



intellego
technologies



INTELLEGO TECHNOLOGIES INTERIM REPORT Q2 2024


Contact Us

Intellego Technologies AB

Phone +46 (0)735 34 46 34

Mail info@intellego-technologies.com

C/O iOffice: Kungsgatan 60, 111 22 Stockholm , Sweden



Financial Development in Summary

THE GROUP TSEK

	2024 1/4-30/6	2023 1/4-30/6	2024 1/1-30/6	2023 1/1-30/6	2023 1/1-31/12
Net sales	54 691	44 839	132 462	87 708	186 493
Other operating income	0	355	6	357	738
Operating expenses	-33 740	-25 619	-69 435	-49 322	-104 106
Operating results	20 951	19 574	63 033	38 742	83 125
Profit after financial items	18 029	15 358	56 969	30 534	68 830
Profit after tax	13 224	11 737	48 883	25 624	59 604
Cash flow from current operations	9 886	-10 040	43 979	-26 365	-20 144
Cash and cash equivalents on balance sheet date	9 872	4 895	9 872	4 895	8 062
Equity at the balance sheet date	228 140	105 110	228 140	105 110	151 218
Key figures					
Return on equity, %	7,90	16,61	24,97	29,05	45,52
Earnings per share, before dilution, SEK	0,48	0,47	1,76	1,03	2,26
Equity ratio %	66	49	66	49	60
Equity per share, SEK	8,20	4,21	8,20	4,21	5,74
Cash flow from current operations per share, SEK	0,36	-0,40	1,58	-1,06	-0,76
Number of employees at the end of the period	64	68	62	68	68
Number of shares					
Number of shares on the balance sheet date	27 822 614	20 723 586	27 822 614	24 973 494	26 352 614
Number of shares average	26 982 614	19 702 660	27 667 614	24 316 693	24 460 102



A Message from the CEO

Intellego's journey of growth continued during Q2 and we are on track of achieving our goal of reaching over 300 million SEK in revenue with a connected EBIT of over 110 million SEK in 2024. In addition, Intellego now sees significant improvements in cash flow, which will continue, and the company foresees an operational cash flow of around 100 million SEK in 2024 based on the development so far this year and what's to come in 2024.

The year, so far, can be summarised as a record year for the Intellego group. These results come from our long-term focus on our customers and partners, where close collaborations lead to the best products in the market in each category. At the same time, we have a fast and efficient development process that can quickly respond to market needs. Proof of that success is that we achieved both turnover and profit records in 2024. Furthermore, we now see how Intellego is transforming from a young company into a more mature business with positive operational cash flow. This transition becomes clear when looking at where the company is now compared to a year ago:

TSEK	2024 1/1-30/6	2023 1/1-30/6	Change from 2023 to 2024 for the period
Net sales	132 462	87 708	+151%
Operating results	66 279	38 742	+171%
Profit after financial items	60 215	30 534	+197%
Profit after tax	51 460	25 624	+200%
Cash flow from current operations	43 979	-26 365	+70 344
Receivables as part of Revenue for full year	21%	44%	

Part of the reason for the above results, especially the improved cash flow, is because Intellego is now getting paid faster compared to in 2023. For the full year 2023 Intellego's receivables were approximately 44% of the company's revenue by the end of the year. In 2024, so far, the same metric is at approximately 21% which is something the company keeps improving. In 2023 Intellego ended the year with 83 million SEK which came about during 2023. With a revenue of 187 million SEK and receivables of 83 million SEK gives a 44% ratio.

During Q2 the group continued to invest in its future growth which can be seen by the increase in other external costs and on the investment side. These are one-time costs and investments that will ensure Intellego is prepared for the coming market and growth. Examples of these investments are that the company is now preparing to become ISO 9001 and 14001 certified, something that is required by more and more of Intellego's customers. The investments in capital UV equipment continued also in Q2 where we added several new products to the product portfolio adding to future growth. The investments made in Q2 were significant and Intellego does not plan to make as large investments for the foreseeable future with the focus switching to transforming these investments into cash. Due to this, the company is expecting to have a significantly higher cash position by the end of 2024 compared to the end of Q2, which is supported by improving cash flow since the end of Q2.



It is expected that the investments completed so far shall create hundreds of millions of SEK in cashflow for the company in the coming years. One part of this is coming from Yuvio where as of today we have distributed around tens of systems and by end of the year we expect to have distributed around 60 systems in the market. In 2025 that number should be significantly higher. Revenues and cash flows from Yuvio will come from both the sale and leasing of equipment and increased usage of dosimeters. With Yuvio, Intellego can significantly increase the sales of dosimeters as we see that a system that is distributed by Yuvio usually uses 2-5x more dosimeters compared to a system sold by a UV disinfection company which buys the dosimeters and then resells them to e.g. a hospital. Through Yuvio, Intellego can speed up the process of dosimeter implementation into the UV disinfection cycle and therefore increase the sales volume of dosimeters.

Daro delivered another good quarter and we continue to expect Daro to deliver 15% sales growth in 2024. Profit growth will be significantly higher due to increased gross margins as the Group continues to expand its specialist divisions, Lighting and UV & Water. The acquisition of UV Light Technology further accelerates this expansion and Intellego's growth in the disinfection and curing areas. During Q2 we continue to work with our partners in the curing industry and the onboarding process with the global curing partner has been completed. The goal of a global launch in 2024 remains.

