



Q1 2021

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Highlights

Highlights Q1 2021

Achieved an outstanding quarterly performance

Achieved best ever
quarterly
performance
40.4 MNOK sales

Quarterly growth in
all market segments

Successful upscaled
the manufacturing
process for SAN HQ
by 100-fold

Profitability remains
strong
25.8 MNOK EBITDA

Molecular research
sales have re-
establishing to pre-
pandemic levels



Business Update

Business Updates

Commercial Segment Sales



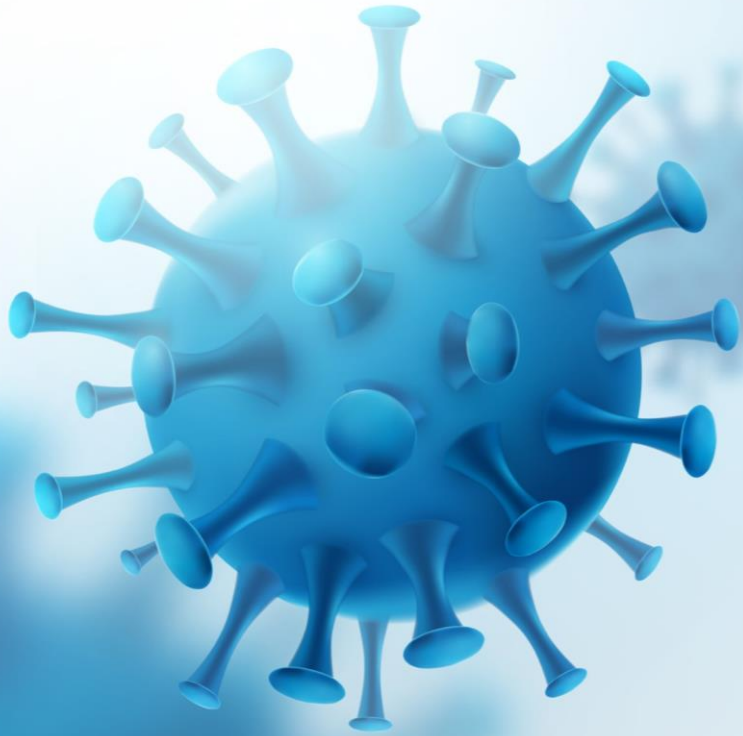
Therapeutics

- ✓ 36% quarterly growth compared to Q1 2020
- ✓ 25% contribution to total Q1 sales
- ✓ ReiThera has initiated phase 2/3 clinical trials
- ✓ cGMP audits from two large SAN customers



Research & Diagnostics

- ✓ 176% quarterly growth compared to Q1 2020
- ✓ 75% contribution to total Q4 sales
- ✓ Molecular diagnostic (MDx) sales is the main driver
- ✓ New supply agreement signed with an MDx company
- ✓ Molecular research sales have re-established to pre-pandemic levels but large fluctuations will remain



Business Updates

Coronavirus related sales

- ◆ Majority of sales is recurring business rather than one off orders
- ◆ Established long-term business with numerous companies
- ◆ 41% contribution of total Q1 sales
- ◆ Majority of sales is towards molecular diagnostic testing >90%
- ◆ Quarterly fluctuations to continue but to a lesser extent

Business Update

Innovation & Operations

- ◆ **Salt Active Nuclease (SAN) Upscaling**
 - ◆ Successfully upscaled the manufacturing process of the SAN HQ enzyme
 - ◆ Achieved >100-fold increase in fermentation yield
 - ◆ Commercially available to our therapeutic customers during Q2
 - ◆ Serves customer requirements for larger quantities of enzyme from a single production batch
- ◆ **Innovation pipeline is progressing for several products anticipated for launch in 2021**
 - ◆ M-SAN ELISA kit, *Taq* DNA polymerase, reverse transcriptase, new SAN products and other enzymes



