the Company entered into a material contract with a customer to sell its proprietary equipment. This contract will cause the Company to place several large purchase orders to meet the contract's various requirements. The Company has negotiated favorable upfront payment terms and believes it can meet the related contingent liabilities as they arise.

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To the General Meeting of Agilyx ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Agilyx ASA for the financial years ended 31 December 2021 and 31 December 2020 which respectively show a profit of USD 523 532 and a loss of USD 14 024 573 in the financial statements of the parent company and which respectively show a loss of USD 15 567 723 and a loss of USD 21 234 632 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Agilyx ASA (the Company), which comprise the balance sheet as at 31 December 2021 and 31 December 2020, the income statement, statement of changes in equity and cash flow statement for the years then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Agilyx ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021 and 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and 31 December 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and 31 December 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Emphasis of Matter – Basis of Preparation

The financial statements were prepared to meet the requirements in connection with Agilyx ASA's listing of shares on Oslo Stock Exchange, including the prospectus prepared in connection therewith. Our opinion is not modified in respect of this matter.

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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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

Oslo, 25. August 2022
RSM Norge AS

Cecilie Tronstad
State Authorised Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Cecilie Tronstad
State Authorised Public Accountant
På vegne av: RSM Norge AS
Serienummer: 9578-5999-4-1466689
IP: 81.191.xxx.xxx
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APPENDIX E:

The Group's USGAAP financial statements for 2019, restated to IFRS

Agilyx AS Group
As at January 1, 2020

Notes	Agilyx AS Group Consolidated Income Statement For the Period Ended December 31, 2019 Operating revenue and operating expenses	USGAAP with Regenyx Removed	Correction	IFRS Adjustment	Updated for IFRS
	Revenues	1 711 220			1 711 220
	Cost of revenues	439 303			439 303
	Gross margin	**1 271 917**	**-**	**-**	**1 271 917**
	Research and development	3 047 854			3 047 854
	Sales and marketing	690 770			690 770
2,3	General and administrative	2 533 986		64 972	2 598 958
	Total operating expenses	**6 272 610**	**-**	**64 972**	**6 337 582**
	Operating loss	(5 000 693)	-	(64 972)	(5 065 665)
4	Result from investment in joint venture	(2 206 511)	(5 381 518)		(7 588 029)
5	Fair value gain/(loss) on warrant agreements	-		(500 373)	(500 373)
	Interest expense	(1 053 226)			(1 053 226)
	Other financial income (expense), net	275 959			275 959
	Net financial items	**(2 983 778)**	**(5 381 518)**	**(500 373)**	**(8 865 669)**
	Net result for the year	**(7 984 471)**	**(5 381 518)**	**(565 345)**	**(13 931 334)**

	Agilyx AS Group Consolidated Balance Sheet As of January 1, 2020 Assets	USGAAP with Regenyx Removed	Correction	IFRS Adjustment	Updated for IFRS
	Non-current assets				
	Intangible assets	4 755 930			4 755 930
	Property, plant and equipment	124 220			124 220
1	Right of use asset			1 054 036	1 054 036
4	Investment in joint venture	1 603 509	(1 603 509)		-
	Shares in subsidiaries	-			-
	Other non-current assets	27 700			27 700
	Total non-current assets	**6 511 359**	**(1 603 509)**	**1 054 036**	**5 961 886**
	Current assets				
	Accounts receivable	250 000			250 000
	Prepaid expenses and other current assets	90 165			90 165
	Cash and cash equivalents	2 344 037			2 344 037
	Total current assets	**2 684 202**	**-**	**-**	**2 684 202**
	Total assets	**9 195 561**	**(1 603 509)**	**1 054 036**	**8 646 088**
	Liabilities and stockholders' equity				
	Equity				
	Common stock	137 623 033			137 623 033
	Share premium	-			-
	Additional paid-in capital	3 763 889			3 763 889
	Total paid-in equity	**141 386 922**	**-**	**-**	**141 386 922**
3,4,5	Uncovered loss	(150 804 871)	(5 381 518)	(693 900)	(156 880 289)
	Minority				-
	Total equity	**(9 417 949)**	**(5 381 518)**	**(693 900)**	**(15 493 367)**
	Liabilities				
	Non-current liabilities				
	Long-term notes payable	2 525 000			2 525 000
1	Long-term lease liability			871 939	871 939
3	Warrant liability			693 900	693 900
	Other long-term liabilities	-			-
	Total non-current liabilities	**2 525 000**	**-**	**1 565 839**	**4 090 839**
	Current liabilities				
	Accounts payable	529 664			529 664
4	Accrued expenses and other current liabilities	1 757 546	3 778 009		5 535 555
	Payables to group companies	-			-
	Deferred revenue	2 887 800			2 887 800
1	Curent portion lease liability			182 097	182 097
	Current portion of notes payable	10 913 500			10 913 500
	Total current liabilities	**16 088 510**	**3 778 009**	**182 097**	**20 048 616**
	Total liabilities	**18 613 510**	**3 778 009**	**1 747 936**	**24 139 455**
	Total liabilities and stockholders' equity	**9 195 561**	**(1 603 509)**	**1 054 036**	**8 646 088**

