

POLYGIENE GROUP AB (PUBL.)

INTERIM REPORT Q3 2024



polygienegroup.com

POLYGIENE[®]
GROUP
FOR MINDFUL LIVING

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POLYGIENE GROUP IN BRIEF

2006
Founded

44
In the team

13.9
EBITDA %

40.8
Net sales, MSEK

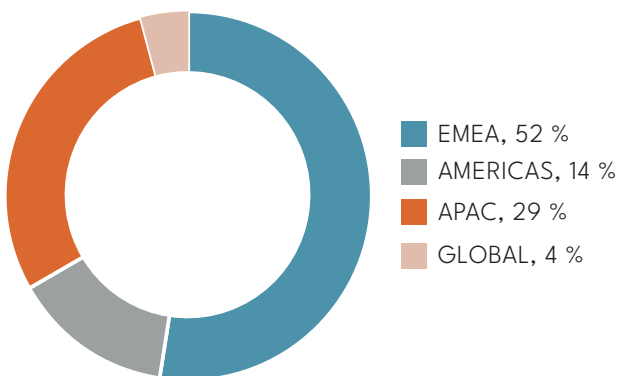
2 $\frac{57\%}{43\%}$ Polygiene
Addmaster
Business-segment, net sales

500+
Partners

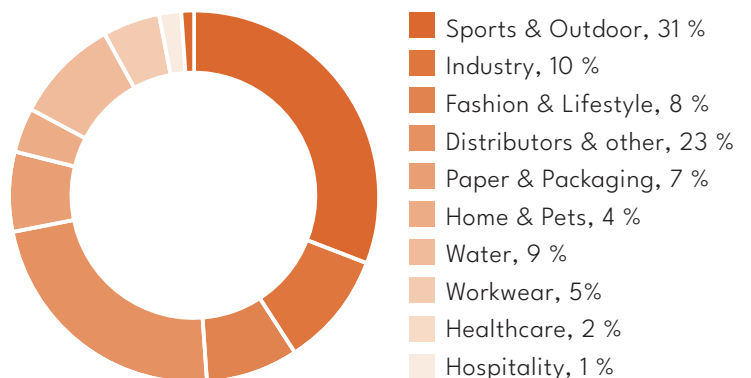


NET SALES, MSEK

Quarterly net revenue by **region**:



Quarterly net revenue by **category**:



NUMBERS IN BRIEF

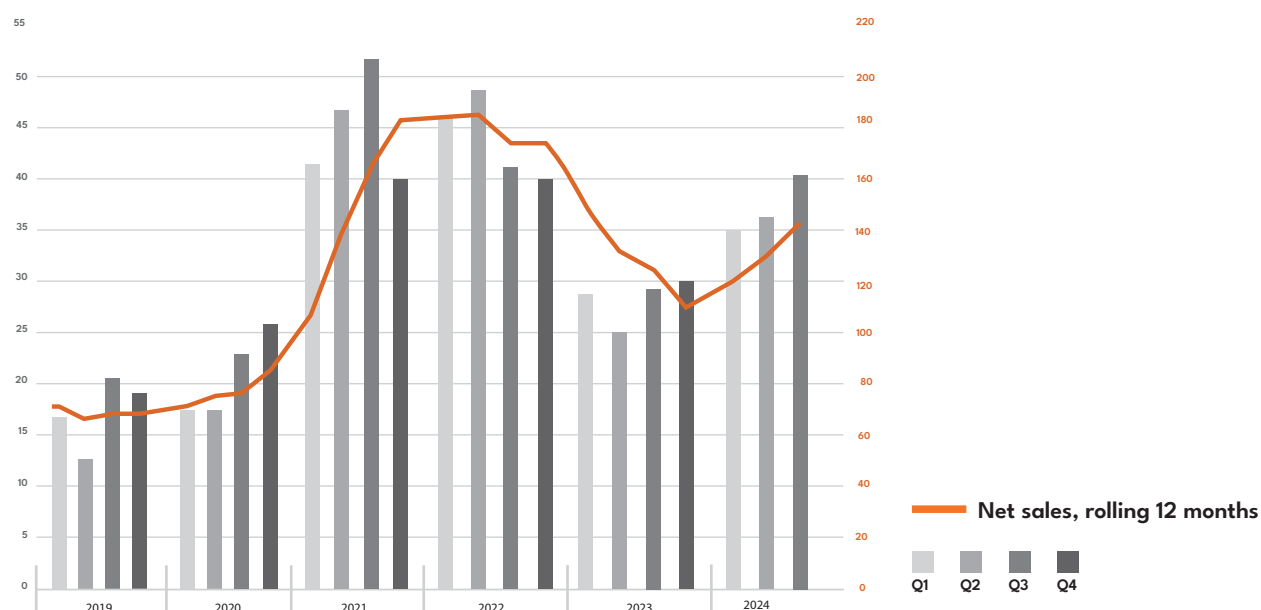
POLYGIENE GROUP SUMMARY

	JULY - SEPT 2024	JULY - SEPT 2023	YTD 2024	FULL YEAR 2023	FULL YEAR 2022	FULL YEAR 2021
Net sales, MSEK	40.8	28.7	112.2	113.5	173.6	181.6
Operating profit before depreciation (EBITDA), MSEK	5.7	-1.0	13.1	-12.2	20.3	44.0
Operating margin before depreciation (EBITDA)	13.9%	-3.6%	11.7%	-10.7%	11.7%	24.2%
Operating profit (EBIT), MSEK	4.2	-2.4	8.7	-312.6	16.0	40.9
Operating margin (EBIT)	10.3%	-8.2%	7.8%	-275.3%	9.2%	22.5%
Earnings per share, SEK	0.05	-0.42	0.26	-8.31	0.60	1.81
Cash flow, MSEK	3.8	2.3	12.0	-3.7	-6.2	46.4

JULY - SEPTEMBER

- Net sales amounted to MSEK 40.8 (28.7), an improvement of 42 %. The quarter had a negative currency effect of approximately -3.4 % compared to the previous year.
- The gross margin was 71.6 % (72.2).
- Operating profit before depreciation (EBITDA) amounted to MSEK 5.7 (-1.0). This amount includes MSEK 1.3 related to extraordinary costs.
- Operating profit after depreciation and before tax (EBIT) amounted to MSEK 4.2 (-2.4).
- Cash flow amounted to MSEK 3.8 (2.3). Liquid funds amounted to MSEK 58.2 (48.3).

