

POLYGIENE GROUP AB (PUBL.)

ANNUAL REPORT 2024



polygienegroup.com

POLYGIENE[®]
GROUP
FOR MINDFUL LIVING

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POLYGIENE GROUP IN BRIEF

2006

Founded

43

In the team*

12.1

EBITDA %

156.9

Net sales, MSEK

2

52 % Polygiene
48 % Addmaster

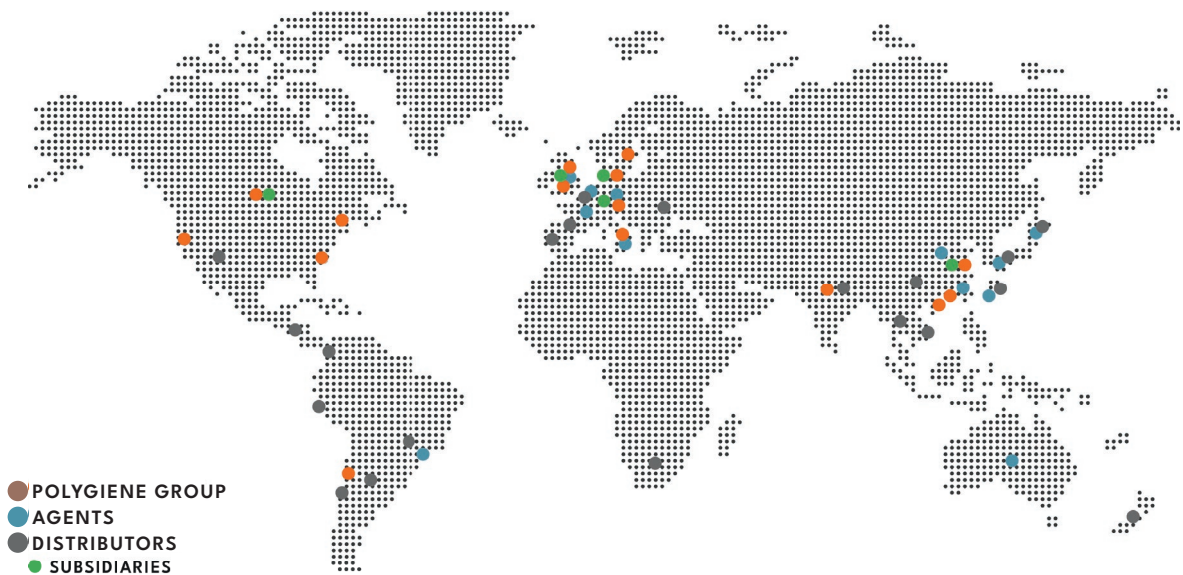
Business-segment, net sales

500+

Partners

*average number

GEOGRAPHIC PRESENCE OF POLYGIENE GROUP



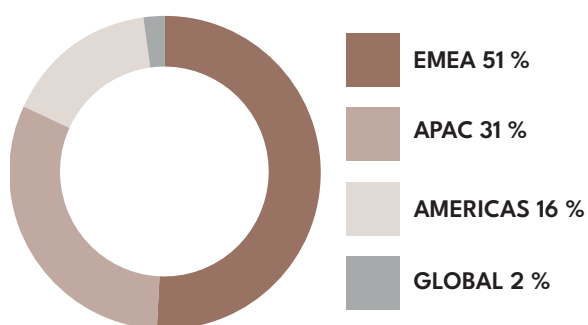
NUMBERS IN BRIEF

POLYGIENE GROUP IN SUMMARY

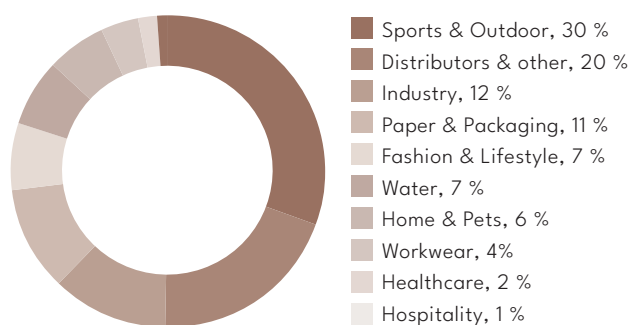
	FULL YEAR 2024	FULL YEAR 2023	FULL YEAR 2022	FULL YEAR 2021	FULL YEAR 2020
Net sales, MSEK	156.9	113.5	173.6	181.6	83.9
Operating profit before depreciation (EBITDA), MSEK	19.0	-5.0	22.2	41.2	5.7
Operating margin before depreciation	12.1 %	-4.4 %	12.8 %	22.7 %	6.8 %
Operating profit (EBIT), MSEK	13.2	-312.6	16.0	40.9	-1.0
Operating margin	8.4 %	-275.3 %	9.2 %	22.5 %	0.0 %
Earnings per share, SEK	0.13	-8.81	0.60	1.81	-0.08
Cash flow, MSEK	21.4	-3.7	-6.2	46.4	-0.5

NET SALES, MSEK

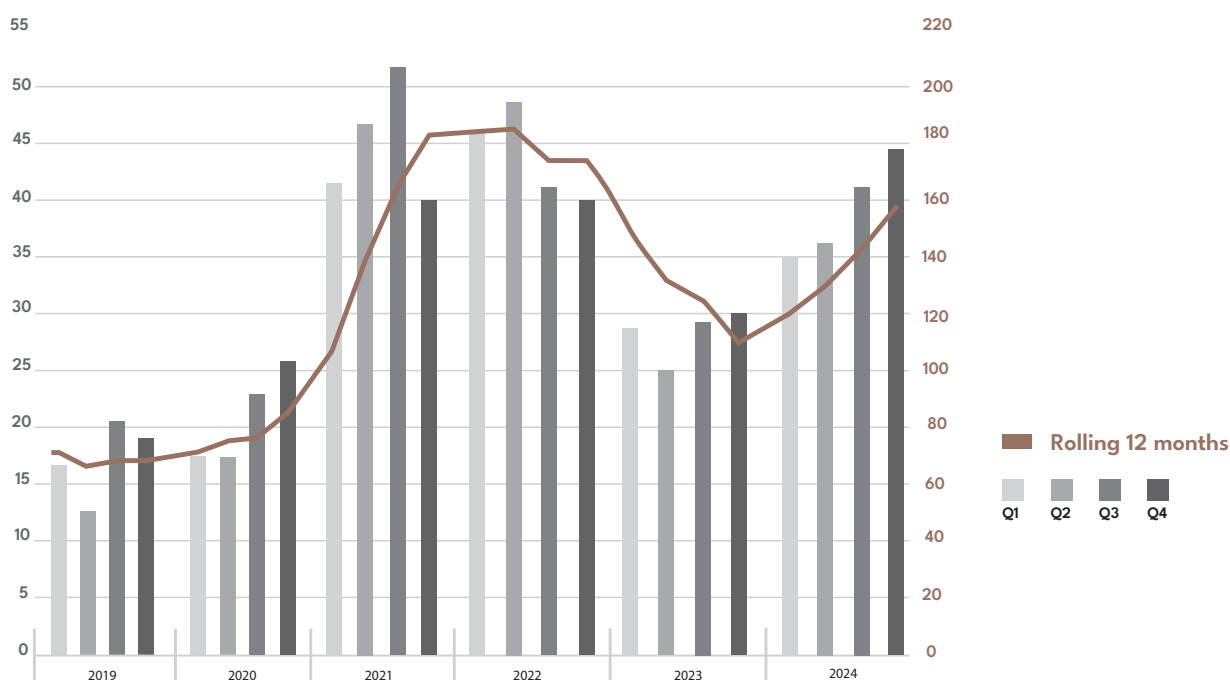
Annual net revenue by **region**:



Annual net revenue by **category**:



NET SALES, MSEK



The above graphs represent the Group

2024 IN BRIEF

SABIC

In collaboration with Addmaster, SABIC introduces LEXAN™ CLINIWALL™ sheets for clean surfaces, interior, and wall cladding. These sheets have a high dirt-repellent effect and are used in hospitals and public facilities.

ALIAxis

Addmaster enters an exciting collaboration with Aliaxis, which focuses on quality systems in agriculture to provide antimicrobial irrigation systems. Aliaxis strives for a more sustainable world, which aligns with our vision of Mindful Living.

ADDMASTER'S WEBSITE

In January, Addmaster launched its newly updated website. The response has been overwhelmingly positive, with monthly growth in visitors and leads.

BLACK LAB

Polygiene introduces antimicrobial accessories for pets, such as dog beds, leashes, and accessories, in collaboration with the American company Black Lab.

CENTURY MARTIAL ART

Polygiene has partnered with Century Martial Arts, one of the most respected and credible brands in the world of martial arts. With over 50 years of experience and distribution at major retailers like Walmart and Target, they are a significant addition to our portfolio.

CHANGES IN THE BOARD OF DIRECTORS

At the Annual General Meeting in May, Sofia Svensson was elected as a new ordinary board member according to the proposal of the nomination committee. Sofia has, among other things, a background as CEO of Hövding Sverige AB and Lammhult Design Group AB. At the same time, Håkan Lagerberg and Pamela Ravasio resigned after declining re-election. The board now consists of four members instead of five, as previously.

NEW INVESTOR WEBSITE

In early June, a new website, www.polygienegroup.com, was launched primarily for shareholders and new investors. This is a way to clarify the corporate structure where Polygiene and Addmaster now have separate websites. The website has been equipped with dynamic updates of share information and ownership statistics.

WARRANT PROGRAM 2024/2027

According to the decision of the Annual General Meeting, a warrant program for the company's employees and consultants was introduced. The program included 265,000 warrants, where each warrant gives the holder the right to subscribe for one new share in the company. The subscription price per share will be 18 SEK. The opportunity to subscribe for shares will be available from June 1 to June 30, 2027.

EU EXTENDS DEADLINE FOR THE REVIEW PROGRAM

The European Commission has extended the deadline for The Review Program from December 31, 2024, to December 31, 2030. The Review Program is an evaluation program to review all existing active substances included in biocidal products.

FIRST ORDER IN GEOTEXTILES

The first order in geotextiles was received since the new agreement was signed at the beginning of the year. The order was distributed in the second half of 2024 and amounted to MSEK 4.8.

GREGORY QUADRO PRO LAUNCH

Global partner Gregory has launched an innovative suitcase 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.



Image: The inside of a garment from Kingsland's collection.

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.

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.

A NEW COMPANY FOR EQUITY ANALYSIS

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

POLYGIENE TEAM UP WITH WEICHERT USA

Based in New York and Los Angeles, Weichert is a well-respected textile agency that will now represent Polygiene on the North American market. This partnership is a great next step for Polygiene's growth, helping us strengthen our presence and offer more personalized support for our partners across the U.S. and Canada.

POLYGIENE GROUP COLLABORATES WITH THE UNIVERSITY OF MANCHESTER ON MICROFIBRE REDUCTION

Polygiene Group's UK division has partnered with The University of Manchester to advance the development of our technology ShedGuard, aimed at reducing microfibre shedding in textiles. Supported by the UKRI Impact Acceleration Scheme, the collaboration combines Polygiene's expertise in additive solutions with the university's pioneering research in microfibre identification and quantification. This partnership is a significant step towards creating sustainable textile solutions and setting new global standards for microfibre measurement. ShedGuard technology represents Polygiene's commitment to innovation and environmental responsibility, addressing a key challenge in the textile industry.



Image: University of Manchester, Shutterstock.

NEW DISTRIBUTION PARTNER FOR ADDMASTER IN CHINA

Addmaster has entered a partnership with Helm as its new distribution partner in China. Helm will strengthen Addmaster's presence in the Chinese market and provide local expertise to support growth and customer satisfaction in the region.

SIGNIFICANT EVENTS AFTER YEAR END

POLYGIENE EXPANDS THE PORTFOLIO WITH COOLING

Polygiene launched a highly requested Cooling technology – strengthening its position in the growing market for functional textiles.

A SUCCESSFUL YEAR MARKED BY STRONG GROWTH AND SUSTAINED PROFITABILITY

Net sales for the year amounted to MSEK 156.9 (113.5), corresponding to an increase of 38.2%. The gross margin for the period was 70.8 (73.2)%. The operating profit before depreciation and tax (EBITDA) for the year reached MSEK 19.0 (-12.2), corresponding to an EBITDA margin of 12.1 (-10.7)%. The cash flow was positive at MSEK 21.4 during the period.

2024 was a highly positive year for Polygiene Group, characterized by strong growth, innovation, and strategic partnerships. After a challenging period in 2023, we successfully reversed the trend and laid a solid foundation for continued expansion. Our clear strategy and increased focus have started to yield tangible results, reflected in improved key figures and growing demand. We have implemented several cost-saving measures, which have also contributed to strengthening our profitability. By focusing on scalability and efficient resource utilization, we have maintained a healthy margin, which, together with positive cash flow, frees up resources for investments in future growth areas.

The operating profit before depreciation and tax amounted to MSEK 19.0, an improvement of MSEK 31 from the previous year, proving the leverage in our business model. A revenue increase of MSEK 43 resulted in the entire gross margin of approximately 70% being converted into operating profit before depreciation and tax. The focus on maintaining cost structure and closely monitoring cash flow has contributed to our current strong financial position. The company remains debt-free and, as of December 31, holds a cash balance of MSEK 68.7. The Board has proposed an updated dividend policy, suggesting that 40% of net profit be distributed to shareholders. For 2024, this means a dividend of SEK 0.27 per share, as a proposal to the Annual General Meeting in May 2025.

STRONG RECOVERY AND FOCUS ON INNOVATION IN THE TEXTILE SEGMENT

Polygiene had a very strong 2024 with total growth of 55%, marking a clear recovery from the previous year. The textile segment has stabilized and is showing significant growth, as evidenced by steady demand from distributors and high inventory turnover rates. Existing customers have returned for new production after significantly reducing inventory levels in the value chain during 2023.

Throughout the year, Polygiene has strengthened its market position by attracting new customers and increasing the share of large customers in its portfolio. The APAC region has been a particularly strong growth driver, with a 53% sales increase compared to 2023, with China standing out. EMEA and the Americas have also shown solid growth during the year. The Sports & Outdoor category continues to be the largest, now accounting for over 67% of total sales.

A range of important initiatives have been implemented to ensure long-term growth. The year was marked by innovative product launches and strategic collaborations, which will continue to drive Polygiene's progress. The launch of Polygiene StayFreshBIO™, a bio-based antimicrobial technology, has been positively received after a period of evaluation, confirming our position as a leader in sustainable solutions.

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2024 was marked by strong growth, innovation and strategic partnerships.

The ShedGuard innovation project, which addresses the issue of microfiber emissions during washing, holds great commercialization potential for 2025 if Phase 2 testing yields positive results. Through a unique collaboration with the University of Manchester, the project has been strengthened by invaluable research on microfibers and their environmental impact. Strategic partnerships of this kind enable Polygiene to continue driving innovation

and ensuring that our products remain at the forefront. At the beginning of 2025, Polygiene StayCool™ was launched, a cooling technology for textiles. This is a highly sought-after function, especially within Sports & Outdoor, but also within Home & Pets and Workwear. We foresee Polygiene StayCool having strong potential to become a natural complement to other technologies in our portfolio.

A positive announcement from the EU has extended the deadline for the evaluation program reviewing all biocidal products by another six years, which is a very welcome decision. Meanwhile, Polygiene continues its work on developing and evaluating other technologies. Polygiene is well-positioned for continued growth and innovation thanks to a strong brand presence, a broad portfolio of Freshness technologies, and strategic collaborations. The deep relationships we have built with our brand partners and our unique market support, which engages consumers in a more sustainable lifestyle, give us a clear competitive advantage.

ADDMASTER GOES FROM STRENGTH TO STRENGTH

One of the strategic changes during the year was the separation of Addmaster's brand platform and marketing communication from Polygiene. The new dedicated website was launched at the beginning of 2024 and immediately showed positive results. The number of unique visitors, page views, and customer inquiries has increased significantly, and the website has developed into a strong channel for new business opportunities. SEO efforts have been intensive and will continue to be a priority to drive business forward and generate more potential customers.

Addmaster has demonstrated impressive growth during the year, with organic growth reaching 24% for the full year. EMEA remains the largest market, accounting for approximately 70% of sales during the year. At the same time, the APAC region, led by Vietnam, has shown strong expansion throughout the year. The USA has also performed well, with 52% growth for the full year, making it one of the most promising markets going forward. To strengthen its presence in China, a new agreement was signed with a global distributor, and future collaboration with Polygiene's team in Shanghai opens up synergies in the region.

Over the year, Addmaster has continued to develop its technology and expand its application areas. A significant milestone was the three-year geotextile agreement signed at the beginning of the year. The first order was delivered in the second quarter, and the area holds great future potential as Addmaster's technology contributes to faster degradation of oil pollutants in stormwater, a highly relevant environmental issue. Our customer is relaunching its product GeoClean® with a new brand and a global website, which will benefit us going forward. Additionally, Addmaster has expanded the use of its Scentmaster technology, which is now integrated into a new category of personal hygiene products. The technology offers unique properties and adds value to the consumer while being applicable to a wide range of materials in various scents and flavors.

To strengthen brand awareness and drive sales, Addmaster has participated in several industry trade shows in the Transport, Flooring, Food, and Medtech sectors. These events have generated new business opportunities and helped establish Addmaster as a key player in its focus areas. At the SOFHT conference in the UK, Addmaster presented the advantages of Biomaster technology in the food industry, an exciting area with great potential. Addmaster has built a strong platform for future growth, and the positive development of the website, successes in geotextiles, expansion into new product categories, and

investments in APAC and the USA provide a solid foundation for continued expansion. With a continued focus on innovation, strategic partnerships, and market expansion, Addmaster is well-positioned for further growth in 2025. In 2025, Addmaster celebrates its 25th anniversary, which will be marked with various activities.

OUTLOOK

With a stable financial position and continued strong innovation capability, I am highly optimistic about the future. We will continue to expand our market share through strategic partnerships and a deeper focus on new products. Our ambition is to further strengthen our position as a market leader while building a sustainable and even more profitable business for the future.

