



# OrganoClick®

INTERIM REPORT OCTOBER TO DECEMBER 2021  
CORPORATE IDENTITY NUMBER: 556704-6908

## OCTOBER TO DECEMBER

Net sales SEK 17,951 (18,199) thousand

Revenue growth -1.4 (21.3) percent

EBITDA SEK -7,650 (-6,028) thousand

Cash flow from operating activities SEK -11,761 (5,239) thousand

Earnings per share before and after dilution SEK -0.12 (-0.11)

- OrganoWood launched Silicium HT, a completely new generation of wood that is sustainable and eco-labeled.
- OrganoClick's biobased binders in a new nonwoven application for hygienic wipes.

## JANUARY TO DECEMBER

Net sales SEK 110,064 (96,458) thousand

Revenue growth 14.1 (12.8) percent

EBITDA SEK -12,991 (-4,457) thousand

Cash flow from operating activities SEK -37,688 (5,471) thousand

Earnings per share before and after dilution SEK -0.34 (-0.26)

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2021.

KEY RATIOS (for definitions, please refer to page 20)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	17,951	18,199	110,064	96,458
EBIT	-11,827	-9,253	-28,590	-17,100
Cash flow from operating activities	-11,761	5,239	-37,688	5,471
Gross margin after variable costs, %	43.8	40.9	39.6	41.8

# CEO COMMENT

During the fourth quarter, we had a mixed development for the Group's operations. Sales of OrganoTex® and our binders more than doubled, while sales of OrganoWood® timber and our car care products decreased. Overall, sales were consequently almost unchanged during the quarter, and landed at a total of MSEK 18.0 (18.2). For the full year, a sales increase of 14.1 (12.8) per cent was achieved, to a total sale of MSEK 110.1 (96.5).

After our price adjustments at the end of the third quarter, as well as a positive product mix with a strong increase in sales of OrganoTex®, our gross margin after variable costs strengthened to 43.8 (40.9) per cent. Some price adjustments announced during the autumn will also take effect on 1 January. We therefore estimate that the gross margin will be further strengthened in certain product segments. In addition, we see only marginal fixed cost increases in 2022 from the current level.

The Functional wood business unit had a very weak quarter, with a negative growth of -11.6 (18.3) per cent, to MSEK 10.5 (11.9). For the full year, sales were MSEK 65.7 (60.6), an increase of 8.5 (8.8) per cent. The negative growth during the quarter came after the sharp price increases implemented during the third quarter in order to counteract the increased raw material prices. Our major focus is now on the sale of our new generation OrganoWood® technology, Silicium HT, where the first larger deliveries have been made. We will gradually increase production during the year in order to have completely transitioned to our new technology by the end of the year. Due to the fact that we are now selling two products in parallel, we have had to build up double inventories, which has increased our stock level significantly, something that has encumbered our cash flow.

The Green coatings & maintenance products business unit increased its sales by 5.3 (38.6) per cent, to MSEK 5.8 (5.5). For 2021, the total growth now adds up to 17.1 (19.2) per cent, to MSEK 38.4 (32.8). The variation between the business unit's different product segments was, however, wide. Sales of OrganoTex® more than doubled during the quarter, as with the full year. OrganoTex® accounted for approximately MSEK 6 of the business unit's total revenue in 2021. We expect the very strong sales growth of OrganoTex® to continue in 2022, driven by all our new customers and ongoing international expansion. However, the quarter was burdened by a considerable

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**WE EXPECT THE VERY STRONG SALES GROWTH OF ORGANOTEX® TO CONTINUE IN 2022, DRIVEN BY ALL OUR NEW AGREEMENTS AND ONGOING INTERNATIONAL EXPANSION.**



negative sales trend for our car care products. Other product segments were in line with the previous year. During the autumn, a great deal of work has also been done to put our new fully automatic filling line into operation which gives us good production capacity for our planned expansion.

In the Biocomposites business unit, sales of both coffin materials and sound absorbers continued to increase by a total of 54.4 (10.5) per cent, to MSEK 0.8 (0.5). In 2021, sales increased by a total of 43.5

(77.3) per cent, to MSEK 3.1 (2.1).

In Nonwoven & technical textiles, sales increased by 186.5 (-42.6) per cent, to MSEK 0.8 (0.3), after our second order was delivered to Duni. Our total sales for 2021 increased by 176.3 (-5.0) per cent and amounted to MSEK 2.3 (0.8). Duni's first products have started to be marketed to their customers, and in January 2022 they launched their first marketing campaign of Bio DuniSoft. As previously communicated, their launch plan has shifted somewhat. In 2022, volumes will gradually increase, but larger delivery volumes will not be achieved until the second half of the year. As for our other development projects, we have also taken positive steps in a number of projects. Our assessment for 2022 is that we will have strong growth in this business unit, primarily from deliveries to Duni, but also from initial deliveries to new customers. At the beginning of January, tanks were also installed for our new 10,000 m3 production line for our binders. This line will be taken into use during the second quarter.

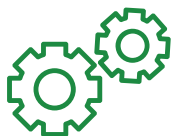
After a challenging 2021, we are now looking forward to 2022, where we have many new customers to deliver to, many customer projects for nonwoven, several new products being rolled out, and new, fully automatic production equipment. We are also looking forward to meeting the US nonwoven market for the first time at the IDEA 2022 trade fair in Miami in March, as well as continuing our international expansion of OrganoTex® and OrganoWood®. And in this way, to continue to replace synthetic chemicals and plastic polymers with our fossil-free and biodegradable products!



Mårten Hellberg  
CEO, OrganoClick AB

# BUSINESS SUMMARY

Every year, more than 8 million tonnes of plastic and hundreds of thousands tonnes of toxic chemicals are released to the world's oceans and into nature. Many of these are not degradable, but accumulate in the form of microplastics or persistent pollutants. Plastics and environmental contaminants have thus become one of the major global challenges of our time. The result is visible along the seashores as well as in the alarm reports about poisoned watercourses. OrganoClick AB (publ) is a Swedish cleantech company that develops, produces and markets functional materials based on environmentally friendly fiber chemistry, which addresses several of the aforementioned problems. The products marketed by OrganoClick include: the durable water repellent technology for textiles OrganoTex®, which can substitute hormone-disruptive fluorocarbons (PFAS); the flame and rot-resistant timber OrganoWood®, which can substitute heavy metals used in traditional wood protection; eco-labelled surface treatment and maintenance products for homes and properties, under the brand BIOkleen®, and the biobased binder OC-BioBinder™ which, together with the company's biocomposite OrganoComp® can substitute fossil-based plastic. 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. 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, and has also appeared for two years on the Affärsvärldens and NyTekniks list of Sweden's top 33 hottest technology companies. OrganoClick is listed on Nasdaq First North Growth Market and has its head office, production and R&D located in Täby, north of Stockholm.



## TECHNOLOGY

The company's core technology is based on so-called 'biomimetics', where the company's products are developed with inspiration from natural chemical processes. By attaching organic molecules to the surface of cellulose fibers in materials such as wood,

textile, paper or nonwoven, new features such as fire resistance, rot protection, water resistance and changed mechanical properties can be achieved. This technology opens up for renewable materials that for example can replace oil-based plastics and traditional, toxic wood protection methods.

## THE GROUP'S STRUCTURE, BUSINESS UNITS AND CUSTOMERS

The Group's products are marketed and delivered to a number of application areas. On the basis of this, the Group is divided into four business units that market and sell the products within their respective area. The most substantial customer segment is currently within the Nordic building and paint trade, which results in significant seasonal variations in the Group's sales. Production, R&D, finance & administration and environment & quality work is conducted centrally for the whole Group, with major synergies achieved across the business units.

Within the largest business unit, Functional wood, the Group sells OrganoWood® timber through hardware retailers to both major construction companies and end consumers. The retailers of OrganoWood® timber include, among others, Beijer byggmaterial, XL-BYGG, Optimera, Bygma, Woody and Derome in Sweden. The product is also sold in the rest of Northern Europe, Germany and Italy. OrganoClick manufactures and supplies the technology and the wood protection agent that is used to treat the wood, which then is sold by the sales and marketing company OrganoWood AB, part-owned by OrganoClick (60 percent) together with partners.