NET SALES, MSEK



EVENTS IN BRIEF

EVENTS DURING JULY - SEPTEMBER 2024

GREGORY QUADRO PRO LAUNCH

Global partner Gregory has launched an innovative suit-case collection featuring a game-changing Polygiene-protected ActiveShield compartment.

KINGSLAND EQUESTRIAN LAUNCH

Polygiene has partnered with equestrian brand Kingsland. For AW24, they have launched a collection of Polygiene-branded garments and gear featuring our StayFresh and OdorCrunch technologies combined.

CHASIN DENIM COLLECTION

Dutch lifestyle brand partner Chasin has released an FW24 denim collection incorporating Polygiene OdorCrunch. The Authen-Tech Denim collection, where tradition meets innovation, is promoted and sold online and through retailers such as Zalando across Europe.

COLLABORATION WITH OFFICINA+39 FOR SUSTAINABLE ODOR CONTROL AND DYEING

Officina+39 from Italy has developed Recycrom™, a groundbreaking pigment powder made from recycled textile fibers. Through the collaboration between Officina+39 and Polygiene®, they can now offer a sustainable dyeing product with added performance. Recycrom™, which won the Hightex Award, is considered one of the greatest innovations in dyeing in the last 50 years.

QUICKDRY X POLYGIENE®: REVOLUTIONARY MOISTURE MANAGEMENT COMBINED WITH LEADING ODOR CONTROL

Quickdry Frame® is a patented moisture management technology that effectively controls and wicks away excess moisture through a specialized functional mesh, applied to leather, textiles, microfiber products, and more. Combined with Polygiene’s natural Polygiene OdorCrunch™, unwanted odors are prevented, reducing the need for washing and improving the ecological footprint.

RICOH

Ricoh is a new customer that manufactures wristbands used by hospitals to identify patients upon admission. The wristbands are treated with Biomaster antimicrobial technology for a more hygienic product.

ORIGIN USA

Polygiene has entered into a new partnership with Origin USA, a brand focused on workwear, hunting, lifestyle, and training. Origin USA is committed to bringing apparel manufacturing back to the American market. The Fall 2024 collection includes T-shirts, base layers, and essential clothing items.

AJOVER-DARNEL

Addmaster is collaborating with the Darnel Group, where Biomaster is integrated into their antimicrobial plastic wrap designed to protect against bacterial cross-contamination and exposure to bacteria.

EVENTS AFTER THE END OF THE QUARTER

A NEW COMPANY FOR EQUITY ANALYSIS

Redeye initiated analysis and coverage of the company as of the third quarter. An initial report was published in early October.



A QUARTER CHARACTERIZED BY CONTINUED STRONG GROWTH AND INCREASED PROFITABILITY

The net sales for the quarter amounted to MSEK 40.8 (28.7), an increase of 42%. During the period, a gross margin of 71.6% (72.2) was reported. The operating profit before depreciation and tax (EBITDA) for the quarter amounted to MSEK 5.7 (-1.0). Cash flow was positive at MSEK 3.8 (2.3), and cash and cash equivalents amounted to MSEK 58.2 (48.3).

It is with great pleasure that I can present yet another strong quarter where all key figures point in the right direction. The accumulated sales up until September are already in line with the total sales for the entire previous year. With an impressive growth of 42%, a high gross margin of 71.6%, and a lower cost structure, the company delivers an EBITDA of MSEK 5.7 compared to MSEK -1.0 for the same period last year.

The result is impacted by extraordinary costs of MSEK 1.3, including a potential performance bonus for all employees. Adjusted for these extraordinary costs, the operating margin before depreciation amounts to 17% (compared to 7% in the previous quarter), demonstrating the scalability of our business model.

Cash flow was once again positive during the period, strengthening our ability to secure future investments and acquisitions.

Polygiene Group's financial position is highly satisfactory, with a debt-free balance sheet, strong liquidity, and a business that is continuously generating positive cash flow. The built-in leverage effect of our business model, in combination with the company's continued growth, is expected to lead to increased profitability ahead. This strengthens the company's competitiveness in the marketplace and creates long-term shareholder value.

During the quarter, the company entered into an agreement with the analysis firm Redeye regarding equity analysis and coverage. The initial analysis, published in early October, was well received by the market. In light of this positive development, the company will intensify its efforts in regards to investor relations with a view to expanding the shareholder base.

POLYGIENE: INITIATING NEW STRATEGIC COLLABORATIONS

With a growth of 37% in the quarter, we can state that the industry has recovered from last year's downturn. Our sales teams and agents report that the market has gained momentum and that brands are once again open to scheduling meetings, investing in new projects, and expanding their collections. EMEA performed strongest with an increase of 67%, followed by APAC with 39% growth, which is now also the largest region driven by successes in China. Our distributors have restocked their inventories to handle the increased demand we have seen during the year.

Polygiene has always advocated collaboration with other players in the industry. Recently, we have initiated partnerships with the Italian company Officina+39, which has developed Recycrom™, a groundbreaking pigment powder made from recycled textile fibers. By combining this with Polygiene StayFresh technology in powder form, dyeing and odor control can be applied in one sustainable process.

New collaborations demonstrate Polygiene's attractiveness as a partner and supplier of innovative technologies.

Another example is Quickdry Frame, developed by the Italian company Mith, where our technology is combined with a patented temperature regulation technique that manages excess moisture in textiles. We also have an agreement with Storm Care, which manufactures aftercare products for the consumer market. These collaborations demonstrate Polygiene's attractiveness as a partner and supplier of innovative technologies.