In June we announced a collaboration with Likang which is one of the largest companies active in the disinfection industry in China with a reach of around 3 000 hospitals. Yuwell, the parent company of Likang, has a global reach of approximately 300 000 healthcare institutions. The collaboration is moving ahead well and we look forward to work with Likang on Intellego's existing dosimeters but also exploring additional products to collaborate on.

Intellego have also started to market its software systems to the curing and disinfection industry where the company provides a subscription model on top of the sales of dosimeters. Intellego's software can be used as a quality control tool where the software translates the colour change of the dosimeter into a more specific energy range which e.g. is implemented into UV disinfection devices to verify that the disinfection has been properly undertaken.

On the IP front, we continuously evaluate how we can strengthen our position and we recently received information that two patent applications were in the process of being granted, which later on they were. One of the patents is for our core ink technology, where the development and upgrades we have done in the last years are covered. The other patent is for the software Intellego have developed described above. These two patents protect Intellego's technology for another 20 years.

Looking ahead we see that the business is moving in a positive direction where sales in the main business areas, disinfection and curing, continue to increase and are expected to continue to do so. This is the result of Intellego's continuous work to improve every aspect of its business. Furthermore, especially the disinfection business is expected to benefit from new market standards and up and coming regulations where UV disinfection devices are facing more stringent demands for quality control. Based on this, Intellego's long term goal is that within three to five years, the company shall have a revenue of over 1 billion SEK with a connected EBIT of over 300 million SEK. This will be achieved primarily by geographic expansion and sales of both existing and new products.

Claes Lindahl
CEO of Intellego Technologies





INTELLEGO DIVISIONS



Intellego
Healthcare

- Healthcare
- Water
- Food



Intellego
Curing

- Electronics
- Med Tech
- Packaging



Intellego
Horticulture

- Food
- Plant
- Cultivation



EVENTS DURING PERIOD

- Annual report for 2023 is published
- Intellego appoints new CFO
- CEO and former board members exercise stock options
- Intellego signs distribution agreement with Likang

EVENTS AFTER THE PERIOD

- Intellego announces strong cash flow from sales
- Intellego gets fine from Nasdaq Stockholm's Disciplinary Committee corresponding to approximately SEK 2.2 million

INTELLEGO TECHNOLOGY

The photochromic ink and technology platform

The technology in Intellego's UV dosimeters is a unique photochromic ink that changes color when exposed to radiation of different frequencies of UV light, UVA, UVB, or UVC light. The solution is patented and owned by Intellego. The photochromic ink can be printed on various substrates, for example, dosimeter cards and adhesives.

The technology platform is based on the colour-changing ink which can be used for many different purposes. Development is ongoing to develop photochromic inks for light with different wavelengths, which means that the number of new application areas is constantly increasing.

The use of UV light in disinfection is not new, but Intellego's technology platform means being able to measure and control the amount of energy transferred in an efficient and simple way, which is an innovation that helps people and companies in many different industries to easily ensure the effect. Intellego Technology has been tested and confirmed by the Research Institutes of Sweden (RISE).

Intellego's dosimeters – both the product and the solution

Intellego's main business is the development, manufacture and sale of UV dosimeters, photochromic indicators that change colour based on the accumulated dose of UV radiation on a surface. Dosimeters are a simple, effective and fast tool to indicate the amount of UV radiation, regardless of whether the application is for disinfection, UV curing, light for plant cultivation or otherwise.

Dosimeter is the collective term for several of Intellego's various products, the dosimeter is the printed surface with photochromic ink. Dosimeters can be printed on different materials and are available as both paper cards and adhesive labels in different formats. The ink changes colour in real time, in relation to how many units of UV radiation it is exposed to. The dosimeter is easily read as the colour indication for example, 222nm corresponds to the colour comparator, so it indicates that sufficient UV radiation has been used. The colour change allows users to easily get a visual idea of the effect.

MARKET AND AREAS OF USE

UV supply areas and the solution

UV irradiation is used in many industries and application areas, including disinfection in healthcare and the food industry, UV curing, crop cultivation, and sun protection indicators for consumers. Dosimeter technology is crucial to ensuring the quality of a UV process, as UV radiation is invisible to the human eye.



Intellego's dosimeters are used today in various segments of the healthcare market, such as in disinfection processes carried out by hospitals but also in gyms, cinemas, schools, etc. UVC disinfection has been used the longest in North America and constitutes the most relevant market. In the European Union (EU), UVC disinfection is less prevalent, but its use is growing.

Intellego operates in Asia, where UVC disinfection is widespread, mainly for consumer use. Intellego is well positioned to continue supplying UVC dosimeters to the above markets, given that local partnerships with distributors are established. Intellego's strategy currently includes a process where new collaborations with partners and distributors are continuously planned.

