

Polygiene AB (publ.)

INTERIM REPORT Q4 2020



Polygiene®
STAYS FRESH

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»Polygiene is not just a function or a technology. It is an added value and a promise that garments, footwear, accessories and textiles will stay fresh and last longer.«



Q4 IN BRIEF

- The best quarter ever with a net sales of 26.6 (19.0) and a positive growth by 40 % compared to the same period last year.
- The operating profit/loss EBIT amounted to MSEK -2.4 (-2.2).
- The non-recurring costs associated with the acquisition of Addmaster affected the result with MSEK -2.6.
- The gross margin amounted to 64.9 (68.7) %.
- The period has a currency effect, net MSEK -1.4.
- Despite the non-recurring costs, the cash flow is improved compared to the same quarter last year, MSEK -3.1 (-4.9)

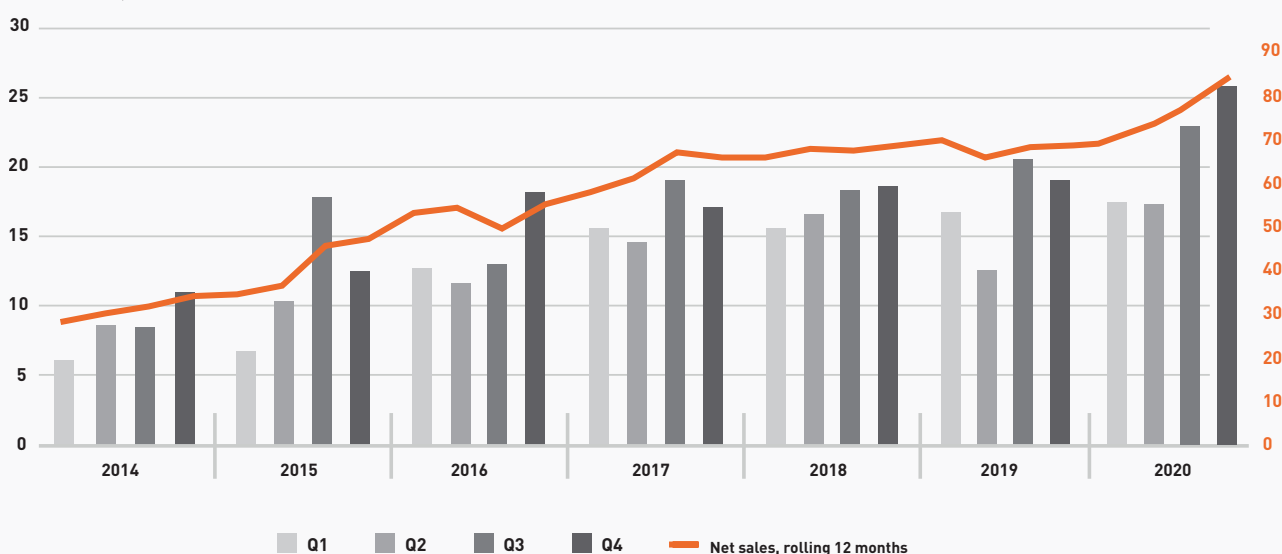
KEY RATIOS

Group	Proforma*			Proforma*			
	Oct - Dec 2020	Oct - Dec 2020	Oct - Dec 2019	Full year 2020	Full year 2020	Full year 2019	Full year 2018
Net sales, MSEK	46.4	26.6	19.0	145.0	83.9	68.8	69.0
Operating profit EBIT, MSEK	6.8	-2.4	-2.2	29.5	-1.1	-6.6	-2.8
Operating margin EBIT, %	14.4	-8.5	-11.7	19.8	-1.2	-9.2	-3.9
Profit after tax, MSEK	4.5	-3.2	-1.8	23.0	-1.7	-5.2	0.7
Operating margin after tax, SEK	9.4	-11.4	-9.4	15.5	-2.0	-7.2	0.9
Earnings per share, SEK	0.13	-0.15	-0.09	0.65	0.07	-0.25	0.03
Cash flow, MSEK	-0.3	-3.1	-4.9	15.6	-0.4	1.2	-7.2

* Proforma includes the Group and Addmaster

NET SALES, ROLLING 12 MONTHS

NET SALES, MSEK



SIGNIFICANT EVENTS IN BRIEF

EVENTS DURING Q4 2020 (OCTOBER-DECEMBER)

- Starting in October 2020, Polygiene® will treat Marks & Spencer's kitchen towels. The towel is treated with Polygiene Stays Fresh antimicrobial technology and is part of M & S globally distributed core programs. The yearly forecasted order value of the kitchen towels is USD 75,000.
- BEDGEAR® is a US leader in bedding. Together with Polygiene they now announce the new Germ Shield® Protector that incorporates a lab tested antimicrobial technology that inhibits 99% of microbes and germs. This is part of BEDGEAR's longstanding commitment to provide sleepers with clean and safe products that deliver a healthy sleep environment. Central to the Germ Shield Protector is Polygiene's proven technology that suppresses the build-up of germs, bacteria and odor.
- Your mop cleans the house, but who cleans the mop? HSP Hanse Shopping launches a new range of such products, all treated with Polygiene's ViralOff®, which will destroy over 99 % of SARS-CoV-2, other viruses and bacteria in two hours in the material. This reduces the need to wash in hot water or even discard them, out of concern for viruses and other microbes. The products are intended for the mass market in Europe and North America, through supermarkets and other mass retail outlet, to be made available at over 50,000 retail stores in Europe and almost 100,000 retail stores in the US.
- New Canadian partner Stormtech®, with presence in Americas, Europe, Asia Pacific, Russia and Middle East, is launching face covers with Polygiene ViralOff in the form of masks, gaiters and bandanas. The initial order is 500,000 pieces and demand for these masks and face covers has been high from the start.
- Polygiene is launching its newly developed formula of ViralOff with lifetime of garment washability¹, proving performance against SARS-CoV-2 with over 99% reduction of microbes in the material within two hours². This also results in longer lasting products, which means a reduced impact on the environment. The new formula is being applied by a number of partners already and available for high volume deliveries in January 2021.
- Itoki co., Ltd. is growing their partnership with Polygiene and releasing five new collections of office furniture with Polygiene ViralOff.



