

POLYGIENE GROUP AB (PUBL.)

INTERIM REPORT Q3 2022



POLYGIENE[®]
GROUP
FOR MINDFUL LIVING

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Q3 IN BRIEF

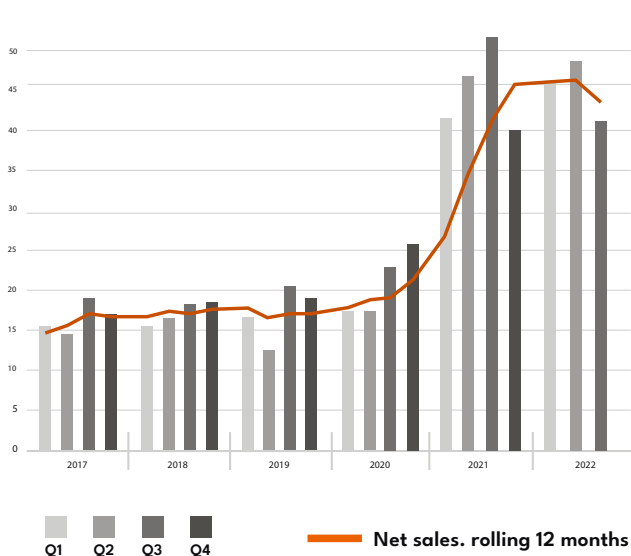


KEY RATIOS

GROUP	July - Sept 2022	July - Sept 2021	YTD 2022	Full Year 2021	Full Year 2020	Full Year 2019
Net sales, MSEK	41.0	52.3	133.6	181.6	83.9	68.8
Operating profit (EBITDA), MSEK	5.1	15.7	24.1	41.2	5.7	-2.8
Operating margin (EBITDA), %	12.5	30.0	18.0	22.7	6.8	-4.0
Profit after tax, MSEK	5.7	12.9	30.0	64.2	-1.7	-5.2
Operating margin after tax, %	14.0	24.5	22.5	35.3	-2.0	-7.2
Earnings per share, SEK	0.16	0.36	0.82	1.82	-0.08	-0.25
Cash flow, MSEK	1.9	8.4	2.9	46.4	-0.5	1.2

NET SALES, MSEK

JULY - SEPTEMBER



- Net sales amounted to MSEK 41.0 (52.3), a decrease by 21.7 % mainly due to reduced sales to the distributor level
- The gross margin increased to 65.6 (64.3) %
- The operating profit before depreciations EBITDA amounted to MSEK 5.1 (15.7), corresponding to an EBITDA margin of 12.5 (30.0) %
- The operating profit after depreciations and before tax EBIT amounted to MSEK 7.0 (15.7), corresponding to an EBIT margin of 17.2 (30.0) %
- The cash flow amounted to MSEK 1.9 (8.4)
- Cash and cash equivalents amounted to MSEK 55.5 (49.9)

SIGNIFICANT EVENTS IN BRIEF

SIGNIFICANT EVENTS DURING JULY - SEPTEMBER 2022

NNT AND POLYGIENE TEAM UP TO CREATE NEW FRONTLINE WORKWEAR UNIFORMS FOR HEALTH PROFESSIONALS

Partner NNT and Polygiene create a new range of protective uniforms and scrubs for health professionals. The new workwear, marketed under the Workwear Group logo, incorporates Polygiene's innovative StayFresh™ technology.

UNIVERSAL PERFORMANCE AND POLYGIENE COLLABORATE TO CREATE THE WORLD'S FIRST ORGANIC LOUNGEWEAR WITH ODOR-CRUNCH TECHNOLOGY

The post-pandemic consumers are turning their back on fast fashion, opting instead for durable garments as they embrace an environmentally mindful lifestyle. A collaboration between the sustainable activewear brand UP, Universal Performance and Polygiene represents the perfect fit for an eco-loungewear collection that lasts.

GEAR AND ACCESSORIES BRAND POLO MOTORRAD AND POLYGIENE LAUNCH MOTORCYCLE GLOVES

POLO Motorrad is known as the go-to brand with high-functioning products for motorcyclists across Europe with over 90 stores across the GAS area. The company uses Polygiene to avoid unpleasant odors, washing and to extend.

LACUNA SPORTS, WOMEN'S PERFORMANCE CRICKET SPORTSWEAR WITH POLYGIENE

Cricket is becoming ever more popular among women and girls, yet until recently, the clothing and kit have been almost entirely designed for the male body. The new British sportswear brand has been set up to change all that. Lacuna launches a number of products treated with Polygiene Stay-Fresh™ technology, for spring summer 2022.

FORBES LISTING POLYGIENE PARTNER GREGORY MOUNTAIN PRODUCTS AS OUTSTANDING FOR TRAVELLING

During the summer Forbes made a list of items needed for longer and shorter trips. Polygiene was mentioned together with Gregory hardcases that both stay fresh and last longer, thanks to Polygiene technology. See the full list: [link](#).

