ORGANOCLICK

ANNUAL REPORT
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Financial period: 2021-01-01 - 2021-12-31

OrganoClick®

CONTENT

ORGANOCLICK IN BRIEF

Every year, more than 11 million tonnes of plastic and hundreds of thousands tonnes of toxic chemicals are released into the world's oceans and 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 and markets materials technology based on environmentally friendly fiber chemistry that replaces hidden plastics and toxic chemicals in cellulose-based materials. Examples include: the biodegradable textile impregnation OrganoTex®, substituting hormone-disruptive fluorocarbons (PFAS) in textiles; the silicon-based wood protection technology OrganoWood®, substituting heavy metals 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 Group´s biocomposite OrganoComp®, substitutes oil-derived plastic polymers in nonwoven and fiber materials.

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 awards, including "Sweden's Most Promising Start-up", "Sweden's Best Environmental Innovation", and the WWF "Climate Solver" award, and has been recognized by Affärsvärlden and NyTeknik in their listing 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 centre in Täby, north of Stockholm. In 2021, net sales amounted to MSEK 110.1 with about 50 employees.

TECHNOLOGY

OrganoClick's core technology was developed with inspiration from nature's own chemistry, by so-called biomimetics. By clicking on organic molecules to the surface of cellulose fibers in materials such as wood, textile, paper, or nonwoven, new features such as flame and rot protection, water repellence, and changed mechanical properties can be achieved without adding any toxic chemicals or oil-derived plastic polymers. This technology thus enables renewable materials and substitutes, among other things, oil-derived plastic polymers and toxic chemicals traditionally used in the processing of cellulose-based materials.

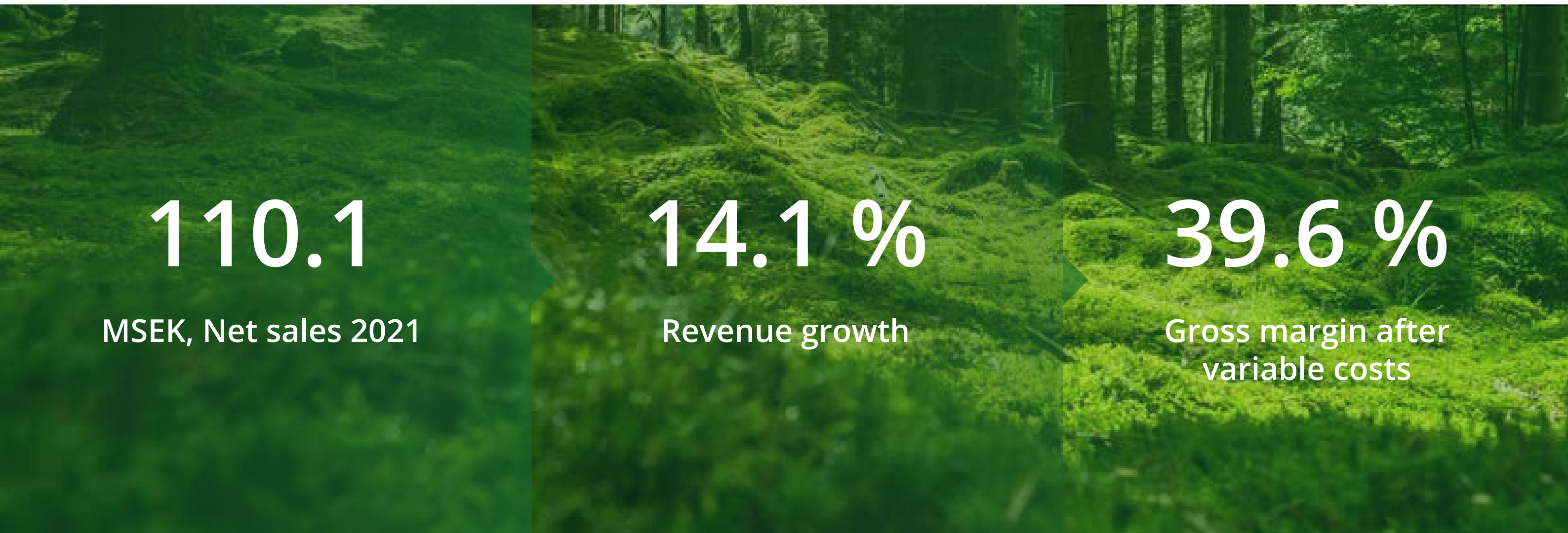
THE GROUP´S MARKETS AND CUSTOMERS

The Group´s products are marketed and delivered to a number of application areas. The group's largest market is the construction-related industry, where the group's wood protection technology is used to manufacture OrganoWood® timber which is sold through hardware retailers to both major construction companies and end consumers. The retailers of OrganoWood® timber include Beijer byggmaterial, Optimera, Bygma, Woody, and Derome in Sweden. The product is also sold in the rest of Northern Europe, Germany, and the United Kingdom. The Group´s additional wood protection and maintenance products for maintenance of homes and properties are sold through hardware retailers as well as through a large network of paint dealers such as Happy Homes, Colorama, Bolist, Nordsjö Färg & design, Caparol, Granngården, and Ahlsell.

Within textile and nonwoven, biobased binders that replace plastic binders and water repellent products (PFAS substitutes) are sold to customers that manufacture nonwoven and industry textile. To consumers, the Group offers OrganoTex® textile impregnation, a biodegradable impregnation sold through more than 200 Nordic sports and outdoor retailers, including Naturkompaniet, XXL, Stadium, Hööks, Team Sportia, etc. Customers using the Group´s biocomposite OrganoComp® are Fredahl Rydéns, the leading Nordic burial coffin producer, and Baux, supplier of sound-absorbing acoustic panels.

THE GROUP'S DEVELOPMENT AND OBJECTIVES

The Group has made fast progress since the first product was launched in 2012. In the course of the last five years, net sales of the group have grown from MSEK 38.8 in 2016 to MSEK 110,1 in 2021, corresponding to an average annual growth rate of 23.2 percent. Today, the business units have their own sales teams, each focusing on their respective customers and applications. The Group´s chemical products are manufactured in the own facility in Täby, north of Stockholm with a capacity of 10,000 tonnes per year, which now is being expanded to approximately 20,000 tonnes per year. The focus and goal of the Group is to maintain growth with double-digit organic growth, continue to improve gross margins, and, with good cost control, over time reach an operating margin of 20 percent. At the same time, the Group shall become climate neutral and achieve 100 percent use of biobased raw materials by 2023 at the latest.



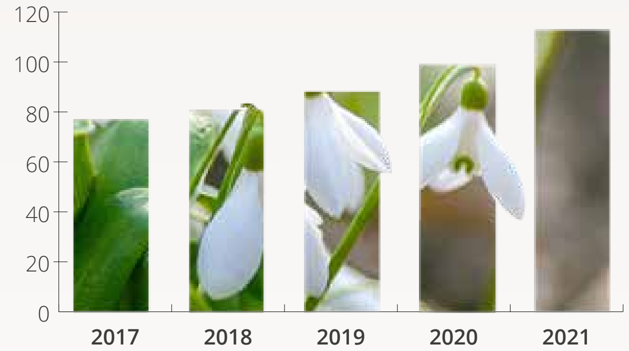
FINANCIAL DEVELOPMENT

Net sales in the OrganoClick Group has increased steadily year on year. Over the past five years, the Group has improved its net sales from MSEK 38.8 in 2016 to MSEK 110.1 in 2021, for an average annual growth rate of 23.2 percent. During the same period, a strong focus has been on selling products with a higher added value, which has increased the Group's gross margin (after variable costs) from 32.1 percent in 2016 to 39.6 percent in 2021. Over the past two years, several growth efforts have been implemented in the form of an expanded sales and marketing organisation and enhanced production capacity, which has burdened the result in the short term. However, the group now has the organization and infrastructure in place to sustain significant sales growth without a corresponding increase in operating costs. The Group's goal is to maintain growth at a good double-digit rate, to increase the gross margin through a change in product mix and enhanced capacity utilization, and, with only a limited increase in operating costs, to achieve a rapid improvement in the result towards the long-term goal of an operating margin of 20 percent.

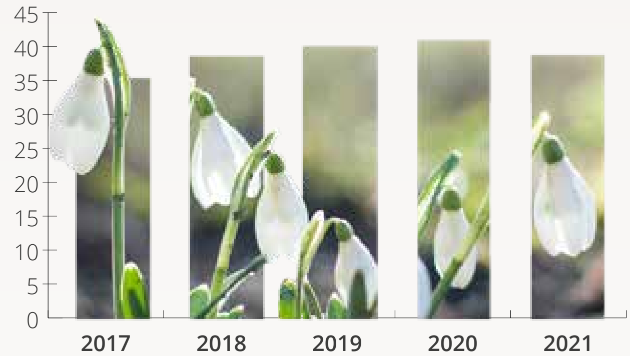
FINANCIAL DEVELOPMENT ORGANOCLICK GROUP 2017-2021

SEK 000s	2017	2018	2019	2020	2021
Net sales	74,682	78,395	85,480	96,458	110,064
Operating profit/loss	-23,456	-17,822	-15,131	-17,100	-28,590
Total assets	101,778	88,103	173,199	152,802	188,386
Total equity	54,286	34,798	102,470	82,943	107,729
Total liabilities	47,491	53,306	70,729	69,859	80,657
Cash flow from operating activities	-22,543	-18,958	-11,012	5,471	-37,688
Revenue growth, %	92.2	5.0	9.0	12.8	14.1
Gross margin after variable costs, %	36.2	39.5	41.0	41.8	39.6

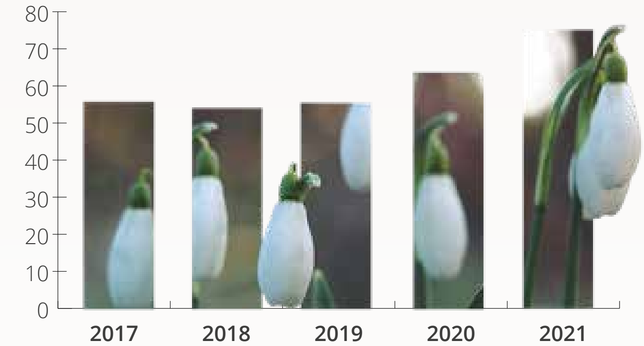
SALES DEVELOPMENT ORGANOCLICK GROUP 2017-2021



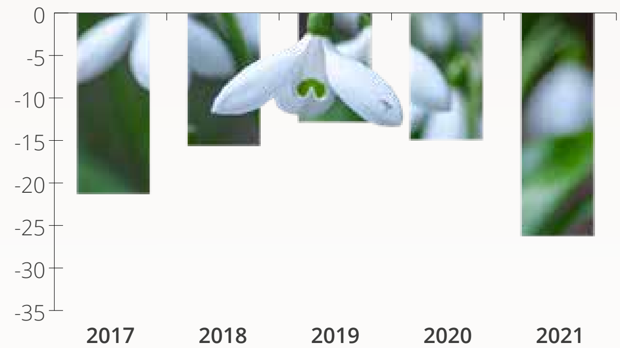
DEVELOPMENT GROSS MARGIN (VARIABLE COSTS) 2017-2021



FIXED OPERATING EXPENSES ORGANOCLICK GROUP 2017-2021



OPERATING PROFIT/LOSS ORGANOCLICK GROUP 2017-2021



THE YEAR IN BRIEF

The year 2021 involved both achievements and challenges for the OrganoClick Group. Overall, sales increased by 14.1 (12.8) percent for the Group, but varied considerably between the quarters and between the product groups.

In the business unit Green coatings & maintenance products, sales increased overall by 17.1 percent. OrganoTex® in particular saw very strong growth, which more than doubled during the year, from MSEK 2.9 to 6.0. Sales growth came both from existing customers and from our expanding customer base in Sweden, the rest of the Nordic region, and the Netherlands. We also launched OrganoTex® shoe care, which was very well received by our customers. In our construction-related maintenance products for wood and property, growth was restrained by our production capacity. A new fully-automated filling machine that we had ordered was delayed because of a COVID-19-related factory lockdown affecting one of our subcontractors. Instead of delivery in February, before our peak season, the machine was delivered in August, which greatly reduced our planned capacity and deliverability during our peak season in the second quarter.

Sales of our biobased binders for nonwovens picked up speed during the year. The biggest success, however, was that our long-standing development cooperation with Duni resulted in a commercial five-year agreement where Duni replaces its current plastic binders with our biobased binders. Volumes are expected to increase gradually through 2022, reaching the full volume in 2023. During the year, we also made significant progress on several development projects with other nonwoven manufacturers, and we expect that these will give rise to new product launches and agreements in 2022.

For the Functional wood business unit, sales of OrganoWood® timber started out strong with solid growth in the first quarter. Sales growth in the German market remained strong throughout the year and more than doubled from MSEK 3.2 to 7.7. Starting in the second quarter, however, the business unit was impacted by the sharpest raw material price hike we have ever experienced. In less than a year, the price of wood raw materials increased by more than 100 percent. This initially dealt a severe blow to the business unit's margin, but also took its toll on our sales growth towards the end of the year as the year's sharp price increases started to impact demand. Consequently, the sales growth relating to OrganoWood® timber reached only the moderate level of 8.5 percent for the year as a whole. During the fall, the business unit launched the next generation OrganoWood technology after more than seven years of development. The novel product, OrganoWood® Silicium HT, features enhanced rot protection as well as a significantly more consistent timber quality than the previous product. We consider this launch very important for the business unit's continued growth and will gradually replace the old technology with the new in our production during 2022.

Sales of our products in the Biocomposites business unit continued to increase during the year, by approximately 43.5 percent. However, production has remained a bottleneck. During the latter part of the year, we thus started to seek for licensing partners that can start manufacturing our products under license as a means of improving the business unit's scalability and cost-efficiency. Our goal is to start the first collaborations in 2022.

The sharply rising raw material costs, especially for timber, brought down our gross margins (variable costs) to 39.6 (41.8) percent. Capacity problems in production also increased production costs by way of increased manual work. Prior to the year, we had also made growth investments in an expansion of the sales and marketing organization, which, together with increased production costs, increased our operating expenses by 23.3 percent and caused the Group's operating profit/loss (EBIT) to deteriorate to MSEK -28.6 (-17.1). With new, fully-automated production equipment and a strong sales and marketing organization in place, the Group will now be able to achieve strong growth with only limited increases in operating expenses.

- Net sales totaled MSEK 110.1 (96.5)
- EBIT amounted to MSEK -28.6 (-17.1)
- Cash flow from operating activities amounted to MSEK -37.7 (5.5)
- Strong sales increase of OrganoTex®
- Five-year agreement with Duni for the company's biobased binders for nonwoven
- Strong sales increase of OrganoWood® timber in Germany
- Growth was limited and production costs were increased by production capacity issues
- Surging raw material prices squeezed the gross margin and profitability

A WORD FROM THE CEO

Dear Shareholder,

Marked by the global impact of the COVID-19 pandemic, 2021 became another special year. We recorded good sales growth in several of our product segments, while others were negatively impacted by problems with delayed deliveries and rampant raw material prices. All our business units showed growth, and sales for the Group grew by 14.1 (12.8) percent overall. However, our profitability was squeezed by both higher raw material prices, which reduced the gross margin to 39.6 (41.8) percent, and higher production costs due to the delay of a production line we had ordered. This delay not only drove up labor costs but also led us to miss out on sales as a result of capacity shortages. Nevertheless, sales to new customers developed strongly, including with a five-year agreement concluded with Duni for the supply of our biobased binders. The binders will replace the existing fossil-based binders in Duni's premium napkins and tablecloths.

Volume sales of our binders

The agreement with Duni is the first major supply agreement we conclude with a nonwoven manufacturer. Fully implemented, the agreement will be worth approximately MSEK 30 per year to OrganoClick. By then, our biobased binders will replace several thousand tonnes of fossil-based plastic polymers per year. During the year, we have continued our development projects involving several of the world's leading nonwoven manufacturers, and in early 2022, we were able to announce our second major collaboration with nonwoven manufacturer Ahlström-Munksjö and Danish Ellepot. Together with them, we have for several years developed a 100 percent biobased and biodegradable agricultural fabric, which Ellepot uses in its production of growing pots for industrial cultivation. Also in this product, our binders substitute the plastic binders used for the agricultural cloth, which previously caused the accumulation of microplastics in the soil.

