2023

Annual Report

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In October 2023, Agilyx signed an agreement with ExxonMobil and LyondellBasell to invest in Cyclyx, its plastic sourcing and processing joint venture. Under the agreement, LyondellBasell became a partner in the joint venture and, together with ExxonMobil, will invest $135 million into Cyclyx. As a result, Agilyx's ownership in Cyclyx has been diluted from 75% to 50%, which means that since November 2023, Cyclyx is no longer fully consolidated in Agilyx financials and is accounted for using the equity method. Further information can be found in Note 23.

Highlights

Introduction from the CEO

Dear Stakeholder,

Looking back over the past year, it has been a pivotal one in our development. While the chemical industry is going through a challenging period at the moment, we remain committed to building upon the successful milestones achieved in 2023 and to improve the strategic focus, operations and business activities that drive our mission forward.

Plastics hold strategic importance as a versatile material utilized in nearly every sector, and our industry remains essential in the quest to combat the enormous problem of waste plastic. Increased awareness, the heightened desire to reduce carbon emissions, and evolving government regulations and policies across the globe all serve as catalysts for ongoing industry expansion.

THE YEAR IN BRIEF

I am proud of the great strides Agilyx has made this year, especially with our polystyrene chemical recycling project with Toyo Styrene in Japan. Since the initial sale of a technology license in 2020, the development of the Toyo project has marked a series of milestones for Agilyx in deploying its depolymerization technology and delivering a 10-ton-per-day chemical recycling facility in Japan. This year, our project team successfully fabricated, assembled and factory acceptance tested the core equipment modules in the US, disassembled them for shipment, and then collaborated with Toyo to reassemble the modular system that will power the facility in the Chiba Prefecture.

Construction is now complete, and our team commenced onsite commissioning activities in December with the objective of completing performance acceptance testing and formal handover to Toyo in May of 2024. I am extremely pleased with our partnership with Toyo Styrene and the progress that we have made together, and I am excited about getting our first customer plant operational. Delivering the first polystyrene chemical recycling facility in Japan and enabling an increase in global plastic recycling through circular pathways is a significant achievement for Agilyx.

The delivery of the Toyo project is an important proof point for our conversion technology, and it allows us to work more closely with strategic partners who can help commercialize the technology.

In October, we announced a $135 million investment into Cyclyx by ExxonMobil and LyondellBasell to fund operating activities and the first Cyclyx Circularity Center (CCC), with Agilyx now owning 50% of the Cyclyx joint venture. These strategic changes enable Cyclyx to invest in and generate interest from CCCs through both build-own-operate and license models, addressing the significant interest shown from potential customers. The transaction positions Cyclyx to meet rapidly growing demand for both mechanical and chemical recyclers with much-needed feedstock.

Closing out the year, Cyclyx achieved final investment decision (FID) on the first CCC, a significant achievement. The Houston-based CCC is a facility designed to accept and process plastics currently going to landfills for use in a variety of recycling technologies by leveraging Cyclyx's unique understanding of the chemical composition of waste plastics. This first-of-its-kind CCC will serve as a blueprint as we explore developing and replicating additional circularity centers across the globe.

In October, we successfully raised $20 million from a private placement in the Norwegian market, providing funding to support the new and transformational direction of Cyclyx, enabling its transition to a build-own-operate model. Despite the challenges faced in 2023, Agilyx delivered a solid financial performance with revenue of $5.9 million and took action to reduce operating costs in the second half of the year.

2024 marks the successful conclusion of Regenyx, our joint venture with AmSty. The Regenyx venture was established as a five-year project with primary objectives of proving the efficacy of Agilyx's depolymerization technology, enabling Americas Styrenics to produce new polystyrene products with the same quality and durability as virgin plastic, and establishing ISCC PLUS certification for the demonstrated circular pathway, which we have now put into practice at Cyclyx, launching the industry's first ISCC PLUS supply chain.

While acknowledging the challenging landscape ahead, we remain committed to building upon the successes of our strategies in 2023 to improve operations and business activities that drive our mission forward.

NURTURING A SUSTAINABLE FUTURE

Through it all, I am grateful for the cornerstone of success: our people. Navigating the uncertainties of 2023 and looking forward is only possible because of our talented and dedicated team, partners and stakeholders working together. Thank you for your unwavering commitment to innovation and building a sustainable future.

Russ Main
Interim Chief Executive Officer (CEO)

Agilyx at a glance

2023 NUMBERS

• 2023 • 2022

REVENUE

$5.9M

GROSS MARGIN

$0.6M

PERIOD END NET CASH

$8.5M

Agilyx continues to change the way the world recycles plastic by offering integrated solutions to transform plastic waste into value. Through a licensing model and proven technology, Agilyx helps customers unlock the circularity of plastic on a global scale.

OUR MISSION

Use innovative technology for good and help solve the problem of plastic waste.

OUR REACH

Agilyx has an office and lab in Portland, Oregon. Corporate headquarters and the Cyclyx office and lab are located in Portsmouth, New Hampshire. Agilyx also has a European presence in Oslo, Norway.

OUR VALUES

We are guided by our core values: be safe, be collaborative, be innovative and be responsible. Agilyx employees live these values every day and they are a critical part of our company culture. For more information on these values, see page 25.

OUR PERFORMANCE

Agilyx: Revenue of $5.9M

Our vision is to be a leading technology provider enabling the circular economy for plastic. We continue to focus on “waste to product” pathways and supporting “waste to intermediate” pathways where others are willing to invest. We also leverage partnerships to enable a unique end-to-end offering across the value chain.

Cyclyx: Revenue of $10.3M

Cyclyx is a consortium-based supply chain innovation company. LyondellBasell has acquired 25% equity ownership of the joint venture, along with Agilyx and ExxonMobil, holding 50% and 25%, respectively, as of October 2023. This further accelerates innovation and the development of the necessary infrastructure for a nationwide circular economy for plastics.

** Full Year Cyclyx Revenue is not reported in Agilyx financials as Cyclyx is treated as discontinued operations for 10 months, and under equity method for remaining 2 months in P&L, see Note 23.*

Investment case

Strong market fundamentals and desire to solve the global challenge of plastic waste

- Estimated $150 billion plastic recycling market by 2030[1]
- More than 20 years of experience and eight generations of technology released

Integrated offering across the value chain

- Competitive advantage in feedstock sourcing and unique waste-to-product conversion pathways

Commercially validated technology with blue-chip partners

- Secured strategic investment from ExxonMobil and LyondellBasell to further boost our sorting capability
- Partnership with Technip Energies to offer unique styrene technology

Ready to realize growth ambitions

- Significant value creation through the first CCC, which also enables future CCCs

[1] *Company estimates using McKinsey and Precedence Research data*

REACHING FID ON FIRST CYCLYX CIRCULARITY CENTER

Cyclyx reached an exciting investment milestone at the end of 2023 when the FID to build the first CCC was announced.

The CCC will leverage Cyclyx's proprietary technology to accept, analyze and process a wide range of difficult-to-recycle plastics, including food packaging, chip bags, bottle caps and more, that would otherwise end up in landfills. The facility will accept a wide variety of plastics and process this to meet the expectations for ExxonMobil and LyondellBasell, who both have offtake rights from the CCC. Cyclyx adheres to stringent ISCC PLUS standards to ensure the delivery of traceable, certified feedstocks through the CCC.

The CCC in Houston, Texas, U.S., is the first of its kind and will serve as a blueprint to be replicated nationally and internationally. The facility is designed to increase the circularity of plastic waste and has the capacity to produce 136 KTA of plastic feedstock for advanced and mechanical recycling.

The expected startup date for the first CCC is mid-2025. Operations will create more than 100 jobs within the first facility, and more are expected as Cyclyx continues to explore the development of additional CCCs across the United States. Reaching FID on the first CCC is another stride toward our long-term goal of increasing the recycling options for plastic waste and unlocking plastic's potential.

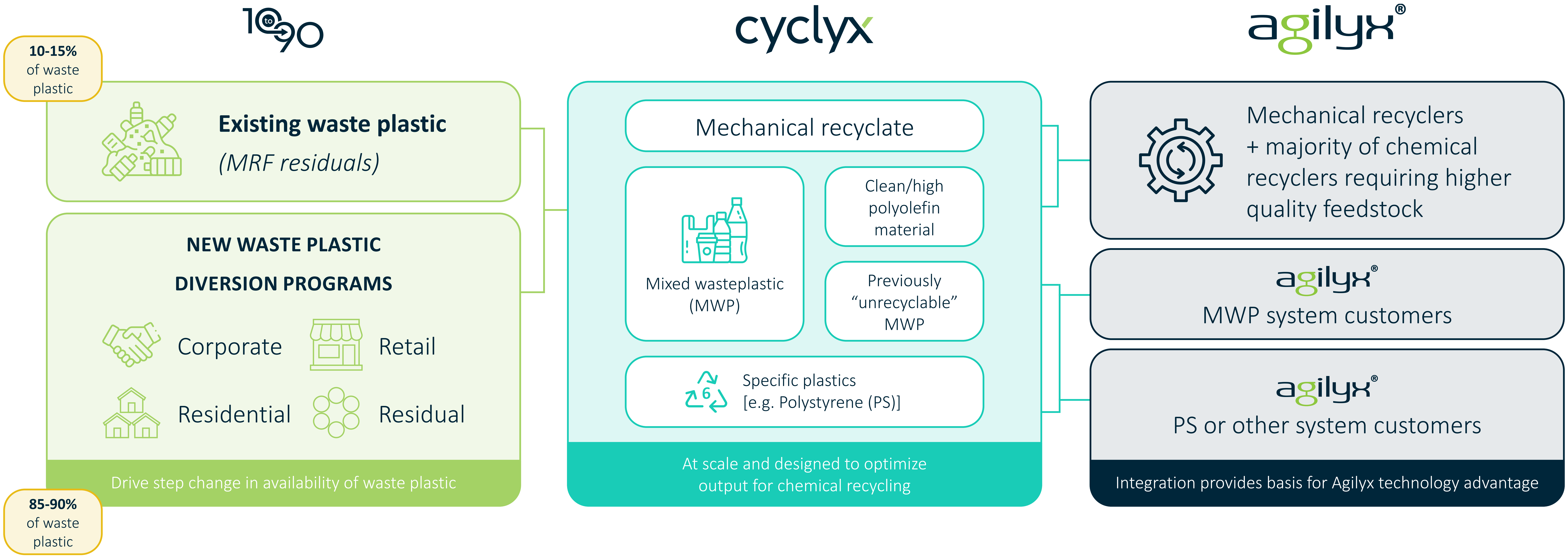
Strategic Report

Who we are

Plastic waste is an immense global challenge. For 20 years, Agilyx has remained committed to a longstanding mission of using technology for good to solve the problem of plastic waste.

Our two go-to-market entities, Agilyx and Cyclyx, provide an integrated solution for plastic waste to bridge the gap between waste and recycled material, creating a circular economy for plastics. With a focus on diversion and conversion of plastic waste, Agilyx is uniquely positioned with a chemical recycling technology offering and an integrated feedstock solution by way of Cyclyx.

AN INTEGRATED APPROACH TO RECYCLING



Our market

Plastic has many valuable uses and is part of our day-to-day lives; however, single-use plastic products, which can be found nearly everywhere from water bottles and containers to packaging film and face masks, continue to contribute to one of the greatest environmental challenges. Half of all plastic produced is designed to be used once and thrown away, otherwise known as a linear take-make-waste model. In turn, society produces about 400 million tons of plastic waste each year.[1]

PLASTICS BY THE NUMBERS

50% of all plastics
ARE DESIGNED FOR SINGLE USE[1]

1 million plastic bottles
ARE PURCHASED EVERY MINUTE GLOBALLY[1]

~10% of 7 billion tons
OF PLASTIC WASTE HAS BEEN RECYCLED[1]

5 trillion plastic bags
ARE USED EVERY YEAR GLOBALLY[2]

400 million tons of plastic waste
PRODUCED ANNUALLY[1]

[1] *UN Environment* [2] *The World Counts*

Internationally, only about 10% of plastics produced annually are recycled, with the rest ending up in landfills, incinerators or the environment. Not only does this contribute to our enormous plastic waste problem, but it destroys economic value.

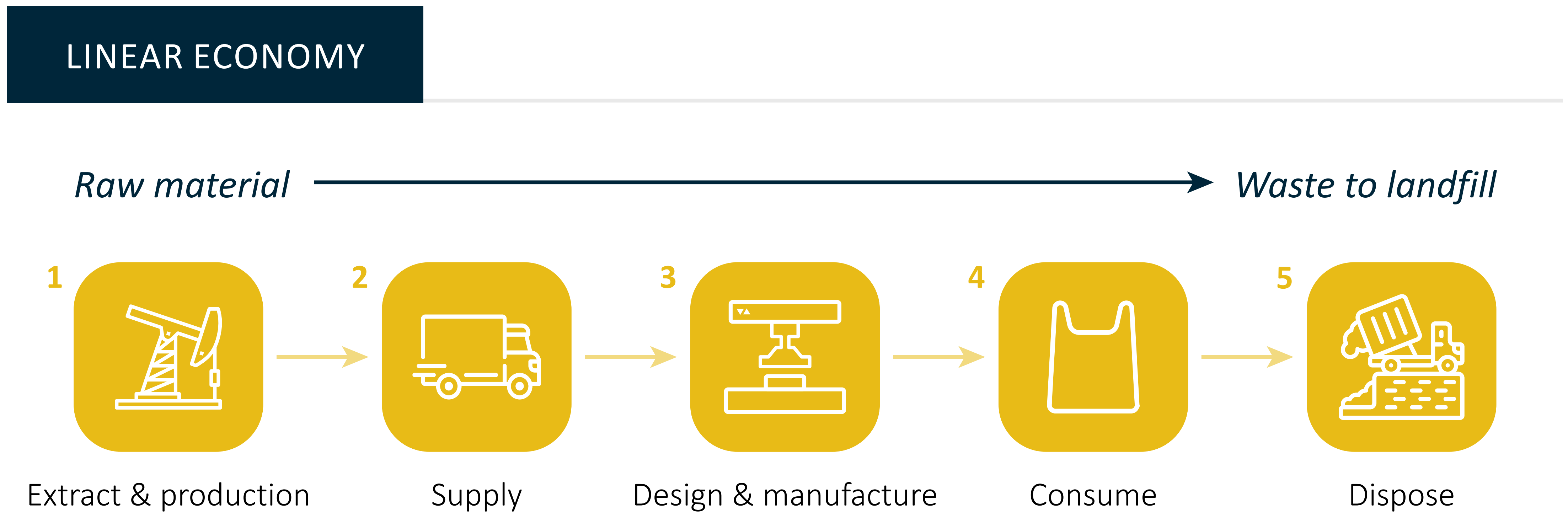
Global recycling methods alone aren’t enough, as current systems are not set up to process the diversity and volume of plastic waste. With a lack of understanding around which plastics can be recycled and limited recycling capabilities in the market, the majority of plastic is simply not recycled. To address the challenge of plastic waste, there must be a focus on high-impact solutions with a new approach to recycling and an overall change in behavior.

