



intellego
technologies



INTELLEGO TECHNOLOGIES INTERIM REPORT Q3 2024


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Financial Development in Summary

THE GROUP TSEK

	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/9	2023 1/1-30/9	2023 1/1-31/12
Net sales	74 402	43 380	206 865	131 087	186 493
Other operating income	0	238	0	595	738
Operating expenses	-52 836	-27 985	-122 271	-77 307	-104 106
Operating results	21 566	15 633	84 593	54 375	83 125
Profit after financial items	17 020	13 380	73 990	43 914	68 830
Profit after tax	12 300	12 307	61 183	37 930	59 604
Cash flow from current operations	-4 970	5 762	39 062	-20 602	-20 144
Cash and cash equivalents on balance sheet date	4 714	42 503	4 714	42 503	8 062
Equity at the balance sheet date	245 514	134 322	245 514	134 322	151 218
Key figures					
Return on equity, %	6,93	9,96	30,14	32,69	45,52
Earnings per share, before dilution, SEK	0,44	0,47	2,20	1,44	2,26
Equity ratio %	66	56	71	56	60
Equity per share, SEK	8,82	5,11	8,82	5,11	5,74
Cash flow from current operations per share, SEK	-0,18	0,22	1,40	-0,78	-0,76
Number of employees at the end of the period	64	68	64	68	68
Number of shares					
Number of shares on the balance sheet date	27 822 614	26 289 792	27 822 614	26 289 792	26 352 614
Number of shares average	27 822 614	25 967 211	27 055 424	24 872 912	24 460 102



A Message from the CEO

Intellego's journey of growth continued during Q3 and we are on track to achieve our goal of reaching over 300 million SEK in revenue with EBIT of over 110 million SEK in 2024. Cashflow for the full year continues to improve and the company currently has approximately 50 million SEK in short term liquid assets where most of it is cash in the bank, which is expected to grow until the end of the year. These funds will be sufficient for Intellego to fully finance its foreseeable future growth. In addition, several projects are now being launched which will provide significant revenue increase in 2025 why Intellego hereby update its long-term financial goals to 2 billion SEK in revenue and 600 million SEK in EBIT in the next 3 to 5 years, a 100% increase from Intellego's last long term financial goals.

Revenue in Q3 was in line with expectations but EBIT was lower than we hoped due to 5 million SEK in increased external costs, the fine from Nasdaq of 2,2 million SEK and depreciation on capital equipment of almost 5 million SEK. Gross margin for the group was also lower due to sales of capital equipment. The EBIT level and gross margin are expected to increase from these Q3 levels based on, e.g. dosimeter sales will follow equipment sales plus we have several major dosimeter projects that are being started towards the end of the year. Operational cash flow was also lower than expected which was caused by late payments from two customers amounting to a value of approximately 20 million SEK. The company have now received full payment from one of these customers and the other one have expressed that the payment shall arrive to Intellego before the end of this year. Furthermore, from the 187 million SEK in revenue from 2023, approximately 90% of those have been paid to today's date which shows that receivables are turned into cash, but it also shows that the company has more work to do on shortening the payment times, especially with our largest customers. This work is ongoing and takes time but it is moving in the right direction. As the existing receivables are mainly with larger customers its possible for Intellego credit secure its receivables through Intellego's new financing structure, that eliminates the risk in the receivables, which will be mentioned more in detail below. As Intellego now also approximately 50 million SEK in short term liquid assets and growing, Intellego is in a good position to finance its future growth without having to raise external capital.

During Q3, the group continued to invest in its future growth which can be seen by the increase in other external costs. These investments will be a key part in achieving Intellego's long term goal, 2 billion SEK in revenue and 600 million SEK in EBIT, in the next 3-5 years. The investments made earlier in the year are now starting to be monetized. Intellego does not plan to make as large investments for the foreseeable future but rather switch focus to transforming these investments into cash.