I would like to thank my fantastic team for their dedication and loyalty, our customers and partners for their trust, and our shareholders for their support. Together, we create the sustainable and innovative solutions of the future.



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.

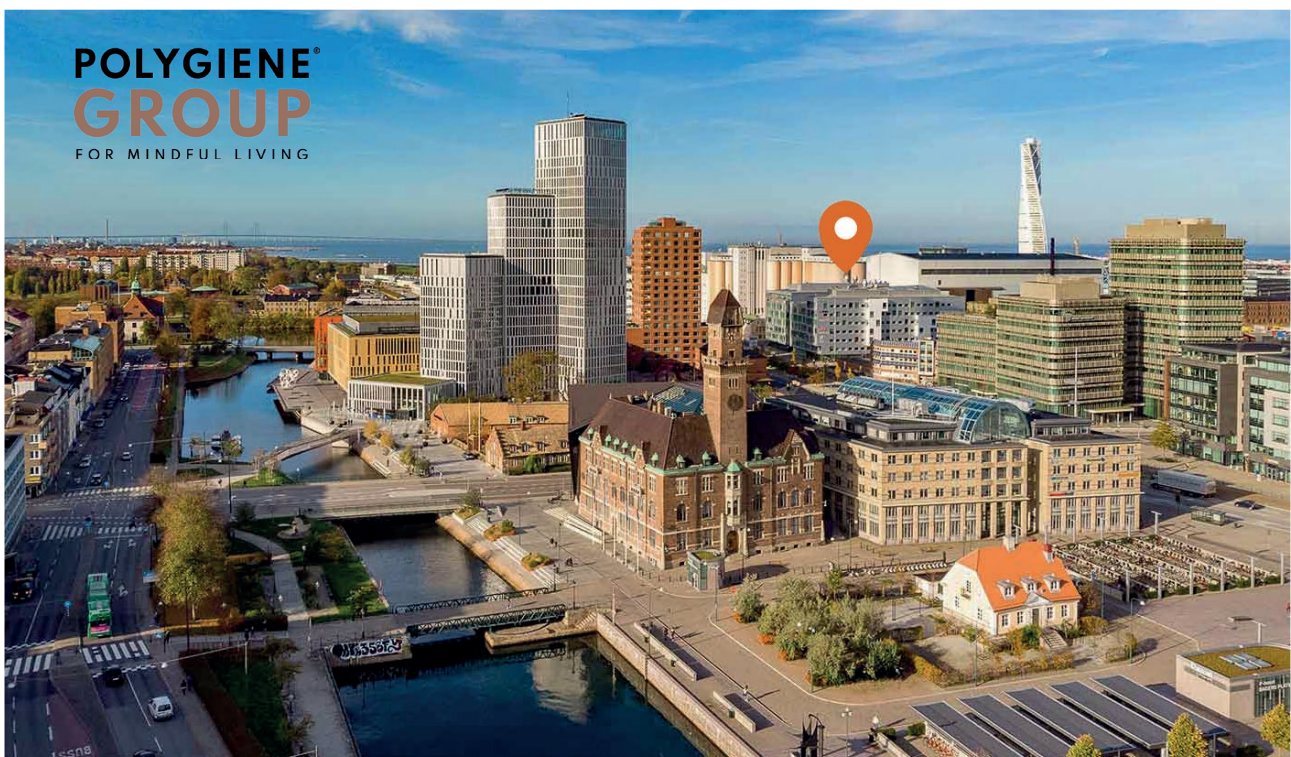
Headquartered in Malmö, Polygiene Group is characterized by a strong Scandinavian corporate culture. This culture forms the foundation of our vision, product development, and how we aim to evolve as a company. Our Swedish roots ensure a simple, inclusive, and enjoyable work environment where sustainability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

Polygiene is a leading, global, consumer-focused ingredient brand in Freshness and additional functions with textiles. Polygiene boasts widespread brand recognition and significant brand equity in the industry. Our treatments are seamlessly incorporated into production facilities through close cooperation with partners. 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 solutions for protection against counterfeiting. Polygiene Group strives to make it easy and seamless for everyone to benefit from our solutions. The products we offer are simple, effective, safe, and reliable for their intended purpose.

Polygiene Group takes responsibility for the entire value chain, from development 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. We are highly proud of our strong environmental focus.



VISION AND MISSION



Vision

To encourage, inspire and enable Mindful Living.

WHAT THE VISION MEAN TO US

Mindful Living encompasses the essence of awareness, compassion, responsibility and active participation in creating a more sustainable world.

MISSION

At the core of our mission lies our Scandinavian ethos, propelling us to enhance lives and shape a better world through the strategic application of relevant technologies and services. We are dedicated to empowering brands, enabling them to create a meaningful impact in the lives of individuals and the global community.

POLYGIENE

Polygiene is a globally leading ingredient brand and a pioneer in sustainable solutions for textiles and other consumer products. Our innovative treatments set benchmarks for performance and environmental responsibility,

prioritizing eco-friendly practices.

Collaboration with our customers and partners ensures tailored solutions, spanning from research to ongoing innovation, shaping a future where hygiene and sustainability converge. We relentlessly redefine industry standards through excellence.

ADDMASTER

At Addmaster, we aim to deliver technical additive solutions with numerous applications designed to elevate the success of our customers, whilst seamlessly blending professionalism with a personal touch. We take pride in our highly proficient team, dedicated to providing exceptional service and fostering genuine connections. Committed to precision, we strive to empower every client's journey with a unique addition of value, ensuring that our unwavering commitment to excellence defines the path to success through enhanced product functionality.

POLYGIENE GROUP TIMELINE

2006

Polygiene's business begins with a primary focus on hard surfaces and materials designed for use in hospitals and public spaces. The company places special emphasis on efficiently inhibiting the growth of bacteria and viruses, especially in response to the challenges posed by the SARS pandemic.

2012

Polygiene makes a significant breakthrough in the American Sport & Outdoor and Lifestyle market, marking a milestone for the company's expansion efforts.

2007/08

Sport & Outdoor brands turn to Polygiene for a solution to the odor problem.

2009

Consumer studies are conducted, and based on insights gained, Polygiene adapts its business model to better meet consumers' needs and motivations.

2013/14

Breakthrough in the global Sport & Outdoor market.

2015

Further consumer studies are conducted within the Lifestyle category. The company takes initiative to establish leadership within the Stay Fresh category.

2018

Polygiene enhances its prospects for global expansion through a revised sales and marketing strategy. Additionally, the introduction of Polygiene OdorCrunch™ as a complementary solution strengthens the company's product lineup, thereby accelerating its growth trajectory.

2017

The Home Textile segment expands through partnerships with Chinese e-tailers.

2016

The company becomes listed on the Nasdaq First North Growth Market. Simultaneously, breakthroughs are made in the Japanese shoe market and within the Home Textile sector in South Korea.

2019

High growth is observed within the Fashion and Home Textile sectors, concurrently with the establishment of subsidiaries in China. Polygiene Odor-Crunch™ is awarded a sustainability prize.

2020

In response to the pandemic caused by the Coronavirus, Polygiene launches the award-winning antiviral product Polygiene ViralOff™.

2021

Polygiene announces the acquisition of Addmaster Holdings Ltd, completed in January 2021.

2024

Polygiene Group's UK subsidiary is partnering with the University of Manchester to further develop the ShedGuard technology. Polygiene Group is updating its dividend policy and proposing a dividend for the first time.

2023

Polygiene Group launches a new bio-based technology in the Freshness segment. Addmaster opens up a new category within geotextiles.

2022

Polygiene Group acquires SteriTouch and Biomaster US, with a focus on Product Protection and hard surfaces.

TEAM POLYGIENE GROUP



Polygiene Group is headquartered in Malmö, but our operations extend far beyond Sweden's borders. With employees in North, Central, and South America, Europe, China, India, and Japan, we are a global organization. We also have a wide network of agents and distributors acting on behalf of the company, giving us a strong presence in the global market.

Diversity and inclusion are fundamental principles in our organization. Just like the millions of end-users we reach, our employees represent a rich variety of cultures, languages, and backgrounds. We speak over 15 languages and come from a multitude of cultures. Each employee brings unique ideas, skills, and experiences that collectively create a dynamic and innovative environment.

We view our differences as a source of strength. By promoting collaboration and dialogue among our employees, we create a fertile ground for innovation and smarter decision-making. This multifaceted perspective propels us forward towards new heights and delivers exceptional results for our customers. Polygiene Group aims for a gender-equal organization where all employees are given equal opportunities to reach their full potential. We have zero tolerance for any form of discrimination and harassment.

We believe in creating an inclusive work environment where everyone feels welcome and valued. By embracing our differences, we are building a stronger organization and are contributing to a more fair and equitable society. We are confident that our unique culture and commitment to innovation will lead us to new successes in the future.

Our core values are:

COURAGE ACCOUNTABILITY TEAMWORK PASSION

CORE VALUES

To honor our customer promise and drive our journey of continued growth, it is imperative that we all work together towards our shared goal. This means following the guidelines that shape the culture we strive to uphold at Polygiene Group.

To ensure clarity, we have established our culture and values to serve as guiding principles, allowing us to embody and act in alignment with the true essence of Polygiene Group. Our vision and mission articulate the world we aspire to create, while our values delineate our approach

to work and interpersonal relationships. Furthermore, our cornerstones outline how we shape our business within the Polygiene Group. Since every action we take ultimately impacts our customers, it is essential that we serve as professional and dedicated ambassadors for Polygiene Group in all circumstances.

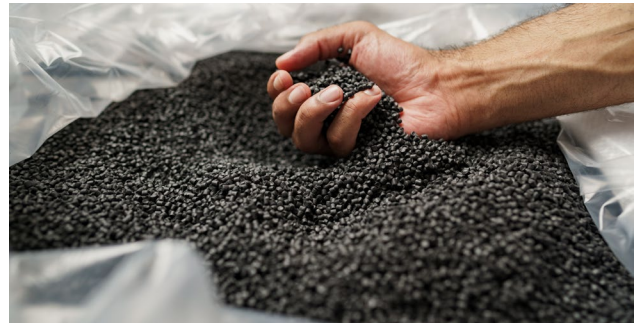
We take pride in our unique culture and in being part of the Polygiene Group.

OUR STRATEGIC CORNERSTONES

1. Sell Added Value



2. Deliver Quality



3. Build Trust



4. Work smarter



BUSINESS PROCESSES

Our achievements are built from a robust sense of mutual benefit. As we generate value for our customers, we also cultivate value for ourselves.

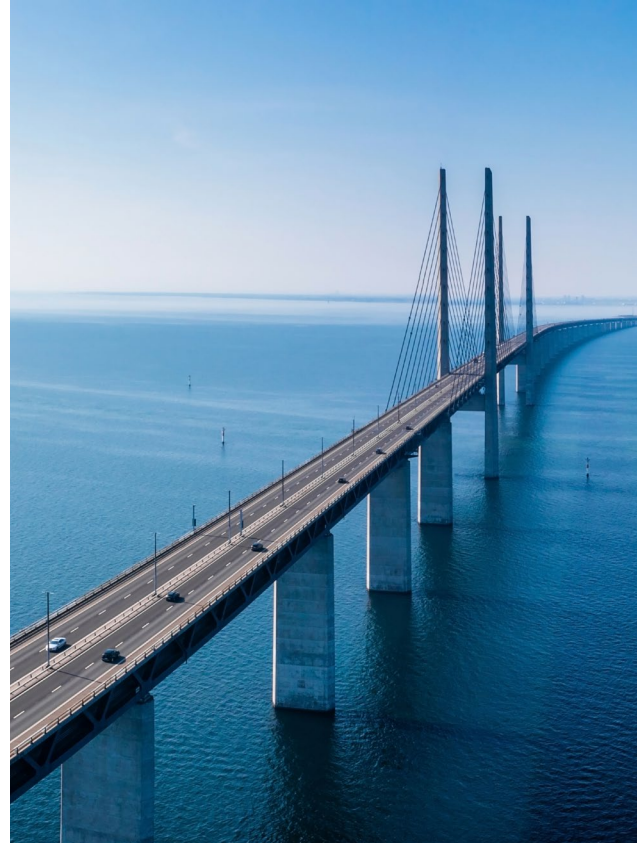
Our accomplishments cannot be solely attributed to our innovative technologies and strong brand. Equally important is our expertise in business and our steadfast commitment to serving our customers.

SALES

Our commercial team works closely with our brand partners to tailor solutions that meet unique needs. We consider sales channels, geographical location, and specific marketing plans to achieve optimal results. Initially, our focus is on identifying opportunities, defining project plans, and coordinating the application process. Once product treatment is complete, the next step involves the commercial team collaborating with the marketing team to ensure effective co-branding and communication. Follow-ups and evaluations of joint operations take place with our partners to continuously improve and expand collaboration. Our team's comprehensive support means we assist the customer at every step of the way, from the initial contract signing through to the end consumer's purchase.

TECHNICAL SUPPORT

Our technical team is an invaluable resource for our customers, working closely with them to ensure a correct and efficient treatment process. We guarantee compliance with all quality and environmental requirements and offer ongoing guidance on updated regulations and requirements in various markets. Polygiene Group's commitment goes far beyond normal expectations. We assist customers with certification programs, conduct tests at independent laboratories, and provide practical support as needed. The team is available to answer questions and solve problems, striving to create a secure and productive relationship with each customer. As market leaders, we take significant responsibility and continuously invest in long-term product development and innovation. By staying at the forefront of technological advancements, we offer customers the best and most efficient solutions on the market.



MARKETING

Our dynamic marketing team collaborates closely with the group's brand partners to maximize the value of the Polygiene brand. Through powerful co-branding and clear communication, the unique benefits of our technology are conveyed to a wide audience. Polygiene Group creates engaging messaging and communication materials, organizes successful PR activities, and efficiently produces sales materials. The team actively participates in relevant events, drives successful digital campaigns, and strategically manages social media. Retail and sales force education are central to the strategy. By imparting in-depth product knowledge and sales arguments, a solid unified front is created towards the end consumer.

We regularly conduct market research in different geographical areas and consumer categories to identify the factors driving consumer choices. Polygiene Group's ultimate goal is to create strong demand for treated products amongst end consumers.

SEGMENT

Our innovative technologies provide effective and long-lasting solutions to protect surfaces and materials from microorganisms. The pandemic has undoubtedly increased awareness and demand for more hygienic surfaces and materials. This trend reinforces the growing interest in the Polygiene and Add-master segments, where Polygiene Group™ is a leading player.

POLYGIENE®

The industry is experiencing a positive trend toward more responsible consumption habits, where sustainability and functionality are prioritized. Polygiene Group is well-positioned to meet the growing demand with innovative and effective solutions. Increased awareness of hygiene, the need for sustainable solutions, and Polygiene Group's strong position in both Product Protection and Freshness create favorable conditions for growth.

The Freshness business focuses on technologies designed to enhance freshness and functionality in textiles. Extending the lifespan of textile products is a crucial factor in achieving the set global sustainability goals. By providing solutions that combat odor, bacterial growth, and wear, Polygiene Group contributes to a more sustainable textile industry. The textile industry faces significant challenges related to environmental impact and climate change. The goals of the Paris Agreement, aiming for a 50 percent reduction in carbon dioxide emissions by 2030, require new initiatives and innovations.

A report from McKinsey and Global Fashion Agenda (2021) identifies three areas to positively change environmental impact:

1. **Production:** The greatest potential (61%) lies in the production phase. Polygiene collaborates with suppliers to optimize processes and material choices to minimize environmental impact.
2. **Consumer behavior:** Extending the lifespan of garments through conscious purchases, reduced washing, and circular thinking can have significant effects. Polygiene contributes by offering technologies that combat odor and wear, enabling less washing and longer garment use.
3. **Sustainable consumer brands:** Today, a reliable and sustainable profile is required to survive in the market. Polygiene collaborates with brands to integrate our technologies into products and communicate the sustainability benefits to consumers.



POLYGIENE®



ADDMASTER

The demand for antimicrobial solutions for hard surfaces has increased significantly in recent years. The pandemic has heightened global awareness of the risks posed by microorganisms and the importance of reducing exposure to them, a trend expected to drive continued market growth. The global market for antimicrobial additives was valued at USD 4.7 billion in 2020 and is projected to reach USD 9.3 billion by 2030 (McKinsey). During the pandemic, antimicrobial technology was applied to hard surfaces in products subjected to strict infection control measures.

Addmaster has strengthened its position in the transportation sector through collaborations with the aviation and automotive industries and has also achieved success in public environments, hygienic factory floors, pet products, and the water segment.

Polygiene Group is well-positioned to capitalize on the growing market for antimicrobial solutions, both in textile and non-textile materials. With innovative technologies, a broad customer base, and a strong brand, the Group is well-equipped to increase its market share.

INSIGHTS FROM THE ORGANIZATION



Paul Willocks
Global Marketing Director

2024 HAS BEEN A PIVOTAL YEAR FROM A MARKETING PERSPECTIVE

2024 has been a pivotal year for Polygiene Group, with a focus on refining messaging, enhancing customer touchpoints, and delivering impactful campaigns across key markets. Initiatives such as the Addmaster website relaunch have boosted brand recognition and engagement, while streamlined communications have reinforced our reputation for innovation and sustainability.

As we enter 2025, both Polygiene and Addmaster are operating under comprehensive marketing strategies designed for short- and long-term success. These strategies will drive co-branding opportunities, expand global reach, and strengthen customer relationships. Together, we are well-positioned to enhance market leadership and support long-term growth and profitability for the Group.



India Hanspal
Global Commercial Head of Product Protection

2024 HAS BEEN A BOUNCE-BACK YEAR FOR ADDMASTER

With the relaunch of the Addmaster website and fantastic additions to the Addmaster team, we have gone strength to strength, and this trajectory will continue into 2025. Biomaster remains the stronghold in our product offerings with the key application areas being in Healthcare, Construction and Packaging.

We have solidified our presence globally through our extensive distributor network that are constantly working with Addmaster to ensure the most up to date marketing, technical and regulatory support is available. By leveraging our strengths and addressing market challenges proactively, in 2025 we will enhance our market position and drive long-term profitability for the Polygiene Group.



