

ORGANOCLICK

Interim Report January - December 2020

Corporate identity number: 556704-6908

October to December

Net sales SEK 18,199 (14,999) thousands

Revenue growth 21.3 (14.8) percent

EBITDA SEK -6,028 (-5,572) thousand

Cash flow from operating activities SEK 5,239 (-9,691) thousand

Earnings per share before and after dilution SEK -0.11 (-0.10)

- Strongest cash flow from operating activities for a quarter ever.

January to December

Net sales SEK 96,458 (85,480) thousands

Revenue growth 12.8 (9.0) percent

EBITDA SEK -4,457 (-3,117) thousand

Cash flow from operating activities SEK 5,471 (-11,012) thousand

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

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2020.

KEY RATIOS (for definitions, please refer to page 20)	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	18,199	14,999	96,458	85,480
EBIT	-9,253	-8,652	-17,100	-15,131
Cash flow from operating activities	5,239	-9,691	5,471	-11,012
Gross margin after variable costs, %	40.9	35.2	41.8	41.0

CEO COMMENT

During the last quarter of the year, our positive sales development continued. Overall, sales increased by 21.3 (14.8) percent to SEK 18.2 (15.0) million. Gross margin (after variable costs) increased to 40.9 (35.2) percent as well after changes to the product mix. Cash flow from operating activities improved significantly to SEK 5.2 (-9.7) million, as a result of good management of the working capital. Our operating costs increased primarily due to increased sales and marketing efforts, and recruitments.

For the year as a whole, our total sales increased by 12.8 (9.0) percent to SEK 96.5 (85.5) million. Gross margin (after variable costs) strengthened to 41.8 (41.0) percent and EBITDA was SEK -4.5 (-3.1) million. For the first time ever, we are also able to look back at a whole year with positive cash flow from operating activities, which totaled SEK +5.5 (-11.0) million!

The Functional wood business unit increased sales by 18.3 percent to SEK 11.9 (10.1) million during the quarter, driven by good sales in Sweden as well as increasing export transactions. We are now working intensively to prepare the launch of the next generation of ORGANOWOOD® timber; our new production equipment was installed during the quarter. As previously disclosed, this is a development effort – ongoing since 2015 – that has resulted in an improved ORGANOWOOD® process, which increases the effect of the treatment and provides a more stable quality. This will extend the lifespan of the wood protection and improve the quality of the timber, which in turn will improve profitability. A large number of third-party tests have been carried out, confirming the improved wood protection, and this will serve as the basis for the launch that is being prepared for the spring of 2021.

The Green coatings & maintenance products business unit continued to show a strong result, increasing its sales by 38.6 percent to SEK 5.5 (3.9) million. The increase derives from the good performance of our brands OrganoTex® and BIOkleen® and also from our new customers in the paint industry. To enable the

business unit to continue its growth, we have opened a new warehouse of 800 square meters adjacent to the existing facility in Arninge, where we are expanding our storage capacity. In March, we will also install our new, fully automated canister filling line there, with three times the capacity of our current semi-automated filling line.

Within the Biocomposites business unit, sales increased by 10.5 percent during the quarter, which is less than we had anticipated. The sales of coffin material to our coffin customer Fredahl Rydén is responsible for the biggest increase during the quarter. Over the course of the year we have delivered 1,200 coffins, primarily for cremation, compared with approximately 500 coffins during the previous year.

Within Nonwoven & technical textiles, the joint development projects with our industrial customers proceeded. Production tests have been conducted every month during the quarter, with a number of nonwoven manufacturers. We have also increased the number of early-stage projects with new prospective customers.

Sales for 2021 have started well with high double-digit sales growth in all our business units. During the first month of the year, we have also welcomed our new members of the managing team. Their joining the team strengthens our organization even further, allowing us to focus even more on expanding sales and supplying our products that substitute fossil plastics and toxic chemicals.



A handwritten signature in blue ink that reads "Mårten Hellberg". The signature is fluid and cursive.

Mårten Hellberg
VD, 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 (see graph below). 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, K-rauta, 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 a partner.

Within the second largest business unit, Green Surface 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 waterproofing, a biodegradable impregnation 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 health-care 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

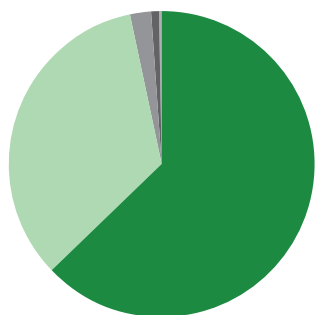
The Group has made fast progress since the first product was launched in 2012. Net sales has grown from MSEK 30.5 in 2015 to MSEK 96.5 in 2020, corresponding to an average annual growth rate of 25.9 percent. The Group has built up a sales and marketing organization and our its production facility to 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 year by year, from 32.6 percent in 2015 to 41.8 percent in 2020. The Group has continuously 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.