Background info: UV disinfection dosimeter market - Healthcare

There are approximately 75- 100 companies in UVC disinfection market which each makes approximately 16 million disinfection runs per year. On a global scale this gives approximately 1,6 billion UV disinfection runs per year. If a colour changing dosimeter was used to quality assure that each disinfection process was correctly performed (for sterilization processes its mandated by law in many countries that a colour indicators is used with every run) it would mean an annual market potential for Intellego of 16 billion SEK.



As Intellego's revenue today is very far from this number, it shows how much work there is still left to integrate the dosimeters as a standard tool in UV disinfection processes. It's safe to say that Intellego has just started to scratch the surface and there will be several years of work to achieve a significant market penetration for the dosimeters in health care settings.

Intellego's business to consumer products, SmartSun bands

Intellego's SmartSun Bands remind you to apply sunscreen or to go inside to prevent sunburn and skin damage. SmartSun bands are portable UV indicators that, when they change colour, clearly show how much UVA and UVB light the skin has been exposed to. The most significant product benefit is clear, visual information that allows users to make smarter decisions about sun exposure. Smart Sun bands can help users reduce the risk of overexposure and avoid premature skin aging or skin damage. Intellego's UV indicator is sold and marketed under the SmartSun brand and comes in two formats: wristbands and stickers.

LOI – PROJECT

HORTICULTURE

Intellego has several different ongoing projects in various stages. Development projects intend to adapt Intellego's technology to a particular application area.

Commercialization refers to evaluating the market's interest through direct customer processing, and the sales phase refers to when the application is established as a product.

UVC-CURING

UV curing is used today in many different industries such as printing houses, and the production of electronics and medical equipment.

UVA-CURING

UV curing is used today in many different industries such as printing houses, and the production of electronics and medical equipment.

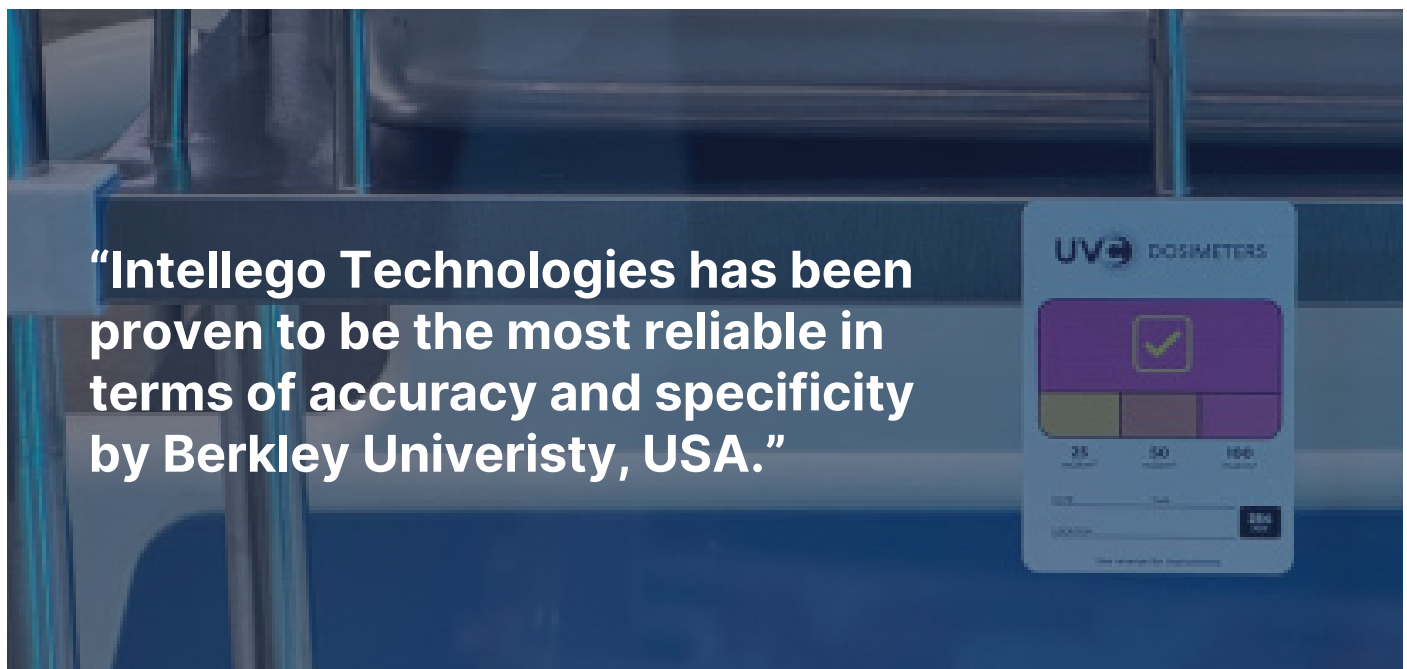
MED-TECH

Products that are implemented in medical technology processes that are already used in healthcare, where Intellego's technology should serve as an indication that the correct level of disinfection has been achieved.

BACKGROUND OF INTELLEGO

Intellego was founded in 2011 to provide the best technology in terms of performance, stability, and reliability with its color-changing UV dosimeters/indicators.