”THE AGREEMENT WITH DUNI IS THE FIRST MAJOR SUPPLY AGREEMENT WE CONCLUDE WITH A NONWOVEN MANUFACTURE”

CONTINUED ORGANOTEX® EXPANSION

During the year, our OrganoTex® brand has seen a persistently strong increase in sales. In addition to our biodegradable textile impregnation and special detergents, we launched a newly developed shoe care range during the year, featuring both shoe impregnation and shoe wax. We also expanded our distribution network with new retailers such as XXL, Stadium, and Hööks and now have more than 200 retailers in the Nordic countries. Our OrganoTex® sales more than doubled during the year, reaching MSEK 6.0 (2.9). Our assessment is that this strong trend will continue in the years ahead, as we move forward with our national and international expansion.

”WE ALSO EXPANDED OUR DISTRIBUTION NETWORK WITH NEW RETAILERS SUCH AS XXL, STADIUM, AND HÖÖKS”

LAUNCH OF ORGANOWOOD® SILICIUM HT

The Functional wood business unit had a very challenging year. The price of wood raw material soared by more than 100 percent due to high demand in the wake of the pandemic and outbreaks of the spruce bark beetle in Canada. For most of the year, we had to focus on trying to adjust our prices to customers to compensate for the increase in timber prices. The business unit increased its sales by 8.5 percent overall, with the German market accounting for the greatest increase. Our assessment is that growth will remain strong in Germany next year too.

In the fall, we also launched the second generation of OrganoWood® technology, Silicium HT. This technology, which we have developed and tested for seven years, combines our silicon impregnation with high-temperature processing. With this method, the silicon binds more efficiently to the wood fibres, which in combination with the heat treatment improves the rot protection and thus provides a longer lifetime for the timber. In addition, it facilitates the end customer's maintenance as the need for surface treatment is reduced. This new product will make our offering more competitive and we therefore assess that our growth within this segment will increase. We have already received a lot of interest from the market, and the first major deliveries have been carried out – both to Swedish customers and to all our export markets. In 2022, our old product will be phased out once we have scaled up the production of OrganoWood® Silicium HT.

STEPS TOWARDS A LICENSING MODEL FOR OUR BIOCOMPOSITE ORGANOCOMP®

In 2021, sales of our OrganoComp® biocomposite, used in our customer Baux's sound-absorbing acoustic panel and Fredahl Rydén's burial coffin 'Saga', continued to grow. On the other hand, our current production capacity remains a bottleneck. We have therefore initiated discussions with potential production partners that are interested in manufacturing these products under licence. In such an arrangement, we will supply the binders and our biobased additives to our partner, which will then handle the 3D moulding of the final products. Our ambition is to sign an agreement with at least one licensee during the year. This will increase the scalability of this business, clarify our business model and role as green chemistry manufacturer, and thereby reduce our internal production costs.

GROWTH AND COST CONTROL

After a challenging 2021, when we expanded our sales and production organization and invested in new, fully-automated production equipment and brought it into operation, we are now looking forward to 2022. The current organization and our enhanced supply capacity allows us to scale up our sales without any major cost increases. With several new customers and our first major nonwoven agreements, there is good potential for a significant increase in sales and thus improved profitability. Achieving profitable growth is now the top priority of the Group. We are now looking forward to delivering on the new agreements concluded in 2021 and winning new customers in 2022. For a world without plastic waste and chemical pollutions!

”FOR A WORLD WITHOUT PLASTIC WASTE AND CHEMICAL POLLUTIONS!”

Sincerely,

Mårten Hellberg
CEO, OrganoClick AB

OUR TECHNOLOGY MIMICS NATURE'S SMART SOLUTIONS

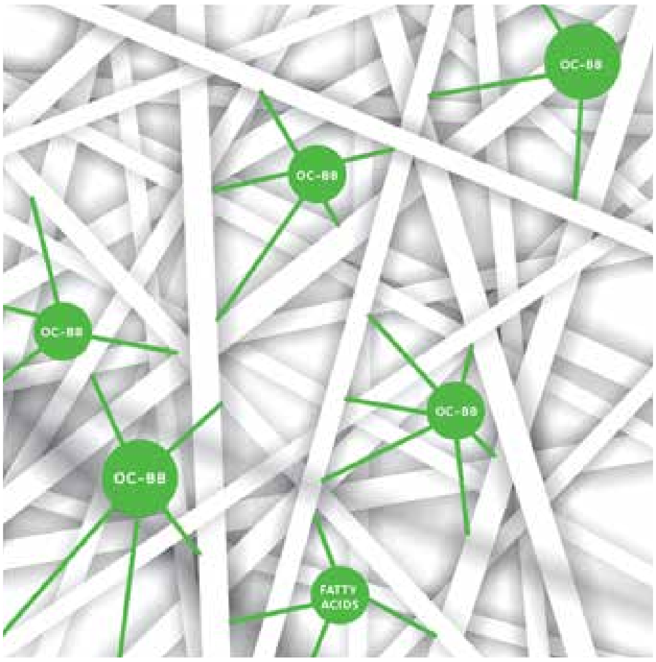
The global issues with plastics and toxic oil-based chemicals are growing. Cellulose extracted from forests and plants, as well as the molecules and polymers found in the plant kingdom, are renewable and have the potential to substitute most of today's chemicals and plastics. Unfortunately, many petrochemical plastic polymers and toxic chemicals are also used to treat a number of cellulose-based materials and add new properties to them. Chemicals and plastic polymers that cause major health and environmental problems are used in wood, textiles, nonwoven, and other fiber-based materials. Through its technology for modifying cellulose fibers, OrganoClick has developed biobased and non-toxic alternatives to replace a number of plastic polymers and problematic chemicals used in the processing of cellulose-based materials. The technologies developed by OrganoClick are used to add features such as water and grease repellency, mechanical strength, flame protection, and protection against rot and fungal attacks to the materials. At the same time, the materials are turned green inside.

OUR BIOBASED BINDERS AND BIOCOMPOSITES – REPLACING PLASTICS

Modern society relies heavily on various plastic materials. Plastics that do not break down but instead accumulate as litter, in nature and in our waterways. At present, about eleven million tons of plastic are released into the sea every year. Gradually, this plastic is ground down into microplastic particles, making its way into fish and eventually ending up on our plates. A person who eats a normal amount of fish is estimated to ingest approximately 10,000 microplastic particles per year, the same amount as one credit card per week.

The problem is largely down to single-use plastic items. These are available in the form of purely plastic products, but also hidden in products that consist of mixtures of cellulose fibers and plastic polymers. In nonwoven, technical textiles, and composite materials, so-called binders are used. They are used to bond the fibers in nonwoven and composite materials to create strength combined with rigidity or softness. These binders are almost always based on petroleum-based latex molecules in the form of ethyl vinyl acetate (EVA), polyacrylates, polypropylene (PP), polurethane (PU) or other plastic polymers. These plastic binders are normally added to nonwoven-based products such as napkins, tablecloths, agricultural textiles, surgical robes, filters, and diapers in concentrations between 10 and 30 percent of the total weight of the material. In composite materials, as much as 80 to 90 percent of the material can consist of plastic-based binders. Consequently, many nonwoven products such as napkins consist of between 70 and 90 percent renewable and biodegradable cellulose fibers and 10 to 30 percent fossil-based and non-biodegradable plastic polymers that then accumulate in nature and break down into microplastics if they are not recycled.

As an alternative to today's petroleum-based binders, OrganoClick has developed biobased and biodegradable (tested according to OECD 301A) binders. Our binders take their inspiration from the mechanical strength of plants, fruit-peel, and shells from shellfish. The binders mainly use residues from the food and forestry industries, for example polymers from orange peel, shrimp shells, and oat husks. OrganoClick has developed OC-BioBinder™, a product range of biobased and biodegradable binders, through a solid knowledge of the properties of these biopolymers, and via OrganoClick's technology for modifying cellulose fibers. These binders can be used for nonwoven, technical textiles, and composite materials, enabling production of 100 percent biobased and biodegradable materials. As such, we turn nonwoven and biocomposites green inside!



Our binders create strong chemical bonds between the celullose fibers and biopolymers in the nonwoven materials..

SILICON – NATURE'S OWN WOOD PROTECTION THAT CAN REPLACE BIOCIDES AND TOXIC HEAVY METALS

Traditional wood protection is based on biocides and heavy metals. These act according to their fungicidal effect, i.e. by killing the fungus. Common substances used worldwide are copper, chromium, arsenic, and creosote. Unfortunately, these substances are also toxic to animals, nature, and humans, as well as being bioaccumulative. In the Nordic region, about 5,000 tons of heavy metals are used per year to pressure-impregnate timber; globally, hundreds of thousands of tons are used every year.

OrganoClick has developed a new technology in which the natural protective properties of silicon have been used. Silicon is Earth's most common element. Ordinary sand, for example, consists mostly of silicon. Several plants also absorb silicon in order to provide protection against their surroundings. Rice husks, for example, are rich in silicon compounds as a protection against attacks. The silicon provides protection against fungal attack as well as against fire, as it is non-combustible. This property is used by a number of plants to create a higher resistance to forest fires by absorbing and storing silicon in their outer layers.

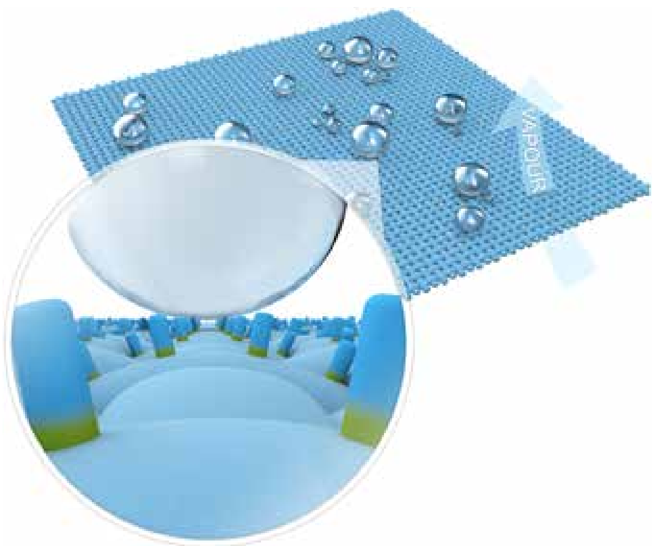
Using the company's technology for modifying cellulose, silicon compounds are attached to the wood fibers, thus providing improved protection against rot and fire. This technique can therefore replace heavy metals that currently are used as wood protection. Thus, our technology also turns wood green inside. Without toxic copper salts as impregnating agents.

BIODEGRADABLE TEXTILE IMPREGNATION REPLACING HORMONE-DISRUPTING PFAS

Water repellent materials are created with the use of so-called durable water repellents (DWRs). These have been the focus of increasing attention for how they often consist of fluorocarbons (PFCs or PFASs). The functional properties of PFAS are excellent, but several have been shown to be hormone disrupting and carcinogenic. In addition, they are bioaccumulative and decompose extremely slowly in nature.

In animals, PFAS accumulates in the fat, which has led to their accumulation in the food chain. For several years, the concentration of PFAS found in fish has been on the increase, and the same is now the case in humans. This has led both environmental organizations such as Greenpeace and regulatory authorities to launch campaigns and regulatory investigations around PFAS. Norway has taken the lead by already banning several of the PFAS molecules, and the EU has also begun to ban several PFAS substances. In the United States, residents of areas in which the water has been poisoned by nearby factories manufacturing PFAS have brought several notable lawsuits against chemical companies.

As a replacement for persistent and hormone-disrupting fluorocarbons, OrganoClick has developed a new technology, drawing inspiration from the water-repellent properties of leafy plants. By creating a network of biodegradable, water-repellent polymers, tightly bonded to the fibers, a durable water repellency of the material is created. The products OrganoClick sells are rapidly biodegradable (tested according to OECD 301C) and classified as non-toxic according to CLP. This technology has been used to develop a product range with hydrophobic (water repellent) products adapted to wood, textile, nonwoven, and composites.



Biodegradable, water repellent molecules are attached to the textile fibers which make the fabric water repellent.

OUR BUSINESS

OrganoClick manufactures and sells green chemical products that replace hidden plastics and toxic chemicals in fiber-based materials such as nonwoven, paper, textiles, wood, and biocomposites. The company's core technology is based on many years of research in so-called 'biomimetics', that is, how various natural chemical processes take place. By studying how nature has solved various functional problems, OrganoClick's researchers have developed a technology for modifying fiber-based materials such as wood, textiles, nonwoven, and paper. By attaching functional organic or inorganic molecules to the surface of the fibers, the properties of the material can be changed. From this core technology, green chemical products have been developed to provide water resistance, mechanical strength, rot protection, or flame protection to the fiber-based materials.

ORGANIZATION AND CORPORATE STRUCTURE

The OrganoClick Group consists of parent company OrganoClick AB (publ), subsidiary Biokleen Miljökemi AB and partly-owned (60 percent ownership) subsidiary OrganoWood AB. The business is divided into the four business units of Functional wood, Green coatings & maintenance products, Biocomposites, and Nonwoven & technical textiles. The Group has a joint Finance & Administrative unit, Marketing department, R&D unit, Operational unit and Environment department.

The business units Functional wood and Green coatings & maintenance products sell and market the Group's wood and chemical engineering products to consumer and professional markets respectively. The Biocomposites business unit sells the company's biocomposites to industrial customers, and the Nonwoven & technical textiles business unit supplies biobased binders and hydrophobing products to nonwoven and textile manufacturers. The operational unit manufactures the Group's chemical products and biocomposites. At the end of 2021, the total number of employees in the Group was 51.

In addition to its own expertise, the company collaborates with partners in, among other things, marketing, IP, and regulatory issues. Cooperation also takes place with Bergs Timber AB for the production of OrganoWood®-modified timber. The company has its own R&D unit with 7 Ph.D. chemists and chemical engineers working in the Group's modern and well-equipped lab. Some projects also take place in collaboration with reputable universities and institutes such as KTH, Stockholm University, RISE and the Swedish School of Textiles at the University of Borås.

BUSINESS MODEL

Based on its technology platform, OrganoClick has developed offers that target both consumers and industrial customers. OrganoClick mainly sells and markets its products under its own brands, but some manufacturing takes place for private-label customers in the Green coatings & maintenance products business unit. The company manufactures and sells its green chemical products to consumers via retailers or directly to industrial customers that use them in their production of materials. For certain special products in the Biocomposites business unit, the company also manufactures and sells finished materials. The partly-owned subsidiary OrganoWood AB also markets and sells OrganoWood® timber, impregnated with the company's silicon-based wood preservative which is manufactured by OrganoClick and sold to OrganoWood AB.

As all of OrganoClick's chemical technologies can be applied to wood materials, textiles, nonwoven, as well as composite materials, the same production equipment and plant can be used – and this results in great synergies in the production of the chemical products. As such, this business model has excellent scalability. In addition, it increases OrganoClick's focus on sales, marketing, and product development.

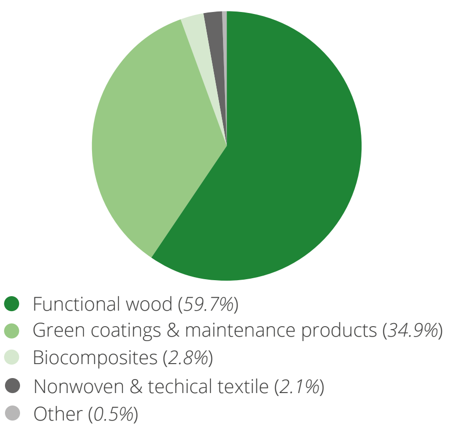
PRODUCTION

OrganoClick's business model is based on the Group's in-house production of the critical components for the Group's various materials and chemical products. For the treatment and modification of wood, the Group cooperates with production partners. For the Group's niche biocomposites, where production technology is unique, production is currently carried out internally, but our strategy is to initiate collaborations with licensing partners for the manufacturing of the biocomposite.