Phase 2 of the development project ShedGuard™ has begun with ten participants who have chosen to proceed with further testing and evaluation. By incorporating the lessons learned from the initial tests, we aim to have new data by the first quarter of 2025.

ADDMASTER’S INNOVATIVE TECHNOLOGY CREATES NEW OPPORTUNITIES

Addmaster’s share of total sales constituted approximately 43% in the quarter, slightly lower than the average of around 50% during the year. At the same time, the increase was strong, with growth of 48% compared to the previous year. EMEA remains the largest region with a share of 78%, driven by, amongst other things, the geotextile agreement that delivered the first order since the three-year contract was signed earlier this year. In September, Addmaster had the opportunity to introduce Biomaster and the benefits of using antimicrobial technology within the food industry. At SOFHT’s (Society of Food Hygiene Technology) Listeria Conference in the UK, a successful presentation was held for key industry figures. The subsequent panel discussion confirmed great interest in our antimicrobial technology, which enables more hygienic food handling.

Another example of our innovative solutions in food handling is an antimicrobial treatment for a customer in the food industry. The customer specializes in the manufacture of food packaging and film from recycled plastic. The project has been driven by our team in Colombia, who have reactivated a previously dormant customer.

Addmaster’s website has achieved significant success during the third quarter. The number of visitors in Q3 has been more than during all previous months combined since the launch in January.

Qualified customer inquiries via the website have increased by 72% from the previous quarter and are almost as many as during the entire first half of the year. These impressive key figures bode well for 2025, when these prospects will hopefully convert into new customers.

This also shows that the intensive work invested has paid off and that the website has now become an effective channel for new business opportunities.

LOOKING AHEAD

In September, we conducted our annual Company Meeting in Malmö. The meeting included an in-depth review of our goals for 2025 and a presentation of strategies to achieve them. It is of utmost importance that the entire team shares the same perspective on our focus areas moving forward and works based on our common values.

I am extremely proud of my team, who have worked hard to turn the company’s results from loss to profitability— from MSEK -6.5 to MSEK 13.1 in accumulated EBITDA per September compared to the previous year—in less than 12 months. After a very successful year so far, the goal is to continue on the same path and finish the year in the same positive spirit. The future looks bright, and I look forward to sharing some exciting news going forward.



Ulrika Björk

Ulrika Björk CEO Polygiene Group

THIS IS THE POLYGIENE GROUP

Polygiene Group is a global company with over 500 partners across various categories including Sports & Outdoor, Fashion & Lifestyle, Workwear, Hospitality, Home & Pets, Healthcare, Water, Industrial, and Paper & Packaging. The operating entities within the group primarily consist of Polygiene and Addmaster.

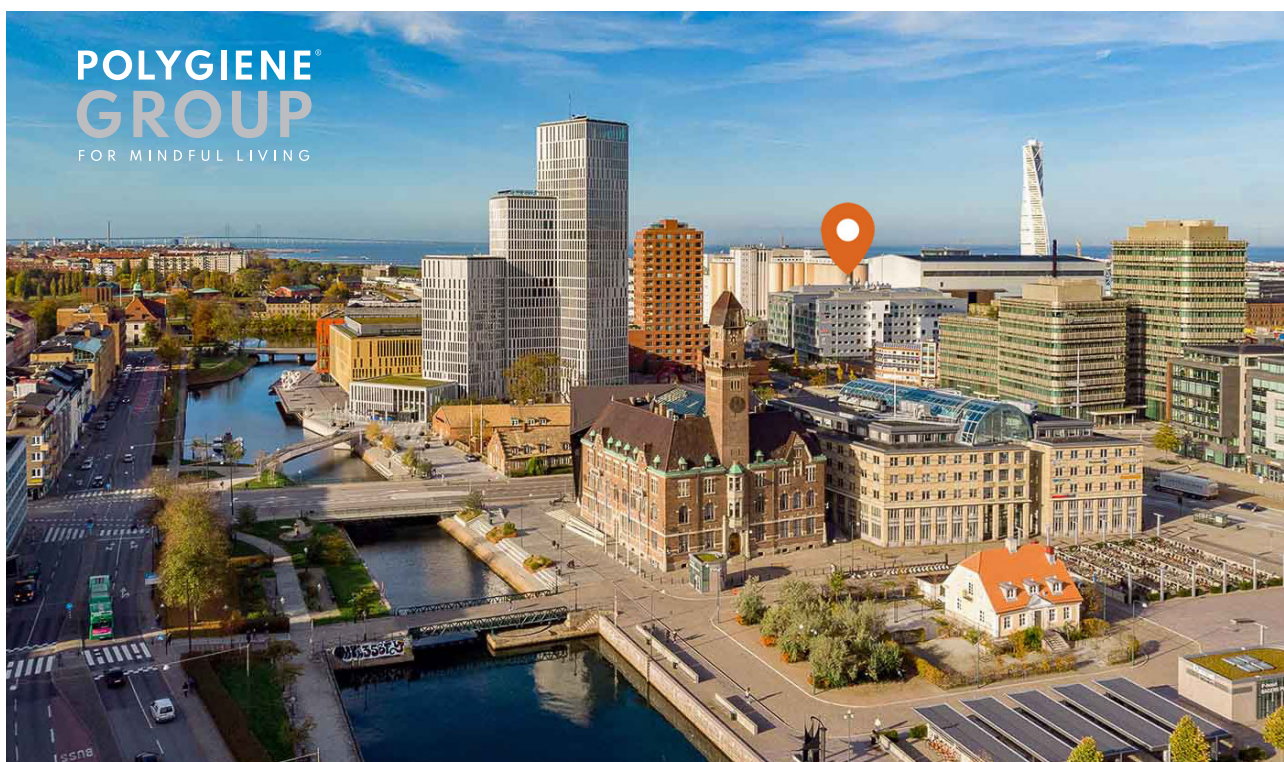
Headquartered in Malmö, Polygiene Group is characterized by a strong Scandinavian corporate culture. This culture forms the foundation of our vision, product development, and how we aim to evolve as a company. Our Swedish roots ensure a simple, inclusive, and enjoyable work environment where sustainability is prioritized.