Large scale production of SAN HQ



1st validation batch



AZT's new production facility before renovation



SIVA Innovation Centre

Business Update

Strategic Growth Initiatives

- ◆ **Main focus have been toward the infrastructure expansion of R&D and Operations**
 - ◆ Renovation work is underway to modify the infrastructure and install necessary utilities
 - ◆ Once complete production and laboratory equipment can be moved in
 - ◆ Progressing according to plan
- ◆ **Continue to incrementally hire new personnel in Tromsø in order to support growth initiatives**
 - ◆ R&D, operational, QA/QC and customer support roles



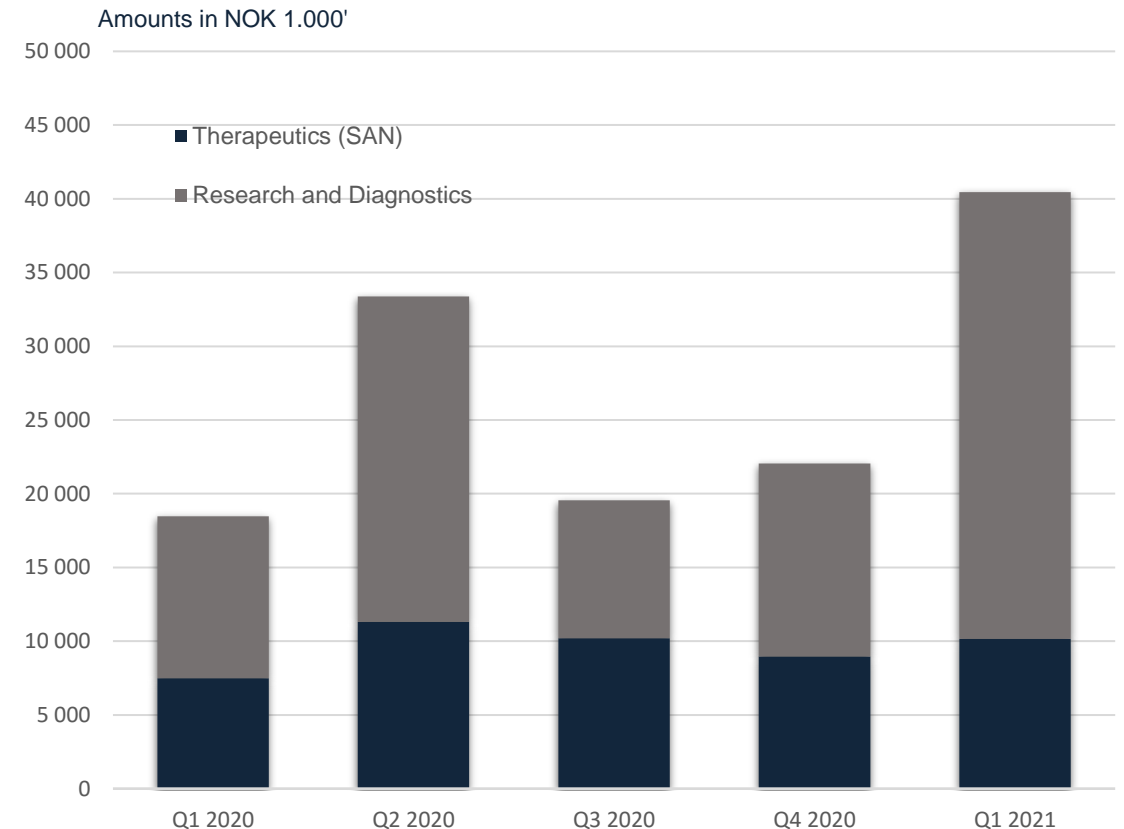
Financials

ArcticZymes Sales Q1 2021

Growth continues to be strong

- Sales growth of 119% compared to same quarter last year
- Therapeutics segment (SAN) growth: 10.2 MNOK (7.5) or increase of 36%
 - On same levels as last 3 quarters
- Research & Diagnostics increase of 176% from 11.0 MNOK to 30.3 MNOK
 - COVID-19 impact significant
 - Strong sales within research and SAP