FINANCIAL DEVELOPMENT ORGANOCLICK GROUP 2016-2020

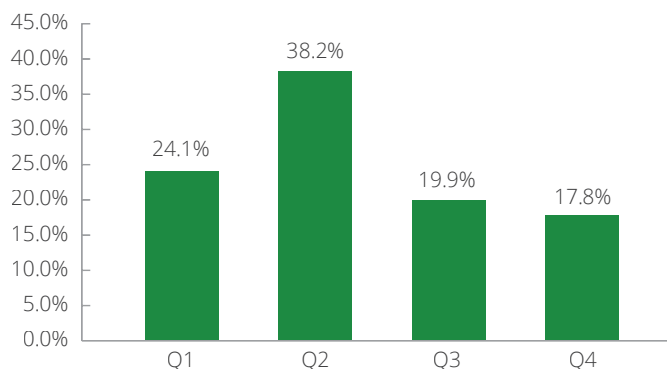
SEK 000 ^s	2016	2017	2018	2019	2020
Net sales	38,847	74,682	78,395	85,480	96,458
Operating profit/loss	-29,041	-23,456	-17,822	-15,131	-17,100
Total assets	81,201	101,778	88,103	173,199	152,802
Total equity	41,671	54,286	34,798	102,470	82,943
Total liabilities	39,530	47,491	53,306	70,729	69,859
Cash flow from operating activities	-15,490	-22,543	-18,958	-11,012	5,471
Revenue growth, %	27.5	92.2	5.0	9.0	12.8
Gross margin after variable costs, %	32.1	36.2	39.5	41.0	41.8

NET SALES / OPERATING SEGMENTS 2020



- Functional wood (62.8%)
- Green coatings & maintenance products (34.0%)
- Biocomposites (2.2%)
- Nonwoven & technical textile (0.9%)
- Other (0.1%)

GROUP SALES/QUARTER¹



1) Refers to average sales 2018-2020 as a percentage of total sales.

COMMENTS ON THE FINANCIAL DEVELOPMENT

As of 2020, the Group has chosen to report sales divided on four business units: the former three business units Functional wood, Green coatings & maintenance products and Biocomposites, and the new business unit Nonwoven & technical textiles. A reclassification of sales in 2019 has also been made regarding wood protection products, from the Functional wood business unit to Green coatings & maintenance products.

THE GROUP

Profit/Loss October–December

Revenue for the fourth quarter amounted to KSEK 18,199 (14,999) corresponding to a sales growth of 21.3 (14.8) percent. The Functional wood business unit grew by 18.3 (14.0) percent to KSEK 11,930 (10,081) driven by good demand on the Swedish market, where several projects that had been postponed or put on hold during the year were able to restart, as well as by strong sales on the German market, where the wood season is longer than in the Nordic countries. The business unit Green coatings & maintenance products grew by 38.6 (23.6) percent to KSEK 5,468 (3,946) after a strong sales growth across all product groups: OrganoTex®, paint products and car care products. The revenue within the Biocomposites business unit amounted to KSEK 528 (478), which was lower than anticipated due to process engineering challenges related to the Group's sound absorbents. Revenue within the business unit Nonwoven & technical textiles amounted to KSEK 275 (479).

Gross margin (after variable costs) amounted to 40.9 (35.2) percent, strengthened partly by improved margins on ORGANOWOOD® timber following changes in the product mix and partly by the larger proportion of the total sales that was represented by the Group's maintenance and surface treatment products. The higher sales and the stronger gross margin improved gross profit, which amounted to KSEK 1,747 (264). These factors were partially offset by an increase in fixed production costs related to personnel. During the quarter, the Group has benefited from COVID-19-related state aid for sickleave payments totaling KSEK 75. The Group has neither applied for nor received any other COVID-19-related state aids. Operating profit/loss, EBIT, amounted to KSEK -9,253 (-8,652) and EBITDA to KSEK -6,028 (-5,572). Profit/loss for the period amounted to KSEK -9,769 (-9,286).

Cash flow and investments October–December

Cash flow from operating activities amounted to KSEK 5,239 (-9,691) due to the strong working capital, which amounted to KSEK 11,993 (-3,540). The positive working capital is attributable in part to incoming payments of receivables of KSEK 3,832 (-1,388) – a consequence of the Group's seasonal variations, with weaker sales in the fourth quarter than in the third. The negative impact from receivables in the previous year was attributable partly to the termination of a factoring solution in use during 2019 at the end of the year, which resulted in higher receivables, and partly to increased sales to customers with long payment terms. Trade payables grew significantly during the fourth quarter with a positive impact on liquidity, KSEK 5,404 (-3,584), as considerable raw material purchases were made to build stocks in preparation of the early German spring season. This has also resulted in higher inventory levels, KSEK -1,744 (770), after a reduction of inventory levels during the third quarter.

During the quarter, investments in intangible assets amounted to KSEK -2,779 (-1,703), with both the Group's development projects and patents increasing compared with the previous year. Investments in tangible assets in the form of production equipment amounted to KSEK -1,508 (-694). In financing activities, the previous year saw the receipt of KSEK 86,030 in proceeds after issuance expenses from the then concluded new share issue. The proceeds were used to repay loans of KSEK -17,063. This year, the Group decreased its utilization of the bank overdraft facility, KSEK -2,315 (2,006), as well as its factoring loans, KSEK -1,897 (-5), due to lower receivables. OrganoWood AB raised new credits of KSEK 1,150 and the Group amortized loans and leases of KSEK -3,936 (-2,394) during the quarter. Total cash flow for the period was KSEK -6,047 (56,486).

Profit/loss January–December

The revenue for the year amounted to KSEK 96,458 (85,480) corresponding to a growth of 12.8 (9.0) percent compared with the previous year. Revenue within the Functional wood business unit amounted to KSEK 60,562 (55,664) corresponding to a growth of 8.8 (6.5) percent. The growth was mostly driven by the Group's export efforts focused on the German market, while domestic sales were at comparable levels to those of the previous year, with reduced demand from the important professional construction segment, increased demand from the consumer segment and a shortage of raw materials due to restricted activities in the forestry sector during the year. Revenue within the Green coatings & maintenance products business unit amounted to KSEK 32,797 (27,507), a growth of 19.2 (12.7) percent. The growth derived from strong sales of the Group's maintenance products for homes and properties, which were driven by new customer agreements concluded in recent years as well as an overall increase of sales of the Company's own brands to existing customers following this year's DIY trend. Sales of OrganoTex® products have also developed well over the course of the year. The revenue within the Biocomposites business unit amounted to KSEK 2,129 (1,201), which was lower than anticipated, due to process engineering difficulties related to the sound absorbents. Revenue within the business unit Nonwoven & technical textiles amounted to KSEK 839 (883).