UV radiation is used in several application areas today, including disinfection in hospitals, food industry and the consumer industry to indicate how much sun/UV radiation a person has been exposed to. The technology is necessary as UV radiation cannot be seen with the naked eye, which makes it difficult, if not impossible, for a person to determine when they or a surface/area has been exposed to a certain amount of UV radiation. Using the dosimeters makes it possible to visually determine whether the correct dose of UVC radiation has been used in a disinfection process, which can reduce the risk of healthcare-associated infections (HAI). This aligns with the US CDC and FDA recommendations on physical documentation to ensure the quality of disinfection methods. Overexposure to UV is also a significant cause of skin cancer, and the number of cases has grown in recent years.



Intellego believes that the Company's products and patented technology have found a solution that can help solve these problems and can contribute to cost savings for companies and society.

Intellego's technology has been tested by the Research Institutes of Sweden (RISE), which confirms its UV sensitivity for different energy levels. American Case Western Reserve University has also conducted tests on the technology, which have shown that the color of the UVC dosimeters changes from yellow to pink in correlation to a 3-log reduction in *C. diff* and MRSA. Intellego's UVC dosimeters have also undergone testing by Berkley University in the USA, where Intellego's technology has been proven to be the most reliable in terms of accuracy and specificity.

The UV indicators for consumer use have undergone technical and toxicological tests, showing that the products work well and are safe to use. Among others, Nordic Biopharma, Dermatest in Australia, and RISE have tested the safety and validity of the products.



BUSINESS CONCEPT

Intellego's business concept is to develop and commercialize color indicators based on its patented color indicator technology. The color indicators come in the form of UV dosimeters.

Primarily aimed at the healthcare market, UV indicators will also be sold on the market via collaboration partners. Intellego's products effectively indicate the accumulated amount of UV radiation. This can partly be used with UVC disinfection through dosimeters to indicate whether surfaces have been exposed to sufficient energy to disinfect surfaces with bacteria, viruses, or spores. In part, it can also be used among consumers to get improved sun protection routines via UV indicators or as production quality assessment tools.

The sale of UV indicators is planned for end-users in the consumer market, and the Company is facing a commercialization process. In contrast, UVC dosimeters for the healthcare market have already been launched. Intellego's focus is a further expansion of the sale of the Company's UVC dosimeters at the same time as the development and start-up of the commercialization process for UV indicators towards distributors and their consumers have begun.

THE SHARE AND THE OWNERS

Intellego Technologies' shares are listed on the Nasdaq First North Growth Market, Stockholm, under the short name INT. Carnegie Investment Bank AB (publ) is a Certified Adviser.

OTHER INFORMATION

Co-worker

The group has 64 employees as of 30th of June 2024.

INCENTIVE PROGRAMS

Incentive program 2021/2024B

The company's extraordinary general meeting decided on 5 May 2021 to introduce incentive program 2021/2024B. The incentive program is aimed at the Company's board members and consists of 700,000 warrants which entitles to new subscription of the same number of shares. The subscription period for subscription of shares with the support of the warrants run from 29 April 2024 to 29 October 2024. The subscription price for new subscriptions is 14.4 SEK.

Incentive programme 2021/2024C

The company's extraordinary general meeting on 23 December 2021 decided to introduce the incentive program 2021/2024C comprising a maximum of 102,000 warrants, which can result in an increase of a maximum of 102,000 shares in the company and an increase in the share capital corresponding to SEK 3,642.86. Each warrant entitles the holder to subscribe for one (1) share in the Company during the period from and including December 1, 2024, to and including December 15, 2024 or the earlier day that follows from the terms of the warrants. The subscription price has been set at 25.12 per share.



Incentive programme 2022/2027

The board decided on June 21, 2023, subject to the subsequent approval of the general meeting, to introduce an incentive program. The incentive program is for one employee of the company and consists of 80,000 warrants that entitle the holder to subscribe to the same number of shares. The subscription period for the shares with the support of the warrants runs from 13 June 2027 to 13 July 2027. The subscription price for the new subscription is SEK 30. The extraordinary general meeting held on July 2023, decided to approve the board's decision.

Incentive programme 2023/2026

The meeting decided, in accordance with the proposal introduced in the notice, to adopt an incentive program for the Company's newly elected chairman of the board, Gregory Batcheller, in the form of warrants. In short, the incentive program involves an issue of a maximum of 60,000 warrants. Each warrant gives the right to subscribe for a new share in the Company during the period from and including 24 August 2026 to and including 7 September 2026 at a subscription price of SEK 40 per share, provided that the Company's share price exceeds SEK 75 at the time the warrants are exercised.



GENERAL INFORMATION ABOUT THE COMPANY

The company's name and commercial name is Intellego Technologies AB, and the company's registration number is 556864-1624. The company is a public limited liability company formed and registered under Swedish law with its office in Stockholm municipality, Stockholm County. The company's operations are regulated by, and its shares have been issued in accordance with the Swedish Companies Act (2005:551).