Haymo Strubel
VP Commercial Operations EMEA

STRONG RECOVERY AND SUSTAINABLE GROWTH IN EMEA

Freshness

For the EMEA region, 2024 has been a recovery year with a growth rate of +21%, compared to a tough 2023.

We are proud to say that we are now back to pre-pandemic levels, with our strongest category “Sports and Outdoor” growing even further (+25%).

Key to success has proven to be the balanced mix between growing our existing brand partners, such as Adidas and O’Neill and launching with new, market-leading brand partners, such as Kingsland, Marinepool and Castore.

With the EU Green Deal on the horizon, focusing on product longevity and eco-design, Polygiene will add even more significant value in 2025 and beyond, in all categories.



Bobby Howell
VP of Commercial Operations Americas

STRENGTHENED PRESENCE AND EXPANSION IN THE AMERICAS

Freshness

2024 marked a return to normalcy post-COVID, with order levels nearing pre-pandemic volumes. While market uncertainty persists, Polygiene focused on strengthening partnerships and refining offerings, delivering unmatched product performance and support. This approach has brought back former customers and solidified trust. A key milestone was signing Weichert USA as our new agency, leveraging their network to expand relationships with top brands.

Protection

In 2024, we significantly expanded our industrial manufacturing business, launching new programs with leading U.S. coating manufacturers and developing a robust R&D network. Targeting premium markets in Latin America, we remain focused on delivering custom solutions and superior service.



Peter Sjösten
VP Commercial Operations APAC

STRONG GROWTH IN APAC

Freshness

The APAC region demonstrated significant growth in 2024, with a 53 % increase in sales. China showed particularly strong development, with sales rising 245 %. China is now the largest market in the region, followed by Japan, where sales declined by 7 %. However, we have a clear strategy in place for Japan and anticipate growth in 2025.

To enhance focus, we have divided the APAC region into two areas. The newly defined South/Southeast Asia & Oceania region—comprising India, Australia, Indonesia, and other key markets—presents significant future potential.

Sports & Outdoor remains the largest category, accounting for 45 % of total sales, with an increase of 50 %. Meanwhile, Workwear is the fastest-growing category, with a sales increase of 113 %.

Our key priorities for 2025 are to further develop our subsidiary in China and continue expanding with our existing customers in the region.



Daniel Röme
Chief Technical Innovation Officer

INNOVATION AND GROWTH PAVE THE WAY FOR THE FUTURE

This year, Polygiene Group made significant advances in innovation and growth with new products. Addmaster's aqua textile additive saw continued strong interest from our exclusive partner, highlighting our value beyond antimicrobial solutions. ECHA's approval of Silver Zinc zeolite paves the way for all silver biocide in polymer applications and the biocidal market as a whole.

We are also pleased that our collaboration with the University of Manchester resulted in a successful grant application for the development of our ShedGuard product.

We are building a robust development pipeline, setting the stage for breakthroughs in 2025 and beyond.

GROWTH STRATEGY

Polygiene Group is constantly striving to maintain its position as the leading brand in the market. Our journey is characterized by our commitment to building long-term and trusting relationships throughout the value chain. We work closely with both manufacturers and prominent brands.



Our strategy is built on a combination of "pull-and-push," ensuring our relevance to partners at all levels. We provide technical expertise and regulatory support to integrate our technologies into our customers' products. Tailored marketing activities enhance their communication about the added value that Polygiene Group brings, thus supporting growth.

EXISTING OPERATIONS

Polygiene Group is dedicated to being the trusted and collaborative partner of choice for our clients, continually evaluating opportunities to expand the product range in relevant areas.

NEW CATEGORIES

By identifying new applications for Polygiene Group's technologies, we increase market share and create significant growth opportunities for the business.

NEW MARKETS

We aim to open up new geographic markets and be a reliable and knowledgeable supplier by ensuring we have the right resources specialized in each area.

NEW TECHNOLOGY

As a growth and innovation company, the Group continuously works to identify market needs where new relevant technologies can add value to existing and potential partners. Understanding the market and regulations, as well as customers' innovation plans, is crucial to delivering new functional technology.

ACQUISITIONS

With a clear vision and mission, alongside a well-established reputation, we strive to become the leading global ingredient brand for hard and soft surfaces. We continuously seek product and company acquisitions that align with our vision of Mindful Living.

OUR SUSTAINABILITY FOCUS

Both segments, Polygiene and Addmaster, share a focused ambition to drive development that addresses the global need to minimize contamination from various viruses and bacteria. Polygiene Group's technologies can protect people from harmful microorganisms whilst also taking responsibility for and optimizing the customer's production processes to not compromise the ability of future generations to meet their needs.

Globally, there is a persistent awareness of virus and bacterial contamination, generating a need amongst our partners and Polygiene Group to find innovative and relevant methods to protect surfaces and materials. By integrating Polygiene Group's antimicrobial technologies into products, the value of the product for both the producer and the end consumer is enhanced, offering a desired increased level of product protection.

The Addmaster segment aims to reduce the microbial and viral load in plastics, coatings, foams, papers, and resins. Tailored master-batch solutions are offered to meet specific needs across different industries. The antimicrobial technology has a lifespan that extends throughout the product's entire lifecycle, which also benefits the secondary market. Products treated with Addmaster additives are sold and reused with significantly greater reliability compared to untreated products, reducing the global environmental footprint.

The segment has also developed and implemented a technology to combat the spread of counterfeit products – Verimaster technology – which constitutes another building block in the sustainability area. The technology provides brand integrity and strong brand protection. This is particularly interesting from an insurance perspective as the burden of proof is facilitated.

Within the Polygiene segment, the primary focus is on controlling and reducing odor, allowing consumers to use textiles for a longer period before they need to be washed. The Polygiene treatment lasts throughout the garment's lifespan. By washing garments less frequently, fiber wear is reduced, resulting in a longer lifespan. Other benefits of reduced washing include:

- **Less water consumption** – saving on a constantly shrinking natural resource
- **Less energy used** – saving on an expensive energy source
- **Less detergent consumed** – reducing emissions of chemicals and fibers
- **Reduced time consumption** – time that can be better utilized

In collaboration with SWECO, an external LCA (life cycle analysis) has been conducted, with the result that by being able to wear a workout shirt on average two times before washing instead of washing after each use, a reduction in the garment's environmental impact of up to 37% was estimated. Global adoption of this technology could provide a significant environmental benefit.



SUSTAINABILITY WORK

THE MANAGEMENT TEAM & BOARD OF DIRECTORS

Polygiene Group's Management Team and Board of Directors are responsible for setting the company's sustainability objectives and commitments, as well as transparently reporting on progress.

THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

Although Polygiene Group is not required to comply, the company has chosen to adopt the Corporate Sustainability Reporting Directive (CSRD). This proactive decision reflects our belief that aligning with the CSRD will support the Group's continued growth while embedding sustainability as a core principle throughout our operations.

In preparation for this transition, Polygiene Group conducted a double materiality assessment in 2024 to gain a deeper understanding of how sustainability topics influence our business and how our activities impact the environment and society. This assessment was carried out in four key phases: understanding, identification, assessment, and determination.

The understanding phase included mapping the entire value chain, covering upstream, own operations, and downstream processes. Key activities identified in the upstream value chain included sourcing, purchasing, logistics, and transportation. For our own operations, the focus was on research & development, marketing & sales, technical services, operations, compliance, and support functions. In the downstream value chain, key activities identified were transportation, distributors & manufacturers, consumers, and waste management.

Once the understanding phase was completed, the identified key activities within the value chain were incorporated into the next step: the identification phase. During this phase, Polygiene Group identified impacts, risks, and opportunities aligned with the European Sustainability Reporting Standards (ESRS) topics and sub-topics. The assessment distinguished between actual and potential impacts, as well as positive and negative effects. Financial impacts were categorized as either risks or opportunities. Following the identification phase, the Group proceeded to the assessment phase. Positive impacts were evaluated based on scale, scope, and likelihood, while negative impacts were assessed by scale, scope, irremediability, and likelihood. Financial impacts, including both risks and opportunities, were evaluated based on size and likelihood.

The final phase of the double materiality assessment was to establish thresholds for materiality. These thresholds were determined based on the assessment of impacts, risks, and opportunities, as well as input from key stakeholders. Polygiene Group defined one threshold for impact materiality and another for financial materiality. Based on these thresholds, the following topics and sub-topics were identified as material:

- **Climate Change** (mitigation and energy)
- **Pollution** (pollution of water, soil, and substances of concern)
- **Own Workforce** (working conditions, employee well-being, and equal treatment and opportunities)
- **Workers in the Value Chain** (working conditions and work-related rights within the value chain)
- **Business Conduct** (corporate culture)
- **Product Longevity** (Polygiene's entity-specific topic).

Throughout the double materiality assessment, Group Management was actively involved and participated in workshops to ensure a comprehensive evaluation. Additionally, Polygiene Group engaged with key stakeholders - both affected stakeholders and users of sustainability reports - to ensure their perspectives were reflected in the analysis.

The double materiality assessment has allowed us to identify and prioritize key environmental, social, and governance issues that are critical to our stakeholders and long-term business success. Insights from this process have informed the development of our sustainability vision and guided the prioritization of key sustainability areas for Polygiene Group.

In addition, Polygiene Group conducted a gap analysis aligned with the CSRD requirements to steer our efforts in 2025, establishing a foundation for continuous improvement in performance and reporting. As a next step in our CSRD journey, we will prioritize reviewing and updating policies and processes related to the material topics identified in the double materiality assessment.

Furthermore, given the nature of our industry, the impacts identified in our operations, and input from stakeholders, Polygiene Group will further analyze and deepen its understanding of how we can enhance our positive influence across the entire value chain. In light of the Omnibus-package from February 2025, we continuously monitor regulatory developments regarding the EU directives.

TECHNOLOGIES



POLYGIENE®
FRESHNESS

POLYGIENE STAYFRESH™

FRESHNESS THAT LASTS

Polygiene StayFresh is embedded in textiles to provide freshness for the entire lifespan of most products. That means you need to wash less and replace items less frequently. Used by sports & outdoor brands, all sorts of fashion and apparel applications, lifestyle and home products and even for pets, Polygiene StayFresh minimizes bacterial growth keeping items fresh and ultimately more sustainable.

POLYGIENE ODORCRUNCH™

A NATURAL SOLUTION TO ELIMINATE ODORS

Polygiene OdorCrunch technology is a practical and eco-friendly solution to the problem of lingering odors on clothing and fabrics. Smoke, food, and body odors become ingrained into the fibers of textiles. Polygiene OdorCrunch works as a natural anti-odor treatment by capturing, 'crunching,' and permanently removing odors using natural silica particles, the primary component of common sand.

POLYGIENE STAYFRESHQ™

METAL-FREE ODOR CONTROL

Polygiene StayFreshQ is a non-metal, invisible, industry-leading odor control technology that keeps textiles fresher for longer, enhancing the user experience while helping to reduce the need for frequent washing, which contributes to lower water and energy use over the lifespan of the product.

POLYGIENE STAYFRESHBIO™

NATURAL ANTIMICROBIAL PROTECTION FOR TEXTILES

Polygiene StayFreshBio is a groundbreaking, 100% plant-based antimicrobial treatment for textiles, proven to inhibit microbial growth by up to 99.99%. In addition to effectively reducing odors in textiles and garments, Polygiene StayFreshBio helps minimize environmental impact by enabling fewer washes and extending the lifespan of clothing.



POLYGIENE®
PRODUCT PROTECTION

POLYGIENE VIRALOFF™

REDUCES MICROBES EFFECTIVELY

Polygiene ViralOff utilises an active ingredient that demonstrates a real antimicrobial effect on textiles that stands up to repeat testing. It's been proven to reduce tested viruses, including SARS-Cov-2 (Covid-19), Influenza A, bird flu, and Norovirus. In all tests, Polygiene ViralOff achieved reduction rates of 99.99%. The application of Polygiene ViralOff works within just two hours, in accordance with international standard ISO18184:2019.

INNOVATION PROJECT:

POLYGIENE SHEDGUARD™

REDUCES MICROFIBER LOSS AND IMPROVES FABRIC RESISTANCE TO WEAR AND TEAR

Polygiene Shedguard is a textile finishing treatment designed to reduce the loss of microfibers from textiles during washing and improve resistance to fabric abrasion. On certain knitted materials, we have observed improvements of up to 70%.

TECHNOLOGIES **Addmaster**

A POLYGIENE GROUP COMPANY



Biomaster antimicrobial technology is easily incorporated into any polymer, plastic, textile, paper, paint or coating. Biomaster offers effective antimicrobial product protection for the effective lifetime of the product, helping to keep surfaces clean and hygienic and reducing opportunities for microbial growth.



Verimaster is an anti counterfeit technology. Invisible to the naked eye and lasting the lifetime of products, Verimaster anti counterfeit additives are detectable only by our sensory or optical detectors.



Scentmaster masterbatches present a wide range of fragrances for introduction into a variety of product materials. Due to its high fragrance concentration, Scentmaster introduction rates are typically 1% or lower - making it a cost-effective, as well as appealing addition to products.



Masterpiece Technology is available to any customer whose product specification demands the creation of a bespoke additive solution. Masterpiece will research, develop and implement your additive – even offering ongoing technical support throughout product manufacture.

SOME OF OUR PARTNERS



POLYGIENE®

TOMMY HILFINGER



maloja

MONTANE®



Eddie Bauer

ROYAL ENFIELD

O'NEILL



BLACKYAK

cotopaxi



ATHLETA

KINGSLAND
EST. 1999



Addmaster
A POLYGIENE GROUP COMPANY

M&S

opro®

dyson

Flowcrete
for the world at your feet

ITOKI



Dycem®



HITACHI



borg&overström



wanzl



A selection of our partners. For a complete list of partners, visit polygiene.com/partners or addmaster.co.uk/case-studies

SHARE CAPITAL, THE SHARE AND OWNERSHIP STRUCTURE

SHARE CAPITAL

At the end of 2024, Polygiene Group's share capital amounts to 3,652,699 SEK divided into 36,526,989 outstanding shares. According to Polygiene Group's articles of association, the share capital shall amount to at least SEK 3,600,000 and at most SEK 14,400,000, and the number of shares shall be at least 36,000,000 and at most 144,000,000. The nominal value of the shares is SEK 0.10.

Polygiene has only one class of shares, and all shares have equal rights to dividends and surplus upon liquidation, as well as entitling to one vote per share. The shares in Polygiene Group are not, and have not been, subject to any mandatory offer, redemption right, or obligation to redeem.

The shares have also not been subject to any public takeover offer. The shares have been issued in accordance with Swedish legislation and are denominated in Swedish kronor. There are no restrictions on the right to freely transfer shares.

THE SHARE

The shares of Polygiene Group AB (publ.) were listed on the Nasdaq First North Growth Market, Stockholm, on March 14, 2016, at a subscription price of SEK 7.50. By the end of 2024, the share price amounted to SEK 12.45. The total market capitalization at the end of the period amounted to MSEK 455, with the highest and lowest prices during the period being SEK 13.90 and SEK 5.02, respectively.

OUTSTANDING WARRANTS

The following warrant programs are issued by the Parent Company and are addressed to employees and contracted consultants:

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

All subscription options are subject to customary conversion terms in connection with issuances and similar. During the period of June 1st to June 30th, 2024, Program 4 expired without any redemptions.

BOARD AUTHORIZATIONS TO ISSUE SHARES AND WARRANTS

At the end of 2024, there was an authorization for the board to decide on a new share issuance. The total number of shares that may be issued (alternatively added through the conversion of convertible bonds and/or exercise of warrants) under this authorization shall not exceed 4,058,554 shares, which would correspond to a dilution of approximately 10% based on the current number of shares.

DEVELOPMENT IN THE SHARE CAPITAL

The share capital of Polygiene Group has changed since the company was founded in November 2005, as shown in the table, see next page. Since its inception and until 2024, Polygiene Group has carried out several new share issues totaling approximately MSEK 515. To enable increased investments in marketing and sales, as well as to increase the number of shareholders ahead of the listing in March 2016, a new share issue was conducted in December 2015, targeted at around a hundred selected business angels and private individuals. This targeted new share issue amounted to MSEK 22.5 and was conducted at a price of SEK 7.50 per share, corresponding to a pre-money valuation of approximately MSEK 122 (equivalent to a post-money valuation of approximately MSEK 145).

SHAREHOLDERS POLYGIENE GROUP

On December 31, 2024, Polygiene Group had 1,931 (2,228) shareholders. The table below shows the ten largest shareholders as of December 31.

SHAREHOLDERS	SHARES	%
Peter Gyllenhammar*	10,871,279	29.8 %
Paul Morris*	4,477,056	12.3 %
Familjen Eklund	3,750,000	10.3 %
Håkan Lagerberg*	2,465,030	6.7 %
Familjen Girell	1,445,000	4.0 %
Carnegie Fonder	1,426,000	3.9 %
Jonas Wollin*	879,000	2.4 %
Avanza Pension	553,734	1.5 %
Peter Sjösten	423,000	1.2 %
Bo Staffan Olsson	414,643	1.1 %
Other	9,822,247	26.9 %
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.

DIVIDEND POLICY

Decisions regarding dividend distribution are made by the general meeting of shareholders following a proposal from the Board of Directors, and payment is administered by Euroclear. The right to receive dividends belongs to those registered as shareholders in the share register maintained by Euroclear on the record date for the dividend as determined by the general meeting. Dividends are normally paid as a cash amount per share through Euroclear but may also be distributed in other forms, such as dividends in kind.

If a shareholder cannot be reached to receive the dividend, the shareholder's claim against the company remains and is only limited by general statutory limitation rules. In the event of prescription, the entire amount falls to the company.