Sales per segment

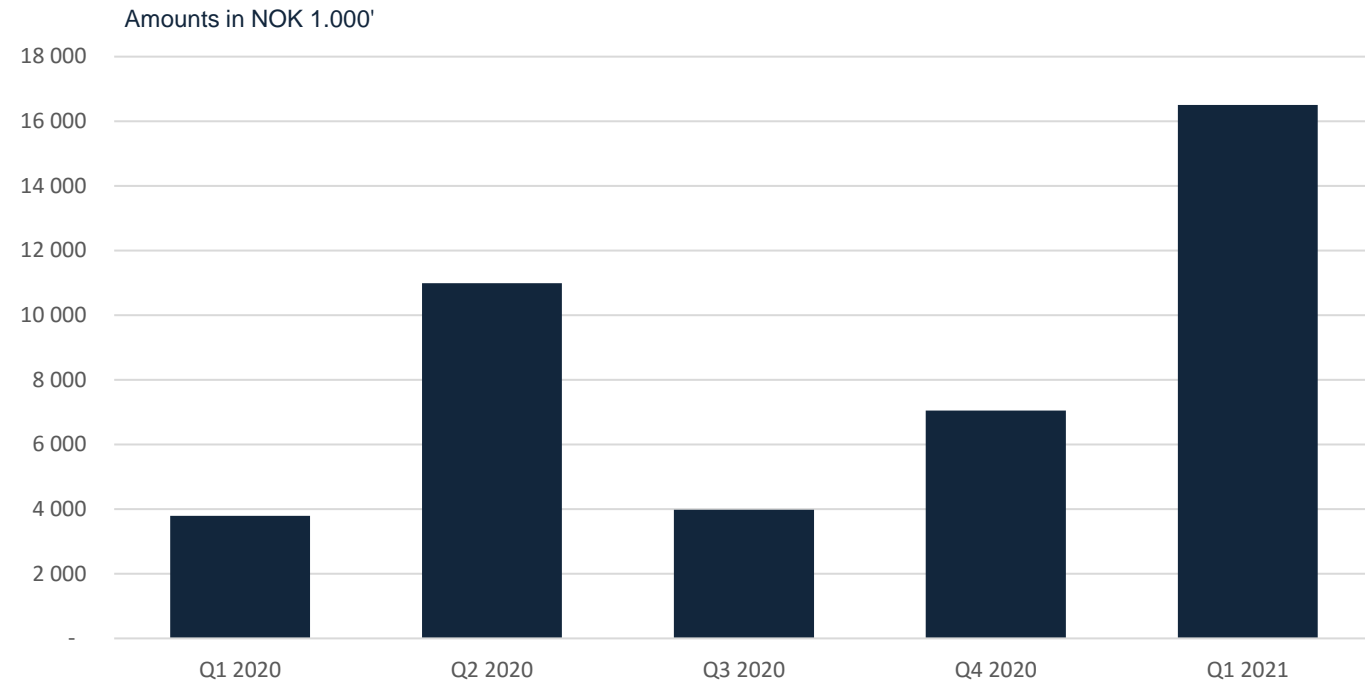


ArcticZymes Sales Q1 2021

Covid-19 impact is estimated at 41% of quarterly sales

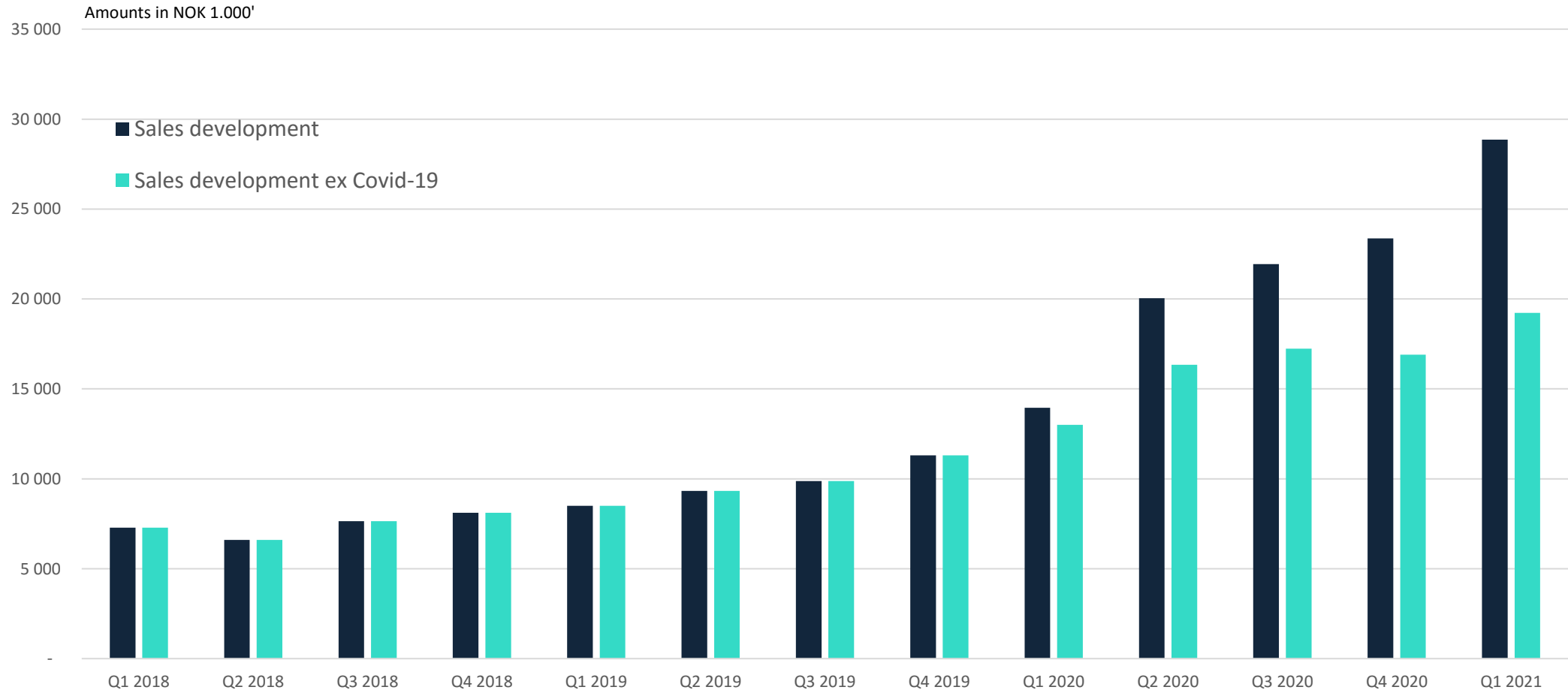


Estimated Covid-19 related sales



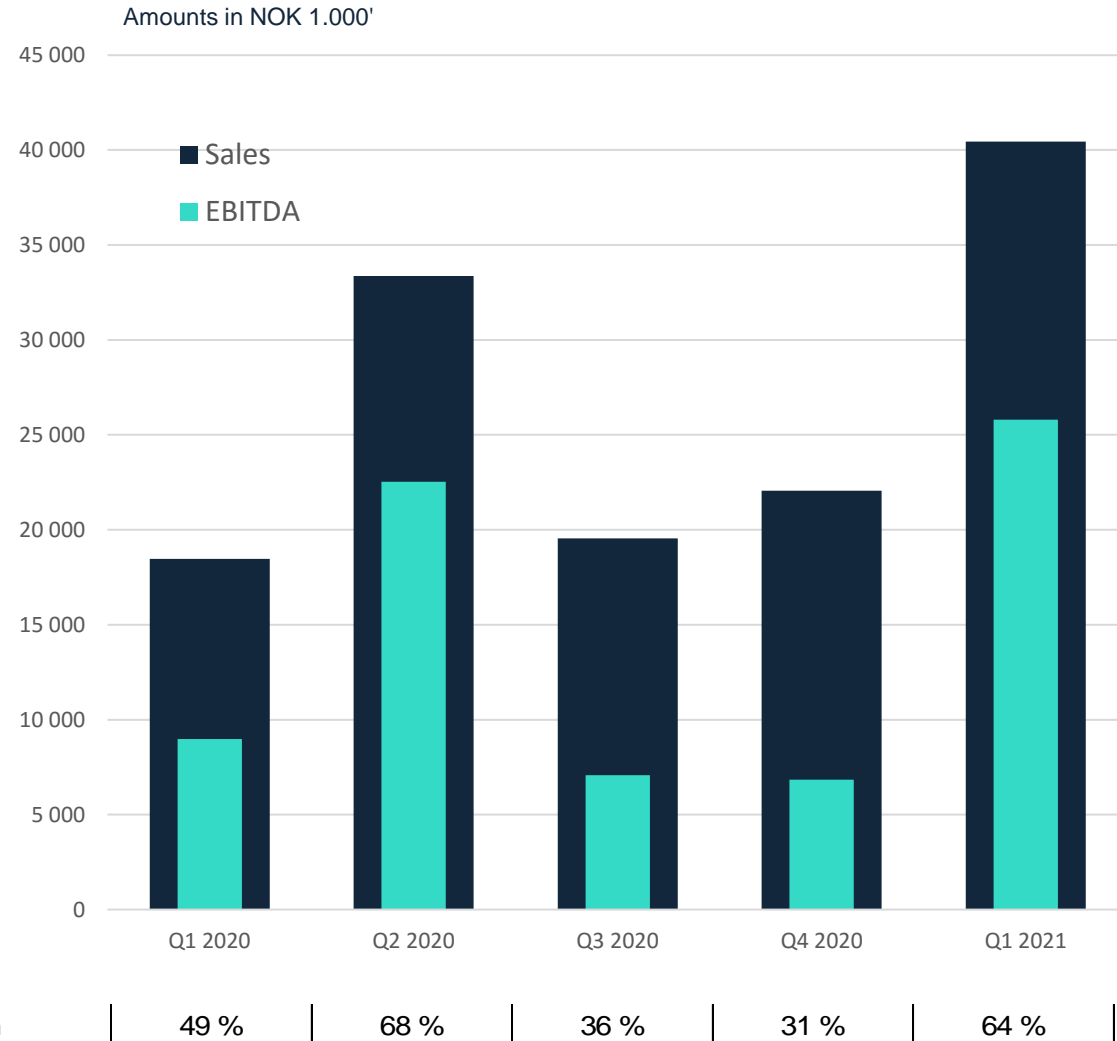
12 Month rolling average sales