Gross margin (after variable costs) amounted to 41.8 (41.0) percent following a shift of the product mix towards higher margin products. The cumulative gross profit amounted to KSEK 20,198 (17,763), which, despite a slightly higher gross margin, is at the same level as the previous year in percentage terms. This is primarily attributable to higher personnel costs related to production. Operating profit/loss, EBIT, amounted to KSEK -17,100 (-15,131), which also is a deterioration from the previous year, as the Group's efforts focused on new export markets and additional customer projects have increased the personnel costs for both sales and R&D. R&D was further impacted by amortization charges for more patent families. During the year, the Group has received COVID-19-related tax relief for social security contributions in the amount of KSEK 828 and state aid for sickleave payments in the amount of KSEK 272. EBITDA amounted to KSEK -4,457 (-3,117). The net financial result amounted to KSEK -2,431 (-3,680) due to reduced borrowings within the Group. The cumulative result amounted to KSEK -19,520 (-18,356).

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 regarding internal gains in inventories and capitalized development as well as regarding leasing.

Cash flow and investments January–December

Cash flow from operating activities for the year amounted to KSEK 5,471 (-11,012), of which KSEK -6,932 (-6,861) was cash flow from profit and KSEK 12,403 (-4,151) was cash flow from working capital. Trade receivables and trade payables accounted for the largest impact on working capital. Trade receivables contributed positively during 2020, KSEK 3,120 (-5,117). The previous year, trade receivables were high due to high sales to customers with long payment terms and the termination of a factoring solution. High trade payables had a positive impact of KSEK 7,866 (1,195) due to high raw material purchases at the end of the year to build stocks in OrganoWood. The stock build-up was brought forward to be ready for the onset of the German spring season, which starts ahead of the Nordic. Inventory did not change proportionally but is somewhat lower than the previous year, KSEK 789 (-668), which is attributable to lower inventory levels during 2020 that increased substantially over the course of the last quarter.

During the year, investments of KSEK -8,161 (-5,973) were made in intangible fixed assets in the form of development projects, patents, brands and licenses. There has been increases within all assets, but mainly within the Group's development projects, in absolute terms. Large investments of KSEK -11,237 (-1,034) were also made in tangible fixed assets. The Group has invested in production equipment. The largest single investment concerned a high-temperature dryer for the production of ORGANOWOOD® timber and a pilot machine for the laboratory intended for the development of the Group's binders. During the year, new leases have been entered into for production equipment, which have added right-of-use assets of KSEK 1,582 to the balance sheet. Other changes in rights-of-use regarding leases for premises relate to the early termination of a lease, which decreased rights-of-use by KSEK -1,258, and the extension of another, which increased rights-of-use by KSEK 2,067.

In financing activities, the Group decreased its utilization of the bank overdraft facility by KSEK -8,946 (4,529) and of its factoring loans by KSEK -2,607 (3,414) due to lower receivables. OrganoWood AB contracted new loans of KSEK 7,463, partly to cover the investment in a high-temperature dryer. Loans and leases of KSEK -11,398 (-10,374) were amortized during the year. Proceeds from a new share issue was received in 2019, totaling KSEK 86,030 after issuance expenses. Following the new share issue, the loans raised during the year and loans from previous years were repaid, resulting in a net effect of KSEK -10,063. The cumulative cash flow amounted to KSEK -29,115 (55,029).

Financial position

Cash and cash equivalents in the Group amounted to KSEK 32,028 (61,150) at the end of the period with a quick ratio of 98.7 (162.6) percent. Net debt/equity ratio amounted to 14.9 (-5.8) percent. At the end of the year, OrganoWood AB utilized KSEK 4,007 (12,935) of a total bank overdraft facility of KSEK 15,000 (13,000). The bank overdraft facility changes depending on the requirement for the season.

PARENT COMPANY

Profit/Loss October–December

The parent company's revenue amounted to KSEK 7,142 (5,128). The increase is attributable mostly to higher internal sales and increased sales of OrganoTex® products. Gross profit amounted to KSEK -2,014 (-2,139) despite the higher sales, due to a lower gross margin resulting from a higher proportion of internal sales and increased fixed production costs for personnel. Operating profit/loss (EBIT) amounted to KSEK -7,922 (-6,950) after increased costs relating to marketing efforts. EBITDA amounted to KSEK -6,528 (-5,749). Loss for the period amounted to KSEK -7,868 (-7,056).

Profit/loss January–December

The revenue for the year amounted to KSEK 32,035 (26,515) as sales of the Group's surface treatment products for export, OrganoTex® products and biocomposites increased and internal sales increased slightly. A lower gross margin, attributable to changes in the product mix to a higher proportion of internal sales and increased fixed production costs for a second production shift, resulted in a deterioration of the gross profit, KSEK -5,892 (-3,563). Increased marketing costs related to export efforts and higher amortization charges for patents had additional negative impact on operating profit/loss (EBIT), which amounted to KSEK -26,073 (-18,999). EBITDA amounted to KSEK -20,703 (-14,482). Loss for the period amounted to KSEK -25,835 (-19,687).

Financial position and cash flow

Cash and cash equivalents in the parent company at the end of the period amounted to KSEK 28,427 (56,136) and equity to KSEK 88,038 (113,873). As of the date of closure of accounts, the parent company had a credit of KSEK 1,770; this was fully repaid in January 2021. During the year, the parent company invested KSEK 6,130 (4,389) in intangible fixed assets in the form of development projects and patents and KSEK 3,937 (1,034) in tangible fixed assets in the form of production and laboratory equipment and machines.