Polygiene is a leading, global, consumer-focused ingredient brand in Freshness and Product Protection. Polygiene boasts high brand awareness and significant brand equity in the industry. In close collaboration with partners, the production facilities are equipped with our treatments. Polygiene supports the implementation of our solutions throughout the value chain.

Addmaster was founded with a clear focus on addressing the challenges posed by microbes and pathogens in various industries. Specialized antimicrobial technologies are carefully designed to inhibit the growth of microbes on hard surfaces, contributing to a more hygienic environment. Our flagship product, Biomaster, exemplifies our commitment to setting industry standards. Since 2000, we have consistently demonstrated the ambition to promote antimicrobial technology, earning Addmaster recognition for reliability and effectiveness.

Polygiene Group’s treatments provide odor, bacteria, and virus control, and can also offer protection against counterfeiting. Polygiene Group strives to make it easy and seamless for everyone to benefit from our solutions. The products offered are simple, effective, safe, and reliable for their intended purpose.

Polygiene Group takes responsibility for the entire value chain, from development and manufacturing to marketing, distribution, and customer support. Manufacturing takes place in Europe, adhering to stringent environmental regulations worldwide. The technologies are integrated into manufacturers’ existing processes, minimizing energy consumption and water usage during application. As an organization, we are highly proud of our strong environmental focus.



FINANCIAL TRENDS

NET REVENUES AND PROFIT

The Group's net sales for the third quarter amounted to MSEK 40.8 (28.7), an improvement of 42 %. The quarter had a negative currency effect of approximately 3.4 % compared to the previous year. Other operating income includes changes in exchange rates during the quarter related to operational receivables and liabilities. During the quarter, a gross margin of 71.6 (72.2) % was reported. The cost of goods sold amounted to MSEK -13.5 (-10.0).

COSTS

OTHER EXTERNAL EXPENSES

The total expenses for the period amounted to MSEK -12,9 (-12.5). The other external costs consist of:

- Variable sales costs: MSEK -4.0 (-3.8) (commissions to agents and distributors regarding the Polygiene segment)
- Marketing expenses: MSEK -1.2 (-1.3)
- Administrative expenses: MSEK -4.4 (-3.7)
- Contracted consultants: MSEK -3.3 (-3.7)

The costs for external consultants include MSEK -0.6 for extraordinary costs, partly for a preliminary full-year performance bonus as well as project costs. Excluding the extraordinary costs, the expense is approximately MSEK 1 lower due to a reduced number of consultants. Administrative costs are higher due to travel and project costs.

COSTS FOR EMPLOYEE COMPENSATION

Employee compensation amounted to MSEK -8.9 (-8.1). This cost includes, among other things, extraordinary costs of MSEK 0.7, partly related to the preliminary annual bonus.

OTHER OPERATING EXPENSES

The expenses amounted to MSEK -1.7 (-1.2) for the quarter and relate to currency differences, mainly associated with changes in the exchange rate linked to operational receivables and liabilities.

DEPRECIATION

Depreciation of intangible and tangible fixed assets amounted to MSEK -1.5 (-1.3). The increase is primarily due to previous investments in product development and IT systems.

RESULT

The operating profit (EBIT) for the quarter amounted to MSEK 4.2 (-2.4). The result includes extraordinary costs of MSEK 1.3.

Other comprehensive income includes translation differences when translating foreign subsidiaries and goodwill at the period-end exchange rate. The period's profit and total comprehensive income amounted to MSEK 1.8 (-15.2).

FINANCIAL POSITION

INTANGIBLE AND TANGIBLE FIXED ASSETS

The intangible fixed assets primarily consist of goodwill from acquisitions of other businesses, investments in business systems, and product development. The tangible fixed assets primarily consist of the right-of-use assets from leasing contracts. For further details, see note 10.

FINANCIAL FIXED ASSETS

The financial fixed assets amounted to MSEK 7.5 (15.5) at the end of the period, representing a deferred tax asset for the tax losses incurred in previous years. The total tax loss carried forward at the end of the period amounted to MSEK 90.7, but a provision for deferred tax has only been made for MSEK 36.3.

INVENTORY

The inventory has decreased compared to the previous year to MSEK 26.3 (33.7).

CASH FLOW AND LIQUIDITY

The cash flow for the third quarter amounted to MSEK 3.8 (2.3), MSEK 3.9 including currency effects (1.2). The Group's liquid assets amounted to MSEK 58.2 (48.3) at the end of the quarter.

EQUITY

Equity at the end of the period amounted to MSEK 309.0 (614.4). The equity ratio as of September 30, 2024, was 91.1 (97.0)%.

PERSONNEL

The Group's operational organization amounted to 44 (45) individuals at the end of the quarter, regardless of working hours, of which 36 (32) are employees and 8 (13) are contracted consultants. Adjusted to a 100% employment rate, the number of individuals would be 42 (43).