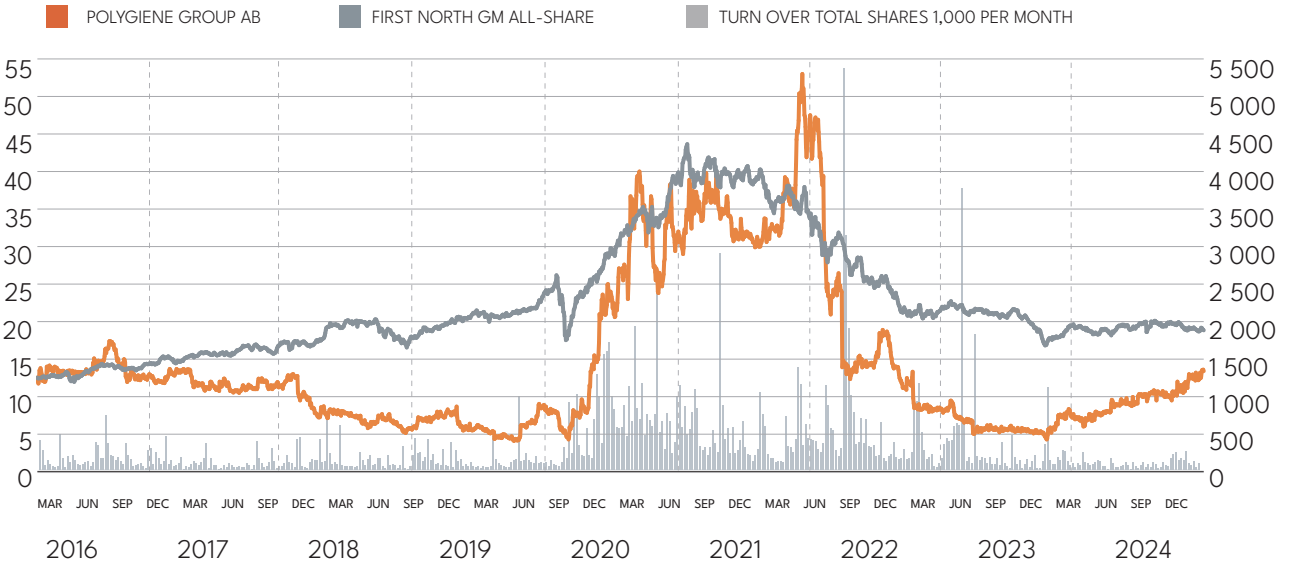
Polygiene Group does not apply any restrictions or special procedures regarding cash dividends to shareholders residing outside Sweden. Except for any limitations arising from banking and clearing systems, payments are made in the same manner as for shareholders residing in Sweden. However, shareholders who are not tax residents in Sweden are generally subject to Swedish withholding tax.

The Board of Directors proposes an updated dividend policy aimed at balancing shareholder dividends with maintaining liquidity in the company to finance long-term growth. The goal is to distribute 40% of net profit after tax, provided that it does not jeopardize the Group's financial position or future investment needs. For 2024, the Board proposes a dividend of SEK 0.27 per share.

YEAR	ACTION	CHANGES TO EQUITY (SEK)	ACC.SHARE CAPITAL (SEK)	CHANGE (NUMBERS OF SHARES)	ACC. NUMBER OF SHARES	PAR VALUE (SEK)
2005	Formation of Company	100,000	100,000	1,000	1,000	100
2006	New share issue	200,000	300,000	2,000	3,000	100
2006	New share issue	842,500	1,142,500	8,425	11,425	100
2007	New share issue	476,200	1,618,700	4,762	16,187	100
2010	New share issue	1,060,700	2,679,400	10,607	26,794	100
2011	New share issue	753,900	3,433,300	7,539	34,333	100
2011	New share issue	1,512,900	4,946,200	15,129	49,462	100
2011	New share issue	1,206,500	6,152,700	12,065	61,527	100
2012	New share issue	468,000	6,620,700	4,680	66,207	100
2012	Capital reduction	-3,575,178	3,045,522	-	66,207	46
2012	Capital reduction	-1,721,382	1,324,140	-	66,207	20
2012	New share issue	287,460	1,611,600	14,373	80,580	20
2013	New share issue	20,000	1,631,600	1,000	81,580	20
2015	Share split 200:1	-	1,631,600	16,234,420	16,316,000	0,10
2015	New share issue	300,000	1,931,600	3,000,000	19,316,000	0,10
2016	New share issue	120,000	2,051,600	1,200,000	20,516,000	0,10
2021	New share issue	1,025,640	3,077,240	10,256,400	30,772,400	0,10
2021	Non-cash issue	456,418	3,533,658	4,564,185	35,336,585	0,10
2021	Warrants	21,300	3,554,959	213,000	35,549,585	0,10
2022	New share issue	88,125	3,643,084	881,251	36,430,836	0,10
2022	Non-cash issue	9,616	3,652,699	96,153	36,526,989	0,10

SHARE PERFORMANCE

POLYGIENE GROUP AB MARCH 2016 – DECEMBER 2024



BOARD OF DIRECTORS, AUDITOR AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Polygiene Group’s Board of Directors currently consists of four members, elected for the period until the end of the next Annual General Meeting. According to Polygiene Group’s Articles of Association, the Board shall consist of at least three and at most ten members, with a maximum of ten deputies. The current Board has been appointed for the period until the end of the Annual General Meeting, which will be held on May 8, 2025.

Jonas Wollin, Bengt Engström, and Sofia Svensson are, in the Board’s assessment, independent in relation to major shareholders (defined as shareholders who directly or indirectly own 10% or more of the shares or votes in Polygiene Group). Paul Morris, who holds 4,447,056 shares (12.3%),

is not considered independent in relation to major shareholders. All Board members are, in the Board’s assessment, independent in relation to Polygiene Group.

Jonas Wollin, through his wholly owned company, Rudholm & Haak (HK) Ltd, is a supplier to Polygiene Group. Rudholm & Haak (HK) Ltd provides products to Polygiene Group with an annual value of approximately MSEK 3.2, excluding VAT. However, the value of these deliveries is considered relatively small in relation to Rudholm & Haak (HK) Ltd’s total turnover. Therefore, despite this business relationship, Jonas Wollin is still deemed independent in relation to Polygiene Group AB.

BOARD OF DIRECTORS

NAME	POSITION	BORN	ELECTED	HOLDINGS
Jonas Wollin	Chairman	1964	2011	879,000
Paul Morris	Member	1969	2021	4,477,056
Bengt Engström	Member	1953	2023	0
Sofia Svensson	Member	1978	2024	0

BOARD OF DIRECTORS



JONAS WOLLIN

CHAIRMAN OF THE BOARD

Chairman of the Board since 2018, Board member since 2011. Born 1964 – has long experience as entrepreneur in the textile industry.

EDUCATION:

Business studies at Hvitfeldtska Upper Secondary School.

CURRENT ASSIGNMENTS:

Chairman and CEO of Rudholm Group Holding AB. Chairman of Rudholm & H.K AB, Bamatex AB, Simplicity AB, Svensk Knalle Handel AB, and Marketplace Borås Economic Association. Board member of Rudholm Group Property AB, Etikettgruppen Svenska AB, MUJ Invest AB, R. Scandinavia AB, Inkubatorn i Borås AB, Kaponjären 1 AB, Kaponjären 2 AB, Rudholm Group Technology AB, Fine Brands Sweden AB, InklInvest AB, and RH Byggrådet AB.

PREVIOUS ASSIGNMENTS:

Chairman of MUJ Invest AB, Portas AB, R. Scandinavia AB, Board Member of Borås Näringsliv AB, MySoul i Borås AB, Simplicity Holding AB, Scandinavian Safety Restaurang AB, Mickson Fastighets AB and Borås Näringslivs Economic Association.

HOLDINGS IN POLYGIENE GROUP:

879,000 shares.



PAUL MORRIS

BOARD MEMBER

Board member since 2021. Born in 1969 – founded Addmaster Holding Limited in 2000 and has a strong entrepreneurial background.

EDUCATION:

Studied at Aelfgar Secondary School.

CURRENT ASSIGNMENTS:

Chairman of Humanoid Productions Ltd, Non-exec Board member for Business Innovation Staffordshire, Champion of Export for UK Government and MBE (Member of the British Empire).

PREVIOUS ASSIGNMENTS:

CEO for Addmaster

HOLDINGS IN POLYGIENE GROUP:

4,477,056 shares.



BENGT ENGSTRÖM

BOARD MEMBER

Board member since 2023. Born in 1953 – has held executive positions in various companies since the 1980s

EDUCATION:

Master's degree in Engineering from KTH

CURRENT ASSIGNMENTS:

Chairman of the Board of Directors at Nordic Flanges AB, Qleanair AB, Qlosr AB, BEngström AB, BEngström Förvaltning AB, and IFG Duroc. Board member at Scanfil Oy, Real Holding AB, Scandinavian Chemotech AB, and KTH Executive School AB.

PREVIOUS ASSIGNMENTS:

Global VP Microwave Ovens, Europe VP Manufacturing & Technology at Whirlpool Corporation, EVP at Whirlpool Corporation, President of Whirlpool Europe, CEO of Duni AB, and Nordic CEO of Fujitsu.

HOLDINGS IN POLYGIENE GROUP:

0 shares.



SOFIA SVENSSON

BOARD MEMBER

Sofia Svensson, born 1978.

EDUCATION:

Master of Science in Engineering from the Faculty of Engineering at Lund University.

CURRENT ASSIGNMENTS:

CEO of Tornum Group

PREVIOUS ASSIGNMENTS:

CEO of Lammhults Design Group and Hövding Sverige AB, as well as Deputy CEO and CFO of Midway Holding AB. She also served as an Investment Manager at Fosiellund Holding AB. Today, she is the CEO of Tornum Group.

HOLDINGS IN POLYGIENE GROUP:

0 shares.

SENIOR MANAGEMENT



ULRIKA BJÖRK

CEO

Born 1968, employed since 2017 and has a B.Sc Business and Economics from Lunds University. Ulrika was first recruited as CFO in Polygiene but was appointed as CEO in the end of year 2017. She has an extensive career within the finance area and business development and experience from restructuring processes. Ulrika was previously CFO at Hemmakväll AB, Head of Finance at Stena Line Travel Group AB, Controller at Kemira AB and held various financial positions within the IKEA-group. She also has board experience from Stena Line Travel Group AB, Hemmakväll AB and Best Travel A/S both as ordinary member as well as adjunct.

HOLDINGS IN POLYGIENE GROUP:

328,000 shares, 45,000 warrants 2022/2025 and 60,000 warrants 2023/2026, 100,000 warrants 2024/2027.



DANIEL RÖME

CTIO

Born 1976, member of the Board from May 2018 to May 2020 and operational in the company since January 2019. Daniel holds a PhD in Chemistry and a Master of Science in Chemistry from Lunds University (Lunds Tekniska Högskola). He has experience of working in leading positions within innovation and business- and product development. Daniel has previously worked at Perstorp AB and Nexam Chemical AB and is currently a consultant in his own company, Rome Consulting AB, with assignments for various companies.

HOLDINGS IN POLYGIENE GROUP:

233,661 shares, 15,000 warrants 2022/2025, 13,700 warrants 2023/2026 and 40,000 warrants 2024/2027.



NIKLAS BLOMSTEDT

CFO

Born in 1968 and employed since September 2022, Niklas has a B.Sc in Business and Economics from Örebro University. He has worked in different positions within finance at Ericsson, Sony Ericsson, Haldex and Getinge. Niklas previously worked as VP and Head of Finance at Arjo AB.

HOLDINGS IN POLYGIENE GROUP:

2,695 shares, 30,000 warrants 2022/2025 and 30,000 warrants 2023/2026, 40,000 warrants 2024/2027.



MATT FISHER

COO

Born in 1972, employed since April 2022. Matt holds a B.Sc. in Combined Science (Chemistry and Physics) from the University of Wolverhampton. His experience over the past 25 years has predominately been in the Automotive Industry, working with companies such as Kongsberg Automotive, Magnetti Marelli and BMW. Most of his experience has been in Manufacturing and Continuous Improvement Leadership.

HOLDINGS IN POLYGIENE GROUP:

5,000 warrants 2024/2027.



LESLEY TAYLOR

CRO

Born 1976, employed since 2011. Lesley holds a BSc Hons in Biochemistry and Microbiology from the University of Wales, Aberystwyth. Her experience in antimicrobials spans 24 years, supporting both the business and customers with regulatory requirements globally. She's previously held positions at Law Laboratories and as Technical and Regulatory Manager at BioCote Limited.

HOLDINGS IN POLYGIENE GROUP:

0 shares.



PER KJELLANDER

AUDITOR

The auditor of Polygiene Group is Grant Thornton Sweden AB with Per Kjellander as the main responsible auditor.

Per Kjellander is a certified auditor and a member of FAR - the industry organization for auditors and advisors - and is elected until the end of the regular annual general meeting which will be held on May 16, 2024.

DIRECTOR'S REPORT 2024

The Board of Directors and CEO of Polygiene AB (publ), 556692-4287, domiciled in Malmö, Sweden, hereby present the Annual- and consolidated Report for the 2024 financial year.

THE GROUP

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 brand ingredient choice, the company works with over 500 global premium brands through Polygiene and its subsidiary Addmaster. Polygiene Group builds its brand by actively working with the entire value chain from development and manufacturing at suppliers to marketing, distribution, and active customer support. Polygiene Group AB is listed on the Nasdaq First North Growth Market.

The parent company, Polygiene Group AB, conducts business through the sale of solutions for textiles and hard surfaces.

Addmaster (UK) Limited and the company Biomaster US LLC conduct business through the sale of solutions for non-textile surfaces and materials.

Polygiene Shanghai Ltd conducts business through the sale of Polygiene Group's goods and services.

Polygiene Services AB operates within the subscription, acquisition, and transfer of options and other securities.

Polygiene Germany GmbH provides sales and marketing services to the parent company.

Addmaster Holding Ltd and Biomaster Ltd are dormant companies.

COMMENTS ON THE FINANCIAL DEVELOPMENT

REVENUE

Polygiene Group's net sales in 2024 amounted to MSEK 156.9 (113.5). There has been a recovery during the year, and we have seen a sales increase quarter by quarter. The year resulted in a revenue growth of 38.2 (-34.6)%. Other operating income in Polygiene Group amounted to 7.3 (5.9) MSEK, consisting of exchange rate differences.

EXPENSES

Operating expenses in 2024 amounted to MSEK -151.0 (-432.0), a decrease of MSEK 281. The previous year included a goodwill impairment of MSEK -295.

Cost of goods sold amounted to MSEK -53.2 (-36.4), resulting in a gross margin of 70.8 (73.2)%. Other external costs for the year amounted to MSEK -48.0 (-54.7). These costs consist of:

- Variable sales costs MSEK -15.2 (-12.6), primarily consisting of commissions to agents and distributors. The increased cost is due to higher sales.
- Marketing costs MSEK -5.3 (-6.7).
- Administrative costs MSEK -17.2 (-18.3).
- Contracted consultants MSEK -10.3 (-17.1). The previous year included one-time costs of MSEK -2.5 related to terminated contracts. The current year includes a bonus cost of MSEK 0.9.

Total employee compensation costs amounted to MSEK -37.1 (-33.4), of which MSEK -2.2 related to bonus costs.

Other operating expenses amounted to MSEK -6.9 (-7.2) and consist of foreign exchange differences. Depreciation, amortization, and impairment of intangible and tangible fixed assets amounted to MSEK -5.9 (-300.4). The previous year included a goodwill impairment of MSEK -295.

MULTI-YEAR OVERVIEW

GROUP (TSEK)	2024	2023	2022	2021	2020
Net sales	156,948	113,542	173,564	181,610	83,932
Operating profit/loss EBIT	13,154	-312,589	15,992	40,858	-1,051
Balance sheet total	350,840	313,780	621,898	550,694	57,636
Equity/assets ratio	91.1 %	92.8 %	95.3 %	94.3 %	47.7 %

PARENT COMPANY (TSEK)	2024	2023	2022	2021	2020
Net sales	82,283	56,148	80,021	93,724	80,032
Operating profit/loss EBIT	-8,972	-29,652	-15,672	3,764	-442
Balance sheet total	366,664	340,403	532,528	528,678	57,247
Equity/assets ratio	90.9 %	89.3 %	92.3 %	85.6 %	49.0 %

RESULT

Operating profit (EBIT) amounted to MSEK 13.2 (-312.6), corresponding to an operating margin of 8.4 (-275.3)%. Profit after tax and total comprehensive income amounted to MSEK 16.8 (-303.6).

BALANCE SHEET

As of 2024-12-31, total assets in Polygiene Group amounted to MSEK 350.8 (313.8). Fixed assets mainly consist of goodwill from business acquisitions. Accounts receivable amounted to MSEK 28.7 (22.4), and cash and cash equivalents amounted to MSEK 68.7 (44.1).

At year-end, Polygiene Group had an equity ratio of 91.1 (92.8)%. The Group also had a tax loss carryforward of MSEK 92.5 (80.7), of which MSEK 36.3 is expected to be utilized in the coming years. A deferred tax asset of MSEK 7.5 (7.5) has been recognized. Deferred tax on the parent company's negative result for the year has not been recognized.

CASH FLOW

Cash flow from operating activities amounted to MSEK 24.3 (3.8). Cash flow from investing activities had a negative impact of MSEK -1.6 (-9.4). Total cash flow was MSEK 21.4 (-3.7) and MSEK 24.6 (-4.1) including currency effects.

ORGANIZATION

At year-end, Polygiene Group's operational organization consisted of 44 (43) individuals, regardless of employment scope. Of these, 36 (33) were employees and 8 (10) were contracted consultants. The employees were geographically distributed as follows: Sweden 14, United Kingdom 15, Lithuania 1, Canada 1, USA 3, Germany 4, India 1, China 4, and Colombia 1.

GENDER DISTRIBUTION, %	2024	2023
Organization, women/men	61/39	53/47
Senior management, women/men	40/60	40/60
Board of Directors, women/men	25/75	20/80

THE SHARE

Polygiene Group's share has been listed on Nasdaq First North Growth Market in Stockholm since March 14, 2016, under the ticker symbol POLYG. As of December 31, 2024, the share capital amounted to SEK 3,652,699, divided into 36,526,989 outstanding shares of the same class. For more information about the share, see *Share capital and ownership structure* on pages 26-27.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

No significant events have been identified during the financial year.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR:

The Board of Directors of Polygiene Group AB (publ) has previously proposed an updated dividend policy, stating that 40% of the annual net profit shall be distributed to shareholders. For the financial year 2024, this corresponds to a dividend of SEK 0.05 per share. Due to a very strong cash position, accumulated over several years, the Board now additionally proposes a one-time extra dividend of SEK 0.22 per share.