OTHER INFORMATION

SIGNIFICANT EVENTS DURING THE PERIOD

- ORGANOWOOD® wood protection was launched in the USA with Woodborn USA as distribution partner.
- OrganoClick appointed Peter Rydja as Vice president for its business unit Green coatings & maintenance products.
- OrganoClick appointed Daniel Lund as new COO for the Group.
- OrganoClick appointed Sten Åkerblom as Brand Manager.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events after the end of the period.

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 2019, pages 48-49.

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 in 2020. 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 year thanks to the new share issue carried out in the fall of 2019.

PERSONNEL

At the end of the year, the number of employees in the Group was 44 (39). Of these, 29 (24) were employed in the parent company, 11

(11) employed in the subsidiary OrganoWood AB and 4 (4) employed in the subsidiary Biokleen Miljökemi AB. Of the employees, 16 (13) were women and 28 (26) men.

SHARE INFORMATION

OrganoClick AB's share capital at the beginning of 2020 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. There has been no change in the share capital during the year.

OrganoClick AB's share has been listed on Nasdaq First North Growth Market since 2015. The number of shareholders on December 31 was 2,975 (1,694) and the closing price of the share on December 31 was 11.00 (5.40), giving a market capitalization of SEK 1,013 (497) million.

The largest shareholders in OrganoClick AB as at 31 Dec 2020¹.

Name	No. of shares	Share of votes and capital %
Mårten Hellberg med bolag	7,381,169	8.01
Beijer Ventures AB	7,107,180	7.72
Handelsbanken fonder	5,505,628	5.98
Anders Wall Stiftelser	5,090,227	5.53
Länsförsäkringar fondförvaltning AB	3,824,395	4.15
Armando Córdova med bolag	3,786,069	4.11
Credit Suisse (Switzerland) Ltd	3,723,300	4.04
CBLDN-EQ Nordic Small Cap	3,049,623	3.31
Fjärde AP Fonden	3,000,000	3.26
Unionen	2,850,000	3.09
Subtotal	45,317,591	49.20
Övriga aktieägare	46,795,198	50.80
Total shares	92,112,789	100.00

1) Based on a full list of owners including direct registered and nominee shareholders.

FINANCIAL CALENDAR 2020

Annual report 2020 on 13 April 2021
 Interim report January-March 2021 on 5 May 2021
 Annual General Meeting 2021 on 17 May 2021
 Interim report January-June 2021 on 20 August 2021
 Interim report January-September 2021 on 16 November 2021
 Interim report January-December 2021 on 18 February 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 REPORTS SUMMARY

CONSOLIDATED INCOME STATEMENT IN SUMMARY

SEK 000 ^s	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	1.2	18,199	14,999	96,458	85,480
Cost of goods sold		-16,453	-14,735	-76,260	-67,717
Gross profit		1,747	264	20,198	17,763
Selling expenses		-6,519	-4,737	-22,078	-18,746
Administrative expenses		-2,994	-2,897	-10,651	-10,445
Research and development costs		-1,662	-1,409	-5,451	-4,295
Other operating income	3	373	211	1,681	900
Other operating expense	3	-198	-83	-799	-307
Operating profit/loss		-9,253	-8,652	-17,100	-15,131
Financial income		21	29	103	29
Financial expenses		-654	-711	-2,534	-3,709
Net financial items		-633	-681	-2,431	-3,680
Profit/loss before tax		-9,886	-9,333	-19,531	-18,811
Income tax	5	117	47	10	455
Profit/loss for the period		-9,769	-9,286	-19,520	-18,356
Profit/loss for the period attributable to:					
Shareholders´ of Parent Company		-9,847	-9,417	-23,646	-20,391
Non-controlling interests		78	131	4,126	2,035
Earnings per share before and after dilution SEK		-0.11	-0.10	-0.26	-0.26
Average number of shares before and after dilution ¹		92,112,789	92,112,789	92,112,789	79,927,844

1) Earnings per share have been adjusted due to a bonus issue factor in a directed share issue 2019.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK 000 ^s	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-9,769	-9,286	-19,520	-18,356
Other comprehensive income for the period:				
<i>Items that can later be reclassified into profit or loss</i>				
This period´s translation differences when translating foreign operations	-2	-3	-7	-1
Other comprehensive income for the period, net after tax	-2	-3	-7	-1
Comprehensive income for the period	-9,771	-9,290	-19,527	-18,358
Comprehensive income for the period attributable to:				
Shareholders´ of Parent Company	-9,848	-9,419	-23,650	-20,392
Non-controlling interests	77	129	4,123	2,034

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK 000 ^s	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Capitalized development expenditures		15,532	12,971
Patents, trademarks		7,298	5,455
Licences		359	173
Goodwill		16,794	16,794
		39,984	35,393
<i>Property, plant and equipment</i>			
Buildings		20,510	24,338
Improvement expense of other property		265	330
Machinery		13,640	13,250
Equipment, tools, fixtures and fittings		5,941	4,085
Ongoing new facilities		9,519	416
		49,875	42,419
<i>Other non-current assets</i>			
Other non-current receivables		3,153	3,440
Deferred tax assets	4	869	787
Total non-current assets		93,881	82,040
Current Assets			
Inventories		14,331	15,121
Trade receivables		8,979	12,099
Income tax receivables		578	468
Other receivables		1,421	1,033
Prepaid expenses and accrued income		1,585	1,289
Cash and cash equivalents		32,028	61,150
Total current assets		58,922	91,159
TOTAL ASSETS		152,802	173,199

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY (CONT.)

