

PRESS RELEASE, REGULATORY INFORMATION

May 10, 2017

Polygiene AB (publ.) Interim Report 1 January–31 March 2017

Continued strong growth in Q1

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.

Malmö, 10 May – 2017

The Board

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 below, at 08.00 CET on 10 May 2017.

For the full report, please read the attached PDF. For more information, contact:

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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.