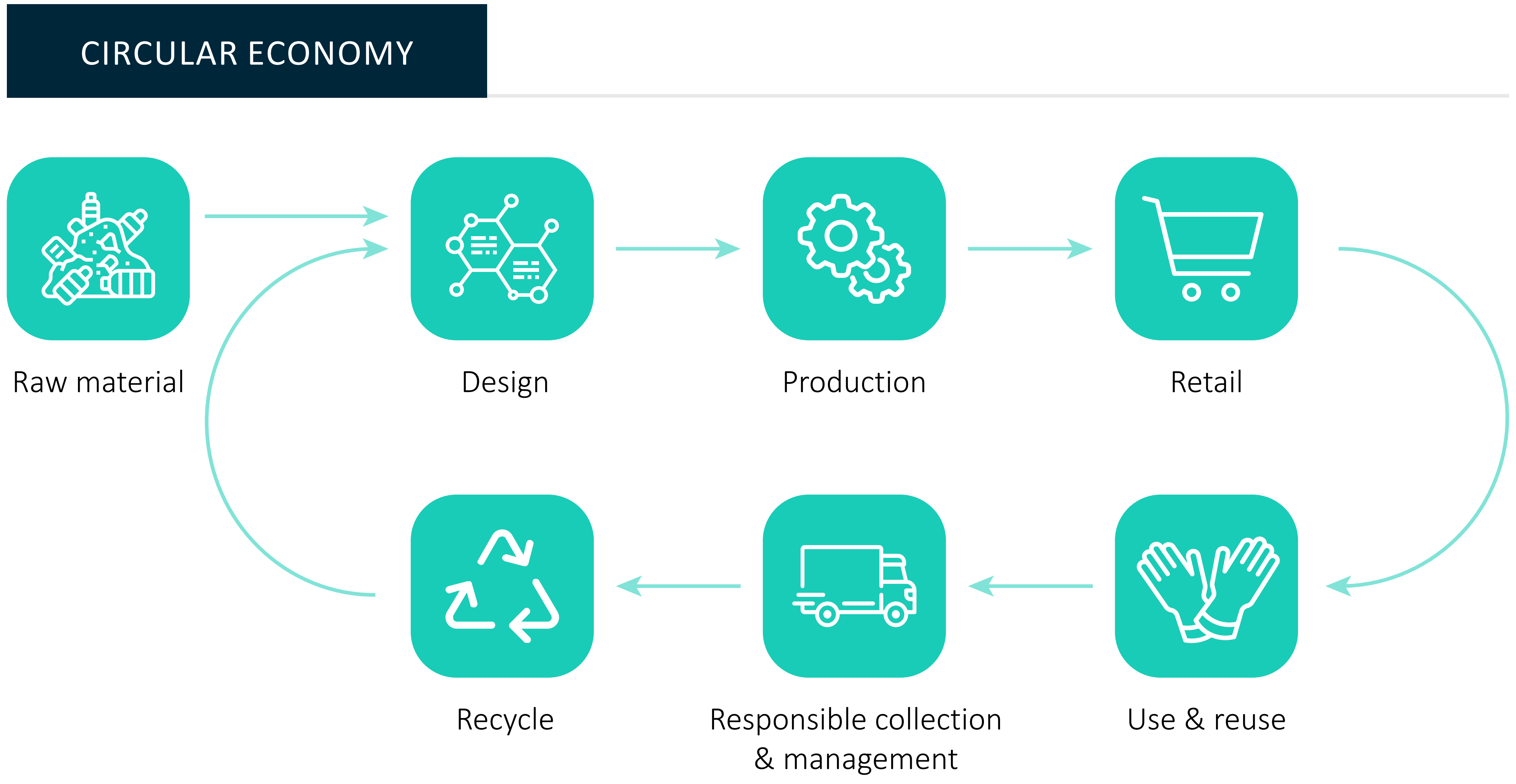
Our market

There continues to be a robust demand for plastic driven by the following three factors:

1. **Growth in plastic production**
   - Driven by population growth and increasing prosperity, demand for nearly every industry that uses plastics in their products and packaging continues to grow. In turn, global polymer demand is expected to double by 2050.
2. **Demand for recycling and circularity**
   - Large companies continue to make sustainability pledges to minimize their environmental impact – more than 80 global CPG, packaging and retail companies have made public commitments to reach between 15-50% recycled content in their packaging by 2025.[1] This is causing a shift away from the linear economy toward increased interest and investment in circular economic models.
3. **Regulation and capital investment**
   - Government policies and regulations continue to shift to encourage recycling and circularity. The EU's Packaging and Packaging Waste Regulation (PPWR) states that all packaging must be recyclable by 2030 and recycled at scale by 2035. In the United States, the EPA is looking to step up its game to meet a national recycling goal of 50% by 2030.
   - For circular plastics to meet the robust demand, it is clear that investment will be needed across the plastics value chain. According to McKinsey, investments totaling $50 billion may be needed by 2030 to support the global scale-up of plastic recycling, about one-third of which will be in feedstock sourcing and preparation.[2]
   - To create progress throughout the value chain, partnerships and collaborations, like Cyclyx Circularity Centers, are critical. This continues to be a significant market opportunity for Agilyx.

The chemical recycling sector continues to gain momentum, positioning it to be a key player in the transformation of the plastics industry and help deliver high-quality outputs that maintain economic value and address the problem of plastic waste head-on.





[1] McKinsey [2] McKinsey

Our strategy

While no single sector, technology or approach can solve the plastic waste problem alone, our integrated model plays a key role in the cohesive solution that is required to transition to a circular economy. Agilyx and Cyclyx continue to strengthen differentiation, offering both feedstock expertise and conversion capabilities. Backed by 20 years of development, we focus on the key areas where we have a strong advantage to become the pre-eminent technology provider for a circular plastic economy.

Our strategy

FULLY INTEGRATED ACROSS THE VALUE CHAIN

There are four key steps needed to deliver chemically and molecularly recycled plastic. We believe we are the only player in the market with all four capabilities. Investing in Agilyx conversion technology and building a centralized feedstock management system, including the conversion database, lays the foundation for sustainable competitive advantage.

WASTE TO FEEDSTOCK

Cyclyx, our unique ISCC PLUS certified waste sourcing and processing joint venture, was founded upon our chemical conversion database, which characterizes waste plastics according to their chemical composition. This enables the development of custom feedstock recipes based on the needs of customer conversion processes and can support both chemical, molecular and mechanical plastic recycling.

1. **Source** - From direct partnerships with waste producers to empowering consumers through the 10to90® recycling program, Cyclyx sources and categorizes plastic waste according to its chemical components. We build new supply chains for our customers and leverage artificial intelligence to optimize logistics and minimize the environmental impact of waste movements.

2. **Process** - Our chemical conversion database, built on 20 years of development, allows us to custom blend waste plastic into feedstock tailored to a customer's specific needs or conversion process requirements. We currently use contract processing to do this for customers, but this will eventually be done at our CCCs, the first of which is in construction.

FEEDSTOCK TO PRODUCT

Agilyx conversion technology is proven in three pathways:

- Polystyrene (PS) to Styrene Monomer (SM)
- Polymethyl Methacrylate (PMMA) to Methyl Methacrylate Monomer (MMA)
- Mixed plastics to chemical intermediates and refinery feeds, which includes circularity back to polyolefins

3. **Convert** - Our continuous process converts plastic waste at a high heat in the absence of oxygen (pyrolysis). The output depends on the waste input; polystyrene can be converted back to a styrene monomer, while mixed waste plastic is turned into a synthetic crude oil, which can be further refined like virgin fossil fuel.

4. **Purify** - Purification enables the converted product to be treated as a virgin plastic source that can be used in both food and medical grade applications. It also allows the use of more challenging waste, increasing the scope for sourcing material, both in terms of cost and availability, for example, allowing us to use currently non-recyclable insulation foams from the construction industry. TruStyrenyx™, a first-of-its-kind solution, is our partnership with Technip Energies that combines Agilyx's conversion and Technip Energies' purification technologies to convert waste polymer to purified styrene monomer.

Our strategy

CYCLYX 10TO90® COLLECTION PROGRAM: SPOTLIGHT ON KINGWOOD

10to90® is a series of takeback and engagement programs designed to divert waste plastics away from the landfill and into the Cyclyx system, where the waste can be prepared for recycling, with the ultimate goal of increasing the recycling of plastics from its current rate of 10% to 90%. These programs include collaboration with municipalities, retail establishments, corporations and universities to help drive scalable, community-focused solutions that accelerate plastic recycling locally in the short term and impact global recycling rates in the long run.

In December of 2022, Cyclyx, alongside the Houston Recycling Collaboration, launched the first Cyclyx 10to90® takeback program, expanding the materials accepted for recycling in Kingwood, Texas, to include nearly all plastics. Kingwood's more than 81,000 residents across 23,000 households were among the earliest participants in the Bag It and Bring It® program, where residents bagged their plastics in plastic trash or shopping bags, which were also collected for recycling and brought them to the Kingwood Recycling Center. A year into the program, Cyclyx has collected 392,759 pounds of plastic waste through this collaborative approach.

WASTE-TO-PRODUCT OFFERING

Our strategy continues to focus on waste-to-product pathways for polystyrene and PMMA and BTX, where we can have the most impact. While these plastics are smaller markets than polyolefins, the opportunity is enormous, with the current polystyrene market valued at $34.5 billion and forecasted to surpass $56.5 billion by the end of 2033.[1]

It is preferable to create a "closed loop" to minimize the carbon footprint of recycled plastic, whereby a particular type of plastic, such as polystyrene, is broken down into its component molecules to be easily reformed as pure plastic again. Waste-to-product pathways typically require waste plastic that is of predominantly one type, saving considerable time, money and emissions in the conversion process back to a virgin-equivalent product.

Since 2022, we have partnered with Technip Energies on TruStyrenyx™, a combined offering that converts waste polystyrene into styrene monomer and then purifies it into a virgin equivalent. Styrene monomer produced from this process can then be converted back into high-value products with a significantly lower carbon footprint than similar products made with virgin fossil fuel styrene monomer.

Many of our competitors in the market are able to convert mixed waste plastic. What sets us apart, however, is that we don't require a catalyst in our process as many competitors do, allowing us to process more distressed plastic waste. With this unique capability, we estimate that we are able to convert 60% of plastics on the market.

More broadly, our strategy to address the mixed waste plastic market has been through Cyclyx, our waste to feedstock business. Cyclyx offers its services to any chemical conversion technology, providing other industry participants with mixed waste plastic that meets their specific requirements.

[1] *FactMR Polystyrene Market Growth Outlook*

Our strategy

ASSET-LIGHT CONVERSION BUSINESS MODEL

Early stages of our development followed the classic build-own-operate approach that many in the industry are now following. After developing technology to include multiple conversion pathways, we shifted to an asset-light business model focused on monetizing the years of development in both conversion technology and feedstock insight. This is achieved through a combination of licensing, project development and provision of the critical core equipment.

In the current macroeconomic environment, many potential customers are unable to make upfront capital commitments, so we are exploring other ways to progress facilities. This includes working with our customers to find alternative solutions to fund and secure offtake agreements in order to provide projects with acceptable returns at lower risk.

Business model

WHAT WE DO

Circularity is at the core of our business model. We offer an integrated solution for plastic recycling, including both chemical recycling technology and feedstock processing expertise, to source and process waste plastic and unlock the circularity of plastic on a global scale.

WHY WE DO IT

We aim for a circular economy for plastics by enabling the recycling of all plastic waste and minimizing its impact on the environment and the need for virgin fossil fuels.

INPUTS

- 20 years of development
- 20 patents
- 8th generation of technology
- Robust, continuous process
- Electrified system to run on renewable energy
- No catalyst required, allowing more contaminated waste
- Multiple pathways, including polystyrene, PMMA and mixed waste plastic
- Chemical composition of plastic waste database
- Long history of operations in the U.S.
- First customer plant commissioned in Japan
- Industry-leading partners

CREATING VALUE

Cyclyx - In addition to revenue from our consortium membership program and waste analyses for customers, every ton of plastic that passes through a waste sourcing and processing facility using our technology and insight earns a fee. A royalty is paid to Agilyx for the use of its intellectual property. Cyclyx is a joint venture with ExxonMobil and LyondellBasell, of which Agilyx owns 50%.

Achievements in the year

- Secured funding for the first CCC.
- Achieved FID for CCC #1. Read more on page 4.

2023 REVENUE*	PEOPLE
$10.3M	52

** Full Year Cyclyx Revenue is not reported in Agilyx financials as Cyclyx is treated as discontinued operations for 10 months, and under equity method for remaining 2 months in P&L, see Note 23.*

Agilyx Conversion Technology - While some customers pay for upfront engineering design and development, some purchase a fully designed package. At this point, a license is purchased and once plant design and construction are agreed upon, we are paid for the fabrication and supply of core equipment. Agilyx conversion technology generates a volume-driven royalty once the facility is operating. Additionally, we capture revenues from plant commissioning services, including training and supply of spare parts, plus anticipate revenues from supporting ongoing operations and maintenance.

Achievements in the year

- Completed construction of our first commercial facility for Toyo Styrene. Read more on page 14.

2023 REVENUE	PEOPLE	VOLUME IN OPERATION
$5.9M	62	3.3KTA

Business model

CREATING THE FIRST POLYSTYRENE CHEMICAL RECYCLING FACILITY IN JAPAN

In 2023, Agilyx made impressive progress on its polystyrene chemical recycling project with Toyo Styrene. The recycling plant will convert post-use polystyrene into a styrene monomer that will be purified by Toyo using licensed distillation technology. Styrene monomers produced from this process will then be converted back into high-value polystyrene products at a significantly lower carbon footprint than similar products made with virgin monomers derived from fossil fuels.

The Agilyx team worked to design, specify, procure, fabricate and assemble the core equipment modules in the U.S. The joint project teams then came together at the fabrication site to conduct factory acceptance testing prior to disassembling the modules and shipping them to Japan.

Upon completion of site preparation at Toyo Styrene's manufacturing facility in Chiba Prefecture, Japan, the Agilyx equipment modules were reassembled while the balance of the plant was constructed. On-site commissioning of the 10-ton-per-day system began in December and will culminate with performance acceptance testing and eventual handover of the plant to Toyo in April of 2024.

Utilizing Agilyx's innovative pyrolysis technology, this facility will be Japan's very first polystyrene chemical recycling facility.

Performance measurement

FINANCIAL KPIS

• 2023 • 2022

REVENUE

$5.9M

$5.9M
$7.4M

GROSS MARGIN

$0.6M

$0.6M
-$0.2M

PERIOD END NET CASH

$8.5M

$8.5M
$13.7M

NON-FINANCIAL KPIS

Volume in operation (KTA)

AGILYX

3.3

3.3
0

Total recordable incident rate

2022

1.1

2023

2.9

Note: 2023 financials include Cyclyx as discontinued operations for 10 months and equity method for 2 months. Please see Note 23 for more information.

2023 PERFORMANCE

Agilyx's 2023 revenue of $5.9 million was primarily driven by construction and commissioning revenue for the Toyo Styrene project and FEL3 development and feedstock evaluation revenue. The decrease in revenue of $1.5M from 2022 was attributable to less equipment sales to Toyo this year vs. last due to completion of the order. Agilyx Gross Margins improved $0.8M from the prior year, reflecting better margins on FEL development revenues.

Overhead costs remained flat, even with increased expenses to service bond offering and private placement during the year. Management has reduced headcount and related costs in late 2023 with the most significant impact to come in 2024 results. We continue to invest in R&D to develop the eighth generation of our core conversion technology to accommodate different pathway offerings.

Agilyx delivered a total comprehensive profit of $96 million with a resulting earnings per share of $1.12. This was primarily attributable to Cyclyx being reported as discontinued operations in 2023, whereby we booked the gain on loss of control of subsidiary under one line item (see Note 23 in financials).

During the year, the operating cash outflow was $13.6 million, and the investment cash outflow was $11.7 million. We saw a significant increase in cash from financing of $20.2 million, resulting from capital raise in October 2023. The resulting net cash outflow was $5.1 million. As of December 31, 2022, Agilyx net cash position was $8.5 million. During the year, we paid down our outstanding borrowings and there are no outstanding debts on the balance sheet.

Performance measurement

OUTLOOK

Our achievements in 2023 with both Agilyx and Cyclyx position us well to realize the opportunities ahead to scale our waste-to-feedstock and feedstock-to-product offerings. Cyclyx is continuing to excel with the construction of the first CCC and planning for the second CCC FID in mid-year 2024. We expect Cyclyx to continue to grow volume and introduce further 10to90® takeback programs, building on the momentum from Houston programs.

The Agilyx conversion business, despite the headwinds we are experiencing, is making progress in advancing conversion projects in our pipeline, completing two project FEL3 development phases and delivering the results to our customers for decisions to move into license and construction. Our TruStyrenyxTM partnership is beginning to yield results, as their business development teams globally are starting to present opportunities for license negotiations, while further developing current projects in the pipeline.

Agilyx management continues to focus on cost reductions, making significant changes in late 2023 to prepare the organization to operate at a level that supports our current projects in the most cost-effective manner.

Sustainability & circular economy

Agilyx continues to remain committed to addressing two critical global environmental priorities: the plastic waste crisis and climate change. Our patented technologies provide solutions that help shift our world from a linear economy to true circularity, aiding the transition to a low-carbon future.

