

Polygiene AB (publ.)

Interim Report 1 January–31 March 2017



polygiene.com/ir



Polygiene®
STAY FRESH

Contents

Financial trends in brief	3
Message from the CEO	5
Operations	7
Partners	9
Financial trends	10
Income Statement	11
Balance Sheet	12
Statement of Changes in Equity	13
Cash Flow Statement	13
Financial trends in brief	14
Share capital, the share and ownership structure	15
Accounting policies	16
Risks and uncertainties	16
Definitions	16
Financial Calendar	17



Financial trends in brief

Key ratios	Jan–Mar 2017	Jan–Mar 2016	Rolling 12 months	Full year 2016
Net sales, MSEK	17.4	13.4	65.5	61.6
Operating profit EBIT, MSEK	–3.1	–1.3	–5.1	–3.4
Profit after tax, MSEK	–3.1	–1.3	–4.9	–3.2
Operating margin EBIT, %	–17.6	–10.0	–7.8	–5.5
Operating margin after tax, %	–17.6	–10.0	–7.5	–5.1
Earnings per share, SEK	–0.15	–0.08	–0.24	–0.16
Cash flows, MSEK	0.7	–3.1	–3.7	–7.5

Net revenue for Q1 increased by 30 percent from Q1 of the previous year (24 percent adjusted for foreign exchange effects). Net revenues totalled MSEK 65.5 (58.1) for rolling 12 months.

The operating profit for Q1 was MSEK –3.1 (–1.3) and was impacted by planned increased marketing activities and hiring, plus expenses related to the share listing on Nasdaq

First North. In Q1, PR and marketing activities totalled MSEK –6.9 (–4.1), while personnel expenses amounted to MSEK –3.2 (–2.2) and administrative expenses, including the current costs of listing on Nasdaq First North, amounted to MSEK –2.1 (–1.2). Cash flow for the first quarter amounted to MSEK 0.7 (–3.1).

Significant events during the quarter (January–March)

Polygiene and RYU Apparel form a partnership for odorless garments for urban athletes

RYU (Respect Your Universe) is an urban athletic apparel brand based in Vancouver, Canada, that engages in the development, marketing, and distribution of apparel, bags and accessories within training, fitness and performance. RYU now include Polygiene in their new Vapor collection for men and women. The garments are Polygiene-treated and ensure the customer the benefits of odor control, while helping to protect the environment with Wear More. Wash Less®.

Sitka has launched a range of Polygiene-treated hunting clothing for women

Sitka Gear, Idaho, USA is a longstanding manufacturer of high-quality hunting clothing for men. In the spring of 2017, a collection of Polygiene-treated, specially designed hunting clothing for women will be launched. Sitka Gear is known for its commitment to animal welfare and for working to continuously improve its users' hunting experience.

Polygiene in strategic collaboration with Japanese Goldwin and THE NORTH FACE

Tokyo-based Goldwin owns and develops a number of premium brands within sport and leisurewear, including the well-known THE NORTH FACE. Goldwin manufactures and sells products in the Japanese and South Korean markets. The first product launch concerns five different sock models with Polygiene's odor control technology, to be included in THE NORTH FACE 2017 spring and winter collections.

Polygiene in strategic alliance with 8H, China's leading e-commerce company for mattresses and bed linen

Polygiene is now cooperating with 8H to introduce Polygiene's odor control technology in 8H's expansive product range. Polygiene's odor control technology to eliminate unpleasant odors and keep bed linen materials fresh and odorless will be included in 8H's product range for latex mattresses, latex pillows and selected 8H sofas, bed linen and padded mattresses.

Significant events after the end of the period

Polygiene expands collaboration with Chinese ZSH

Polygiene is expanding its strategic collaboration with the Chinese towel producer, ZSH. ZSH manufactures and sells high-quality, affordable towels for China's growing middle class, with explosive growth in recent years. Sales exclusively take place through a significant presence on China's large online shopping portals.

Polygiene introduces odor control for ellese in collaboration with the Japanese sportswear giant, Goldwin

Polygiene and Tokyo-based sportswear brand Goldwin have expanded their collaboration, which now also includes the Italian brand, ellese, in Japan. In ellese's 2017 spring and summer tenniswear collection, 34 new items have Polygiene's permanent odor control. This corresponds to around 15 percent of the overall collection. Goldwin holds the ellese trademark rights in Japan.