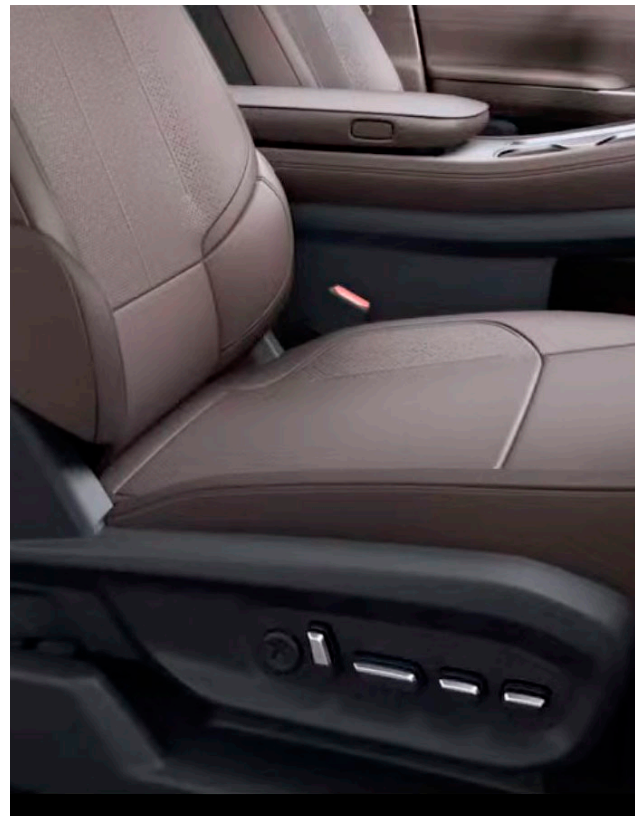
GUARDING THE NEXT GENERATION OF SPORT STARS – NATIONAL MOUTHGUARD DAY WITH OPRO AND POLYGIENE

OPRO have been keeping athletes smiling for years, providing them with custom-fit mouthguard technology treated with Polygiene BioMaster™ antimicrobial protection. This was highlighted at the National Mouthguard Day in September that is set to promote the importance of protection in all types of contact sports – especially for younger athletes.

NIO, ELECTRIC VEHICLE MANUFACTURER AND PARTNER TO POLYGIENE NOW LAUNCHES ITS CARS IN THE EUROPEAN MARKET

This was announced at a launch event in Berlin, the starting point for the introduction to the European market. The seats in the model ET7 have PolygieneBioMaster™ antimicrobial protection. Plans are to treat more of the potential bacteria hot spots in the interior of the car, going forward. NIO will be available in the Netherlands, Sweden, and Denmark during 2022 as well

Electric car manufacturer NIO is now launching in Europe.



BRAND PARTNER AIRINUM LAUNCH BAGS WITH ANTIMICROBIAL PROTECTION

AIRINUM, also offering facemasks with Polygiene technology, releases new crossbody and shoulder bags with lining made from recycled polyester yarns that are treated with Polygiene ViralOff™.

POLYGIENE AT FUNCTIONAL FABRIC FAIR IN NEW YORK CITY

With a target group of buyers of textiles, material suppliers as well as Lifestyle and Fashion visitors, Polygiene presented its Freshness technologies – StayFresh™, OdorCrunch™ as well as Polygiene Verimaster™ from Polygiene Protection.

O’NEILL AND POLYGIENE COOPERATE WITHIN ISPO COLLABORATORS CLUB

Partner and surf brand O’Neill wanted to find out how customers would receive its new activewear collection with Polygiene StayFresh™. Members of ISPO Collaborators Club from all over Europe were sweating hard for two months to see the performance of the technology. The results are here: [link](#).

POLYGIENE AT PACKAGING WEEK, LONDON

Packaging suppliers and buyers from over all over the UK and Europe met at the booth where Polygiene presented technologies ScentMaster from Polygiene Freshness and BioMaster and VeriMaster from Product Protection. All resulting in over 100 leads from visitors to the stand.

NEW SALES AGENT IN FRANCE IMPORTANT STEP FOR POLYGIENE GROUP

Polygiene Group continues to expand its presence in Central Europe. Jean Charles Marchionni starts as a new sales agent for the Polygiene Group in France.

POLYGIENE GROUP HIRES NEW CHIEF FINANCIAL OFFICER

Niklas Blomstedt starts as new CFO for Polygiene Group and succeeds current CFO Nina Forsvall. His most recent role was as VP and Head of Finance at Arjo AB. Nina Forsvall will assume the role of HR manager for Polygiene Group.

EXTENSIVE BRANDING PROJECT FOR POLYGIENE GROUP

During the quarter we launch an updated graphic profile for the group’s different business areas, a new website with focus on the various targeted industries, as well as films for Polygiene Group.

EVENTS AFTER THE QUARTER

POLYGIENE AT THE EUROPEAN OUTDOOR SUMMIT (EOS) IN ANNECY, FRANCE

Each annual summit brings together senior executives and decision-makers from across Europe and beyond. This year’s main discussion was around industry learning in the Pandemic world. Polygiene’s CMO, Sean Tindale, presented a Life Cycle Assessment (LCA) on how less washing can reduce the environmental impact, by Sweco on behalf of Polygiene. An important step for the Groups’s future journey and the environment.

Nina Dodlek trying out the collection of O’Neill and Polygiene.