MANAGEMENT APPROACH AND METHODOLOGY

Our stakeholders expect full engagement by the Group on sustainability and environmental activities. To guide our sustainability reporting this year, we have completed the following:

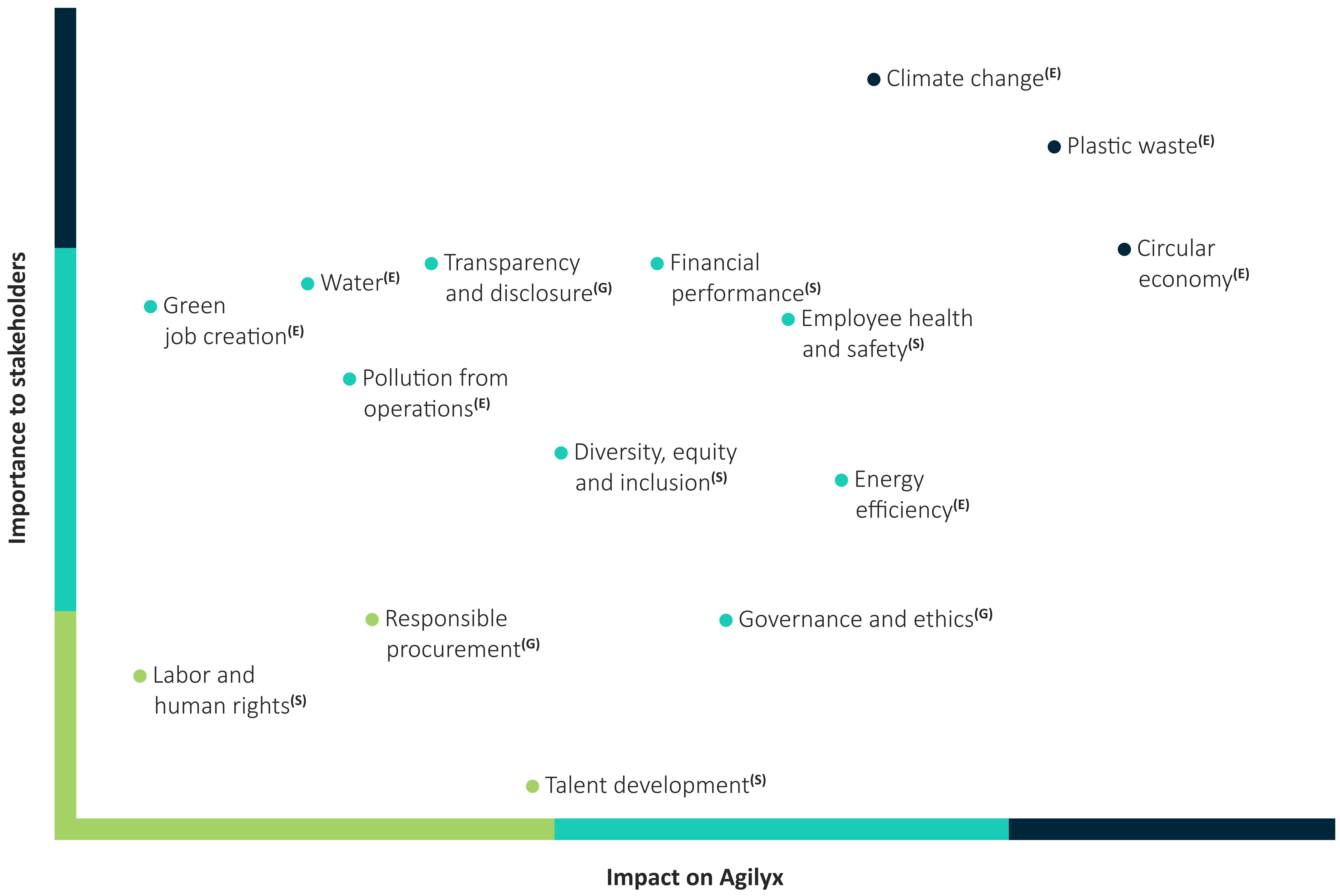
- Reviewed our business alignment against the United Nations Sustainable Development Goals (SDGs).
- Reviewed our stakeholder analysis and materiality matrix to determine any adjustments needed during 2023.

Please note, the Group continues to implement a more comprehensive ESG data management system that will enable more robust ESG reporting in future reports.

Sustainability & circular economy

Materiality Matrix

Each year, the Group reviews and monitors business developments, risks and opportunities, as well as changes in legislation and the perspectives and needs of our stakeholders to develop our materiality matrix. Our material issues guide our priorities, aligning business goals with stakeholder needs.



Sustainability & circular economy

Circular/environmental

We are committed to accelerating the transition to a more circular economy while minimizing the environmental footprint of our processes.

Our aim is to deliver Agilyx technology for partners to build new commercial scale chemical recycling facilities that enable the conversion of at least 1,500 tons per day of post-use plastic annually by 2030. This supports our long-term vision to increase the rate of plastic recycling from 10% to 90%.

During the year, Cyclyx reached FID and secured funding for the first CCC, with the agreement between the joint venture partners envisioning a second CCC. Read more on page 4.

The weaker economic environment presented challenges for Agilyx in 2023, with customers more reluctant to invest in conversion technology, preferring offtake agreements. We continue to make progress with our TruStyrenyx™ partnership with Technip Energies.

Sustainability & circular economy

Climate

Chemical recycling can play a key role in the transition to a low-carbon economy by making more plastics circular, producing high quality plastics with lower greenhouse gases (GHG) and providing low-carbon fuels.

We are working toward a climate change strategy that will identify and disclose the future impact (including both opportunities and risks) of climate change on the Company. It will also outline strategies and actions to support the transition to a low-carbon economy and to mitigate climate-related impacts of Agilyx technology, including quantifying and disclosing the GHG footprint and energy efficiency of our chemical recycling processes.

The most significant impact we can have on climate and the environment is to be successful, enabling our technology offering in the market in order to divert plastic waste into recycling and diverting plastic waste into recycling. It is also important to acknowledge that in delivering on our strategy, we need to be mindful of our carbon footprint and conduct our business in a way that minimizes harm to the planet.

We did not make as much progress as we had anticipated with regard to the impact of climate change or measuring and disclosing our GHG footprint. This remains a focus for the business in 2024.

CLIMATE OBJECTIVES

Sustainability is at the heart of our mission and we constantly evaluate the environmental impact of our daily operations to ensure we do no harm. Work to quantify our GHG footprint continues as we build capacity and define our internal processes to ensure inventory is relevant, complete, consistent, transparent and accurate. Agilyx does not currently report its Scope 1, 2 or 3 GHG emissions but plans to do so in future.

ENVIRONMENTAL PERFORMANCE

During the year, we estimate that our GHG emissions, based solely on energy consumption of our operations in Portland, Oregon, U.S. and our offices in Portsmouth, New Hampshire, U.S., were 500 t/CO2, a decrease of 13% over 2022. This is due to lower running hours at the Tigard facility and the lower ownership share of Cyclyx from November 2023. This is not a complete picture of the Group's GHG emissions.

The nature of our business is to take plastic waste out of the environment, where it is causing damage and extract value by giving it new life. The process of pyrolysis of waste plastic does produce byproducts alongside the primary pyrolysis oil product. Thus, we consider that our overall impact on the environment is positive. We are exploring ways to capture the value of these byproducts, mitigate their impact and reduce their production.

Throughout 2023, Agilyx worked to reduce overall environmental impact by:

1. **Enabling customers' net-zero ambitions**
2. **Working toward net zero**
3. **Evaluating our technology**

Sustainability & circular economy

Societal

We believe collaboration is essential to understanding different perspectives throughout the industry and we continue to expand our collaborations and partnerships with diverse stakeholder groups to create a more inclusive work environment overall.

We are working toward establishing five new collaborations with institutions, government authorities, NGOs and associations by 2025 to help bring practical solutions to address the global plastic waste crisis (vs baseline of 2019). Through Cyclyx's 10to90® programs, we continue to make strides with local government authorities and the general public.

We are also committed to gender equity throughout our organization, setting goals of achieving representation of 33% women on the Board of Directors by 2025 and 33% women on the executive team by 2025. As of 31 December 2023, women comprised 43% of the Board and 17% of the executive team.

SUPPORTING LOCAL RECYCLING AND NONPROFITS

Agilyx engages with diverse communities, NGO partners, government officials and local organizations. Throughout 2023, we continued to raise awareness and expand plastic recycling, partnering and engaging with the following local recycling groups and nonprofit organizations:

- SUNSET HIGH SCHOOL CLIMATE CHANGE CLUB
- FIRST ALTERNATIVE NATURAL FOODS CO-OP
- HABITAT FOR HUMANITY PORTLAND REGION
- JAMES RECYCLING
- MILWAUKEE ENVIRONMENTAL STEWARDS
- CLACKMAS SCHOOL DISTRICT
- OREGON HEALTH & SCIENCE UNIVERSITY
- OREGON STATE UNIVERSITY
- RIDWELL
- WASHINGTON COUNTY, OREGON
- WEST LAKE HIGH SCHOOL

Sustainability & circular economy

Societal

PARTICIPATING IN GREEN DAYS RECYCLING EVENT

Throughout the year, Cyclyx participated in the Fred Meyer Green Days events, hosted in part by the National Basketball Association (NBA) Portland Trail Blazers, where community members, customers and fans across the Pacific Northwest brought in hard-to-recycle items like metal, electronics and Styrofoam. This initiative is a component of the 10to90® programs and in one event, we diverted more than 1,000 pounds of plastic from the landfill toward a pathway for recycling.

RAISING AWARENESS THROUGH COMMUNITY ENGAGEMENT AND EDUCATION

Community engagement is a multifaceted and crucial aspect of our organization that allows for a deepened understanding of our company, our values and our mission, as well as for renewed and established support to realize our recycling goals.

In February, we participated in a "Lobby Day" organized by the American Chemistry Council in Olympia, WA, to explain to lawmakers the role chemical recycling can play in reducing plastic waste and generating more recycled resin. This effort sought to help them understand how a poorly worded bill proposed in a legislative session around extended producer responsibility provided a narrow definition of acceptable recycling outlets. Essentially, the bill would have negatively impacted the number of materials that could be recycled in the state, blocking chemical recycling technologies from qualifying as recycling.

In June, we hosted leaders from the City of Tigard Chamber of Commerce to share an update on our recruiting and training programs. We discussed overall support of local job opportunities in the chemical manufacturing industry.

We also hosted U.S. Representative Andrea Salinas (OR-06) and her team at our facility to learn more about chemical recycling and how we recycle polystyrene. The visit helped enlighten Representative Salinas and her team about our processes, the strides we have made and the impact of novel solutions in transforming the recycling landscape.

Building upon our community education, engagement and awareness efforts, members of our Research and Development (R&D) and Human Resources (HR) teams connected with and shared industry insights with the talented minds at the 2023 Engineering Expo at Oregon State University. The Expo saw over 200 interactive student project displays, using science and technology to tackle some of the world's biggest problems. It was an exciting event seeing the innovative solutions coming from tomorrow's changemakers while also amplifying interest in STEM-related careers.

While we have no official policy or program in place to increase education and awareness around chemical recycling, we are very supportive when approached with these opportunities and aim to expand soon.

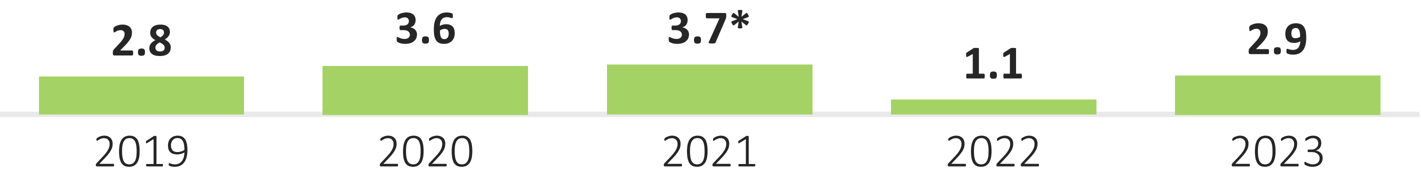
Sustainability & circular economy

WORKFORCE DEVELOPMENT

At Agilyx, we have a workforce of talented and brilliant minds collaborating to use innovative technology for good to help solve the problem of plastic waste. We have made great strides in advancing this mission through our dedicated and diverse workforce, which we seek to grow each year as an equal opportunity employer committed to diversity, equity and inclusion.

With over 100 employees working passionately each day, Agilyx aims to create and maintain a positive workplace environment that fosters growth, innovation and the success of our people. The Group is committed to non-discrimination in recruiting and all employment practices, providing equal access to training and career development irrespective of race, class, gender, sexuality, religion or nationality.

OSHA TOTAL RECORDABLE INCIDENT RATE (TRIR)



There were three OSHA-recordable injuries in 2023 in the Tigard, OR manufacturing facility, two in Regenyx operations and one in Cyclyx operations. One Regenyx injury was trip-related and the other was a fractured finger incurred during a maintenance task; in both cases the injuries were minor and the employees fully recovered and returned to work. The Cyclyx case resulted from a slip/trip and the nature of the injury led to lost time; the employee has since returned to work. There were no recordable injuries for Agilyx during 2023, nor any environmental or process safety incidents.

As we operate across geographies, our sick leave policies are aligned to local working regulations. As the majority of our people are employed in the United States, recording of sick leave is included with other types of leave, such as vacation and medical appointments. During 2023, we recorded 2,164 days of leave across the business, or 8.46% of total hours worked. We are implementing changes to improve the quality of our illness absence data and expect to have more accurate information to report in future years.

*excludes COVID cases

114
TOTAL EMPLOYEES AT END OF YEAR 2023

62 AGILYX

52 CYCLYX

38
TOTAL NUMBER OF NEW HIRES AT EITHER COMPANY

16 NEW HIRES — AGILYX

22 NEW HIRES — CYCLYX

39
TOTAL NUMBER OF EMPLOYEES WHO LEFT EITHER COMPANY FOR ANY REASON

25 TERMINATED EMPLOYEES – AGILYX

14 TERMINATED EMPLOYEES – CYCLYX

114
TOTAL NUMBER OF EMPLOYEES IN U.S. AND IN EUROPE

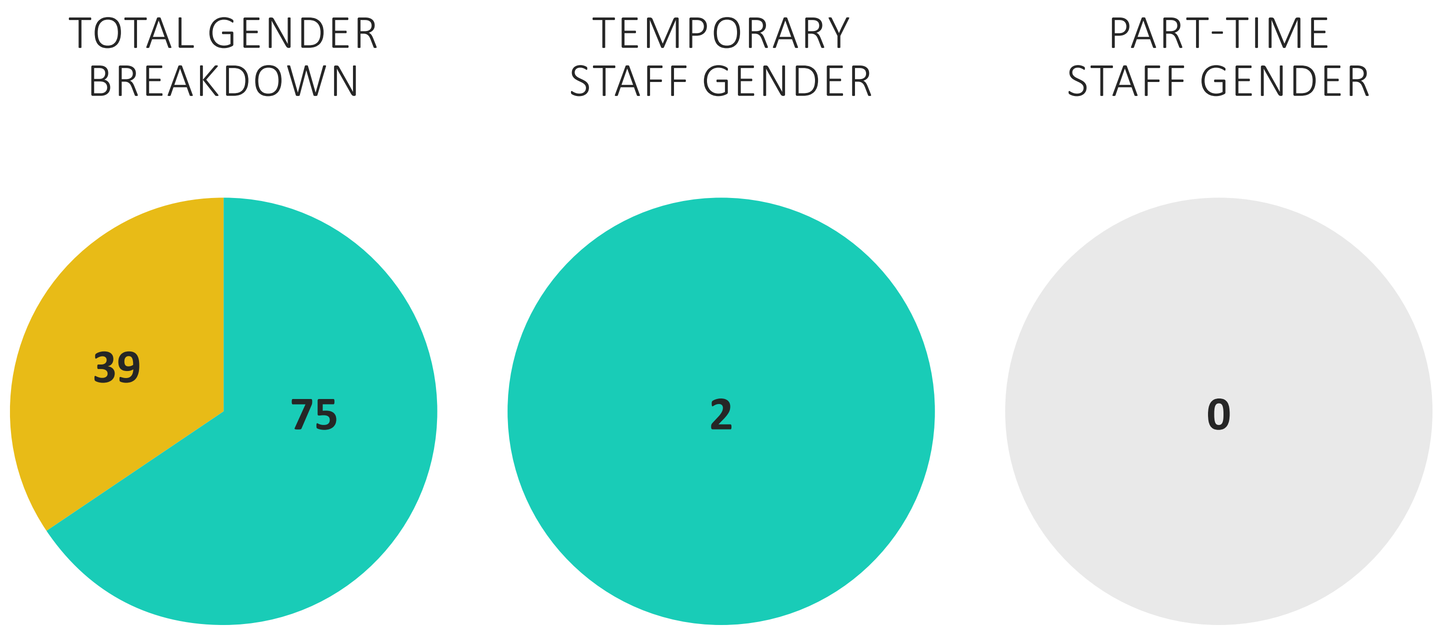
111 U.S. EMPLOYEES

3 EU EMPLOYEES

WORKFORCE BY AGE

GENDER BREAKDOWN

Male Female



Sustainability & circular economy

GENDER DISTRIBUTION PER JOB LEVEL						
EEO Group Description	Total #	% Workforce	# Female	% Female	# Male	% Male
Execs & Senior Level Mgrs.	21	18%	5	24%	16	76%
First/Mid-level Mgrs.	30	26%	10	33%	20	67%
Professionals	42	37%	18	43%	24	57%
Technicians	2	2%	1	50%	1	50%
Sales	0	0%	0	0%	0	0%
Administrative Support	6	5%	5	83%	1	17%
Trades	0	0%	0	0%	0	0%
Operatives	13	11%	0	0%	13	100%
Total	114	100%	39	34%	75	66%

GENDER PAY GAP			
EEO Group Description (Job Category)			
Execs & Senior Level Mgrs.	Female earnings average	-9.30%	than male earnings
First/Mid-level Mgrs.	Female earnings average	0.10%	than male earnings
Professionals	Female earnings average	-15.60%	than male earnings
Technicians	Female earnings average	-7.70%	than male earnings
Sales	Female earnings average	N/A	than male earnings
Administrative Support	Female earnings average	-6.40%	than male earnings
Trades	Female earnings average	N/A	than male earnings
Operatives	Female earnings average	N/A	than male earnings

Sustainability & circular economy

NEW PEOPLE INITIATIVE: MISSION, VISION, VALUES PROGRAM

As a component of our ongoing efforts to enhance engagement with our people, we launched our Missions, Vision, Values program in September. This initiative formalizes the values that our people live by and offers an opportunity to affirm and recognize colleagues who truly embody Agilyx's values.