The Group's Report on Results in Summary

THE GROUP TSEK

	2024 1/4-30/6	2023 1/4-30/6	2024 1/1-30/6	2023 1/1-30/6	2023 1/1-31/12
Operating income	Note				
Net sales	54 691	44 838	132 462	87 708	186 493
Other operating income	0	355	6	357	738
Total operating income	54 691	45 193	132 468	88 065	187 231
Operating expenses					
Activated work for own account	1 306	838	1 756	1 312	2 581
Change of stock, products in progress	5 349	554	749	303	7 686
Raw materials and consumables	-8 296	-9 543	-21 913	-18 669	-41 533
Other external expenses	-17 375	-6 858	-23 738	-11 802	-27 043
Personnel costs	-10 793	-9 753	-20 641	-18 641	-41 763
Depreciation and write-downs of tangible and intangible assets	-3 931	-766	-5 648	-1 496	-3 527
Other operating expenses	0	-91	0	-330	-507
Operating results	20 951	19 574	63 033	38 742	83 125
Results from financial items					
Financial net	-2 922	-4 216	-6 064	-8 208	-14 295
Profit before tax	18 029	15 358	56 969	30 534	68 830
Income tax	-4 806	-86	-8 087	-63	-2 712
Deferred tax	0	-3 534	0	-4 847	-6 514
The result of the period	13 224	11 737	48 883	25 624	59 604
The period's result is attributed to: The parent company's stakeholders	13 224	11 737	48 883	25 624	59 604
Earnings per share	5				
Number of shares average	0,49	0,47	1,83	1,05	2,36
Earnings per share after dilution (SEK)	0,47	0,46	1,79	1,03	2,31



The Group's Report on Total Profit in Summary

THE GROUP TSEK

	2024 1/4-30/6	2023 1/4-30/6	2024 1/1-30/6	2023 1/1-30/6	2023 1/1-31/12
Note					
The result of the period	13 224	11 737	48 883	25 624	59 604
Other comprehensive income					
Items that will be reclassified to profit (after tax)					
Conversion difference	-844	6 917	6 914	6 463	-2 498
Total other comprehensive income for the period, after-tax	12 380	18 654	55 797	32 087	-2 498
Total profit for the period, after-tax	12 380	18 654	55 797	32 087	57 106
The period's result is attributed to: The parent company's house stakeholders	12 380	18 654	55 797	32 087	57 106

The Group's Financial Report on Position in Summary

THE GROUP TSEK

		2024 6/30	2023 6/30	2023 31/12
Assets	Note			
Fixed assets				
Goodwill	6	80 064	76 910	71 572
Intangible assets		7 080	3 614	4 842
Tangible fixed assets		84 252	8 359	30 236
Right-of-use assets		7 404	8 931	7 677
Financial assets		7 906	0	7 481
Deferred tax claim		180	904	136
Total fixed assets		186 885	98 718	121 945
Current assets				
Inventory		20 427	13 808	19 463
Accounts receivable		120 070	68 500	92 116
Tax claim		0	668	0
Other claims		5 376	21 021	8 908
Prepayments and accrued income		2 128	4 967	2 701
Liquid funds		9 872	4 895	8 062
Total current assets		157 873	113 859	131 251
Total assets		344 758	212 577	253 195
Equity and liabilities				
Equity				
Share capital		994	892	941
Other contributed capital		141 485	99 373	120 413
Retained Earnings		85 661	7 662	31 164
Equity attributable to the parent company's shareholders		228 140	105 111	151 218
Total equity		228 140	105 111	151 218
Long-term liabilities				
Liabilities to credit institutions		15 515	21 059	14 304
Lease liabilities		6 917	8 246	7 142
Conditional additional purchase price	4	19 136	17 558	17 247
Other long-term liabilities		0	12 824	7 589
Deferred tax liability		1 829	964	1 783
Current liabilities				
Liabilities to credit institutions		17 701	4 252	8 305
Lease liabilities		1 150	703	868
Accounts payable		13 553	17 534	15 844
Tax debts		10 689	0	2 595
Other current liabilities		28 401	23 091	24 974
Accrued costs and prepaid income		1 728	1 234	1 326
Total short-term liabilities		73 222	46 815	53 911
Total equity and liabilities		348 758	212 577	253 195

The Group's Report on Change in Equity in Summary

THE GROUP TSEK

	Share Capital	Miscellaneous contributed capita	Reserves	Balanced means of profit	Total own capital attributable to the parent company shareholder	Total own capital
Opening equity 1 Jan 2023	740	39 771	1 198	-28 440	13 270	13 270
The result of the period				59 604	59 604	59 604
Other comprehensive income for the period			-2498		-2 498	-2 498
Total profit for the period	0	0	-2 498	59 604	57 106	57 106
Transaction with the group's stakeholders						
Rights issue	201	81 071			81 272	81 272
Issue costs		-540			-540	-540
Tax effect issue costs		111			111	111
Dividend						
Amount	201	80 641	0	0	80 842	80 842
Closing equity 30 Dec 2023	941	120 413	-1 300	31 164	151 218	151 218
Opening equity 1 January 2024	941	120 413	-1 300	31 164	151 218	151 218
The result of the period				48 883	48 883	48 883
Other comprehensive income for the period			6 914			
Total profit for the period	0	0	6 914	48 883	48 883	48 883
Transactions with the group's shareholders						
Ongoing new issue						
Rights issue	53	21 115			21 168	21 168
Issue costs		-52			-52	-52
Tax effect issue costs		9			9	9
Amount	53	21 073	0	0	21 125	21 125
Closing equity 30 Jun 2024	994	141 485	5614	80 047	228 140	228 140