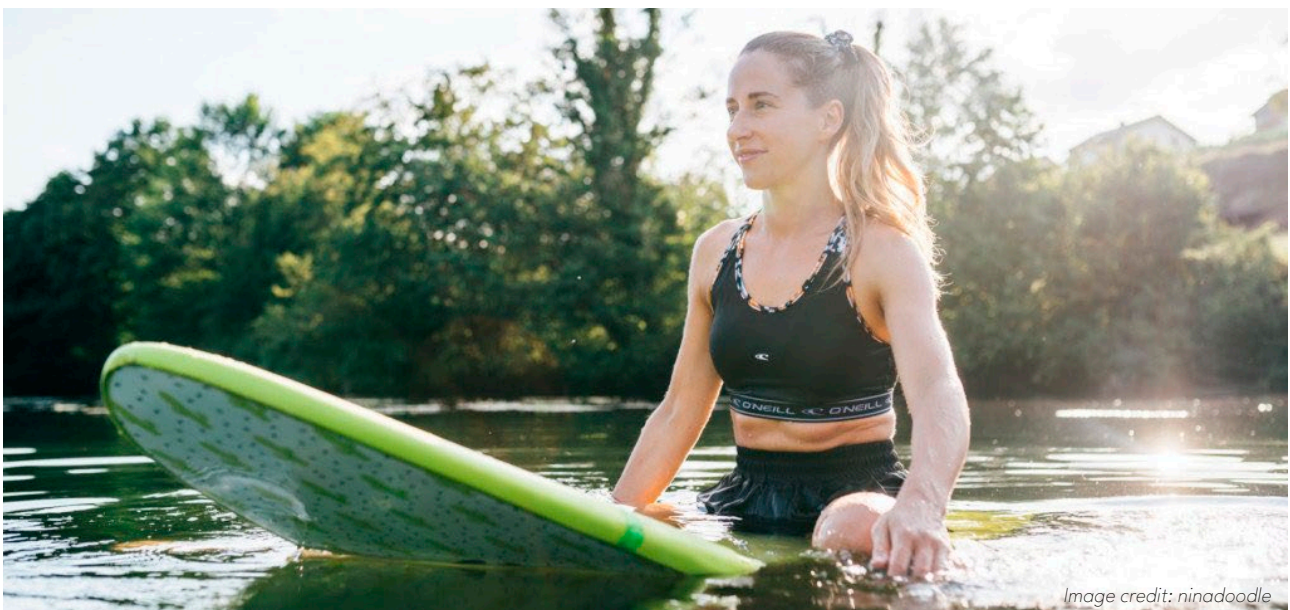


Image credit: ninadoodle

REDUCED PURCHASING POWER AND INCREASED INVENTORY TURNS DISTRIBUTORS CAUTIOUS

MESSAGE FROM THE CEO

Net sales for the quarter amounted to MSEK 41.0 (52.3), corresponding to a 21.7 % decrease compared to the previous year. A gross margin of 65.6 (64.3) % was reported this quarter. Operating profit after depreciation and before tax amounted to MSEK 7.0 (15.7), corresponding to an EBIT margin of 17.2 (30.0) %. Cash flow was positive at MSEK 1.9.

Global economic conditions have changed drastically in recent months, impacting business in the third quarter. High inflation has created consumer uncertainty and decreased purchasing power, raising inventory levels and this directly affects new production and pending orders, which in many cases have been revised. Because supply chain stability has been somewhat restored, we are seeing an increased cautiousness among distributors who have not placed orders to the same extent as the previous year. The economic climate has also contributed to many analyzing their key figures and tightening up on inventory management.

Sales decreased by 21.7 % compared to the previous year, corresponding to a 29.8 % decline after adjustment for foreign currency effects. Distributor sales for textiles dropped sharply this quarter. Distributors typically order at the same rate as they send out goods to keep inventory levels stable. Over the last two quarters, however, order intake has been significantly lower than the previous year. In this context, it is important to point out that the volumes sent out from distributors to the factories for actual production decreased by only 13 % using local currency figures. Production volumes are always the best measure to get a fair picture of the status of the business.

It is primarily Sport & Outdoor that loses volume in the quarter, which is a reflection of the sports market in general. Cyclical products in home textiles are also losing ground as demand goes down and our partners' current inventory levels increase. However, we can state that both Fashion and Workwear show currency-adjusted growth in the period. It is also very gratifying that sales in Asia have increased significantly, mainly driven by a couple of new customers in China.

Product Protection also faced significant challenges this quarter, though the end products are not as sensitive to economic conditions as fast-moving consumer goods on the textile side. Here, too, there is some cautiousness from our customers affected by the global economic slowdown. However, the month of October was off to a good start, indicating a shift has taken place as we enter the last quarter of 2022. Polymer supply is now stable, and the shortages experienced in previous quarters are no longer directly impacting our business. October saw the rollout of a price adjustment for our customers, a direct result of increased raw material prices from our suppliers. The last price adjustment occurred a year ago, and this recent price increase was inevitable to maintain the Group's margin structure.

We can already note some results from the AIX show in June. Via our partner Muirhead a number of transport companies, both within the railway and airline industries, will start using leather with Polygiene technology.

» *Despite the challenging global climate, Polygiene remains in a stable financial position* «

Despite the current circumstances, we have delivered a stronger gross margin, positive cash flow and the opportunity to continue investing in the market. Operating expenditures reflect the increased costs for participation in trade fairs, related travel costs and an expanded organization. These are deliberate investments that we believe critical to maintaining contact with our existing partners and attracting new customers. The Group has a good cost control yet we cannot rule out austerity on the cost side in the future.

Regardless the global economic climate, the Polygiene Group remains stable financially. The Group is debt-free, cash-flow positive, and generating profit. A steady cash flow ensures that the Group has the resources to invest in the business. There is a very high level of activity throughout the Group. Our presence at trade fairs this year has resulted in many new and exciting development projects. Work with the deve-

lopment of new technologies has intensified in recent months, with additional internal resources allocated to product development. New business opportunities constantly come up and are evaluated to identify ways to broaden our operations.