The sales of capital equipment through Yuvio is progressing well where its first sales were made during Q3. It is expected that Yuvio shall have placed several hundred devices into the market in the next coming years, which the results from Q3 confirm. Yuvio has a flexible payment structure where the company can lease or sell the devices to the market. Some end customers prefer to lease while others prefer to buy the equipment.

Daro delivered its strongest quarter of the year and a record quarter for the Group. This record quarter was driven by all business divisions and benefitted from investments for growth made in 2023. Further strong growth is expected from Daro going forward, led by its specialist divisions, Lighting and UV & Water, and the recent acquisition of UV Light Technology.

During Q3, Intellego started a new collaboration with EKN (Export Kredit Nämnden) and the Nordea bank which will significantly change Intellego's financial structure and possibilities. Not only will Intellego interest costs drop by more than half but these collaborations will also enable Intellego to credit secure its receivables on the global market, something which previously was only possible with Swedish customers. This gives comfort as Intellego can turn its long-term receivables into cash on short notice and thus the company will still be able to offer longer payment times if necessary.

In the last months the company has communicated updates regarding different projects which are expected to be launched or expanded in 2025:

The global market launch of Intellego's curing dosimeters and app system which we previously communicated, has started and Intellego is now a registered supplier that make continuous deliveries to its partner. We have been working on this project for two years and we look forward to scale this collaboration further. The project and the UV curing market is expected to create significant revenue from 2025 and onward for Intellego with an annual revenue of at least 15 million Euros per year. It will take several years to achieve this revenue on an annual basis as the sales increase will be gradual. UV curing significant production process exist on a global basis and e.g. cell phones, computers, food packaging and other every day goods are being produced with UV curing as a part of the production process. The global UV curing market is estimated to be worth over 10 billion USD per year.

Another collaboration we have is with Likang which is one of the largest disinfection companies in China with sales in approximately 3 000 hospitals. Likang is part of the Yuwell group which has sales in to 300 000 healthcare facilities, globally. Shortly before the publication of this Q3 report Intellego announced that the collaboration between Likang and Intellego will be expanded to also cover additional products in the disinfection market. This extended collaboration will generate a significant revenue increase for Intellego in China, assuming relevant market approvals can be achieved. As Intellego and Likang both have experience from the regulatory process and has been in contact with regulatory authorities already, the parties are positive that a market approval will be achieved. This collaboration can potentially also be scaled to other markets outside of China which further would increase the revenue of Intellegos products. Intellego will look to credit secure the minimum volumes of 360 million USD from this collaboration and Intellego has already credit secured several millions of USD in the past from Likang.

On the disinfection front, Intellego is involved in negotiations with an American company with sales in over 100 countries where the goal is to sell Intellegos dosimeters in those markets with starting point of early 2025. Intellego has been working with this company for the last 18 months during which time the American company has performed a market analysis and received customer feedback on Intellegos UV dosimeters. The American company and Intellego estimate the annual market for Intellegos UV dosimeters in healthcare to be worth approximately 1,6 billion USD per year which is based on the number of UV disinfection runs which takes place in healthcare settings.

Negotiations with global pharma group. Intellego is working with one of the world largest pharma groups which is using UV radiation for disinfection in e.g. clean room applications. The collaboration has been ongoing for almost a year and its approaching market launch of Intellegos dosimeters through the distribution network of the pharma group, which is expected to take place in 2025.

In addition to the project mentioned above Intellego is also involved in several additional projects which we will keep the market informed about as soon as there is concrete and relevant info to share.

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. Intellegos cashflow is now improving and the company has a solid cash balance which will enable for Intellego to finance its coming growth from its own cashflow.

Intellego's improving results comes from the continuous work to improve every aspect of its business. Furthermore, the disinfection business in particular is expected to benefit from new market standards and new 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 will have a revenue of over 2 billion SEK with EBIT of over 600 million SEK.