New CFO at Polygiene

Ulrika Björk has been appointed as the new Chief Financial Officer (CFO) of Polygiene AB. Ulrika comes from the role of CFO of Hemmakväll, which is a Swedish video store chain that in its 102 stores in 75 towns provides films for hire and purchase, as well as newsagent products such as candy, with revenue of around MSEK 700. Ulrika has also held positions at IKEA and in the Kemira Group. Ulrika will take up the position on 10 May 2017.

After playing a central role in the process of listing Polygiene in 2016, besides building up more structured follow-up and reporting processes, the present CFO, Jan Bertilsson, has decided to take up new challenges outside the company. Jan Bertilsson will leave Polygiene during May, after handing over to Ulrika Björk.

The Nomination Committee's proposal before the 2017 Annual General Meeting

Polygiene's Nomination Committee has comprised Fredrik Sjödin, representing Per Morin, Lars Axelsson, representing Charles Tooby, Richard Tooby, representing Richard Tooby, and Lennart Holm, Chairman of the Board of Directors. Fredrik Sjödin was Chairman of the Nomination Committee.

The Nomination Committee's proposal for election of the new Board of Directors:

The Nomination Committee proposes that the Annual General Meeting resolves to re-elect Lennart Holm, Mats Georgson, Richard Tooby, Jonas Wollin and Jonas Sjögren as ordinary members of the Board of Directors, and the new election of Daniel Oelker as an ordinary member. Mikael Bluhme has declined re-election. Lennart Holm has notified that he declines re-election as Chairman of the Board of Directors. Richard Tooby is proposed to be elected as the new Chairman of the Board of Directors.



Comments from the CEO

Continued strong growth in Q1

Our first quarter of the year, with strong revenue growth, shows that our offensive strategy is yielding results. Net revenue for the quarter was MSEK 17.4, which represents an increase of 30 percent (24 percent adjusted for foreign exchange effects) compared to the same quarter of the previous year.

The strong demand from new and existing brand partners continued during Q1. Our continuing efforts to target both existing and potential new customers has resulted in expanded collections of Polygiene-treated clothing in the market, and a number of exciting new collaborations with new brand partners.

During the quarter we continued to invest in local PR and marketing activities in our key markets in the USA, Europe and Asia. This will ensure continued growth and build an even stronger Polygiene brand within our focused segments.

Our increased focus on market activities will continue during 2017. Among other things, we plan to strengthen our sales organization in the USA. A local presence, with sales and marketing resources, is a key component in securing a continued strong growth rate.

Sports & Outdoor

Our largest segment, Sports & Outdoor, continues to show very satisfactory growth. A new collaboration has commenced with the urban sportswear brand RYU (Respect Your Universe). RYU (Respect Your Universe) is a Canadian brand engaged in the development, marketing, and distribution of apparel, bags and accessories within training, fitness and performance. With its new collection, Vapor, RYU is now launching Polygiene-treated sportswear for both men and women. Treatment with Polygiene gives RYU a functionality that further increases the quality level of its designer products. This function also contributes to a better environment, which is an important factor for RYU.

Sitka Gear, an American company in the Gore Group, has achieved sales increases with its men's hunting clothing with optimum odor control. Now an equivalent collection specially designed for women is being launched. We are pleased to be able to contribute to increasing Sitka's range



of hunting clothing and are convinced that Sitka's premium camouflage wear with odor control from Polygiene will ensure hunting clothing of the highest quality.

We have also engaged in strategic collaboration with the Japanese company, Goldwin, which holds the trademark rights for The North Face in Japan and South Korea. The first product launch concerns five different sock models which are included in THE NORTH FACE 2017 spring and winter collections. The Polygiene-treated socks will be sold in Goldwin's webshop and via Goldwin/The North Face stores and department stores in Japan.

Lifestyle

The Lifestyle segment has several interesting sub-segments. We can see that Athleisure, the sector overlap between Athletic and Leisure, has now become an established trend, which increases the application areas within sportswear and leisure clothing. We work with several brands in this sub-segment, such as Athleta and Mondetta, and see a positive

trend for both. We are working actively for Polygiene to be established as a natural functionality for garments “From the gym to the street” as Athleta puts it.

Travel is a similar sub-segment in which we have grown with such brands as Toad&Co, QOR, Pack Towel, Lifeventure, etc. We can see how garments of this type are also becoming customary for traditional sportswear brands, and we foresee an exciting future in this segment.

We can also see continued growth for the more traditional Lifestyle products such as undergarments and socks. This includes Wacoal in Japan, which is the largest and the leading brand for women’s undergarments in the Japanese market, and also has extensive exports to Asia, Europe and the USA.