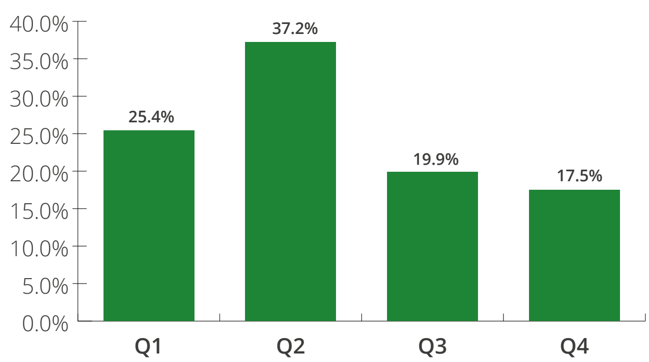
The Group's wood production partners carry out manufacturing on contract assignments from the partly-owned subsidiary OrganoWood AB. In Nonwoven & technical textile, the Group manufactures and sells its natural chemical products to industrial customers for subsequent use in their production. Within Surface coatings and maintenance products, the Group manufactures the chemical products, puts them in bottles and cans, and sells them to consumers and professionals through the building and paint trade.

The Group manufactures its green water-based chemical products in the form of mixtures or emulsions. In some cases, polymerization reactions are also performed. At the Group's production facility in Arninge, Täby, the Group has authorization and capacity to manufacture up to 10,000 tons per year of its green chemical products. The plant is approximately 5,000 m2 and includes offices, a R&D laboratory, and a production and storage unit. The plant contains four production lines that produced a total of about 2,500 tonnes in 2021, but there is capacity to produce more than 10,000 tonnes per year. The factory's capacity is currently undergoing expansion, as a production line is being added with capacity to manufacture 10,000 tonnes per year of the Group's biobased binders for nonwoven. This will be completed and brought into operation in 2022.

Net sales / operating segments 2021



Group sales / quarter[1]



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

OrganoClick's business model & value chain

	Functional wood	Green coatings & maintenance products	Nonwoven & technical textiles	Biocomposites	
Suppliers	Planing mills and chemical companies	Chemical companies	Chemical companies & biorefinaries	Pulp suppliers, chemical companies and biorefinaries	
Technology	Patented OrganoClick-technology which enables bonding of different functional molecules to cellulosic materials.				Business model and mutual technology platform which gives great synergies between the different business units
Chemistry	Same chemistry and technology platform are used for producing different functional chemistries which are used to treat the different materials within the different business units (e.g. water repellency, mechanical strength, flame protection, etc.).				
Production	» Chemical formlutaions (liquids) which adds functionality to the fiber based materials » Moulding of biocomposites » Wood modification (via production partner)				
Offering	» An industrial chemical product supplied in bulk » A chemical-technology product for consumers supplied in cans or bottles » A ready-to-use material (e.g. a durable wood or a biocomposite)				Scalable business model with production in place
Customers & distribution	Building supplier & distributors	Building suppliers, paint dealers & distributors	Textile and nonwoven manufacturers	Manufacturer of fiber-based end products	
Business segment			Furnitures		Several similar business segments
	Construction & building				
		Car care	Automotive industry		
			Retail	Funeral industry	
			Helathcare and medical applications		
	End consumers				

Group structure

OrganoClick AB

- R&D
- Finance & Administration
- Marketing & Communication
- Environment & Sustainability
- Production

Business units: Functional wood; Nonwoven & technical textiles; Biocomposites; Green coatings & maintenance products

	Minority shareholders	OrganoClick AB
Share capital	42,1 %	57,9 %
Votes	41,2 %	59,8 %

OrganoWood AB

- OrganoWood Norway AS
- OrganoWood Finland Oy

OrganoWood AB is the sales and marketing company for the business unit Functional wood.

100 %

Biokleen Miljökemi AB

GOALS & STRATEGY

VISION

Nature and water free from plastic waste and chemical pollutions

MISSION

Replace plastics and fossil-based chemicals with biobased solutions

AIMS

OrganoClick strives to help customers turn their materials green inside. We do that by developing and selling biobased chemical products and polymers that can replace hidden fossil-based plastic polymers and toxic chemicals in cellulose-based materials. Through a combination of performance, quality, environmental profile, and economic sustainability, our ambition is for the company's products to become customers' first choice. In this way, the company will grow rapidly with continuously increasing sales and improved profitability. The long-term goal of the Group is to:

- Grow organically by between 20 and 30 percent annually
- Achieve a gross margin of more than 40 percent
- Achieve an operating margin (EBIT) of 20 percent
- Be certified as a carbon neutral group by 2023, including 100 percent biobased products and 100 percent renewable energy

STRATEGY

To achieve the Group's long-term goals and vision, OrganoClick has set a strategy based on the company's business model and current position, which is based on the following:

Sales to customers capable of providing high volume and good profitability across our industry sectors

The Group will focus its sales and marketing work on the nonwoven, technical textiles, and biocomposites industry sectors, on customers capable of providing high volume and long-term profitability.

Premium brands with high environmental and technological content

In the consumer market, the Group will offer eco-labeled product solutions with high technical performance. Strong premium brands are to be built around these products so that a solid and long-term profitability can be achieved.

Market-driven innovation for existing business units where the environmental benefits are significant

By continuously asking ourselves and our customers what adds value for them, we will drive our innovation work forward within the current product areas of priority. Our business teams work closely with our R&D department to ensure that products are developed based on market demands and where we see potential to solve major environmental problems. Innovation work will be focused on the current business units and on problems where the environmental benefits of our products are so substantial that the customer is prepared to pay for a solution.

Business-critical production *in-house*

The Group will manufacture its biobased chemical products in-house, while material production will be carried out primarily by customers or licensees. Materials currently produced in-house by the Group shall be long-term licensed to industrial customers for whom OrganoClick will produce and deliver the biobased chemical products necessary for the manufacture of the materials. With this strategy, we maintain control over our business-critical elements, foster customer loyalty, enable high scalability thanks to low capital ties, and create synergies between our various business units.

FUNCTIONAL WOOD

To protect wood from rot, biocides and heavy metals are used as fungicides. Substances such as arsenic, chromium, copper, and creosote are used globally in the most common wood preservatives. The problem is that they are also toxic to other organisms and humans. In Sweden, substantially greater amounts of copper salts are leached from pressure-impregnated timber than from toxic antifouling paints on ships. OrganoClick has developed a method by which silicon compounds are attached to wood fibers using the company's cellulose modification technology. Instead of acting as a poison, these silicon substances form a physical barrier that makes it more difficult for the fungal rot to attack the fibers. Pressure impregnation of the wood with the silicone-based liquid and fixation of the silicon substances by means of high-temperature drying creates a protection that penetrates deep into the wood. In addition to improved protection against rot, silicon substances are non-combustible, thus offering an improved flame protection in the treated wood. This technology was the first that the group commercialized in 2012, and the modified timber is sold and marketed under the OrganoWood® brand via the company's partly-owned subsidiary OrganoWood AB.

THE YEAR IN SUMMARY

- Net sales increased by 8.5 (8.8) percent to MSEK 65.7 (60.6).
- Sales growth of 145 percent to MSEK 7.7 (3.2) in the German market.
- Launch of OrganoWood® Silicium HT – second generation OrganoWood® technology

PRODUCTS

Within the Functional wood business unit, OrganoClick markets modified OrganoWood® timber treated with the company's wood protection technology. The modified timber is highly durable and is also eco-labeled and completely free of biocides and heavy metals. 2012 saw the launch of the first generation of OrganoWood® modified timber, industrially manufactured by the company's production partner Bergs Timber AB in Nybro. In the fall of 2021, OrganoWood® Silicium HT was introduced – the second generation OrganoWood® technology, developed and tested during the last seven years. The novel technology combines silicon impregnation with high-temperature drying, which results both in a timber with enhanced rot protection and a product that is easier to maintain and assemble. The timber can be used to build, for example, decking, pool decks, landing stages, facades, fences, etc. and has a 10-year rot-protection guarantee.

MARKET OVERVIEW

Market size

OrganoWood® timber is marketed by OrganoClick's party-owned subsidiary OrganoWood AB, mainly towards the professional construction industry but also towards the consumer market, where the timber can replace the traditional pressure-impregnated timber. In the Nordic region, about 2.5 million m3 of pressure-impregnated timber is produced annually at a value of about SEK 5-6 billion. Major Nordic impregnation companies include Bergs Timber AB, Derome Timber AB, SCA Timber, Moelven AS, and Iivari Mononen Oy.

The company's long-term strategy, on the other hand, is to offer licenses for the manufacture of OrganoWood® timber to wood treatment companies and supply these operators with the wood protection chemistry. Today, the impregnation of wood with traditional methods require large amounts of wood preservatives, and the global market for wood preservatives is estimated at about USD 3-4 billion.

Our current markets

OrganoWood is currently represented across the entire Nordic market. In 2012, OrganoWood launched its products in Sweden using its own sales organization. In the rest of the Nordic area, sales are made through distributors. In 2020, OrganoWood initiated a broader effort in the German market through a collaboration with the leading German wood distributor Carl Götz, which also distributes the company's products in Austria and Switzerland. For the Italian market, OrganoWood also initiated a distribution collaboration with Pircher group in 2020. In 2022, OrganoWood® timber will be introduced in the UK market through a distribution collaboration with Bergs Timber UK.

Our customers

The business unit's products are sold through hardware retailers to end customers. In Sweden, the company has a broad network of approximately 180 retailers stocking OrganoWood® timber. Central framework agreements have been established with leading construction chains such as Beijer byggmaterial, Woody, Optimera, Bygma, Nordström Group, Derome Group, and Karl Hedin. End customers for the company's products are both the professional construction sector – which accounts for a majority of the company's sales – and consumers. Construction companies large and small such as Skanska, PEAB, NCC and JM use OrganoWood® timber in their projects. In our export markets, we cooperate with distributors, and distributor collaborations are currently established in the Nordics, Germany, Austria, Switzerland, the United Kingdom, France, Italy, the Balkans, and South Korea.

Market plan

OrganoWood® timber is today an established product in the Swedish professional construction market. We are, however, a small player in the consumer market. With the launch of OrganoWood® Silicium HT, with its easier installation and maintenance, the consumer market will also become a focus area. Starting in 2022, the product will be marketed also to consumers and the huge decking market. The focus in 2022, however, will be to replace our old OrganoWood® technology with our new technology. This will require a step-by-step ramp-up of production, where our partner Bergs Timber will gradually go from one to three shifts of production of OrganoWood® Silicium HT. The aim is to sell only OrganoWood® Silicium HT by the end of 2022.

The business unit's products are sold in export markets as well, through distributors. In the rest of the Nordic region, we have established distributor collaborations that we will continue to develop. Still, our main focus is outside the Nordic region where Germany, the United Kingdom, and France will be priority markets over the next three years. We are in an expansion phase in Germany, and as of 2022, we will switch to sales of our new product OrganoWood® Silicium HT. In the United Kingdom and France, the market launch will take place in 2022 with OrganoWood® Silicium HT as the first product to be marketed. We consider these three markets very interesting and capable of driving significant sales growth over the next 3-5 years.

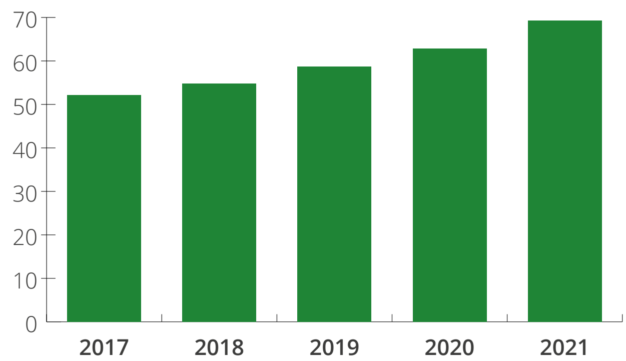
PRODUCT DEVELOPMENT

During the last seven years, we have developed and tested the second generation OrganoWood® technology. This combines silicon impregnation with high-temperature drying, a combination that improves the rot protection of the modified timber and makes installation and maintenance easier than with the current OrganoWood® technology. Still, as the wood ages, it takes on the same beautiful shade of silver as the OrganoWood® timber of today. Based on this technology, OrganoWood® Silicium HT was introduced in the fall of 2021.

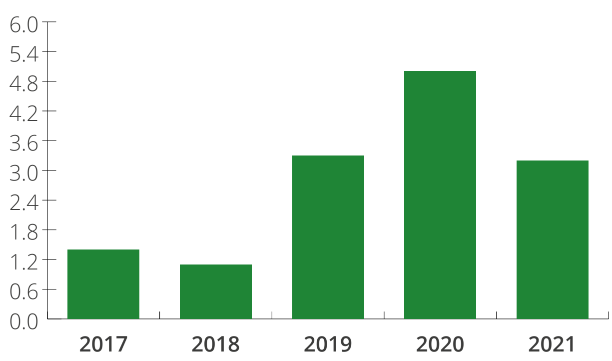
Another ongoing project is a further improvement of the technology to allow the material to be used in new ground-contact application areas. This includes applications such as electricity poles and railway sleepers. A long-term project to further develop the business unit's technology in this area of application was launched in 2016. This will, however, last at least four more years, as extensive and exhaustive field tests are required to be approved for these areas of use.

Another project under way is improved flame protection for cladding timber. Today, the company has class Cs1,d0 for cladding timber, but many projects carry a requirement for flame retardant class Bs1,d0. A project with the aim of certifying and launching a cladding timber of this class is ongoing since 2017.

Sales development OrganoWood (MSEK)



Operating profit OrganoWood (MSEK)



PROJEKTEXEMPEL **1**:	LSS-housing in Mantorp which has been built by IG Passivhus with OrganoWood®-cladding.	**Byggt**: 2021 **Arkitekt**: Snidare Arkitekter AB & APH Arkitekter AB
PROJEKTEXEMPEL **2**:	Micropowers new head office in Växjö which won Wood building of the year 2022. The whole facade is built with OrganoWood®-cladding.	**Byggt**: 2021 **Byggherre**: Arkitektkontoret

GREEN COATINGS & MAINTENANCE PRODUCTS

Consumers increasingly demand green and eco-labeled chemical products. Within the business unit Green coatings & maintenance products, OrganoClick sells, markets and delivers consumer products such as textile impregnation and shoe care, wood protection products, and complementary maintenance products for properties. The products are sold through outdoor and sports shops retailers as regards the company's textile and shoe impregnation and through the building and specialist paint trade as regards the company's wood protection and maintentance products for properties. In total, the Group has more than 700 retailers in Sweden and distributors across the rest of the Nordics, the United Kingdom, the Netherlands, the United States, and Canada.

THE YEAR IN SUMMARY

- Sales increased by 17.1 (19.2) percent to MSEK 38.4 (32.8).
- The OrganoTex® brand grew by 109.6 percent, with sales totaling MSEK 6.0 (2.9).
- New distribution agreements for OrganoTex® concluded with XXL, Stadium, and Hööks.
- OrganoWood® wood protection launched in the United States and Canada.

PRODUCTS & BRANDS

OrganoTex® clothes and shoe care

OrganoClick developed the biodegradable textile impregnation that is marketed to consumers under the OrganoTex® brand. The technology was developed taking inspiration from the natural water repellency of leaves. Since the market introduction in 2018, shoe impregnation and shoe wax have also been launched, as well as biobased and biodegradable detergents for functional garments. The products are completely free of PFAS, isocyanates, and cyclic siloxanes, which are suspected to be hormone disruptive, carcinogenic, and bioaccumulative. OrganoTex® products are classified as entirely harmless to health and the environment and are all rapidly biodegradable according to OECD 301C. During 2021, sales of clothes and shoe care products reached MSEK 6.0 (2.9).