Within the second largest business unit, Green coatings & maintenance products, additional wood protection and maintenance products for maintenance of homes and properties are

sold through hardware and paint retailers such as Happy Homes, Colorama, Bolist, Nordsjö Färg & design, Caparol, Granngården and Ahlsell. The business unit also offers OrganoTex® Textile water-proofing and shoe care products, biodegradable impregnation products and detergents for clothing and shoes that is sold through more than 170 Nordic sports and outdoor retailers, including Naturkompaniet and its Finnish sister company Partioaitta.

The Biocomposites business unit manufactures and sells the Group's 3D-moulded biocomposite OrganoComp® which is used as a replacement for plastic materials. Fredahl Rydén's, the leading Nordic burial coffin producer, and Baux, supplier of sound-absorbing acoustic panels, were the first customers. Projects are also underway together with companies and partners operating in the healthcare sector or with furniture production with the aim of replacing different plastic products with OrganoComp®.

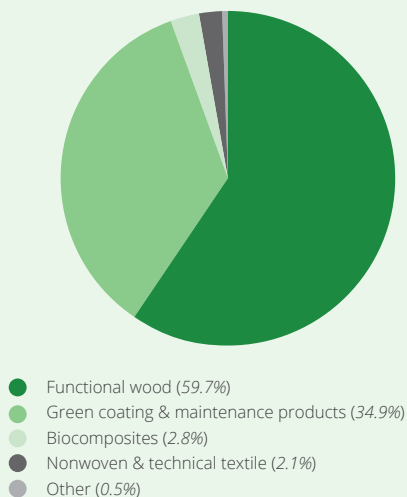
Within the business unit Nonwoven & technical textiles, bio-based binders that replace plastic bonding agents and water repellent products (PFAS substitutes) are sold to customers that manufacture nonwovens or technical textiles. End applications include napkins and table cloths for restaurants, medical textiles such as surgical coats, hair covers and masks, agricultural mulch films and personal hygiene products such as diapers, sanitary towels and incontinence articles.

## THE GROUP'S DEVELOPMENT AND OBJECTIVES

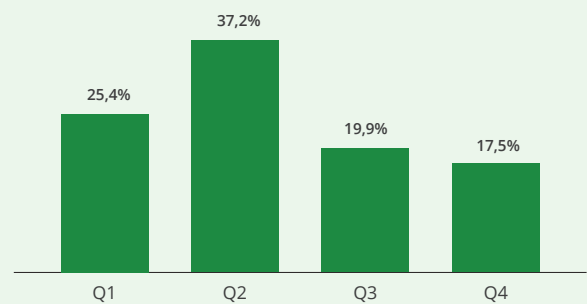
The Group has made fast progress since the first product was launched in 2012. Net sales has grown over the last five years from MSEK 38.8 in 2016 to MSEK 110.1 in 2021, corresponding to an average annual growth rate of 23.2 percent. The Group has built up a sales and marketing organization and its own production facility to be able to continue to grow operations rapidly with only minor increases of fixed costs, which makes the business model highly scalable. With increasing volumes, improved productivity in its factory and a gradually changed product mix, margins have improved as well. The gross margin (after variable costs) has increased from 32.1 percent in 2016 to 39.6 percent in 2021. The Group has over the past five years made heavy investments in product and production development, and this effort is bearing fruit in the form of a product family with sales within a large number of application areas.

The focus and goal of the Group is to become a "Gasell"-company (at least double sales during a three year period with accumulated positive EBIT), continue to improve gross margin (after variable costs), and, with good cost control, continue to improve the result. The long-term goal of the Group is to continue to show double-digit growth and reach a gross margin (after variable costs) of 50 percent and an operating margin (EBIT) of 20 percent. At the same time, the Group shall become climate neutral by 2023 at the latest, which means zero emissions of greenhouse gases and 100 percent use of bio-based raw materials and packaging.

Net sales / operating segments 2021



Group sales / quarter<sup>1</sup>



1) Refers to average sales 2019-2021 as a percentage of total sales.

# COMMENTS ON THE FINANCIAL DEVELOPMENT

## THE GROUP

### Profit/loss, October - December

Revenue for the fourth quarter amounted to KSEK 17,951 (18,199), a decrease in sales of -1.4 (21.3) per cent. Revenue in the Functional wood business unit decreased by -11.6 (18.3) per cent and amounted to KSEK 10,540 (11,930). The decrease was due to a wait-and-see market, after rise in prices for our customers. Revenue in the Green coatings & maintenance products business unit grew by 5.3 (38.6) per cent, and amounted to KSEK 5,757 (5,468), where the OrganoTex® range grew considerably, whereas sales of car care products saw a corresponding decrease. Revenue in the Biocomposites business unit increased to KSEK 815 (528), and revenue in the Nonwoven & technical textiles business unit increased to KSEK 788 (275).

The gross margin (after variable costs) amounted to 43.8 (40.9) per cent, in part as a result of product mix changes, and as a result of implemented price increases for our customers in order to compensate for price increases for raw materials this year. Despite the strengthening in gross margin, the gross profit was slightly lower than the previous year, KSEK 1,390 (1,747), due to reduced sales and higher fixed production costs. The increases in other fixed costs were a result of the growth initiatives being implemented by the Group as well as investments in the Group's trademark protection. During the quarter, the Group received KSEK 24 (75) in state support for sick pay costs. Operating profit/loss (EBIT) amounted to KSEK -11,827 (-9,253), EBITDA to KSEK -7,650 (-6,028), and profit/loss for the period to KSEK -12,179 (-9,769).

### Cash flow and investments, October - December

Cash flow from operating activities amounted to KSEK -11,761 (5,239), where both a deteriorating profit/loss, KSEK -7,863 (-6,754), and working capital, KSEK -3,897 (11,993), had a negative effect. In particular, it was a substantial inventory build-up that negatively affected the working capital, KSEK -6,507 (-1,744), which was mainly due to an inventory build-up of a parallel inventory for the launch of the new generation OrganoWood® timber, Silicium HT, but also inventory build-up for the spring peak season. Inventory levels were also higher due to weaker sales than expected in the second half of the year. Lower accounts receivable resulted in a positive liquidity effect of KSEK 2,711 (3,832) as a result of the Group's seasonal variations, with the fourth quarter being the weakest in terms of sales.

The Group invested KSEK 1,127 (2,779) in intangible fixed assets in the Group's development projects, and patents, and KSEK 1,936 (1,508) in tangible fixed assets in the form of production equipment. During the quarter, the use of the bank overdraft facility increased by KSEK 3,929 (-2,315), whereas factoring loans decreased by KSEK -1,174 (-1,897) with the decrease in sales, and loans and leasing agreements of KSEK -2,242 (-3,936) were amortised. Cash flow for the period amounted to KSEK -14,312 (-6,047).

### Profit/Loss, January - December

The accumulated revenue amounted to KSEK 110,064 (96,458), which gave a growth of 14.1 (12.8) per cent compared to the previous year. Revenue in the Functional wood business unit grew by 8.5 (8.8) per cent, to KSEK 65,707 (60,562). The beginning of the year saw strong sales, which declined in line with raw material shortages and sharp price increases for timber raw materials, to then stagnate after the fourth quarter price increases for our customers. Revenue in the Green coatings & maintenance products business unit grew by 17.1 (19.2) per cent, and amounted to KSEK 38,407 (32,797),

primarily driven by sales of OrganoTex® products, as well as wood protection products. Revenue in the Biocomposites business unit amounted to KSEK 3,056 (2,129), with sales of both coffin materials and sound absorbers, and revenue in the Nonwoven & technical textiles business unit amounted to KSEK 2,318 (839), with increased sales to both existing customers and our new customer, Duni.