SEK 000 ^s	Note	31 Dec 2020	31 Dec 2019
EQUITY			
Share capital		921	921
Other contributed capital		243,764	243,764
Reserves		32	36
Accumulated loss including profit/loss for the period		-190,637	-166,991
Equity attributable to shareholders´ of Parent Company	5	54,080	77,730
Non-controlling interests	6	28,864	24,741
Total equity		82,943	102,470
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions		4,645	2,352
Lease liabilities		18,700	20,340
Other non-current liabilities		1,000	1,000
Deferred tax liabilities	4	356	285
Total non-current liabilities		24,701	23,977
Current liabilities			
Liabilities to credit institutions	7	7,481	16,133
Lease liabilities		7,307	7,516
Trade payables		13,854	5,988
Income tax liabilities		62	75
Other liabilities		6,894	9,568
Accrued expenses and deferred income		9,560	7,471
Total current liabilities		45,158	46,751
TOTAL EQUITY AND LIABILITIES		152,802	173,199

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK 000 ^s	Attributable to shareholders' of Parent Company				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Accumulated loss			
Equity at 1 January 2020	921	243,764	36	-166,991	77,730	24,741	102,470
Comprehensive income							
Profit/loss for the period	-	-	-	-23,646	-23,646	4,126	-19,520
Other comprehensive income							
Translation differences	-	-	-4	-	-4	-3	-7
Total comprehensive income	-	-	-4	-23,646	-23,650	4,123	-19,527
Shareholder transactions							
Total shareholder transactions	-	-	-	-	-	-	-
Equity at 31 December 2020	921	243,764	32	-190,637	54,080	28,864	82,943
Equity at 1 January 2019							
Equity at 1 January 2019	745	157,910	37	-146,600	12,092	22,706	34,798
Comprehensive income							
Profit/loss for the period	-	-	-	-20,391	-20,391	2,035	-18,356
Other comprehensive income							
Translation differences	-	-	-1	-	-1	0	-1
Total comprehensive income	-	-	-1	-20,391	-20,392	2,034	-18,358
Shareholder transactions							
New share issue	176	85,854	-	-	86,030	-	86,030
Total shareholder transactions	176	85,854	-	-	86,030	-	86,030
Equity at 31 December 2019	921	243,764	36	-166,991	77,730	24,741	102,470

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

SEK 000 ^s	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operating activities					
Operating profit/loss		-9,253	-8,652	-17,100	-15,131
Adjustment for non-cash items	8	3,288	3,277	12,722	12,226
Interest received		21	29	103	29
Interest paid		-654	-711	-2,534	-3,709
Income tax paid		-155	-94	-123	-276
Cash flow from operating activities before changes in working capital		-6,754	-6,151	-6,932	-6,861
Changes in working capital					
Changes in inventories and work in progress		-1,744	770	789	-668
Changes in trade receivables		3,832	-1,388	3,120	-5,117
Changes in other operating receivables		2,340	-182	-1,394	-440
Changes in trade payables		5,404	-3,584	7,866	1,195
Changes in other operating liabilities		2,161	843	2,021	880
Cash flow from changes in working capital		11,993	-3,540	12,403	-4,151
Cash flow from operating activities		5,239	-9,691	5,471	-11,012
Cash flow from investing activities					
Investments in intangible assets		-2,779	-1,703	-8,161	-5,973
Investments in property, plant and equipment		-1,508	-694	-11,237	-1,034
Cash flow from investing activities		-4,288	-2,396	-19,398	-7,007
Cash flow from financing activities					
New share issue		-	90,000	-	90,000
Share issue expenses		-	-3,970	-	-3,970
Net change bank overdraft facility		-2,315	2,006	-8,946	4,259
Net change invoice factoring debt		-1,897	-5	-2,607	3,414
Depositions		-	-	300	-219
Borrowings		1,150	-	7,463	10,000
Repayment of debt		-	-17,063	-	-20,063
Amortization of debt		-3,936	-2,394	-11,398	-10,374
Cash flow from financing activities		-6,998	68,575	-15,189	73,048
Cash flow for the period		-6,047	56,486	-29,115	55,029
Cash and cash equivalents at beginning of period		38,076	4,666	61,150	6,122
Exchange rate differences in cash and cash equivalents		-2	-3	-7	-1
Cash and cash equivalents at end of period		32,028	61,150	32,028	61,150

KEY FIGURES, THE GROUP

SEK 000 ^s	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	18,199	14,999	96,458	85,480
Revenue growth, %	21.3	14.8	12.8	9.0
Gross profit	1,747	264	20,198	17,763
Gross margin, %	9.6	1.8	20.9	20.8
EBIT	-9,253	-8,652	-17,100	-15,131
EBIT, %	-50.8	-57.7	-17.7	-17.7
EBITDA	-6,028	-5,572	-4,457	-3,117
Profit/loss for the period	-9,769	-9,286	-19,520	-18,356
Profit margin, %	-53.7	-61.9	-20.2	-21.5
Equity ratio, %	54.3	59.2	54.3	59.2
Quick ratio, %	98.7	162.6	98.7	162.6
Net debt/equity ratio,%	14.9	-5.8	14.9	-5.8
Return on shareholders' equity, %	neg.	neg.	neg.	neg.
Return on capital employed,%	neg.	neg.	neg.	neg.
Average number of employees	44	38	43	35
Average number of shares before and after dilution ¹	92,112,789	92,112,789	92,112,789	79,927,844
Number of shares issued at end of period	92,112,789	92,112,789	92,112,789	92,112,789
Turnover per share before and after dilution SEK	0.20	0.16	1.05	1.07
Earnings per share before and after dilution SEK ¹	-0.11	-0.10	-0.26	-0.26
Shareholders equity per share before and after dilution SEK	0.59	0.84	0.59	0.84