OUR VALUES ARE:

Be safe
Safety first and always.

Be innovative
Use our entrepreneurial passion to drive continuous improvement in our mission to end plastic waste and protect our environment.

Be collaborative
Be inclusive and work together in delivering quality solutions.

Be responsible
Be accountable for doing the right thing in the right way, acting with integrity and treating others with respect.

These four principles are integrated into our day-to-day endeavors and play a critical role in fostering community, a sense of purpose and building meaningful relationships. As an organization, our people wholeheartedly live out these values as they help us work toward our mission of using technology for good and help solve the problem of plastic waste.

Scope and other disclosures

The following sustainability report covers Agilyx's wholly-owned operations, as well as Cyclyx for the portion of the year it was majority owned. The report includes references to Agilyx people who are assigned to support Regenyx, our 50-50 joint venture with Americas Styrenics, which came to the end of its formation agreement in April 2024, as well as those assigned to Cyclyx, our joint venture with ExxonMobil and LyondellBasell. The report also includes some references to our facility in Portland, Oregon, U.S., which encompasses operations and assets wholly owned by Agilyx, majority owned by Cyclyx and owned by Regenyx. This report does not include environmental or other disclosures for the Regenyx joint venture or the Cyclyx joint venture from November 2023, except where specifically noted. This sustainability report focuses on sustainability progress and opportunities during 2023: quantitative data covers 1 January, 2023 to 31 December, 2023 unless otherwise noted.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICIES

Our corporate governance policies serve as the foundation for the management of our business through financial integrity and sustainable performance. These polices are crucial to our ESG program and apply to all Agilyx entities and our people globally. We consistently review our policies as good corporate practice. In 2023, we made relevant updates to all of our current codes and policies. All our people are expected to be familiar with these policies and to report any concerns or policy violations to Human Resources or a member of management. Our up-to-date codes and policies can be found on our website.

INSURANCE

Agilyx and its subsidiaries have insurance that covers directors and officers, as well as the corporation. The insurance covers defense costs and direct financial loss suffered by the insured resulting from allegations of breaches of fiduciary duty and dishonest acts by directors, officers and employees of the Company.

Stakeholder engagement

Collaborating, understanding and having dialogue with our broad range of stakeholders is crucial to the success of our business. We engage with the following stakeholder groups:

PEOPLE

Our people are driven by our mission, vision and core values.

2023 Engagement - We engaged with our people through internal communications, company meetings and events.

LOCAL COMMUNITIES

We strive to be a good community partner in the neighborhoods near our facilities by partnering with local small businesses and demonstrating openness.

2023 Engagement - We engaged through our drop-off services, community recycling events, partnerships with local organizations, charitable contributions and social media.

VALUE CHAIN PARTNERS

Chemical and plastics companies, waste management and recycling companies, transport companies, joint venture partners, converters/packaging companies and brand owners look to Agilyx to provide proof-of-concept for chemical recycling technology, to bring innovative business models to the marketplace and to rapidly scale up to commercial volumes.

2023 Engagement - We engaged with our value chain partners for business development, joint projects and commercial activities through in-person and virtual meetings, emails, phone calls, conferences, facility tours and audits. Plastic producers are under continued pressure to provide their customers and brand owners with products that contain more recycled content. Our value chain partners are most interested in the effectiveness, reliability and efficiency of Agilyx's chemical recycling technology, the opportunity to scale up and expand capacity rapidly and our ability to innovate and apply our technology to create chemical recycling pathways for more types of plastics.

GOVERNMENT, REGULATORY BODIES AND MUNICIPALITIES

We prioritize regulatory compliance and actively work to shape policy related to chemical recycling through participation at local, state and national levels.

2023 Engagement - We engaged with regulatory bodies through direct outreach via events and conferences, in-person meetings, written correspondence, regulatory filings, facility tours, audits and inspections. Through our engagement with Cyclyx, we are participating in the Houston Recycling Collaboration, a collaboration between government, industry and the community to increase Houston's recycling rate and establish the city as a leader in mechanical and chemical recycling processes.

INDUSTRY AND TRADE ASSOCIATIONS

We are active members of associations that represent chemical recycling companies in the U.S. and Europe.

2023 Engagement - We engaged through our membership in organizations that work to grow awareness of the benefits of chemical recycling, including the American Chemistry Council, the Association of Plastics Recyclers and Chemical Recycling Europe. By engaging with these associations, we are building broader support for chemical recycling technology through a network of allies.

SHAREHOLDERS AND INVESTMENT COMMUNITY

Our investor relations program helps ensure that all participants in the financial markets have access to transparent and complete information about the Group's performance and market position.

2023 Engagement - We engaged with our investors through in-person and virtual meetings, regular investor conference calls, webinars and investor disclosures, including those on Oslo Børs NewsWeb and the IR section of our website. We have an IR team that receives and responds to requests for information. During the year, management held over 50 meetings across the U.S. and Europe with existing and prospective investors. In accordance with our disclosure policy, our investor communications are available on our website.

NON-GOVERNMENTAL ORGANIZATIONS (NGOS) AND INSTITUTIONS

We collaborate with NGOs, including environmental advocates, academic and technical institutes, foundations and research organizations with interests in the circular economy.

2023 Engagement - We engaged with NGOs and institutions directly and through industry trade associations via meetings, conferences, educational events and collaboration projects. We interact with institutions such as universities and federal research agencies, contributing expertise and guidance relevant to their chemical recycling research.

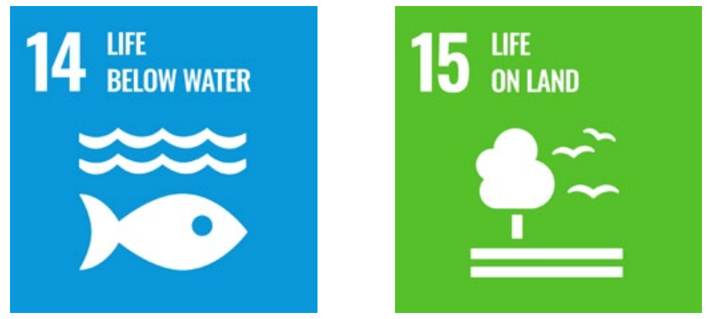
We track key publications and studies by NGOs and institutions.

SDG mapping

Agilyx continues to follow and map the United Nations SDGs as the blueprint for taking meaningful action for a more sustainable, low-carbon future.

The following SDGs are most directly relevant to Agilyx's mission, value chain and stakeholders:

Agilyx has also identified two additional SDGs that are contributed to by value chain partners enabled by Agilyx technology to create more circular pathways:



Risk management

Agilyx operates globally and is therefore exposed to different risks. Our risk management framework is in place to identify, assess and mitigate business risks that may negatively impact strategic or financial ambitions.

The Group recognizes the importance of identifying and actively managing the financial and non-financial risks facing the business. We encourage and empower our people to seize strategic opportunities that are within the Board's risk boundaries.

As Agilyx continues to navigate its growth in a relatively new industry, there are a number of risks associated with introducing and scaling new technology. Management is committed to identifying and managing these operational risks to the best of their ability, but there are no guarantees that these risks will not materially impact the performance and financial results of the Group.

Risk management

	HEALTH & SAFETY	FINANCIAL
Risk and impact:	Our business involves storing, processing, handling and disposing of waste and potentially hazardous materials, including volatile solvents and chemicals. This activity could cause an incident that results in serious illness, injury or death to our people and third parties if not managed correctly.	As an early-stage company, the key financial risk faced by the Group is a lack of liquidity. The Group may fail to raise capital on acceptable terms or not do it at all, placing it at risk for material adverse impacts to the financial position of the Company.
Risk mitigation:	Health & safety is a top priority and a key focus area for senior leadership and management meetings include performance updates, with actions in place to ensure workplace health and safety. Our Group health and safety policy, reinforced by standard operating procedures at our facility in Portland, Oregon, U.S., includes a "stop-work" protocol. We maintain tracking and reporting of all OSHA recordable injuries and provide regular training to our people. Our goal is to have zero process safety incidents.	The Group carefully monitors its projected cash requirements and forecasts cash flows to ensure that there is sufficient capital for planned activities. By doing so, there is an early warning if there is a need to source additional funds, allowing appropriate action to be taken. If necessary, the Group will attempt to raise capital through private placements, debt or other financing, partnerships, strategic alliances or from other sources.

Risk management

	TECHNOLOGY	REGULATION
Risk and impact:	This business is built upon the foundation of its proprietary technology and processes developed by the Group. Should others copy our technology, the Group's competitive position could be damaged and it may be difficult or costly to defend. With our technology still relatively new to the market, there is a risk that once the technology is deployed in new environment and scales, there could be teething issues in its operation, which could delay projects and damage reputation, having an adverse financial impact on the Group.	The Group's business model is impacted by corporation tax, trade and environmental laws and regulations in the regions, countries and continents where Agilyx and its clients, or potential clients, operate. We believe that policymakers globally will continue introducing laws and regulations that support the development of a circular economy, including for plastic waste, that align with Agilyx's mission. Concurrently, 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. Activity by some non-government organizations which seek to curb the use of plastic could have an adverse impact on our business, particularly if this lobbying results in changes to the definition of recycled plastic and regulation of pyrolysis technology.
Risk mitigation:	When new technology and processes are developed, we register them with the appropriate protection. The Group also monitors the market for any infringements. To identify any potential issues, engineering support and expertise are factored into the construction and commissioning phases of projects at an early stage.	The Group participates in industry trade associations in the U.S. and EU, which are actively monitoring policy developments and advocating for policies that will promote the growth of the chemical recycling sector. Our government affairs function tracks policy changes and works with trade associations or other partners where appropriate to help advocate on the Group's behalf.

Risk management

	OPERATIONS	PEOPLE
Risk and impact:	The Group is dependent on the ability of customers and partners to complete and operate complex technical projects and processing equipment and relies on the expertise of our people as well as independent contractors, engineering services and equipment suppliers, large and small. Suffering a failure within the operating supply chain could have a significant impact on our ability to operate and could have an adverse financial impact on the Group.	The Group must attract, retain and develop key personnel, as our business is dependent on our highly skilled people. We work to retain and nurture the competitive advantage of the high-quality technical capability and innovative nature of our people. We understand the importance of attracting the right people, establishing them in their roles and managing their development. Failure to do so could result in loss of productivity and intellectual capital, increased recruitment costs and lower staff morale.
Risk mitigation:	The Group works closely with business partners and affiliates to monitor performance and to set guidelines for successful operation. The Group took the decision to decommission its operating facility in Portland, Oregon in February 2024 and as such operational risk has significantly reduced.	We have focused on implementing improved policies and standardized procedures around recruitment, talent management and development plans. We conduct benchmarking of remuneration and benefits to help attract and retain our talent and have long-term incentive plans in place.

Risk management

	STRATEGY	CYBERSECURITY & DATA MANAGEMENT
Risk and impact:	If the Group were to pursue an inappropriate strategy, there could be a material adverse financial impact on the Group. The Group is dependent on the Board and management's ability to accurately align strategy to market developments and trends and to prioritize the correct allocation of capital and human resources.	Data management and the potential for cyberattacks or security breaches are an increasing risk for all businesses. A cybersecurity incident may be caused by an external attack, internal attack or user error. Such an incident may lead to the loss of commercially sensitive data, a loss of data integrity within our systems or the loss of financial assets through fraud. As a result, we could suffer reputational damage, revenue loss and financial penalties.
Risk mitigation:	The Board reviews strategy at least annually with robust challenge and discussion. As matters arise, ad hoc Board meetings are held and options are debated between the Board and Senior Management, with the Board taking the final decision. Information and data are provided to facilitate these conversations and where appropriate, external input is sought.	In recent years, we have enhanced our IT provision and leveraged third party security technologies, including antivirus and malware software and firewalls. The Group provides regular user training and testing through simulated attacks.

Governance

Chair’s introduction

Corporate governance plays an important role in aligning the interests of our people and the views of our shareholders. The Board is responsible for corporate governance and recognizes the valuable role it plays in the long-term, sustainable success of the business.

Our corporate governance structure has helped the Board lead the Company through another successful year; however, the Board and I realize that as a small and growing company, there is still more work to be done.

STRATEGY HIGHLIGHTS

The most significant matter for the Board in 2023 was related to Cyclyx. The Board spent much of the year reviewing the strategic options open to Cyclyx and driving the transaction with ExxonMobil and LyondellBasell.

Other key topics which were discussed included raising capital and the rightsizing of the organization following the reduction in targets for the conversion business. The board nominated Russ Main as Interim CEO in addition to his CFO role in January 2024.

BOARD CHANGES

Martha Crawford announced her resignation from the Board of Directors due to other commitments, effective 31 December 2023. I’d like to thank Martha for her time spent on the Board and her work to support Agilyx’s mission. The Company will elect a new Board member, compliant with all requirements of the Norwegian Public Companies Act, at the upcoming Annual general meeting. With our Board’s experience, we are very capable of supporting management in the successful development of our business.

OUR APPROACH TO CORPORATE GOVERNANCE

Agilyx has adopted and implemented a corporate governance regime that is aligned with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the “Corporate Governance Code”) and is committed to the principles of good corporate governance, with a governance structure consisting of a Board of Directors, committees and executive management.

The following three Board committees each have a chair: Audit, Compensation and ESG.

In addition, pursuant to the articles of association, we have a Nomination committee, the purpose of which is to propose nominees for election to the Board and its chair and to suggest (in cooperation with the Compensation committee) the remuneration for the Board and committee members.

Board of Directors and management team

OUR BOARD

Jan Secher | Chair of the Board

Secher brings deep chemical industry executive experience and significant public company experience. He served as CEO of the Swedish specialty chemical company Perstorp Group and CEO of Clariant (SWX: CLN).

Previous professional and Board experience includes: Perstorp Group, Clariant, Elekta, ABB, European Chemical Industry Council

Ranjeet Bhatia | Board Member

Bhatia has had a long-term interest in environmental technology and policy and in evaluating technology venture opportunities.

Previous professional and Board experience includes: Saffron Hill Ventures, Brilliant Holdings Ltd., Faceware Technologies, Inc., Coyuchi, Optasia Medical, Image Metrics, Marrone Bio Innovations

Carolyn Clarke | Chair, Audit committee

Clarke is a chartered accountant and member of the council of the Chartered Institute of Internal Auditors. She spent 20 years in a variety of leadership roles and has experience in audit, risk and control.

Previous professional and Board experience includes: PwC, Centrica plc, Brave Consultancy, Care International U.K., Starling Bank

Steen Jakobsen | Board Member

Jakobsen serves as the Chief Investment Officer of Saxo Bank, where he focuses on delivering asset allocation strategies and analysis of the overall macroeconomic and political landscape.

Previous professional and Board experience includes: Swiss Bank Corp, Citibank, Chase Manhattan, UBS, Christiania (now Nordea)

Catherine C. Keenan | Chair, ESG committee

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

Previous professional and Board experience includes: Trinseo, Dow Inc., Catherine C. Keenan LLC

Peter Norris | Board Member

Norris is Chairman of Virgin Group Holdings Limited with more than 37 years of experience in investment banking and business management.

Previous professional and Board experience includes: Barings, Goldman Sachs, Quayle Munro Holdings Plc.

Board of Directors and management team

OUR MANAGEMENT TEAM

Russell Main | Interim CEO and Chief Financial Officer (CFO)

Main has been appointed as interim CEO and is also the CFO of the Company. Mr Main has close to 30 years of executive finance and operational experience with optimizing finance, operations, technology and profitability within global environments.

Previous professional experience includes: Abode Systems Inc., Tyco International

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.

Previous professional experience includes: The Mosaic Company, ClearEdge Power

Mark Barranco | Senior VP of Engineering and Execution

Barranco brings over 30 years of petrochemical industry experience in a variety of technical and business roles spanning basic chemical products to polymers and derivatives. Barranco also serves as General Manager of Regenyx.

Previous professional experience includes: ExxonMobil Chemical Company, Commissioned Submarine Warfare Officer in the U.S. Navy

Marie Conrad |Vice President of Business Development

Conrad brings close to 20 years of experience in a variety of roles across the petrochemical and cleantech space, having held positions in business leadership, supply chain and private equity investing.

Previous professional experience includes: ExxonMobil, Sunfox Capital

Corporate governance report

The belief that good corporate governance is a prerequisite for generating shareholder value drives the Board's work to ensure that good internal control mechanisms and management structures are in place.