The gross margin (after variable costs) amounted to 39.6 (41.8) per cent and was negatively affected during the year by significantly higher raw material prices, mainly for timber, due to this last year's global timber shortage, but also for other raw materials and freight. The lower gross margin together with increased fixed production costs reduced the gross profit compared with the previous year, to KSEK 18,510 (20,198). Fixed production costs increased during the year with extended premises, as well as extra personnel during the peak season to counteract the lack of capacity in our bottle and can filling, caused by a considerably delayed new filling line. The Group's growth investments and investments in trademark protection also resulted in increased costs within sales and R&D. During the year, the Group received covid-19 related government support for sick pay costs of KSEK 133 (272). No other government support in relation to covid-19 has been applied for or received. Last year, the Group received covid-19 related tax relief for social security contributions of KSEK 828. Operating profit/loss (EBIT) amounted to KSEK -28,590 (-17,100), EBITDA to KSEK -12,991 (-4,457), and profit/loss for the year to KSEK -31,033 (-19,520).

As the Group reports negative earnings, the effective tax will be zero. Deficit deductions increase and the Group does not capitalize deferred tax on deficit deductions. In the income statement, deferred tax is recognized for temporary differences in internal gains in inventories, intangible assets, and leases.

### Cash flow and investments, January - December

Cash flow for the year from operating activities amounted to KSEK -37,688 (5,471), where the cash flow from profit/loss was charged with KSEK -15,158 (-6,932) and the working capital with KSEK -22,530 (12,403). In particular, it was inventory build-up that burdened the working capital by KSEK -18,060 (789). Prior to the launch of the new generation of OrganoWood® timber, Silicium HT, an inventory has been built up in parallel with the inventory of existing OrganoWood® timber. In addition, inventories have been built up to be able to deliver on the Group's new binder agreements, to attain the usual inventory build-up before the spring peak season, and finally as a security measure where major purchases of critical raw materials have been made in order to avoid raw material shortages and delays from suppliers. In 2022, inventory levels will continue to be significant, as two parallel inventories will need to be maintained during the phasing out of the existing generation of OrganoWood® timber. Lower-than-expected sales have also contributed to higher inventories.

Accumulated, KSEK 7,179 (8,161) has been invested in intangible fixed assets, mainly in development projects and patents, and KSEK 7,470 (11,237) has been invested in tangible fixed assets, for example, in a pilot machine for nonwoven, and ongoing construction of a new production line for binders. From January 2021, the Group has additional right-of-use of KSEK 7,283 for production premises, and in December right-of-use of KSEK 5,362 were added for leasing a fully automatic filling line. During the year, cash flow from financing activities was strengthened through a new share issue that yielded KSEK 66,996, after issuance expenses. Part of the issue proceeds was used to acquire preference shares in OrganoWood AB for KSEK -11,178. The Group increased the utilization of its bank overdraft facility by

KSEK 8,506 (-8,946), and factoring loans by KSEK 1,168 (-2,607). During the year, OrganoClick repaid a credit of KSEK -1,770, and amortised loans and leasing agreements of KSEK -9,166 (-11,398). The accumulated cash flow amounted to KSEK 2,219 (-29,115).

#### Financial position

Cash and cash equivalents in the Group amounted to KSEK 34,248 (32,028) at the end of the year, with a quick ratio of 92.1 (98.7) per cent. Net debt/equity ratio amounted to 18.8 (14.9) per cent. At the end of the quarter, OrganoWood AB utilized KSEK 12,513 (4,007), of a total bank overdraft facility of KSEK 15,000 (15,000). The bank overdraft facility changes depending on the requirement for the season. The Group's financial position was strengthened after a new share issue carried out during the second quarter, which raised KSEK 66,996 in proceeds after issuance expenses.

### PARENT COMPANY

#### Profit/Loss, October – December

The parent company's revenue during the quarter amounted to KSEK 7,577 (7,142) after higher sales, mainly of OrganoTex® products but also binders for nonwoven. Gross profit was slightly better compared with the previous year, KSEK -1,877 (-2,014), where a higher gross margin as a result of product mix changes was offset by higher fixed production costs. Growth investments and investments in trademark protection increased the fixed costs for sales and R&D. Operating profit/loss (EBIT) amounted to KSEK -9,920 (-7,922), EBITDA to KSEK -8,272 (-6,528), and profit/loss for the period to KSEK -9,814 (-7,868).

#### Profit/Loss, January – December

Accumulated revenue amounted to KSEK 39,076 (32,035) as a result of increased sales, primarily of OrganoTex® products and binders for nonwoven. The gross margin strengthened slightly after a change in product mix but increased fixed production costs for new premises and more personnel to counteract a delayed filling line weakened the gross profit to KSEK -8,172 (-5,892). Fixed costs for sales and R&D increased as a result of the Group's growth investments and investments in trademark protection, which further reduced operating profit/loss (EBIT) to KSEK -34,592 (-26,073), EBITDA to KSEK -28,629 (-20,703), and profit/loss for the year to KSEK -34,269 (-25,835).

#### Financial position and investments

Cash and cash equivalents in the parent company at the end of the year amounted to KSEK 29,816 (28,427), and equity to KSEK 120,765 (88,038). During the year, a new share issue was carried out which strengthened the parent company's financial position by KSEK 66,996, after issuance expenses. During the year, the parent company invested KSEK 5,062 (6,130) in intangible fixed assets, in the form of development projects and patents, and KSEK 6,514 (3,937) in tangible fixed assets, mainly in the form of a pilot machine for nonwoven and construction of a new production line for binders.

# OTHER INFORMATION

## SIGNIFICANT EVENTS DURING THE PERIOD

- OrganoWood launched Silicium HT, a completely new generation of wood that is sustainable and eco-labeled.
- OrganoClick's biobased binders in a new nonwoven application for hygienic wipes.
- OrganoClick's Board of Directors proposed that an Extraordinary General Meeting on January 12 resolves to introduce a warrant-based incentive program to senior executives in the Company.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- An Extraordinary General Meeting, on 12 January 2022, resolved in accordance with the proposal from the Board to introduce a warrant-based incentive program through an issue of 979,500 warrants and to approve transfer of the warrants to senior executives in the Company.
- The CEO and senior executives of OrganoClick chose to acquire 100 % of the warrants in the incentive program proposed by the Board.

## RISKS AND UNCERTAINTIES

### Risks and uncertainties

The Group's significant risks are primarily attributable to the market development for the Group's various product areas, financial risks as the Group may need additional capital injection to conduct its operations in its current form, production risks related to its own production and partners' production capacity and risks with intangible assets and product development. For a more detailed description of significant risks and uncertainties, refer to OrganoClick's Annual report for 2020, pages 41-43.

### Risks related to the Coronavirus pandemic (COVID-19)

The outbreak of the COVID-19 pandemic has had negative impact on the world's financial markets, companies and industries. OrganoClick has been relatively spared from the negative effects of the pandemic even if the group was affected and had challenges as a result of it during the past year. The risks the Group predicted at the outset of the pandemic are also the same as are relevant for the group today and it is from these that the challenges of the past year can be identified. The Group identifies increased risks of production disruptions, both in our own facilities and in those of our collaboration partners, due to disruptions in the supply chains of raw materials and/or lack of personnel because of rules and recommendations issued by public authorities. The Group further sees an increased risk of price fluctuations for input goods. The sales-related risk would increase in the event of a global recession, and, together with knock-on effects from other industries, this could result in lower demand for the Group's products and delayed export efforts. The Group currently conducts several development projects together with industrial operators within nonwoven & technical textile; the Group sees a risk that these customer projects may come to a halt or be delayed when the industrial operators' operations are negatively affected by COVID-19 and thus are accorded less priority. The Group further sees increased credit risk, in particular the customer-related credit risk that the Group will fail to receive payments from its customers. The Group considers financing risk and liquidity risk to be less of an issue over the coming years thanks to the new share issue carried out in the second quarter of 2021.

## PERSONNEL

At the end of the period, the number of employees in the Group was 51 (44). Of these, 36 (29) were employed in the parent company, 12 (11) employed in the subsidiary OrganoWood AB and 3 (4) employed in the subsidiary Biokleen Miljökemi AB. Of the employees, 18 (16) were women and 33 (28) men.