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

- Intellego announces strong cashflow from sales in Q2
- Nasdaq Stockholm's Disciplinary Committee imposes a fine on Intellego Technologies of twelve annual fees corresponding to approximately SEK 2.2 million Intellego Reiterates Financial Goals for 2024 Ahead of Q2 Report
- Intellego Postpones Q2 Report to August 30th
- Intellego Technologies carries out a directed issue of units of approximately SEK 15.2 million
- Intellego in final stages of refinancing deal with one of the largest commercial banks in the Nordics.

EVENTS AFTER THE PERIOD

- Intellego's Net Revenue Exceeds 70 million SEK in Q3-2024
- Intellego reaches refinancing deal with the largest commercial bank in the Nordics, Nordea
- Intellego's former Board members exercises warrants and Intellego receives approximately SEK 5.0 million
- Intellego Delivers UV Dosimeters Worth EUR 2 Million to Partner in Asia
- Intellego Enters Negotiations for Global Distribution Agreement for UV Disinfection Indicators in the Healthcare Market
- Intellego carries out a directed issue of shares of approximately MSEK 9.0 and a directed set-off issue of shares of approximately MSEK 13.9 for acquisition financing of Daro Group
- Intellego reaches a record level of liquidity of SEK 50 million and significantly strengthens the balance sheet
- Intellego has received a follow-up order valued at EUR 2 million from a partner in the disinfection industry
- Intellego and Likang expand collaboration with USD 360M, five-year deal in Asia
- Intellego enters negotiations with global pharma group

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 indicator is used with every run) it would mean an annual market potential for Intellego of 16 billion SEK. As Intellegos 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 have 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.