STATEMENTS OF PROFIT OR LOSS OF THE GROUP

TSEK	NOTE	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
OPERATING REVENUE						
Net sales	7, 8	40,791	28,742	112,238	82,161	113,542
Other operating income*		1,913	2,010	3,180	3,646	5,917
TOTAL OPERATING REVENUE		42,704	30,752	115,418	85,807	119,459
OPERATING EXPENSES						
Cost of goods sold	8	-13,477	-10,001	-38,391	-24,814	-36,387
GROSS PROFIT OR LOSS		29,227	20,751	77,027	60,993	83,072
Other external expenses		-12,902	-12,506	-33,671	-38,439	-54,735
Personnel expenses		-8,914	-8,119	-26,351	-24,359	-33,379
Other operating expenses*		-1,743	-1,169	-3,891	-4,696	-7,162
OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)		5,668	-1,043	13,114	-6,501	-12,204
Depreciation and write-downs		-1,466	-1,320	-4,371	-3,954	-5,385
Impairment of goodwill		-	-	-	-	-295,000
OPERATING PROFIT/LOSS (EBIT)		4,202	-2,363	8,743	-10,455	-312,589
PROFIT OR LOSS FROM FINANCIAL ITEMS						
Interest income and similar items		297	1,268	1,416	2,492	3,186
Interest expenses and similar items		-1,699	-631	-3,388	-2,353	-3,672
PROFIT OR LOSSES AFTER FINANCIAL ITEMS		2,800	-1,726	6,771	-10,316	-313,075
Tax of the period	9	-2,124	464	-5,752	-1,399	-8,873
PROFIT OF THE PERIOD		676	-1,262	1,019	-11,715	-321,948
Other profit of the period**		1,083	-13,917	8,458	25,270	18,319
TOTAL PROFIT OF THE PERIOD		1,759	-15,179	9,477	13,555	-303,629

*Includes exchange rate differences referring to operating business

** Exchange rate difference regarding goodwill and translation of subsidiaries

STATEMENTS OF FINANCIAL POSITION OF THE GROUP

TSEK	NOTE	2024-09-30	2023-09-30	2023-12-31
ASSETS				
FIXED ASSETS				
Intangible assets	10	206,892	500,241	197,484
Tangible assets		3,974	2,357	5,344
Financial assets	11	7,478	15,548	7,478
TOTAL FIXED ASSETS		218,344	518,146	210,306
CURRENT ASSETS				
Inventory		26,331	33,690	30,205
Trade receivables		30,404	25,166	22,366
Other current assets		5,946	8,141	6,757
Cash and cash equivalents		58,161	48,296	44,146
TOTAL CURRENT ASSETS		120,842	115,293	103,474
TOTAL ASSETS		339,186	633,439	313,780
TOTAL EQUITY AND LIABILITIES				
EQUITY				
TOTAL EQUITY		309,022	614,379	291,246
PROVISIONS				
Deferred tax liability		324	-	-
TOTAL PROVISIONS		324	-	-
LONG-TERM LIABILITIES				
Leasing liabilities		1,504	555	1,876
TOTAL LONG-TERM LIABILITIES		1,504	555	1,876
SHORT-TERM LIABILITIES				
Accounts payable		13,637	7,797	7,388
Leasing liabilities		1,438	1,287	2,014
Other current liabilities		13,261	9,421	11,256
TOTAL SHORT-TERM LIABILITIES		28,336	18,505	20,658
TOTAL LIABILITIES		29,840	19,060	22,534
TOTAL EQUITY AND LIABILITIES		339,186	633,439	313,780

STATEMENTS OF CHANGE IN EQUITY OF THE GROUP

TSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
EQUITY AT PERIOD START	306,141	634,389	291,246	592,559	592,559
TRANSACTIONS WITH THE OWNERS					
New share issues and warrants	-	-	117	93	93
TOTAL TRANSACTIONS WITH THE OWNERS	-	-	117	93	93
Translation difference	1,122	-4,832	8,182	8,173	2,223
PROFIT AND OTHER PROFIT OF THE PERIOD					
Earnings of period	676	-1,261	1,019	-11,716	-321,948
Other profit of the period	1,083	-13,917	8,458	25,270	18,319
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	1,759	-15,178	9,477	13,554	-303,629
EQUITY AT PERIOD END	309,022	614,379	309,022	614,379	291,246

CASH FLOW OF THE GROUP

TSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
CURRENT ACTIVITIES					
Operating profit	4,202	-2,363	8,743	-10,455	-312,589
Non-cash adjustments	-322	-966	2,691	1,640	299,548
Interest income	168	150	465	1,068	493
Interest paid	-	-19	-	-535	-90
Paid income tax	-188	2,502	-1,579	-2,383	-3,864
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING CAPITAL	3,860	-696	10,320	-10,665	-16,502
<i>Changes in working capital:</i>					
Increase/decrease in inventory	1,285	2,540	5,457	3,661	5,853
Increase/decrease in current receivables	-4,929	-1,905	-5,873	17,778	23,193
Increase/decrease in current liabilities	4,413	3,395	4,077	-8,544	-8,758
NET CASH FLOW FROM OPERATING ACTIVITIES	4,629	3,334	13,981	2,230	3,786
INVESTMENT ACTIVITIES					
Acquisition of intangible assets	-335	-227	-1,117	-1,598	-3,190
Acquisition of tangible fixed assets	-	-26	-20	-1,390	-4,868
Acquisition of financial assets	-	-471	-	-932	-1,363
CASH FLOW FROM INVESTING ACTIVITIES	-335	-724	-1,137	-3,920	-9,421
FINANCING ACTIVITIES					
New shares and warrants	-	-	117	93	93
New loan leased objects	-	-	-	863	3,119
Amortization of leased objects	-498	-328	-968	-937	-1,262
CASH FLOW FROM FINANCIAL ACTIVITIES	-498	-328	-851	19	1,950
CASH FLOW OF PERIOD	3,796	2,282	11,993	-1,671	-3,685
Cash and cash equivalents at period start	54,279	47,116	44,146	48,209	48,209
Currency differences, cash and cash equivalents	86	-1,102	2,022	1,758	-378
CASH AND CASH EQUIVALENTS AT PERIOD END	58,161	48,296	58,161	48,296	44,146