## SHARE INFORMATION

OrganoClick AB's share capital at the beginning of 2021 amounted to SEK 921,128, distributed on 92,112,789 shares. The quota value of all shares is 0.01 and they are equally entitled to share the company's assets and earnings. During the second quarter, a directed share issue of 5,837,211 shares was carried out at a quota value of 0.01, which increased the number of shares to 97,950,000 and the share capital to SEK 979,500.

OrganoClick AB's share has been listed on Nasdaq First North Growth Market since 2015. The number of shareholders on December 31 was 4,614 (2,975) and the closing price of the share on December 31 was 7.0 (11.0), giving a market capitalization of SEK 686 (1,013) million.

### The largest shareholders in OrganoClick AB as at 31 December 2021<sup>1</sup>.

Name	No. of shares	Share of votes and capital %
Mårten Hellberg with company	7,401,169	7.56
Beijer Ventures AB	7,107,180	7.26
Handelsbanken fonder	5,823,301	5.95
Mediuminvest AS	5,595,831	5.71
Anders Wall Foundations	5,090,227	5.20
Enter fonder	4,078,000	4.16
Länsförsäkringar fondförvaltning AB	3,844,188	3.92
CS (CH) Client Omnibus acc Credit Suisse (Switzerland) Ltd	3,723,300	3.80
Fjärde AP Fonden	3,190,000	3.26
Sijoitusrahasto Aktia Nordic Mic	3,100,000	3.16
<b>Subtotal</b>	<b>48,953,196</b>	<b>49.98</b>
Other shareholders	48,996,804	50.02
<b>Total shares</b>	<b>97,950,000</b>	<b>100.00</b>

<sup>1</sup>) Based on a full list of owners including direct registered and nominee shareholders

## FINANCIAL CALENDAR 2022

2022-04-06	Annual report 2021
2022-05-04	Interim report: January-March
2022-05-17	General Annual Meeting
2022-08-17	Interim report: January-June
2022-11-10	Interim report: January-September
2023-02-15	Year end report 2022

## CERTIFIED ADVISER

OrganoClick's Certified Adviser on Nasdaq First North Growth Market is Mangold Fondkommission AB. Contact; Phone: 08-503 01 550, E-mail: ca@mangold.se.

# FINANCIAL INFORMATION

## CONSOLIDATED INCOME STATEMENT IN SUMMARY

SEK 000s	Note	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	1.2	17,951	18,199	110,064	96,458
Cost of goods sold		-16,560	-16,453	-91,554	-76,260
<b>Gross profit</b>		<b>1,390</b>	<b>1,747</b>	<b>18,510</b>	<b>20,198</b>
Selling expenses		-7,546	-6,519	-28,367	-22,078
Administrative expenses		-3,441	-2,994	-11,572	-10,651
Research and development costs		-1,910	-1,662	-7,503	-5,451
Other operating income	3	220	373	1,218	1,681
Other operating expenses	3	-540	-198	-877	-799
<b>Operating profit/loss</b>		<b>-11,827</b>	<b>-9,253</b>	<b>-28,590</b>	<b>-17,100</b>
Financial income		23	21	70	103
Financial expenses		-617	-654	-2,648	-2,534
<b>Net financial items</b>		<b>-594</b>	<b>-633</b>	<b>-2,578</b>	<b>-2,431</b>
<b>Profit/loss before tax</b>		<b>-12,421</b>	<b>-9,886</b>	<b>-31,168</b>	<b>-19,531</b>
Income tax	4	242	117	135	10
<b>Profit/loss for the period</b>		<b>-12,179</b>	<b>-9,769</b>	<b>31,033</b>	<b>-19,520</b>
<b>Profit/loss for the period attributable to:</b>					
Shareholders' of Parent Company		-11,885	-9,847	-32,687	-23,646
Non-controlling interests		-324	78	1,653	4,126
Earnings per share before and after dilution SEK <sup>1</sup>		-0.12	-0.11	-0.34	-0.26
Average number of shares before and after dilution <sup>1</sup>		97,950,000	92,477,335	95,865,889	92,477,335

1) Average number of shares and earnings per share have been adjusted due to a bonus issue factor in a directed share issue 2021.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK 000s	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Profit/loss for the period</b>	<b>-12,179</b>	<b>-9,769</b>	<b>-31,033</b>	<b>-19,520</b>
<b>Other comprehensive income for the period:</b>				
<i>Items that can later be reclassified into profit or loss</i>				
This period's translation differences when translating foreign operations	-1	-2	1	-7
<b>Other comprehensive income for the period, net after tax</b>	<b>-1</b>	<b>-2</b>	<b>1</b>	<b>-7</b>
<b>Comprehensive income for the period</b>	<b>-12,180</b>	<b>-9,771</b>	<b>-31,032</b>	<b>-19,527</b>
<b>Comprehensive income for the period attributable to:</b>				
Shareholders' of Parent Company	-11,855	-9,848	-32,686	-23,650
Non-controlling interests	-324	77	1,654	4,123



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK 000s	Note	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible fixed assets</i>			
Capitalized development expenditures		17,622	15,532
Patents, trademarks		8,299	7,298
Licences		411	359
Goodwill		16,794	16,794
		<b>43,126</b>	<b>39,984</b>
<i>Property, plant and equipment</i>			
Buildings		22,594	20,510
Improvement expense of other property		451	265
Machinery		27,646	13,640
Equipment, tools, fixtures and fittings		5,313	5,941
Ongoing new facilities		2,559	9,519
		<b>58,563</b>	<b>49,875</b>
<i>Other non-current assets</i>			
Other non-current receivables		3,142	3,153
Deferred tax assets	4	1,070	869
<b>Total non-current assets</b>		<b>105,902</b>	<b>93,881</b>
<b>Current assets</b>			
Inventories		32,391	14,331
Trade receivables		11,983	8,979
Income tax receivables		570	578
Other receivables		1,614	1,421
Prepaid expenses and accrued income		1,680	1,585
Cash and cash equivalents		34,248	32,028
<b>Total current assets</b>		<b>82,484</b>	<b>58,922</b>
<b>TOTAL ASSETS</b>		<b>188,386</b>	<b>152,802</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY (cont.)

SEK 000s	Note	31 Dec 2021	31 Dec 2020
<b>EQUITY</b>			
Share capital		980	921
Other contributed capital		307,059	243,764
Reserves		32	32
Accumulated loss including profit/loss for the period		-207,746	-176,061
<b>Equity attributable to shareholders of Parent Company</b>	5	<b>100,325</b>	<b>68,655</b>
Non-controlling interests	6	7,404	14,288
<b>Total equity</b>		<b>107,729</b>	<b>82,943</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings from credit institutions		3,249	4,645
Lease liabilities		21,605	18,700
Other non-current liabilities		1,000	1,000
Deferred tax liabilities	4	423	356
<b>Total non-current liabilities</b>		<b>26,277</b>	<b>24,701</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	7	13,910	7,481
Lease liabilities		8,379	7,307
Trade payables		13,365	13,854
Income tax liabilities		-	62
Other liabilities		8,413	6,894
Accrued expenses and deferred income		10,314	9,560
<b>Total current liabilities</b>		<b>54,380</b>	<b>45,158</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>188,386</b>	<b>152,802</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders' of Parent Company