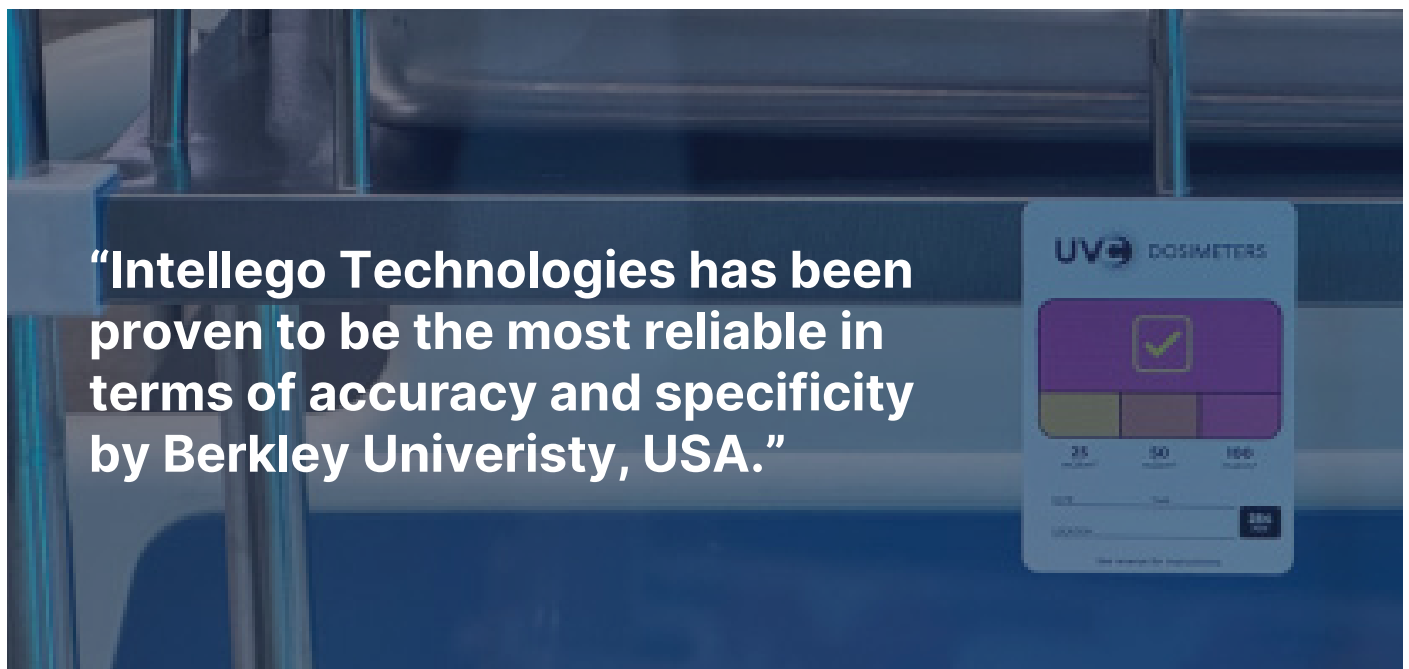
MED-TECH

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 (HCI). 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 September 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 program 2021/2024B

The company's extraordinary general meeting on 23 December 2021 decided to introduce the incentive program 2021/2024C which comprises 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 from 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 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.



Intellego's business model includes development project with OEM companies and distributors, as well as sales and consumer products through retailers. The company has a unique development model that allows us to take a product idea to market introduction within six months.

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).



Condensed consolidated income statement

THE GROUP TSEK

	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/9	2023 1/1-30/9	2023 1/1-31/12
Operating income	Note				
Net sales	74 402	43 380	206 865	131 087	186 493
Other operating income	0	238	6	595	738
Total operating income	74 402	43 618	206 871	131 682	187 231
Operating expenses					
Capitalised work for own account	866	545	2 622	1 857	2 581
Change of stock, products in progress	-10 561	7 714	-9 812	8 017	7 686
Raw materials and consumables	-13 653	-16 709	-35 567	-35 379	-41 533
Other external expenses	-13 410	-6 983	-37 147	-18 785	-27 043
Personnel costs	-10 602	-10 997	-37 147	-29 683	-41 763
Depreciation and write-downs of tangible and intangible assets	-5 481	-813	-11 129	-2 309	-3 527
Other operating expenses	0	-741	0	-1 071	-507
Operating results	21 560	15 634	84 593	54 374	83 125
Results from financial items					
Financial net	-4 540	-2 253	-10 604	-10 461	-14 295
Profit before tax	17 020	13 381	73 990	43 913	68 830
Tax	-4 720	-1073	-12 807	-5 983	-9 226
Result for the period	12 300	12 308	61 183	37 930	59 604
<i>The period's result is attributed to: The parent company's stakeholders</i>	12 300	12 308	61 183	37 930	59 604
Earnings per share	5				
Number of shares average	0,48	0,48	2,26	1,52	2,36
Earnings per share after dilution (SEK)	0,46	0,47	2,20	1,49	2,31



Consolidated other comprehensive income

THE GROUP TSEK

	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/6	2023 1/1-30/6	2023 1/13-1/12
Note					
The result of the period	12 300	12 308	61 183	37 930	59 604
Other comprehensive income					
Items that will be reclassified to profit (after tax)					
Conversion difference	-1 694	-3 140	5 221	3 324	-2 498
Total other comprehensive income for the period, after-tax	-1 694	-3 140	5 221	3 324	-2 498
Total profit for the period, after-tax	10 607	9 168	66 404	41 254	57 106
<i>The period's result is attributed to: The parent company's house stakeholders</i>	10 607	9 168	66 404	41 254	57 106