	Agilyx Corporation Group Consolidated Statement of Cash Flows As of January 1, 2020 Assets	USGAAP with Regenyx Removed	Correction	IFRS Adjustment	Updated for IFRS
	Operating Ativities:				
2,3,4,5	Net loss	(7 984 471)	(5 381 518)	(565 345)	(13 931 334)
	Depreciation and amortization	14 878			14 878
2	Stock-based compensation	16 183		7 843	24 026
3,5	Fair value of warrants	-		557 502	557 502
4	Result from investment in JV	2 206 511	5 381 518		7 588 029
	Gain on sale of member units	(276 158)			(276 158)
	Accounts receivable	(250 000)			(250 000)
	Prepaid expenses and other assets	141 648			141 648
	Accounts payable	151 389			151 389
	Accrued expenses	(169 092)			(169 092)
	Deferred revenue	2 825 345			2 825 345
	Accrued interest	1 053 233			1 053 233
	Total operating activities	(2 270 534)	-	-	(2 270 534)
	Investing Activities:				
	Purchase of property and equipment	(40 533)			(40 533)

Funding of joint venture	(2 086 178)			(2 086 178)
Total investing activities	(2 126 711)	-	-	(2 126 711)
Financing Activities:				
Issuance of convertible notes payable	1 988 500			1 988 500
Proceeds from sale of joint venture units	2 000 000			2 000 000
Payments under licensing agreements	(525 000)			(525 000)
Total financing activities	3 463 500	-	-	3 463 500
Net decrease to cash	(933 745)	-	-	(933 745)
Cash at beginning of year	3 277 782			3 277 782
Cash at end of year	2 344 037	-	-	2 344 037
Supplemental Disclosures:				
Cash paid for interest	1 269			1 269
Purchase licensed technology through notes payable	4 475 000			4 475 000
Net fixed assets contributed to joint venture	3 233 146			3 233 146
Recognition of right of use asset	-			-

Note 1 - Recognition of right of use assets and lease liabilities in accordance with IFRS 16

Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 1, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognised an increase of $1,054,036 of lease liabilities at January 1, 2020 (allocated between current and non-current and $1,054,036 of right-of-use assets at January 1, 2020.

Note 2 - Stock compensation adjustment

Under NGAAP, the Agilyx Group recognized the cost, (based on an appropriate pricing model) for the stock compensation plan as an expense on a straight line basis over the vesting period. IFRS requires the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period using an accelerated recognition basis. IFRS also requires that graded vesting awards with only service conditions be recognized and measured only as, in substance, multiple awards whereas in accordance with NGAAP, the Company elected to treat graded vesting awards as a single award. An additional expense of $7,843 has been recognized in the income statement for the year ended January 1, 2020.

Note 3 - Warrant liability and Subscription rights adjustment

This adjustment affected both the parent company and group statements, inserting the fair value of the warrants at each reporting date, on to the balance sheet and then flowing any corresponding movement in the fair value through the income statement for each period. Under NGAAP, these amounts were not recognized on the balance sheet, but due to the terms and nature of the warrant agreements, these represent derivative financial instruments in accordance with IFRS and therefore they must be measured at fair value through the profit and loss. Note 14 discloses the respective fair values at each reporting date and details of the income statement movements for both periods presented.

Note 4 - Regenyx investment impairment

For the investment in Regenyx, objective evidence of impairment was noted, in accordance with the criteria in IAS 28, due to forecasted negative cash flows being generated by the entity, which would require capital contributions from Agilyx (in particular during the initial 24 month funding period - see note 21 for provision recognized in this regard) and AmSty in order to support its continued operation. In addition to this, operationally, there were indicators that the plant would not be able to produce the level of offtake that was initially intended when the entity was formed.

Due to the projected negative cash flows and the unique nature of the underlying plant, it was determined that the recoverable amount was zero under both the value in use and fair value less cost to sell methodology therefore the investment in Regenyx has been fully impaired at January 1, 2020. As can be seen in the tables below, subsequent capital investments by Agilyx have been offset by losses incurred by Regenyx (with the recognition of losses being capped once the investment balance is equal to zero, in accordance with the provisions of IAS 28).

Calculation of balance sheet value of investment in Regenyx	
Opening balance at January 1, 2020	1 603 509
Estimated cash outflow for committed initial funding period (note 21)	3 778 009
Impairment charge – fully impair opening balance	(5 381 518)

Note 5 - Derivative liability - conversion feature

As described in note 19, prior to the Inversion transaction on January 7, 2020, there was a convertible note payable outstanding.

The convertible notes included an embedded derivative in the form of an optional conversion feature, which was triggered if a qualified financing event took place. The qualified financing event criteria was triggered by the inversion transaction and subsequent private placement which raised more than $10,000,000. The feature provided existing noteholders an option to convert their notes into ordinary shares, once they were notified of a qualifying financing event taking place, which occurred on December 13, 2019. Per the terms of the note, the holder would have the option to 1) choose to decline the conversion and be paid back at principal plus interest or, or 2) be converted to ordinary shares of the Company with a conversion price of $100 per share. All notes were settled by January 7, 2020.

The conversion feature meets the IFRS 9 definition of a derivative, because, its value changes in response to the value of the underlying Agilyx Group shares that the debt can be converted into, it required little or minimal initial investment and it will be settled at a future date (as at January 1, 2020). The value of the derivitive liabilty was $500,373 as of Janaury 1, 2020.

Agilyx ASA

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