SEK 000s	Share capital	Other contributed capital	Reserves	Accumulated loss	Total	Non-controlling interests	Total equity
Equity at 1 January 2021	921	243,764	32	-176,061	68,655	14,288	82,943
<b>Comprehensive income</b>							
Profit/loss for the period	-	-	-	-32,687	-32,687	1,653	-31,033
Transfer enumeration preference shares	-	-	-	1,253	1,253	-1,253	0
<b>Other comprehensive income</b>							
Translation differences	-	-	1	-	1	0	1
<b>Total comprehensive income</b>	-	-	1	-31,434	-31,433	401	-31,032
<b>Shareholder transactions</b>							
New share issue	58	66,938	-	-	66,996	-	66,996
Acquisition of preference shares in OrganoWood AB	-	-3,643	-	-251	-3,893	-7,285	-11,178
<b>Total shareholder transactions</b>	58	63,295	-	-251	63,103	-7,285	55,818
<b>Equity at 31 December 2021</b>	980	307,059	32	-207,746	100,325	7,404	107,729
<b>Equity at 1 January 2020</b>							
Equity at 1 January 2020	921	243,764	36	-155,263	89,458	13,012	102,470
<b>Comprehensive income</b>							
Profit/loss for the period	-	-	-	-23,646	-23,646	4,126	-19,520
Transfer enumeration preference shares	-	-	-	2,847	2,847	-2,847	0
<b>Other comprehensive income</b>							
Translation differences	-	-	-4	-	-4	-3	-7
<b>Total comprehensive income</b>	-	-	-4	-20,799	-20,803	1,276	-19,527
<b>Shareholder transactions</b>							
<b>Total shareholder transactions</b>	-	-	-	-	-	-	-
<b>Equity at 31 December 2020</b>	921	243,764	32	-176,061	68,655	14,288	82,943

## CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

SEK 000s	Note	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Cash flow from operating activities</b>					
Operating profit/loss		-11,827	-9,253	-28,590	-17,100
Adjustment for non-cash items	8	4,617	3,288	16,064	12,722
Interest received		23	21	70	103
Interest paid		-617	-654	-2,648	-2,534
Income tax paid		-60	-155	-54	-123
<b>Cash flow from operating activities before changes in working capital</b>		<b>-7,863</b>	<b>-6,754</b>	<b>-15,158</b>	<b>-6,932</b>
<b>Changes in working capital</b>					
Changes in inventories and work in progress		-6,507	-1,744	-18,060	789
Changes in trade receivables		2,711	3,832	-3,004	3,120
Changes in other operating receivables		-1,879	2,340	-2,083	-1,394
Changes in trade payables		669	5,404	-489	7,866
Changes in other operating liabilities		1,108	2,161	1,106	2,021
<b>Cash flow from changes in working capital</b>		<b>-3,897</b>	<b>11,993</b>	<b>-22,530</b>	<b>12,403</b>
<b>Cash flow from operating activities</b>		<b>-11,761</b>	<b>5,239</b>	<b>-37,688</b>	<b>5,471</b>
<b>Cash flow from investing activities</b>					
Investments in intangible assets		-1,127	-2,779	-7,179	-8,161
Investments in property, plant and equipment		-1,936	-1,508	-7,470	-11,237
<b>Cash flow from investing activities</b>		<b>-3,063</b>	<b>-4,288</b>	<b>-14,649</b>	<b>-19,398</b>
<b>Cash flow from financing activities</b>					
New share issue		-	-	70,047	-
Share issue expenses		-	-	-3,051	-
Acquisition of preference shares in OrganoWood AB		-	-	-11,178	-
Net change bank overdraft facility		3,929	-2,315	8,506	-8,946
Net change invoice factoring debt		-1,174	-1,897	1,168	-2,607
Depositions		-	-	-	300
Borrowings		-	1,150	-	7,463
Repayment of debt		-	-	-1,770	-
Amortization of debt		-2,242	-3,936	-9,166	-11,398
<b>Cash flow from financing activities</b>		<b>512</b>	<b>-6,998</b>	<b>54,556</b>	<b>-15,189</b>
<b>Cash flow for the period</b>		<b>-14,312</b>	<b>-6,047</b>	<b>2,219</b>	<b>-29,115</b>
Cash and cash equivalents at beginning of period		48,560	38,076	32,028	61,150
Exchange rate differences in cash and cash equivalents		-1	-2	1	-7
<b>Cash and cash equivalents at end of period</b>		<b>34,248</b>	<b>32,028</b>	<b>34,248</b>	<b>32,028</b>

## KEY FIGURES, THE GROUP

SEK 000s	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	17,951	18,199	110,064	96,458
Revenue growth, %	-1.4	21.3	14.1	12.8
Gross profit	1,390	1,747	18,510	20,198
Gross margin, %	7.7	9.6	16.8	20.9
EBIT	-11,827	-9,253	-28,590	-17,100
EBIT, %	-65.9	-50.8	-26.0	-17.7
EBITDA	-7,650	-6,028	-12,991	-4,457
Profit/loss for the period	-12,179	-9,769	-31,033	-19,520
Profit margin, %	-67.8	-53.7	-28.2	-20.2
Equity ratio, %	57.2	54.3	57.2	54.3
Quick ratio, %	92.1	98.7	92.1	98.7
Net debt/equity ratio,%	18.8	14.9	18.8	14.9
Return on shareholders' equity, %	neg.	neg.	neg.	neg.
Return on capital employed, %	neg.	neg.	neg.	neg.
Average number of employees	48	44	51	43
Average number of shares before and after dilution <sup>1</sup>	97,950,000	92,477,335	95,865,889	92,477,335
Number of shares issued at end of period	97,950,000	92,112,789	97,950,000	92,112,789
Turnover per share before and after dilution SEK	0.18	0.20	1.15	1.04
Earnings per share before and after dilution SEK <sup>1</sup>	-0.12	-0.11	-0.34	-0.26
Equity per share before and after dilution SEK	1.02	0.75	1.02	0.75

1. Average number of shares and earnings per share have been adjusted due to a bonus issue factor in a directed share issue 2021.

## PARENT COMPANY INCOME STATEMENT IN SUMMARY

SEK 000s	Note	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales		7,577	7,142	39,076	32,035
Cost of goods sold		-9,454	-9,156	-47,249	-37,926
<b>Gross profit</b>		<b>-1,877</b>	<b>-2,014</b>	<b>-8,172</b>	<b>-5,892</b>
Selling expenses		-3,386	-2,203	-10,794	-6,792
Administrative expenses		-2,570	-2,247	-8,894	-8,071
Research and development costs		-1,803	-1,527	-6,986	-5,349
Other operating income	3	145	166	849	314
Other operating expenses	3	-429	-97	-593	-285
<b>Operating profit/loss</b>		<b>-9,920</b>	<b>-7,922</b>	<b>-34,592</b>	<b>-26,073</b>
Interest income and similar items		140	94	420	429
Interest expenses and similar items		-34	-40	-97	-191
<b>Net financial items</b>		<b>106</b>	<b>54</b>	<b>322</b>	<b>238</b>
<b>Profit/loss before tax</b>		<b>-9,814</b>	<b>-7,868</b>	<b>-34,269</b>	<b>-25,835</b>
Income tax		-	-	-	-
<b>Profit/loss for the period</b>		<b>-9,814</b>	<b>-7,868</b>	<b>-34,269</b>	<b>-25,835</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK 000s	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Profit/loss for the period</b>	<b>-9,814</b>	<b>-7,868</b>	<b>-34,269</b>	<b>-25,835</b>
Other comprehensive income for the period:	-	-	-	-
<b>Comprehensive income for the period</b>	<b>-9,814</b>	<b>-7,868</b>	<b>-34,269</b>	<b>-25,835</b>

## PARENT COMPANY BALANCE SHEET IN SUMMARY

SEK 000s	Note	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible fixed assets</i>			
Capitalized development expenditures		11,897	11,000
Patents, trademarks		7,430	6,411
Licences		343	292
		<b>19,670</b>	<b>17,703</b>
<i>Property, plant and equipment</i>			
Improvement expense of other property		451	265
Machinery		10,980	8,144
Equipment, tools, fixtures and fittings		2,983	2,825
Ongoing new facilities		2,559	2,485
		<b>16,974</b>	<b>13,719</b>
<i>Financial assets</i>			
Shares in group companies		39,788	30,610
Due from group companies		1,651	1,651
Other non-current receivables		1,548	323
		<b>42,987</b>	<b>32,584</b>
<b>Total non-current assets</b>		<b>79,630</b>	<b>64,007</b>
<b>Current assets</b>			
Raw materials, supplies and finished inventories		13,974	7,225
		<b>13,974</b>	<b>7,225</b>
<i>Short-term receivables</i>			
Trade receivables		2,426	801
Due from group companies		9,484	1,533
Income tax receivables		295	294
Other receivables		1,428	279
Prepaid expenses and accrued income		2,946	2,280
		<b>16,579</b>	<b>5,187</b>
Cash and cash equivalents		29,816	28,427
<b>Total current assets</b>		<b>60,370</b>	<b>40,840</b>
<b>TOTAL ASSETS</b>		<b>140,000</b>	<b>104,846</b>