This quarter, Polygiene Group introduced the vision “For Mindful Living”. This vision strategically links Freshness and Product Protection under a joint brand promise to support the responsible transition to a more sustainable world. In September, a new search engine optimized website was launched, establishing a common brand platform and an updated graphic profile for the entire group. Ten categories comprise our business, and each has its own landing page with clear communication. This allows us to optimize our marketing



resources and drive relevant traffic to the right target group. So far, reception to the new website has been very positive, and we have seen an considerable increase in numbers of visitors after the launch.

We are also making progress on a new investor relations website, with a launch scheduled before year-end. The new graphic profile will be introduced throughout the Group, a resource-intensive project, but necessary to create uniformity and clarity in the market.

Our long-term goal of achieving one billion Swedish kronor in turnover over a five-year period remains, despite the short-term challenges we face with the current business climate. The prevailing conditions when setting these goals just a year ago have changed dramatically in the wake of a pandemic, war, and rising inflation. However, this does not affect our long-term plan since there have been no fundamental changes in our direction. We recently analyzed our growth strategy and revised the plan to ensure that we will reach our goal. Our message and product offering are more relevant than ever.

Polygiene has an important role to play in the market, driven by an increased focus on sustainability and a greater need for hygienic surfaces and materials. The Group has a strong organization with the right skills in the right place, thereby securing for Polygiene’s continued journey forward. It is impossible to say when the market will recover, but once it does, we are very well equipped to continue our growth journey.

Ulrika Björk VD Polygiene Group

POLYGIENE GROUP IN BRIEF

OUR TREATMENTS MAKE SURE PRODUCTS STAY FRESH AND PROTECTED, WHICH MAKES THEM LAST LONGER

Polygiene Group is offering the market a comprehensive solution and a strong ingredient brand for Freshness and Product Protection solutions for any product or surface. As a major player in the antimicrobial industry, the Group is creating a powerhouse capable of dominating the industry by being the provider of solutions for all applications and add additional value to existing and future partners.

In partnership with premium brands, we deliver a product that is effective, safe to use, prolongs product life,

contributes to a more sustainable lifestyle as well as a more profitable business for our partners. Our vision is to fundamentally transform the industry, partly by encouraging consumers to change their behavior, and partly by getting the industry to adopt our functions and by doing so, be part of building an eco-friendly society with an approach to consumption that is more sustainable in the long term.



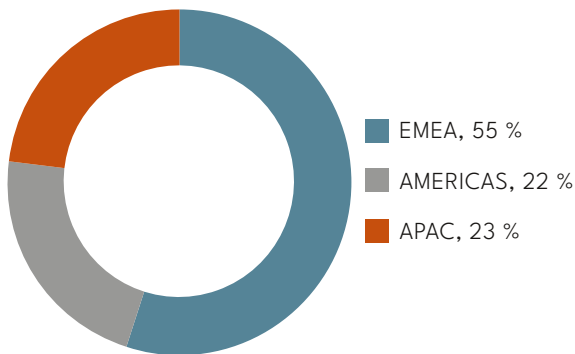
POLYGIENE
FRESHNESS



POLYGIENE
PRODUCT PROTECTION

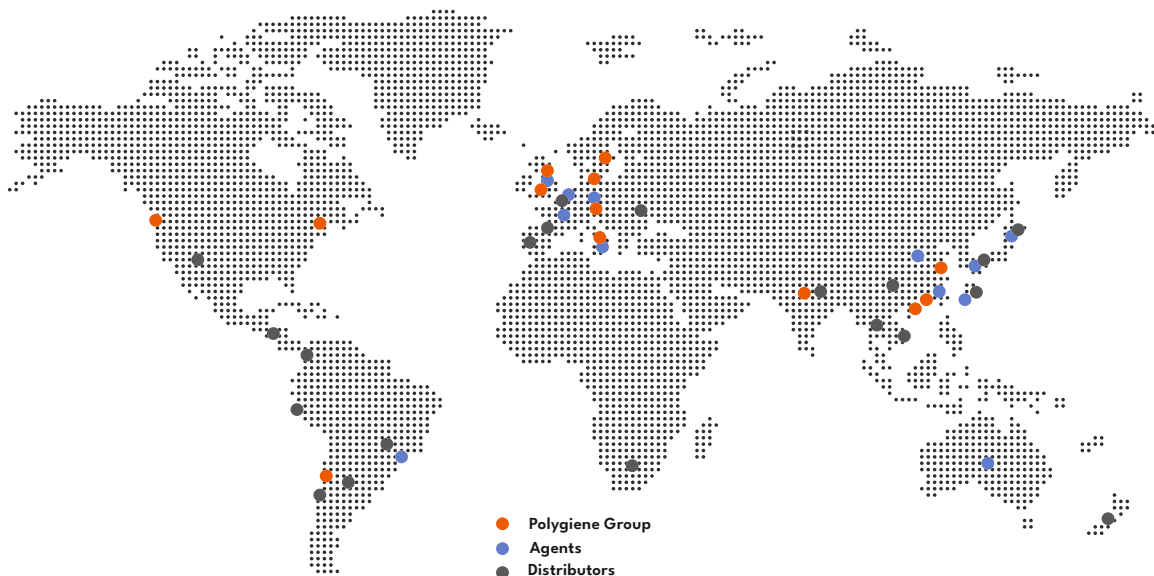
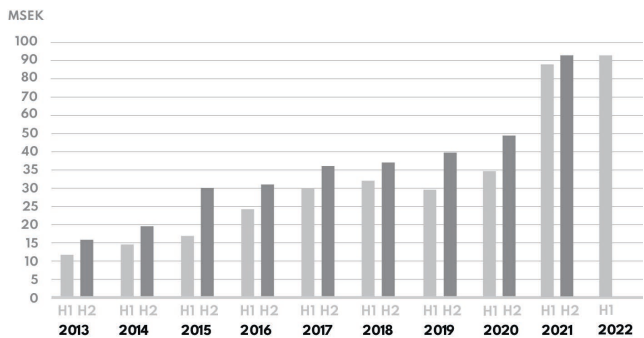
OPERATIONS

The third quarter's net sales can be allocated in the following way:



NET SALES FIRST/SECOND HALF OF THE YEARS 2013-2022

The Group has a steady growth and a stronger second half year annually from 2013 to 2021. These seasonal variations evens out as new partners are added that have smaller seasonal variations.