Footwear

Within this segment, we have already established collaboration with such brands as Converse Japan, SOLE and ASTRAL. Tests with several leading brands are ongoing, but we can note that the development cycles are long and the material tests are extensive, so that it takes longer to become established in this segment. Our experience and the fact that we can process every part of the shoe, such as textile lining, foam and molded soles, gives us a clear advantage over our competitors. There is very strong interest from consumers and brands in treated shoes, so that we consider this segment to be a large and important future development area.

Home textiles

We are continuing to develop this segment, and can see strong potential, primarily in Asia. During the quarter we initiated a strategic alliance with 8H, China’s leading e-commerce company for mattresses and bed linen. Polygiene’s odor control technology will be included in a large proportion of 8H’s product range for mattresses, pillows and bed linen. We can see good opportunities for profitable business development based on 8H’s strong market position and the rapidly expanding e-commerce in China.

In addition, through active work in the USA during the spring together with Business Sweden and our agents, we have good expectations of a breakthrough in this market too.

Workwear

In the Workwear segment, we are continuing to develop our existing collaboration, while also focusing on potential new customers. This segment is very interesting, with many large operators with large personnel groups requiring uniforms and workwear.

Protective & Other

This segment mainly comprises flooring, plastic and paint solutions, and shows sustained growth in step with other business activities. The number of customers is limited, yet they dominate their respective segments. We can also see that Polygiene serves as a good door-opener for our partners in new markets, primarily in Asia and South America. This is naturally also opening up these markets for the Polygiene brand.

Summary and future outlook

- A very good start to the year, with revenue growth of 30 percent for the quarter.
- Several exciting new brands and increased collaboration during the quarter.
- The resource and market initiatives in 2016 and continuing into 2017 are aimed to take us to an annual growth rate exceeding 30 per cent, going forward. Profitability is also expected to increase in the next few years towards our stated goal, as costs are not expected to increase at the same rate as sales.

Overall, this makes us very well prepared for a continued exciting 2017, with great opportunities in our markets. I am convinced that this will result in continued strong growth and an even stronger brand (Polygiene) at the end of the year.

Christian von Uthmann, CEO

Activities

Polygiene has developed and offers products and treatment methods which ensure permanent odor control from first use and throughout the garment's lifetime.

Synthetic materials – especially polyester* – represent a growing share of global textile production. Polyester is used to manufacture sportswear, lifestyle and functional clothing, shoes, accessories, protective gear and home textiles. Textile materials based on polyester fibers have many advantages in terms of good, flexible characteristics, as well as cost and resource efficiency. Polyester and other synthetic fibers can also be recycled.

However, a well-known disadvantage of polyester-based fabrics is that they provide an excellent breeding ground for odor-causing bacteria. Polygiene offers an effective, environmentally friendly solution that keeps clothing, shoes, protective gear (such as helmets and knee pads), and other garments and articles odor free. There are several fundamentally different approaches to avoiding the problem:

- Wash clothing more frequently.
- Reduce the conditions for bacterial growth by choosing a material, for instance wool, which does not promote the growth of bacteria.
- Encapsulate or absorb the odor that arises.
- Treat the material with a solution that reduces bacterial growth.

Polygiene's method is based on the last-mentioned, i.e. treating the material to reduce bacterial growth. To a great extent, Polygiene's solutions are based on naturally occurring silver salt made from recycled silver. The silver salt

effectively inhibits bacterial growth, thereby reducing odor, as well as the need to frequently wash the treated garments. The solutions can be applied to thread as well as fabric, and are so effective that the application of only a small amount of solution is sufficient to provide lasting odor control that remains effective throughout the garment's lifetime.

Business model and offering

Polygiene focuses mainly on manufacturers of leading premium clothing brands and their customers and works actively with the entire value chain, from development and manufacture at subcontractor sites, to marketing, distribution and active customer support.

Polygiene currently delivers products and solutions to more than 140 leading clothing brands and is continuously developing the market.

Garments treated with Polygiene can be worn for longer without this affecting their freshness. This reduces washing and increases the garments' lifetime, contributing to a positive environmental impact.

The offering comprises treatment of textile or materials, functional solutions, expertise and active support concerning odor control and Polygiene's STAY FRESH concept. The business model not only includes sales of the functionality to customers, but also an overall solution which includes a communication and information package for stores and consumers, training of the customer's sales team, ongoing customer support, hardware handling as the application of the actual preparation at the specific customer's textile supplier, all related administration, and quality control and follow-up.