## PARENT COMPANY BALANCE SHEET IN SUMMARY (cont.)

SEK 000s	Note	31 Dec 2021	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital		980	921
Fund for development expenditures		7,245	6,348
<b>Total restricted equity</b>		<b>8,225</b>	<b>7,269</b>
<b>Non-restricted equity</b>			
Share premium reserve		310,701	243,764
Retained earnings		-163,892	-137,160
Profit/loss for the period		-34,269	-25,835
<b>Total non-restricted equity</b>		<b>112,540</b>	<b>80,769</b>
<b>Total equity</b>		<b>120,765</b>	<b>88,038</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to group companies		4,710	4,710
<b>Total non-current liabilities</b>		<b>4,710</b>	<b>4,710</b>
<b>Current liabilities</b>			
Liabilities to credit institutions		-	1,770
Trade payables		7,611	3,938
Other short-term liabilities		1,334	696
Accrued expenses and deferred income		5,580	5,694
<b>Total current liabilities</b>		<b>14,525</b>	<b>12,099</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>140,000</b>	<b>104,846</b>



# NOTES

## ACCOUNTING PRINCIPLES

This interim report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups. The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The same accounting principles and valuation methods have been used in the interim report as in the annual report 2020, except for Inventories where the acquisition value for finished goods and work in progress now also consists of direct production costs in addition to previous raw materials. The effect of the change is insignificant for the financial statements.

In addition, the accounting principle for preference shares has been changed. The Group allocates profits between the shareholders of the parent company and non-controlling interests holding preference shares. As of September 30, 2021, a transfer is carried out within equity, a transaction with non-controlling interests, when the value adjustment of the preference shares results in negative equity for the holders of ordinary shares. This transfer is carried out because the holders of preference shares are not able to benefit beyond what the equity amounts to. This entails that all profit/loss that was allocated to non-controlling interests holding preference shares during the period between 2014 and 2021 has been transferred retroactively, as the value adjustment of the preference shares has resulted in negative equity for holders of ordinary shares. In equity, equity attributable to shareholders of parent company has thus increased and non-controlling interests has decreased, compared with previous financial statements.

## NOTE 1 OPERATING SEGMENTS AND BREAKDOWN OF REVENUE

Operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision maker.

The Group's business units utilize common resources in terms of sales, production, research and development and administration, which is why a division of the Group's costs is only possible by allocating the costs. The same applies to the Group's assets and liabilities. The Group management does not consider that allocation of profit and loss and balance sheet items contributes to a more accurate picture of the business and therefore follows up the outcome for the group as a whole. The Group has thus identified one operating segment.

The follow-up of the Group's net sales is done for the four business units Functional wood, Green coatings & maintenance products, Biocomposites and Nonwoven & technical textiles. The outcome per business unit consists of a combination of net sales of goods and services sold from different parts of the Group's operations, which, however, do not consist of separate income statements and balance sheets.

Group Net sales per business unit	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Functional wood	10,540	11,930	65,707	60,562
Green coatings & maintenance products	5,757	5,468	38,407	32,797
Biocomposites	815	528	3,056	2,129
Nonwoven & technical textile	788	275	2,318	839
Other	48	-	575	130
<b>Total</b>	<b>17,951</b>	<b>18,199</b>	<b>110,064</b>	<b>96,458</b>

## Net sales per geographic market

Sweden	16,070	15,171	91,024	79,748
Other Nordics	1,123	2,073	9,318	11,591
The rest of Europe	610	835	8,881	4,447
Asia	140	102	313	638
North America	8	19	528	35
<b>Total</b>	<b>17,951</b>	<b>18,199</b>	<b>110,064</b>	<b>96,458</b>

## Net sales by revenue type

Products	17,903	18,199	109,489	96,328
Equipment and services	-	-	50	100
Services	48	-	525	30
<b>Total</b>	<b>17,951</b>	<b>18,199</b>	<b>110,064</b>	<b>96,458</b>

Product sales consist of sales of products within the Group's various business units, that is OrganoWood® timber, OrganoWood® wood protection, BIOkleen® cleaning and maintenance products, OrganoTex® textile impregnation, washing detergent and shoe care, OrganoComp® biocomposites and binders and hydrophobing products for nonwoven and technical textile. Revenue is reported at the time the control of the products is transferred to the customer, generally upon delivery. All sales are reported at a specific time, no revenue is recognized over time.

## NOTE 2 SEASONAL VARIATIONS

The business units Functional wood and Green coatings & maintenance products are strongly characterized by seasonal variations depending on the weather and when in the year it is building and DIY season. For the Group, this means that the strongest sales quarter is normally the second quarter, followed by the first and third, while the fourth quarter is weaker.

### NOTE 3 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSE

Group	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Exchange gains on receivables/payables of an operating nature	56	70	176	454
Commission income	7	109	189	447
Rental income	-	-	-	371
Government grants received for R&D	121	150	801	283
Profits, disposal/sale of property, plant and equipment	-	44	12	126
Other operating income	35	-	40	-
<b>Total</b>	<b>220</b>	<b>373</b>	<b>1,218</b>	<b>1,681</b>
Exchange losses on receivables/payables of an operating nature	-100	-92	-400	-597
Losses, disposal/sale of property, plant and equipment	-440	-106	-477	-201
<b>Total</b>	<b>-540</b>	<b>-198</b>	<b>-877</b>	<b>-799</b>
<b>Parent Company</b>				
Exchange gains on receivables/payables of an operating nature	3	17	27	31
Government grants received for R&D	121	150	801	283
Other operating income	21	-	21	-
<b>Total</b>	<b>145</b>	<b>166</b>	<b>849</b>	<b>314</b>
Exchange losses on receivables/payables of an operating nature	-38	-35	-202	-134
Losses, disposal/sale of property, plant and equipment	-392	-63	-392	-151
<b>Total</b>	<b>-429</b>	<b>-97</b>	<b>-593</b>	<b>-285</b>

### NOTE 4 INCOME TAX

The Group's income tax consists of deferred tax. The Group reports deferred tax on internal gains in inventories and capitalized development and impaired trade receivables (deferred tax assets) and leasing (deferred tax assets and deferred tax liabilities).

### NOTE 5 EQUITY

The Group's equity is calculated by consolidating the equity of the parent company and its subsidiaries. In the subsidiary OrganoWood AB there are two types of shares, ordinary shares and preference shares. For conditions regarding the preference shares, see Note 6. The preference shares represent SEK 20,000 thousand of OrganoWood AB's equity.

OrganoClick AB's share capital at the beginning of 2021 amounted to SEK 921,128, distributed on 92,112,789 shares. During the second quarter, a directed share issue of 5,837,211 shares was carried out, which increased the number of shares to 97,950,000 and the share capital to SEK 979,500.

### NOTE 6 ORGANOWOOD AB'S PREFERENCE SHARES

In 2013, OrganoWood AB issued 200,000 preference shares with a nominal amount of SEK 100 per share, corresponding to a total amount of the issue of MSEK 20. The terms of the preference shares are established in OrganoWood AB's Articles of Association.

The preference shares do not carry dividend rights, but holders are only entitled to a redemption value. The redemption value was SEK 184.80 as of 31 May 2019 and the amount increases by 12 per cent per annum as of 1 June 2019. As of 31 December 2021, the redemption value per preference share is SEK 248.0 (221.5).

No dividend may be paid to the holders of ordinary shares until there is enough non-restricted equity to redeem the preference shares.