1. **Implementation and reporting of corporate governance**

- Corporate governance covers the systems, processes and controls implemented to protect our shareholders and other stakeholders, such as our people, suppliers and customers. All our codes and policies, as approved by the Board of Directors or the general meeting (as the case may be), are available on our website.
- Agilyx has adopted the Corporate Governance Code and therefore, this section of the report follows the Code of Practice, including the comply or explain provision.

2. **Business**

- Agilyx is a pioneer in the chemical recycling of plastic and is committed to helping solve the global challenge of plastic waste. For more information on our business, the market and our strategy, please see the strategic report starting on page 5. The Board of Directors evaluates the Group's strategy and risk profiles on an annual basis.

3. **Equity and dividends**

- The Board's authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted up to the next general meeting and no later than 30 June 2024. Authorization was given at the 2023 Annual general meeting for the right to grant up to 17,032,300 shares, providing the flexibility to raise further capital to fund future growth for the business. During the year, the business issued 10,400,000 new ordinary shares as part of a private placement, raising the equivalent of $20 million in new capital. In addition, at the same general meeting, authorization was also granted to purchase the Company's own shares up to an aggregate nominal value of NOK 17,323 for the purposes of optimizing the share capital structure as consideration for business acquisition and to settle options.

4. **Equal treatment of shareholders**

- Agilyx has only one class of shares and each share entitles the holder to one vote. All transactions in own shares are performed on the market at market price, in accordance with good stock exchange practice in Norway. Related party transactions are covered by our Code of Ethics and Business Conduct, which also applies to Board members and is available on our website. There were no material transactions between the Company and related parties during 2023.

5. **Shares and negotiability**

- The shares of Agilyx ASA are listed on the main exchange of the Oslo Børs and are freely tradeable.

6. **General meetings**

- Shareholder interests are primarily exercized at the Company's general meetings. Our aim is to have as many shareholders as possible participate in general meetings and, as such, general meetings are organized to ensure that they represent an effective forum for the Company's shareholders to express their views.
- As per our Articles of Association, notice of the general meeting is made by written notification to all shareholders with a known address. Additionally, all relevant documents are available on our website and can be requested to be received by mail. All shareholders in the Company are entitled to attend or be represented 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. Shareholders who wish to participate in general meetings are asked to notify the Company at least two working days prior to the meeting. In accordance with best practice, votes for the appointment of Directors are cast separately for each candidate.
- In accordance with Norwegian law, during 2023, the Board was comprised of at least 40% female directors. For further information please see page 39.

7. **Nomination committee**

- In accordance with the Corporate Governance Code, the Company has a Nomination committee which was elected at the general meeting. The committee consists of two members: Fredrik Sneve and Tor Svelland. Both members of the committee are independent of the Board and the Group's executive management. The role of the Nomination committee is to provide proposals on the election of shareholder-elected Board members and their remuneration and to propose members for the Nomination committee. The Nomination committee charter is available on our website.

Corporate governance report

8. Board of Directors: composition and independence

- According to the Company's articles of association, the Company shall have a Board consisting of a minimum of two and a maximum of eight members, elected by shareholders. The Chair of the Board is elected by the general meeting based on a proposal from the Nomination committee. Board members are elected for a period of two years at a time and, to ensure continuity, not all seats come up for election in the same year.
- During 2023, the Board consisted of seven members, all of whom were elected by the general meeting and none of which are members of executive management. All Board members are considered independent of the Group's executive management and material business partners. One of the Board members, Ranjeet Bhatia, represents our largest shareholder; shareholdings of Board members are listed in Note 16. The Board is of the opinion that it has sufficient expertise and capacity to perform its duties in a satisfactory manner.
- Following the resignation of Martha Crawford effective 31 December 2023, the Board no longer complies with the gender balance requirements. The Company is aware of this and is assessing its options to rebalance the gender representation on the Board.

TENURE OF DIRECTORS

	No.	%
0-2 years	3	42%
2-5 years	2	29%
5+ years	2	29%

EXPERIENCE OF THE BOARD

	Chemicals	Waste	Sustainability	Finance	Corporate governance	Growth businesses
Jan Secher	X		X	X	X	
Peter Norris				X	X	X
Ranjeet Bhatia				X	X	X
Catherine Keenan	X		X			
Carolyn Clarke			X	X	X	X
Steen Jakobsen				X		

Corporate governance report

BOARD ATTENDANCE IN ORDINARY MEETINGS IN 2023		
	Ordinary meetings attended	%
Jan Secher	6/6	100%
Peter Norris	6/6	100%
Ranjeet Bhatia	6/6	100%
Catherine Keenan	6/6	100%
Carolyn Clarke	5/6	83%
Martha Crawford	5/6	83%
Steen Jakobsen	6/6	100%

- In addition to the above meetings, weekly Board calls took place during the months of June, July, August and September in relation to the capital raise and the Cyclyx restructuring.
- **Independence -** We are committed to ensuring that the Board is comprised of a majority of independent, non-executive Directors who objectively challenge management. This commitment is balanced against the continuity of the Board which is thus reviewed regularly.

9. The work of the Board of Directors

- The overall management of the Company is vested in the Board and management. In accordance with Norwegian law, the Board 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. Further information regarding the Board's duties and rules of procedure is available on our website.
- 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.
- The Board has appointed subcommittees for Audit, Compensation and ESG. All these committees are considered to be independent from management.
- The Board conducts an annual evaluation of the Board and management in accordance with best practices. Given the significant board time devoted to strategic matters, the 2023 Board evaluation was not completed, but the review has been scheduled for 2024.

10. Risk management and internal control

- The quality of the Company's risk management and internal control systems, including ESG risks, is considered strategically important by the Board and management. These systems and controls form an integrated part of management's decision-making processes and are central elements in the organization of the Company and the development of its routines. Further information on what we consider our material risks and mitigating actions can be found on page 29.

11. Remuneration of the Board of Directors

- The Nomination committee propose the remuneration for members of the Board and this is then approved by shareholders at the general meeting. The remuneration reflects the Board's responsibility, expertise, time, commitment and the complexity of the Company's activities. The Board's remuneration is not linked to Company performance. Please see Note 4 for the remuneration details.
  - The Corporate Governance Code also recommends that companies should not grant share options to members of its Board. In 2023 no share options were granted to the Board, however as previously disclosed, the Company did grant options to Board members in 2022 in order to recruit strong, non-Norwegian candidates as it was not able to do this solely on a cash basis.

Corporate governance report

12. Salary and other remuneration for executive personnel

- The Company's Board determines the principles applicable to the policy for management compensation. The Board is directly responsible for determining the CEO's salary and other benefits. Salary and other employment terms for management are competitive to ensure that we can attract and retain skilled leaders. Remuneration will vary in accordance with local conditions and is based on factors such as position, expertise, experience, conduct and performance. The remuneration policy is available on our website.
- The Board has appointed a Compensation committee to monitor decisions on matters regarding remunerations, terms and conditions for management. The Charter of the Compensation committee is available on our website.

13. Information and Communications

- The Company publishes its financial calendar every year, highlighting the dates on which it will announce its Annual Report, the half-year results and hold its Annual General Meeting. All financial reports and other information are prepared and disclosed in such a way as to ensure that shareholders, investors and other stakeholders are able to access correct, clear, current and relevant information equally.

14. Take-overs

- Agilyx's guidelines and practices are in line with the Corporate Governance Code.

15. Auditor

- The independent auditor is elected by the general meeting and is responsible for auditing the Group accounts. The independent auditor may attend the meetings of the Audit committee and present a plan for each year's audit. The independent auditor also meets with the Board of Directors at least once each year without the presence of Agilyx senior management.

16. Going concern

- In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit and cash budgeted for 2024 and strategic forecasts for the year 2025.

Audit committee report

The Audit committee helps to ensure the integrity of the Group's financial reporting by auditing systems for internal control and risk management.

— Carolyn Clarke,
Audit committee Chair

AUDIT COMMITTEE ATTENDANCE IN 2023		
The Company's Audit committee consists of three directors: Carolyn Clarke (chair), Ranjeet Bhatia and Jan Secher.		
	Meetings attended	**%**
Carolyn Clarke	3/3	100%
Ranjeet Bhatia	3/3	100%
Jan Secher	3/3	100%

PURPOSE AND RESPONSIBILITIES
To ensure the integrity of the accounting and financial reporting process and statements
To ensure the integrity of the system of risk management and internal control
To execute the external statutory audit process, including auditor independence and performance, as well as establish consideration of the process for monitoring compliance with laws and regulations
To oversee the code of conduct

The Audit committee is empowered to study or investigate any matter of concern that it deems appropriate. This committee shall have the authority to retain outside legal, accounting or other advisors for this or any other purpose, including the authority to approve the fees payable to these advisors and any other terms of retention.

ESG committee report

The ESG committee is dedicated to the Group's work related to ESG policies and programs to create sustainable performance. We continue to evaluate trends affecting the Group, ESG progress and public reporting annually.

— Catherine Keenan,
ESG committee Chair

ESG COMMITTEE ATTENDANCE IN 2023		
The Company's ESG committee consists of Catherine Keenan (Chair), Carolyn Clarke and Ranjeet Bhatia.		
	Meetings attended	**%**
Catherine Keenan	5/5	100%
Carolyn Clarke	5/5	100%
Ranjeet Bhatia	5/5	100%
PURPOSE AND RESPONSIBILITIES		
To assist the Board of Directors in fulfilling its responsibilities		
To establish, implement and execute its ESG policy and programs, including Safety, Environmental, Sustainability and Corporate Responsibility programs		

Compensation committee report

We review, establish and implement the Group's compensation policy and programs to ensure appropriate remuneration.

— Peter Norris, Compensation committee Chair

COMPENSATION COMMITTEE ATTENDANCE IN 2023		
The Company's compensation consists of three directors: Martha Crawford (chair in 2023), Catherine Keenan and Peter Norris. Other directors are invited to participate as required. Peter Norris will assume the role of Compensation committee chair in 2024.		
	Meetings attended	**%**
Martha Crawford	7/7	100%
Catherine Keenan	7/7	100%
Peter Norris	5/5	100%

PURPOSE AND RESPONSIBILITIES
To assist the Board of the Company in carrying 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
To review and endorse recommendations made by Management regarding the remuneration framework for the Company and the Group members

The Group's remuneration report, in line with section 6-16a of the Public Limited Companies Act, is separately available on our website.

2023 Performance

Audit report

RSM Norge AS

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To the General Meeting of Agilyx ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agilyx ASA showing a profit of USD 1,156,607 in the financial statements of the parent company and a profit of USD 96,122,594 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 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and

- the consolidated financial statements of Agilyx ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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 relevant laws and regulations in Norway 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 22 November 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Dilution of ownership and deconsolidation of Cyclyx International, LLC

In October, 2023, the Group's ownership interest in Cyclyx International, LLC (hereafter "Cyclyx"), was diluted from 75% down to 50%. As a result of the reduced ownership interest the Group lost control of Cyclyx effective October 25, 2023. The dilution of ownership interest led to a gain on loss of control of subsidiary of USD 118,461,271. Once control was lost, the investment in Cyclyx was measured and presented as an investment in associates using the equity method.

Our audit addressed the Key Audit Matter by procedures including, among others:

- We obtained management's fair value assessment and considered whether the assessment contained elements and methodology IFRS require, and that the assessment was consistent with the dilution in ownership.
- We reviewed that the gain on loss of control of subsidiary was determined in accordance with IFRS 10 and is presented as part of the results of discontinued operations.
- We reviewed that the Cyclyx entity met the criteria for classification as a discontinued operation.
- We lastly evaluated the adequacy of the related disclosures including those regarding the key assumptions.

We refer to Note 1 for the Group's accounting policy for principles of consolidation and discontinued operations, and Note 23 where the Board of Directors explain the gain on loss of control of subsidiary.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting 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

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Agilyx ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5493000E25PBC2PXV881-2023-12-31-en", have been prepared, in all material respects, in compliance with with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 22 April 2024
RSM Norge AS

Lars Løyning
State Authorised Public Accountant

Financial statements

(Amounts in USD)

AGILYX ASA PARENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31					
Parent				Group	
2022	**2023**	**Note**	**Operating revenue and operating expenses**	**2022**	**2023**
				(restated*)	
-	-	3	Revenues	7,361,747	5,894,701
-	-	4	Cost of goods and services	7,528,762	5,298,421
-	**-**		**Gross margin**	**(167,015)**	**596,280**
-	-		Research costs	3,528,553	3,102,798
-	-		Sales and marketing	669,549	1,424,622
1,941,294	1,735,873		General and administrative	12,040,675	11,829,284
1,941,294	**1,735,873**	4, 5	**Total operating expenses**	**16,238,777**	**16,356,704**
(1,941,294)	**(1,735,873)**		**Operating loss**	**(16,405,792)**	**(15,760,424)**
			Financial income and financial expenses		
-	-	17	Share of loss of equity accounted associates	-	(1,973,061)
-	-	9	Impairment of investment in associate	(2,539,270)	(2,023,078)
1,267,458	3,009,983	14	Fair value gain on financial instruments	1,267,458	3,009,983
-	-		Interest expense	(81,328)	(207,663)
45,866	107,045		Other financial income	48,749	132,203
(159,442)	(224,548)		Other financial expense	(170,985)	(334,552)
1,153,882	**2,892,480**		**Net financial items**	**(1,475,376)**	**(1,396,168)**
(787,412)	**1,156,607**		**Loss before tax**	**(17,881,168)**	**(17,156,592)**
-	**-**		**Income tax expense**	**-**	**-**
(787,412)	**1,156,607**		**Loss from continuing operations**	**(17,881,168)**	**(17,156,592)**

AGILYX ASA PARENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT.) FOR THE PERIOD ENDED DECEMBER 31					
Parent				Group	
2022	**2023**	**Note**	**Operating revenue and operating expenses**	**2022**	**2023**
			Discontinued operation		
-	-	23	Profit (loss) from discontinued operation, net of tax	(5,503,486)	113,279,186
(787,412)	**1,156,607**		**Profit (loss) for the period**	**(23,384,654)**	**96,122,594**
-	**-**		**Other comprehensive income - items that will or may be reclassified to profit or loss - foreign currency translation**	**(101,111)**	**(122,747)**
(787,412)	**1,156,607**		**Total comprehensive profit (loss) for the period**	**(23,485,765)**	**95,999,847**
			Profit (loss) for the period attributable to:		
			Equity holders of the parent	(22,008,657)	97,473,988
			Non-controlling interest	(1,375,997)	(1,351,394)
				(23,384,654)	**96,122,594**
			Total comprehensive profit (loss) for the period attributable to:		
			Equity holders of the parent	(22,109,768)	97,351,241
			Non-controlling interest	(1,375,997)	(1,351,394)
				(23,485,765)	**95,999,847**
			Earnings per share - from continuing operations		
		22	Earnings per share, basic and diluted	(0.23)	(0.20)
			Earnings per share - from continuing and discontinued operations		
		22	Earnings per share, basic and diluted	(0.28)	1.12

The comparative information has been restated due to the deconsolidation of Cyclyx following a loss of control. See Note 23.

AGILYX ASA PARENT AND CONSOLIDATED BALANCE SHEET

BALANCE SHEET AS OF DECEMBER 31

Parent			ASSETS	Group	
2022	**2023**	**Note**	**Non-current assets**	**2022**	**2023**
-	-	6	Intangible assets	4,002,430	3,586,680
-	-	7	Property, plant and equipment	1,619,988	1,336,219
-	-	8	Right of use asset	708,848	284,111
52,197,722	71,438,516	17	Shares in subsidiaries	-	-
-	-	17	Investment in associate	-	113,002,939
-	-		Other non-current assets	89,624	35,802
52,197,722	**71,438,516**		**Total non-current assets**	**6,420,890**	**118,245,751**
			Current assets		
-	-	10, 17	Accounts receivable	2,443,453	588,878
-	-	11	Inventory	1,687,126	-
-	-		Deferred project costs	-	2,165,727
6,939	6,939		Prepaid expenses and other current assets	367,873	772,997
5,007,823	5,958,889		Cash and cash equivalents	13,671,319	8,527,632
5,014,762	**5,965,828**		**Total current assets**	**18,169,771**	**12,055,234**
57,212,484	**77,404,344**		**Total assets**	**24,590,661**	**130,300,985**
			Liabilities and stockholders' equity		
			Equity		
143,040	162,269	16	Share capital	143,040	162,269
53,854,378	73,239,523		Share premium	53,854,378	73,239,523
8,591,495	9,432,289		Additional paid-in capital	8,591,495	9,432,289
62,588,913	**82,834,081**		**Total paid-in equity**	**62,588,913**	**82,834,081**
(14,288,453)	(13,131,846)		Retained earnings	(56,124,834)	41,349,154
-	-		Foreign currency translation reserve	(101,111)	(223,858)
-	-		Non-controlling interest	696,640	-
48,300,460	**69,702,235**		**Total equity**	**7,059,608**	**123,959,377**

AGILYX ASA PARENT AND CONSOLIDATED BALANCE SHEET (CONT.)