1) Average number of shares and earnings per share have been adjusted due to a bonus issue factor in a directed share issue 2019.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

SEK 000 ^s	Note	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales		7,142	5,128	32,035	26,515
Cost of goods sold		-9,156	-7,267	-37,926	-30,078
Gross profit		-2,014	-2,139	-5,892	-3,563
Selling expenses		-2,203	-1,234	-6,792	-3,557
Administrative expenses		-2,247	-2,151	-8,071	-7,746
Research and development costs		-1,527	-1,440	-5,349	-4,305
Other operating income	3	166	29	314	242
Other operating expense	3	-97	-15	-285	-70
Operating profit/loss		-7,922	-6,950	-26,073	-18,999
Interest income and similar items		94	116	429	322
Interest expenses and similar items		-40	-221	-191	-1,010
Net financial items		54	-106	238	-688
Profit/loss before tax		-7,868	-7,056	-25,835	-19,687
Income tax		-	-	-	-
Profit/loss for the period		-7,868	-7,056	-25,835	-19,687

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK 000 ^s	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-7,868	-7,056	-25,835	-19,687
Other comprehensive income for the period:	-	-	-	-
Comprehensive income for the period	-7,868	-7,056	-25,835	-19,687

PARENT COMPANY BALANCE SHEET IN SUMMARY

SEK 000 ^s	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Capitalized development expenditures		11,000	9,659
Patents, trademarks		6,411	4,837
Licences		292	68
		17,703	14,565
<i>Property, plant and equipment</i>			
Improvement expense of other property		265	330
Machinery		8,144	8,704
Equipment, tools, fixtures and fittings		2,825	2,860
Ongoing new facilities		2,485	416
		13,719	12,311
<i>Financial assets</i>			
Shares in group companies		30,610	30,610
Due from group companies		1,651	1,651
Other non-current receivables		323	-
		32,584	32,261
Total non-current assets		64,007	59,137
Current assets			
Raw materials, supplies and finished inventories		7,225	7,258
		7,225	7,258
Short-term receivables			
Trade receivables		801	615
Due from group companies		1,559	3,623
Income tax receivables		295	248
Other receivables		279	841
Prepaid expenses and accrued income		2,280	1,892
		5,214	7,219
Cash and cash equivalents		28,427	56,136
Total current assets		40,867	70,613
TOTAL ASSETS		104,873	129,750

PARENT COMPANY BALANCE SHEET IN SUMMARY (CONT.)

SEK 000 ^s	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		921	921
Fund for development expenditures		6,348	5,029
Total restricted equity		7,269	5,950
Non-restricted equity			
Share premium reserve		243,764	243,764
Retained earnings		-137,160	-116,154
Profit/loss for the period		-25,835	-19,687
Total non-restricted equity		80,769	107,923
Total equity		88,038	113,873
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions		-	1,770
Liabilities to group companies		4,710	4,710
Total non-current liabilities		4,710	6,480
Current liabilities			
Liabilities to credit institutions		1,770	1,780
Trade payables		3,938	2,738
Tax liabilities		1	-
Liabilities to group companies		26	26
Other short-term liabilities		696	1,021
Accrued expenses and deferred income		5,694	3,832
Total current liabilities		12,125	9,397
TOTAL EQUITY AND LIABILITIES		104,873	129,750

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 2019.

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 from 2020 for four business areas, the former three business units Functional wood, Green coatings & maintenance products and Biocomposites as well as the new business unit 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 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Functional wood ¹	11,930	10,081	60,562	55,664
Green coatings & maintenance products ¹	5,468	3,946	32,797	27,507
Biocomposites	528	478	2,129	1,201
Nonwoven & technical textile	275	479	839	883
Other	-	14	130	224
Total	18,199	14,999	96,458	85,480

1) A reclassification of sales has been made from the Functional wood business unit to Green coatings and maintenance products concerning wood protection products. The reclassified amount for Oct-Dec 2019 amounts to SEK 112 thousand and for Jan-Dec 2019 to SEK 3,032 thousand.

Group Net sales per geographic market	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Sweden	15,171	11,876	79,748	76,193
Other Nordics	2,073	2,605	11,591	7,834
The rest of Europe	835	130	4,447	375
Asia	102	387	638	1,034
North America	19	1	35	43
Total	18,199	14,999	96,458	85,480
Net revenue by revenue type				
Products	18,199	14,985	96,328	85,255
Equipment and services	-	-	100	95
Services	-	14	30	129
Total	18,199	14,999	96,458	85,480

Product sales consist of sales of products within the Group's various business units, that is ORGANOWOOD® timber, BIOkleen® cleaning and maintenance products, OrganoTex® Textile Waterproofing, OrganoComp® biocomposites and binders for nonwoven, where revenue is reported at the time the control of the products is transferred to the customer, generally upon delivery.

The sale of equipment and services includes short-term project work that combines the delivery of equipment and services in the development of new customized products. Revenue is recognized at the time the equipment is provided to the customer.

Sales of services refer to various forms of development services that are recognized as revenue only when OrganoClick has delivered the development that the customer has ordered.