OrganoWood® wood protection and BIOkleen® maintenance products

Under the brands OrganoWood® and BIOkleen®, the Group sells wood protection products and maintenance products for homes and property to consumers. OrganoWood® wood protection is an eco-labeled, silicon-based wood protection system based on the same technology as is used for impregnation of OrganoWood® timber. The wood protection is completely free from biocides and other toxic chemicals and renders the treated wood with a beautiful silver patina. The products are mainly used for maintenance of deckings but can also be used on facades where a natural aging of the wood is desired. Under the BIOkleen® brand and to private label customers, the Group sells a number of maintenance and cleaning products for homes and property maintenance. Product categories include the cleaning of decking, facades, roofs, paving, and paint. Most products are eco-labelled with the Swedish Society for Nature Conservation's 'Good Environmental Choice'. During 2021, sales of the Group's wood protection and maintenance products totaled MSEK 19.5 (17.5).

BIOkleen® car care

Under the BIOkleen® brand and to private label customers, the Group also markets car care products. Product categories include chassis washing, cold degreasing, rim cleaning, etc., and several products are eco-labeled with the Nordic Swan. During 2021, sales of car care products reached MSEK 12.9 (12.4).

Bra Miljöval

MARKET PLANS

OrganoTex® clothes and shoe care

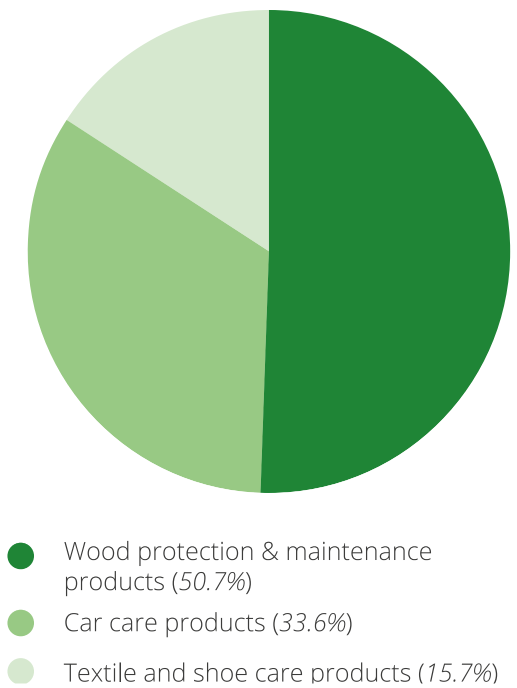
OrganoTex® clothes and shoe care products are currently sold and marketed in the European textile and shoe impregnation market. The European market is estimated at approximately SEK 1-2 billion, with shoe care representing a slightly higher proportion than the textile impregnation. OrganoTex® clothes and shoe care products are sold to consumers through retailers of outdoor equipment, sportswear, shoes, and fashion. The products are currently retailed through a large network of physical stores as well as through pure e-merchants. The company sells and markets the products on own account in the Swedish and Finnish markets, through a network of more than 200 retailers. Customers include Naturkompaniet, Stadium, XXL, Hööks, Skistar, Outnorth, Addnature, Footway, and Elevenate in Sweden and Partioaitta in Finland and XXL in Norway. In the Norwegian, Danish, and Dutch markets, distribution agreements have been concluded. The strategy is to expand sales to new territories through partnerships with distributors. Priority markets in the coming year are the British, German, and Alpine markets.

OrganoWood® wood protection and BIOkleen® maintenance products

OrganoWood® wood protection and BIOkleen® maintenance products are sold and marketed on the European and North American markets. The European and North American wood protection market for consumers is estimated at SEK 4-5 billion. OrganoWood® wood protection and BIOkleen® maintenance products are sold to consumers and professionals through the building and paint trade. In Sweden, the company sells and markets the products via its own sales force through more than 500 retailers, including XL-BYGG, Woody, Bolist, Beijer Byggmaterial, Happy Homes, Bygghemma, Nordsjö Färg & Design, Colorama, Caparol, Granngården and Ahlsell. In other markets in the Nordic region, Germany, the United Kingdom, the United States, and Canada, the products are sold and marketed by distributors. The strategic focus is to continue expansion in existing export markets and in the alpine countries and southern Europe.

PRODUCT DEVELOPMENT

The business unit's product development focuses on improving and further developing existing products for new application areas and on developing new complementary products. Projects are ongoing to eco-label all products sold under the BIOkleen® and OrganoTex® brands and make the products 100 percent biobased. The company's R&D unit will also continuously work to improve the performance of the business unit's products, thereby improving competitiveness.



BIOCOMPOSITES

More and more companies and consumers are demanding products made from biodegradable and renewable raw materials. With the right technology, raw material from plants in the form of wood fibers, recycled fibers, and other cellulose fibers can become a very interesting alternative to oil-based plastics in many products. OrganoClick has developed the biocomposite OrganoComp®, which consists of cellulose fibers combined with the company's biobased binder OC-BioBinder™. OrganoComp® can be used to manufacture 3D-moulded products as a replacement for plastics. The first products launched were acoustic panels, by our customer Baux, and burial coffins, by the Nordic region's leading manufacturer of burial coffins, Fredahl Rydéns. Other applications include packaging, furniture, and medical applications. Plastic free, and 100 percent biodegradable!

THE YEAR IN SUMMARY

- Sales totaling MSEK 3.1 (2.1)
- Continued sales growth of both sound-absorbing acoustic panels by customer Baux and burial coffins by customer Fredahl-Rydéns

PRODUCTS

Our biocomposite OrganoComp® can be used in a range of applications and replaces materials that contain plastic binders. By means of newly developed production technology for 3D moulding of cellulose fibers, OrganoClick and our customers can manufacture significantly larger 3D-moulded biocomposites than are currently available on the market. OrganoComp® and our materials technology are thus able to replace hard materials such as wood fiberboards, chipboards, and plastic composites (which all contain plastic binders) in a variety of applications.

OrganoComp® for burial coffins

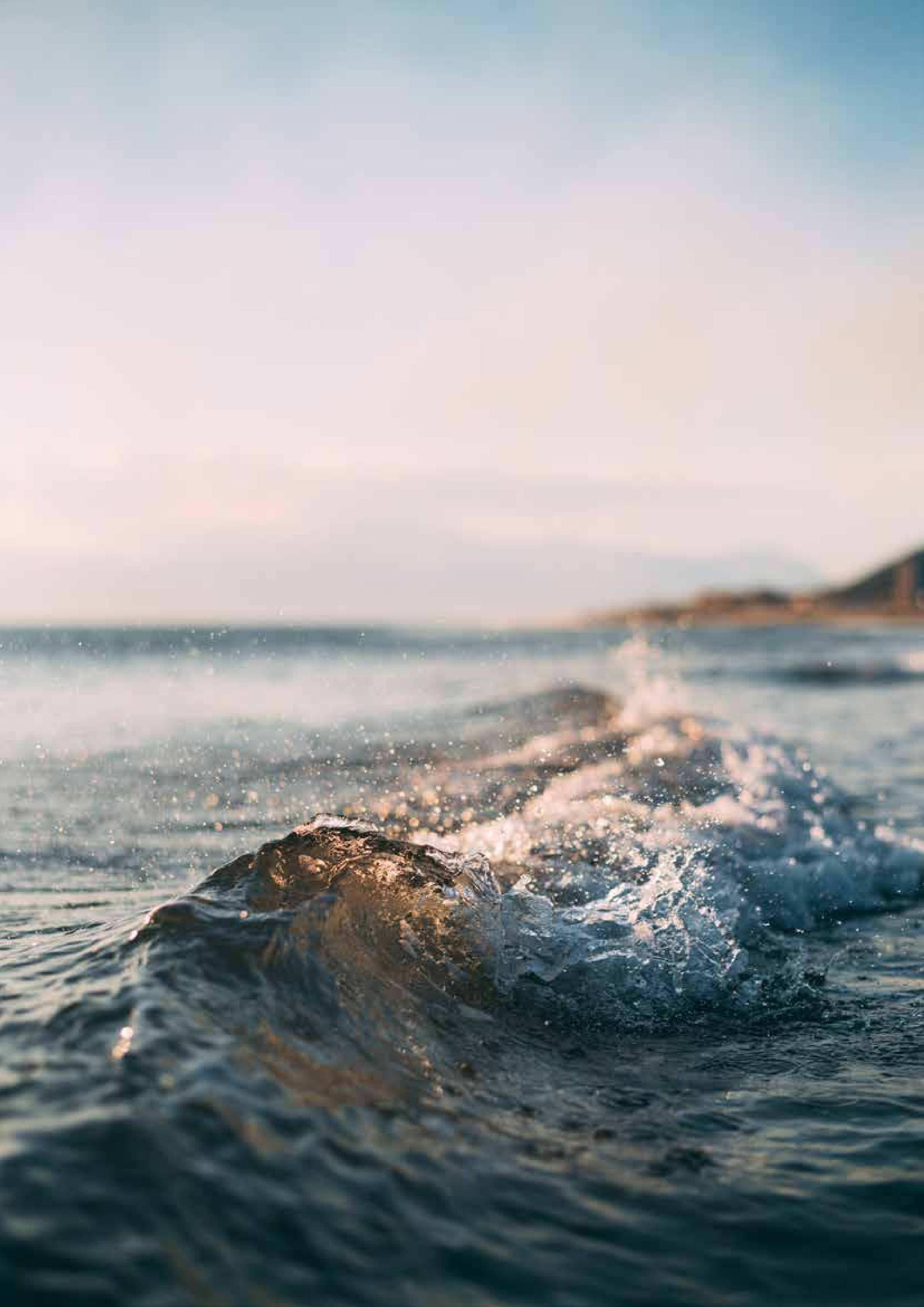
The first application of OrganoComp® that the company has developed is a material for a burial coffin. The coffin's design is similar to ordinary coffins, but on account of the strength of OrganoComp® and using a patented sandwich construction, 50 percent of the raw materials have been saved, reducing the weight from 40 to 20 kg. The burial coffin 'Saga', made using OrganoComp®, was launched by the leading Nordic coffin producer Fredahl Rydéns in May 2019 in Sweden and was launched in Norway and Denmark during the fall of 2020.

OrganoComp® for sound-absorbing materials

The customer Baux supplies sound-absorbing acoustic panels for offices and public environments. Baux produces its product Baux Acoustic Pulp from OrganoComp®. It has been on the market since 2019. The material is 100 percent biobased, combining cellulose fibers, wheat bran, and the company's binders, and has been recognized with several design awards.

MARKET PLAN

OrganoClick currently manufactures and sells material to the customers Baux, for acoustic panels, and Fredahl Rydéns, for burial coffins. In our facility in Arninge, we have set up a first pilot production to manufacture the materials. In our future expansion, however, our customers and partners will be offered to manufacture products under license while we provide the materials technology and supply the biobased binders and functional additives used in OrganoComp®. This business model offers great scalability, and OrganoClick's revenue will primarily consist of licensing revenue. Over the coming year, we will focus on entering into our first licensing agreements in the area of interior design products. In the coffin manufacturing market, we, in tandem with our customer Fredahl Rydéns, will continue to cultivate the Nordic market in the year ahead, while also working towards expanding throughout Europe.



NONWOVEN & TECHNICAL TEXTILES

Nonwoven materials are used in a wide range of applications, such as diapers, sanitary towels, napkins, wet wipes, dish cloths, filter materials, face masks, and agricultural fabrics. They are often made from cellulose fibres that bind with fossil plastic binders, and form microplastics if they end up in nature. OrganoClick has used its patented technology platform to develop a product range of biobased binders that replace traditional plastic binders in nonwovens and technical textiles and thus create 100 percent biobased and biodegradable nonwoven materials. These are marketed and delivered under the OC-BioBinder™ brand. The business unit also markets the biodegradable water repelling product OC-aquasil™ Tex to nonwoven and textile manufacturers, as a replacement for PFAS.

THE YEAR IN SUMMARY

- Sales of OrganoClick's binders and industrial water repellent products totaled MSEK 2.3 (0.8)
- Five-year agreement with Duni for supply of binders, worth approximately MSEK 30 per year at full implementation
- About ten customer projects with nonwoven customers in production trials

PRODUCTS

OC-BioBinder™: 100% biobased and biodegradable binder for nonwoven and technical textiles

OC-BioBinder™ is a product group consisting of biobased and biodegradable binders – an alternative to today's fossil plastic based latex binders. The binder is used to bond the fibers in nonwoven to make the materials strong. Most nonwoven materials made with airlaid technology and several made with wetlaid technology consist of 70-90 percent fiber and 10-30 percent plastic-based latex binders, which give the products their mechanical properties. With OrganoClick's biobinders, 100 percent biobased and home compostable nonwoven materials can be manufactured, as OC-BioBinder™ replaces the plastic binders. OrganoClick's binders are based on biopolymers obtained from waste and side streams in the food and pulp industries. Biopolymers used are based on orange peel, lemon peel, shrimp shells, and oat husk, among other things. At present, OC-BioBinder™ is used in nonwoven applications such as napkins, tablecloths, hygiene articles, and agricultural fabrics.

OC-aquasil™ Tex – a biodegradable water repellant

OC-aquasil™ Tex is a family of industrial products used to create water-repellent materials. The products, which are completely free of fluorocarbons (PFAS) and classified as harmless to health and the environment, are also biodegradable. Uses of the products include functional textiles, technical textiles, and nonwoven.

Duni launched in October 2021 premium-napkins in which they had replaced their traditional fossil-based plastic binder with OrganoClick's biobased and biodegradable binder.

MARKET PLAN

The company's customers are industrial manufacturers of nonwoven and technical textiles. The binder market is estimated at approximately USD 400 million annually[1]. The total market for water repellent products for nonwoven and textiles is estimated to be worth approximately USD 1 billion annually.

Nonwoven manufacturers are found all over the world, with an especially strong presence in both Europe and the US. Among the world's largest nonwoven companies are several Nordic players: Ahlström-Munksjö, Suominen, Essity, and Duni. In this segment and at this time, the business unit focuses on the European and American markets. Both Duni and Ahlström-Munksjö are our customers and have introduced products that integrate our biobased binder during the last year.

In the biobased binders market, competition is so far non-existent. No other known operators can today offer biobased binders that provide wet strength while retaining the softness of the material. Demand from nonwoven manufacturers of disposable articles has increased considerably in the past years as a result of the EU's new plastic directive adopted in March 2019, aimed at ensuring that plastics are phased out from a number of nonwoven items, including wet wipes. Hence, OrganoClick currently has a very good opportunity to position itself well in this market before new competitors emerge.

Each nonwoven material tends to be unique, and the company's binders must therefore be adapted to each customer. Thus, the customer relationship is often initiated through joint customer projects where the properties of the binder are adapted according to the customer's requirements. The company currently conducts a large number of customer projects across various phases. At present, four projects have resulted in finished products, two of which in volume segments (napkins by Duni and agricultural material by Ahlström-Munksjö). All customer projects have had a duration of beetween two and four years from project start-up to product launch. The reason for this time frame is that customers' products must be tested in a number of different phases (lab, pilot and production scale). Each phase has to meet firm criteria in any customer's processes regarding what must be fulfilled in order to proceed into the next phase. Furthermore, in some cases, third-party certifications are required before a product can be launched on the market.

OrganoClick's role in these projects is to assist with optimization of the binders in terms of performance, economy, and processability, as well as technical support during pilot and production runs. The company's current pipeline of customer projects has continued to grow in 2021 and today comprises more than 30 projects, ten of which have entered the production phase. The Group currently has projects with several of the world's largest nonwoven manufacturers, several of which can lead to significant volumes upon approval of the product.

PRODUCT DEVELOPMENT

In the coming year, focus will be on completing further customer projects within nonwoven. The ambition is to optimize the products for another 2-3 applications in the coming year. The company is also working concurrently on developing new variants of OC-BioBinder™ in order to have as wide a knowledge base as possible from which to start as customer projects are initiated.

1 IFAI Expo 2003. http://ascouncil.org/news/endusermaterials/presentations/IFAI03-AdhesInTextiles_Nick.pdf25

Ellepot AS launched 2021 plant pots for organic industrial horticulture. Ahlström-Munksjö supplies the 100 % biobased and biodegradable nonwoven material containing OrganoClick's biobinder.