AS OF DECEMBER 31

Parent			ASSETS	Group	
2022	**2023**	**Note**	**Non-current assets**	**2022**	**2023**
			Liabilities		
			Non-current liabilities		
-	-	8	Long-term lease liability	465,435	60,441
6,303,189	3,293,206	14	Warrant liability	6,303,189	3,293,206
6,303,189	**3,293,206**		**Total non-current Liabilities**	**6,768,624**	**3,353,647**
			Current liabilities		
424	403	12	Accounts payable	2,640,756	1,830,507
93,063	78,413	13	Accrued expenses and other current liabilities	1,909,543	924,937
2,515,348	4,330,087	17	Payables to group companies	-	-
-	-	20	Contract liability	5,945,535	-
-	-	8	Current portion lease liability	266,595	232,517
2,608,835	**4,408,903**		**Total current liabilities**	**10,762,429**	**2,987,961**
8,912,024	**7,702,109**		**Total liabilities**	**17,531,053**	**6,341,608**
57,212,484	**77,404,344**		**Total liabilities and stockholders equity**	**24,590,661**	**130,300,985**

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors and the Chief Executive Officer have reviewed and approved the Board of Directors' report, which incorporates the strategic and governance reports, and the consolidated and separate annual financial statements for Agilyx ASA as of 31 December 2023 (Annual Report 2023).

The consolidated financial statements have been prepared in accordance with IFRS and IFRIC as adopted by the EU and applicable additional disclosure requirements in the Norwegian Accounting Act.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2023 have been prepared in accordance with applicable financial reporting standards;
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2023 for the Group and the Company;
- The Board of Directors' report includes a fair review of the development and performance of the business and the financial position of the Group and the Company;
- The Board of Directors' report includes a fair review of the principal risks and uncertainties the Group and the Company face.

The Board of Directors

Oslo, Norway | 22 April 2024

Jan Secher
Chairman

Russ Main
CEO

Ranjeet Bhatia
Board Member

Catherine C. Keenan
Board Member

Steen Jakobsen
Board Member

Carolyn Clarke
Board Member

Peter Norris
Board Member

AGILYX ASA PARENT AND CONSOLIDATED STATEMENTS OF CASH FLOWS

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31

Parent				Group	
2022	2023	Note		2022	2023
(787,412)	**1,156,607**		**Profit (loss) for the period**	**(23,384,654)**	**96,122,594**
-	-	6, 7	Depreciation and amortisation	545,243	674,000
-	-	8	Amortisation on ROU assets	265,612	270,003
-	-		Share of loss of equity accounted associates	-	1,973,061
-	-	9	Impairment of investment in Regenyx	2,539,270	2,023,078
-	-		Stock based compensation	1,548,815	840,794
-	-	23	Gain on on loss of control of subsidiary	-	(118,214,262)
(1,267,458)	(3,009,983)	14	Fair value gain on financial instruments	(1,267,458)	(3,009,983)
-	-		Interest expense	35,666	224,748
			Changes in:		
-	-	10, 17	Accounts receivable	(773,563)	(1,871,350)
-	-	11	Inventory	(1,529,356)	(1,330,849)
1,501,733	1,800,068	12, 13	Accounts payable and accrued liabilities	2,301,736	14,118,076
-	-	20	Contract liability	4,569,083	(2,590,228)
-	-		Prepaid expenses and other assets	252	(584,413)
-	-		Deferred project costs	-	(2,165,727)
-	-		Other timing differences	(108,361)	(122,747)
(553,137)	**(53,308)**		**Net cash from operations**	**(15,257,715)**	**(13,643,205)**
(19,164,440)	(18,400,000)		Cash contribution from parent to subsidiaries	-	-
-	-	23	Net cash outflow on loss of control of subsidiary	-	(1,647,145)
-	-	9	Regenyx investment funding	(2,539,270)	(2,023,078)
-	-	7	Purchases of property and equipment	(934,114)	(8,005,440)
(19,164,440)	**(18,400,000)**		**Net cash from investments**	**(3,473,384)**	**(11,675,663)**

AGILYX ASA PARENT AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)

FOR THE PERIOD ENDED DECEMBER 31

Parent				Group	
2022	2023	Note		2022	2023
14,418,939	20,413,135		Proceeds from capital increases	14,418,939	20,413,135
(1,001,063)	(1,008,761)		Costs related to capital increases	(1,001,063)	(1,008,761)
-	-		Capital contribution from non-controlling interest in Cyclyx	1,000,000	1,250,000
-	-		Proceeds from bond issuance	-	5,000,000
-	-		Repayment of bond	-	(5,000,000)
-	-		Proceeds from invester loan	-	6,000,000
-	-		Repayment of invester loan	-	(6,000,000)
-	-	8	Principal paid on lease liabilities	(262,381)	(254,445)
-	-	8	Interest paid on lease liabilities	(69,441)	(51,031)
-	-	19	Interest paid on borrowings	(414,104)	(173,717)
-	-	19	Interest paid on notes payable	(839,686)	-
13,417,876	**19,404,374**		**Net cash from financing**	**12,832,264**	**20,175,181**
(6,299,701)	951,066		Net increase (decrease) in cash and cash equivalents	(5,898,835)	(5,143,687)
11,307,524	5,007,823		Cash and cash equivalents at beginning of the period	19,570,154	13,671,319
5,007,823	**5,958,889**		**Cash and cash equivalents at end of the period**	**13,671,319**	**8,527,632**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Group							
Group equity		**Share capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Foreign currency translation**	**Total attributable to equity holders of the parent**	**Non-controlling interest**	**Total**
Balance, December 31, 2021		**86,222**	**40,493,564**	**7,042,680**	**(34,116,177)**	**-**	**13,506,289**	**1,041,533**	**14,547,822**
Proceeds from private placement, net		11,924	13,274,592	-	-	-	13,286,516	-	13,286,516
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)	-	-	-	-	-	-
Payment made from non-controlling interest in Cyclyx Int. LLC		-	-	-	-	-	-	1,031,104	1,031,104
Equity settled share based payment	5	-	-	1,548,815	-	-	1,548,815	-	1,548,815
Other comprehensive loss		-	-	-	-	(101,111)	(101,111)	-	(101,111)
Net result for the year		-	-	-	(22,008,657)	-	(22,008,657)	(1,375,997)	(23,384,654)
Balance, December 31, 2022		**143,040**	**53,854,378**	**8,591,495**	**(56,124,834)**	**(101,111)**	**6,362,968**	**696,640**	**7,059,608**
Proceeds from private placement, net		18,768	19,147,696	-	-	-	19,166,464	-	19,166,464
Proceeds from exercise of stock options and warrants		461	237,449	-	-	-	237,910	-	237,910
Loss of control of subsidiary	23	-	-	-	-	-	-	(595,246)	(595,246)
Payment made from non-controlling interest in Cyclyx Int. LLC		-	-	-	-	-	-	1,250,000	1,250,000
Equity settled share based payment	5	-	-	840,794	-	-	840,794	-	840,794
Other comprehensive loss		-	-	-	-	(122,747)	(122,747)	-	(122,747)
Net result for the year		-	-	-	97,473,988	-	97,473,988	(1,351,394)	96,122,594
Balance, December 31, 2023		**162,269**	**73,239,523**	**9,432,289**	**41,349,154**	**(223,858)**	**123,959,377**	**-**	**123,959,377**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT.)

	Note	Parent				
Parent equity		**Share capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Total**
Balance, December 31, 2021		**86,222**	**40,493,564**	**7,042,680**	**(13,501,041)**	**34,121,425**
Proceeds from private placement, net		11,924	13,274,592	-	-	13,286,516
Proceeds from exercise of stock options and warrants		771	130,345	-	-	131,116
Par value increase (from NOK 0.01 to NOK 0.02)		44,123	(44,123)	-	-	-
Equity settled share based payment	5	-	-	1,548,815	-	1,548,815
Net result for the year		-	-	-	(787,412)	(787,412)
Balance, December 31, 2022		**143,040**	**53,854,378**	**8,591,495**	**(14,288,453)**	**48,300,460**
Proceeds from private placement, net		18,768	19,147,696	-	-	19,166,464
Proceeds from exercise of stock options and warrants		461	237,449	-	-	237,910
Equity settled share based payment	5	-	-	840,794	-	840,794
Net result for the year		-	-	-	1,156,607	1,156,607
Balance, December 31, 2023		**162,269**	**73,239,523**	**9,432,289**	**(13,131,846)**	**69,702,235**

Notes

Note 1: Material 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 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.

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 IFRS®).

The US Dollar is the presentation currency of the Agilyx Group. All foreign operations use local currency as their functional currency.

The consolidated financial statements have been prepared on a historical cost basis, except for warrants, which have been measured at fair value (see Note 14).

The parent accounts are separate financial statements prepared in accordance with IFRS.

The consolidated financial statements of the Agilyx Group for the fiscal year 2023 were approved by the Board of Directors on April 22, 2024.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Agilyx ASA and its subsidiaries Agilyx Corporation, Agilyx GmbH and Agilyx ApS. 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. In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. Agilyx Corporation now holds a 50% interest in Cyclyx International, LLC accounted for under the equity method. See Note 23 for more information.

i. Subsidiaries

Subsidiaries are entities controlled by Agilyx Group. 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, 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
- Agilyx Group's voting rights and potential voting rights

Agilyx Group re-assesses 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Agilyx Group are eliminated in full on consolidation.

ii. Non-controlling interests
Non-controlling interests (NCI) is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation. Entities have a choice, on a transaction by transaction basis, to initially recognise any NCI at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Agilyx Group has elected the latter approach to measure NCI initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

iii. Loss of control
When Agilyx Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost. See Note 23 for additional commentary on the loss of control of Cylyx during 2023.

iv. Investments in associates
Associates are those entities where Agilyx Group has significant influence (but not control or joint control) over the financial and operating policy decisions of balance sheet at cost, including transaction costs. Subsequently, interests in associates are accounted for using the equity method, where Agilyx Group's share of post-acquisition, post-tax profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss (except for losses in excess of the carrying amount of Agilyx Group's interest in associate, unless there is an obligation to make good those losses).

Profits and losses arising on transactions between Agilyx Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.
Any premium paid for an associate above the fair value of Agilyx Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

DISCONTINUED OPERATIONS

A discontinued operation is a component of Agilyx Group's business that has been disposed of by sale or other means (including loss of control), and that represents one of the following:

- a separate major line of business,
- a geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are presented in the consolidated income statement as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

REVENUE

Performance Obligations and timing of revenue recognition
Agilyx Group's revenues can be divided into four 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 judgement 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 judgement 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 utilised.

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 realise 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 10 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 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 6. 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 7. This period's depreciation is charged to this year's operating expenses in the income statement.

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 9, 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 10 for further information on how Agilyx Group applies the simplified model for expected credit losses, as permitted by IFRS 9.

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.

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.

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 meets 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.

CASH FLOW

The cash flow statement is prepared according to the indirect method.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make certain estimates and judgements about the future that affect the application of Agilyx Group's accounting policies and the reported amounts of assets, liabilities, incomes and expenses.

Estimates and judgements 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.

i. Judgments:

- Equity accounting - whether the Agilyx Group has significant influence over equity accounted investees (Notes 9 and 17);
- Consolidation - whether the Agilyx Group has control over an investee, and whether control has been lost (Notes 17 and 23).

ii. Estimates:

- Estimating the amounts due for the initial funding period provision related to the Regenyx investment (Note 9);
- Assumptions and estimates related to the impairment of the investment in Regenyx, including future cash flows (Note 9);
- Recording accounts receivable and consideration of any potential allowance for expected credit losses (Note 10);
- Useful lives attributed to property plant and equipment and intangible assets (Notes 6 and 7);
- 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);
- Assumptions and estimates related to the fair value of the Agilyx Group's interest in Cyclyx following the loss of control (Notes 17 and 23);
- 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 Leases accounting policy above and Note 8).
- Assumption related to the fair value of Cyclyx on the date that Agilyx lost control- this is the initial basis for the carrying amount of the equity method investment in Cyclyx, effective after October 25, 2023.

FAIR VALUE MEASUREMENT

Warrant and stock subscription rights 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, 2023

The following amendments are effective for the period beginning January 1, 2023:

- IFRS 17, Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12, Income Taxes).
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12).

These amendments had no impact on the year-end financial statements of Agilyx Group.

NEW STANDARDS INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

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 Agilyx Group has decided not to adopt early.

The following amendments are effective for the period beginning January 1, 2024:

- IFRS 16, Leases (Amendment – Liability in a Sale and Leaseback).
- IAS 1, Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current).
- IAS 1, Presentation of Financial Statements (Amendment – Non-Current Liabilities with Covenants).
- IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangement).

The following amendments are effective for the period beginning January 1, 2025:

- IAS 21, The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability).

Agilyx Group is currently assessing the impact of these new accounting standards and amendments. Agilyx Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on Agilyx Group.

Note 2: Segment information

The Agilyx Group comprises two reportable segments which account for 100% of the Agilyx Group's revenues:

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. We provide our partners with valuable know-how and robust technology that allows them to become part of the circular economy. Assets are located in both New Hampshire and Oregon, USA.
2. **Cyclyx** - This segment 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. Assets are located in both New Hampshire, Texas and Oregon, USA.

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 17), 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 assess 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 and 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.

The segmental financial information below includes the full annual results of the associate, Cyclyx, which continues to be a reportable operating segment as defined within IFRS 8, despite the loss of control in 2023 as explained in Note 23. In order to reconcile the totals below to the financial statements, certain adjustments have been included in the table to reflect the fact that Cyclyx is no longer consolidated.

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.

MEASUREMENT OF OPERATING SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

	2022				2023			
	Cyclyx	**Agilyx**	**Adjustments to remove Cyclyx**	**Total**	**Cyclyx**	**Agilyx**	**Adjustments to remove Cyclyx**	**Total**
Profit and loss								
Revenues from external customers	9,095,572	7,361,747	(9,095,572)	7,361,747	10,297,592	5,894,701	(10,297,592)	5,894,701
Depreciation and amortization	43,335	767,520	(43,335)	767,520	1,786,908	643,465	(1,786,908)	643,465
Segment loss	(4,692,176)	(17,191,085)	5,477,469	(16,405,792)	(9,273,199)	(15,760,424)	9,273,199	(15,760,424)
Impairment of investment in Regenyx				(2,539,270)				(2,023,078)
Share of loss of equity accounted associates				-				(1,973,061)
Fair value gain on warrant agreements				1,267,458				3,009,983
Interest expense				(81,328)				(207,663)
Other financial income (expense), net				(122,236)				(202,349)
Group net loss before tax and disontinued operations				**(17,881,168)**				**(17,156,592)**
Balance sheet								
Non-current asset additions	**201,500**	**732,614**	**-**	**934,114**	**34,023,291**	**8,005,440**	**(34,023,291)**	**8,005,440**
Reportable segment assets	**9,614,712**	**14,975,949**	**-**	**24,590,661**	**76,502,783**	**17,298,046**	**(76,502,783)**	**17,298,046**
Investment in associate	**-**	**-**	**-**	**-**	**-**	**113,002,939**	**-**	**113,002,939**
Total group assets				24,590,661				130,300,985
Reportable segment liabilities	**6,016,341**	**5,211,523**	**-**	**11,227,864**	**6,411,760**	**3,048,402**	**(6,411,760)**	**3,048,402**
Derivative financial liabilities				6,303,189				3,293,206
Total group liabilities				17,531,053				6,341,608
Cash flow								
Net cash from operations	(4,233,146)	(11,024,569)	-	(15,257,715)	(10,024,906)	(13,643,205)	10,024,906	(13,643,205)
Net cash from investments	-	(3,473,384)	-	(3,473,384)	(8,399,868)	(11,675,663)	8,399,868	(11,675,663)
Net cash from financing	(1,000,000)	13,832,264	-	12,832,264	74,925,039	20,175,181	(74,925,039)	20,175,181

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 2023 or 2022:

MAJOR CUSTOMERS

	2022	**2023**	**Segment**
Customer A	8,792,620	8,439,553	Cyclyx
Customer B	6,604,479	4,920,455	Agilyx
Customer C	144,331	-	Agilyx
Customer D	139,880	-	Agilyx
Customer E	12,500	637,951	Agilyx

Note 3: Geographical distribution of revenues

GEOGRAPHICAL DISTRIBUTION OF REVENUES		
	Group	
Location/Category	**2022**	**2023**
Europe	250,899	674,551
USA	416,219	206,195
APAC	6,694,629	5,013,955
Other	-	-
Total sales by customers location	**7,361,747**	**5,894,701**
Product category		
Project development	609,695	518,626
Services	-	630,223
License, membership and royalty fees	147,573	206,203
Sale of goods	6,604,479	4,539,649
Total sales by category	**7,361,747**	**5,894,701**

No sales was recognized in the parent company Agilyx ASA in 2022 and 2023.