¹Lifetime of garment washability is set to 30 washes.

²Polygiene ViralOff® is proven to reduce tested viruses by over 99% on the material within two hours as per international standard test ISO18184:2019 on SARS-CoV-2. Washing made according to standard BS EN ISO 105-C08 (polyester).

SIGNIFICANT EVENTS IN BRIEF


- Polygiene presented its new partner Inner Fashion from Thailand, a renowned producer and distributor of men's and underwear from the brands Pierre Cardin and Valentino Rudy. The launch will include several styles treated with Polygiene Stays Fresh technology. With a yearly forecast of 300,000 pieces. Additionally, face-masks for Pierre Cardin with Polygiene ViralOff will be launched in December.
- Body Doctor specializes in eye-care, eyelid hygiene products and have transformed the market for eye compresses and continues to establish a pedigree of bringing innovation to the sector with an antibacterial fabric thanks to the partnership with Polygiene. In addition, Body Doctor launched their AB+ face masks with Polygiene ViralOff antimicrobial technology in December and additionally have gained the distinction of Class I Medical Device certification for their products.



SIGNIFICANT EVENTS AFTER Q4

- Polygiene AB has completed January 8, the previously announced acquisition of Addmaster Holdings Limited. The acquisition was announced in a press release on December 10, 2020.
- Polygiene's subsidiary Addmaster contributes to the CAT® launch of the first fully antimicrobial mobile phone. British Addmaster Holdings Limited is since January 8, 2021, a wholly-owned subsidiary of Polygiene with specialist skills within antimicrobial technology and hard surfaces. The company has a range of products for this kind of applications, found in consumer products, public spaces as well as in hospital environments and more. According to a press release published by Addmaster January 21.
- January 26, Casall in collaboration with Polygiene launches a completely unique training glove treated with Polygiene ViralOff technology. The treatment has in an ISO18184:2019 test shown a reduction of virus by over 99% within 2 hours on treated materials. The test has been performed on the SARS-CoV-2 virus, causing COVID-19, among other viruses.



A professional photograph of Ulrika Björk, CEO of Polygiene. She is seated in a modern black chair, wearing a dark grey blazer over a white shirt, black trousers, and black leather boots. Her hands are clasped in her lap, and she is looking directly at the camera with a slight smile. The background is a bright, out-of-focus office interior with large windows.

"THE ACQUISITION OF
ADDMASTER IS A
MILESTONE IN
POLYGIENE HISTORY."

ULRIKA BJÖRK, CEO

Message from the CEO

POLYGIENE ENDS THE YEAR WITH A NEW SALES RECORD AND THE ACQUISITION OF ADDMASTER LTD

Net sales for the quarter amounted to MSEK 26.6 (19.0), an increase of 40% (currency-adjusted growth 55%) compared to the previous year. The total net effect of currency differences amounted to MSEK -1.4 during the quarter. Operating profit before tax was MSEK -2.4 (-2.2), due to the costs of MSEK 2.6 incurred with the acquisition of Addmaster Ltd. EBIT after adjustments for acquisition-related costs showed an improvement of MSEK 2.0 compared to 2019. Cash flow during the fourth quarter also improved although it remained negative, MSEK -3.1 (-4.9).

Polygiene broke yet another sales record this quarter, reporting a 40% growth (currency-adjusted growth 55%). The gross margin was slightly lower than in previous periods, amounting to 64.9% (68.7%), mainly due to lower royalty income and increased shipping costs. In combination with a currency impact of MSEK -1.4, the result was MSEK 0.2 (MSEK -2.2), excluding the acquisition costs of MSEK 2.6. It is gratifying after five years to report that the company is in the black figures for the fourth quarter as well as for the full financial year of MSEK 1.5 (MSEK -6.6). The quarter was also affected by the start-up of several new and exciting partnership agreements announced during the year, many of which will prove profitable in 2021.

What lies ahead may be characterized by what the quarter's results may have been with Addmaster as part of the Group. In the proforma table including Addmaster, the Group shows an operating profit of MSEK 9.4 (excluding acquisition costs), which corresponds to an EBIT margin of 15%. Both companies are in very strong growth phases; in January 2021 alone, growth jumped by as much as 72% compared to the same period last year. This percentage reflects the removal of internal sales between the companies.

Addmaster acquisition

The transaction, announced in December and unanimously approved at the Extraordinary General Meeting, is a milestone in Polygiene history. From a strategic per-

spective, the acquisition is logical, given the great synergies that exist between the companies. For more than a decade, Polygiene and Addmaster have fostered a strong partnership; together, we can strengthen our position in the market with a broader offering. The companies complement each other very well and, like Polygiene, Addmaster has completed a year of strong growth with fantastic results.

The deal was closed on January 8, 2021, and intensive work to integrate the two companies has begun to take advantage of the synergies resulting from the transaction process. This primarily means broadening the Polygiene range to cover materials other than textiles as well as leveraging the global sales network, one of Polygiene's strengths. At the same time, under its existing brand, Addmaster will also be able to offer and meet the increasing demand for antimicrobial textile treatments. Resource reallocation within the Group also presents huge opportunities to streamline functions, thereby enabling more support to sales and marketing in a growing market. The collaboration has worked well thus far; both organizations are positive about the merger and clearly understand the underlying logic behind the deal. To ensure stable growth over the coming year, we will develop a long-term strategy with a clear brand platform and a sustainable company structure.

The future of antimicrobial technologies

Despite the vaccine news and high hopes that the pandemic will soon be over, Polygiene does not expect interest in antimicrobial treatments to diminish. Awareness of the risks associated with bacteria and viruses has increased significantly among the general population and, even in a post-coronavirus world, greater demands will be placed on hygiene and cleanliness. As society reopens and we begin to travel, socialize and return to the workplace,



textiles and surfaces with antimicrobial treatment will provide added value for people who move about and interact with others. Polygiene, together with leading industry experts, therefore, believe that demand for antimicrobial treatment will continue for preventive purposes.