Applications for nonwoven include wall paper, insulation materials in automotives, plaster and wound care products, air filters, home textiles, diapers, femine hygiene products, agricultural mulch films, tee bags, food packages, surgical gowns, hair and mouth covers, and napkins and table top products.

RESEARCH & DEVELOPMENT

GREEN INNOVATION – OUR DNA

Since the inception in 2006 as a spin-off company from Stockholm University and the Swedish University of Agricultural Sciences, innovation and entrepreneurship have formed the DNA of OrganoClick. Our green innovation effort is constantly ongoing, and cuts across the entire organization, from sales and production to R&D. And it is bringing results: over the last ten years, we have developed and launched a wide range of green products that replace environmentally harmful chemicals. Our biobased binders that replace plastics; wood protection technologies without heavy metals; and biodegradable textile impregnations that replace PFAS are just a few examples of our innovations!

OUR PATENTS – PART OF THE VALUE WE ARE CREATING

Intellectual property rights in the form of patents are important to protect the Group's technologies and to ensure returns on the investments the Group makes in R&D. We currently have a patent portfolio of 18 patent families with more than 50 approved patents that protect the technologies of our biobased nonwoven binders, hydrophobing products for textiles, wood protection technologies, and biocomposites.

OUR R&D WORK – PARTNERSHIPS AND OWN IDEAS

Over the years, we have made continuous investments to strengthen our R&D organization and infrastructure. Today, the company operates a modern laboratory where we develop our chemical products. We have also invested in a large number of pilot machines, where we can emulate our customers' production processes. This allows us to test our various chemical products in a relevant industrial environment before they are integrated in the customer's production. We have, for example, pilot machines for manufacturing airlaid nonwoven, for pressure impregnation of wood, for producing paper, and for impregnating textiles.

The company's development group currently employs seven people, three of whom have a Ph.D. in chemistry. In addition to its own organization, the company also collaborates with a number of research institutes and universities, including the Royal Institute of Technology (KTH), Stockholm University, Mid Sweden University, the Swedish School of Textiles at the University of Borås, and RISE (formerly SP).

Many development projects are being conducted in tandem with industrial customers, in particular within the Nonwoven & technical textiles business unit and Biocomposite business unit the company's biobased binders are customized and tested for various applications. In these areas, more than 30 customer projects ranging from lab testing to full-scale production trials are under way.

We often use waste products and side streams as raw materials i our products, e.g. biopolymers from orange and lemon peels, oat husks, and shrimp shells

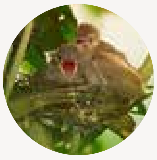
ENVIRONMENT AND CLIMATE: OUR DRIVING FORCE

OrganoClick was founded in 2006 with the mission to replace fossil-based plastics and toxic chemicals with biobased solutions. Our vision, which we work towards every day, is a nature and environment free from plastic waste and chemical pollutions. This vision and mission pervades all of the company's work, from product development and production to marketing and sales. Our employees all have a strong personal drive to work for a better environment. At the same time, we hope and expect that true sustainability is achieved when the business is also economically sustainable, and the products are commercially competitive with existing alternatives.

Our values and working methods are summarized in the company's manifest across the following points:

1. We work for the future of our planet

We develop and produce environmentally sustainable materials and chemical products, which replaces plastics and toxic chemicals.



2. Try, learn and evolve

We dare to try new things, we dare to make mistakes, we learn from both our successes and setbacks.

3. Best in class

Our products must be the most environmentally sustainable and highest performing products in their respective markets.

4. Business-driven innovation is key to success

We sell innovative products developed according to clear market need. We want to develop innovative thinking that always exceeds customer expectations.

5. Joy, dedication, accomplishment

We want to have fun at work. We feel engaged because the work we do is important. We perform best when we're enjoying our work.

6. Family and health

We care about each other. We treat each other with respect. Family and health are always top priority.

7. Climb the right mountain

To achieve success, we are convinced that we need to analyze and prioritize our business opportunities. We allocate resources to the mountains we know we can summit.

8. Together we are great

With an organization ranging from development and production to sales and marketing, we are fast, flexible and versatile. We dream together, we win together and we develop together.

ENVIRONMENTAL POLICY

Based on OrganoClick's values, the company has formulated a general environmental policy for the business. This policy has gone on to encourage the production of a number of governance documents across our various business units. The most important points in the environmental policy are listed below:

- OrganoClick aims to develop and manufacture products with the highest environmental performance.
- The company shall eco-label all its products in accordance with the conventions and regulations that apply to its various product categories.
- In all our operations, we must minimize and reduce our impact on the environment and our surroundings.
- When choosing between different energy sources and modes of transport, the company must choose those with the smallest environmental impact and where renewable raw materials are used.

OUR SUSTAINABILITY GOALS GUIDE ALL OF OUR OPERATIONS

OrganoClick was founded based on the will to make a positive contribution to the world and with a belief that environmentally friendly products are the future. Today, the company's products are segment leaders in regard of their environmental performance. The company's business strategy is that its products will continue to be the leaders within environmental performance, and the company will be the leader in developing products with the best environmental performance. Based on this strategy, several sustainability goals have been set, and all the company's operations are guided by them. The most important sustainability goals are listed below:

- OrganoClick will be certified as a climate neutral company according to Scope 1 and Scope 2 during 2022.
- OrganoClick's products will be 100 percent eco-labeled by 2023.
- OrganoClick's products will be 100 percent biobased by 2023.

OUR GOAL IS 100 PERCENT ECO-LABELED PRODUCTS

One of our primary objectives is to have 100 percent eco-labeled products. Our customers must always be confident that our products do not harm people or the environment. Most of our consumer products (BIOkleen®, OrganoTex®, and OrganoWood® wood protection) are eco-labeled with Good Environmental Choice or the Nordic Swan. An effort is under way to eco-label the remaining consumer products, and we have initiated the process with our industrial products. This involves certification testing for biobased content, biodegradability (OECD 301), compostability (EN13432) and Oekotex for our nonwoven and textile products. Our construction-related products (OrganoWood®) are assessed and recommended by building product assessors Byggvarubedömningen, and providers of health and environmental assessments of building materials SundaHus.

At group level, OrganoClick's management system has been quality and environmentally certified according to ISO 9001:2015 and 14001:2015 as part of the company's environmental and quality work. This is to steer the company's operations even more clearly in the direction of our values. Our partly-owned subsidiary OrganoWood AB is also certified by FSC and PEFC, which means that we only work with timber from sustainable forestry. For a number of years, we have also been working on identifying and reducing our CO_2 emissions in order to enable a certification of the company as a climate neutral company in 2022. In addition to the Group's production being powered by 100 percent renewable energy today, all of the Group's company cars are now electric, charged with green electricity.

HISTORICAL DEVELOPMENT

2006

- OrganoClick is founded by Ashkan Pouya, Saeid Esmaeilzadeh, Jonas Hafrén, Armando Córdova and Mårten Hellberg, who is appointed as CEO.

2007

- The company starts its first development projects, together with industry partners from the paper industry, to create products based on the company's technology.

2008

- Swedish investor Anders Wall (through Beijerinvest AB), TetraPak´s former CEO and President Bertil Hagman, and TetraPak and SCA Hygiene Products former CTO Claes-Göran Beckeman become OrganoClick´s first external investors.
- A new Board is formed with Ashkan Pouya as Chairman, with members Anders Wall, Bertil Hagman, Claes-Göran Beckeman and Armando Córdova.
- The company builds its own laboratory and moves into its first own premises.
- Development of the company's first textile products is initiated with the support of Vinnova.
- The company's technology is named the best Swedish environmental technology of the year by winning the Environmental Innovation Award.
- OrganoClick is named the most promising start-up company of the year by winning the Innovation & Technology award.

2009

- The first industrial tests are conducted within the company's development projects.
- Development of OrganoWood® begins.
- The development of biocomposite materials is initiated with the support of Vinnova.

2010

- OrganoClick is named a 'Climate solver' by the World Wildlife Fund (WWF).
- OrganoWood AB is initiated as a joint venture between OrganoClick (60% ownership) and Kvigos AB (40% ownership).

2011

- Collaboration begins with Bergs Timber Bitus AB for industrial production of OrganoWood® timber.
- OrganoClick moves to new premises where pilot productions and a larger R&D lab are set up.
- The company is named one of Sweden's 20 most innovative companies by the Swedish Institute.

2012

- OrganoWood® timber and wood preservatives are launched via the Swedish building supply chain XL-BYGG.
- The company is granted EU funding of approximately MSEK 5 for the production and start-up of its first fiber moulding line.
- The company develops its first textile product OC-BioBinder™, a nonwoven and home textile biobased binder.
- OrganoClick gets onto the list of the 33 most exciting young technology companies in Sweden, as published by magazines NyTeknik and Affärsvärlden.
- The company achieves revenue of approximately MSEK 3 from the sale of proprietary products.

2013

- OrganoWood achieves rapid expansion in Sweden through new reseller agreements with K-rauta, Optimera and Bygma.
- Home textile manufacturer Almedahls becomes the company's first textile customer for OC-BioBinder™.
- The company's first hydrophobic product for textiles – OC-aquasil™ Tex – is developed.
- A new full-scale factory enters the planning phase.
- For the second year, the company is named one of Sweden's 33 most exciting young technology companies by magazines NyTeknik and Affärsvärlden.
- The company's revenue increase to approximately MSEK 11.

2014

- OrganoWood begins its international expansion with test launches in Finland and Norway, and a distribution agreement with Frøslev Trae in Denmark.
- Work starts on building a new factory in the Arninge industrial area in northern Täby for the manufacture of fiber moulded materials as well as increase the capacity for OrganoClick's chemical production.
- Taiwan-based Chang-Ho Fibers becomes the first textile manufacturer to start manufacturing OrganoTex® textiles in Asia.
- OrganoClick decides to list its shares on Nasdaq First North, raising substantial capital to finance international expansion.
- OrganoWood® timber is named ”most exciting building material of the year" at the Nordic region's largest construction fair, Nordbygg.
- OrganoTex® is selected as one of the most interesting new materials at ISPO in Munich, the world's largest outdoor and sports fair.
- OrganoClick's revenue increases to approximately MSEK 25.

2015

- OrganoWood establishes subsidiaries in Finland and Norway, and through a distributor in Denmark.
- Distribution is agreed for OrganoWood's wood protection products in Sweden and Finland.
- FilippaK becomes the first fashion brand to use OC-aquasil™ Tex, our DWR technology for water repellent fabrics.
- Distribution agreement for OC-aquasil™ Tex signed in China and Taiwan.
- Test runs with our new fiber moulding line begin in August.
- The company moves to our new factory in Arninge industrial area with new offices, R&D lab and production facility during the autumn. The factory has a total capacity of 30,000 tons per year and 100,000 fiber moulded 3-D shaped biocomposites per year.
- OrganoClick's first quality & environmental management system is certified according to ISO 9001 & 14001.

2015 (CONT.)

- OrganoClick participates in four major EU-funded R&D projects.
- OrganoClick lists its shares on Nasdaq First North and make a new issue of MSEK 75 to finance international expansion.
- OrganoClick named one of the world's 100 most sustainable companies by being named a Sustainia100 company.
- OrganoClick's sales increase to approximately MSEK 31.

2016

- Distribution agreement for OrganoWood's wood protection products signed in the UK and Ireland.
- Test production of coffin material in the company's new fiber moulding line continues throughout the year.
- Company customer Nyarp exhibits a completed coffin for the first time at the Swedish funeral association's annual meeting.
- OrganoClick launches deliveries to one of Europe's leading manufacturers of cable socks.
- OrganoClick is named national champion in the European Business Awards.
- OrganoClick completes its first acquisition of the chemical-tech company Biokleen Miljökemi AB, which adds MSEK 23 in sales to the Group.
- OrganoClick's total sales increase by 26% to about MSEK 39.5 (31.4) (pro-forma sales of MSEK 62.5 including acquisition of Biokleen Miljökemi AB).

2017

- Sales of OrganoWood® timber begin in Germany.
- Distribution agreements are signed for OrganoWood® in the Benelux countries.
- Deliveries begin during the fall to one of Europe's leading nonwoven tablecloth manufacturers.
- Deliveries begin during the fall of Organo-Comp® for burial coffins.
- A directed new share issue raises MSEK 38 in equity and liquid assets.
- OrganoClick's net sales increase by 93% to approximately MSEK 74.7 (39.5), with organic growth of 36%

2018

- OrganoTex® Waterproofing for the consumer market is launched in Sweden with more than 150 retailers by the end of the year, including Naturkompaniet, Alewalds, Skistar, Houdini and FilippaK.
- Distribution agreements signed for OrganoWood® for the Baltic States.
- Deliveries initiated by OC-BioBinder™ to Kufner, one of Europe's leading manu-facturers of textile interlinings for the clothing industry.
- Ahlström-Munksjö launches a nonwoven for personal hygiene products where OC-BioBinder™ replaces traditional plastic binders.
- Start of deliveries of coffin material, made of OrganoComp®, to Fredahl Rydéns.
- The development of first interior design products using OrganoComp® are completed, and launched by customer Baux in early 2019.
- OrganoClick's net sales increase to MSEK 78.4 (74.7).

2019

- OrganoTex® Waterproofing launched in Finland, retailing at first through Partioait-ta, Naturkompaniet's sister company.
- New distribution agreements for Or-ganoWood® covering Germany, Austria, Switzerland and Italy.
- The burial coffin 'Saga', made from Or-ganoComp®, launched by the customer Fredahl Rydéns.
- A sound-absorbing acoustic panel, made from OrganoComp®, launched by our customer Baux.
- Heavily increased interest in the Group's biobased binders for nonwoven, driven by the EU's new plastic directive, where plastics must be phased out from a number of disposable items. OrganoClick was awarded a grant of MSEK 3.7 from Vinnova to develop biobased nonwovens in conjunction with a Swedish/Finnish consortium.
- OrganoClick's net sales increase to MSEK 85.5 (78.4).

2020

- OrganoTex® Waterproofing is launched in Norway, the Benelux, and the UK.
- OrganoWood® is expanding strongly in Germany, Austria, Switzerland and Italy.
- Distribution agreements are signed for OrganoWood® wood protection in USA and Canada.
- The burial coffin 'Saga', made from OrganoComp®, is launched by the customer Fredahl Rydéns in Norway and Denmark in addition to Sweden.
- Continuously strong interest in the Group's biobased binders for nonwoven, driven by the EU's new plastic directive, where plastics must be phased out from a number of disposable items, and several projects are in production trials with customers. By the end of the year, 2 projects have been technically verified by customers.
- OrganoClick's net sales increase to MSEK 96.5 (85.5).
- OrganoClick's showed positive cashflow from operations for the first time totaling MSEK 5.5 (-11.0) for the full year.

2021

- OrganoClick signs its first major agreement for deliveries of the compa-ny's biobased binder OC-BioBinder ™, with Duni. Upon full implementation, the five-year agreement will be worth approximately SEK 30 million / year.
- OrganoTex® shoe care is launched and continues its strong expansion via new reseller agreements with Hööks, Stadium and XXL, which adds an additional 200 resellers for the brand.
- OrganoWood® continues its strong ex-pansion in Germany. During the autumn, the second generation OrganoWood® technology, Silicium HT, is launched with improved rot protection and simpler maintenance.
- OrganoClick's net sales increase by 14% to MSEK 110.1 (96.5).

BOARD OF DIRECTORS

JAN JOHANSSON | CHAIRMAN SINCE 2016

Jan Johansson is an industrialist with extensive international experience. After receiving a M.Sc. in law from Stockholm University, he held various leading positions in the Shell group such as lawyer for Shell International Petroleum and Business area manager for Svenska Shell. He thereafter joined the Vattenfall group as Executive Vice President before taking on the position as President and CEO of Boliden in 2000. Between 2007 and 2015 he served as President and CEO of SCA. Jan is currently Chairman of the Board in Serneke Group AB and Midsummer AB, Vice Chairman of Chinese Vinda and member of the board in Kährs Holding AB.