MULTI-YEAR OVERVIEW OF THE GROUP

	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	FULL YEAR 2023	FULL YEAR 2022	FULL YEAR 2021
Net sales, TSEK	40,791	28,742	112,238	113,542	173,564	181,610
Sales growth, %	41.9	-29.9	36.6	-34.6	-4.4	116.4
Operating profit/loss EBITDA, TSEK	5,668	-1,043	13,114	-12,204	20,345	43,992
Operating margin EBITDA, %	13.9	-3.6	11.7	-10.7	11.7	24.2
Profit after tax, TSEK	1,759	-15,179	9,477	-303,629	21,841	64,183
Operating margin after tax, %	4.3	-52.8	8.4	-267.4	12.6	35.3
Cash flow, TSEK	3,796	2,282	11,993	-3,685	-6,151	46,391
Equity, TSEK	309,022	614,379	309,022	291,246	592,559	519,150
Balance sheet total, TSEK	339,186	633,439	339,186	313,780	621,898	550,694
Equity/assets ratio, %	91.1%	97.0%	91.1%	92.8%	95.3%	94.3%
Number of shares at period end, THS	36,527	36,527	36,527	36,527	36,527	35,550
Average no. of shares at period end, THS	36,527	36,527	36,527	36,527	36,527	35,550
Earnings per share before dilution, SEK	0.05	-0.42	0.26	-8.31	0.60	1.81
Earnings per share after dilution, SEK	0.05	-0.42	0.25	-8.31	0.58	1.76
Cash flow per share, SEK	0.10	0.06	0.33	-0.10	-0.17	1.30
Equity per share, SEK	8.46	16.82	8.46	7.97	16.22	14.60

NOTES

NOTE 1: NATURE OF OPERATIONS

Polygiene Group™ is the global leader in antimicrobial technologies. The company treats hard surfaces and textiles to ensure that products are better protected, more hygienic, and remain fresh and odor-free. As a leading ingredient brand, Polygiene Group collaborates with over 500 top-class global brands through the Polygiene and Addmaster segments. Polygiene Group provides a range of technologies that enhance the value of our customers' products with technologies such as OdorCrunch™, StayFresh™, Scentmaster™, ViralOff™, Biomaster™, and Verimaster™.

Polygiene Group's brands are a significant asset, and the ongoing work to strengthen the brands and their awareness is important for achieving future goals.

NOTE 2: GENERAL INFORMATION AND COMPLIANCE WITH IAS 34 AND ÅRL

This interim report covers the period from July 1st to September 30th, 2024, and is prepared in SEK, which is the reporting currency of the parent company and the presentation currency of the group.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (ÅRL). The interim report does not contain all the information required by IFRS (International Financial Reporting Standards) for financial statements and should therefore be read in conjunction with the annual report of the financial year 2023, except for the description of the fundamental principles. Complete additional disclosures in accordance with IFRS have been provided in the annual and consolidated financial statements of 2023. The interim report has not been subject to a review by the group's auditors.

The interim report for the period from July 1st to September 30th, 2024, was approved for issuance by the board on October 23rd, 2024. The interim report has been prepared in accordance with IFRS and is consistent with the accounting and valuation principles set forth in the annual and consolidated financial statements of 2023.

If not otherwise stated, the figures are reported in thousands of SEK.

NOTE 3: RISKS AND UNCERTAINTIES

The Group's operations are affected by several factors that pose risks to the Group's business and results. For further information, please refer to the annual and con-

solidated financial statements of 2023. Polygiene Group actively works to ensure continued strong liquidity and to remain a debt-free company. The Group is primarily exposed to USD and GBP. Polygiene Group has currently chosen not to hedge these currency flows due to the difficulty in predicting these flows with the short notice customers provide for orders.

The developments in Ukraine and the Middle East affect the geopolitical situation and increase uncertainties in the global market. The Group has no operations in Russia, Ukraine or the Middle East and therefore considers that these events have no direct impact on the Group's operations, results, and/or financial position.

We observe an increase in freight costs and lead times, and therefore, we actively work to mitigate the risk of further cost increases by optimizing freight terms and exploring alternative freight solutions. Polygiene Group continuously monitors the developments.

NOTE 4: SIGNIFICANT ESTIMATES AND ASSESSMENTS

When interim reports are prepared, the Board of Directors and the Chief Executive Officer must, in accordance with the applied accounting and valuation principles, make certain estimates, judgments, and assumptions that affect the accounting and valuation of assets, liabilities, revenues, and expenses. The outcome may deviate from these estimates and judgments and seldom amount to the same as the estimated outcome. The estimates and judgments made in the interim report, including assessment of the key reasons for uncertainty, are the same as those applied in the annual financial statements of 2023.

NOTE 5: SIGNIFICANT EVENTS AND TRANSACTIONS DURING AND AFTER THE INTERIM PERIOD

No significant events or transactions during this period or after have had financial consequences.

NOTE 6: CONTINGENT LIABILITIES

No identified contingent liabilities exists.

NOTE 7: NET SALES

The group's revenues from contracts with customer can be divided into geographic markets and segments as follows:

Q3 2024			
PRIMARY GEOGRAPHIC MARKETS:	GOODS	ROYALTY	TOTAL
APAC	9,110	2,874	11,984
EMEA	19,777	1,535	21,312
AMERICAS	4,316	1,418	5,734
GLOBAL	1,749	12	1,761
	34,952	5,839	40,791

Q3 2023			
PRIMARY GEOGRAPHIC MARKETS:	GOODS	ROYALTY	TOTAL
APAC	7,255	3,591	10,846
EMEA	12,140	1,122	13,262
AMERICAS	3,807	2,349	6,156
GLOBAL	-1,522	-	-1,522
	21,680	7,062	28,742

Q3 2024			
SEGMENT:	GOODS	ROYALTY	TOTAL
POLYGIENE	17,614	5,840	23,454
ADDMASTER	17,337	-	17,337
	34,951	5,840	40,791

Q3 2023			
SEGMENT:	GOODS	ROYALTY	TOTAL
POLYGIENE	9,952	7,062	17,014
ADDMASTER	11,728	-	11,728
	21,680	7,062	28,742

NOTE 8: SEGMENT REPORTING

The Group management defines Polygiene Group's operating segments as Polygiene and Addmaster. The gross profit from these segments is monitored by the Group's executive decision-makers and forms the basis for strategic decisions. Currently, no other segment reporting is conducted.