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 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Exchange gains on receivables of an operating nature	70	37	454	142
Commission income	109	79	447	403
Rental income	-	61	371	102
Government grants received for R&D	150	23	283	232
Profits, sale of fixed assets	44	10	126	21
Total	373	211	1,681	900
Exchange losses on receivables/payables of an operating nature	-92	-83	-597	-279
Losses, disposal/sale of property, plant and equipment	-106	-	-201	-28
Total	-198	-83	-799	-307
Parent Company				
Exchange gains on receivables of an operating nature	17	5	31	10
Government grants received for R&D	150	23	283	232
Total	166	29	314	242
Exchange losses on receivables/payables of an operating nature	-35	-15	-134	-70
Losses, disposal/sale of property, plant and equipment	-63	-	-151	-
Total	-97	-15	-285	-70

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, owned by 81 minority shareholders, represent SEK 20,000 thousand of OrganoWood AB's equity. The potential redemption price of the preference shares as of 31 December 2020, amounts to SEK 44,293 (39,547) thousand.

OrganoClick AB's share capital at the beginning of 2020 amounted to SEK 921,128, distributed on 92,112,789 shares and remained unchanged at the end of the quarter.

NOTE 6 ORGANOWOOD AB'S PREFERENCE SHARES

OrganoWood AB's preference shares are part of non-controlling interest. In 2013, OrganoWood AB issued 200,000 preference shares at a nominal amount of SEK 100, giving a total issue amount of SEK 20,000 thousand. The terms of the preference shares are set out in OrganoWood AB's Articles of Association and the following text is an extract from this.

The preference shares do not entail the right to dividend, but the holder must only be entitled to receive a redemption amount stated at each time. The redemption amount per preference share amounts

for the period up to 31 May 2015, to an amount of 137.40 for the time up to and as of 31 May 2016, to an amount of SEK 151.50, for the time up to and as of 31 May 2017, for an amount of SEK 167.30, for the time up to and as of 31 May 2018, for an amount of SEK 185.00, for the time up to and as of 31 May 2019, for an amount of SEK 184.80, and from 1 June 2019 and for the period thereafter, the redemption amount shall be increased by twelve (12) percent annually.

Before deciding on the transfer of value to the ordinary shareholders, the Annual General Meeting shall, for each outstanding preference share, to a free fund (which may not be used for value transfers to the ordinary shares) allocate a reserved amount.

Reduction of the share capital, however not below the minimum capital, can be affected by the redemption of a certain number or all preference shares upon resolution of the Annual General Meeting. Only the Board of Directors has the right to request that redemption be dealt with by the Annual General Meeting. Decisions to reduce can only be made in May each year as the preference shares are outstanding. When a reduction decision is made, an amount corresponding to the reduction amount shall be allocated to the reserve fund if the necessary funds are available. The redemption procedure shall begin immediately when a reduction decision has been made.

At OrganoWood AB's Annual General Meeting on 7 May 2020, it was decided to continue to allow the preference shares to run in accordance with the terms of the Articles of Association (12 per cent annual adjustment of the value) when there was no non-restricted equity to redeem them. The aim is of redeeming the preference shares when non-restricted equity so permits.

NOTE 7 CURRENT LIABILITIES TO CREDIT INSTITUTIONS

Group	31 Dec 2020	31 Dec 2019
Short-term portion of non-current liabilities to credit institutions	3,474	3,180
Bank overdraft facility	4,007	12,953
Total	7,481	16,133

NOTE 8 ADJUSTMENT FOR NON-CASH ITEMS

Group	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Depreciation/amortization of intangible fixed assets	961	856	3,498	3,216
Depreciation/amortization of property, plant and equipment	2,251	2,224	9,092	8,799
Disposal of intangible fixed assets	14	197	54	212
Disposal of property, plant and equipment	62	-	78	-
Total	3,288	3,277	12,722	12,226

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 of 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	31 Dec 2020	31 Dec 2019
Guarantee liability for debts in group companies	8,700	8,889
Floating charges	19,000	30,126
Total	27,700	39,015
Parent Company		
Guarantee liability for debts in group companies	8,700	8,889
Floating charges	-	9,000
Total	8,700	17,889

Floating charges in OrganoClick AB and Biokleen Miljökemi AB are in their own custody as of December 31, 2020 which explains the differences between the years.

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 quarter, SEK 24,367 (22,359) 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 326 (293) thousand. In addition to guarantee liabilities, see Note 10, OrganoClick has outstanding interest-bearing loans to OrganoWood of SEK 1,650 (1,650) thousand. Invoicing of SEK 814 (0) 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 187 (260) thousand and consulting fees of SEK 5 (221) thousand from board member and shareholder Robert Charpentier, from own company Kvigos AB.

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 2019, page 74.

The Group has large intangible assets in the form of capitalized development expenditures SEK 15,532 (12,971) thousand, patents SEK 6,546 (5,133) thousand and trademarks SEK 753 (322) 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 54 (198) 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 14,331 (15,121) 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 use-of-rights for leasing amounted to SEK 28,833 (29,936). In assessing the size of the lease debt, assumptions about estimating the length of the lease period are material. During the year, the estimated leasing period for a lease for premises was extended by approximately five years and another lease for premises was withdrawn two years prematurely. No other changes have been made in assessing the length of the leasing periods compared with the annual report for 2019.

ALTERNATIVE PERFORMANCE MEASURES

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. Alternative performance measures adjusted for the effect of IFRS 16 have been removed as there is a comparative year for 2020 according to IFRS 16.