RISKS AND UNCERTAINTIES**EXISTING BUSINESS**

One identified risk in the existing business is that partners may choose not to use Polygiene Group's technology in their products for various reasons. This could be due to customer policy decisions or situations where rising production costs lead to the temporary removal of Polygiene Group's treatment for cost-saving reasons. Such scenarios could negatively impact Polygiene Group's operations, financial performance, and position.

To minimize the risk of being perceived solely as an additional cost, it is crucial that Polygiene Group continues to demonstrate the added value of antimicrobial technologies. With expertise in regulations, technology, and marketing, the company addresses market competition effectively.

Polygiene Group is primarily exposed to USD and GBP but has currently opted not to hedge these currency flows due to the difficulty of forecasting them, as customers place orders with short lead times.

NEW TECHNOLOGY

Polygiene Group's ongoing and planned development projects include new relevant technology that will add value for both existing and potential partners. There is a risk that legal and regulatory changes could negatively impact ongoing development projects as well as current products.

Within Polygiene Group, there is extensive knowledge and long-standing experience in the regulatory field. The company has a strong ability to proactively anticipate, respond to, and adapt to regulatory changes, thereby reducing this risk.

ACQUISITION

A key part of Polygiene Group's growth strategy is acquisitions. There is a risk that Polygiene Group may not find suitable acquisition targets, which could impact the company's growth rate. Another risk is that the integration process following an acquisition may take longer than expected, negatively affecting anticipated synergies.

The growth strategy may also be influenced by financing risk, which, at a given time, could become more challenging, costly, or even unfeasible under Polygiene Group's conditions. During the acquisition process, a thorough analysis of the target company is conducted, ensuring that potential risks are identified and carefully managed before any acquisition decision is made.

UKRAINE AND THE MIDDLE EAST

The geopolitical situation in Ukraine and the Middle East affects market conditions and increases uncertainty in the global market. The Group has no operations in Russia, Ukraine, or the Middle East and therefore assesses that these events have no direct impact on the Group's operations, financial performance, or position.

However, we have observed an increase in freight costs and lead times and are actively working to mitigate the risk of continued cost increases by optimizing shipping terms and exploring alternative solutions. Polygiene Group continuously monitors developments.

SUSTAINABILITY EFFORTS

The operations of Polygiene Group contribute to a more sustainable world by enabling savings in laundry, reduced cleaning of surfaces and materials, and by extending the lifespan of products. For more information see page 21-22.

ALLOCATION OF PROFIT

Proposal for disposition of the the Group's profit and loss:

AVAILABLE FOR THE ANNUAL GENERAL MEETING (TSEK)

Share premium reserve	517,838
Accumulated deficit	-222,256
Result of the year	29,438
TOTAL	325,020

THE BOARD OF DIRECTORS PROPOSES THAT

to be paid out as a dividend	9,862
carried forward to the new accounts	315,158
TOTAL	325,020

For further details regarding Polygiene Group's financial performance and position, refer to the following statement of comprehensive income and statement of financial position, along with the accompanying notes.

STATEMENTS OF PROFIT OR LOSS

		GROUP		PARENT COMPANY	
TSEK	NOTE	2024-01-01 2024-12-31	2023-01-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
OPERATING INCOME					
Net sales	2, 3	156,948	113,542	82,283	56,148
Other operating income		7,267	5,917	6,607	5,452
TOTAL OPERATING INCOME		164,215	119,459	88,890	61,600
OPERATING EXPENSES					
Cost of goods sold		-53,166	-36,387	-27,529	-13,779
Other external expenses	4, 5	-48,038	-54,735	-43,508	-50,345
Cost compensation to employees	6, 7, 8	-37,062	-33,379	-17,804	-17,760
Depreciation, amortization and impairment of tangible and intangible fixed assets	13, 14	-5,866	-300,385	-2,870	-2,751
Other operating expenses		-6,929	-7,162	-6,151	-6,617
TOTAL OPERATING EXPENSES		-151,061	-432,048	-97,862	-91,252
OPERATING PROFIT					
		13,154	-312,589	-8,972	-29,652
RESULT FROM FINANCIAL ITEMS					
Profit from shares in group companies		-	-	41,644	14,321
Write-down of shares in group companies		-	-	-	-162,991
Interest income and similar items	10	3,769	3,186	1,217	830
Interest expense and similar items	10	-4,042	-3,672	-2,878	-1,616
PROFIT AFTER FINANCIAL ITEMS		12,881	-313,075	31,011	-179,108
Tax expense					
	11, 15	-8,041	-8,873	-1,573	-8,370
PROFIT FOR THE YEAR		4,840	-321,948	29,438	-187,478
ITEMS THAT MAY BE RECLASSIFIED IN THE INCOME STATEMENT					
Other total result - translation difference		11,990	18,319	-	-
TOTAL PROFIT FOR THE YEAR		16,830	-303,629	29,438	-187,478
EARNINGS PER SHARE					
		2024-12-31	2023-12-31	2024-12-31	2023-12-31
Basic earnings per share, before and after dilution	12				
Before		0.13	-8.81	0.81	-5.13
After		0.13	-8.81	0.79	-5.13

STATEMENTS OF FINANCIAL POSITION

		GROUP		PARENT COMPANY	
ASSETS (TSEK)	NOTE	2024-12-31	2023-12-31	2024-12-31	2023-12-31
FIXED ASSETS					
INTANGIBLE FIXED ASSETS	13				
Development and similar work		4,735	5,147	4,656	5,054
Software and licenses		2,846	3,717	2,477	3,318
Goodwill		201,042	185,897	–	
Trademark		1,980	2,723	–	–
TOTAL INTANGIBLE FIXED ASSETS		210,603	197,484	7,133	8,372
TANGIBLE FIXED ASSETS					
Inventories	14	980	1,559	127	302
Right to use leased objects	5	2,769	3,785	–	–
TOTAL TANGIBLE FIXED ASSETS		3,749	5,344	127	302
FINANCIAL FIXED ASSETS					
Participation in group companies	17	–	–	296,628	296,578
Receivables group companies		–	–	–	716
Deferred tax assets	18	7,478	7,478	7,478	7,478
TOTAL FINANCIAL FIXED ASSETS		7,478	7,478	304,106	304,772
TOTAL FIXED ASSETS		221,830	210,306	311,366	313,446
CURRENT ASSETS					
INVENTORY					
Finished goods and goods for resale		28,014	30,205	3,363	3,530
TOTAL INVENTORIES		28,014	30,205	3,363	3,530
CURRENT RECEIVABLES					
Trade and other receivables	16, 19	28,707	22,366	20,740	16,450
Receivables group companies		–	–	1,557	228
Other receivables	16, 20	1,656	3,748	909	697
Prepaid expenses and accrued income	20	1,895	3,009	1,781	2,812
TOTAL CURRENT RECEIVABLES		32,258	29,123	24,987	20,187
CASH AND CASH EQUIVALENTS/ CASH BANK	16, 21, 24	68,738	44,146	26,948	3,240
TOTAL CURRENT ASSETS		129,010	103,474	55,298	26,957
TOTAL ASSETS		350,840	313,780	366,664	340,403

STATEMENTS OF FINANCIAL POSITION

EQUITY AND LIABILITIES (TSEK)	NOTE	GROUP		PARENT COMPANY	
		2024-12-31	2023-12-31	2024-12-31	2023-12-31
EQUITY	22				
RESTRICTED EQUITY					
Share capital		3,653	3,653	3,653	3,653
Development fund		-	-	4,655	5,054
TOTAL RESTRICTED EQUITY		-	-	8,308	8,707
NON-RESTRICTED EQUITY	33				
Other contributed capital		528,596	528,878	517,838	517,838
Profit or loss brought forward		-229,472	62,344	-222,256	-35,177
Profit or loss for the year		16,830	-303,629	29,438	-187,478
TOTAL NON-RESTRICTED EQUITY		-	-	325,020	295,183
TOTAL EQUITY		319,607	291,246	333,328	303,890
PROVISIONS					
Deferred tax liabilities	18	202	-	-	-
TOTAL PROVISIONS		202	-	-	-
LONG TERM LIABILITIES					
Liabilities to group companies		-	-	18,496	11,315
Leasing office premises	5	1,482	1,876	-	-
TOTAL LONG TERM LIABILITIES		1,482	1,876	18,496	11,315
CURRENT LIABILITIES					
Advance payments from customers		1,543	858	20	-
Trade and other payables	16, 23	11,870	7,388	5,285	3,174
Payables group companies		-	-	24	13,435
Leasing office premises	5	1,153	2,014	-	-
Contract and other liabilities	16	3,888	472	339	157
Accrued expenses and deferred income		11,095	9,926	9,172	8,432
TOTAL CURRENT LIABILITIES		29,549	20,658	14,840	25,198
TOTAL LIABILITIES		31,031	22,534	33,336	36,513
TOTAL EQUITY AND LIABILITIES		350,840	313,780	366,664	340,403

THE GROUP'S STATEMENTS OF CHANGE IN EQUITY

2024

OPENING BALANCE (TSEK)	NOTE	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	TRANSLATION RESERV	RETAINED EARNINGS AND PROFIT/ LOSS FOR THE YEAR	TOTAL EQUITY
2024-01-01		3,653	528,878	68,548	-309,833	291,246
TRANSACTIONS WITH OWNERS						
New share issue (warrants)		-	117			117
TOTAL TRANSACTIONS WITH OWNERS		-	117		-	117
Transfer			-399		399	-
Currency translation difference		-		11,414		11,414
TOTAL COMPREHENSIVE INCOME						
Profit/loss for the year					4,840	4,840
Other comprehensive income – currency translation difference				11,990		11,990
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						16,830
CLOSING BALANCE 2024-12-31	22	3,653	528,596	91,952	-304,594	319,607

2023

OPENING BALANCE (TSEK)	NOTE	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	TRANSLATION RESERV	RETAINED EARNINGS AND PROFIT/ LOSS FOR THE YEAR	TOTAL EQUITY
2023-01-01		3,653	528,403	48,006	12,497	592,559
TRANSACTIONS WITH OWNERS						
New share issue (warrants)		-	93			93
TOTAL TRANSACTIONS WITH OWNERS		-	93		-	93
Transfer			382		-382	-
Currency translation difference		-		2,223		2,223
TOTAL COMPREHENSIVE INCOME						
Profit/loss for the year					-321,948	-321,948
Other comprehensive income – currency translation difference				18,319	-	18,319
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						-303,629
CLOSING BALANCE 2023-12-31	22	3,653	528,878	68,548	-309,833	291,246

THE PARENT COMPANY'S STATEMENTS OF CHANGE IN EQUITY

2024

INCOMING BALANCE (TSEK)	NOTE	SHARE CAPITAL	DEVELOPMENT FUND	SHARE PREMIUM	PROFIT OR LOSS BROUGHT FORWARD	PROFIT OR LOSS	TOTAL EQUITY
2024-01-01		3,653	5,054	517,838	-35,177	-187,478	303,890
Additional development expenses		-	-399	-	399	-	-
Carry over previous year's result		-	-	-	-187,478	187,478	-
PROFIT FOR THE YEAR		-	-	-	-	29,438	29,438
OUTGOING BALANCE 2022-12-31	22	3,653	4,655	517,838	-222,256	29,438	333,328

2023

INCOMING BALANCE (TSEK)	NOTE	SHARE CAPITAL	DEVELOPMENT FUND	SHARE PREMIUM	PROFIT OR LOSS BROUGHT FORWARD	PROFIT OR LOSS	TOTAL EQUITY
2023-01-01		3,653	4,672	517,838	-30,441	-4,353	491,369
Additional development expenses		-	382	-	-382	-	-
Carry over previous year's result		-	-	-	-4,353	4,353	-
PROFIT FOR THE YEAR		-	-	-	-	-187,478	-187,478
OUTGOING BALANCE 2023-12-31	22	3,653	5,054	517,838	-35,177	-187,478	303,890

CASH FLOW STATEMENT

		GROUP		PARENT COMPANY	
OPERATING ACTIVITIES (TSEK)	NOTE	2024-01-01 2024-12-31	2023-01-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Operating profit		13,154	-312,589	-8,972	-29,652
Non-cash adjustment	27	2,079	299,548	2,353	1,096
Interest received		967	493	125	133
Interest paid		-	-90	-368	-
Income tax paid		-4,409	-3,864	-415	-400
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		11,791	-16,502	-7,277	-28,823
CHANGES IN WORKING CAPITAL					
Change in inventories		4,389	5,853	167	2,540
Change in trade and other receivables		-1,221	23,193	-4,799	11,435
Change in trade and other payables		9,378	-8,758	-10,359	-7,740
NET CASH FLOW FROM OPERATING ACTIVITIES		24,337	3,786	-22,268	-22,588
INVESTING ACTIVITIES					
Loan to Group companies		-	-	716	-413
Capital contributions made to subsidiaries		-	-	-50	-
Received dividends		-	-	41,644	14,321
Acquisition of subsidiary		-	-	-	-139
Acquisition of intangible fixed assets	13	-1,540	-3,190	-1,435	-2,882
Acquisition of tangible fixed assets	14	-48	-4,868	-21	-31
Acquisition of financial assets		-	-1,363	-	-1,364
CASH FLOW FROM INVESTING ACTIVITIES		-1,588	-9,421	40,854	9,492
FINANCING ACTIVITIES					
Warrants		117	93	-	-
Borrowings group companies		-	-	5,122	-
Lease liabilities		-	3,119	-	-
Amortization of leased object		-1,496	-1,262	-	-
CASH FLOW FROM FINANCING ACTIVITIES		-1,379	1,950	5,122	-
CASH FLOW FOR THE YEAR		21,370	-3,685	23,708	-13,096
Cash and cash equivalents at the beginning of the year		44,146	48,209	3,240	16,336
Translation differences in cash and cash equivalents		3,222	-378	-	-
CASH AND CASH EQUIVALENTS AT YEAR-END	21	68,738	44,146	26,948	3,240

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING- AND VALUATION POLICIES

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 the ingredient of choice for brands, the company collaborates with over 500 global premium brands through Polygiene and its subsidiary Addmaster. Polygiene Group provides a range of technologies that enhance the value of our customers' products, including OdorCrunch™, StayFresh™, Scentmaster™, ViralOff™, Biomaster™, and Verimaster™.

Polygiene Group's brand is a significant asset, and the ongoing efforts to strengthen the brand and its awareness are essential to achieve future goals.

GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS, AND GOING CONCERN ASSUMPTION

Polygiene Group AB (publ), the parent company of the group, is a public limited company formed and headquartered in Sweden. Its main office and primary place of business are located at Styrmansgatan 2, 211 18 Malmö. Polygiene Group AB's shares are listed on the Nasdaq First North Growth Market.

Polygiene Group's financial reports have been prepared in accordance with the Annual Accounts Act, the Swedish Accounting Standards Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial reports have been prepared on the assumption that Polygiene Group continues its operations as a going concern.

The consolidated financial statements for the year ended December 31, 2024, were approved for issuance by the board of directors on April 2, 2025.

STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

As of the date of approval of these financial reports, certain new standards, amendments, and interpretations of existing standards that have not yet come into effect have been published. Management assumes that all relevant

pronouncements will be incorporated into Polygiene Group's accounting policies when the pronouncement becomes effective. New standards, amendments, and clarifications that are not applied or specified below are not expected to have a material impact on Polygiene Group's financial reports.

BASIS OF PREPARATION

Polygiene Group's financial reports have been prepared using the accrual basis and are based on historical cost (SEK). Monetary items are expressed in SEK and rounded to the nearest thousand, except for earnings per share.

BASIS OF CONSOLIDATION

In the consolidated financial statements, the parent company and subsidiary operations are consolidated up to December 31, 2024. All subsidiaries have a year-end of December 31. All intra-group transactions and balances are eliminated upon consolidation, including unrealized gains and losses on transactions between group companies.

In cases where unrealized losses on intra-group sales of assets are reversed upon consolidation, the impairment need of the underlying asset is also assessed from a group perspective. Amounts reported in subsidiary financial statements have been adjusted where necessary to ensure compliance with Polygiene Group's accounting and valuation principles.

Results and other comprehensive income for subsidiaries acquired or disposed of during the year are reported from the date the acquisition or disposal takes effect, as applicable.

BUSINESS ACQUISITIONS

Polygiene Group applies the acquisition method in accounting for business combinations. The consideration transferred by Polygiene Group to obtain control over a subsidiary is measured at the aggregate of the fair values of assets transferred, liabilities assumed, and equity instruments issued by Polygiene Group, including the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed when incurred.

Acquired assets and assumed liabilities are measured at their fair values at the acquisition date. For acquisitions where the transferred amount exceeds the fair value of the acquired assets and assumed liabilities separately recognized, the excess is recognized as goodwill.

FOREIGN CURRENCY TRANSLATION FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in currency SEK, which is also the functional currency of the Parent Company.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Monetary assets and liabilities denominated in foreign currency have been translated into the balance sheet date's exchange rate. Exchange rate differences arising from settlement or translation of monetary items are recognized in the income statement in the fiscal year in which they arise, either as an operating item or as a financial item based on the underlying transaction.

FOREIGN OPERATIONS

In the consolidated financial statements, all assets, liabilities, and transactions in subsidiary companies with a functional currency other than SEK are translated into SEK at the time of consolidation. In the consolidation process, assets and liabilities have been translated at the balance sheet date's exchange rate. Adjustments to goodwill and fair value arising from the acquisition of a foreign operation have been recognized as assets and liabilities in the foreign operation and translated into SEK at the balance sheet date's exchange rate. Revenues and expenses have been translated into SEK using the average exchange rate during the reporting period. Translation differences are directly recognized in other comprehensive income and presented separately under changes in equity. Upon disposal of a foreign operation, any related accumulated translation differences recognized in equity are reclassified to profit or loss and presented as part of the gain or loss on disposal.

SEGMENT REPORTING

Within Polygiene Group, there are two segments: Polygiene and Addmaster. The foundation of these segments is the underlying technology. The focus within these segments is on market sales and technology, which is why only sales and gross profit are measured per segment. Other aspects are measured for Polygiene Group as a whole.