At OrganoWood AB's Annual General Meeting on 10 May 2021, it was decided to allow the preference shares to run in accordance with the prescribed conditions as there was not enough non-restricted equity to redeem them. The aim is to redeem the preference shares when non-restricted equity so permits.

During the third quarter, OrganoClick together with another holder of common shares in OrganoWood AB, launched an offer to all holders of preference shares in OrganoWood to tender their preference shares against a cash consideration of SEK 150 per preference share. As a result, OrganoClick acquired 70,350 preference shares and a further 2,500 at a later date. Following the transactions, OrganoClick thus owns 72,850 preference shares, corresponding to 36.43%. Other preference shares are owned by another holder of common shares in OrganoWood AB (23.45%) and 29 preference shareholders (40.12%).

### NOTE 7 CURRENT LIABILITIES TO CREDIT INSTITUTIONS

Group	Dec 31 2021	Dec 31 2020
Short-term portion of non-current liabilities to credit institutions	1,396	3,474
Bank overdraft facility	12,513	4,007
<b>Total</b>	<b>13,910</b>	<b>7,481</b>

### NOTE 8 ADJUSTMENT FOR NON-CASH ITEMS

Group	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Depreciation/amortization of intangible fixed assets	1,155	961	3,802	3,498
Depreciation/amortization of property, plant and equipment	3,022	2,251	11,797	9,092
Impairment intangible fixed assets	234	15	234	54
Disposal of property, plant and equipment	206	62	230	78
<b>Total</b>	<b>4,617</b>	<b>3,288</b>	<b>16,064</b>	<b>12,722</b>

### NOTE 9 FINANCIAL LIABILITIES AND ASSETS AT FAIR VALUE

All the Group's financial instruments are recognized at amortized cost: trade receivables, cash and cash equivalents, trade payables and other short and long-term liabilities. For these assets and liabilities, the fair value is assessed to be consistent with the carrying amount. All the Group's items are attributable to Level 2 of the fair value hierarchy. No transfers were made between the levels during the year.

The Group does not apply net accounting for any of its assets or

liabilities.

#### NOTE 10 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Group	Dec 31 2021	Dec 31 2020
Guarantee liability for debts in group companies	8,700	8,700
Floating charges	19,000	19,000
<b>Total</b>	<b>27,700</b>	<b>27,700</b>

#### Parent Company

Guarantee liability for debts in group companies	8,700	8,700
Floating charges	-	-
<b>Total</b>	<b>8,700</b>	<b>8,700</b>

#### NOTE 11 RELATED PARTIES

The parent company has a close relationship with its subsidiaries. Transactions between OrganoClick AB and its subsidiaries have been eliminated in the consolidated financial statements. Of the parent company's invoiced sales during the year, SEK 25,170 (24,367) thousand were sales to group companies. From the parent company to OrganoWood AB, there are also invoiced interest and guarantee fees for loans and guarantee liabilities of SEK 349 (326) thousand. In addition to guarantee liabilities, see Note 10, OrganoClick has outstanding interest-bearing loans to OrganoWood of SEK 9,851 (1,651) thousand. Invoicing of SEK 509 (814) thousand has been made from OrganoWood AB to the parent company. When selling raw materials and finished products from OrganoClick to its subsidiaries, internal gains arise in inventories, which are eliminated in the consolidated financial statements. The transactions between group companies take place at prices at arm's length.

OrganoWood AB has invoiced interest and guarantee fees, for loans and guarantee liabilities, of SEK 174 (187) thousand from board member and shareholder Robert Charpentier, from own company Kvigos AB. In addition to guarantee liabilities, Kvigos AB has outstanding interest-bearing loans to OrganoWood of SEK 1,000 (1,000) thousand. The transactions between OrganoWood AB and the board member and shareholder take place at prices at arm's length.

#### NOTE 12 ESTIMATES AND ASSESSMENTS

The preparation of the interim report requires the management to make assessments and estimates and to make assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. The critical estimates and sources of uncertainty in estimates can be found in the Group's annual report for 2020, page 66.

The Group has large intangible assets in the form of capitalized development expenditures SEK 17,622 (15,532) thousand and patents and trademarks SEK 8,299 (7,298) thousand. Impairment testing is done annually, or when required, for each individual development project and patent where the management looks at expected future cash flows for the products the development projects have produced and for the products the patents protect. Based on this, any impairment needs are assessed. Impairment tests have led to development projects worth SEK 234 (54) thousand being completed and written down. The company management's assessment is that there is no need for further impairment loss.

The Group has a goodwill item of SEK 16,794 (16,794) thousand which comes from the acquisition of Biokleen Miljökemi AB. Company management conducts impairment test with discounted future cash flows annually, or when necessary, and the outcome of this justifies the goodwill item's size. The company management's assessment is that there is no need for impairment loss.

At the end of the period, the Group has inventories valued at SEK 32,391 (14,331) thousand. Company management estimates that existing inventories will be used in sales in the coming year.

At the end of the period, the Group's right-of-use for leasing amounted to SEK 32,922 (28,833) thousand. The Group holds leases for properties, production equipment and vehicles. The amount of the lease liability is measured based on the agreed rent. Leases for properties have variable leasing fees in the form of property taxes that are not included in the amount of the lease liability. Assumptions regarding the estimated lease period have a significant impact on the valuation of the amount of a lease liability. The Group has two (three) lease agreements for properties that contain extension clauses, none of which have been taken into account in the estimation of the duration of lease periods. The reason is that it currently is impossible to determine with any degree of certainty if the Group will exercise its options to extend the agreements due to the relatively long remaining lease period and the uncertainty surrounding the future accommodation needs, as the Group is anticipating rapid growth over the next five-year period. No changes have been made in assessing the length of the leasing periods compared with the annual report for 2020.

# ALTERNATIVE PERFORMANCE MEASURES

OrganoClick presents alternative performance measures in addition to the conventional financial key ratios established by IFRS, with the aim of giving investors and management the opportunity to evaluate and understand the development of the operational operations and financial status and to facilitate comparisons between different periods. Below, and on the following pages, are definitions and calculations for components that are included in alternative performance measures used in this report.

NON-IFRS KEY RATIOS	DEFINITION/CALCULATION	PURPOSE
<b>Performance measures</b>		
<b>Gross margin</b>	Net sales for the period minus the cost of goods sold in relation to net sales for the period.	The gross margin is used to measure and evaluate whether manufacturing processes, raw materials and procurement are cost-effective, that is the profitability of production.
<b>Gross margin after variable costs</b>	Net sales for the period less variable costs for goods sold, in relation to net sales for the period.	The gross margin after variable costs is used to show the profitability of the products, excluding fixed production expenses.
<b>Operating margin, EBIT</b>	Operating profit/loss for the period in relation to net sales for the period.	The operating margin is used to measure operational profitability.
<b>EBITDA</b>	Operating profit/loss excluding depreciation and write-downs of intangible assets and property, plant and equipment.	EBITDA is used to measure cash flow from operating activities, excluding the effects of previously made investments and accounting decisions.
<b>Profit margin</b>	Profit/loss for the period in relation to net sales for the period.	The profit margin shows the profit per turnover (SEK), which gives an indication of how efficient a company is.
<b>Revenue growth</b>	The percentage increase in sales for the past period compared to the corresponding previous period.	The change in net sales reflects the company's realized sales growth over time.
<b>Organic growth</b>	Changes in net sales, excluding acquisition-driven growth.	Organic growth excludes the effects of changes in the Group's structure, enabling a comparison of net sales over time.
<b>Capital structure</b>		
<b>Equity ratio</b>	Equity in relation to total assets. Equity includes non-controlling interests.	The key figure reflects the company's financial position. Good equity ratio gives a readiness to handle periods of weak economic activity and financial preparedness for growth. At the same time, it provides a minor advantage in the form of financial leverage.
<b>Quick ratio</b>	Current assets, excluding inventories, in relation to current liabilities, without adjustment for proposed dividend.	Quick ratio shows short term solvency. If quick ratio is greater than 100 per cent, current liabilities can be paid immediately, provided that the current receivables can be converted immediately.
<b>Net debt</b>	Interest-bearing non-current and current liabilities (incl. leasing and invoice factoring debt) minus interest-bearing assets including cash and cash equivalents.	Net debt show the ability to pay off all interest-bearing liabilities with available cash and shows the possibility of living up to financial commitments.
<b>Net debt/equity ratio</b>	Net debt in relation to shareholders' equity. Equity includes non-controlling interests.	The debt/equity ratio shows the relationship between debt and equity and measures the extent to which the company is financed by loans.