JULY - SEPT 2024	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
SEGMENT REVENUE				
Net sales	27,650	22,869	-9,728	40,791
Other income	1,684	229	-	1,913
TOTAL OPERATING INCOME	29,334	23,098	-9,728	42,704
SEGMENT EXPENSES				
Cost of goods sold	-8,246	-10,996	5,765	-13,477
GROSS PROFIT	21,088	12,102	-3,963	29,227

JAN - SEPT 2024	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
SEGMENT REVENUE				
Net sales	68,582	68,556	-24,900	112,238
Other income	2,913	266	0	3,179
TOTAL OPERATING INCOME	71,495	68,822	-24,900	115,417
SEGMENT EXPENSES				
Cost of goods sold	-19,052	-32,045	12,707	-38,390
GROSS PROFIT	52,443	36,777	-12,193	77,027

JULY - SEPT 2023	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
SEGMENT REVENUE				
Net sales	21,228	14,560	-7,046	28,742
Other income	1,905	105	-	2,010
TOTAL OPERATING INCOME	23,133	14,665	-7,046	30,752
SEGMENT EXPENSES				
Cost of goods sold	-4,922	-8,002	2,923	-10,001
GROSS PROFIT	18,211	6,663	-4,123	20,751

JAN - SEPT 2023	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
SEGMENT REVENUE				
Net sales	47,542	50,451	-15,832	82,161
Other income	3,179	467	-	3,646
TOTAL OPERATING INCOME	50,721	50,918	-15,832	85,807
SEGMENT EXPENSES				
Cost of goods sold	-9,489	-20,222	4,897	-24,814
GROSS PROFIT	41,232	30,696	-10,935	60,993

Q3 2024

SEGMENT ASSETS	POLYGIENE	ADDMASTER	TOTAL
Intangible fixed assets	7,453	199,439	206,892
Tangible fixed assets	2,793	1,181	3,974
TOTAL	10,246	200,620	210,866

Q3 2023

SEGMENT ASSETS	POLYGIENE	ADDMASTER	TOTAL
Intangible fixed assets	7,741	492,500	500,241
Tangible fixed assets	1,596	761	2,357
TOTAL	9,337	493,261	502,598

NOTE 11: FINANCIAL ASSETS

GROUP TSEK	2024-09-30	2023-09-30	2023-12-31
Withholding tax	-	8 071	-
Deferred tax	7 478	7 478	7 478
TOTAL BOOKED VALUE	7 478	15 549	7 478

NOTE 9: TAX

TAX OF THE PERIOD	Q3 2024	Q3 2023	JAN - SEPT 2024	JAN - SEPT 2023
Tax of the period	-1,698	-285	-4,252	-2,148
Impairment withholding tax	-426	-	-1,061	-
Corrections of previous periods	-	749	-149	749
Deferred tax	-	-	-290	-
TOTAL TAX	-2,124	464	-5,752	-1,399

NOTE 10: INTANGIBLE ASSETS

GOODWILL

GROUP TSEK	2024-09-30	2023-09-30	2023-12-31
ACCUMULATED COST BROUGHT FORWARD	195,363	504,537	461,478
Translation difference	1,425	-15,321	19,419
Impairment of goodwill	-	-	-295,000
ACCUMULATED COST CARRIED FORWARD	196,788	489,216	185,897
BOOKED VALUE	196,788	489,216	185,897

OTHER INTANGIBLE ASSETS

GROUP TSEK	2024-09-30	2023-09-30	2023-12-31
ACCUMULATED BOOKED VALUE BROUGHT FORWARD			
Development and similar work	4,846	4,359	5,147
Software and licenses	3,083	3,587	3,717
Trademarks	2,175	3,079	2,723
TOTAL BOOKED VALUE	10,104	11,025	11,587
TOTAL BOOKED VALUE INTANGIBLE ASSETS	206,892	500,241	197,484

SHARE CAPITAL, THE SHARE AND OWNERSHIP STRUCTURE

SHARE CAPITAL

Polygiene Group’s share capital amounts to SEK 3,652,699 divided into 36,526,989 outstanding shares. Polygiene has only one class of shares, and all shares have equal rights to dividends. The nominal value of the shares is SEK 0.10. The following share option programs have been issued by the parent company, which are directed towards employees and contracted consultants:

PROGRAM	YEAR	QUANTITY	PERIOD OF SUBSCRIPTION	EXERCISE PRICE
5	2022	300,000	1-30 June 2025	26.62
6	2023	300,000	1-30 June 2026	11.52
7	2024	265,000	1-30 June 2027	18.00

For more information on the development of share capital, please refer to the Polygiene Group’s Annual Report 2023.

SHARES

The share of Polygiene Group AB (publ.) is listed on Nasdaq First North Growth Market, Stockholm, since March 14, 2016. During the third quarter, a total of 796,459 shares were traded, averaging 12,068 shares per trading day. The closing price at the end of the period was SEK 9.90, corresponding to a market capitalization of MSEK 362. The highest and lowest prices during the period were SEK 11.10 and SEK 8.60, respectively.