FINANCIAL TRENDS

NET REVENUES AND PROFIT

Net revenues and Gross Margin

Q3 net revenues for the Group totalled MSEK 41.0 (52.3), for a decrease of 21.7 % over the same quarter the previous year, mainly due to reduced sales to the distributor level. Gross margins for the quarter reported at 65.6 (64.3) %. Cost of goods sold totalled MSEK -14.1 (-18.7) for the quarter.

COSTS

Other external expenses for the period totalled MSEK -13.6 (-10.8), which is an increase of 26.3 % over the same quarter the previous year. These costs include:

- Variable selling expenses MSEK -5.2 (-4.7) which consist mainly of commissions to agents and distributors
- Marketing expenses MSEK -2.6 (-1.7)
- Administrative expenses MSEK -3.5 (-2.8)
- Contracted consultants MSEK -2.3 (-1.6)

The increase in marketing costs is mainly due to the fact that the Group is in a process where the marketing strategy is changed and during this period the focus has been on rebranding and film production. Costs for fairs have increased during this period compared to the previous year because it was not relevant in the pandemic year 2021. The same reason applies to administrative costs as travel has increased.

STAFF COSTS totalled MSEK -8.1 (-7.2). The increase is due to more employees in the Group compared with the previous year and one more Board member.

DEPRECIATION on intangible- and tangible fixed assets totalled MSEK -1.1 (-0.8). Depreciation will increase in the coming periods due to higher development expenses.

OTHER OPERATING EXPENSES totalled MSEK 3.1 (0.8) for the quarter and relates to exchange rate differences, mainly attributable to the rise of the USD and GBP exchange rate.

RESULT

Operating profit/loss (EBITDA) totalled MSEK 5.1 (15.7), corresponding to operating margins (EBITDA) of 12.5 (30.0) %. Other profit of the period contains foreign currency translation differences in the translation of foreign subsidiaries and goodwill. The result after taxes totalled MSEK 5.7 (12.9).

FINANCIAL POSITION

Intangible and tangible non-current assets

The intangible fixed assets consist mainly of goodwill from acquisition of other business, investments in the ERP and CRM system and development. The tangible fixed assets consist mainly of leasing for the use of office premises.

Financial non-current assets

Financial non-current assets at the period-end where MSEK 15.6 (14.2) and consist of deferred tax assets related to tax loss carry forwards arising in previous years and withholding tax. The total tax loss carry forward at the period-end was MSEK 29.5.

INVENTORY

The inventory value has increased compared to the previous period, MSEK 37.1 (19.4). The reason is that the Parent Company has built up a warehouse in Sweden due to Brexit to simplify the process of selling to the Group's customers within the EU, and that the subsidiary, Addmaster has built up a stock to ensure the availability of polymers.

CASH FLOW AND LIQUIDITY

Cash flow of the third quarter amounted to MSEK 1.9 (8.4). The Group's cash and cash equivalents at the period-end amounted to MSEK 55.5 (49.9).

EQUITY

Equity totalled MSEK 596.4 (473.4) at the period-end. The equity assets ratio as of 2022-09-30 was 97.9 (92.8) %.

PERSONNEL EXPENSES

At the period-end, the operating organization, regardless the degree of service, was 48 (45) people. 40 (35) are employed and 8 (10) are contracted consultants. The operating organization amounts to 44.9 (41.0) full-time services.

STATEMENTS OF PROFIT OR LOSS OF THE GROUP

TSEK	Note	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
Operating revenue						
Net sales	8	40,976	52,347	133,554	141,178	181,610
Other operating income		20	46	112	140	191
Total operating revenue		40,996	52,393	133,666	141,318	181,801
Operating expenses						
Costs of goods sold		-14,118	-18,705	-44,870	-51,381	-66,368
Gross profit or loss		26,878	33,688	88,796	89,937	115,433
Other external expenses		-13,643	-10,802	-38,679	-30,739	-43,535
Personnel expenses		-8,117	-7,185	-26,057	-22,721	-30,698
Operating profit before depreciation (EBITDA)		5,118	15,701	24,060	36,477	41,200
Depreciation and write-downs		-1,136	-774	-3,139	-2,287	-3,134
Other operating expenses*		3,067	787	1,467	1,872	2,792
Operating profit/loss (EBIT)		7,049	15,714	22,388	36,062	40,858
Profit from financial items						
Interest expenses and similar items		-3	-4	-26	-8	-391
Profit after financial items		7,046	15,710	22,362	36,054	40,467
Tax income for the period		-828	-2,788	-3,073	-3,540	-7,642
Other profit of the period		-493	-61	10,737	189	31,358
Profit of the period		5,724	12,861	30,026	32,703	64,182
<i>*Includes exchange rate differences</i>						
Earnings per share before and after dilution						
Before dilution		0.16	0.36	0.82	0.92	1.82
After dilution		0.15	0.35	0.80	0.90	1.77