NON-IFRS KEY RATIOS	DEFINITION/CALCULATION	PURPOSE
<b>Return ratios</b>		
<b>Return on equity</b>	Profit/loss for the period, as a percentage of average equity. Equity includes non-controlling interests.	Return on equity shows the return on owners' invested capital and reflects the effects of both the profitability of the business and the financial leverage. The measure is mainly used to analyse ownership profitability over time and can be compared with current bank interest rates or returns from alternative investments.
<b>Capital employed</b>	Total assets minus interest-free liabilities.	Capital employed measures how much of the company's assets are financed by interest-bearing capital.
<b>Return on capital employed</b>	Operating profit/loss plus financial income as a percentage of capital employed.	Return on capital employed shows the return on externally financed capital, such as borrowings and equity and is used to analyse profitability, based on how much capital is used.
<b>Share data</b>		
<b>Turnover per share</b>	Net sales divided by the average number of shares for the period.	The key figure is to describe the size of the company's turnover per share.
<b>Equity per share</b>	Equity in the Group (attributable to the parent company's shareholders) divided by the number of shares at the end of the period.	The key figure is to describe the size of the company's net value per share.

## RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEK 000s	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Gross margin, %</b>				
Gross profit	1,390	1,747	18,510	20,198
Net sales	17,951	18,199	110,064	96,458
<b>Gross margin, %</b>	<b>7.7</b>	<b>9.6</b>	<b>16.8</b>	<b>20.9</b>
<b>Gross margin after variable costs, %</b>				
Net sales	17,951	18,199	110,064	96,458
Cost of goods sold, variable costs	-10,087	-10,763	-66,493	-56,156
<b>Gross profit after variable costs</b>	<b>7,864</b>	<b>7,435</b>	<b>43,571</b>	<b>40,302</b>
<b>Gross margin after variable costs, %</b>	<b>43.8</b>	<b>40.9</b>	<b>39.6</b>	<b>41.8</b>
<b>EBIT, %</b>				
Operating profit/loss	-11,827	-9,253	-28,590	-17,100
Net sales	17,951	18,199	110,064	96,458
<b>EBIT, %</b>	<b>-65.9</b>	<b>-50.8</b>	<b>-26.0</b>	<b>-17.7</b>
<b>EBITDA</b>				
Operating profit/loss	-11,827	-9,253	-28,590	-17,100
Plus: Depreciation	4,177	3,225	15,599	12,643
<b>EBITDA</b>	<b>-7,650</b>	<b>-6,028</b>	<b>-12,991</b>	<b>-4,457</b>
<b>Profit margin, %</b>				
Profit/loss for the period	-12,179	-9,769	-31,033	-19,520
Net sales	17,951	18,199	110,064	96,458
<b>Profit margin, %</b>	<b>-67.8</b>	<b>-53.7</b>	<b>-28.2</b>	<b>-20.2</b>
<b>Net sales, change</b>				
Net sales	17,951	18,199	110,064	96,458
Net sales corresponding period prior year	18,199	14,999	96,458	85,480
<b>Net sales, change</b>	<b>-249</b>	<b>3,200</b>	<b>13,607</b>	<b>10,978</b>
<b>Revenue growth, organic, %</b>	<b>-1.4</b>	<b>21.3</b>	<b>14.1</b>	<b>12.8</b>
<b>Equity ratio, %</b>				
Equity	107,729	82,943	107,729	82,943
Total assets	188,386	152,802	188,386	152,802
<b>Equity ratio, %</b>	<b>57.2</b>	<b>54.3</b>	<b>57.2</b>	<b>54.3</b>
<b>Quick ratio, %</b>				
Current assets, excluding inventories	50,093	44,590	50,093	44,590
Current liabilities	54,380	45,158	54,380	45,158
<b>Quick ratio, %</b>	<b>92.1</b>	<b>98.7</b>	<b>92.1</b>	<b>98.7</b>

SEK 000s	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Net debt/equity ratio, %</b>				
Interest-bearing liabilities	54,538	44,361	54,538	44,361
Less: Cash and cash equivalents	-34,248	-32,028	-34,248	-32,028
<b>Net debt</b>	<b>20,290</b>	<b>12,334</b>	<b>20,290</b>	<b>12,334</b>
Equity	107,729	82,943	107,729	82,943
<b>Net debt/equity ratio, %</b>	<b>18.8</b>	<b>14.9</b>	<b>18.8</b>	<b>14.9</b>
<b>Return on equity, %</b>				
Equity	107,729	82,943	107,729	82,943
Equity corresponding period last year	82,943	102,470	82,943	102,470
<b>Average equity</b>	<b>95,336</b>	<b>92,707</b>	<b>95,336</b>	<b>92,707</b>
Profit/loss for the period	-12,179	-9,769	-31,033	-19,520
Average equity	95,336	92,707	95,336	92,707
<b>Return on equity, %</b>	<b>-12.8</b>	<b>-10.5</b>	<b>-32.6</b>	<b>-21.1</b>
<b>Capital employed</b>				
Total assets	188,386	152,802	188,386	152,802
Less: Deferred tax liabilities	-423	-356	-423	-356
Less: Other current liabilities	-25,696	-25,079	-25,696	-25,079
<b>Capital employed</b>	<b>162,267</b>	<b>127,367</b>	<b>162,267</b>	<b>127,367</b>
Capital employed corresponding period last year	127,367	157,722	127,367	157,722
<b>Average capital employed</b>	<b>144,817</b>	<b>142,544</b>	<b>144,817</b>	<b>142,544</b>
<b>Return on capital employed, %</b>				
Operating profit/loss	-11,827	-9,253	-28,590	-17,100
Plus: Financial income	23	21	70	103
<b>Operating profit/loss plus financial income</b>	<b>-11,804</b>	<b>-9,232</b>	<b>-28,520</b>	<b>-16,997</b>
Average capital employed	144,817	142,544	144,817	142,544
<b>Return on capital employed, %</b>	<b>-8.2</b>	<b>-6.5</b>	<b>-19.7</b>	<b>-11.9</b>
<b>Turnover per share before and after dilution SEK</b>				
Net sales	17,951	18,199	110,064	96,458
Average number of shares before and after dilution <sup>1</sup>	97,950,000	92,477,335	95,865,889	92,477,335
<b>Turnover per share before and after dilution SEK</b>	<b>0.18</b>	<b>0.20</b>	<b>1.15</b>	<b>1.04</b>
<b>Equity per share before and after dilution SEK</b>				
Equity attributable to shareholders of Parent Company	100,325	68,655	100,325	68,655
Number of shares at end of period	97,950,000	92,112,789	97,950,000	92,112,789
<b>Equity per share before and after dilution SEK</b>	<b>1.02</b>	<b>0.75</b>	<b>1.02</b>	<b>0.75</b>

1. Average number of shares have been adjusted due to a bonus issue factor in a directed share issue 2021.

# SIGNATURES

## CERTIFICATION

The Board of Directors and the CEO hereby declare that the interim report provides a true and fair view of the parent company's and the Group's operations, financial position and earnings, and describes significant risks and uncertainties that the parent company and the companies that are part of the Group are deemed to be facing.

OrganoClick AB (publ.)  
Corporate identity number: 556704-6908

Stockholm, 18 February 2021

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Jan Johansson  
*Chairman of the Board*

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Claes-Göran Beckeman  
*Board member*

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Charlotte Karlberg  
*Board member*

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Malin Bugge  
*Board member*

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Håkan Gustavson  
*Board member*

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Mårten Hellberg  
*CEO*





## MORE INFORMATION

### QUESTIONS

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