2/3 2/3 OF THE ENVIRONMENTAL IMPACT OF APPAREL OCCURS DURING CONSUMER USE



Source: Study conducted in 2006 by Cambridge University, titles "Well dressed?"

Polygiene is developed in close collaboration with the company's partners and new cooperation within additional segments and geographical markets continues to be established. Significant resources are invested in training customers' employees, and also in marketing in order to continually increase the value of the Polygiene brand and of the partner brands that use Polygiene in their products. Through this co-branding, Polygiene helps both its partners' brands and its partners' retailers with marketing and communicating clear customer value to consumers.

Market and competitors

Today, Polygiene is the market leader in the odor control segment, with regard to technology leadership as well as brand recognition. Polygiene now operates globally, and primarily cooperates with premium brands within five different segments.

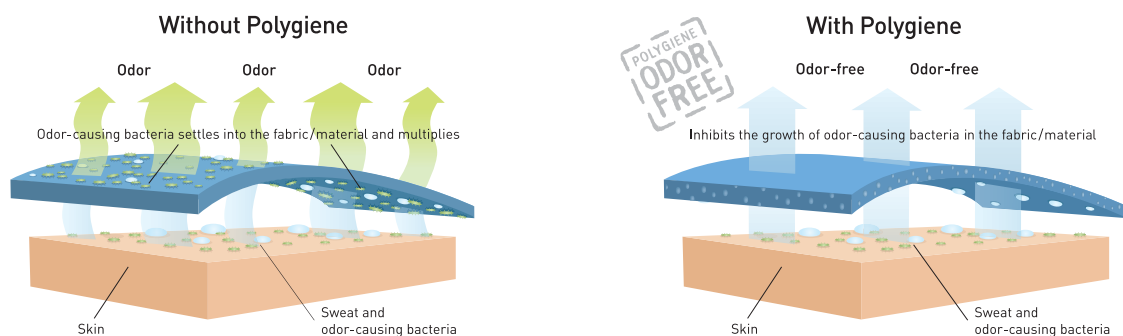
- Sport & Outdoor (sportswear, protective gear, outdoor, hunting, fishing and more)
- Lifestyle & Workwear (shirts, blouses, trousers, suits, undergarments, socks, shoes and more)
- Home Textiles (towels, bedsheets, pillowcases, mattresses, pillows and more)
- Footwear (shows and insoles) approximately 1 percent
- Other (paint, flooring, sanitary equipment and more)

The most successful brand leaders in the textile industry within the "ingredient brands" category (such as Gore-tex and Lycra) are characterized by distinct functionality. These brands address a clear and perceived consumer need,

thereby creating significant customer value. This customer value can be communicated through co-branding in a simple and consistent manner in the marketing of consumer products which apply the functionality, such as waterproof shoes or jackets with Gore-Tex membranes. Polygiene offers an overall concept that is based on careful testing throughout the entire value chain, together with quality assurance of the many different applications. Polygiene is the global category leader within the Sport & Outdoor segment and has taken advantage of this position to expand its category leadership to other segments.

New segments that are now being actively promoted are clothing (fashion wear, sportswear and workwear), shoes, home textiles, etc. For several application areas, market promotion has only commenced to a limited extent, and the level of penetration is still low. It is therefore assessed that significant potential can be expected within these newly-added segments.