STATEMENTS OF FINANCIAL POSITION OF THE GROUP

Tkr	Not	2022-09-30	2021-09-30	2021-12-31
ASSETS				
Fixed assets				
Intangible assets	9	464,868	371,300	413,308
Tangible assets		2,391	2,943	2,694
Financial assets	10	15,646	14,207	13,999
Total fixed assets		482,905	388,450	430,001
Current assets				
Finished items and items for sale		37,137	19,364	28,158
Trade receivables	10	30,854	45,498	34,593
Other current assets	10	2,752	6,866	5,390
Cash and cash equivalents		55,473	49,881	52,552
Total current assets		126,216	121,609	120,693
TOTAL ASSETS		609,121	510,059	550,694
TOTAL EQUITY AND LIABILITIES				
Equity				
		596,414	473,435	519,150
Long-term liabilities				
Untaxed reserves		–	63	–
Leasing liabilities		19	19	19
Total long-term liabilities		19	82	19
Short-term liabilities				
Accounts payable		4,932	17,166	11,283
Leasing liabilities		1,831	2,595	2,381
Other current liabilities		5,925	16,781	17,861
Total short-term liabilities		12,688	36,542	31,525
Total liabilities		12,707	36,561	31,544
TOTAL EQUITY AND LIABILITIES		609,121	510,059	550,694

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY OF THE GROUP

TSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
Equity at period start	589,925	460,159	519,150	27,480	27,480
Translation differences	764	416	-851	-1,962	-
Share premium fund	-	-	-	1,659	-
New share issues and warrants	-	-	47,951	416,344	427,488
Transactions with the owners	590,689	460,575	566,250	443,521	454,968
Earnings of period	6,218	12,800	19,289	29,604	32,824
Other profit of the period	-493	61	10,737	311	31,358
Total earnings of period	5,724	12,861	30,026	29,915	64,182
Equity at period end	596,414	473,435	596,276	473,435	519,150

CASH FLOW STATEMENTS OF THE GROUP

TSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
Current activities					
Profit/loss before financial items	7,049	15,714	22,388	36,062	40,858
Non-cash adjustment	1,331	1,085	8,939	2,099	3,149
Interest paid	-3	-4	-27	-8	-772
Paid income tax	-	-117	-1,469	-171	-6,916
Cash flow from operating activities before changes in operating capital	8,377	16,678	29,831	37,982	36,319
<i>Changes in working capital:</i>					
Increase/decrease in inventory	865	-3,035	-8,979	-4,990	-13,451
Increase/decrease in current receivables	8,288	-9,230	5,077	6,362	22,201
Increase/decrease in current liabilities	-13,883	7,059	-18,388	-7,577	-7,470
Net cash flow from operating activities	3,647	11,472	7,541	31,777	37,599
Net cash flow from current activities	3,647	11,472	7,541	31,777	37,599
Investment activities					
Acquisition of subsidiary	-	-	-	-402,684	-404,846
Acquisition of intangible assets	-740	-2,065	-45,216	-3,367	-3,143
Acquisition of tangible assets	-243	-92	-517	-131	-302
Disposal of tangible assets	-	-	-	2,879	2,879
Acquisition of financial fixed assets	-600	-669	-1,647	-1,513	-2,062
Cash flow from investing activities	-1,583	-2,826	-47,380	-404,816	-407,474
Financing activities					
New shares and warrants	-	-	43,299	419,549	418,317
Overdraft facilities	-	-	-	-1,151	-1,151
Amortization of leased objects	-195	-225	-550	-687	-900
Cash flow from financial activities	-195	-225	42,749	417,711	416,266
Cash flow of period	1,869	8,421	2,910	44,672	46,391
Cash and cash equivalents at period start	53,604	41,460	52,552	4,478	4,478
Currency differences, cash and cash equivalents	-	-	11	731	1,683
Cash and cash equivalents at period end	55,473	49,881	55,473	49,881	52,552

MULTI-YEAR OVERVIEW OF THE GROUP

Group	July - Sept 2022	July - Sept 2021	YTD 2022	Full year 2021	Full year 2020
Net sales, TSEK	40,976	52,347	133,554	181,610	83,932
Sales growth, %	-22	171	-5	116	22
Operating profit/loss EBITDA, TSEK	5,118	15,701	24,060	41,200	5,709
Operating margin EBITDA, %	13	30	18	23	7
Profit after tax, TSEK	5,724	12,861	30,026	64,182	-1,736
Operating margin after tax, %	14	25	23	35	-2
Cash flow, TSEK	1,869	8,421	2,910	46,391	-431
Equity, TSEK	596,414	473,435	596,414	519,150	27,480
Balance sheet total, TSEK	609,121	510,059	609,121	550,694	57,636
Equity/assets ratio, %	97,9	92,8	97,9	94,3	47,7
Number of shares at period end, THS	36,527	35,550	36,527	35,550	20,516
Average no. of shares at period end, THS	36,527	35,550	36,527	35,550	20,516
Earnings per share before dilution, SEK	0.16	0.36	0.82	1.82	-0.08
Earnings per share after dilution, SEK	0.15	0.35	0.80	1.77	-0.08
Cash flow per share, SEK	0.05	0.15	0.08	1.30	-0.02
Equity per share, SEK	16.33	13.32	16.33	14.60	1.34

NOTES

Not 1: Nature of operations

Polygiene Group is a group that provides antimicrobial solutions for textiles and hard surfaces to keep products fresh from bacteria and viruses. In connection with the acquisition of Addmaster, Polygiene Group expanded its product range and today offers several technologies. The technologies within Freshness enables the lifespan of products to be extended via a change in consumer behaviour. Today the Group has over 750 global partners within many categories including Fashion & Lifestyle, Healthcare, Home & Pets, Hospitality, Industrial, Paper & Packaging, Sport & Outdoor, Water and Workwear. The Group's brand is a significant asset whereby the Group conducts continual activities to strengthen the brand and awareness which is vital to achieve future targets. Polygiene Group AB (publ.), the Group Parent, is a public limited company formed and domiciled in Sweden. The main office and primary operations location are at Styrmansgatan 2, 211 18 Malmö. Polygiene Group AB shares are listed on Nasdaq First North Growth Market.

