

PRESS RELEASE, REGULATORY INFORMATION

August 24, 2017

Polygiene AB (publ.) 1 January–30 June 2017

Q2 in brief

Continued strong growth and aggressive investments

- Net revenue increased by 28.2% (22.1% after foreign-exchange effects) in Q2, and amounted to MSEK 16.7 (13.0). Net revenue was MSEK 69.2 (60.4) for the rolling 12-month period.
- The operating profit for the period was MSEK –3.7 (–2.3).
- The adjusted operating profit was MSEK –2.3 (–2.7) for the quarter, after unrealized currency effects and withholding tax.
- The result was affected by higher personnel expenses as a consequence of reinforcement of the sales and marketing organization, in order to increase future growth.
- The company's operative organization at the close of the quarter comprised 18 (13) employees.
- Costs of marketing activities and administrative costs are at the level of the equivalent quarter of the previous year.
- The result for the period was affected negatively by unrealized exchange rate losses due to a lower dollar rate, at MSEK –0.9 (0.8).
- The cash flow for Q2 was MSEK –3.5 (–0.8) and partly comprises the costs of registration of trademarks in new markets at MSEK 1.4.

Significant events during the quarter (April–June)

Expanded collaboration with Chinese ZSH

Polygiene is expanding its strategic collaboration with the Chinese towel producer, ZSH. The company 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 ellesse 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, ellesse, in Japan. In ellesse'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 ellesse trademark rights in Japan.

Polygiene and Sinterama – first with 100 percent recovered air control technology at fiber level

Together with the Italian company Sinterama, which is the leading polyester yarn producer in Europe, Polygiene has developed a completely new type of yarn. Polygiene's air control technology has been integrated in a fiber called "Newlife", made from 100 percent recovered polyester, instead of being applied to the exterior of yarn and textile weaves at the close of the fabric production process.

Polygiene in new cooperation with ECO Tech, a major Korean manufacturer of work gloves

Via the new partnership, ECO Tech is now introducing Polygiene's air control technology in work gloves. This cooperation gives Polygiene a strong footing in new markets since the antibacterial protective gloves are produced for both the domestic Korean market and the international markets.

Board changes

At the Annual General Meeting in May, Richard Tooby was elected new Chairman of the Board, succeeding Lennart Holm, who was re-elected as a member of the Board of Directors. Jonas Wollin, Jonas Sjögren and Mats Georgson were also re-elected. Mikael Bluhme resigned from the Board and was succeeded by Daniel Oelker.

New CFO at Polygiene

Ulrika Björk took up the position as CFO on 10 May, and comes from a role as CFO at Hemmakväll. Prior to this, Ulrika had positions at IKEA, Stena Line and Kemira. Ulrika will continue to build up more structured follow-up and reporting processes within the company, and will focus on more detailed budgeting and forecasting work. She will also take active responsibility for Investor Relations, together with the CEO.

Significant events after the end of the period

Polygiene increases its financial objectives

The Board of Directors has increased Polygiene's financial objective for the 2017–2022 period. According to the new objectives, Polygiene must have net revenue exceeding SEK400 million, via organic growth, and an EBIT margin that exceeds 20 percent by no later than 2022.

Polygiene introduces the IFRS accounting standards and prepares for listing on First North Premier

The Board of Directors has decided that the company is to replace the current K3 standard with the International Financial Reporting Standards (IFRS) and that the company will be prepared to change from listing on First North to First North Premier during 2017/2018.

Polygiene launches Polygiene News

Polygiene will publish a more detailed newsletter with regular commercial updates on the latest developments in the company's global activities. The newsletter supplements the other capital markets communication and will be published in English two to three times per year between the formal quarterly reports. Polygiene has a high growth rate with a regular news flow concerning business partners, product launches and technical development. The newsletter will also give greater insights into air control technology development in a global perspective.

Hanesbrands chooses Polygiene for Champion athletic wear collection

Hanesbrands Japan Inc. collaborates with Polygiene in offering Japanese consumers odorless garments in Champion's iconic autumn-winter 2017/18 athletic wear collection, with a total of 70 different products for basketball, golf and training, besides Champion practise wear and socks. Polygiene appoints a Commercial Operations Director for North America

Polygiene has appointed Judd Salvas as Commercial Operations Director for North America.

Judd Salvas is based in Park City, Utah, and is responsible for Polygiene's commercial activities in North America. Judd has more than ten years' experience from the Outdoor industry and can contribute a number of valuable skills and a strong network. His previous experience within retail is also very important in order to be successful on the North American market. Together with our agent he will increase the sales rate and develop business relations with new partners for Polygiene.

Malmö, 24 August – 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 08.30 CET on 24 August 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 Stays 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.