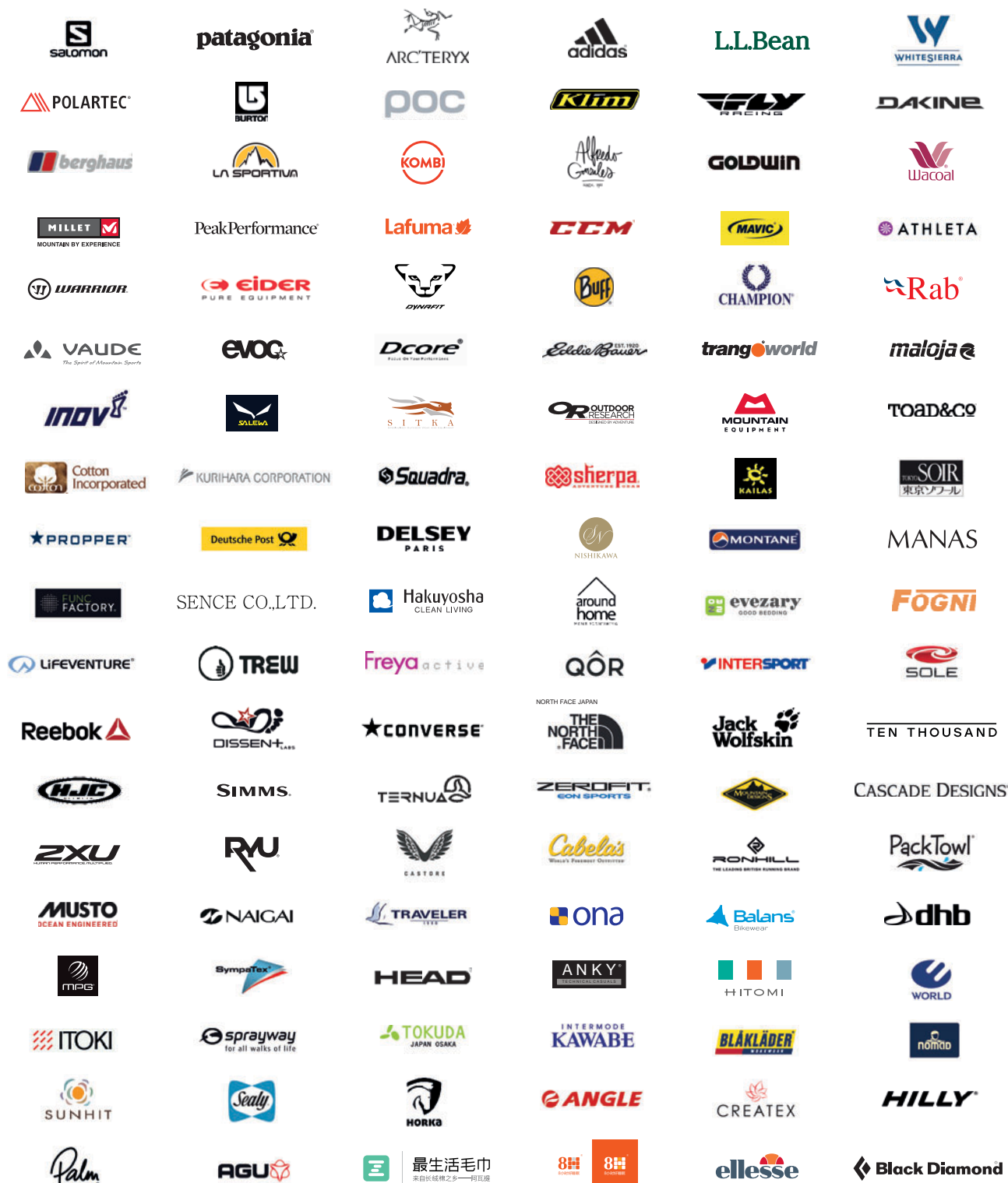
The development is driven by several interacting factors, such as a growing middle class with increased disposable income, and an underlying health trend that, in principle, is increasing throughout the world. Another factor that is increasingly affecting demand is the wish of many consumers to make climate- and resource-smart choices. Garments treated with Polygiene can be used for considerably longer and require far less frequent washing than untreated garments. This reduces the environmental impact from textile manufacture and cleaning, saving both water and energy. This also saves time for consumers, who do not have to wash their clothes so often.



Partners

A selection of Polygiene's partners

Due to its unique offering and consistent working methods, Polygiene has continuously built up the odor control market and also won market shares, and is now the leading odor control supplier to the premium brand market. Polygiene currently has over 140 partner brands.



Financial trends

Net revenue and profit

Net revenue

The company's net revenue for Q1 totaled MSEK 17.4 (13.4), corresponding to an increase of 30 percent compared to the same quarter of 2016 (24 percent adjusted for foreign exchange effects). This growth came in all geographical markets and from both new and existing customers. Other operating income was MSEK 0.2 (0.8) and consists of positive exchange-rate differences.

Expenses

Expenses in Q1 amounted to MSEK –20.5 (–14.8). Cost of sales totaled MSEK –6.9 (–5.4) and is directly related to the increase in revenue. Other external expenses for the quarter were MSEK –9.3 (–6.5). These expenses consist of:

- PR and marketing campaigns, MSEK –6.9 (–4.1)
- Administrative expenses, including current expenses for listing on Nasdaq First North at MSEK –2.1 (–1.2)
- Development expenses, MSEK –0.3 (–0.3)
- Non-recurring expenses for listing on Nasdaq First North at MSEK 0.0 (–0.9)

In 2016 a number of key persons were recruited, which increased personnel expenses in relation to the previous year. Personnel expenses for the quarter amounted to MSEK –3.2 (–2.2). Other operating expenses amounted to MSEK –1.2 (–1.5) and consist of negative exchange rate differences and recognized foreign tax at source, called withholding tax.