Shareholding: 166,666 shares

CHARLOTTE KARLBERG | PH.D., MEMBER OF THE BOARD SINCE 2020

Since 2017, Charlotte Karlberg works as CTO for Alimak Group, a leader in vertical access solutions. Prior to joining Alimak Group, Charlotte was Director General for Vinnova, the Swedish Innovation agency between 2009 and 2017 and hold various management position in R&D and engineering in ABB between 1995 and 2009. Charlotte is currently the Chairman of the Board of HMS AB besides chairing a number of national R&D programs. Charlotte has a Ph.D. in Chemical Engineering from University of Lund.

Shareholding: 50,000 shares

HÅKAN GUSTAVSON | MEMBER OF THE BOARD SINCE 2016

Håkan Gustavsson is an advisor of Beijer Holding AB and represents the Wall/Beijer group on the board. He has an MBA from Stockholm School of Economics and has thereafter held positions such as CFO/COO for MEC, ENEA and Niscayah before joining Beijerinvest in 2013. His currently serves in the board of directors of E. Öhman J:or Fonder AB, Sturebadet Holding AB and several subsidiaries in the Wall/Beijer group.

Shareholding: 273,000 shares

MALIN BUGGE | MEMBER OF THE BOARD SINCE 2020

Malin Bugge is CSO/Chief Strategy Officer and managing partner at Kurppa Hosk – a leading brand consultancy firm, part-owned by Altor. Malin has 20+ years' experience of solving complex business and branding problems for companies in a variety of industries. Both as a strategy consultant, at agencies like Differ, Essen International and Volt, and as Brand & Marketing Manager of the multinational parking corporation Q-Park. Malin has a master's degree in business and marketing from Stockholm University, and a post-graduate degree from IHR.

Shareholding: 15,000 shares

CLAES-GÖRAN BECKEMAN | MEMBER OF THE BOARD SINCE 2008

Claes-Göran Beckeman holds a M.Sc. in chemical engineering from the Chalmers University of Technology. He has held the position as Chief Technology Officer (CTO) at Tetra Pak and Tetra Laval, and as CTO at SCA, in the business unit Hygiene Products. Claes-Göran's current directorships include Cellcomb AB and OrganoWood AB. He is also a member of the Royal Swedish Academy of Engineering Sciences.

Shareholding: 689,316 shares

MANAGEMENT

MÅRTEN HELLBERG | CEO AND CO-FOUNDER

Mårten Hellberg holds a M.Sc. in Engineering Molecular Biotechnology from Uppsala University and École Normale Supérieure de Lyon in France. He has also studied economics at the universities of Stockholm and Uppsala. He is a co-founder of OrganoClick and has served as its CEO since its foundation in 2006. Mårten previously had an active career in canoeing, at several occasions becoming the national champion. He was a member of the Swedish National Canoeing Team for 12 years, and has participated in the Swedish Olympic Committee's elite program.

Shareholding: 7,681,169 shares (privately and through company). *Warrants: 193,504 pcs.*

JESSICA SUNDBORG | CFO

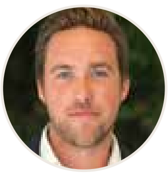
Jessica Sundborg holds a Master in Economics from Södertörn University. She has previously held a number of different positions within finance and economics, for example at Deloitte and at the Swedish National Audit Office. Before joining OrganoClick in the role as CFO in 2013, she held the position as Group Chief Accountant at the then listed IT company Avega Group.

Shareholding: 180,000 shares. *Warrants: 122,437 pcs.*

DAN BLOMSTRAND | VICE PRESIDENT AND HEAD OF BUSINESS UNIT BIOCOMPOSITES

Dan Blomstrand holds a M.Sc. in Chemical Engineering from Uppsala University and has also studied economy and business development at the Uppsala School of Entrepreneurship. He has more than 10 years of experience from tech sales and marketing, mostly within medical technology and life sciences. Before joining OrganoClick he has worked as Business Unit Manager Pharma at Aerosol Scandinavia and as Global Account Executive at Catalent Pharma Solutions. He joined OrganoClick in spring 2016.

Shareholding: 114,000 shares. *Warrants: 100,000 pcs.*



PETER RYDJA | VICE PRESIDENT AND HEAD OF BUSINEE UNIT GREEN COATINGS & MAINTENANCE PRODUCTS

Peter Rydja holds a Master in Economics and B.Sc in Industrial engineering from Mälardalen University. He has more than 15 years of experience from management, sales and business development of consumer products. Previous experience includes, Managing Director of Gateau, a premium bakery within the Fazer-group, and as CFO for Fazer brands. Peter joined OrganoClick in 2021.

Shareholding: 30,000 shares. *Warrants: 100,000 pcs.*

MARIA WENNMAN | RESEARCH & DEVELOPMENT DIRECTOR

Maria Wennman holds a M.Sc. in Molecular Science and Chemical Engineering from KTH Royal Institute of Technology in Stockholm. She has worked at OrganoClick since 2012, mostly with the development of the company's biobased binders for nonwoven and the company's biocomposites, and she is the inventor of 4 patents within the field. She was appointed as the group's Research & Development Director in 2019.

Shareholding: 26,465 shares. *Warrants: 63,694 pcs.*

DANIEL LUND | COO

Daniel Lund holds a M.Sc. in Chemical Engineering from Chalmers in Gothenburg. He has more than 20 years of experience from different positions within chemical production and logistics. Prior starting at OrganoCLick in 2021, he served as COO at the medtech company Bactiguard, Previously, he has had leading positions within production and logistics at Pfizer, Astra Zeneca, and Medivir.

Shareholding: 115,000 shares. *Warrants: 193,504 pcs.*

STEN ÅKERBLOM | BRAND MANAGER

Sten Åkerblom has an education in environmental science and has studied advertisement and marketing at Bergs in Stockholm. He has more than 20 years of experience from communication and advertisement agencies. The last 10 years, Sten has been a Partner, Art Director and Brand strategist at the advertisement agency BerntzonBylund. Sten joined OrganoClick as Brand manager in 2021.

Shareholding: 12,000 shares. *Warrants: 138,361 pcs.*

MATTIAS BODIN | ENVIRONMENTAL & SUSTAINABILITY MANAGER

Mattias Bodin holds a M.Sc. in Chemical Engineering from KTH Royal Institute of Technology in Stockholm. During the last 20 years, he has worked in the H&M group in a variety of roles relating to environmental issues, innovation, and chemical regulatory issues. Among other things, he has worked as the H&M group's sustainability expert on materials and chemicals; operated and developed the H&M group's quality lab in Bangladesh; and has been responsible for the H&M group's Circular Innovation Lab. Mattias' took up position as Environmental Sustainability Manager at OrganoClick in 2022.

Shareholding: 0 shares. *Warrants: 68,000 pcs.*

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of OrganoClick AB (publ), Corp. id. no. 556704-6908, hereby present the annual report and the consolidated financial statements for the financial year 2021-01-01 to 2021-12-31. Numbers within parentheses refer to the preceding year. Amounts are stated in kSEK unless specified otherwise.

Business and structure

OrganoClick AB (publ) and its subsidiaries ("the Group" or "OrganoClick") is a material and chemical technology company founded in 2006 as a spin-off from Stockholm University and the Swedish University of Agricultural Sciences. The Group develops and manufactures environmentally friendly fiber-based materials and biobased chemical products for treatment of wood, technical textile and nonwoven, as well as biocomposites.

Organization

The Group is divided in four business units: Functional wood, Green coatings & maintenance products, Biocomposites and Nonwoven & technical textile. Besides the operating business units, the Group maintains key functions in units for Finance & Administration, Marketing & Communication, Production, Environment & Sustainability and Research & Development.

Sales and marketing within the Functional wood business unit is performed through the subsidiary OrganoWood AB. Sales and marketing towards specialized paint retailers is conducted through the subsidiary Biokleen Miljökemi AB. Other operations are conducted through the Parent Company, OrganoClick AB (publ). At the end of 2021, the Group employed 51 (44) people.

Product range

Within the Functional wood business unit, the Group (through the part owned subsidiary OrganoWood AB) sells and markets modified timber, protected from rot and fire without biocides or toxic heavy metals under the OrganoWood® brand.

Within the Green coatings & maintenance products business unit, the Group sells and markets a wide range of eco-labeled chemical technology products for exterior maintenance and cleaning of decking, facades and roofs as well as car care under the BIOkleen brand®, eco-labeled wood protection products under the OrganoWood® brand and biodegradable textile impregnations as well as shoe and clothes care products under the OrganoTex® brand. In addition, the business unit delivers a number of its products to customers who sell them under their own brand (private label).

The Biocomposites business unit launched its first 3D moulded biocomposites in 2019 under the OrganoComp® brand, which can replace plastic and particle board. The first product is a new material for burial coffins, where the Group has entered into a first agreement with the leading Nordic coffin manufacturer, Fredahl Rydéns, which launched the burial coffin 'Saga' in 2019. The design is similar to regular coffins, but the material is 50 percent lighter and almost completely free from synthetic adhesive, which is abundant in the particle board that is used for most coffins. In addition to this application, sound-absorbing acoustic panels made with OrganoComp® have been launched by the customer Baux.

Within the business unit Nonwoven & technical textile the Group supplies biobased binders and water repellent products to industrial customers in nonwoven and technical textile. Products include the biobased binder OC-BioBinder™ that replaces the plastic binders in use today, and the bio-degradable water repellent product OC-aquasil™ Tex that replaces fluorocarbons (PFAS). In 2021, Duni has launched the world's first fossil-free and home-compostable premium napkin where OrganoClick binders have replaced traditional plastic binders. A large number of customer projects are also conducted with globally leading nonwoven companies, where a number of projects are tested in real production tests, some of which were technically verified at the end of the year.

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.

Product Development

The Group's innovative, environmentally friendly and high-performance materials form OrganoClick's DNA. In order to remain a leading player, the Group conducts active R&D work in all business units. The focus is on the development of new or improved products based on the current technologies for water resistance, mechanical strength, and flame and rot protection. Synergies are thus created between the Group's business units Functional wood, Green coatings & maintenance products, Biocomposites and Nonwoven & technical textile in that the same functions and technologies can be used on different materials. Research and development are conducted in close cooperation with several renowned universities and institutes, including the KTH – the Royal Institute of Technology, Stockholm University, Borås Textile University, RISE (previously SP) and Mid-Sweden University.

Patents

OrganoClick is actively working to strengthen its IP-position by way of patents. The Group is working together with renowned patent consultants to develop strategies and prepare patent applications. The Group currently holds about 50 approved patents within eighteen patent families. The earliest patent expires in 2028.

Raw material supply and manufacturing

OrganoClick's chemical production is very similar across the business units, leading to clear cost synergies. For every business unit, OrganoClick's production unit manufactures the critical chemical substances and the formulations that give the materials their unique properties. Raw materials and chemicals are purchased from raw material suppliers and chemical companies. OrganoClick then produces the formulations on its own account and supplies them internally for the Group's own production of biocomposites as well as to production partners and customers.

OrganoClick also manufactures the Group's biocomposites on its own. A specially developed production line has been set up in the Group's production facility where production of the business unit's first products takes place. The Group has an ambition to also enter into agreements with licensing partners who use the Group's technologies to manufacture various products based on the Group's biocomposites. During the year, discussions were initiated with the first stakeholders.

A production cooperation also takes place with Bergs Timber AB for the production of the OrganoWood® modified wood. Within the Functional wood business unit, external production partners in wood treatment provides scalability and full control over the manufacturing process while reducing the risk of having growth opportunities hampered by limited production capacity.

Legal structure

As of 31 December 2021, OrganoClick had 4,614 (2,975) shareholders divided on 97,950,000 shares. The five major owners on 31 December 2021 were: Mårten Hellberg (with company), 7,401,169 shares (7.56 percent), Beijer Ventures AB, 7,107,180 shares (7.26 percent), Handelsbanken fonder, 5,823,301 shares (5.95 percent), Mediuminvest AS, 5,595,831 shares (5.71 precent) and Anders Wall Foundations, 5,090,227 shares (5.20 percent).

OrganoClick AB has a wholly-owned subsidiary, Biokleen Miljökemi AB, and a part-owned subsidiary, OrganoWood AB. OrganoClick AB owns 57.9 (54.5) percent of the capital and 59.8 (59.4) percent of the votes in OrganoWood AB. Other ordinary shareholders own 38.5 (36.4) percent of the capital and 39.8 (39.6) percent of the votes. In addition to 2,000,000 ordinary shares, there are also 200,000 preference shares which until July 2021 were divided on 81 owners that together controlled 9.1 percent of the capital and 1.0 percent of the votes. During the third quarter of 2021, OrganoClick, together with another holder of ordinary 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%. The other ordinary shareholder owns 23.45 percent of preference shares and the remaining 40.13 percent of the preference shares are owned by 29 preference shareholders who thus own 3.6 percent of the capital and 0.4 percent of the votes in OrganoWood AB. The terms of the preference shares are specified in the Articles of Association of OrganoWood AB and are described in Note 23 of the annual report.

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 closing price of the share on 31 December 2021 was 7.0 (11.0), giving a market capitalization of MSEK 686 (1,013).

The largest shareholders in OrganoClick AB as at 31 December 2021[1].

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
Subtotal	**48,953,196**	**49.98**
Other shareholders	48,996,804	50.02
Total shares	**97,950,000**	**100.00**

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

Environment and sustainability

The basis of OrganoClick's business concept is to develop and supply environmentally friendly material and chemical technology products. This mission pervades all of the Group's work in product development, production, marketing and sales. The staff recruited by OrganoClick must have a high level of competence and commercial impetus, but must also represent the same values as the Group. The Environment policy adopted by the Group states, among other things, that OrganoClick only shall develop and manufacture products with the highest possible environmental performance. The Group shall further eco-label all its products in accordance with the conventions and regulations that apply to the Group's various product categories. In all of its operations, the Group shall strive to minimize and reduce its negative impact on the environment and the outside world. In a choice between different energy sources or modes of transport, those that are associated with the least environmental impact and are based on renewable raw materials shall be favored.

OrganoWood is certified by FSC and PEFC since 2014, thus buying only timber produced using sustainable forestry practices. OrganoClick's quality and environmental management system is certified according to ISO 9001:2015 and 14001:2015 as part of the Group's environmental and quality work. This certification helps the Group to steer its operations even more clearly in the direction of our values.

Government authorization

OrganoClick's operations are subject to compulsory notification pursuant to the Swedish Environmental Code (1998:808) 9 ch. 6 s. OrganoClick AB has received an extended authorization from the county administrative board (Länsstyrelsen) to manufacture up to 10,000 cubic meters of its chemical products annually. The municipality of Täby is responsible for supervising the Group's operations.

Personnel

At the end of the year, 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.

Remuneration to senior management

Salaries, remunerations and other benefits to the Board of Directors, CEO and other executive directors are laid down in Note 9.

No remuneration committee is set up, and the Board of Directors decides on the terms of employment and the remuneration of the Chief Executive Officer. The Chief Executive Officer decides the remuneration of other executive directors. Only the Chief Executive Officer is entitled to a severance payment. The severance payment comprises 12 monthly salaries. There are no other agreements between the company and the Chief Executive Officer or other executive directors regarding benefits following the termination of appointment.

In its current form, the employment contract for the company's Chief Executive Officer Mårten Hellberg is a contract of indefinite duration from 2010. Mårten Hellberg receives a fixed monthly salary as well as the usual pension contributions. The agreement has a twelve-month period of notice when terminated by either party.