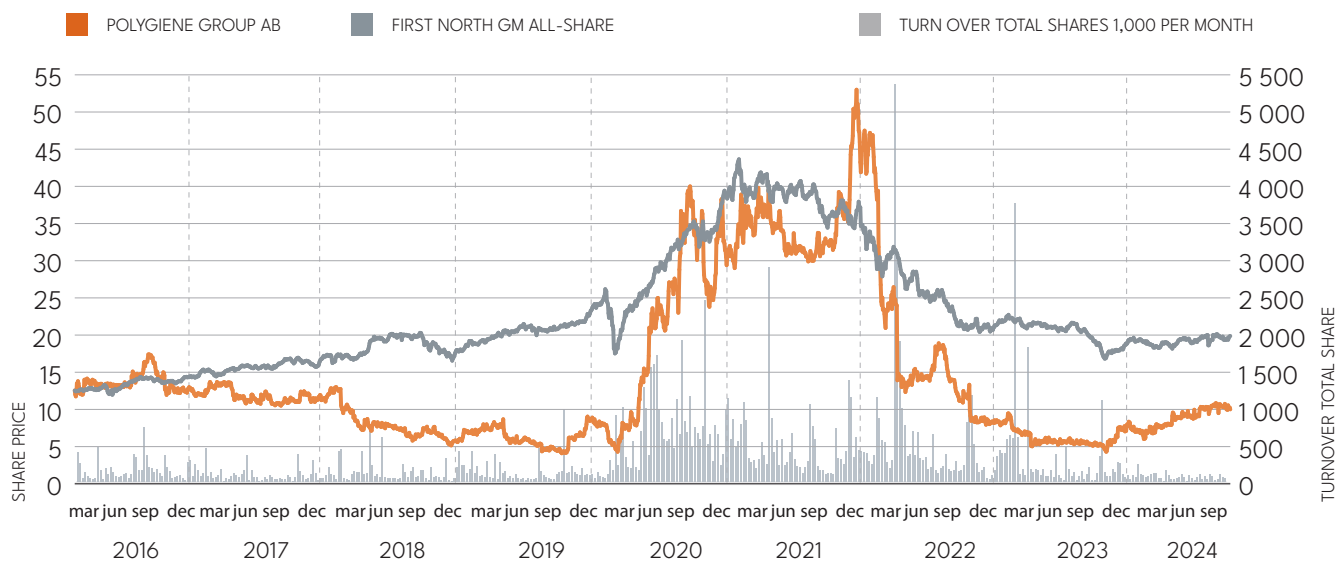
OWNERSHIP STRUCTURE

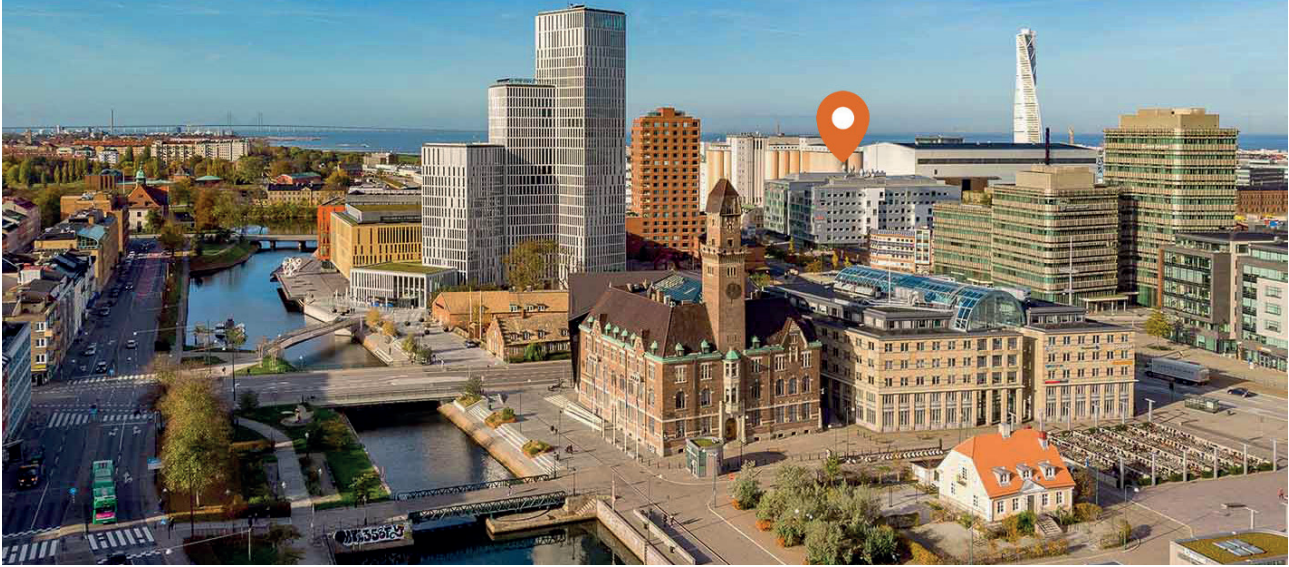
The number of shareholders at the end of the period amounted to 1,964 (2,333). The table below shows the top 10 shareholders as of September 30, 2024.

SHAREHOLDERS	SHARES	PERCENT
Peter Gyllenhammar*	10,208,147	27.9%
Paul Morris*	4,477,056	12.3%
Familjen Eklund	3,750,000	10.3%
Håkan Lagerberg*	2,465,030	6.7%
Didner & Gerge Small & Microcap	1,426,000	3.9%
Familjen Girell	1,420,000	3.9%
Jonas Wollin*	879,000	2.4%
Avanza Pension	613,373	1.7%
Peter Sjösten	423,000	1.2%
Bo Staffan Olsson	414,643	1.1%
Others	10,450,740	28.6%
Total	36,526,989	100.0%

* Refers to personal holdings and those of associated natural persons and legal entities. Source: Data from Monitor, Euroclear and data known to the company.

POLYGIENE GROUP AB MARCH 2016 – SEPTEMBER 2024





DEFINITIONS

Operating profit before depreciation (EBITDA):

Profit before depreciation, amortization, interest, and taxes.

Operating profit margin before depreciation:

Operating profit margin before depreciation, amortization, interest, and taxes as a percentage of the period's net sales.

Operating profit (EBIT):

Result after depreciation.

Operating profit margin:

Profit after depreciation as a percentage of period net sales.

Earnings per share:

Earnings after tax divided by the total number of shares.

Equity/assets ratio:

Adjusted equity in relation to balance sheet total.

Equity per share:

Equity divided by the total number of shares at period end.

Cash flow per share:

Cash flow divided by the total number of shares.

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GROUP
 FOR MINDFUL LIVING

FINANCIAL CALENDAR 2024

Interim Report Q3

October 24

Year End Report

February 13, 2025

This information is information that Polygiene Group AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 CET October 24, 2024.