Stays Fresh, our antibacterial technology experienced some challenges in the first half of the year due to all the lockdowns but has recovered during the fourth quarter. During 2020, sales experienced a net loss of about 20%. However, we started the year full of optimism believing that the worst is behind us. Demand is clearly stronger in 2021 compared to the same period last year. Sales growth is up 3% in the last quarter, signaling the potential end to the downward trend and a return of higher volumes in 2021. ViralOff® accounted for approximately 23% of the sales in the last quarter, compared with 35% in the previous quarter. Also gaining momentum is Odor Crunch, which, over the year, has expanded its customer base from just a few to 23.

Polygiene continues to sign new agreements at a similar rate; during the quarter 29 new partnership agreements were signed. In total, approximately 100 new partners were signed in 2020, of which about half have begun placing orders. Together with Addmaster, which also added hundreds of new customers during the year, I feel confident that we will continue to deliver profitable growth at the pace we have seen in recent months for many years to come.

Looking ahead

2020 has been an unprecedented year for everyone. For Polygiene, it has been a very special year where we have created a unique position with ViralOff® as a driving force. Moreover, we do not expect the momentum created in 2020 to come to an end. On the contrary, we see continued, strong demand for antimicrobial treatments – from a sustainability perspective both to meet the challenges of the textile industry and to protect surfaces from bacteria and viruses in the post-coronavirus world. Polygiene can help make a difference and encourages everyone to contribute to a more sustainable world. Our upcoming quarterly reports will show what we are going to create, a company with strong growth and high profitability.

Following the new share issue at yearend, Polygiene acquired several new shareholders, of which a large proportion consists of institutional investors, a sign of strength that creates both stability and long-term sustainability. A new chapter has been written in our company history, and I firmly believe that exciting developments lie ahead of us. The team and I will do everything in our power to meet or exceed expectations and prove that the new constellation of Polygiene is a force to be reckoned with.

Ulrika Björk CEO Polygiene AB

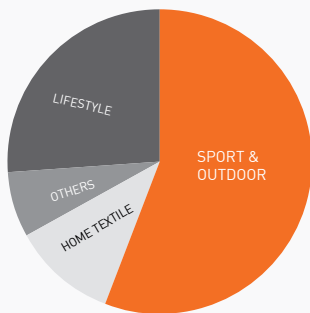
POLYGIENE IN BRIEF

Polygiene is all about providing freshness solutions. And in the larger perspective, it is about prolonging the life of products. Taking away unnecessary washing and trash. Making products more attractive second hand. Saving on chemicals, energy and CO₂. What sets us apart from everybody else is that we will make the consumer understand that they, too, can make a difference by choosing Polygiene. Together with our partner brands, we need to convince the consumer why it is good to have a Polygiene treated product. Because, in the end it is the consumer that will determine if the functionality and added value of Polygiene is interesting enough for them. And, if they feel they can be part of a solution to a global problem.

That is why we build a brand, to clearly make a promise to the consumer – if you can change and be part of the solution, we will support you with everything we do. We are equally a company driven by making a difference every day. If we want this to happen, we all need to embrace and live change. Setting visionary goals for ourselves and exceeding them, together.

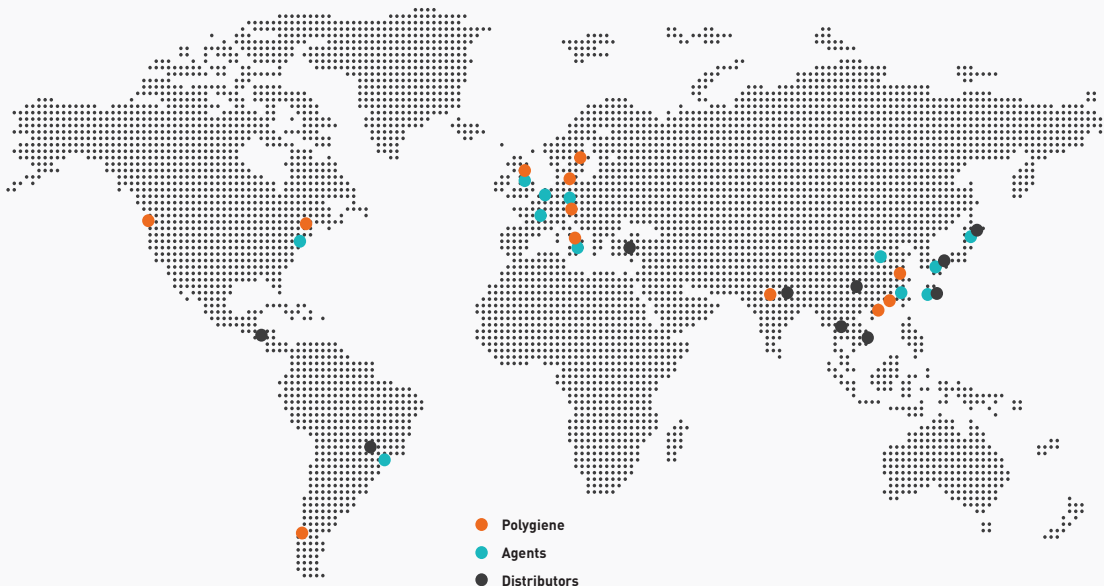
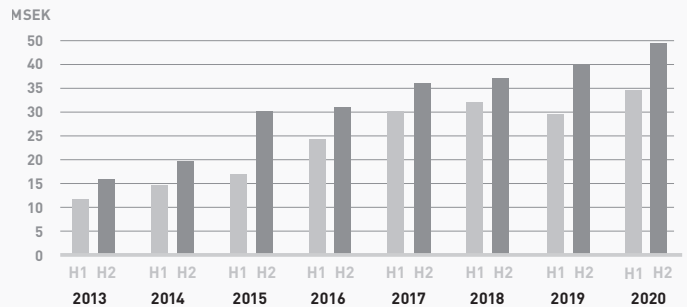
Operations

Approximately 56% of the turnover 2020 came from Sport & Outdoor, 11% from Home Textile, 26% from Lifestyle and the other 7% from Footwear and Workwear. 2022 the estimation is that Lifestyle, Footwear and Home Textile will grow.



Net sales first/second half of the years 2013–2020

This eight-year period shows steady growth and a stronger second half of the year. The seasonal fluctuations might be less pronounced as new partners from segments with less seasonal variations are added.