Significant events during the year

- OrganoClick signed a 5-year framework agreement with a leading nonwoven manufacturer for supply of OrganoClick's biobased binders with an estimated sales value around SEK 30 million per year at full implementation.
- OrganoClick launched OrganoTex® shoe care for the treatment and impregnation of shoes.
- OrganoClick signed a reseller agreement with Stadium for both OrganoTex® textile impregnation and washing detergent as well as OrganoTex® shoe care.
- Hööks, Scandinavia's leading chain in the equestrian sport industry, became new reseller of OrganoTex® textile impregnation and washing detergent and OrganoTex® shoe care.
- OrganoClick carried out a directed share issue of 5,837,211 shares at a prices of SEK 12 per share, to institutional owners, raising kSEK 70,047 in gross proceeds and kSEK 66,996 after issuance expenses.
- OrganoClick launched, together with another holder of common shares in OrganoWood AB, 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.
- OrganoClick signed, through its Norwegian distributor Norsk Fjellsport, a reseller agreement with XXL Norway for OrganoTex® garment and shoe care products.
- The offer made by OrganoClick and another holder of common shares in OrganoWood AB, was accepted by shareholders representing 117,250 preference shares, corresponding to approximately 58.63 percent of the total number of preference shares in OrganoWood and approximately 5.33 percent of the total number of shares in OrganoWood. Following the transaction, OrganoClick holds 70,350 preference shares in OrganoWood, corresponding to approximately 35.18 percent of the total number of preference shares.
- Duni group announced the upcoming launch of fossil free premium napkins using OrganoClick's binders.
- OrganoWood AB signed a five-year distribution agreement with Bergs timber UK regarding distribution of OrganoWood® timber in the British market.
- XXL Sweden became new reseller for OrganoTex® textile impregnation and shoe care products.
- OrganoWood launched Silicium HT, a completely new generation of wood that is sustainable and eco-labeled.
- OrganoClick's biobased binders are being developed for a new nonwoven application by Finnish Sharpcell to be used for hygienic wipes by Swedish Finess hygiene.
- 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 year

- 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 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.
- OrganoClick, Ahlstrom-Munksjö and Ellepot announced collaboration and the launch of a new organic plant pot for industrial cultivation made of nonwoven from Ahlström-Munksjö with OrganoClick's binder.
- Mattias Bodin was appointed new Environmental & Sustainability Director at OrganoClick and part of Group management.

PERFORMANCE DEVELOPMENT

The Group

Profit/Loss

The accumulated revenue amounted to KSEK 110,064 (96,458), which gave a growth of 14.1 (12.8) percent compared to the previous year. Revenue in the Functional wood business unit grew by 8.5 (8.8) percent, 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) percent, 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) percent 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

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 amortized 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) percent. Net debt/equity ratio amounted to 18.8 (14.9) percent. 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.

The Parent Company

Profit/Loss

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).

Cash flow and investments

The Parent Company's cash flow from operating activities amounted to kSEK -34,883 (-18,113), negatively impacted by the result, kSEK -27,915 (-20,360), and working capital, kSEK -6,967 (2,248). In working capital, stock building had a negative impact on liquidity, kSEK -6,749 (32). Stocks were built up to enable the Company to deliver on new agreements for binders, to address the peak season in spring, and as a precaution, as major purchases of critical raw materials were made to avoid raw material shortages and supply delays.

In investing activities, 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 the construction of a new production line for binders. In addition, the Parent Company has issued loans of kSEK -8,200 (2,250) to group companies and received repaid shareholder contributions from group companies of kSEK 2,000 (0). In financing activities, a new share issue raised proceeds of kSEK 66,996 after issuance costs. Of these proceeds, kSEK -11,178 was used to acquire preference shares in OrganoWood AB. Loans of kSEK -1,770 (0) were repaid.

Cash flow for the year amounted to kSEK 1,389 (-27,709).

Financial position

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.

Risks and uncertainties

Should any of the risks described below materialize, this could have a significant negative impact on the Group's operations, earnings, financial position and future outlook.

Risks related to the Russian invasion of Ukraine

The Group has no direct exposure to the countries that are parties to the war and is thus not impacted by, for example, the consequences of trade restrictions. Moving forward, the risks identified by the Group are that shortages or energy supply disruptions may occur, which would have a potential impact on the prices on the European energy market. Higher electricity costs would entail higher production costs for the Group as well as a risk of price rises on input materials from our suppliers. The Group further sees a risk that increased fuel prices result in higher freight costs, and that the weakening of the SEK results in more expensive raw material imports. Ultimately, this may lead to price increases for our customers, which may have a negative impact on the Group's sales.

Risks related to the Coronavirus pandemic (COVID-19)

OrganoClick has been relatively spared from negative impact of the pandemic, although the Group has been affected and has faced challenges as a result thereof. The Group has identified increased risks of production disruptions, both in-house and at partners of the Group, due to raw material supply chain disruptions or personnel shortages, either by reason of illness or absence relating to the rules and recommendations issued by state authorities. In addition, the Group sees an increased risk of fluctuations in the price of input materials and transports, which would result in higher production costs that may have to be offset by passing on the price increases to our customers, thus potentially reducing the demand for the Group's products.

Risks related to the Group's partnerships

The Group relies on, and will continue to rely on, cooperations with different partners to produce, market and sell its current products and to develop future products. The Group's business therefore relies to a large amount on external partners. Should these partners fail to fulfil their contractual obligations, fail to meet their expected deadlines, or conduct work that is lacking in quality or accuracy, planned marketing and sales activities as well as product development (among other things) could be delayed or terminated.

Risks related to research and development

OrganoClick conducts research and development programs within each of its business units and intends to focus on developing new and improved products based on the current technologies in order to subsequently bring them to the market. There are, however, no guarantees that the Group will be successful in the development of new products, that market launch of new products will be achieved as expected, or at all. Failure to develop new products may be caused by a number of factors. One such factor would be if the product in question fails to achieve the intended qualities or properties. Another such factor would be if the product in question turns out to be too expensive to manufacture and market. There is hence a risk that the Group could allocate significant resources to time-consuming and costly development projects without gaining an advantage.

Risks related to sales

It is difficult to predict the market's reception of a novel product. Even if a new product is of high quality, has good properties and is sold at a competitive price, there is no guarantee that sales will be successful.

Disruptions to production

The production of the Group's products is carried out in part by external parties and in part by the Group itself in the production facility in Arninge, Täby. The Group's success relies on reliable and efficient production. Disruptions, even minor, and damages to the Group's production equipment due to strikes, natural disasters, sabotage, fire or other reasons may affect the operations adversely, through direct property damage as well as disruptions to production. Should such events take place in internal or external production facilities, it may be difficult or impossible for the Group to fulfil its obligations towards its customers and to deliver the contractually stipulated quantities and qualities within the stipulated timeframe, thus increasing the risk that the customer switches to another supplier. Customers could further be entitled to compensation, should the Group be unable to deliver in accordance with its contractual obligations.

Price fluctuations of input goods

For every business unit, the Group produces the critical chemical substances and formulations that provide the materials with their unique properties, while raw materials for the chemical products, cellulose fibers for the biocomposites, and wood is purchased from external parties. The cost of raw materials and other materials is considerable and constitutes a significant part of the sales price of the Group's products. The pricing of the Group's products is thus affected by the raw material cost. Should the price of raw materials and other materials increase, so would the total production cost, for the Group as well as its production partners, which would result in higher prices for customers and possibly in decreased sales for the Group.

Financing risk

The Group has required and will continue to require significant amounts of capital to conduct research, development and commercialization of the Group's existing and future products. The Group is in an expansionary phase and may find itself forced to raise additional external capital in the future to be able to continue operations. There is a risk that such new capital cannot be raised on satisfactory terms for Group, or at all.

Risks related to the Group's interest-bearing liabilities

The Group has interest-bearing liabilities consisting of long-term liabilities in the form of credits from credit institutions and short-term liabilities in the form of bank overdraft facilities, invoice factoring liabilities and other credits from credit institutions. The liabilities are secured by business mortgages and, for credits given to subsidiaries, by Parent Company guarantees. There is a risk that the Group will not be able to fulfil credit conditions such as capital repayments and interest payments, or is not able to refinance at maturity. There is also a risk that the interest rate of the credits is increased and that this makes it difficult for the Group to fulfil its repayment obligations.

Risks related to intellectual property rights, know-how and confidentiality

The Group's success relies heavily on its ability to achieve and maintain protection of its intellectual property rights, including patents, related to current and future products. There is a risk that the Group fails to obtain patents or other intellectual property rights on its future innovations. In addition, patents are only valid for a limited time, and there is a risk that the Group's current and future intellectual property rights do not provide satisfactory protection. The technologies and methods that the Group uses to conduct research and development or to commercialize products may also constitute infringement of patents that are owned and controlled by external parties. Should the Group be forced to enter into legal proceedings regarding the right to a patent, the procedures could entail significant costs. Furthermore, the result may be a ruling against the Group, which could entail the loss of protection of one or several of the Group's products or an obligation to pay considerable damages. The Group further relies on know-how and business secrets and attempts to protect such information by entering non-disclosure agreements with employees, consultants and other partners. It is not possible, however, to fully protect the Group from unauthorized disclosure of information, and there is a risk that competitors gain access to know-how and use it and that this results in damage to business secrets developed by the Group.

Risks related to IT

Should the Group suffer outages and disruptions in its IT infrastructure, caused by, for example, power outages, data viruses, human or technical errors, sabotage or nature-related events, this may cause major IT-related incidents in critical operating IT systems that make it impossible for the Group to produce and deliver products or information on time to customers or other stakeholders. In turn, this may result in negative financial impact due to lost sales or fines for delayed or unfulfilled deliveries. Deliberate or non-deliberate leakage of confidential information, targeted attacks aiming to steal information or to sabotage, industrial espionage, unstructured content management in internal or external systems and other threats to information and data security may lead to the falsification, encryption or loss of business-critical information.

Competition

The Group operates in a competitive environment. The Group's future competitivity depends, among other things, on the financial resources, marketing and product development of the Group and its competitors. Furthermore, several of the Group's competitors have access to greater financial resources than the Group, which could provide them competitive advantage. There is also a risk that the Group is unable to react quickly enough to actions by competitors or to existing and future market demands. Enhanced competition from existing and new market participants may result in decreased sales and reduced market shares, as may reduced competitive opportunities.

Credit risks

The Group is exposed to credit risk. The Group's credit risks are primarily attributable to credit exposures to customers, that is, that the Group could fail to obtain agreed payments or could suffer losses due to a counterparty's inability to fulfil its obligations to the Group.

Liquidity risks

Liquidity risk means the risk that the Group will not be able to fulfil payment obligations in due time. If the Group's liquidity supports turn out to be inadequate, there is a risk that the Group will only be able to fulfil its payment obligations by raising capital on terms that increase the cost of funding significantly, or that it is not able to fulfil its payment obligations at all, and as a result defaults on its payments due under contracts.

Reputational damage

OrganoClick's reputation is important for its business. The Group's business is based on consumers and other business partners associating OrganoClick with positive values and high quality. Should OrganoClick or anyone in the senior management act in a way that conflicts with the values of OrganoClick, or should one of the Group's products fail to live up to the expectations from the market, there is a risk of reputational damage. Should it become evident that one or more of the Group's products is harmful to the environment, there is a risk that the Group's environmental profile suffers damage, regardless of whether the Group or one of its production partners is at fault.

Key individuals

The Group relies heavily on a number of key employees, including the senior management and other employees with specialist expertise in the Group's business units. The Group's future development and success depends on its ability to recruit and retain such key employees.

Future outlook

OrganoClick has seen good growth at an average annual rate of approximately 23 percent during the last five years. In 2021, the Group's sales expansion continued with a growth of 14.1 percent at the Group level and growth across every business unit in the Group. On the other hand, the Group's costs increased more, driven by growth efforts relating to sales and marketing, R&D, and increased raw material costs. This resulted in an increase in loss. The Group's ambition, moving forward, is to deliver continued good two-digit sales growth over the coming years. This will be accomplished with only limited increases of the Group's fixed costs and by increasing the gross margin through product mix changes and more efficient production. The Group's goal is to gradually improve performance over the next two years, working towards profitability.

The Group's plan is to continue the sales expansion of OrganoWood® timber on the existing markets in Sweden, Finland, Norway and Denmark in 2022, but with a strong focus on growth in the German and UK markets. In the Green coatings & maintenance products business unit, the goal for 2022 is to continue to grow on the Swedish market but also to continue to promote exports to the other Nordic markets, Germany, the United Kingdom, the United States, and Canada. For the OrganoTex® product family, the focus will be an international expansion in Norway, Finland, Germany, and the alpine countries. In the Biocomposites business unit, the focus will be on increased deliveries of OrganoComp® for burial coffins and sound-absorbing acoustic panels to the Nordic market, but also on concluding licensing agreements with production partners on implementing the business unit's production technology for the manufacturing of various products. The Group's assessment and goal is also to significantly expand the delivery of OC-BioBinder™ to our existing nonwoven customers Duni and Ahlström-Munksjö and continue our projects with nonwoven manufacturers to develop new applications. All in all, the goal is that the Group's performance will strengthen considerably through these improvements over the next two years.

Annual General Meeting

The Annual General Meeting is the highest decision-making body of the Company and shall, according to the Articles of Association, be held annually and within six (6) months after the end of the financial year. All shareholders registered in the share register six banking days before the AGM are entitled to participate. Shareholders wishing to attend a General Meeting shall notify the Company no later than on the day specified in the notice convening the meeting. Notices convening a General Meeting shall be published in "Post- och Inrikes Tidningar" and on the website of the Company. The fact that notice has been given shall be published in "Dagens Industri".

The AGM 2021

The Annual General Meeting for the financial year 2020 was held on 17 May 2021. The AGM passed the following resolutions:

- to adopt the income statement and statement of financial position, and to dispose the accumulated result according with the Board's proposal set forth in the annual report.
- to approve discharge from personal liability for the members of the Board of Directors and the CEO for their administration during the financial year
- to pay an annual fee of SEK 400,000 to the Chairman of the Board and an annual fee of SEK 100,000 to the other ordinary members of the Board.
- that the Auditors' fee's would be paid in accordance with current approved invoicing.
- re-election of Jan Johansson, Charlotte Karlberg, Claes-Göran Beckeman, Håkan Gustavson and and Malin Bugge as board members
- to adopt the nomination procedure and election of nomination committee for the Annual General Meeting 2022.
- that authorization is given to the Board of Directors to, during the period until the next Annual General Meeting and on one or more occasions, resolve on a new issue of shares, subscription warrants, or convertible bonds with or without deviation from the shareholders' preferential rights, to be paid in cash, in kind or by right of set-off. The issue may at most increase the share capital by 10 percent or SEK 92,112.50 (corresponding to 9,211,250 shares).

The AGM 2022

The Annual General Meeting will be held on May 17, 2022 at 5 pm at OrganoClick's head office in Arninge, Täby. Notice will be published through a press release and announced in Post och Inrikes Tidningar and in Dagens Industri and published on the OrganoClick website.

Nomination Committee

The Nomination Committee is elected by the Annual General Meeting, and has the following duties:

- To review the composition of the Board of Directors and its work.
- To prepare a proposal to the AGM for the election of the Board of Directors and the Chairman of the Board, and for the board fees.
- To prepare a proposal to the AGM, when applicable, regarding auditor and audit fee.
- To prepare a proposal to the AGM, when applicable, regarding the criteria for the election of the Nomination Committee.

The Annual General Meeting on 17 May 2021 resolved that the nomination committee shall consist of four people: one representative from each of the three major owners as of the final business day in August 2021 respectively, and the Chairman of the Board.

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.

Auditors

The registered audit firm PricewaterhouseCoopers AB is elected auditors until the annual general meeting 2022, with authorized public accountant Sebastian Ionescu as auditor in charge.

Proposed appropriation of profits

The Board of Directors and the Chief Executive Officer propose that no dividends be paid for the financial year 2021-01-01 to 2021-12-31.

At the disposition of the AGM, the following profits in the Parent Company are reported, (SEK):

Share premium reserve	310,701,387
Retained earnings	-163,892,419
Profit/loss for the year	-34,269,185
Total	**112,539,782**

The Board of Directors and the CEO propose that the above amounts be disposed of as follows:

Surplus carried forward to new account	112,539,782
Total	**112,539,782**

The financial result and position of the Group and the Parent Company in general is set out in the accounts below. Amounts are stated in kSEK unless specified otherwise. Numbers within parentheses refer to the preceding year. The income statement and statement of financial position will be submitted for adoption by the Annual General Meeting on 17 May 2022.