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 it's function as parent.

OPERATING EXPENSES BY NATURE				
	Group		Parent	
Operating expenses classified by nature	**2022**	**2023**	**2022**	**2023**
Raw materials and consumables	5,440	14,523	-	-
Salaries and related costs (Note 5)	8,754,245	9,652,153	200,845	342,179
Depreciation and amortization	767,520	944,003	-	-
Professional fees	11,809,904	9,122,832	1,740,449	1,367,416
Insurance	502,691	511,730	-	-
Office expenses	1,026,934	1,044,346	-	-
Travel	318,789	220,695	-	-
Other operating expenses	582,016	144,843	-	26,278
Total expenses	**23,767,539**	**21,655,125**	**1,941,294**	**1,735,873**

Note 5: Salary and social costs

SALARY AND SOCIAL COSTS				
	Group		Parent	
	2022	2023	2022	2023
Salaries	5,666,196	6,193,606	172,530	347,398
Social security and payroll tax costs	713,901	1,408,692	22,315	13,491
Equity-settled share based compensation (Note 15)	1,548,815	840,794	-	-
Pension costs	171,875	167,339	6,000	(18,710)
Benefits and other expenses	653,458	1,041,722	-	-
Total salaries	**8,754,245**	**9,652,153**	**200,845**	**342,179**
Number of average full time employees	75	66	1	1

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 is defined as 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.

For 2022 and 2023 there were:

a) No employer contributions paid to defined benefit pension plans for Senior Officers and Members of the Executive Board.

b) No separate payments made for terminations of Senior Officers and Members of the Executive Board; and

c) No loans or security given to Senior Officers and Members of the Executive Board, by the Company.

SENIOR OFFICERS AND MEMBERS OF THE EXECUTIVE BOARD REMUNERATION – 2023	Salary	Other short-term benefits	Pensions	Share based compensation	Total
Timothy Stedman, Group CEO	455,079	208,898	41,673	(92,222)	613,428
Chris Faulkner, CTO	255,852	45,549	6,759	59,864	368,024
Russell Main, CFO	278,100	160,135	9,024	41,281	488,540
Mark Barranco, SVP Engineering & Education	283,662	41,242	8,461	84,799	418,164
Louise Byrant, SVP Investor Relations	236,894	65,281	30,837	56,723	389,735
Isabel Charlotte Hacker, General Council	346,132	125,264	36,246	(51,108)	456,534
Carsten Larsen, CCO	319,155	54,714	31,600	182,350	587,819
Stephen Hamlet, VP of Human Resources	197,950	39,760	6,502	22,285	266,497
Kate Ringier, VP Communications & Government Affairs	206,917	61,688	22,935	(34,255)	257,285
					3,846,026

The CEO received his salary from Agilyx GmbH, Switzerland.

The CEO 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 – 2022

	Salary	Other short-term benefits	Pensions	Share based compensation	Total
Timothy Stedman, Group CEO	433,177	192,370	39,040	211,066	875,653
Chris Faulkner, CTO	236,900	51,733	7,107	68,314	364,054
Russell Main, CFO	257,500	53,356	8,921	38,828	358,605
Mark Barranco, SVP Engineering & Education	262,649	49,156	8,172	119,274	439,251
Louise Byrant, SVP Investor Relations	55,785	28,529	11,871	10,097	106,282
Isabel Charlotte Hacker, General Council	324,883	73,555	29,814	124,488	552,740
Carsten Larsen, CCO	268,152	-	29,497	268,817	566,466
Stephen Hamlet, VP of Human Resources	78,269	8,065	-	11,682	98,016
Kate Ringier, VP Communications & Government Affairs	211,932	39,034	17,340	77,703	346,009
					3,707,076

The CEO received his salary from Agilyx GmbH, Switzerland.

The CEO has a severance agreement whereby he will receive 100% pay for 6 months for termination by the Company without cause.

REMUNERATION TO AUDITOR

	Group		Parent	
	2022	**2023**	**2022**	**2023**
Audit fees	168,794	123,384	85,294	58,484
Confirmation services	6,272	9,413	6,272	5,113
Tax services	6,856	3,000	6,856	-
Other non-audit services	11,751	25,800	11,751	-
Total fees	**193,673**	**161,597**	**110,173**	**63,597**

Audit fees to the parent auditor include VAT.

Note 6: Intangible Assets

INTANGIBLE ASSETS			
Intangible assets include the following contracts	**Licensed technology**	**Exclusivity license**	**Total**
(i) Cost			
Balance at January 1, 2022	3,575,000	1,188,378	4,763,378
Additions	-	-	-
Balance at December 31, 2022	**3,575,000**	**1,188,378**	**4,763,378**
Additions	-	-	-
Balance at December 31, 2023	**3,575,000**	**1,188,378**	**4,763,378**
(ii) Accumulated amortisation			
Balance at January 1, 2022	364,948	-	364,948
Amortization charge	178,750	217,250	396,000
Balance at December 31, 2022	**543,698**	**217,250**	**760,948**
Amortization charge	178,750	237,000	415,750
Balance at December 31, 2023	**722,448**	**454,250**	**1,176,698**
(iii) Net book value			
Balance at December 31, 2022	**3,031,302**	**971,128**	**4,002,430**
Balance at December 31, 2023	**2,852,552**	**734,128**	**3,586,680**
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 2022 and 2023.

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. Amortisation of the contract will start when the deliveries under the contract is completed and in service. Amortization expense under the license agreement totaled $217,250 and $237,000 for the years ended 2022 and 2023, respectively.

All amortization is charged through general and administrative expenses.

Note 7: Property, plant and equipment

Costs			
Property, plant and equipment	**Leasehold improvements**	**Machinery and equipment**	**Total**
At cost January 1, 2022	715,869	579,696	1,295,565
Additions	386,473	547,641	934,114
At cost December 31, 2022	**1,102,342**	**1,127,337**	**2,229,679**
Additions	7,767,784	237,656	8,005,440
Deconsolidation due to loss of control of subsidiary	(7,953,544)	(193,731)	(8,147,275)
At cost December 31, 2023	**916,582**	**1,171,262**	**2,087,844**
Depreciation			
Accumulated depreciation January 1, 2022	222,003	238,445	460,448
Depreciation for the year	27,317	121,926	149,243
Accumulated depreciation December 31, 2022	**249,320**	**360,371**	**609,691**
Depreciation for the year	46,761	211,489	258,250
Deconsolidation due to loss of control of subsidiary	(30,960)	(85,356)	(116,316)
Accumulated depreciation December 31, 2023	**265,121**	**486,504**	**751,625**
Net book value December 31, 2022	**853,022**	**766,966**	**1,619,988**
Net book value December 31, 2023	**651,461**	**684,758**	**1,336,219**
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 U.S. which expires in 2029. All tangible assets are depreciated on a straight line basis over the expected useful life.

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the assets attributable to Cyclyx have been removed from the above reconciliation. See Note 23 for more information.

Note 8: 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.

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the assets and liabilities attributable to Cyclyx have been removed from the below reconciliation. See Note 23 for more information.

RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets	Property	Computer equipment	Total
At January 1, 2022	**912,958**	**61,502**	**974,460**
Additions	-	-	-
Amortization	(248,529)	(17,083)	(265,612)
Disposal/termination of old lease	-	-	-
At December 31, 2022	**664,429**	**44,419**	**708,848**
Additions	69,679	-	69,679
Amortization	(248,920)	(21,083)	(270,003)
Deconsolidation due to loss of control of subsidiary	(224,413)	-	(224,413)
Disposal/termination of old lease	-	-	-
At December 31, 2023	**260,775**	**23,336**	**284,111**
Lease liability			
Lease liabilities at January 1, 2022	**940,160**	**54,251**	**994,411**
Additions	-	-	-
Lease payments	(312,033)	(19,789)	(331,822)
Interest expense	66,674	2,767	69,441
Disposal/termination of old lease	-	-	-
Lease liabilities at December 31, 2022	**694,801**	**37,229**	**732,030**
Additions	69,679	-	69,679
Lease payments	(285,687)	(19,789)	(305,476)
Interest expense	49,305	1,726	51,031
Deconsolidation due to loss of control of subsidiary	(254,306)	-	(254,306)
Disposal/termination of old lease	-	-	-
Lease liabilities at December 31, 2023	**273,792**	**19,166**	**292,958**
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 December 31, 2022	245,054	228,777	210,096	155,411	839,338
As at December 31, 2023	195,847	103,495	103,495	-	402,837

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 has occurred that will initiate the purchase of AmSty's investment in Regenyx.

In February 2024, the Company announced a decision had been made to close the plant and wind down operations. See Note 24 for more information.

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 2. 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.

IMPAIRMENT OF INVESTMENT		
Calculation of balance sheet value of investment in Regenyx		
Balance sheet value December 31, 2021	-	
Investment during 2022- above initial estimated cash outflow	2,539,270	
Impairment charge – fully impair balance	(2,539,270)	
Balance sheet value December 31, 2022	**-**	
Investment during 2023- above initial estimated cash outflow	2,023,078	
Impairment charge – fully impair balance	(2,023,078)	
Balance sheet value December 31, 2023	**-**	
Summarized financial information of Regenyx		
As at December 31	**2022**	**2023**
Current assets	776,403	554,479
Non-current assets	3,565,812	3,299,323
Current liabilities	2,233,063	1,936,676
Net assets (100%)	**2,109,152**	**1,917,126**
Period ended December 31	**2022**	**2023**
Revenues	1,004,279	1,140,347
Total and Other Comprehensive loss	(4,451,216)	(4,805,079)

Note 10: Accounts receivable

ACCOUNTS RECEIVABLE				
	Group		**Parent**	
Receivables	**2022**	**2023**	**2022**	**2023**
Trade accounts receivable	231,738	89,359	-	-
Related party receivables	1,815,159	499,519	-	-
Payroll tax refund receivable	396,556	-	-	-
Total accounts receivable	**2,443,453**	**588,878**	**-**	**-**

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 receivables. 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	
	2022	**2023**
Non-overdue amounts	-	-
0-30 days past due	-	-
31-60 days past due	-	-
60-90 days past due	81,283	260,741
Over 90 days past due	2,362,170	328,137
	2,443,453	**588,878**

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the assets attributable to Cyclyx, are not included in the 2023 balances above. See Note 23 for more information.

Note 11: Inventory

INVENTORY		
	Group	
Inventories consist of the following:	**2022**	**2023**
Raw materials	184,165	-
Finished goods	1,502,961	-
Total inventories	**1,687,126**	**-**

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the assets attributable to Cyclyx, are not included in the 2023 balances above. See Note 23 for more information.

There are no inventories carried by the parent.

Note 12: Accounts payable

ACCOUNTS PAYABLE				
	Group		Parent	
	2022	2023	2022	2023
Accounts payable	2,640,756	1,830,507	424	403
Related party payables	-	-	-	-
Total accounts payable	**2,640,756**	**1,830,507**	**424**	**403**

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the liabilities attributable to Cyclyx, are not included in the 2023 balances above. See Note 23 for more information.

Note 13: Accrued expenses and other current liabilities

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES				
	Group		Parent	
	2022	2023	2022	2023
Payroll and related accruals	438,707	924,937	93,063	78,413
Products and services	1,470,836	-	-	-
Total accrued expenses and other current liabilities	**1,909,543**	**924,937**	**93,063**	**78,413**

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the liabilities attributable to Cyclyx, are not included in the 2023 balances above. See Note 23 for more information.

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, 2023 that are exercisable into ordinary shares:

WARRANTS AND SUBSCRIPTION RIGHTS			
	Number of ordinary shares	Exercise price per share - USD	Expiration
Ordinary share warrants converted to subscription rights	2,322,100	1.00	2025
		Group and parent December 31, 2022	Group and parent December 31, 2023
Warrant liabilities		6,303,189	3,293,206

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 years 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:

WARRANT LIABILITY VALUATION		
	Group and parent December 31, 2022	Group and parent December 31, 2023
Expected term	7-Aug-25	7-Aug-25
Equity volatility	30%	35%
Risk free rate	4.34%	4.45%

During 2022, the Board of Directors authorized an extension on all warrants now having an expiration date of August 7, 2025.

As the outstanding warrants for Agilyx are well in the money as of the December 31, 2022 and 2023 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 2022 and 2023, 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		
	Equity value at expiration - 5%	Equity value at expiration + 5%
At December 31, 2022	(315,160)	315,159
At December 31, 2023	(164,661)	164,660

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):

RECONCILIATION	
	Warrant liability
At January 1, 2022	**7,570,647**
Gain on warrant value- presented as fair value through profit and loss	(1,267,458)
At December 31, 2022	**6,303,189**
Gain on warrant value- presented as fair value through profit and loss	(3,009,983)
At December 31, 2023	**3,293,206**

Note 15: Stock Option Plan

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, 2022	**11,432,624**	**$1.17**	**7.81**	**33,223,561**
Share authorized				
Options granted	1,815,000	2.62		
Options exercised	(769,509)	0.28		8,706,073
Options forfeited/expired	(188,899)	2.30		
Balance at December 31, 2022	**12,289,216**	**$1.40**	**7.71**	**26,343,495**
Share authorized				
Options granted	140,000	3.41		
Options exercised	(631,249)	0.19		
Options forfeited/expired	(1,104,814)	1.92		
Balance at December 31, 2023	**10,693,153**	**$1.47**	**6.76**	**12,367,651**
Options vested and expected to vest at December 31, 2023	**10,693,153**	**$1.47**	**6.76**	**12,367,651**
Options Exercisable	**8,590,099**	**$1.17**	**6.61**	**12,002,536**

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.

EQUITY SHARES				
	All employees		**Key management personnel**	
	2022	**2023**	**2022**	**2023**
Equity-settled				
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Share price at grant date (weighted average)	$1.02	$1.13	$1.05	$1.20
Exercise price (weighted average)	$2.62	$3.41	$2.75	$3.47
Contractual life (weighted average)	6.12	10.99	6.15	11.00
Expected volatility (weighted average)	32%	53%	33%	59%
Expected dividend growth rate	0%	0%	0%	0%
Risk free interest rate (weighted average)	2.84%	3.08%	2.90%	3.10%

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.

The plan has a vesting period of 4 years, with 25% vesting after 1 year and monthly vesting evenly thereafter. All options are equity settled.

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 cancelled, 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 $3.89.

Note 16: Shareholders

Shareholders as of December 31 and shares held by the CEO and board members

2023 SHAREHOLDERS		
	2023	
Saffron Hill Ventures 2 LP	39,762,365	41.6 %
Morgan Stanley & Co. Int. Plc.	15,495,607	16.2 %
Six Sis AG	5,856,701	6.1 %
Citibank	4,352,366	4.5 %
Merrill Lynch	4,269,815	4.5 %
Clearstream Banking S.A.	3,789,140	4.0 %
Skandinaviska Enskilda Banken AB	2,364,493	2.5 %
BNP Paribas Securities Services	2,229,236	2.3 %
The Bank of New York Mellon SA/NV	1,619,618	1.7 %
MP Pension PK	1,435,709	1.5 %
SEB CMU/SECFIN Pooled Account	1,216,224	1.3 %
J.P. Morgan SE	1,202,031	1.3 %
UFI AS	1,073,700	1.1 %
Sundt AS	1,067,186	1.1 %
UFI Capital AS	1,031,685	1.1 %
Others	8,920,331	9.3 %
Total	**95,686,207**	**100.0 %**

Ordinary shares include 95,686,207 shares at par value NOK 0.02, all issued and fully paid.

2022 SHAREHOLDERS		
	2022	
Citibank	41,599,027	49.2 %
Six Sis AG	6,220,419	7.4 %
Morgan Stanley & Co. Int. Plc.	5,222,872	6.2 %
Clearstream Banking S.A.	4,236,359	5.0 %
Merrill Lynch	3,746,671	4.4 %
BNP Paribas Securities Services	2,495,817	3.0 %
Verdipapirfondet First Generator	1,485,374	1.8 %
MP Pension PK	1,455,251	1.7 %
Pictet & Cie (Europe) S.A.	1,310,809	1.6 %
Sundt AS	1,240,000	1.5 %
UFI Capital AS	1,043,981	1.2 %
Verdipapirfondet DMB SMB	1,008,704	1.2 %
Verdipapirfondet First Globalt	933,786	1.1 %
Verdipapirfondet Fondsfinas Norge	919,292	1.1 %
DNB Markets Aksjehandel	864,808	1.0 %
Others	10,746,788	12.7 %
Total	**84,529,958**	**100.0 %**

Ordinary shares include 84,529,958 shares at par value NOK 0.02, all issued and fully paid.