THE ACQUISITION OF ADDMASTER EXPANDS POLYGIENE'S SUSTAINABLE OFFERING

British Addmaster Holdings Limited is since January 8, 2021, a wholly owned subsidiary of Polygiene with specialist skills within antimicrobial technology and hard surfaces. The company has a range of products for this kind of applications, found in consumer products, public spaces as well as in hospital environments and more.

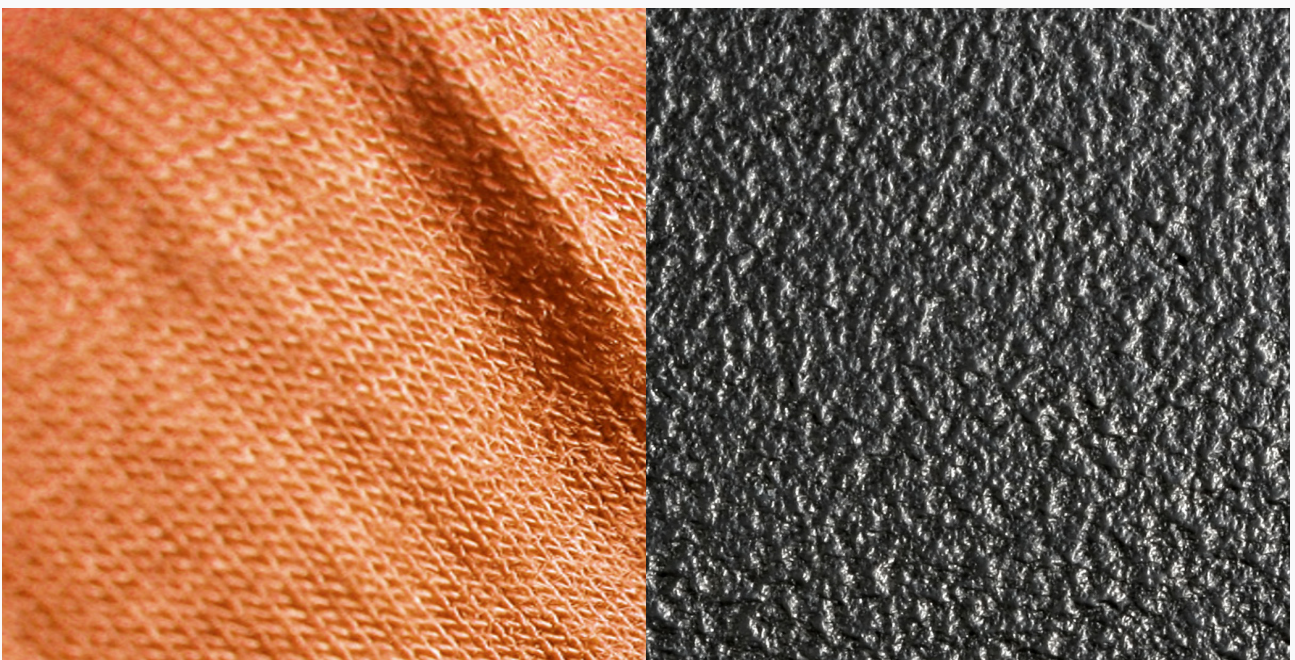
The acquisition will now allow Polygiene to offer partners a complete range of stays fresh and antimicrobial solutions on any material – both soft and hard surfaces.

Since Addmaster was founded in 2000, the success of the business model and ongoing commitment to research and development has enabled Addmaster to expand into the global market and establish the company as one of the world's leading suppliers in the field.

The products of Addmaster can be added to plastics, coatings, paper, among others. They have customers in a wide range of sectors, such as the food and beverage industry, water appliances such as piping and filtering, as well as health and personal care.

As the leading supplier of technically innovative additives for the plastics, paper, paints and coatings industries, they offer an extensive resource center for masterbatches, compounds and liquid or powder dispersions for any application. Today the product portfolio consists of Biomaster – antimicrobial technology, Verimaster – brand protection and product verification, Scentmaster – flavor and scent masterbatches, and Masterpiece – bespoke service to create adapted additive solutions.

Visit addmaster.co.uk for more information.



FINANCIAL TRENDS

NET REVENUES AND PROFIT

Net revenues and Gross Margin

Q4 net revenues for the Group totalled MSEK 26.6 (19.0), for an increase of 40 % over the same quarter the previous year. The full year 2020 totalled 83.9 (68.8), which is an increase of 21.9 % over the same period last year. Other operating income for the quarter totalled MSEK 1.2 (0.1) and consist of positive exchange rate differences.

Gross margins for the quarter reported at 64.9 % (68.7). Full year gross margin was 68.6 % (69.4). Cost of goods sold totalled MSEK -9.8 (-6.0) for the quarter.

Costs

Other external expenses for the period totalled MSEK -12.5 (-9.9), which is an increase of 26.3 % over the same quarter the previous year. These costs include:

- *Variable selling expenses* MSEK -3.9 (-3.2) which consist mainly of commissions to agents and distributors.
- *Marketing expenses* MSEK -1.2 (-1.4).
- *Administrative expenses* MSEK -5.8 (-3.7).
- *Contracted consultants* MSEK -1.6 (-1.6).

Non-recurring costs of the quarter and the full year 2020 amounted to MSEK 2.6 and consist mainly of acquisition costs of the subsidiary Addmaster, hence to the increased administrative costs. Without the non-recurring costs, the other external costs would have been totalled MSEK -9.9 (9.9) for the quarter.

Staff costs totalled MSEK -4.8 (-3.7). The increase consist mainly of two new employees and higher degree of service.

Foreign withholding tax tax is a type of deduction at source that Polygiene can recover when previous tax loss carry forwards are utilised.

Depreciation on intangible- and tangible fixed assets totalled MSEK -0.5 (-0.6).

Other operating expenses relate to exchange rate differences and totalled MSEK -2.6 (-1.2) for the quarter.