Underlying growth continues across the business



ArcticZymes Technologies

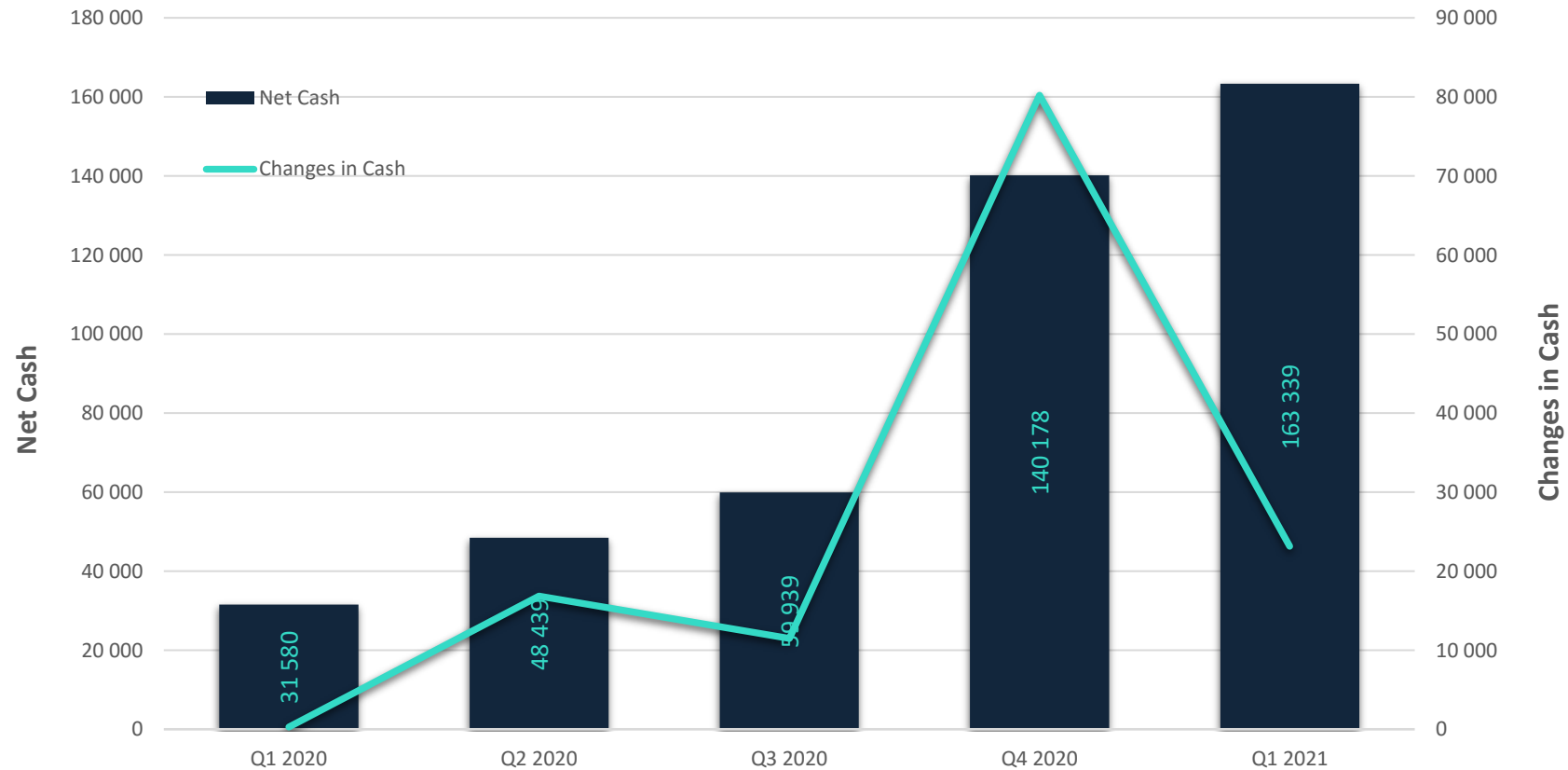
Deliver beyond expectations



- 119% improvement in sales (MNOK 40.4 vs 18.5)
- 194% improvement in EBITDA (MNOK 25.8 vs 9.0)
- Expenses increased by 4.0 MNOK
 - Increase in personnel as we investing in organic growth
 - Increase in property, plant and equipment related expenses
 - External support to drive growth initiatives

Cash Flow

Final settlement relating to divestment received on 31st March





Outlook

Outlook 2021 and Beyond

A new era as a pure enzymes company

New Innovations

Complete portfolio offering of molecular biology enzymes in the next 2-3 years



Performance

Focus on topline sales growth

Profitability

Focus remains on increasing profitability

Investment

Expanded facilities as well as talented personnel will be core to organic growth



Thank you

Q&A Session

arcticzymes.com

**Annual General Meeting
20th May 2021**