Not 2: General information and compliance with IAS 34

This interim report presents the period from July 1 to September 30, 2022 and is prepared in SEK, the Parent's functional currency. The interim report was prepared according to IAS 34 Interim Financial Reporting and ÅRL.

This interim report does not contain all the information required for financial reporting under IFRS and should therefore be considered jointly with the annual financial statements for fiscal year 2021 except description of the basic regulatory frameworks applied. Complete additional information under IFRS is published in our 2021 annual financial reporting. The interim report has not been subject to general auditing by the Group's auditors. The interim report for the quarterly period July 1 to September 30, 2022 was approved for publishing by the Board of Directors on October 26, 2022. This interim report was prepared in compliance with IFRS, which agrees with the accounting and valuation principles which can be read in the Parent Company and the Group's 2021 financial statements.

Not 3: Risks and uncertainties

The Group's operations are affected by several factors which can involve risks to the Group's operations and profit. For more information, please refer to the Group's 2021 Annual Report.

The pandemic with its effects such as shutdowns and challenging logistics chains resulted in some of our partners in China building up large safety stocks, mainly at the end of the previous year. This has affected our sales during the year. This, together with the uncertainty in the macroeconomic situation (including increased inflation and higher interest rates), means that our customers have an increased focus on efficient capital management, which in turn could have an impact on our sales in the coming quarters.

The Group has implemented price increases to parry cost increases and our assessment is that we thereby, with some lag, managed to manage its cost increases.

The course of events in Ukraine affects the geopolitical situation and increases uncertainties in the global market. The Group has no operations in either Russia or Ukraine and therefore believes that this event has no direct impact on the Group's operations, results and/or financial position. In order to minimize any risks, The Group continuously monitor the development of events.

Not 4: Significant estimates and assessments

When interim reporting is prepared, the Board of Directors and CEO must, in accordance with applicable accounting and valuation principles, make certain estimates, assessments, and assumptions that affect the reporting and valuation of assets, provisions, liabilities, income, and expenses. Actual outcome may vary from these estimates and assessments and the amounts very rarely equal the estimated outcome. The estimates, assessments made in the interim report, including assessment of the most important sources of uncertainty are the same as those applied in the 2021 annual reports. Estimates and judgments that have changed compared to financial year 2021 are described below.

Foreign withholding tax that the Parent Company can recover when previous tax loss carry forwards are utilized. The Board has made the assessment that if the Parent Company does not generate sufficient profit in the coming years, there is a risk that these will not be fully utilized.

Not 5: Significant events and transactions during and after the interim period.

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

Not 6: Seasonality and cyclicity

Historically sales are higher during the second half of the year. This has changed in 2021 through the acquisition of Addmaster which has steady sales during the year. This is why seasonal variations are less.

Not 7: Contingent liabilities

The Board has identified a contingent liability through the acquisition of the business "SteriTouch" in January 2022. The seller may receive a cash additional purchase price that may amount to a maximum of approximately MSEK 6.2 (MGBP 0.5) based on 2022 years sales growth of the acquired business. The Board's assessment is that the probability that the contingent obligation will be fulfilled is low and a final assessment will be made in Q4

Not 8: Net sales from contracts with customers

The Group's revenues from geographic markets can be broken down as follows:

Q3 2022	Goods	Royalty	Total
Primary geographic markets:			
APAC	7,526	1,797	9,323
EMEA	20,417	2,238	22,655
AMERICAS	6,249	2,749	8,998
GLOBAL	-	-	-
	34,192	6,784	40,976

Q3 2021	Goods	Royalty	Total
Primary geographic markets:			
APAC	6,606	2,759	9,365
EMEA	23,328	3,535	26,863
AMERICAS	8,247	3,743	11,990
GLOBAL	4,129	-	4,129
	42,310	10,037	52,347

Q3 2022	Goods	Royalty	Total
Business areas:			
FRESHNESS	13,622	6,781	20,403
PRODUCT PROTECTION	20,573	-	20,573
	34,195	6,781	40,976

Q3 2021	Goods	Royalty	Total
Business areas:			
FRESHNESS	18,519	10,037	28,556
PRODUCT PROTECTION	23,791	-	23,791
	42,310	10,037	52,347

Not 9: Goodwill

The Group's changes in the presented value for goodwill:

Group TSEK	2022-09-30	2021-09-30
Accumulated cost brought forward	419,204	367,441
Translation difference	-189	19
Accumulated cost carried forward	419,015	367,460

Not 10: Financial assets

The Group's changes in value of financial assets*:

Group, TSEK	2022-09-30	2021-09-30
Trade receivables		
Opening balance	36,418	38,046
Change during the period	-5,564	7,452
Closing balance	30,854	45,498
Withholding tax		
Opening balance	10,504	8,239
Change during the period	601	669
Closing balance	11,105	8,908
Contracted assets		
Opening balance	4,990	2,828
Change during the period	-2,614	-407
Closing balance	2,376	2,421

*Refers to items included within fixed and current assets.