Profit/loss before tax

Operating profit, EBIT, amounted to MSEK –3.1 (–1.3), representing an operating margin of –17.6 (–10.0) percent. The result after tax was MSEK –3.1 (–1.3).

Financial position

Financial assets

Financial assets at the end of the period were MSEK 5.5 (5.3) and relate to deferred tax assets concerning tax loss carry forwards arising in previous years. The total tax loss carry forwards at the period end were MSEK 25.1.

Equity

Cash and cash equivalents totaled MSEK 38.2 (39.5) at the period end. The equity/assets ratio as of March 31 2017 was 71.9 (80.1) percent.

Cash flow and liquidity

Cash flow from operating activities amounted to MSEK 0.7 (–3.1) for Q1 2017. Cash flow for the quarter was affected positively by payment of trade receivables and negatively by the negative result for the period.

Cash and cash equivalents totaled MSEK 20.8 (24.4) at the end of Q1.

Staff

The company's operating organization at the end of the quarter included 18 staff members, of whom 14 are employed and 4 are contracted consultants.

Income Statement

Income Statement in brief, TSEK	Jan–Mar 2017	Jan–Mar 2016	Rolling 12 months	Full year 2016
Operating revenue				
Net sales	17,393	13,427	65,524	61,557
Other operating income	189	799	2,963	3,574
	17,582	14,226	68,487	65,131
Operating expenses				
Cost of goods sold	–6,916	–5,375	–27,590	–26,049
Other external expenses	–9,297	–6,505	–31,104	–28,313
Personnel expenses	–3,203	–2,204	–11,505	–10,505
Other operating expenses	–1,225	–1,480	–3,401	–3,656
	–20,641	–15,564	–73,600	–68,523
Operating profit/loss	–3,059	–1,338	–5,113	–3,392
Financial income and expenses				
Interest income	0	0	0	0
Interest costs	–2	0	–7	–5
	–2	0	–7	–5
Profit/loss before tax	–3,061	–1,338	–5,120	–3,397
Tax	0	0	233	233
Profit/loss after tax	–3,061	–1,338	–4,887	–3,164
Profit after tax per share, SEK	–0.15	–0.08	–0.24	–0.16
Profit after tax per share after dilution, SEK	–0.15	–0.08	–0.24	–0.16

Balance Sheet

Balance Sheet in brief, TSEK	2017-03-31	2016-03-31	2016-12-31
Assets			
Fixed assets			
Intangible assets	0	0	0
Tangible assets	0	0	0
Financial assets	5,537	5,304	5,537
Total fixed assets	5,537	5,304	5,537
Current assets			
Inventories	215	203	218
Trade receivables	25,187	16,218	29,927
Other current assets	1,433	3,184	1,613
Cash and cash equivalents	20,767	24,437	20,023
Total current assets	47,602	44,042	51,781
TOTAL ASSETS	53,139	49,346	57,318
TOTAL EQUITY AND LIABILITIES			
Equity	38,232	39,519	41,293
Liabilities			
Accounts payable	9,320	6,246	9,139
Other current liabilities	5,587	3,581	6,886
Total liabilities	14,907	9,827	16,025
TOTAL EQUITY AND LIABILITIES	53,139	49,346	57,318

Statement of Changes in Equity

Statement of Changes in Equity, TSEK	Jan–Mar 2017	Jan–Mar 2016	Full year 2016
Equity at period start	41,293	40,843	40,843
New share issues and warrants	0	14	3,614
Issue expenses	0	0	0
Earnings for the period	–3,061	–1,338	–3,164
Equity at period end	38,232	39,519	41,293