Results

Operating profit/loss (EBIT) totalled MSEK -2.4 (-2.2), corresponding to operating margins of -8.5 (-11.7) %. Without the non-recurring cost, the operating profit/loss (EBIT) would have been MSEK 0.2. The result after taxes totalled MSEK -2.9 (-1.8). EBIT the full year was MSEK -1.1 (-6.6) for an operating margin of -1.2 % (-9.2). Profit/loss full year after tax was MSEK -1.7 (-5.2).

Financial position

Financial non-current assets

Financial non-current assets at the period-end where MSEK 12.7 (11.0) and consist of deferred tax assets related to tax loss carry forwards arising in previous years and withholding tax. The total tax loss carry forwards at the period-end was MSEK 25.1.

Intangible and tangible non-current assets

The intangible fixed assets consist mainly of investments in the ERP and CRM system and developing costs.

The tangible fixed assets consist mainly of leasing for the use of office premises.

Equity

Equity totalled MSEK 27.5 (29.2) at the period-end. The equity assets ratio as of 2020-12-31 was 47.7 % (64.8).

Cash flow and liquidity

Cash flow from operating activities of the fourth quarter amounted to MSEK -2.2 (-2.8).

Full year cash flow amounted to MSEK -0.4 (1.2).

Cash and cash equivalents for the Group totalled MSEK 4.5 (4.9) at the period-end.

Staff

At the period-end, the operating organization, regardless the degree of service, was 27 (25) people. 19 (17) where employed and 8 (8) are contracted consultants.

The operating organization amounts to 24.1 (20.3) full-time services.



**QUARTERLY REPORT Q4
GROUP**

STATEMENTS OF PROFIT OR LOSS GROUP

TSEK	Note	Proforma* 2020-10-01 2020-12-31	2020-10-01 2020-12-31	2019-10-01 2019-12-31	Proforma* 2020-01-01 2020-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Operating revenue							
Net sales	8	46,351	26,635	19,033	145,010	83,932	68,803
Other operating income		1,189	1,189	74	3,323	3,323	2,562
Total operating revenue		47,540	27,824	19,107	148,333	87,255	71,365
Operating expenses							
Costs of goods sold		-15,953	-9,767	-5,977	-46,696	-27,399	-21,039
Other external expenses		-13,784	-12,482	-9,898	-40,492	-37,064	-37,462
Personnel expenses		-7,711	-4,843	-3,697	-24,348	-17,083	-15,624
Depreciation and write-downs		-647	-500	-585	-2,358	-1,752	-1,192
Other operating expenses		-2,602	-2,602	-1,189	-5,008	-5,008	-2,619
Total operating expenses		-40,697	-30,194	-21,346	-118,902	-88,306	-77,936
Operating profit/loss		6,843	-2,370	-2,239	29,431	-1,051	-6,571
Profit from financial items							
Interest expenses and similar items		229	-10	-12	9	-35	-52
Profit after financial items		7,072	-2,380	-2,251	29,440	-1,086	-6,623
Tax income for the period		-2,409	-614	458	-6,450	-650	1,452
Profit of the period from continuing operations		4,663	-2,994	-1,793	22,990	-1,736	-5,171
Other profit of the period		-183	-183	-	-	-	-
Profit of the period		4,480	-3,177	-1,793	22,990	-1,736	-5,171
Earnings per share		0.13	-0.15	-0.09	0.65	-0.08	-0.25

STATEMENTS OF FINANCIAL POSITION GROUP

TSEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible assets	10	4,501	2,530
Tangible assets		607	1,265
Financial assets	11	12,695	11,036
Total fixed assets		17,803	14,831
Current assets			
Finished items and items for sale		2,687	1,027
Trade receivables	11	28,635	20,937
Other current assets	11	4,033	3,358
Cash and cash equivalents		4,478	4,909
Total current assets		39,833	30,231
TOTAL ASSETS		57,636	45,062
TOTAL EQUITY AND LIABILITIES			
Equity		27,480	29,207
Long-term liabilities			
Leasing liabilities		-	168
Other current liabilities		1,151	-
Total Long-term liabilities		1,151	168
Short-term liabilities			
Accounts payable		21,379	10,400
Leasing liabilities		513	1,006
Other current liabilities		7,113	4,281
Total short-term liabilities		29,005	15,687
Total liabilities		30,156	15,855
TOTAL EQUITY AND LIABILITIES		57,636	45,062

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY GROUP

TSEK	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Equity at period start	30,657	30,778	29,207	36,602
Adjustment	-	222	-200	-2,284
New share issues and warrants	-	-	210	60
Transactions with the owners	30,657	31,000	29,217	34,378
Earnings of period	-2,994	-1,793	-1,737	-5,171
Other total earnings of period	-183	-	-	-
Total earnings of period	-3,177	-1,793	-1,737	-5,171
Equity at period end	27,480	29,207	27,480	29,207

CASH FLOW STATEMENTS GROUP

TSEK	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Current activities				
Profit/loss before financial items	-2,370	-2,239	-1,051	-6,521
Non-cash adjustment	497	519	379	638
Interest paid	-10	-12	-35	-52
Paid income tax	-613	458	-650	1,452
Cash flow from operating activities before changes in operating capital	-2,496	-1,274	-1,357	-4,483
Changes in working capital				
Increase/decrease in inventory	-1,098	-839	-1,660	-530
Increase/decrease in current receivables	-10,588	-301	-8,373	10,109
Increase/decrease in current liabilities	12,053	206	14,300	2,754
Net cash flow from operating activities	-2,129	-2,208	2,910	7,850
Net cash flow from current activities	-2,129	-2,208	2,910	7,850
Investment activities				
Acquisition of intangible assets	-825	-565	-1,819	-676
Acquisition of tangible assets	-68	-	-72	-1,984
Acquisition of financial assets	-63	-2,084	-1,659	-4,051
Disposal of tangible assets	-	-	-	14
Cash flow from investing activities	-956	-2,649	-3,550	-6,697
Financing activities				
New share issue	-	-	209	60
Cash flow from financial activities	0	0	209	60
Cash flow of period	-3,085	-4,857	-431	1,213
Cash and cash equivalents at period start	7,563	9,766	4,909	3,696
Cash and cash equivalents at period end	4,478	4,909	4,478	4,909