Consolidated balance sheet

THE GROUP TSEK

		2024 9/30	2023 9/30	2023 31/12
Assets	Note			
Goodwill	6	80 772	74 413	71 572
Intangible assets		7 850	4 141	4 842
Tangible fixed assets		71 183	8 241	30 236
Right-of-use assets		7 128	8 312	7 677
Financial assets		7 717	121	7 617
Total non-current assets		174 651	95 228	121 945
Current assets				
Inventory		19 733	21 223	19 463
Accounts receivable		159 187	67 809	92 116
Current Receivables		10 949	11 211	11 609
Cash and cash equivalents		4 714	42 503	8 062
Total current assets		194 581	142 746	131 251
Total assets		369 232	237 974	253 195
Equity and liabilities				
Equity				
Share capital		994	939	941
Other contributed capital		149 431	119 371	120 413
Retained Earnings		95 090	14 012	29 864
Total equity		245 514	134 322	151 218
Long-term liabilities				
Liabilities to credit institutions		11 612	16 928	14 304
Lease liabilities		6 663	7 706	7 142
Conditional additional purchase price	4	19 813	17 454	17 247
Other long-term liabilities		0	8 582	7 589
Deferred tax liability		2 392	933	1 783
Total long-term liabilities		40 480	51 602	48 066
Current liabilities				
Liabilities to credit institutions		18 638	8 305	8 305
Lease liabilities		1 191	790	868
Current liabilities		63 410	42 956	44 739
Total current liabilities		83 240	52 050	53 911
Total equity and liabilities		369 232	237 974	253 195



Changes in consolidated equity

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				61 183	61 183	61 183
Other comprehensive income for the period			5 221			
Total profit for the period	0	0	5 221	61 183	61 183	61 183
<i>Transactions with the group's shareholders</i>						
Changes to prior period				- 1 178	- 1 178	- 1 178
Ongoing new issue		8 140			8 140	8 140
Rights issue	53	21 115			21 168	21 168
Issue costs		-299			-299	-299
Tax effect issue costs		61			61	61
Amount	53	29 017	0	-1 178	27 892	27 892
Closing equity 30 Sept 2024	994	149 430	3 921	91 169	245 514	245 514



Consolidated cash flow statement

THE GROUP TSEK

Current business	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/9	2023 1/1-30/9	2023 1/13-1/12
Profit before tax	17 017	13 380	73 990	43 914	68 830
Adjustments for items that are not part of the cash flow, etc	5 813	1 470	12 496	8 736	8 726
Cash flow from current operations before changes in working capital	22 826	14 850	84 486	52 650	77 556
Cash flow from changes in working capital					
Change of stock	10 579	-7415	9 615	-10 564	-8 804
Change in operating receivables	-42 562	1 130	-66 412	-57 687	-82 393
Change in operating liabilities	4 187	-2 804	9 320	-5 002	-6 503
Cash flow from current operations	-4 970	5 761	39 009	-20 602	-20 144
The investment business					
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-	6 499	-	-
Acquisition of intangible fixed assets	-767	-545	-2 990	-1 857	-2 581
Acquisition of tangible fixed assets	-2 606	-164	-61 141	-2 958	-26 193
Acquisition of financial fixed asset	-	-	-	-	-7 481
Cash flow from investment activities	-3 373	-709	-70 630	-4 815	-36 255
The financing business					
Rights issue	8 140	35 173	29 308	80 005	81 071
Issue costs	-196	-116	-238	-405	-429
Borrowings	-	-660	15 000	4 340	3 888
Amortization of loans	-3 054	-2 071	-13 505	-3 012	-5 088
Amortization of acquisition debts	-	-	-	-58 296	-59 363
Amortization of leasing debts	-506	-148	-1 319	-620	-791
Other changes in equity	-1 178	-	-1 178	-	-
Cash flow from financing activities	3 206	32 178	28 068	22 012	19 288
Cash flow for the period	-5 137	37 230	-3 553	-3 405	-37 111
Cash and cash equivalents at the beginning of the period	9 872	4 895	8 062	44 761	44 761
Exchange rate difference in cash and cash equivalents	-21	378	205	1 148	412
Liquid funds at the end of the period	4 714	42 503	4 714	42 503	8 062