REVENUE

Revenues relate to sales of chemical and royalties. Royalty is based on customers' usage of chemicals. When measuring whether a revenue shall be recognised, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligation in the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue from the sale of chemicals at a fixed price is recognized when Polygiene Group transfers control of the assets to the customer. The transaction price is typically determined based on the quantity of chemicals. Revenue from royalty is recognized when the end customer has received and gained control over the chemical for the production of, for example, garments. The transaction price may be calculated based on the quantity of finished fabric or the number of produced garments, or in a similar manner. At the same time, the cost of these chemicals is recognized in the statement of comprehensive income. Invoices for transferred goods or services are to be paid when the customer receives the goods.

FIXED ASSETS INTANGIBLE ASSETS

Intangible fixed assets are initially reported at acquisition value less accumulated depreciation according to plan and any write-downs. Depreciation takes place on a straight-line basis over the expected useful life. Intangible assets have both a definable and indefinite useful life. The Intangible asset Goodwill has an indefinite useful life why a yearly impairment test is conducted.

Software, licenses, trademarks and development costs with definable useful life are depreciated over 5 years.

GOODWILL

Goodwill represents future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is recognized at cost less any accumulated impairments, which result from an annual impairment test.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially recognized at cost, net of accumulated depreciation and any impairments. Depreciation is recognized on a straight-line basis over the expected useful life. Furniture and fixtures are depreciated over three years. Right-of-use assets are depreciated over the lease term, which is typically three to five years.

LEASING THE GROUP AS LESSEE

For all agreements, Polygiene Group assesses whether the agreement is a lease or contains a lease. A lease is defined as "an agreement, or part of an agreement, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, Polygiene Group evaluates whether the agreement meets the following criteria:

- The agreement contains an identified asset that is either explicitly identified in the contract or implicitly specified by being identified at the time the asset becomes available to Polygiene Group.
- Polygiene Group has the right to substantially all of the economic benefits that arise from the use of the identified asset throughout the lease term, considering Polygiene Group's rights within the defined scope of the contract.
- Polygiene Group has the right to control the use of the identified asset throughout the lease term. Polygiene Group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the lease term.

The Group's rights of use consist of office premises.

VALUATION AND ACCOUNTING OF LEASE AGREEMENTS AS LESSEE

At the commencement of a lease agreement, Polygiene Group records a right-of-use asset and a lease liability in the financial statement. The right-of-use asset is valued at cost, which includes the total initially recognized lease liability, any initial direct costs incurred by Polygiene Group, and lease payments made before the lease commencement date (net of any lease incentives received). Polygiene Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earliest termination date of the lease term or the end of the lease agreement.

Polygiene Group also assesses whether there is any indication of impairment for the right-of-use asset. At the lease commencement date, Polygiene Group measures the lease liability at the present value of the lease payments not yet paid. The lease payments are discounted using Polygiene Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments) and variable lease payments based on an index. Subsequent to the commencement date, the lease liability decreases as payments are made and increases as interest accrues. The liability is remeasured to reflect any changes in estimates or modifications to the lease terms, including changes in in-substance fixed payments. When the lease liability is remeasured, corresponding adjustments are made to the right-of-use asset or recognized in profit or loss if the right-of-use asset has already been reduced to zero.

Polygiene Group has chosen to account for short-term leases and leases of low-value assets using the practical expedient available in IFRS 16. Instead of recognizing a right-of-use asset and a lease liability for these leases, lease payments for these leases are recognized as an expense on a straight-line basis over the lease term.

Right-of-use assets are separately disclosed in the financial statement under *Tangible fixed assets*, while lease liabilities are disclosed under current and non-current liabilities.

IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS

Polygiene Group conducts impairment testing of its indefinite-lived intangible assets and goodwill regularly throughout the year. The acquired businesses through Addmaster, including Steritouch and Biomaster US, have been identified as Polygiene Group's cash-generating unit. A cash-generating unit is a group of assets that generates cash flows that are largely independent of other assets. Any other individual assets or cash-generating units are tested for impairment when events or changed circumstances indicate that the carrying amount may not be recoverable.

An impairment is recognized for the amount by which the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates the expected future cash flows from each cash-generating unit and determines an appropriate discount rate to calculate the present value of these cash flows. As of December 31, 2024, this discount rate was 12,8%. The data used in assessing impairment is directly linked to Polygiene Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset improvements. Discount rates are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

FINANCIAL INSTRUMENTS RECOGNITION AND DERECOGNITION

Financial assets and liabilities are recognised when the Group becomes a party to the contractual terms of the instrument.

CLASSIFICATION AND VALUATION MEASUREMENT OF FINANCIAL ASSETS AT INITIAL RECOGNITION

In the first financial statements, all financial assets are valued at fair value adjusted for transaction costs (if applicable) and is measured at amortised costs.

The classification of the financial assets will not be changed in subsequent periods unless the Group changes its business model for managing financial assets whereby all financial assets affected by the change will be reclassified as of the first day of the first financial year after the change to the business model.

A financial asset will be measured at amortised cost if both the following conditions are met and the asset is not determined to be measured at fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and,
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are measured at amortised cost applying the effective interest method after they are first recognised. Amortised cost is reduced by depreciation. Revenue exchange rate differences, and depreciation are recognised in the income statement. Any gain or loss when the asset is removed from the statement of financial position, are recognised in the income statement.

The Group derecognises a financial instrument in the statement of financial position when the contractual right to cash flows from the financial assets expires. The Group derecognised a financial liability from the statement of financial position when the agreed obligation is performed or been otherwise extinguished.

TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. Polygiene Group assesses the impairment of trade receivables collectively where the receivables are grouped based on the number of days past due because they have common credit risk characteristics.

The write-offs of trade receivables is presented in *Other external expenses*.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

The Group's financial liabilities include loan, trade and other payables. All financial liabilities are valued at accrued acquisition value. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Polygiene Group has classified the financial liability at fair value through profit or loss.

INVENTORY

Inventory is valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Net realizable value is calculated as the sales value less the estimated selling expenses, taking into account any obsolescence.

INCOME TAXES

Current tax is the income tax for the current financial year, which concerns the taxable profit for the year and the element of income tax for previous financial years has not yet been reported. Current tax is assessed as the probable amount according to the tax rates and tax rules applying as at the balance sheet day.

Deferred tax is the income tax on the taxable results concerning future financial years, because of previous transactions or events. Deferred tax is calculated on any temporary differences. A temporary difference exists when the reported value of an asset or liability deviates from the taxable value. Temporary differences are not considered regarding differences attributable to investments in subsidiaries, branches, affiliated companies or joint ventures, if the company can control the time of reversal of the temporary differences and it is not obvious that the temporary difference will be reversed within the foreseeable future.

Differences originating from the initial reporting of goodwill, or on the initial reporting of an asset or liability, unless the attributable transaction is a business acquisition or affects tax or reported profit, it does not constitute temporary differences either

A deferred tax asset concerning tax losses carried forward or other future tax deductions is recognised to the extent that is probable that the carry forward can be set off to profit on any future taxation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of available bank balances.

EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the nominal (par) value of shares that have been issued. The share premium fund contains premiums received on new issues of shares. Transaction costs associated with the new issue of shares have reduced the share premium fund, considering any income tax effects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration. All transactions with owners of the Parent Company are recorded separately within equity.

POST-EMPLOYMENT BENEFITS AND WARRANTS ISSUED

DEFINED CONTRIBUTION PLANS

The Group pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits, including holiday entitlement, are current liabilities measured at the undiscounted amount that the Group expects to pay because of the unused entitlement.

WARRANTS

Employees or by the Group contracted consultants, have the opportunity to take part of a warrant program that is decided at the Annual General Meeting. The premiums and value of the options are calculated based on the Black&-Scholes-model and are performed by an external, independent party. The allocation of the warrants is decided by the Board and the CEO. Participation in the program is not linked to the employment in the company and is therefore not subject to social security contributions.

CONTINGENT LIABILITIES

Contingent liabilities are recognized when there is a possible obligation arising from past events, and its existence is confirmed only by one or more uncertain future events, or when there are one or more obligations that are not recognized as liabilities or provisions because it is not probable that an outflow of resources will be required.

SIGNIFICANT ASSESSMENTS IN APPLYING ACCOUNTING AND VALUATION PRINCIPLES AND UNCERTAINTY IN ESTIMATES

When preparing the financial statements, the Board of Directors must, in accordance with applicable accounting and valuation principles, make certain estimates, assessments and assumptions that affect the reporting and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and judgments and rarely amounts to the same amount as the calculated outcome.

SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are significant judgements made by management in applying the accounting policies of the Group that have the most significant effect on the financial statements.

ACCOUNTING FOR FOREIGN WITHHOLDING TAX

Foreign withholding tax is a type of withholding tax that Polygiene Group can recover once previous tax losses have been utilized. The Board assesses whether withholding tax should continue to be reported as a financial non-current asset. No activation of withholding tax has taken place in Polygiene Group.

RECOGNITION OF DEFERRED TAX ASSETS

The assessment of the extent to which deferred tax assets can be recognized is based on an evaluation of the likelihood that future taxable income will be available to utilize against deductible temporary differences and accumulated tax losses. Deferred tax on the year's loss has not been recognized.

Significant considerations are required when assessing the impact of certain legal or economic restrictions or uncertainties in various tax jurisdictions. Group management has developed a plan for how the parent company and Polygiene Group will achieve taxable profits within a foreseeable future. The actual development of Polygiene Group and the parent company aligns with this plan.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Shares in subsidiaries are reported at acquisition value after deductions of any write-downs. Acquisition value includes the purchase price paid for the shares and acquisition costs.

IMPAIRMENT OF GOODWILL AND OTHER ASSETS

To assess the need for goodwill impairment, group management conducts an impairment test at least once per year based on expected future cash flows, using an appropriate discount rate.

The impairment need of all other individual assets or cash-generating units is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

DETERMINATION OF SEGMENTS

The Board of Directors and the CEO assess the operations of Polygiene Group to be two operating segments: Polygiene and Addmaster. These segments also form the basis for Polygiene Group's internal reporting. The foundation of these segments lies in the underlying technology.

The focus of these segments is on market and sales (i.e., customers and products), which is why only sales and gross profit are measured per segment. Other aspects are measured for Polygiene Group as a whole, as the focus is on consolidating functions to achieve synergies across all units.

PARENT COMPANY ACCOUNTING POLICIES

The parent company's annual report for 2024 has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and RFR 2 Accounting for Legal Entities. The parent company's accounting and valuation principles align with those of Polygiene Group, except as stated below.

When the parent company applies different accounting and valuation principles, this is specified under the parent company's accounting and valuation principles section.

The parent company does not apply IFRS 9 Financial Instruments or IFRS 16 Leases. All instruments in the parent company are measured at acquisition cost in accordance with ÅRL. All lease agreements in the parent company are recognized as expenses on a straight-line basis over the lease term.

FORMAT FINANCIAL REPORTING

The statements of profit and loss and the statement of financial position for the Parent Company are prepared in accordance with the formats in the Annual Accounts Act. The differences mainly consist of financial items in the report on comprehensive income and equity. The report over changes in shareholders' equity is prepared in the same format as for the Group but with columns as required by the Annual Accounts Act.

GROUP AND ASSOCIATED COMPANIES

Participations in group- and associated companies and joint ventures are recorded under the historical cost convention. There is no reclassification of assets for sale.

The need for impairment of the financial assets is tested at least once a year to determine whether there are changed circumstances that indicate an need for impairment.

TRADE RECEIVABLES AND ACCOUNTS PAYABLES

Some of the trade receivables and accounts payables are netted since they relate to the same party and will be settled net.

NOTE 2: NET SALES

The geographic market Global primarily involves sales to distributors. Only when the sale reaches the end customer is the revenue allocated to other geographic markets. This is the reason why the Global market may sometimes show negative sales.

PRIMARY GEOGRAPHIC MARKETS:			
2024			
GROUP	GOODS	ROYALTY	TOTAL
APAC	37,641	10,266	47,907
EMEA*	74,476	5,983	80,459
AMERICAS	18,453	6,398	24,851
GLOBAL	3,709	22	3,731
TOTAL	134,279	22,669	156,948
* In Sweden	-	-	-

PRIMARY GEOGRAPHIC MARKETS:

2023			
GROUP	GOODS	ROYALTY	TOTAL
APAC	27,388	10,648	38,036
EMEA*	62,138	4,948	67,086
AMERICAS	16,481	5,645	22,126
GLOBAL	-13,697	-9	-13,706
TOTAL	92,310	21,232	113,542
* In Sweden	27	-	27

The Group's revenues from agreements with customers can be divided into business areas as follows:

2024			
SEGMENT	GOODS	ROYALTY	TOTAL
Polygiene	59,199	22,670	81,869
Addmaster	75,079	-	75,079
TOTAL	134,278	22,670	156,948

2023			
SEGMENT	GOODS	ROYALTY	TOTAL
Polygiene	31,724	21,232	52,956
Addmaster	60,586	-	60,586
TOTAL	92,310	21,232	113,542

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

GOODS TRANSFERRED AT A POINT IN TIME:	2024	2023
Goods	134,278	92,310
Royalty	22,670	21,232
TOTAL	156,948	113,542

NOTE 3: SEGMENT REPORTING

Group management defines the group's business segments as Polygiene and Addmaster. The gross profit from these segments is monitored by Polygiene Group's executive decision-makers and serves as the basis for strategic decisions. Currently, no further segmentation monitoring is conducted. Reporting by segment is as follows:

GROUP				
2024				
REVENUE	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
Net sales	98,672	92,969	-34,693	156,948
Other income	6,623	644	-	7,267
TOTAL SEGMENT INCOME	105,295	93,613	-34,693	164,215
Cost of goods sold	-27,598	-43,751	18,183	-53,166
TOTAL SEGMENT GROSS PROFIT	77,697	49,862	-16,510	111,049

2023

REVENUE	POLYGIENE	ADDMASTER	ELIMINATION	TOTAL
Net sales	68,286	67,339	-22,083	113,542
Other income	5,459	458	-	5,917
TOTAL SEGMENT INCOME	73,745	67,797	-22,083	119,459
Cost of goods sold	-13,778	-29,710	7,101	-36,387
TOTAL SEGMENT GROSS PROFIT	59,967	38,087	-14,982	83,072

2024

SEGMENT ASSETS	POLYGIENE	ADDMASTER	TOTAL
Intangible assets	7,133	203,470	210,603
Tangible assets	2,734	1,015	3,749
TOTAL	9,867	204,485	214,352

2023

SEGMENT ASSETS	POLYGIENE	ADDMASTER	TOTAL
Intangible assets	8,372	189,112	197,484
Tangible assets	3,686	1,658	5,344
TOTAL	12,058	190,770	202,828

NOTE 4: REMUNERATION TO AUDITORS

	GROUP		PARENT COMPANY	
GRANT THORNTON SWEDEN AB	2024	2023	2024	2023
Audit engagement	615	638	603	626
Other services	47	33	47	33
TOTAL	662	671	650	659

NOTE 5: LEASES

	GROUP	
	2024-12-31	2023-12-31
Short-term	1,153	2,014
Long-term	1,482	1,876
TOTAL	2,635	3,890

The Group holds three lease agreements for office and residential facilities. The office premises are located in Malmö and Stafford (UK) with lease terms of three and five years, respectively, while the residential facilities in Malmö have a lease term of one year.

With the exception of short-term leases (leases with an expected lease term of twelve months or less) and leases for which the underlying asset has a low value, a right-of-use asset and a lease liability are recognized in the statement of financial position. The Group classifies its right-of-use assets as tangible fixed assets.

The borrowing rate was assessed at 4.5 % during the financial year.

The Group has elected not to recognize a lease liability for short-term leases. Payments for such lease agreements are expensed on a straight-line basis. Certain variable lease payments are not permitted to be recognized as lease liabilities and are therefore also expensed as incurred.

The total cash outflow related to leases for the financial year ended December 31, 2024, amounted to TSEK 1,546 (1,353).

Future minimum lease fees:

GROUP	MINIMUM LEASE PAYMENTS DUE			
	WITHIN 1 YEAR	1 TO 5 YEAR	AFTER 5 YEARS	TOTAL
2024-12-31	1,153	1,482	-	2,635
2023-12-31	2,014	1,876	-	3,890

PARENT COMPANY	MINIMUM LEASE PAYMENTS DUE			
	WITHIN 1 YEAR	1 TO 5 YEAR	AFTER 5 YEARS	TOTAL
2024-12-31	930	1,482	-	2,412
2023-12-31	1,780	1,652	-	3,432

Costs related to lease payments that are not included in the calculation of lease liabilities are as follows:

	GROUP	
	2024-12-31	2023-12-31
Short-term lease agreement	32	27
TOTAL	32	27

RIGHT-OF-USE ASSET

Changes in the recognized values of right-of-use assets are as follows:

	GROUP	
	2024-12-31	2023-12-31
Accumulated cost brought forward	6,750	3,153
Entered leasing agreement	221	3,449
Index adjustment	148	148
ACCUMULATED COST CARRIED FORWARD	7,119	6,750
Accumulated cost brought forward	-2,965	-1,578
Depreciation of the year	-1,385	-1,387
ACCUMULATED DEPRECIATION BROUGHT FORWARD	-4,350	-2,965
REPORTED VALUE	2,769	3,785

NOTE 6: EMPLOYEE BENEFITS EXPENSE

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Salaries - board and managing director	3,311	3,136	3,311	3,136
Salaries - other employees	24,207	23,197	8,586	9,723
Pensions, defined contribution plan - board and managing director	716	629	716	629
Pensions, defined contribution plan - other employees	1,369	1,299	755	730
Other statutory social security contributions	5,978	4,781	3,899	3,046
TOTAL	35,581	33,042	17,267	17,264

2024

	SALARIES AND BENEFITS	PENSIONS
Jonas Wallin, Chairman of the board	350	-
Håkan Lagerberg, Board member, resigned May 2024.	200	-
Pamela Ravasio, Board member, resigned May 2024.	200	-
Paul Morrison, Board member	200	-
Bengt Engström, Board member	200	-
Ulrika Björk, CEO	2,161	716
Other senior executives	3,326	405
TOTAL	6,637	1,121

Board Member Sofia Svensson has not received any compensation in 2024.