MULTI-YEAR OVERVIEW GROUP

Group	Oct - Dec 2020	Oct - Dec 2019	Full year 2020	Full year 2019	Full year 2018
Net sales, TSEK	26,635	19,033	83,932	68,803	69,039
Sales growth, %	40	2	22	0	4
Operating profit/loss EBIT, TSEK	-2,370	-2,239	-1,051	-6,571	-2,805
Profit after tax, TSEK	-2,994	-1,793	-1,736	-5,171	661
Operating margin EBIT, %	-9	-12	-1	-9	-4
Operating margin after tax, %	-11	-9	-2	-7	1
Cash flow, TSEK	-3,085	-4,857	-431	1,213	-7,234
Equity, TSEK	27,480	29,207	27,480	29,207	36,606
Balance sheet total, TSEK	57,636	45,062	57,636	45,062	49,719
Equity/assets ratio, %	47,7	64,8	47,7	64,8	73,5
Number of shares at period end, THS	20,516	20,516	20,516	20,516	20,516
Average no. of shares at period end, THS	20,516	20,516	20,516	20,516	20,516
Earnings per share, SEK	-0.15	-0.09	-0.03	-0.25	0.03
Cash flow per share, SEK	-0.15	-0.24	-0.02	0.06	-0.35
Equity per share, SEK	1.34	1.42	1.34	1.42	1.78



**QUARTERLY REPORT Q4
PARENT COMPANY**

STATEMENTS OF PROFIT OR LOSS PARENT COMPANY

TSEK	Note	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Operating revenue					
Net sales	8	25,706	19,033	80,032	68,803
Other operating income		1,187	74	3,322	2,562
Total operating revenue		26,893	19,107	83,354	71,365
Operating expenses					
Costs of goods sold		-9,764	-5,977	-27,389	-21,039
Other external expenses		-9,461	-10,071	-34,236	-38,431
Personnel expenses		-4,747	-3,697	-16,159	-15,346
Depreciation and write-downs		-315	-402	-1,005	-656
Other operating expenses		-2,602	-1,189	-5,007	-2,619
Total operating expenses		-26,889	-21,336	-83,796	-78,091
Operating profit/loss		4	-2,229	-442	-6,726
Profit from financial items					
Interest expenses and similar items		-6	-2	-10	-4
Profit after financial items		-2	-2,231	-452	-6,730
Tax income for the period		-573	508	-492	1,442
Profit of the period		-575	-1,723	-944	-5,288

STATEMENTS OF FINANCIAL POSITION PARENT COMPANY

TSEK	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible assets	10	4,498	2,530
Tangible assets		49	-
Financial assets	11	12,745	11,076
Total fixed assets		17,292	13,606
Current assets			
Finished items and items for sale		2,687	1,027
Trade receivables	11	28,827	21,356
Other current assets	11	6,655	3,358
Cash and cash equivalents		1,786	4,335
Total current assets		39,955	30,076
TOTAL ASSETS		57,247	43,682
TOTAL EQUITY AND LIABILITIES			
Equity		28,040	28,984
Long-term liabilities			
Other current liabilities		1,151	-
Total long-term liabilities		1,151	-
Short-term liabilities			
Accounts payable		21,342	10,400
Other current liabilities		6,714	4,298
Total short-term liabilities		28,056	14,698
Total liabilities		29,207	14,698
TOTAL EQUITY AND LIABILITIES		57,247	43,682

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY PARENT COMPANY

TSEK	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Equity at period start	28,615	30,707	28,984	36,556
Adjustment	-	-	-	-2,284
Transactions with the owners	28,615	30,707	28,984	34,272
Earnings of period	-575	-1,723	-944	-5,288
Total earnings of period	-575	-1,723	-944	-5,288
Equity at period end	28,040	28,984	28,040	28,984

CASH FLOW STATEMENTS

PARENT COMPANY

TSEK	2020-10-01 2020-12-31	2019-10-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
Current activities				
Profit/loss before financial items	4	-2,229	-442	-6,726
Non-cash adjustment	312	388	-152	-14
Interest paid	-6	-2	-10	-4
Paid income tax	-573	508	-492	1,442
Cash flow from operating activities before changes in operating capital	-263	-1,335	-1,096	-5,302
Changes in working capital				
Increase/decrease in inventory	-1,098	-839	-1,660	-530
Increase/decrease in current receivables	-13,051	-552	-10,767	9,689
Increase/decrease in current liabilities	12,056	491	14,508	1,581
Net cash flow from operating activities	-2,356	-2,235	985	5,438
Net cash flow from current activities	-2,356	-2,235	985	5,438
Investment activities				
Acquisition of intangible assets	-825	-967	-1,813	-676
Acquisition of tangible assets	-52	-	-52	-
Acquisition of financial assets	-63	-2,074	-1,669	-4,041
Disposal of tangible assets	-	-	-	14
Cash flow from investing activities	-940	-3,041	-3,534	-4,703
Financing activities				
New share issue	-	-	-	-
Cash flow from financial activities	0	0	0	0
Cash flow of period	-3,296	-5,276	-2,549	735
Cash and cash equivalents at period start	5,082	9,611	4,335	3,600
Cash and cash equivalents at period end	1,786	4,335	1,786	4,335

MULTI-YEAR OVERVIEW PARENT COMPANY

Parent company	Oct - Dec 2020	Oct - Dec 2019	Full year 2020	Full year 2019	Full year 2018	Full year 2017
Net sales, TSEK	25,706	19,033	80,032	68,803	69,039	66,152
Sales growth, %	35	2	16	0	4	19
Operating profit/loss EBIT, TSEK	4	-2,229	-442	-6,726	2,547	-6,101
Profit after tax, TSEK	-575	-1,723	-944	-5,288	671	-5,409
Operating margin EBIT, %	-0	-12	-1	-9	3	-9
Operating margin after tax, %	-2	-9	-1	-7	1	-8
Cash flow, TSEK	-3,296	-5,276	-2,549	735	-7,330	-9,093
Equity, TSEK	28,040	28,984	28,040	28,984	36,556	35,885
Balance sheet total, TSEK	57,247	43,682	57,247	43,682	49,673	53,101
Equity/assets ratio, %	48.9	66.4	48.9	66.4	73.6	67.5
Number of shares at period end, THS	20,516	20,516	20,516	20,516	20,516	20,516
Earnings per share, SEK	-0.03	-0.08	-0.05	-0.26	0.03	-0.26
Cash flow per share, SEK	-0.16	-0.26	-0.12	0.04	-0.36	-0.44
Equity per share, SEK	1.37	1.41	1.37	1.37	1.78	1.75
Share price at period end, SEK	38.3	8.9	38.3	8.9	5.6	11.5