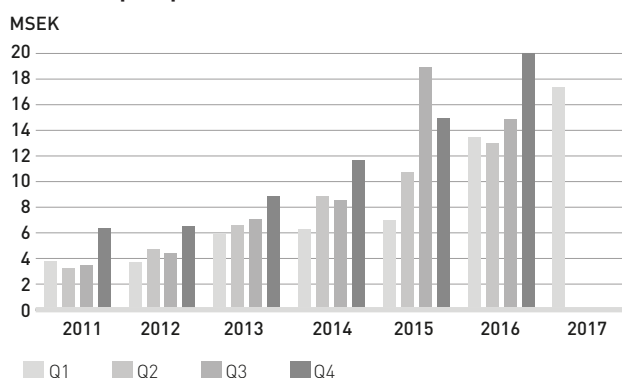
Cash Flow Statement

Cash Flow Statement, TSEK	Jan–Mar 2017	Jan–Mar 2016	Full year 2016
Cash flows from operating activities before changes in working capital	–3,061	–1,338	–3,397
Changes in working capital	3,805	–1,784	–7,739
Cash flow from operating activities	744	–3,122	–11,136
Cash flow from investing activities	0	0	0
Cash flow from financing activities	0	14	3,614
Cash flows for the period	744	–3,108	–7,522
Cash and cash equivalents opening balance	20,023	27,545	27,545
Cash and cash equivalents at period end	20,767	24,437	20,023

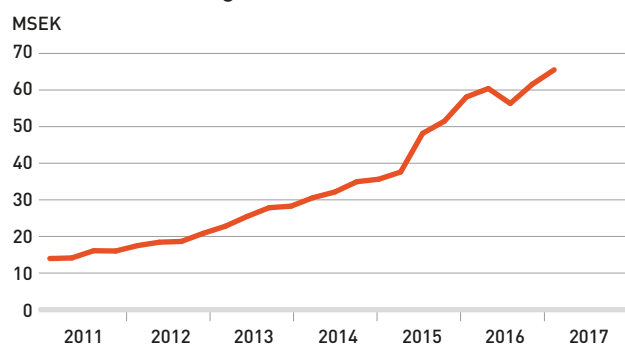
Financial trends in brief

Multi-year overview	Jan–Mar 2017	Jan–Mar 2016	Jan–Mar 2015	Full year 2016	Full year 2015	Full year 2014
Net sales, TSEK	17,393	13,427	6,823	61,557	51,511	34,957
Sales growth, %	29.5	96.8	11.1	19.5	47.4	25.7
Operating profit EBIT, TSEK	–3,059	–1,338	36	–3,392	5,599	3,675
Profit after tax, TSEK	–3,061	–1,338	37	–3,164	9,171	5,443
Operating margin EBIT, %	–17.6	–10.0	0.5	–5.5	10.9	10.5
Operating margin after tax, %	–17.6	–10.0	0.5	–5.5	17.8	15.6
Cash flows, TSEK	744	–3,108	–638	–7,522	21,471	2,155
Equity, TSEK	38,232	39,519	9,388	41,293	40,843	9,351
Equity/assets ratio, %	71.9	80.1	64.4	72.0	80.9	57.8
Number of shares at period-end, thousands	20,516	19,316	16,316	20,516	19,316	16,316
Average no. of shares at period-end, thousands	20,016	17,316	16,316	19,716	16,566	16,316
Earnings per share, SEK	–0.15	–0.08	0.00	–0.16	0.55	0.33
Cash flow per share, SEK	0.04	–0.18	–0.04	–0.37	1.30	0.13
Equity per share, SEK	1.86	2.05	0.58	2.01	2.11	0.57
Share price at period end, SEK	13.55	12.20	–	12.50	–	–

Net sales per quarter



Net sales for rolling 12 months



Share capital, the share and ownership structure

Share capital

Equity in Polygiene totals SEK 2,051,600 allocated to 20,516,000 outstanding shares. The company has a single class of share and each share carries an equal right to dividend. Par value for each share is SEK 0.10.

In 2015, Polygiene issued 250,000 warrants to staff and members of the board and the board chair, which entitle holders to subscribe for an equivalent number of shares. These warrants may be exercised during the period from 1 to 31 December 2018 and have an exercise price of SEK 15.00 per share.

For more information regarding changes in equity, see the company's 2016 Annual Report.

Share

The Polygiene AB (publ.) share was listed on Nasdaq First North in Stockholm on 14 March 2016.

Total turnover for the Polygiene share in Q1 was 1,982,968 shares, corresponding to an average of 30,984 shares per trading day. The share price at the end of the period was SEK 13.55, corresponding to market capitalization of MSEK 278. Highest and lowest prices during the period were SEK 13.90 and 11.30, respectively.