Polygiene Group has entered into an agreement with the CEO which entitles the CEO to severance pay equivalent to nine months' salary.

For information about warrants granted to senior executives, see page 30-31.

NOTE 7: AVERAGE NUMBER OF EMPLOYEES

GROUP	2024		2023	
	AVERAGE NUMBER OF EMPLOYEES*	WHEREOF MEN	AVERAGE NUMBER OF EMPLOYEES*	WHEREOF MEN
Sweden	14	4	15	6
EU	5	2	4	2
Rest of the world	24	12	25	11
TOTAL	43	18	44	19

PARENT COMPANY	2024		2022	
	AVERAGE NUMBER OF EMPLOYEES*	WHEREOF MEN	AVERAGE NUMBER OF EMPLOYEES*	WHEREOF MEN
Sweden	14	4	15	6
EU	1	-	1	-
Rest of the world	5	4	7	5
TOTAL	20	8	23	11

* includes 13 (9) consultants.

NOTE 8: SPLIT BY GENDER IN THE BOARD

The Board includes 1 (1) women.

NOTE 9: SHARE BASED PAYMENTS

Polygiene Group offers a warrant program to all its employees and contracted consultants. These programs are based on the performance of the parent company's shares over a three-year period. Each warrant grants the holder the right to purchase a share in the parent company at a predetermined price. The calculation of warrant premiums and exercise prices is conducted by an independent valuation expert hired by Polygiene Group. It's important to note that participation in these warrant programs is not contingent upon the participant's employment status or engagement with Polygiene Group.

During the year, Program 4 expired without any exercises.

Below are the warrants and their corresponding weighted average exercise prices for the current reporting periods:

GROUP	NUMBER OF WARRANTS.		
	PROGRAM 5	PROGRAM 6	PROGRAM 7
Granted	300,000	300,000	265,000
OUTSTANDING DEC 31, 2024	300,000	300,000	265,000

The fair value of the allocated warrants was determined using the Black-Scholes model, which considers factors specifically related to incentive programs. The condition regarding total return of the programs 5, 6, and 7 is a market condition incorporated into the valuation using actuarial models. The following key assumptions were utilized in the valuation:

GROUP	PROGRAM 5	PROGRAM 6	PROGRAM 7
GRANT DATE	2022-06-01	2023-06-01	2024-06-01
Share price at date of grant (SEK)	13.31	5.76	9,00
Warrant life	3 years	3 years	3 år
Fair value per option at grant date (SEK)	0.61	0.31	0,44
Exercise price at date of grant (SEK)	26.62	11.52	18,00
Exercisable from	2025-06-01	2026-06-01	2027-06-01
to	2025-06-30	2026-06-30	2027-06-30
Weighted average remaining contractual life	6 months	18 months	30 months

NOTE 10: OTHER INTEREST INCOME/ COST AND SIMILAR ITEMS

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Interest income	957	435	122	130
Intercompany interest income	-	-	6	13
Exchange rate difference	2,812	2,751	1,089	687
TOTAL	3,769	3,186	1,217	830

	GROUP		PARENT COMPANY	
	2024	2023	2024	2023
Interest expenses	-48	-103	-1	-
Intercompany interest expense	-	-	-973	-575
Exchange rate difference	-3,994	-3,569	-1,904	-1,041
TOTAL	-4,042	-3,672	-2,878	-1,616

NOTE 11: TAX EXPENSE

The main components of the tax expense for the year and the relationship between the expected tax expense based on the Swedish effective tax rate for the group at 20.6 (20.6)% and the reported tax expense in the income statement are as follows:

GROUP	2024	2023
Net profit for the year before tax	12,881	-313,075
Domestic tax rate Parent Company	20.6%	20,6%
Expected tax expense	-2,653	64,493
Non deductible cost	-1,003	-513
Non taxable revenue	1,024	1,451
Non-deductible impairment	-	-60,770
Adjustment of prior year's tax	-149	729
Reversed withholding tax	-1,573	-8,370
Adjustment foreign subsidiaries	-1,115	-472
Change in deferred tax	-161	-
Loss carryforwards - unrecognized deferred tax	-2,411	-5,421
INCOME TAX EXPENSE IN PROFIT OR LOSS	-8,041	-8,873

TAX COMPONENTS:

Tax on profit or loss	-6,158	-1,232
Reversed withholding tax	-1,573	-8,370
Changes in deferred tax	-161	-
Adjustment of prior year's tax	-149	729
INCOME TAX EXPENSE IN PROFIT AND LOSS	-8,041	-8,873

PARENT COMPANY	2024	2023
Net profit for the year before tax	31,011	-179,108
Domestic tax rate for the Parent Company	20,6%	20,6%
Expected tax expense	-6,388	36,896
Non deductible cost	-72	-64
Non taxable income	8,579	2,950
Non deductible write-down	-	-33,576
Reversed withholding tax	-1,573	-8,370
Loss carryforwards - unrecognized deferred tax	-2,119	-6,206
INCOME TAX EXPENSE IN PROFIT AND LOSS	-1,573	-8,370

TAX COMPONENTS:

Reversed withholding tax	-8,730	-4,530
Change in deferred tax	-	2,936
INCOME TAX EXPENSE IN PROFIT AND LOSS	-8,730	-1,594

NOTE 12: EARNINGS PER SHARE AND DIVIDENDS

Both basic and diluted earnings per share have been computed using the profit attributable to shareholders in the parent company as the numerator. The reconciliation of the weighted average number of shares used to calculate diluted earnings per share can be cross-checked against the weighted average number of ordinary shares employed in computing basic earnings per share, as outlined below:

NUMBERS OF SHARES	2024	2023
Weighted average number of shares used in basic earnings per share before dilution	36,526,989	36,526,989
Granted warrants program 5, 6, 7	865,000	900,000
WEIGHTED AVERAGE NUMBER OF SHARES USED IN BASIC EARNINGS PER SHARE AFTER DILUTION	37,391,989	37,426,989

NOTE 13: INTANGIBLE FIXED ASSETS

DEVELOPING ASSETS

GROUP	2024-12-31	2023-12-31
Accumulated cost brought forward	9,434	7,369
Purchase of the year	1,417	2,065
Exchange rate difference	8	-
ACCUMULATED COST CARRIED FORWARD	10,859	9,434
Accumulated depreciation brought forward	-4,287	-2,697
Depreciation of the year	-1,837	-1,590
ACCUMULATED DEPRECIATION CARRIED FORWARD	-6,124	-4,287
BOOKED VALUE	4,735	5,147

PARENT COMPANY	2024-12-31	2023-12-31
Accumulated cost brought forward	9,337	7,369
Purchase of the year	1,418	1,968
ACCUMULATED COST CARRIED FORWARD	10,755	9,337
Accumulated depreciation brought forward	-4,283	-2,697
Depreciation for the year	-1,816	-1,586
ACCUMULATED DEPRECIATION CARRIED FORWARD	-6,099	-4,283
BOOKED VALUE	4,656	5,054

SOFTWARE AND LICENSES

GROUP	2024-12-31	2023-12-31
Accumulated cost brought forward	7,762	6,664
Purchase of the year	123	1,125
Currency translation	-5	-27
ACCUMULATED COST CARRIED FORWARD	7,880	7,762
Accumulated depreciation brought forward	-4,045	-3,038
Depreciation of the year	-983	-1,031
Currency translation	-6	24
ACCUMULATED DEPRECIATION CARRIED FORWARD	-5,034	-4,045
BOOKED VALUE	2,846	3,717

PARENT COMPANY	2024-12-31	2023-12-31
Accumulated cost brought forward	7,289	6,486
Purchase of the year	17	803
ACCUMULATED COST CARRIED FORWARD	7,306	7,289
Accumulated depreciation brought forward	-3,971	-2,996
Depreciation of the year	-858	-975
ACCUMULATED DEPRECIATION CARRIED FORWARD	-4,829	-3,971
BOOKED VALUE	2,477	3,318

GOODWILL

GROUP	2024-12-31	2023-12-31
Accumulated cost brought forward	185,897	461,478
Currency translation	15,145	19,419
Impairment	-	-295,000
ACCUMULATED COST CARRIED FORWARD	201,042	185,897
BOOKED VALUE	201,042	185,897

EVALUATION OF GOODWILL IMPAIRMENT

The cash-generating unit comprising the Addmaster segment is the only unit with recognized goodwill values, amounting to 201,042 TSEK. The impairment test for this unit is based on a calculation of its value in use. This value is derived from cash flow projections over a total of five years, with the first year based on the unit's budget for the upcoming financial year.

The projected cash flows for the five years following 2024 assume an average annual growth of 11 (21)%, an increase in gross profit of 11 (21)%, and an increase in operating expenses of 7 (8)%. After five years, a long-term growth rate of 2% has been assumed. The projected cash flows have been discounted at a post-tax discount rate of 12,8%.

Key assumptions in the forecasts are described below.

REVENUE GROWTH

The growth of revenues is based on the unit's business plan. This includes a general market growth concerning existing customers, the unit's planned launch of existing products in new markets, new customers, and new products and solutions.

COST OF GOODS SOLD AND GROSS PROFIT

The cash flow forecast is based upon a retained margin percentage. The assumption is based upon the fact that historically Polygiene Group has been able to compensate for cost increases. Synergies and volume growth is also expected to have a positive impact.

SENSITIVITY ANALYSIS

Polygiene Group conducted a sensitivity analysis as part of its impairment assessment. The forecast is based on revenue growth, primarily driven by the recovery of existing customers.

A deviation of 1 percentage point in WACC results in an impairment need of MSEK -3.5, while a deviation of 2 percentage points in the EBITDA margin leads to an impairment need of MSEK -1.4. A 15% decrease in revenue during the forecast period would result in an impairment need of approximately MSEK -52.

TRADEMARKS

GROUP	2024-12-31	2023-12-31
Accumulated cost brought forward	4,468	4,403
Currency translation	368	65
ACCUMULATED COST CARRIED FORWARD	4,836	4,468
Accumulated depreciation brought forward	-1,745	-839
Depreciation of the year	-945	-926
Currency translation	-166	20
ACCUMULATED DEPRECIATION CARRIED FORWARD	-2,856	-1,745
BOOKED VALUE	1,980	2,723

NOTE 14: TANGIBLE FIXED ASSETS

GROUP	2024-12-31	2023-12-31
Accumulated cost brought forward	2,350	1,005
Purchase of the year	48	1,331
Currency translation	179	14
ACCUMULATED COST CARRIED FORWARD	2,577	2,350
Accumulated depreciation brought forward	-791	-349
Depreciation of the year	-716	-450
Currency translation	-90	8
ACCUMULATED DEPRECIATION CARRIED FORWARD	-1,597	-791
BOOKED VALUE	980	1,559

PARENT COMPANY	2024-12-31	2023-12-31
Accumulated cost brought forward	636	605
Purchase of the year	21	31
Currency translation	-	-
ACCUMULATED COST CARRIED FORWARD	657	636
Accumulated depreciation brought forward	-334	-142
Depreciation of the year	-196	-192
Currency translation	-	-
ACCUMULATED DEPRECIATION CARRIED FORWARD	-530	-334
BOOKED VALUE	127	302

NOTE 15: FOREIGN WITHHOLDING TAX

	GROUP		PARENT COMPANY	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accumulated cost brought forward	-	7 007	-	7 007
Balanced withholding tax during the year	1,573	1 363	1,573	1 363
Reversed withholding tax during the year	-1,573	-8 370	-1,573	-8 370
ACCUMULATED COST CARRIED FORWARD	-	-	-	-
BOOKED VALUE	-	-	-	-

NOTE 16: FINANCIAL ASSETS AND LIABILITIES

CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

GROUP		
FINANCIAL ASSETS	2024-12-31	2023-12-31
Trade receivables	28,707	22,366
Other receivables	1,656	3,748
Cash and cash equivalents	68,738	44,146
TOTAL SHORT-TERM FINANCIAL ASSETS	99,101	70,260
FINANCIAL LIABILITIES	2024-12-31	2023-12-31
AMORTIZED COSTS		
Leasing office premises	1,482	1,876
TOTAL LONG-TERM FINANCIAL LIABILITIES	1,482	1,876
FINANCIAL LIABILITIES	2024-12-31	2023-12-31
AMORTIZED COSTS		
Leasing office premises	1,153	2,014
Accounts payable	11,870	7,388
Trade and other payables	3,888	472
TOTAL SHORT-TERM FINANCIAL LIABILITIES	16,911	9,874

PARENT COMPANY		
FINANCIAL ASSETS	2024-12-31	2023-12-31
AMORTIZED COSTS		
Shares in subsidiary	296,628	296,578
Receivables group companies	-	716
TOTAL LONG-TERM FINANCIAL ASSETS	296,628	297,294
Trade and other receivables*	22,297	16,678
Other receivables	909	697
Cash & bank	26,948	3,240
TOTAL SHORT-TERM FINANCIAL ASSETS	50,154	20,615

FINANCIAL LIABILITIES	2024-12-31	2023-12-31
AMORTIZED COSTS		
Liability to group companies	18,496	11,315
TOTAL LONG-TERM FINANCIAL LIABILITIES	18,496	11,315
Trade and other payables*	5,309	16,609
Other liabilities	359	157
TOTAL SHORT-TERM FINANCIAL LIABILITIES	5,668	16,766

* Including intercompany transactions.

The reported amounts for financial assets and liabilities are considered a reasonable approximation of fair value.

NOTE 17: PARTICIPATIONS IN GROUP COMPANIES

GROUPS COMPOSITION

NAME	REG.NO	SHARE , %	
		2024	2023
Polygiene Services AB	559129-0936	100	100
Polygiene Shanghai Ltd	n/a	100	100
Polygiene (HK) Ltd	n/a	100	100
Addmaster (UK) Ltd	5024738	100	100
Biomaster US LLC	27-0806326	100	100
Polygiene Germany GmbH	DE361237475	100	100

Addmaster Holdings Ltd and Biomaster Ltd are dormant.

CHANGES DURING YEAR:

PARENT COMPANY	2024-12-31	2023-12-31
Accumulated cost brought forward	296,578	459,479
Capital contribution	50	140
Impairment	-	-162,991
ACCUMULATED COST CARRIED FORWARD	296,628	296,578

The shares in Addmaster (UK) Ltd were written down in 2023 as a result of the impairment test of goodwill in the Group.

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

GROUP

CHANGES DURING YEAR	2024-01-01	REPORTED IN THE INCOME STATEMENT	2024-12-31
Tax on losses carryforwards	7 478	-	7 478
Temporary difference in depreciation of fixed assets	-	-202	-202
TOTAL	7 478	-202	7 276

CHANGES DURING YEAR	2023-01-01	REPORTED IN THE INCOME STATEMENT	2023-12-31
Tax on losses carryforwards	7 478	-	7 478
TOTAL	7 478	-	7 478

PARENT COMPANY

CHANGES DURING YEAR	2024-01-01	REPORTED IN THE INCOME STATEMENT	2024-12-31
Tax on losses carryforwards	7,478	-	7,478
TOTAL	7,478	-	7,478

CHANGES DURING YEAR	2023-01-01	REPORTED IN THE INCOME STATEMENT	2023-12-31
Tax on losses carryforwards	7,478	–	7,478
TOTAL	7,478	–	7,478

Total accumulated losses amount to 92.5 MSEK. There is no due date for the losses.

NOTE 19: TRADE AND OTHER RECEIVABLE

	GROUP		PARENT COMPANY	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accounts receivable - gross	31,972	23,508	24,474	17,768
Bad debt	-95	-52	–	–
TRADE RECEIVABLES	31,877	23,456	24,474	17,768
FINANCIAL ASSETS	31,877	23,456	24,474	17,768
Setoff against accounts payable	-3,170	-1,090	-3,170	-1,090
NON FINANCIAL ASSETS	-3,170	-1,090	-3,170	-1,090
TOTAL	28,707	22,366	21,304	16,678

Total credit exposure is MSEK 32 (24).

NOTE 20: OTHER RECEIVABLES/ ACCRUED REVENUE AND PREPAID EXPENSES

	GROUP		PARENT COMPANY	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
OTHER RECEIVABLES				
Other receivables	1,656	1,529	909	697
Setoff against trade payables	–	2,219	–	–
TOTAL	1,656	3,748	909	697
ACCRUED REVENUE AND PREPAID EXPENSES				
Accrued unbilled revenue	–	887	–	887
Accrued revenue and prepaid expenses	1,895	2,122	1,781	1,925
TOTAL	1,895	3,009	1,781	2,812

NOTE 21: CASH AND CASH EQUIVALENTS

	GROUP		PARENT COMPANY	
CASH AT BANK AND IN HAND	2024-12-31	2023-12-31	2024-12-31	2023-12-31
- SEK(TSEK 150 blocked)	2,465	1,203	1,437	290
- EUR	5,982	13,111	1,276	161
- USD	22,649	19,025	12,494	1,860
- GBP	29,516	4,758	11,741	929
- CNY	8,101	6,049	–	–
- JPY	25	–	–	–
TOTAL	68,738	44,146	26,948	3,240

NOTE 22: EQUITY

PARENT COMPANY SHARE CAPITAL

The share capital of the parent company consists solely of fully paid-up common shares with a par value of SEK 0.10/share. All shares have equal rights to dividends and repayment of invested capital and represent one vote at the parent company's shareholders' meeting.

SHARES ISSUED AND FULLY PAID:	2024-12-31	2023-12-31
Beginning of the year	36,526,989	36,526,989
SHARES ISSUED AND FULLY PAID	36,526,989	36,526,989
TOTAL SHARES AUTHORISED AT DECEMBER 31	36,526,989	36,526,989

NOTE 23: TRADE PAYABLES

	GROUP		PARENT COMPANY	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Trade payables gross	15,040	6,259	8,479	17,699
Trade payables setoff against receivables	-3,170	1,129	-3,170	-1,090
TOTAL	11,870	7,388	5,309	16,609

NOTE 24: PLEDGED COLLATERAL

	GROUP		PARENT COMPANY	
FOR OWN PROVISIONS AND LIABILITIES:	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Company mortgage	5,000	5,000	5,000	5,000
Deposit funds	150	150	150	150

Deposited funds are attributed to lease agreements for the Parent Company's head office.