Income statement

PARENT COMPANY TSEK

	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/9	2023 1/1-30/9	2023 1/131/12
Operating income note					
Net sales	35 468	13 089	103 553	50 227	73 395
Other operating income	0	0		288	431
Total operating income	35 468	13 089	103 553	50 514	73 826
Operating expenses					
Capitalised work for own account	866	545	2 622	1 857	2 581
Change of stock, products in progress	-10 396	7 039	-13 815	6 835	6 408
Raw materials and consumables	-750	-7 507	-2 256	-10 194	-7 573
Other external expenses	-10 346	-4 536	-29 928	-11 434	-15 738
Personnel costs	-2 088	-1 552	-6 171	-4 333	-6 086
Depreciation and write-downs of tangible and intangible assets	-4 727	-14	-8 805	-36	-473
Other operating expenses	0	-504	0	-594	-31
Operating results	8 027	6 560	45 202	32 613	52 915
Results from financial items					
Financial net	-3 427	-17	-7 676	-2 521	-4 064
Profit before tax	4 600	6 577	37 526	30 093	48 851
Appropriations					
Income tax	-2 441	-1 200	-10 562	-6 048	-8 424
Result for the period	2 159	5 377	26 964	24 045	36 127

Balance sheet

PARENT COMPANY TSEK



		2024 9/30	2023 9/30	2023 31/12
Assets	Note			
Fixed assets				
Intangible assets		7 237	3 890	4 614
Tangible fixed assets		49 093	253	23 043
Financial assets		115 542	116 758	116 908
Total fixed assets		171 872	120 901	144 565
Current assets				
Inventory		4 938	8 754	8 328
Accounts receivable		119 552	49 678	62 720
Current receivables		14 331	19 782	13 178
Cash and cash equivalents		2 724	17 257	4 214
Total current assets		141 004	95 742	88 440
Total assets		312 876	216 643	233 006
Equity and liabilities				
Restricted Equity				
Share capital		994	939	941
Development expenditure fund		7 237	3 890	4 614
Unrestricted Equity				
Share premium fund		149 431	119 371	120 413
Retained earnings		36 718	1 018	12 376
Total unrestricted equity		186 148	120 388	132 789
Total equity		194 379	125 218	138 344
Untaxed reserves		4 300	0	4 300
Provision		28 405	27 877	26 813
Long-term liabilities				
Liabilities to credit institutions		7 394	13 750	9 566
Other long-term liabilities		0	8 582	7 589
Current liabilities				
Liabilities to credit institutions		18 638	8 305	8 305
Current liabilities		59 761	33 091	38 089
Total short-term liabilities		78 400	41 396	46 394
Total equity and liabilities		312 876	216 643	233 006



Report on Cash Flows in Summary

PARENT COMPANY TSEK

	2024 1/7-30/9	2023 1/7-30/9	2024 1/1-30/9	2023 1/1-30/9	2023 1/131/12
Current business					
Profit before tax	4 600	6 577	37 526	30 093	48 851
Adjustments for items that are not part of the cash flow, etc	5 136	-1 812	11 846	2 880	8 66
Cash flow from current operations before changes in working capital	9 736	4 765	49 371	32 973	52 429
Cash flow from changes in working capital					
Change of stock	10 395	-7 058	13 815	-7 193	-6 767
Change in operating receivables	-24 773	-10 124	-48 530	-58 800	-63 421
Change in operating liabilities	1 962	-1 949	-622	-2 305	-2 272
Cash flow from current operations	-2 680	-14 366	14 034	-35 324	-20 031
The investment business					
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-	-	-	-626
Acquisition of intangible fixed assets	-866	-545	-2 622	-1 857	-2 581
Acquisition of tangible fixed assets	-669	-106	-44 739	-106	-23 334
Cash flow from investment activities	-1 535	-651	-47 361	-1 963	-26 541
The financing business					
Rights issue	8 140	35 173	29 308	80 005	81 071
Issue costs	-196	-116	-238	-405	-429
Borrowings	-	-660	15 000	4 340	2 413
Amortization of loans	-2 687	-2 071	-12 233	-3 011	-5 088
Amortization of acquisition debts	-	-	-	-58 296	-59 363
Cash flow from financing activities	5 257	32 236	31 837	22 633	18 604
Cash flow for the period	1 042	17 309	-1 490	-14 654	-27 968
Cash and cash equivalents at the beginning of the period	1 682	218	4 214	32 182	32 182
Liquid funds at the end of the period	2 724	17 527	2 724	17 527	4 214