As at January 1, 2022 there were 77,532,946 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 2022 and 2023. 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 and 95,686,207 at December 31, 2022 and December 31, 2023, respectively. 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:

SHAREHOLDERS	
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 and warrants granted**	**Shares owned**	**Note**
Timothy Stedman	CEO	2,893,900	86,842	1.
Ranjeet Bhatia	GM and board member	-	145,014	2.
Jan Secher	Board member	100,000	78,472	3.
Steen Jakobsen	Board member	75,000	-	4.
Peter Norris	Board member	100,000	174,955	5.
Martha Crawford	Board member	75,000	-	6.
Carolyn Clarke	Board member	75,000	-	7.
Catherine Keenan	Board member	75,000	-	8.

NOTES

1. The CEO was granted 2,893,900 share options as part of total compensation package; however, forfeited 542,610 unvested shares at termination. The exercise price for each share is $1.06. Additionally, Mr Stedman has personally acquired 86,842 shares. The options granted expire on August 17, 2030.
2. Mr. Bhatia is a member of the board, represents Saffron Hill Ventures and controls 145,014 shares.
3. Mr. Secher is the chair of the board and was granted 100,000 options with an exercise price of $2.19. Additionally, Mr. Secher has personally acquired 78,472 shares.
4. Mr. Jakobsen is a member of the board, represents Saxo Bank and was granted 75,000 options with an exercise price of $2.19.
5. Mr. Norris is a member of the board, represents Vigin Group Holdings Limited, controls 174,955 shares and was granted 75,000.
6. Mrs. Crawford is a member of the board and was granted 75,000 options with an exercise price of $2.19.
7. Mrs. Clarke is a member of the board and was granted 75,000 options with an exercise price of $2.19.
8. Mrs. Keenan is a member of the board and was granted 75,000 options with an exercise price of $2.19.

Note 17: Shares in subsidiaries, associates and related party transactions

Agilyx ASA has the following shares in subsidiaries as of December 31:

SHARES IN SUBSIDIARIES, ASSOCIATES AND RELATED PARTY TRANSACTIONS						
Subsidiary	**Office**	**Share**	**Voting rights**	**Equity**	**Book value - 2022**	**Book value - 2023**
Agilyx Corp	Portland, OR, USA	100%	100%	-	52,034,717	71,275,511
Agilyx GmbH	Zurich, Switzerland	100%	100%	-	163,005	163,005
Agilyx ApS	Stuckenbergs, Denmark	100%	100%	-	-	-
					52,197,722	**71,438,516**

RELATED PARTY TRANSACTIONS:

Group level - During 2023, Cyclyx had $8.5M of product sales to ExxonMobile Chemical Co. (2022 $8.8M), a minority holder in Cyclyx.

RELATED PARTY TRANSACTIONS		
Related party receivable included in Note 10:	**2022**	**2023**
ExxonMobile Chemical Co	453,632	18,759
Regenyx, LLC	1,361,527	194,536
Cyclyx International, LLC	-	286,224

Parent level - At December 31, 2023 the parent company, Agilyx ASA, has an intercompany payable of $2,999,433 to Agilyx Corp (December 31, 2022: $1,783,485) and $1,739,000 payable to Agilyx GmbH (December 31, 2022: $1,140,209) net of an intercompany receivable of $408,346 to Agilyx Corp (December 31, 2022: $408,346). These inter-group payables represent operating and management costs incurred and or paid at the subsidiary and subsequently recharged to the parent.

RELATED PARTY TRANSACTIONS		
Specific parent related costs included:	**2022**	**2023**
Management charges from Agilyx GmbH	577,000	499,647

SUBSIDIARY INFORMATION

Agilyx Corp — Agilyx Corp was formed in 2004 in Oregon, U.S. of America. Agilyx Corp became a subsidiary of Agilyx ASA by way of a share inversion that took place on January, 2020. The share inversion effectively converted all the shares of Agilyx Corp into shares of Agilyx ASA.

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, U.S. on December, 2020. Since inception, Agilyx Group has owned 75% of the entity, with 25% owned by ExxonMobile 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.

In October 2023, Agilyx Group lost control of Cyclyx International, LLC (see Note 23 for more information). Following the loss of control, the Agilyx Group retained a significant influence in Cyclyx International, LLC and therefore began to equity-account for this investee as an associate from the date control was lost.

The following tables summarize the financial information of Cyclyx International, LLC as included in its own financial statements prepared in accordance with IFRS, adjusted for fair value adjustments at acquisition. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Cyclyx International, LLC.

FINANCIAL SUMMARY (2022)	
As at December 31	**2022**
Ownership interest	Subsidiary
Current assets	8,104,571
Non-current assets	598,102
Current liabilities	5,652,162
Non-current liabilities	263,409
For the period ended December 31	**2022**
Revenue	10,512,034
Total comprehensive loss	(5,503,883)
Total comprehensive loss allocated to NCI	(1,375,997)

FINANCIAL SUMMARY (2023)	
As at December 31	**2023**
Ownership interest	Associate (50%)
Current assets	70,364,979
Non-current assets	156,956,776
Current liabilities	10,117,825
Non-current liabilities	24,617,068
Net assets (100%)	**192,586,862**
Group's share of net assets	**96,293,431**
50% of notional goodwill on the loss of control transaction	52,060,508
50% of non dilutive equity contributions from members	(35,351,000)
Carrying value at 12/31/23	**113,002,939**
For the period ended December 31	**2023**
Revenue	10,297,592
Total comprehensive loss (100%)	(9,092,647)
Total comprehensive loss attributable to NCI before loss of control (25%)	**(1,351,394)**
Total comprehensive loss attributable to equity holders of the parent before loss of control (75%)	**(3,924,656)**
Group's equity accounted share of result following loss of control (50%)	**(1,973,061)**
Group's share of total comprehensive loss	**(5,897,717)**

Additional information regarding the Cyclyx operation can be seen in Note 2.

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, 2022 and 2023, respectively.

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 $60.2 million (2022: $55.8 million) and in Norway $1.5 million (2022: $1.2 million).

As of December 31, 2023, net operating loss for federal income tax purposes in US of approximately $196.5 million, portions of which will begin expire in 2030. Total state net operating loss carryforward in US of approximately $140.0 million, which will begin to expire in 2031.

Agilyx Corp also has federal credits for approximately $2.5 million, which will begin to expire in 2030 and state research credits of approximately $0.7 million whose expiration date is not determined.

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. Such an analysis will be prepared before the utilization of the net operating losses and credits.

Loss carried forward in Norway as of December 31, 2023, of approximately $7 million has no expiration date.

INCOME TAXES

	Group		Parent	
	2022	2023	2022	2023
Basis for income tax expense	(23,384,655)	96,122,594	(787,412)	1,156,607
Discountinued operation	-	(113,279,186)	-	-
Basis for income tax expense - from continuing operations				
Result before taxes	(23,384,655)	(17,156,592)	(787,412)	1,156,607
Issue costs shares	-	-	-	-
State benefit	(17,035)	16,485	-	-
Foreign expense	-	-	-	-
Permanent differences	(13,427)	(3,585,520)	(1,112,081)	(2,880,108)
Changes in temporary differences	1,091,933	399,468	-	-
Basis for payable taxes in the income statement - from continuing operations	**(22,323,184)**	**(20,326,159)**	**(1,899,493)**	**(1,723,501)**
Deferred tax asset:				
Loss carried forward	50,289,598	53,674,151	1,162,624	1,541,794
Research & other credits	2,764,993	3,271,123	-	-
Capitalized R&D	539,265	1,414,255	-	-
Reserves and accruals	-	-	-	-
Stock based compensation	239,015	301,184	-	-
Unrealized gain/loss	1,329,598	728,864	-	-
Lease liability	159,729	57,551	-	-
Investment in partnership	912,848	726,300	-	-
Total deferred tax assets	**56,235,046**	**60,173,428**	**1,162,624**	**1,541,794**
Deferred tax liabilities:				
Other intangibles	(23,527)	693	-	-
Fixed assets	(235,382)	(56,413)	-	-
Prepayments	(38,247)	(39,581)	-	-
Right of use assets	(154,671)	(54,815)	-	-
Investment in partnership	-	-	-	-
Total deferred tax liabilities	**(451,827)**	**(150,116)**	**-**	**-**
Net deferred tax assets	**55,783,219**	**60,023,312**	**1,162,624**	**1,541,794**
Recognized deferred tax assets	**-**	**-**	**-**	**-**
Statutory tax rate	21%	21%	22%	22%
Tax rate	0%	0%	0%	0%

Note 19: Notes payable

During 2022 there was a Note Payable outstanding, with a maturity date during 2022. The agreed interest rate over the period is 8% p.a. The note was repaid in 2022.

Note 20: Contract liability

The Company's Contract liability balances at December 31, 2022 and 2023 was $5,945,535 and $0, respectively. These balances represents 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:

CONTRACT LIABILITY	
Balance as of January 1, 2022	**1,376,452**
Billings deferred	20,878,829
Revenue recognized	(16,309,746)
Ending balance as of December 31, 2022	**5,945,535**
Billings deferred	10,077,047
Revenue recognized	(12,667,275)
Cyclyx deconsolidation	(3,355,307)
Ending balance as of December 31, 2023	**-**

In October 2023, the Group lost control of Cyclyx which resulted in the investment no longer being consolidated. As a result the labilities attributable to Cyclyx have been removed from the above reconciliation. See Note 23 for more information.

Note 21: Financial instruments - risk management

Agilyx Group is exposed through its operations to the following financial risks:

- Credit 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 with respect to 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 in the table below, all of which are measured at amortized cost, plus the Warrant/Subscription rights, which are measured at fair value through the profit and loss:

PRINCIPAL FINANCIAL INSTRUMENTS

	Group - as at		Parent - as at	
	December 31, 2022	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**
Accounts receivable	2,443,453	588,878	-	-
Cash and cash equivalents	13,671,319	8,527,632	5,007,823	5,958,889
Total financial assets	**16,114,772**	**9,116,510**	**5,007,823**	**5,958,889**
Accounts payable	2,640,756	1,830,507	424	403
Payable to group companies	-	-	2,515,348	4,330,087
Lease liabilities	732,030	292,958	-	-
Financial liabilities at amortized cost	**3,372,786**	**2,123,465**	**2,515,772**	**4,330,490**
Warrant liability	6,303,189	3,293,206	6,303,189	3,293,206
Total financial liabilities	**9,675,975**	**5,416,671**	**8,818,961**	**7,623,696**

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include all the instruments listed in the table above (except the warrants). 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, measured using level 1 of the fair value hierarchy.

(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.

(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 1, historically Agilyx does not have issues with the collectability of its receivable balances. Due to this historical experience and the procedures that 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 monitors the banking relationships to minimize any risk that may arise in this respect.

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 upon 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:

CONTRACTUAL MATURITIES (GROUP - AS AT)

	Group - as at			
As at December, 31 2022	**Due between 0 - 12 months**	**Due between 1-2 years**	**Due after 2 years or more**	**Total**
Accounts payable	2,640,756	-	-	2,640,756
Payable to group companies	-	-	-	-
	2,640,756	**-**	**-**	**2,640,756**
As at December, 31 2022				
Accounts payable	1,830,507	-	-	1,830,507
Payable to group companies	-	-	-	-
	1,830,507	**-**	**-**	**1,830,507**

See Note 9 for undiscounted contractual cash flow information in relation to the lease liabilities.

CONTRACTUAL MATURITIES (PARENT - AS AT)

	Parent - as at			
As at December, 31 2022	**Due between 0 - 12 months**	**Due between 1-2 years**	**Due after 2 years or more**	**Total**
Accounts payable	424	-	-	424
Payable to Group Companies	2,515,348	-	-	2,515,348
	2,515,772	**-**	**-**	**2,515,772**
As at December, 31 2022				
Accounts payable	403	-	-	403
Payable to Group Companies	4,330,087	-	-	4,330,087
	4,330,490	**-**	**-**	**4,330,490**

In addition to the financial liabilities noted above, there are 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 2023 of $2,023,078 (2022: $2,539,270) as reported on the cash flow statement. Furthermore, the Regenyx contribution agreement includes a put option as defined in Note 9, 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 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 22: Earnings per share

Net Loss 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, 2023 and 2022:

EARNINGS PER SHARE						
	Years Ended December 31,					
	2022			2023		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Numerator:						
Profit (loss) for the period attributable to common stockholders	(17,881,043)	(4,127,615)	(22,008,657)	(17,038,967)	114,512,955	97,473,988
Denominator:						
Weighted average shares outstanding - basic & diluted	79,993,661	79,993,661	79,993,661	87,075,194	87,075,194	87,075,194
Net earnings (loss) per common share - basic & diluted	(0.23)	(0.05)	(0.28)	(0.20)	1.32	1.12

Since Agilyx Group incurred an operating loss from continuing operations 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 23: Loss of control of Cyclyx and discontinued operations

i. Loss of control of Cyclyx

In October 2023, the Agilyx Group's ownership interest in Cyclyx was diluted from 75% down to 50%, via a small disposal of Equity Units and the issuance of new Equity Units (by Cyclyx) to Equistar Chemical, LP ("Equistar"). As part of the transaction, a Second Amended and Restated Limited Liability Company Agreement (the "Cycylx Operating Agreement") was entered into by the three investors, Agilyx, Equistar and EMCC. Amongst other things, the Cycylx Operating Agreement implemented a super majority rule which requires agreement from greater than 75% of unit holders in order for a number of decisions which affect the relevant activities of Cyclyx. Therefore, as a result of the reduced ownership interest and the execution of the Cycylx Operating Agreement, Agilyx lost control of Cyclyx effective October 25, 2023. Subsequent to the loss of control, Cyclyx continues to meet the criteria to be disclosed as a reportable segment as outlined in Note 2.

As part of the transaction, Agilyx contributed internally generated Intellectual Property to Cyclyx to facilitate the development of the first in a planned series of Cyclyx Circularity Centers. The gain upon contribution of that Intellectual Property is included within the Gain on loss of control calculation below.

The gain/(loss) on loss of control of subsidiary was determined as follows, in accordance with IFRS 10 and is presented as part of the results of discontinued operations, as expanded upon within this note:

LOSS OF CONTROL OF CYCLYX		
		2023
Cash consideration received for sale of equity units		5,024,000
Less: cash consideration paid as a capital contribution to Cyclyx		(750,000)
Add: carrying amount of NCI at the date of loss of control		595,246
Add: fair value of investment in associate retained		114,976,000
Add: gain on previously unrecognized intellectual property contributed to Cyclyx		124,200,000
Less: net assets disposed of:		(125,830,984)
Cash and cash equivalents	(5,921,145)	
Accounts receivable	(3,725,925)	
Inventory	(3,017,975)	
Prepaid expenses and other current assets	(233,111)	
Property, plant and equipment	(8,030,959)	
Right of use asset	(224,413)	
Intangible assets	(124,200,000)	
Lease liability	254,306	
Accounts payable	15,510,720	
Accrued expenses and other current liabilities	402,212	
Contract liability	3,355,307	
Gain on loss of control of subsidiary		**118,214,262**

ii. Cyclyx loss of control - discontinued operations presentation

Upon loss of control, the Cyclyx entity which represents a separate major line of business, met the criteria for classification as a discontinued operation. The results of its operations for the year prior to loss of control have been presented as a single line in the Consolidated Income Statement. The comparable Consolidated Income Statement has been re-presented to show the discontinued operation separately from continuing operations.

The post-tax loss from discontinued operations as presented on the consolidated Income Statement was determined as follows:

RESULTS OF CYCLYX (DISCONTINUED OPERATION)		
For the period ended December 31	**2022**	**2023**
Revenue	9,095,572	6,772,574
Expenses other than finance costs	(14,573,041)	(11,679,514)
Finance costs	(26,017)	(28,136)
Gain on loss of control of subsidiary	-	118,214,262
Profit (loss) from discontinued operation, net of tax	**(5,503,486)**	**113,279,186**
Profit (loss) from Cyclyx (discontinued operation) attributable to:		
Equity holders of the parent	(4,127,615)	114,512,955
Non-controlling interest	(1,375,872)	(1,233,769)
	(5,503,486)	**113,279,186**
Earnings per share - from Cyclyx (discontinued operations)		
Earnings per share, basic	(0.05)	1.32
Cash flows - from (used in) Cyclyx (discontinued operations)		
Net cash from (used in) operating activities	(4,227,244)	(10,024,906)
Net cash from (used in) investing activities	(1,737,621)	(8,399,868)
Net cash from (used in) financing activities	5,731,720	74,925,039
Net cash from (used in) discontinued operations	**(233,145)**	**56,500,265**

Note 24: Subsequent events

The Company has no material subsequent events after the balance sheet date.

In February 2024, an announcement was made by the Agilyx Group that a decision had been taken by Regenyx to close their plant and wind up their operations. At the reporting date, Agilyx Group has fully impaired its interest in Regenyx and therefore management does not expect a significant financial impact on the consolidated financial statements as a result of the winding up of Regenyx.