NOTE 25: RELATED PARTY TRANSACTIONS

GROUP	2024	2023
PURCHASES		
Rudholm & Haak (HK) Ltd -goods	3,080	4,174
Rudholm & Haak AB -goods	120	159
Rudholm tekstil aksesuarlari sanayi ve tic Ltd -goods	27	11

PARENT COMPANY	2024	2023
SALES		
Addmaster Ltd - services	11,459	10,974
Addmaster Ltd - goods	199	-
Biomaster US LLC - services	244	201
Biomaster US LLC - goods	70	-
Polygiene Shanghai - services	880	923

	2024	2023
PURCHASES		
Addmaster Ltd -goods	16,188	5,367
Polygiene Germany GmbH - services	3,937	3,520
Rudholm & Haak (HK) Ltd -goods	3,080	4,174
Rudholm & Haak AB -goods	120	159
Rudholm tekstil aksesuarlari sanayi ve tic Ltd -goods	27	11

Rudholm & Haak is Polygiene Group's largest supplier of hangtags and labels. The company is a related party as Polygiene Group's Chairman of the Board also has influence over this company. See page 29. There are no outstanding balances or provisions. Transactions are priced at arm's length.

NOTE 26: POST-REPORTING DATE EVENTS

No significant events have occurred after the balance sheet date.

NOTE 27: NON-CASH ADJUSTMENTS

	GROUP		PARENT COMPANY	
	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Depreciation and write-downs - non financial items	5,866	5,384	2,870	2,752
Goodwill impairment	-	295,000	-	-
Unrealized exchange rate gains and losses	-3,989	-709	-517	-1,656
Other adjustments	202	-127	-	-
TOTAL ADJUSTMENTS	2,079	299,548	2,353	1,096

NOTE 28: CONTINGENT LIABILITIES

The Board has not identified any contingent liabilities in the Group or Parent Company during the financial year.

NOTE 29: CONTINGENT ASSETS

The Board has not identified any contingent assets in the Group or Parent Company during the financial year.

NOTE 30: DEFINITION OF BUSINESS RATIOS

Equity/assets ratio - Equity as a ratio of total assets.

Gross margin - profit after cost of goods sold divided by net sales.

Operating profit before depreciation (EBITDA) - profit before depreciation, amortization, interest, and taxes.

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

Operating profit (EBIT) - Profit before interest and tax.

NOTE 31: FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND PRINCIPLES

The Group is exposed to various risks regarding financial instruments. Summarized information about the Group's financial assets and financial liabilities divided into categories is provided in Note 16.

The main risk types are market risk, credit risk, and liquidity risk. The Group's risk management is coordinated at its headquarters in close collaboration with the board and actively focuses on securing the Group's cash flows by minimizing exposure to volatile financial markets. The Group does not actively engage in trading financial assets for speculative purposes.

MARKET RISK ANALYSIS

The Group is exposed to market risk through its use of financial instruments, particularly currency risk, interest rate risk, and certain other price risks, as a result of both operating and investing activities.

FOREIGN CURRENCY SENSITIVITY

Exposures to exchange rate fluctuations arise from the Group's sales to and purchases from other countries. Sales and purchases are primarily made in USD and GBP, with the majority of fixed costs incurred in GBP and SEK.

Consistent with previous assessments, the Group does not use instruments to hedge currency exposures. Financial assets and liabilities in foreign currency that expose the Group to currency risk are described below. The amounts shown are those reported to Group management translated into SEK at the exchange rate on the balance sheet date:

GROUP	SHORT-TERM EXPOSURE		
2024-12-31	USD	GBP	OTHER
Financial assets	43,754	35,388	16,519
Financial liabilities	49	8,088	6,960
TOTAL EXPOSURE	43,803	43,476	23,479

2023-12-31	USD	GBP	OTHER
Financial assets	35,306	10,781	22,207
Financial liabilities	744	4,150	1,662
TOTAL EXPOSURE	36,050	14,931	23,869

PARENT COMPANY			
2024-12-31	USD	GBP	OTHER
Financial assets	32,190	11,741	2,254
Financial liabilities	-328	57	3,760
TOTAL EXPOSURE	31,862	11,798	6,014

2023-12-31	USD	GBP	OTHER
Financial assets	17,542	929	1,627
Financial liabilities	742	13,485	427
TOTAL EXPOSURE	18,284	14,414	2,054

If SEK had strengthened against USD by 10 (10) % and against GBP by 5 (5) %, this would have had the following effect on the year's result:

GROUP	USD	GBP	TOTAL
2024-12-31	4,371	1,365	5,736
2023-12-31	3,456	332	3,788

PARENT COMPANY	USD	GBP	TOTAL
2024-12-31	3,252	584	3,836
2023-12-31	1,680	-628	1,052

TRANSACTIONS OF SALES AND PURCHASES	USD	GBP	TOTAL
Group 2024	6,944	-167	6,777
Parent company 2024	4,807	-271	4,536

GOODWILL REVALUATION	USD	GBP	TOTAL
2024-12-31	37	751	788
2023-12-31	-13	973	960

If SEK had weakened against USD by 10 (10) % and against GBP by 5 (5) %, this would have had the following effect on the year's result:

GROUP	USD	GBP	TOTAL
2024-12-31	-4,371	-1,365	-5,736
2023-12-31	-3,456	-332	-3,788

PARENT COMPANY	USD	GBP	TOTAL
2024-12-31	-3,252	-584	-3,836
2023-12-31	-1,680	628	-1,052

TRANSACTIONS OF SALES AND PURCHASES	USD	GBP	TOTAL
Group 2024	-6,944	167	-6,777
Parent company 2024	-4,807	271	-4,536

GOODWILL REVALUATION	USD	GBP	TOTAL
2024-12-31	-37	-751	-788
2023-12-31	13	-973	-960

The Group's goodwill is denominated in British pounds (GBP) and is therefore revalued each quarter with resulting currency effects. As this is not a monetary item, the board has not seen any opportunity to hedge against this currency effect, which will impact the Group's comprehensive income.

CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk from financial assets including cash and cash equivalents held at bank, trade and other receivables.

CREDIT RISK MANAGEMENT

The credit risk is managed at the group level based on the group's policies and procedures for credit risk management.

The credit risk related to liquid assets in banks and bank deposits is managed through deposits with large and reputable financial institutions.

The Group continuously monitors the credit quality of customers based on a credit rating report. The Group's policy is to only accept creditworthy counterparties. Credit terms range from 30 to 90 days. Credit terms negotiated specifically with the customer must be internally approved through an internal process. Ongoing credit risk is managed through regular review of the aging analysis along with credit limits per customer.

The majority of accounts receivable consist of around ten distributors who are recurring customers.

SECURITY

Some of the customers are located in a region that applies prepayment as tradition and the Group follows current regulations and requests payments before delivery.

ACCOUNTS RECEIVABLE

The Group applies the simplified approach under IFRS 9 for recognizing expected credit losses over the remaining lifetime of all trade receivables, as these items do not contain a significant financing component.

In assessing expected credit losses, trade receivables have been evaluated collectively as they share common credit risk characteristics. They have been grouped based on the number of overdue days and the geographical location of customers.

The expected losses are based on the payment profile of sales over the past 48 months prior to December 31, 2024, and January 1, respectively, as well as corresponding historical credit losses during that period.

Trade receivables are written off (i.e., removed from the accounts) when there is no reasonable expectation of payment. Failure to make payments within 180 days from the invoice date and the inability to agree on an alternative payment plan with the Group are among the indicators that there is no probable expectation of receiving payment.

Based on the above, the expected credit loss for trade receivables is considered negligible. The Group has historically experienced very low credit losses, and the assessment is that overdue receivables are expected to be settled.

GROUP THE CUSTOMER RECEIVABLES MATURITY STRUCTURE	REPORTED VALUE	
	2024-12-31	2023-12-31
Not due	25,465	16,732
More then 30 days	287	818
More then 60 days	235	1,258
More then 90 days	2,720	3,558
TOTAL	28,707	22,366

PARENT COMPANY THE CUSTOMER RECEIVABLES MATURITY STRUCTURE	REPORTED VALUE	
	2024-12-31	2023-12-31
Not due	17,788	11,406
More then 30 days	6	344
More then 60 days	160	1,279
More then 90 days	2,786	3,649
TOTAL	20,740	16,678

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

GROUP TRADE PAYABLES MATURITY STRUCTURE	REPORTED VALUE	
	2024	2023
Not due for renewal	8,345	5,842
Past due 1 - 30 days	3,487	1,460
Past due 30 - 60 days	38	44
Overdue > 60 days	–	42
TOTAL	11,870	7,388

LEASE LIABILITIES MATURITY STRUCTURE	REPORTED VALUE	
	2024	2023
Within 1 year	1,153	2,014
1-5 years	1,482	1,876

PARENT COMPANY TRADE PAYABLES MATURITY STRUCTURE	REPORTED VALUE	
	2024	2023
Not past due	5,285	4,880
Past due 1 - 30 days	–	1,443
Overdue 30 - 60 days	–	122
Overdue > 60 days	–	10,164
TOTAL	5,285	16,609

NOTE 32: CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

Polygiene Group monitors its capital position based on the reported value of equity, adjusted for liquid assets as presented in the statement of financial position, along with cash flow hedges reported in other comprehensive income. Our management continuously evaluates Polygiene Group's capital requirements to uphold an effective overall financing structure, ensuring prudent leverage levels. This includes assessing various debt classes within the Group. We actively manage the capital structure, making necessary adjustments in response to changing economic conditions and the risk profile of our underlying assets. To maintain or optimize our capital structure, Polygiene Group may adjust dividend distributions, issue new shares, or divest assets to reduce debt levels.

NOTE 33: APPROPRIATIONS OF EARNINGS

The following profit/loss brought forward are to be decided upon by the Annual General Meeting:

TSEK

Share premium reserve	517,838
Loss brought forward	-222,256
Result of the year	29,438
	325,020

THE BOARD PROPOSES THAT THE ACCUMULATED PROFIT BE TREATED AS

to be paid out as dividend	9,862
to be carried forward to the new account	315,158
TOTAL	325,020

NOTE 34: AUTHORIZATION OF FINANCIAL STATEMENTS

The Group's financial statements for the fiscal year ended December 31, 2024 (including comparative figures) were approved by the Board on April 2, 2025.

MALMÖ, APRIL 2, 2025

Ulrika Björk
CEO

Sofia Svensson
Styrelseledamot

Jonas Wollin
Styrelseordförande

Bengt Engström
Styrelseledamot

Paul Morris
Styrelseledamot

HELSINGBORG, APRIL 4, 2025

GRANT THORNTON SWEDEN AB

Per Kjellander
Authorised Public Accountant

AUDITOR'S REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF POLYGIENE GROUP AB (PUBL), CORPORATE IDENTITY NUMBER 556692-4287

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have conducted an audit of the annual report and consolidated financial statements for Polygiene Group AB (publ) for the year 2024. The company's annual report and consolidated financial statements are included on pages 32-57 of this document. In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and provides, in all material respects, a fair view of the financial position of the parent company as of December 31, 2024, as well as its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and, in all material respects, provide a fair view of the Group's financial position as of December 31, 2024, as well as its financial performance and cash flows for the year in accordance with IFRS accounting standards as adopted by the EU and the Annual Accounts Act. The management report is consistent with the other parts of the annual report and the consolidated financial statements. We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for both the parent company and the Group.

BASIS FOR OPINIONS

We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility under these standards is further described in the section Auditor's Responsibility. We are independent in relation to the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional 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 opinions.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual report and consolidated financial statements, which can be found on pages 1-31 and 61-62. The Board of Directors and the Chief Executive Officer are responsible for this other information. Our statement regarding the annual report and consolidated financial statements does not cover this information, and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual report and consolidated financial statements, it is our responsibility

to read the information identified above and consider whether it is materially inconsistent with the annual report and consolidated financial statements. In this review, we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information appears to contain any material misstatements.

If, based on the work performed on this information, we conclude that it contains a material misstatement, we are required to report this. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the annual report and the consolidated financial statements are prepared and provide a fair presentation in accordance with the Annual Accounts Act and, with respect to the consolidated financial statements, in accordance with IFRS accounting standards as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for the internal control they deem necessary to prepare an annual report and consolidated financial statements that are free from material misstatements, whether due to fraud or error. In preparing the annual report and the consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the company's and the Group's ability to continue as a going concern. Where applicable, they provide disclosures regarding conditions that may affect the ability to continue operations and the use of the going concern assumption. However, the going concern assumption is not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objective is to obtain reasonable assurance as to whether the annual report and the consolidated 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 opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements may arise from fraud or error and are considered material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users based on the annual report and the

consolidated financial statements. As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. Additionally:

- we identify and assess the risks of material misstatements in the annual report and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures based on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one caused by error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- we gain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- we evaluate the appropriateness of the accounting policies used and the reasonableness of the estimates made by the Board of Directors and the Chief Executive Officer, as well as related disclosures.
- we conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's use of the going concern assumption in preparing the annual report and the consolidated financial statements. We also conclude, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company or a Group to cease to continue as a going concern.
- we evaluate the overall presentation, structure, and content of the annual report and the consolidated financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that provides a fair presentation.
- we plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the group audit. We are solely responsible for our opinions.

We must inform the Board of Directors about, among other things, the planned scope and focus of the audit as well as its timing. We must also communicate significant findings from the audit, including any material deficiencies in internal control that we have identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OPINIONS

In addition to our audit of the annual report and the consolidated financial statements, we have also conducted an audit of the administration by the Board of Directors and the Chief Executive Officer of Polygiene Group AB (publ) for the year 2024, as well as the proposed appropriation of the company's profit or loss. We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the management report and grant discharge from liability to the members of the Board of Directors and the Chief Executive Officer for the financial year.

BASIS FOR OPINIONS

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility under these standards is further described in the section Auditor's Responsibility. We are independent in relation to the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional 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 opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal regarding the appropriation of the company's profit or loss. In the case of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements imposed by the nature, scope, and risks of the company's and the Group's operations on the size of the parent company's and the Group's equity, the need for consolidation, liquidity, and overall financial position.

The Board of Directors is responsible for the organization of the company and the management of its affairs. This includes continuously assessing the financial situation of the company and the Group and ensuring that the company's organization is structured in such a way that accounting, asset management, and the company's financial affairs are controlled in a reliable manner. The Chief Executive Officer is responsible for managing the company's day-to-day operations in accordance with the guidelines and instructions provided by the Board of Directors and must, among other things, take the necessary measures to ensure that the company's accounting is carried out in compliance with applicable laws and that asset management is conducted in a secure manner.

AUDITOR'S RESPONSIBILITY

Our objective regarding the audit of the administration, and thereby our statement on discharge from liability, is to obtain audit evidence to assess with a reasonable level of assurance whether any member of the Board of Directors or the Chief Executive Officer, in any material respect:

- has undertaken any action or been guilty of any negligence that could give rise to liability for damages against the company, or
- has in any other way acted in violation of the Swedish Companies Act, the Annual Accounts Act, or the company's Articles of Association.

Our objective regarding the audit of the proposal for the appropriation of the company's profit or loss, and thereby our statement on this matter, is to assess with a reasonable level of assurance whether the proposal complies with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that could give rise to liability for damages against the company or that a proposal for the appropriation of the company's profit or loss is in compliance with the Swedish Companies Act.

As part of an audit conducted in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The review of the administration and the proposal for the appropriation of the company's profit or loss is primarily based on the audit of the financial statements. The additional audit procedures performed are based on our professional assessment, considering risk and materiality. This means that we focus our review on those actions, areas, and circumstances that are significant to the company's operations and where deviations or violations would have a particular impact on the company's situation.

We review and assess decisions made, decision-making documentation, actions taken, and other relevant circumstances for our statement on discharge from liability. As the basis for our statement on the Board of Directors' proposal for the appropriation of the company's profit or loss, we have examined the Board's reasoned statement and a selection of supporting documents to assess whether the proposal complies with the Swedish Companies Act.

**Helsingborg, April 4, 2025,
Grant Thornton Sweden AB**



Per Kjellander
Authorised Public Accountant

ANNUAL GENERAL MEETING AND FINANCIAL CALENDAR

ANNUAL SHAREHOLDERS' MEETING

The Annual General Meeting of Polygiene will be held on Thursday, May 8, 2025.

RIGHT TO PARTICIPATE AND NOTIFICATION

Shareholders wishing to attend the Annual General Meeting must:

- be registered in the share register maintained by Euroclear Sweden AB on Tuesday, April 9, 2025,
- notify the company no later than Friday, May 2, 2025, in writing to Polygiene Group AB, following the instructions in the notice of the Annual General Meeting.

TRUSTEE REGISTERED SHARES

Shareholders who have their shares nominee-registered through a bank or another nominee must, to be entitled to participate in the Annual General Meeting, request to be temporarily registered in the share register maintained by Euroclear Sweden AB (so-called voting rights registration). The nominee must have completed the voting rights registration no later than Friday, May 2, 2025, which means that shareholders who wish to make such voting rights registration must notify the nominee well in advance of said date.

PROXY ETC.

If shareholders are to be represented by a proxy, the proxy must bring a written, dated, and signed power of attorney to the Annual General Meeting. The power of attorney must not be older than one year, unless a longer validity period (up to a maximum of five years) has been stated in the power of attorney. If the power of attorney has been issued by a legal entity, the proxy must also bring the relevant registration certificate or equivalent authorization document for the legal entity. To facilitate entry, a copy of the power of attorney and other authorization documents should be attached to the notification of attendance to the Annual General Meeting. Power of attorney forms are available on the company's website (ir.polygiene.se) and are sent by post to shareholders who contact the company and provide their address.

FINANCIAL CALENDAR 2025

Annual Report 2024	April 17
Interim Report Q1	April 24
Annual General Meeting	May 8
Interim Report Q2	July 24
Interim Report Q3	October 23
Year End Report	February 12, 2026

QUESTIONS ABOUT THE ANNUAL REPORT

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