The Group's Report on Cash Flows in Summary

THE GROUP TSEK

Current business	2024 1/4-30/6	2023 1/4-30/6	2024 1/1-30/6	2023 1/131/12	2023 1/131/12
Profit before tax	18 029	15 358	56 969	68 830	68 830
Adjustments for items that are not part of the cash flow, etc	4 771	4 722	6 691	8 726	8 726
Cash flow from current operations before changes in working capital	22 800	20 080	63 660	77 556	77 556
Cash flow from changes in working capital					
Change of stock	-5 320	-2 024	-964	-14 426	-14 426
Change in operating receivables	-3 548	-30 504	-23 850	-76 771	-76 771
Change in operating liabilities	-4 046	2 408	5 133	-6 503	-6 503
Cash flow from current operations	9 886	-10 040	43 979	-20 144	-20 144
The investment business					
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-	-6 499	-	-
Acquisition of intangible fixed assets	-1 312	-838	-2 223	-2 581	-2 581
Acquisition of tangible fixed assets	-47 361	-1 693	-58 535	-26 193	-26 193
Acquisition of financial fixed asset	-	-	-	-7 481	-7 481
Cash flow from investment activities	-48 673	-2 531	-67 257	-36 255	-36 255
The financing business					
Rights issue	21 168	4 082	21 168	81 071	81 071
Issue costs	-42	-	-42	-429	-429
Borrowings	-	5 000	15 000	3 888	3 888
Amortization of loans	-5 102	-541	-10 451	-5 088	-5 088
Amortization of acquisition debts	-	6 407	-	-59 363	-59 363
Amortization of leasing debts	-411	-245	-813	-791	-791
Cash flow from financing activities	15 613	1 889	24 862	19 288	19 288
Cash flow for the period	-23 174	-10 682	1 584	-40 636	-37 111
Cash and cash equivalents at the beginning of the period	33 716	15 163	8 062	44 761	44 761
Exchange rate difference in cash and cash equivalents	-670	414	226	770	412
Liquid funds at the end of the period	9 872	4 895	9 872	4 895	8 062



NOTES

NOTE 1 ACCOUNTING PRINCIPLES

This interim report covers the Swedish parent company Intellego Technologies AB (publ) ('Intellego'), corporate number 556864-1624, and its subsidiaries. The group develops and commercializes UV indicators for the professional and consumer markets. The parent company is a limited company registered in and with its seat in Stockholm, Sweden. The head office address is Kungsgatan 60, 111 22 Stockholm, Sweden.

Intellego applies International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The group's interim report is prepared in accordance with IAS 34 "Interim reporting" and applicable parts of the Annual Accounts Act (1995:1554) (ÅRL). The group applies the amended IAS 1 "Preparation of financial statements". This means that the group only provides information on material accounting principles. See Note 10 Significant accounting principles.

The parent company applies to IFRS, the Annual Accounts Act and RFR 2 Accounting for legal entities.

According to IAS 34.16A, information appears in addition to the financial reports and their associated notes in the interim information on pages 16-23, which form an integral part of these financial reports.

Unless otherwise stated, all amounts in this report are stated in thousands of kroner ("TSEK"). Rounding differences may occur. New or amended standards after 2023.

No new or changed accounting standards that have not yet entered into force have been prematurely applied in the preparation of the group's and parent company's financial reports. These are also not expected to impact the group's or parent company's financial reports.

NOTE 2 SIGNIFICANT ESTIMATES AND ASSESSMENTS

When preparing the financial reports, the company's management and the board must make certain assessments and assumptions that affect the reported value of asset and liability items, revenue and cost items, and other information provided. The assessments are based on experience and assumptions that the management and the board deem reasonable under the current circumstances. Actual outcomes may then differ from these assessments if other conditions arise. The estimates and assumptions are evaluated on an ongoing basis. They are deemed not to involve significant risk of adjustments in reported values for assets and liabilities during the next financial year. Changes to estimates are reported in the period the change is made if the change only affected this period or in the period the change is made and in future periods if the change affects both the current and future periods. The most essential assessments for preparing the company's financial reports are described below.

Impairment testing of goodwill

This interim report covers the Swedish parent company Intellego Technologies AB (publ) ('Intellego'), corporate number 556864-1624, and its subsidiaries. The group develops and commercializes UV indicators for the professional and consumer markets. The parent company is a limited company registered in and with its seat in Solna, Sweden. The head office address is Mäster Simons väg 15, 170 66 Solna.

Intellego applies International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The group's interim report is prepared in accordance with IAS 34 "Interim reporting" and applicable parts of the Annual Accounts Act (1995:1554) (ÅRL). The group applies the amended IAS 1 "Preparation of financial statements". This means that the group only provides information on material accounting principles. See Note 11 Significant accounting principles. See Note 10 Significant accounting principles.

The parent company applies to IFRS, the Annual Accounts Act and RFR 2 Accounting for legal entities.

According to IAS 34.16A, information appears in addition to the financial reports and their associated notes in the interim information on pages 19-24, which form an integral part of these financial reports.

Unless otherwise stated, all amounts in this report are stated in thousands of kroner ("TSEK"). Rounding differences may occur. New or amended standards after 2023.

