



ORGANOCLICK AB (PUBL) PUBLISH YEAR END REPORT FOR 2022

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Translation from CEO Mårten Hellbergs comments to the Interim Report.

Q4, 1 October - 31 December 2021

- 597% sales growth for the Group's biobased binders for nonwoven
- OrganoTex initiated cooperation with Snickers workwear.
- OrganoClick launched a new strategy focusing on a select group of the Group's green chemical products
- OrganoClick implemented an efficiency program related to the Group's new strategy, which reduces the Group's annual costs by SEK 5-6 million from 2023

The Group's result in Q4 2022 compared with Q4 2021

» Net revenue amounted to SEK 21.63 (17.95) million

» The gross margin amounted to -21.9 (7.7) %

» EBIT amounted to SEK -19.68 (-11.83) million

» EBIT excluding non-recurring costs of SEK 10.0 million related to the efficiency program amounted to SEK -9.68 (-11.83) million

» Cash-flow from operating activities amounted to SEK 6.79 (-11.76) million

1 January – 31 December 2022

The Group compared with 2021

» Net revenue amounted to SEK 115.05 (110.06) million

» The gross margin amounted to 11.2 (16.8) %

» EBIT amounted to SEK -38.51 (-28.59) million

» EBIT excluding non-recurring costs of SEK 10.0 million related to the efficiency program amounted to SEK -28.51 (-28.59) million

» Cash-flow from operating activities amounted to SEK -14.54 (-37.69) million

CEO Comment

During the fourth quarter, a new OrganoClick started to emerge. A more cost-effective company with a clear focus on green chemistry and profitable growth. The changes we are implementing now, will gradually turn us into a purely green chemical company. The unfavourable economic environment for consumer products notwithstanding, the Group's overall sales increased by 20.5 (-1.4) percent during the fourth quarter, to MSEK 21.6 (18.0), through strong growth of binder sales. Restructuring costs related to the discontinued production of biocomposites resulted in a deterioration of EBIT. On the other hand, adjusted for these one-off costs, the Group's EBIT strengthened to MSEK -9.7 (-11,8). Cash flow from operating activities improved significantly to SEK 6.8 (-11.8) million as less liquidity was tied up in working capital.

We have, over the course of 2022, put together a new strategy for the Group. In short, this entails that the Group will focus on: i) profitable growth; ii) becoming more clearly defined as a green chemical company; and iii) focusing our further international expansion on three product areas: binders for nonwoven, industrial wood protection and textile impregnation. We also change business model for the Biocomposites business unit to a license-based business model. During Q3 2022, the manufacture of BAUX sound absorbents was taken over by a licensing partner. Discussions on an out-licensing of the coffin material are ongoing, and our ambition is to bring them to conclusion in 2023. As of January 2023, the Biocomposites business unit therefore merges with Nonwoven & technical textiles under the new name Nonwoven & fiber technologies.

The Group's earnings were negatively impacted during the quarter by non-recurring costs of SEK -10.0 million related to our restructuring. The costs consist primarily of write-downs of tangible and intangible assets related to the Biocomposites and costs for the liquidation of 4 employees. All in all, our savings will, as of 2023, reduce the Group's operating expenses by MSEK 5-6 on an annual basis. During the quarter, the sale of remaining inventories of first-generation OrganoWood timber also contributed to a weaker gross margin.

In the Functional wood business unit, sales grew by 3.1 (-11.6) percent to MSEK 10.9 (10.5) during the quarter. In February 2023, the third generation of OrganoWood® technology was introduced under the name OrganoWood® Nowa. With this technology, production has simplified as no high-temperature drying is needed, but standardized process equipment can be used. In 2023, we will open discussions with potential licensees of OrganoWood® timber, which we will supply with wood preservatives.

The business unit Green coatings & maintenance products continues to face a challenging situation in a weakened consumer market. Sales in the business unit decreased by -21.3 (5.3) percent to MSEK 4.5 (5.8). The OrganoTex® brand also saw a somewhat weaker quarter but continued to attract new customers, including Snickers workwear. Snickers has since been working on introductory sales to their retailers, comprising several thousand hardware retailers across Europe. Our assessment is that this cooperation, together with continued international expansion in the sports and outdoors segment, will drive good growth for the brand in 2023.

In Nonwoven & technical textiles, sales increased by 596.7 (186.5) percent to MSEK 5.5 (0.8). The increase is mostly attributable to increased deliveries to Duni but also to a growth in test orders from other nonwoven manufacturers. For the year as a whole, sales have so far increased by

323.9 (176.3) percent to MSEK 9.8 (2.3). The ramp-up of delivery volumes for Duni have accelerated in January, and we assess that sales in the business will grow sharply during Q1 2023. In our project portfolio, two new customers are preparing product launches. Our business with Ahlstrom is also evolving in the right direction, both with regard to existing products and new projects.

With our new strategy, continued robust growth of binders and OrganoTex®, and our new industrial wood protection technologies, 2023 is looking incredibly exciting. The year has started well and according to our plan. Our focus and goal is to generate positive cash flow for the full year 2023, at the same time as we are replacing thousands of tonnes of plastics and toxic chemicals.

Mårten Hellberg

CEO, OrganoClick AB

The complete version of the Interim Report is attached in this press release and is available on the companys' homepage.

This disclosure contains information that OrganoClick AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 15-02-2023 08:30 CET.

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About OrganoClick

OrganoClick AB (publ) is a public Swedish cleantech company listed on Nasdaq First North Growth Market. The company develops, produces and markets functional materials based on environmentally friendly fiber chemistry. Examples of products that are marketed by OrganoClick are the durable water repellent technology for textiles OrganoTex®, the biocomposite material OrganoComp®, surface treatment and maintenance products for villa and property owners under the brand BIOkleen®, biobased binder under the trade name OC-BioBinder™ and the flame and rot-resistant timber OrganoWood® (through the joint-venture OrganoWood AB). OrganoClick was founded in 2006 as a commercial spin-off company based on research performed at Stockholm University and the Swedish University of Agricultural Sciences within environmentally friendly fiber chemistry. OrganoClick has won a number of prizes, such as "Sweden's Most Promising Start-up" and "Sweden's Best Environmental Innovation", and has also received a number of awards, such as the WWF "Climate Solver" award, listed as a SUSTAINIA100 company and has also appeared for two years on the Affärsvärldens and NyTekniks list of Sweden's top 33 hottest technology companies. OrganoClick has its head office, production and R&D located in Täby, north of Stockholm. OrganoClick's Certified Adviser on Nasdaq First North Growth Market is Mangold Fondkommission AB, tel: +46 (0)8 503 01 551, email: ca@mangold.se.