" WE WANT TO CHANGE THE
WAY WE VIEW PRODUCTS -
**FROM FAST CONSUMABLES
TO DURABLES!**"



ADDITIONAL INFORMATION AND NOTES

Note 1: Nature of operations

Polygiene is the world-leading provider of odor control and Stays Fresh solutions for clothes, sports equipment, textiles and other material designed so the user can feel fresh no matter what they do or where they do it. Today, the Group has over 200 global partners in many segments including Sports & Outdoor, Lifestyle, Home design, Footwear and Workwear. In addition to the objective of building growth as a global ingredient brand, Polygiene also wants to drive change in consumer behavior with the motto, Wear More. Wash Less®. The Group's brand is a significant asset whereby the company conducts continual activities to strengthen the brand and awareness which is vital to achieve future targets. Polygiene AB (publ.), the Group Parent, is a public limited company formed and domiciled in Sweden. The main offices and primary operations location are at Styrmansgatan 2, 211 18 Malmö. Polygiene AB shares are listed on Nasdaq First North.

Note 2: General information and compliance with IAS 34

This interim report presents the period from 1 October to 31 December 2020 and is prepared in SEK, the Parent's functional currency. The interim report was prepared according to IAS 34 Interim Financial Reporting and ÅRL.

The Parent company publish consolidated financial statements in compliance with IFRS. This interim report for the Group is thereby also prepared in compliance with IFRS.

All group operations are conducted in a single segment. 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 2019 except description of the basic regulatory frameworks applied. Complete additional information under IFRS is published in our 2019 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 1 October to 31 December 2020 was approved for publishing by the Board of Directors on February 24, 2021.

Note 3: Significant Accounting and valuation policies of the Parent

This interim report was prepared in compliance with IFRS, which agrees with the accounting and valuation principles and differs from those applied in the Parent's 2019 financial statements.

Note 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 2019 annual reports.

Note 5: Significant events and transactions during and after the period

In early 2021, Polygiene acquired all outstanding shares and completed the acquisition of the UK based additive company Addmaster, a leading global supplier of antibacterial additives for hard surfaces.

Note 6: Seasonality and cyclicity

Historically sales are higher during the second half of the year.

Note 7: Contingent liabilities

The Group has no contingent liabilities.

Not 8: Net sales from contracts with customers

The Group and Parent Company's revenues from contracts with customers can be broken down as follows:

2020-12-30	Goods	Royalty	Total
Primary geographic markets:			
Asia Pacific	3,625	3,243	6,868
EMEA	5,366	2,190	7,556
Americas	3,767	1,986	5,753
Global	6,458	-	6,458
	19,216	7,419	26,635

2019-12-30	Goods	Royalty	Total
Primary geographic markets:			
Asia Pacific	4,651	2,120	6,771
EMEA	4,801	2,238	7,039
Americas	1,525	3,320	4,845
Global	378	-	378
	11,355	7,678	19,033

Not 9: Business acquisition**Acquisition of Addmaster 2021**

On January 8, 2021, the Group acquired 100% of the shares in Addmaster Holdings Limited ("Addmaster"), a company based in Staffordshire, UK and received thus controlling influence in the company. Addmaster is a leading global supplier of antibacterial additives for hard surfaces and the acquisition was made to strengthen the Group's position in the market with a significant wider offer.

The total commercial purchase price, on a cash and debt-free basis, amounts to MGBP 33. The purchase price is paid partly with a cash payment of MGBP 22, with a supplement for interest and existing cash, and partly with a non-cash issue of 4,564,174 shares. The news about the acquisition was received positively by the market and the non-cash issue, which is recognized in the balance sheet at the value of the Parent company's shares at the time of the transaction, amounts to MSEK 147. Converted to SEK, the fair value of transferred remuneration amounts to a total of MSEK 451.

Fair value of transferred remuneration	
Amounts settled with cash and equivalents	303,439
Amounts settled with issued shares	147,423
Total	450,862

An acquisition analysis has not yet been prepared for the subsidiary as their financial statements for December 2020 is not completed. The acquisition analysis may be completed in the Annual Report of 2020. Based on an estimated result for the subsidiary for the full year 2020, net sales are estimated at MSEK 82.2 and operating profit EBIT MSEK 30.5 in 2020.

Total estimated acquisition costs	5 092
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Not 10: Other intangible assets

The Group and Parent Company's changes in the presented value for intangible assets:

Group TSEK	2020-12-31	2019-12-31
Accumulated cost brought forward		
	5,648	6,265
Acquisitions	825	1,346
Reclassification	-	-2,953
Accumulated cost carried forward	6,473	4,658
Accumulated depr losses brought forward		
	-1,660	-2,142
Adjustment	-	670
Depreciation of the period	-312	-656
Accumulated depr carried forward	-1,972	-2,128
Carrying amount	4,501	2,530

Parent Company TSEK	2020-12-31	2019-12-31
Accumulated cost brought forward		
	5,644	6,265
Acquisitions	825	1,346
Reclassification	-	-2,953
Accumulated cost carried forward	6,469	4,658
Accumulated depr losses brought forward		
	-1,659	-2,142
Adjustment	-	670
Depreciation of the period	-312	-656
Accumulated depr carried forward	-1,971	-2,128
Carrying amount	4,498	2,530

Not 11: Financial assets

The Group and Parent Company's changes in value of financial assets:

Group TSEK	2020-12-31	2019-12-31
Trade receivables		
Opening balance	19,037	26,054
Change during the period	9,598	-5,117
Closing balance	28,635	20,937
Withholding tax		
Opening balance	6,841	2,636
Change during the period	555	2,599
Closing balance	7,396	5,235
Contracted assets		
Opening balance	397	-
Change during the period	1,059	764
Closing balance	1,456	764
Parent Company TSEK		
Trade receivables		
Opening balance	19,037	26,054
Change during the period	9,790	-4,698
Closing balance	28,827	21,356
Withholding tax		
Opening balance	6,841	2,636
Change during the period	555	2,599
Closing balance	7,396	5,235
Contracted assets		
Opening balance	397	-
Change during the period	1,059	764
Closing balance	1,456	764

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 share class, and each share carries an equal right to dividend. Par value for each share is SEK 0.10.