No new or changed accounting standards that have not yet entered into force have been prematurely applied in the preparation of the group's and parent company's financial reports. These are also not expected to impact the group's or parent company's financial reports.

Actual value of additional purchase price

In the acquisition of Daro, part of the purchase price is conditional on Daro's future profit development, a so-called conditional additional purchase price. The conditional additional purchase price is valued at fair value on the acquisition date. The outcome is settled in cash or in a variable number of shares, which is why the conditional purchase price is classified as a financial liability and is revalued at each reporting period.

The change is reported in the group's report on results. Assumptions underlying the determination of fair value are described in Note 4 - Financial instruments.

Estimates that deviate from management's assessments can lead to different results for the business and a different financial position. According to the company's management, the current evaluation provides a fair assessment of the company's financial situation for the current period.

NOTE 3 INCOMES FROM CONTRACTS WITH CUSTOMERS

Breakdown by geography	2024 Jan-Jun	2023 Jan-Jun
Asia	14 306	16 312
EU	69 543	50 542
North America	39 739	20 854
The rest of the world	8 875	-
	132 462	87 708

NOTE 4 FINANCIAL INSTRUMENTS

Valuation at fair value

Fair value is the price that, at the time of valuation, would be received on the sale of an asset or paid on the transfer of liability through an orderly transaction between market participants. The table below shows financial instruments valued at fair value based on how the classification in the fair value hierarchy was made. The different levels are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Observable inputs for assets or liabilities other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations)

Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

Financial liabilities valued at fair value

A conditional additional purchase price arose in connection with the acquisition of Daro as of June 1, 2022.

Financial liabilities valued at fair value June 30, 2024	Level 1	Level 2	Level 3	Amount
Conditional additional purchase price	0	0	19 136	19 136
	0	0	19 136	19 136
Financial liabilities valued at fair value Dec. 31, 2023	Level 1	Level 2	Level 3	Amount
Conditional additional purchase price	0	0	17 247	17 247
			17 247	17 247

Short-term receivables and liabilities, as well as lease liabilities

For short-term receivables and liabilities, such as trade receivables and accounts payable, and liabilities to credit institutions with variable interest, the reported value is considered to be a good estimate of the fair value.

Conditional additional purchase price

Fair value for contingent consideration has been calculated based on the expected outcome of financial targets. The calculated expected the regulation will vary over time depending on, among other things, the degree of fulfilment of the conditions for the conditional purchase price, the development of certain exchange rates against the Swedish krona, and the interest rate environment.

Contingent purchase prices classified as financial liabilities are valued at fair value by discounting expected cash flows at a risk-adjusted discount rate of 11.4%. The measurement is, therefore, in accordance with level 3 in the valuation hierarchy. Significant unobservable inputs consist of the probability that the targets will be met (which the group assesses as 60%) and a risk-adjusted discount rate.

Conditional additional purchase price	2024 Jan-Jun	2023 Jan-Dec
Opening balance	17 247	15 254
Business acquisition	-	-
Change in fair value reported in the result	1 889	1 993
Earnings per share before dilution (SEK)	19 136	17 247



During the period, unrealised losses for conditional additional purchase prices at the end of the reporting period amounted to SEK 1,888 thousand. This amount is included as part of the financial net in the group's report on results.

Given the contingent additional purchase price at the end of the reporting period, an increase in the discount factor of 2 percentage points affects the fair value of the conditional purchase price of SEK -1,182 thousand (SEK -1,208 thousand). About the probability that the conditions for obtaining the conditional additional purchase price would increase by 10 percentage points, the fair value of the conditional additional purchase price would increase by SEK 3,189 thousand (SEK 2,874 thousand).

NOTE 5 EARNINGS PER SHARE

	2024 Jan-Jun	2023 Jan-Jun
Earnings per share before dilution		
Result attributable to the parent company's shareholders (TSEK)	48 883	25 624
Weighted average number of shares during the period before dilution (thousands)	26 667	24 313
Earnings per share before dilution (SEK)	1,83	1,05

<i>Earnings per share after dilution</i>		
Result attributable to the parent company's shareholders (TSEK)	48 882	25 624
Weighted average number of shares during the period before dilution (thousands)	26 667	24 313
Adjustment attributable to warrants leading to dilution (thousands)	710	340
Weighted average number of shares for calculation of earnings per share after dilution (thousands)	27 337	24 653
Earnings per share after dilution (SEK)	1,79	1,04

At the end of the reporting period, the outstanding number of ordinary shares amounted to 27 822 614 (24 973 494).

NOTE 6 GOODWILL

	2024 Jan-Jun	2023 Jan- Dec
Accumulated acquisition values		
Opening accumulated acquisition values	71 572	70 524
Business acquisition	4 175	-
Exchange rate differences	4 317	1 048
Closing accumulated acquisition values	80 064	71 572
Closing reported value	80 064	71 572

NOTE 7 BUSINESS ACQUISITION

Business acquisitions completed during the period Jan-Jun 2024

Business	Purpose of acquisition	Date of acquisition	Capital and voting share
UV Light Technology	Expand Daro's UV & Water division and utilize synergies between the companies	2024-03-01	100%

Preliminary acquisition analysis	
Acquired net assets at acquisition date, fair values	UV Light Technology
Tangible fixed assets	72
Inventory	1 265
Accounts receivable and other receivables	157
Liquid funds	900
Provision	97
Supplier debts and other operating debts	-167
Identified net assets	2 324
Goodwill	4 175
Net assets acquired	6 499
The purchase price consists of:	
Cash	6 499
Total purchase price	6 499

Preliminary acquisition analysis

Intellego is still evaluating whether there are intangible assets that should be reported separately from goodwill. Hence, the acquisition analysis may be subject to change.