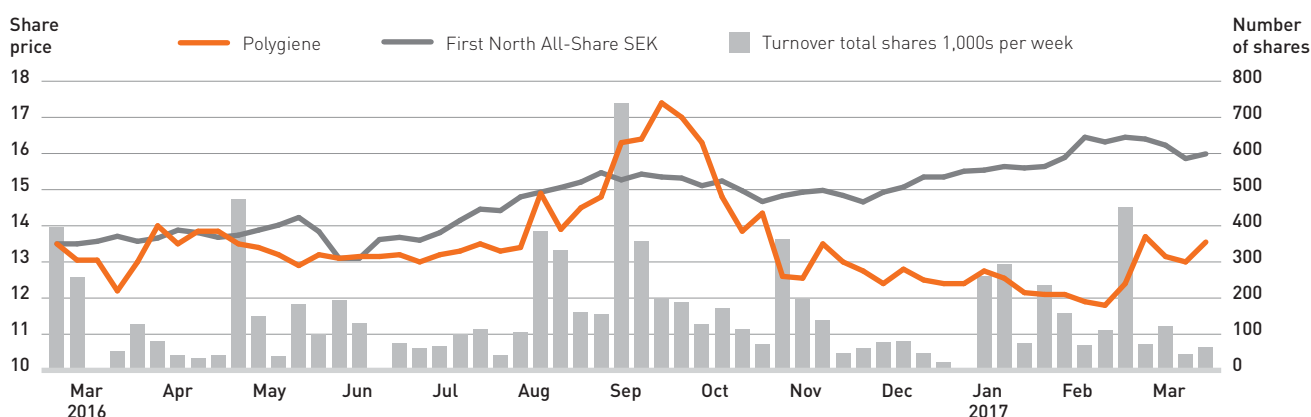
Ownership structure

The company had a total of 795 (240) shareholders at the period end. The table below lists the 10 largest shareholders as of 31 March 2017.

Shareholders	Shares	Percent
JP Morgan Bank Luxembourg	2,282,637	11.1%
Richard Tooby*	2,065,800	10.1%
Erik A i Malmö AB	1,348,800	6.6%
Clearstream Banking S.A. Luxembourg	1,038,694	5.1%
JPM Chase NA UK	940,000	4.6%
Christian von Uthmann*	898,978	4.4%
Jonas Wollin*	813,500	4.0%
Lennart Holm*	800,220	3.9%
Mats Georgson*	707,000	3.4%
Peter Sjösten*	603,000	2.9%
Other	9,017,371	44.0%
Total	20,516,000	100.0%

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

Polygiene 2016-03-14–2017-03-31





Accounting policies

This interim report was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board General Recommendations BFNAR 2012:1 Annual reporting and consolidated financial statements (K3). The accounting policies used in preparing these financial statements match the accounting policies used in preparing the 2016 Annual Accounts and Financial Statements.

Amounts are expressed in TSEK (thousands of Swedish kronor) unless otherwise stated. Figures in parenthesis refer to corresponding amounts for the previous year.

This report has not been audited by the Company's auditors.

Risks and uncertainty factors

Company operations are affected by several factors which can involve risks to the company's operations and profit. For more information, please refer to the company's 2016 Annual Report.

Definitions

Operating profit EBIT: Profit before interest and tax.

Operating margin EBIT: Profit for the period before interest and tax as a percentage of net revenues for the period.

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

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

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

Average number of shares: Average number of shares for the last 12 months.

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

Cash flows per share: Cash flows for the period divided by the average total shares outstanding.



Financial Calendar

Annual General Meeting 2017
Interim Report Q2 2017
Interim Report Q3 2017
Year-End Release 2017

17 May 2017
24 August 2017
9 November 2017
February 2018

Contact details, Addresses

Questions related to the report:

Christian von Uthmann, CEO

Tel: +46 (0) 70 319 77 21

E-mail: cvu@polygiene.com

Jan Bertilsson, CFO

Tel: +46 (0) 72 558 26 69

E-mail: jb@polygiene.com

Polygiene AB, Stadiongatan 65, SE-217 62 Malmö

Tel: +46 (0) 40 26 22 22

This information is information that Polygiene AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 10 May 2017.

About Polygiene

Polygiene is the world-leading provider of odor control technology and Stay Fresh solutions for clothing, sports equipment, lifestyle textiles and other materials to help people stay fresh and confident. Polygiene brings the Scandinavian values of quality and care for the environment to life through its products and services. More than 100 global premium brands have chosen to use Polygiene Odor Control Technology in their products. Polygiene was established in 2006 and is listed on Nasdaq First North in Stockholm, Sweden. Remium Nordic AB acts as its Certified Adviser.



Polygiene®
STAY FRESH