In June 2018, the company issued 228,000 warrants, which entitles the holders to subscribe to an equivalent number of shares. The warrants may be used during period from June 1 to June 30, 2021, and have the exercise price of SEK 16.50 per share. A corresponding program was implemented in June 2019 when the Parent company issued 300,000 warrants. The warrants may be used during period from June 1 to June 30, 2022, and have the exercise price of SEK 12.90 per share. A third corresponding program was implemented in June 2020 when another 300,000 warrants were issued. The warrants may be used during June 1 to June 30, 2023 and have the exercise price of SEK 22.36 per share. All warrants programs have been addressed to staff.

For more information on the development of share capital, please refer to the Polygiene AB Annual Report 2019.

Shares

Shares in Polygiene AB (publ.) have been listed on Nasdaq First North, Stockholm, since March 14, 2016. During

the fourth quarter, the total number of shares traded was 9,437,435 which corresponds on average to 149,801 shares per trading day. The share price at the end of the period was SEK 38.30, which corresponds to market Share capital, the share and ownership structure capitalization of MSEK 785.8. The highest and lowest share prices during the period were SEK 40.00 and SEK 23.80, respectively.

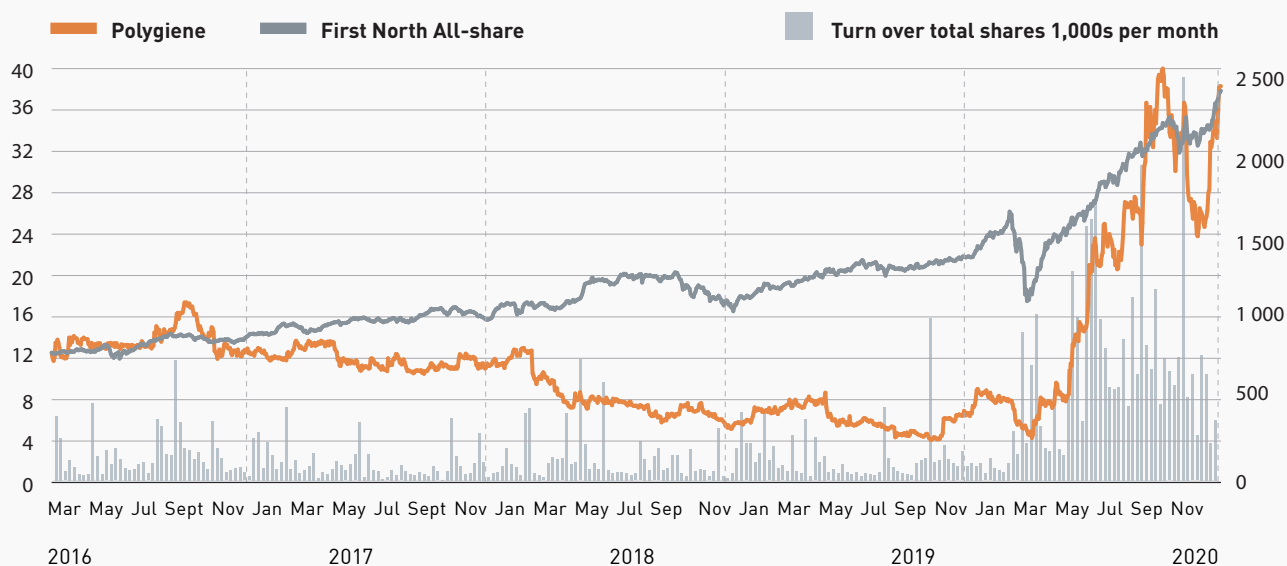
Ownership structure

The number of shareholders at the end of the period amounted to 3,434 (819). The table below lists the 10 largest shareholders as of December 31, 2020.

Shareholders	Shares	Percent
Håkan Lagerberg*	2,346,573	11.4%
Avanza Pension	1,200,000	5.8%
Svanberg & Co Invest	998,914	4.9%
JPM Chase NA	957,102	4.7%
Jonas Wollin*	840,000	4.1%
SIX SIS AG	813,000	4.0%
LLoyd Fonds AG	700,017	3.4%
Clearstream Banking S.A.	568,717	2.8%
Nomura Securities CO Ltd	460,100	2.2%
Mats Georgson*	455,135	2.2%
Others	11,176,442	54.5%
Total	20,516,000	100.0%

* Refers to personal holdings and those of associated natural persons and legal entities.

Polygiene March 2016 – December 2020





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 2019 Annual Report.

Definitions

Operating profit EBIT: Earnings before interest and tax.

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

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

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

Equity/assets ratio: 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 flows per share: Cash flows for the period divided by the average total shares outstanding.

Financial Calendar 2021

Annual report	April 23
Interim Report Q1	May 6
Annual General Meeting	May 19
Interim Report Q2	August 26
Interim Report Q4	November 4

Contact information

Questions related to the report:

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This information is information that Polygiene 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 below, at 08.00 CET on February 25, 2021.

About Polygiene

As the world leader in stays fresh technologies, we want to change the way we view products – from fast consumables to durables. We treat clothes, accessories, home products, and textiles to help people stay fresh, wash less and let clothes and products live longer. Over 200 global premium brands have chosen to use the Polygiene brand with their products. With the wholly owned subsidiary Addmaster Holdings Limited, we now have the possibility to offer solutions for both soft and hard surfaces. Polygiene is listed on Nasdaq First North Growth Market in Stockholm, Sweden. For more information: www.polygiene.com.

Erik Penser Bank AB acts as Certified Adviser. Phone: +46 8- 463 83 00, e-mail: certifiedadviser@penser.se.



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