Goodwill

On the acquisition of UV Light Technology, a goodwill of SEK 4 175 thousand arose. Goodwill mainly refers to synergy effects and know-how. Goodwill is not expected to be tax deductible.

Transaction costs	Daro Group
Transaction costs reported in the result under Other external costs	346
Amount	346
The acquisition's impact on the group's cash flow	Daro Group
Cash portion of the purchase price	6 499
Departs:	-
Cashier (acquired)	-900
Net cash outflow	5 599



NOTE 8 TRANSACTIONS WITH RELATED PARTIES

During the period, the group's transactions with related parties only consisted of customary salaries, other remuneration boards, and other senior executives.

NOTE 9 EVENTS AFTER THE END OF THE REPORTING PERIOD

See page 6.





NOTES

NOTE 10 SIGNIFICANT ACCOUNTING PRINCIPLES

The group provides information on material accounting principles. Significant accounting principles mean that the underlying transaction is material and that the information in the accounting principle is essential for the understanding of the transaction, for example, if the group has made a choice of principle or if the accounting principle is company-specifically adapted. In cases where the group applies an accounting principle as described in IFRS, information about the principle has not been provided.

Operating segment

Intellego has identified the group's CEO as the highest executive decision-maker who follows up the entire operation as a single entity. Intellego has thus identified the whole group as an operating segment.

Income from contracts with customers

Intellego develops, manufactures, and sells color indicators that show the effect of irradiation with, among other things, invisible ultraviolet light and UV light. The group receives income from product sales. The agreements are mainly short and consist of individual orders. The group's products are standardized, although minor customer-specific adaptations may occur. Intellego has assessed that each product in the agreements with the customer constitutes a separate performance commitment. The transaction price in each agreement essentially consists of fixed amounts only. There are no variable compensations in the transaction price or only to an insignificant extent. Product sales revenue is reported when product control is deemed to be passed to the customer. The group has assessed that control, by the applied delivery conditions, mainly passes to the customer in connection with the product.

Transactions in foreign currency

Transactions in foreign currency are converted to functional currency at the exchange rate prevailing on the day of the transaction. Monetary assets and liabilities in foreign currency are converted to functional currency at the exchange rate prevailing on the balance sheet date. Exchange rate differences that arise during conversion are reported grossly in the profit and loss report, either in the operating profit or in the financial net, based on the currency conversion attributable to the item.

Financial costs

Financial costs consist of interest on loan debts, leasing debts and the discounting effect of deferred payment for acquiring the subsidiary Portman Enterprises Limited ("Daro"). In addition, the item also consists of changes in the fair value of the conditional additional purchase price, which is classified as a financial liability and attributed to Daro's acquisition. The conditional additional purchase price is described in more detail in notes 4, Financial Instruments, and 7, Business Combinations.

Definitions and Notes

EARNINGS PER SHARE

Net profit divided by average number of shares.

AVERAGE NUMBER OF SHARES

The average number of shares in Intellego Technologies AB has been calculated based on a weighting of the historical number of outstanding shares in the company after each completed new issue times the number of days that the respective number of shares has been outstanding. Historical number of shares and key figures per share are adjusted for the 1:28 share split carried out in May 2021.

SOLIDITY

Equity in relation to total assets (total assets).

RETURN ON EQUITY

Profit after tax in relation to equity.

RETURN ON CAPITAL EMPLOYED

Profit after financial net in relation to capital employed.

CAPITAL EMPLOYED

Total assets minus non-interest bearing liabilities.

EQUITY PER SHARE

Equity divided by the number of shares on the balance sheet date.

CASH FLOW FROM CURRENT OPERATIONS PER SHARE

Cash flow from operating activities divided by average number of shares.

CASH FLOW PER SHARE

Cash flow for the period divided by average number of shares.



The board and the managing director ensure that the interim report gives an accurate and fair overview of the company's operations, position, and results.

STOCKHOLM 2024-08-30

The board and CEO of Intellego Technologies AB (publ)

Gregory Batcheller
Styrelseordförande

Claes Lindahl
Vd

Johan Möllerström
Styrelseledamot

Jacob Laurin
Styrelseledamot

This interim report has not been subject to review by the company's auditors.

Upcoming Reports

Report for the third quarter

2024-11-28

For further information contact:

Claes Lindahl

+46 73 534 46 34

claes.lindahl@intellego-technologies.com

intellego-technologies.com

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intellego

technologies

Contact Us

Intellego Technologies AB
C/O iOffice
Kungsgatan 60
111 22 Stockholm
Sweden

Phone +46 (0)735 34 46 34
mail info@intellego-technologies.com