SHARE CAPITAL, THE SHARES AND OWNERSHIP STRUCTURE

SHARE CAPITAL

Equity in Polygiene Group totals SEK 3,652,699 allocated to 36,526,989 outstanding shares. Polygiene Group has a single share class, and each share carries an equal right to dividend. Par value for each share is SEK 0.10.

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

PROGRAM	Year	Quantity	Period of subscription	Exercise price
3	2020	300 000	June 1-30 2023	22.36
4	2021	300 000	June 1-30 2024	68.28
5	2022	300 000	June 1-30 2025	26.62

For more information on the development of share capital, please refer to the Polygiene Group's Annual Report 2021.

SHARES

Shares in Polygiene Group AB (publ.) have been listed on Nasdaq First North Growth Market, Stockholm, since March 14, 2016. During the third quarter, the total number of shares traded was 3,153,642 which corresponds on average to 46,377 shares per trading day. The share price at the end of the period was SEK 11.14, which corresponds to market Share capital, the share and ownership structure capitalization of

MSEK 407. The highest and lowest share prices during the period were SEK 18.90 and SEK 11.14, respectively.

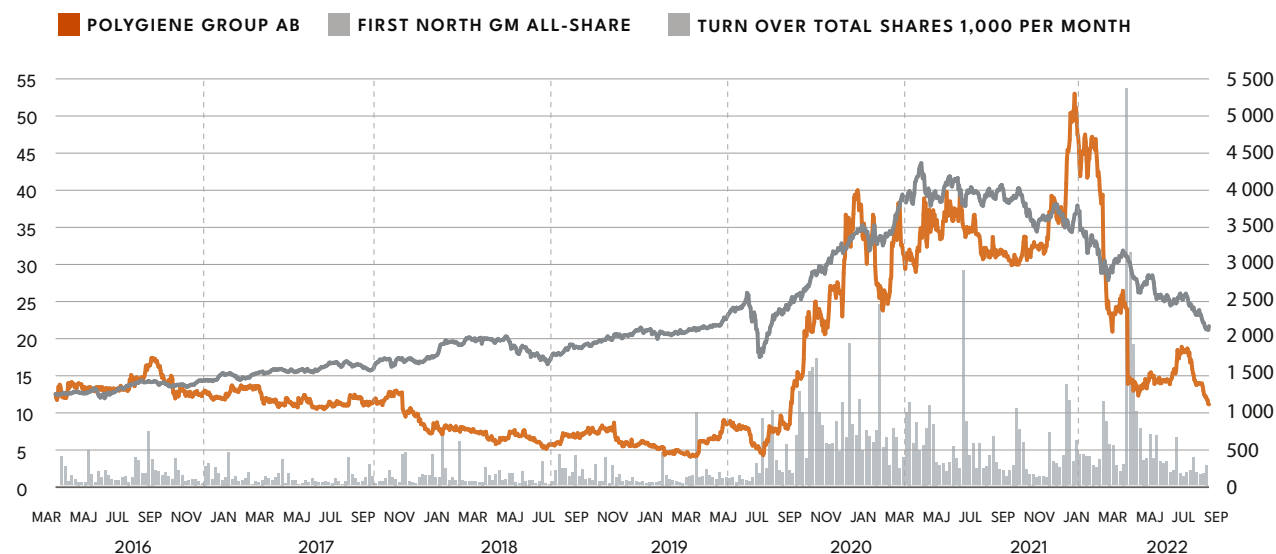
OWNERSHIP STRUCTURE

The number of shareholders at the end of the period amounted to 2,773 (2,887). The table below lists the 10 largest shareholders as of September 30, 2022.

Shareholders	Shares	Percent
Paul Morris*	4,477,056	12.3%
DNCA Invest	3,016,784	8.3%
Håkan Lagerberg*	2,465,030	6.7%
Fosielund Holding AB	2,350,000	6.4%
Nordnet Pensionsförsäkring	2,059,912	5.6%
Peter Gyllenhammar	1,846,000	5.1%
Didner & Gerge Small & Microcap	1,600,000	4.4%
Avanza Pension	933,904	2.6%
Jonas Wollin*	854,000	2.3%
SHB Fonder & Liv	700,680	1.9%
Övriga	16,223,623	44.4%
Total	36,526,989	100.0%

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

POLYGIENE GROUP AB MARCH 2016 – SEPTEMBER 2022





DEFINITIONS

Operating profit (EBITDA): Earnings before depreciation, amortizations, interest and tax.

Operating margin (EBITDA): Earnings before depreciation, amortizations, interest and tax as a percentage of net revenues for the period.

Operating margin after tax: Earnings after tax as a percentage of net revenues for the period.

Earnings per share: Earnings after tax divided by the average number of shares.

Equity/assets ratio: Adjusted equity in relation to balance sheet total.

Equity per share: Equity per share divided by the total number of shares outstanding at period end.

Cash flow per share: Cash flow divided by the average total shares outstanding.

CONTACT INFORMATION

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This information is information that Polygiene Group AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on October 27, 2022.

FINANCIAL CALENDER 2023

Interim Report Q4	February 16
Annual report 2022	April 20
Interim Report Q1	April 27
Annual General Meeting	May 11
Interim Report Q2	July 27
Interim Report Q3	October 26
Interim Report Q4	February 15, 2024