Non-IFRS key ratios	Definition/Calculation	Purpose
<i>Income measures</i>		
Gross margin	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.
Gross margin after variable costs	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.
Operating margin	Operating profit/loss for the period in relation to net sales for the period.	The operating margin is used to measure operational profitability.
EBITDA	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.
Profit margin	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.
Revenue growth	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.
Organic growth	Changes in net sales, excluding acquisition-driven growth and changes in exchange rates.	Organic growth excludes the effects of changes in the Group's structure and exchange rates, enabling a comparison of net sales over time.
<i>Capital structure</i>		
Equity ratio	Equity in relation to total assets. Equity includes non-controlling interests.	The key figure reflects the company's financial position. Good financial position 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.
Quick ratio	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.
Net debt	Interest-bearing non-current and current liabilities (incl. leasing and invoice factoring) 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.
Net debt/equity ratio	Net debt in relation to shareholders' equity. Equity includes non-controlling interests.	The debt/equity ratio shows the relationship between debt equity and measures the extent to which the company is financed by loans.

Non-IFRS key ratios	Definition/Calculation	Purpose
<i>Return ratios</i>		
Return on shareholders' equity	Profit/loss for the period, as a percentage of average shareholders' equity. Equity includes non-controlling interests.	Return on equity 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.
Capital employed	Total assets minus interest-free liabilities.	Capital employed measures the company's ability, in addition to cash and cash equivalents, to meet the needs of the business.
Return on capital employed	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.
<i>Share data</i>		
Turnover per share	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.
Shareholders' equity per share	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.

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. Alternative performance measures adjusted for the effect of IFRS 16 have been removed as there is a comparative year for 2020 according to IFRS 16.

SEK 000 ⁵	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Gross margin, %				
Gross profit	1,747	264	20,198	17,763
Net sales	18,199	14,999	96,458	85,480
Gross margin, %	9.6	1.8	20.9	20.8
Gross margin after variable costs, %				
Net sales	18,199	14,999	96,458	85,480
Cost of goods sold, variable costs	-10,763	-9,715	-56,156	-50,416
Gross profit after variable costs	7,436	5,285	40,302	35,064
Gross margin after variable costs, %	40.9	35.2	41.8	41.0
EBIT, %				
Operating profit/loss	-9,253	-8,652	-17,100	-15,131
Net sales	18,199	14,999	96,458	85,480
EBIT, %	-50.8	-57.7	-17.7	-17.7
EBITDA				
Operating profit/loss	-9,253	-8,652	-17,100	-15,131
Plus: Depreciation	3,225	3,080	12,643	12,014
EBITDA	-6,028	-5,572	-4,457	-3,117
Profit margin, %				
Profit/loss for the period	-9,769	-9,286	-19,520	-18,356
Net sales	18,199	14,999	96,458	85,480
Profit margin, %	-53.7	-61.9	-20.2	-21.5
Net sales, change				
Net sales	18,199	14,999	96,458	85,480
Net sales corresponding period prior year	14,999	13,061	85,480	78,395
Net sales, change	3,200	1,938	10,978	7,085
Revenue growth, organic, %	21.3	14.8	12.8	9.0
Equity ratio, %				
Equity	82,943	102,470	82,943	102,470
Total assets	152,802	173,199	152,802	173,199
Equity ratio, %	54.3	59.2	54.3	59.2
Quick ratio, %				
Current assets, excluding inventories	44,590	76,038	44,590	76,038
Current liabilities	45,158	46,751	45,158	46,751
Quick ratio, %	98.7	162.6	98.7	162.6

SEK 000 ^s	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net debt/equity ratio, %				
Interest-bearing liabilities	44,361	55,176	44,361	55,176
Less: Cash and cash equivalents	-32,028	-61,150	-32,028	-61,150
Net debt	12,334	-5,974	12,334	-5,974
Equity	82,943	102,470	82,943	102,470
Net debt/equity ratio, %	14.9	-5.8	14.9	-5.8
Return on shareholders' equity, %				
Equity	82,943	102,470	82,943	102,470
Equity corresponding period last year	102,470	34,798	102,470	34,798
Average equity	92,707	68,634	92,707	68,634
Profit/loss for the period	-9,769	-9,286	-19,520	-18,356
Average equity	92,707	68,634	92,707	68,634
Return on equity, %	-10.5	-13.5	-21.1	-26.7
Capital employed				
Total assets	152,802	173,199	152,802	173,199
Less: Deferred tax liabilities	-356	-285	-356	-285
Less: Other current liabilities	-25,079	-15,192	-25,079	-15,192
Capital employed	127,367	157,722	127,367	157,722
Capital employed corresponding period last year	157,722	75,256	157,722	75,256
Average capital employed	142,544	116,489	142,544	116,489
Return on capital employed, %				
Operating profit/loss	-9,253	-8,652	-17,100	-15,131
Plus: Financial income	21	29	103	29
Operating profit/loss plus financial income	-9,232	-8,623	-16,997	-15,102
Average capital employed	142,544	116,489	142,544	116,489
Return on capital employed, %	-6.5	-7.4	-11.9	-13.0
Turnover per share before and after dilution SEK				
Net sales	18,199	14,999	96,458	85,480
Average number of shares before and after dilution ¹	92,112,789	92,112,789	92,112,789	79,927,844
Turnover per share before and after dilution SEK	0.20	0.16	1.05	1.07
Shareholders equity per share before and after dilution SEK				
Equity attributable to shareholders' of Parent Company	54,080	77,730	54,080	77,730
Number of shares at end of period	92,112,789	92,112,789	92,112,789	92,112,789
Shareholder equity per share before and after dilution SEK	0.59	0.84	0.59	0.84

1) Average number of shares have been adjusted due to a bonus issue factor in a directed share issue 2019.

SIGNATURES

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

Review of auditors

This interim report has not been reviewed by the company's auditors.

Stockholm, 17 February 2021

Jan Johansson
Chairman of the Board

Claes-Göran Beckeman
Board member

Charlotte Karlberg
Board member

Malin Bugge
Board member

Håkan Gustavson
Board member

Mårten Hellberg
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