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 Solna, 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). See Note 10 Significant accounting principles.

The parent company applies to the Annual Accounts Act and RFR 2 Accounting for legal entity. According to IAS 34.16A, information appears in addition to the financial reports and their associated notes in the interim information on pages 20-26, 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

Intellego evaluates every year whether there is a need to write down goodwill. Evaluations are carried out in connection with impairment test and is based on estimates and assumptions. The most important assumptions made in this evaluation relate to growth, free cash flow and discount rate. Estimates that deviate from management's assessments can lead to different results for the business and a different financial position. To determine whether the value of goodwill has decreased, the cash-generating units to which goodwill has been assigned are valued, which is done by discounting the cash-generating unit's cash flows. In applying this methodology, Intellego relies on a number of assumptions, including achieved results, business plans, financial forecasts, and market data. Changes in the conditions for these assumptions and estimates could have a material effect on the value of goodwill.

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 REVENUE FROM CONTRACTS WITH CUSTOMERS

Breakdown by geography	2024 Jan-Sep	2023 Jan-Sep
Asia	19 306	13 109
Europe	123 946	65 544
North America	54 738	39 326
The rest of the world	8 875	13 109
	206 865	131 087

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	19 813	19 813
	0	0	19 813	19 813
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	2 566	1 993
Earnings per share before dilution (SEK)	19 813	17 247



During the period, unrealised losses for conditional additional purchase prices at the end of the reporting period amounted to SEK 2,566 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 -1,142 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 3,302 thousand (SEK 2,874 thousand).

NOTE 5 EARNINGS PER SHARE

	2024 Jan-Sep	2023 Jan-Sep
Earnings per share before dilution		
Result attributable to the parent company's shareholders (TSEK)	61 183	37 930
Weighted average number of shares during the period before dilution (thousands)	27 055	24 873
Earnings per share before dilution (SEK)	2,26	1,52

<i>Earnings per share after dilution</i>		
Result attributable to the parent company's shareholders (TSEK)	61 183	37 930
Weighted average number of shares during the period before dilution (thousands)	27 055	24 873
Adjustment attributable to warrants leading to dilution (thousands)	754	596
Weighted average number of shares for calculation of earnings per share after dilution (thousands)	27 809	25 469
Earnings per share after dilution (SEK)	2,20	1,49

At the end of the reporting period, the outstanding number of ordinary shares amounted to 27 822 614 (26 289 792).

NOTE 6 GOODWILL

	2024 Jan-Sep	2023 Jan- Dec
Accumulated acquisition values		
Opening accumulated acquisition values	71 572	70 524
Business acquisition	4 895	-
Exchange rate differences	4 305	1 048
Closing accumulated acquisition values	80 772	71 572
Closing reported value	80 772	71 572

NOTE 7 BUSINESS ACQUISITION

Business acquisitions completed during the period Jan-Sep 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	UV Light Technology
Transaction costs reported in the result under Other external costs	346
Amount	346
The acquisition's impact on the group's cash flow	UV Light Technology
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 being delivered.

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.

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 2024-11-28

The board and CEO of Intellego Technologies AB (publ)

Gregory Batcheller	Claes Lindahl
Chairman of the Board	CEO

Johan Möllerström	Jacob Laurin
Board member	Board member

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

Upcoming Reports

Report for the fourth quarter: 2025-02-28

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