FINANCIAL DEVELOPMENT IN SUMMARY, THE GROUP

SEK 000s

Consolidated income statement	2021	2020	2019	2018	2017
Net sales	**110,064**	**96,458**	**85,480**	**78,395**	**74,682**
Operating profit/loss	**-28,590**	**-17,100**	**-15,131**	**-17,822**	**-23,456**
Net financial items	-2,578	-2,431	-3,680	-1,721	-1,792
Profit/loss before tax	-31,168	-19,531	-18,811	-19,543	-25,248
Profit/loss for the year	**-31,033**	**-19,520**	**-18,356**	**-19,476**	**-25,327**
Profit/loss for the year attributable to:					
Shareholders´ of Parent Company	-32,687	-23,646	-20,391	-20,245	-27,574
Non-controlling interests	1,653	4,126	2,035	769	2,247
Other comprehensive income	1	-7	-1	-12	-13
Comprehensive income for the year	**-31,032**	**-19,527**	**-18,358**	**-19,488**	**-25,340**
Comprehensive income for the year attributable to:					
Shareholders´ of Parent Company	-32,686	-23,650	-20,392	-20,253	-27,582
Non-controlling interests	1,654	4,123	2,034	764	2,242

Consolidated statement of financial position	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Intangible fixed assets	43,126	39,984	35,393	32,950	31,305
Property, plant and equipment	58,563	49,875	42,419	20,673	22,504
Other non-current assets	4,212	4,022	4,227	3,490	3,311
Total non-current assets	**105,902**	**93,881**	**82,040**	**57,113**	**57,121**
Current assets	48,236	26,894	30,009	24,869	22,392
Cash and cash equivalents	34,248	32,028	61,150	6,122	22,265
Total current assets	**82,484**	**58,922**	**91,159**	**30,991**	**44,657**
Total assets	**188,386**	**152,802**	**173,199**	**88,103**	**101,778**
Equity attributable to shareholders´ of Parent Company	100,325	68,655	89,458	22,287	41,626
Non-controlling interests	7,404	14,288	13,013	12,511	12,660
Total equity	**107,729**	**82,943**	**102,470**	**34,798**	**54,286**
Non-current liabilities	26,277	24,701	23,977	15,120	15,010
Current liabilities	54,380	45,158	46,751	38,185	32,481
Total equity and liabilities	**188,386**	**152,802**	**173,199**	**88,103**	**101,778**

Consolidated cash flow statement	2021	2020	2019	2018	2017
Cash flow from operating activities	-37,688	5,471	-11,012	-18,958	-22,543
Cash flow from investing activities	-14,649	-19,398	-7,007	-4,588	-8,136
Cash flow from financing activities	54,556	-15,189	73,048	7,414	42,917
Cash flow for the year	**2,219**	**-29,115**	**55,029**	**-16,131**	**12,238**

KEY FIGURES, THE GROUP[1]

SEK 000s	2021	2020	2019	2018	2017
Net sales	110,064	96,458	85,480	78,395	74,682
Revenue growth, %	14.1	12.8	9.0	5.0	92.2
Gross profit	18,510	20,198	17,763	15,748	11,211
Gross margin, %	16.8	20.9	20.8	20.1	15.0
EBIT	-28,590	-17,100	-15,131	-17,822	-23,456
EBIT, %	-26.0	-17.7	-17.7	-22.7	-31.4
EBITDA	-12,991	-4,457	-3,117	-11,358	-17,593
Profit/loss for the year	-31,033	-19,520	-18,356	-19,476	-25,327
Profit margin, %	-28.2	-20.2	-21.5	-24.8	-33.9
Equity ratio, %	57.2	54.3	59.2	39.5	53.3
Quick ratio, %	92.1	98.7	162.6	43.3	105.3
Net debt/equity ratio,%	18.8	14.9	-5.8	98.7	16.2
Return on shareholders´ equity, %	neg.	neg.	neg.	neg.	neg.
Return on capital employed,%	neg.	neg.	neg.	neg.	neg.
Average number of employees	51	43	35	38	37
Average number of shares before and after dilution[2]	95,865,889	92,477,335	79,927,844	75,761,668	70,180,309
Number of shares issued at end of year	97,950,000	92,112,789	92,112,789	74,465,731	74,465,731
Turnover per share before and after dilution SEK	1.15	1.04	1.07	1.03	1.06
Earnings per share before and after dilution SEK[2]	-0.34	-0.26	-0.26	-0.27	-0.39
Equity per share before and after dilution SEK	1.02	0.75	0.84	0.16	0.43

1. For definitions and reconciliation of alternative performance measures, see pages 81-83.

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

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

SEK 000s	Note	2021	2020
Net sales	5	110,064	96,458
Cost of goods sold	8,9	-91,554	-76,260
Gross profit		**18,510**	**20,198**
Selling expenses	8,9	-28,367	-22,078
Administrative expenses	7,8,9	-11,572	-10,651
Research and development costs	8,9	-7,503	-5,451
Other operating income	10	1,218	1,681
Other operating expense	10	-877	-799
Operating profit/loss	11	**-28,590**	**-17,100**
Financial income	12	70	103
Financial expenses	12	-2,648	-2,534
Net financial items		**-2,578**	**-2,431**
Profit/loss before tax		**-31,168**	**-19,531**
Income tax	13	135	10
Profit/loss for the year		**-31,033**	**-19,520**
Profit/loss for the year attributable to:			
Shareholders´ of Parent Company		-32,687	-23,646
Non-controlling interests		1,653	4,126
Earnings per share before and after dilution[1] SEK	14	-0.34	-0.26
Average number of shares before and after dilution[1]		95,865,889	92,477,335

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Not	2021	2020
Profit/loss for the year		**-31,033**	**-19,520**
Other comprehensive income for the year:			
Items that can later be reclassified into profit or loss			
This year's translation differences when translating foreign operations		1	-7
Other comprehensive income for the year, net after tax		**1**	**-7**
Comprehensive income for the year		**-31,032**	**-19,527**
Comprehensive income for the year attributable to:			
Shareholders´ of Parent Company		-32,686	-23,650
Non-controlling interests		1,654	4,123

1. Earnings per share have been adjusted due to a bonus issue factor in a directed share issue 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible fixed assets	15		
Capitalized development expenditures		17,622	15,532
Patents, trademarks		8,299	7,298
Licences		411	359
Goodwill		16,794	16,794
		43,126	**39,984**
Property, plant and equipment	8, 16		
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
		58,563	**49,875**
Other non-current assets			
Other long-term receivables		3,142	3,153
Deferred tax assets	13	1,070	869
Total non-current assets		**105,902**	**93,881**
Current Assets			
Inventories	18	32,391	14,331
Trade receivables	19	11,983	8,979
Income tax receivables		570	578
Other receivables		1,614	1,421
Prepaid expenses and accrued income	20	1,680	1,585
Cash and cash equivalents	21	34,248	32,028
Total current assets		**82,484**	**58,922**
TOTAL ASSETS		**188,386**	**152,802**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

SEK 000s	Note	31 Dec 2021	31 Dec 2020
EQUITY			
Share capital		980	921
Other contributed capital		307,059	243,764
Reserves		32	32
Accumulated loss including profit/loss for the year		-207,746	-176,061
Equity attributable to shareholders´ of Parent Company	22	**100,325**	**68,655**
Non-controlling interests	23	7,404	14,288
Total equity		**107,729**	**82,943**
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	24	3,249	4,645
Lease liabilities		21,605	18,700
Other non-current liabilities		1,000	1,000
Deferred tax liabilities	13	423	356
Total non-current liabilities		**26,277**	**24,701**
Current liabilities			
Liabilities to credit institutions	24	13,910	7,481
Lease liabilities		8,379	7,307
Trade payables		13,365	13,854
Income tax liabilities		-	62
Other liabilities	25	8,413	6,894
Accrued expenses and deferred income	26	10,314	9,560
Total current liabilities		**54,380**	**45,158**
TOTAL EQUITY AND LIABILITIES		**188,386**	**152,802**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	Note	2021	2020
Cash flow from operating activites			
Operating profit/loss		-28,590	-17,100
Adjustment for non-cash items	28	16,064	12,722
Interest received		70	103
Interest paid		-2,648	-2,534
Income tax paid		-54	-123
Cash flow from operating activities before changes in working capital		**-15,158**	**-6,932**
Changes in working capital			
Changes in inventories and work in progress		-18,060	789
Changes in trade receivables		-3,004	3,120
Changes in other operating receivables		-2,083	-1,394
Changes in trade payables		-489	7,866
Changes in other operating liabilities		1,106	2,021
Cash flow from changes in working capital		**-22,530**	**12,403**
Cash flow from operating activities		**-37,688**	**5,471**
Cash flow from investing activities			
Investments in intangible assets	15	-7,179	-8,161
Investments in property, pland and equipment	16	-7,470	-11,237
Cash flow from investing activities		**-14,649**	**-19,398**
Cash flow from financing activities	29		
New share issue		70,047	-
Share issue expenses		-3,051	-
Acquisition of preference shares in OrganoWood AB		-11,178	-
Net change bank overdraft facility		8,506	-8,946
Net change invoice factoring debt		1,168	-2,607
Depositions		-	300
Borrowings		-	7,463
Repayment of debt		-1,770	-
Amortization of debt		-9,166	-11,398
Cash flow from financing activities		**54,556**	**-15,189**
Cash flow for the year		**2,219**	**-29,115**
Cash and cash equivalents at beginning of year	21	32,028	61,150
Exchange rate differences in cash and cash equivalents		1	-7
Cash and cash equivalents at end of year		**34,248**	**32,028**

PARENT COMPANY INCOME STATEMENT

SEK 000s	Note	2021	2020
Net sales	5,6	39,076	32,035
Cost of goods sold	8,9	-47,249	-37,926
Gross profit		**-8,172**	**-5,892**
Selling expenses	8,9	-10,794	-6,792
Administrative expenses	7,8,9	-8,894	-8,071
Research and development costs	8,9	-6,986	-5,349
Other operating income	10	849	314
Other operating expense	10	-593	-285
Operating profit/loss	11	**-34,592**	**-26,073**
Interest income and similar items	12	420	429
Interest expenses and similar items	12	-97	-191
Net financial items		**322**	**238**
Profit/loss before tax		**-34,269**	**-25,835**
Income tax	13	-	-
Profit/loss for the year		**-34,269**	**-25,835**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	2021	2020
Profit/loss for the year	**-34,269**	**-25,835**
Other comprehensive income for the year:	-	-
Comprehensive income for the year	**-34,269**	**-25,835**

PARENT COMPANY BALANCE SHEET

SEK 000s	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible fixed assets	15		
Capitalized development expenditures		11,897	11,000
Patents, trademarks		7,430	6,411
Licences		343	292
		19,670	**17,703**
Property, plant and equipment	16		
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
		16,974	**13,719**
Financial assets			
Shares in group companies	17	39,788	30,610
Due from group companies		1,651	1,651
Other non-current assets		1,548	323
		42,987	**32,584**
Total non-current assets		**79,630**	**64,007**
Current assets			
Raw materials, supplies and finished inventories	18	13,974	7,225
		13,974	**7,225**
Short-term receivables			
Trade receivables	19	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	20	2,946	2,280
		16,579	**5,187**
Cash and cash equivalents	21	29,816	28,427
Total current assets		**60,370**	**40,840**
TOTAL ASSETS		**140,000**	**104,846**

PARENT COMPANY BALANCE SHEET (CONT.)

SEK 000s	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		980	921
Fund for development expenditures		7,245	6,348
Total restricted equity		**8,225**	**7,269**
Non-restricted equity			
Share premium reserve		310,701	243,764
Retained earnings		-163,892	-137,160
Profit/loss for the year		-34,269	-25,835
Total non-restricted equity	22	**112,540**	**80,769**
Total Equity		**120,765**	**88,038**
LIABILITIES			
Non-current liabilities			
Liabilities to group companies		4,710	4,710
Total non-current liabilities		**4,710**	**4,710**
Current liabilities			
Liabilities to credit institutions	24	-	1,770
Trade payables		7,611	3,938
Other short-term liabilities	25	1,334	696
Accrued expenses and deferred income	26	5,580	5,694
Total current liabilities		**14,525**	**12,099**
TOTAL EQUITY AND LIABILITIES		140,000	104,846

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK 000s	Share capital	Fund for development expenditures	Share premium reserve	Retained earnings	Profit/ loss for the year	Total equity
Equity at 1 January 2020	**921**	**5,029**	**243,764**	**-116,154**	**-19,687**	**113,873**
Capitalized development expenditures	-	2,183	-	-2,183	-	**-**
Depreciation of previously capitalized development expenditures	-	-864	-	864	-	**-**
Transfer previous year's profit/loss	-	-	-	-19,687	19,687	**-**
Profit/loss for the year	-	-	-	-	-25,835	**-25,835**
Equity at 31 December 2020	**921**	**6,348**	**243,764**	**-137,160**	**-25,835**	**88,038**
Equity at 1 January 2021	**921**	**6,348**	**243,764**	**-137,160**	**-25,835**	**88,038**
New share isssue	58	-	66,938	-	-	**66,996**
Capitalized development expenditures	-	1,911	-	-1,911	-	**-**
Depreciation of previously capitalized development expenditures	-	-1,014	-	1,014	-	**-**
Transfer previous year's profit/loss	-	-	-	-25,835	25,835	**-**
Profit/loss for the year	-	-	-	-	-34,269	**-34,269**
Equity at 31 December 2021	**980**	**7,245**	**310,701**	**-163,892**	**-34,269**	**120,765**

PARENT COMPANY CASH FLOW STATEMENT

SEK 000s	Not	2021	2020
Cash flow from operating activites			
Operating profit/loss		-34,592	-26,073
Adjustment for non-cash items	28	6,355	5,520
Interest received		420	429
Interest paid		-97	-191
Income tax paid		-1	-46
Cash flow from operating activities before changes in working capital		**-27,915**	**-20,360**
Changes in working capital			
Changes in inventories and work in progress		-6,749	32
Changes in trade receivables		-1,625	-186
Changes in other operating receivables		-2,790	-336
Changes in trade payables		3,673	1,200
Changes in other operating liabilities		524	1,537
Cash flow from changes in working capital		**-6,967**	**2,248**
Cash flow from operating activities		**-34,883**	**-18,113**
Cash flow from investing activities			
Investments in intangible assets	15	-5,062	-6,130
Investments in property, pland and equipment	16	-6,514	-3,937
Loans to group companies		-8,200	2,250
Repaid shareholder contributions group companies		2,000	-
Cash flow from investing activities		**-17,776**	**-7,817**
Cash flow from financing activities	29		
New share issue		70,047	-
Share issue expenses		-3,051	-
Acquisition of preference shares in OrganoWood AB		-11,178	-
Repayment of debt		-1,770	-
Amortization of debt		-	-1,780
Cash flow from financing activities		**54,048**	**-1,780**
Cash flow for the year		**1,389**	**-27,709**
Cash and cash equivalents at beginning of year	21	28,427	56,136
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at end of year	**21**	**29,816**	**28,427**

NOTES

NOTE 1 GENERAL INFORMATION

OrganoClick AB (publ) and its subsidiaries ("the Group" or "OrganoClick") is a chemical and materials technology Group that develops and manufactures ecologically sustainable fiber-based materials and chemical products. Sales are conducted within the business units Functional wood, Green coatings & maintenance products, Bio-composites and Nonwoven & technical textile. The products marketed by OrganoClick include the flame and rot-resistant timber OrganoWood®, the water repellent textile treatment OrganoTex®, the biocomposite material OrganoComp® and the Groups biobased binders for non-woven. The Parent Company, reg.no. 556704-6908, is a public listed company registered in Sweden and seated in Stockholm. The visiting address to the headquarters is Linjalvägen 9, 187 66 Täby, Sweden.

The consolidated financial statements for 2021 covers the Parent Company and its subsidiaries, collectively referred to as "the Group" or "OrganoClick".

On 6 April 2022, this consolidated and annual report was approved by the Board of Directors for publication.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements of OrganoClick AB, the Group, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups, and the Annual Accounts Act.

The most important accounting principles applied by the Group are presented below. These policies have been applied consistently for all presented years unless otherwise specified.

The Parent Company's accounting principles are consistent with the Group's unless otherwise specified. See the separate headline for the Parent Company at the end of these accounting principles.

The preparation of reports in accordance with IFRS requires certain estimates to be made for accounting purposes. The senior management is further required to make certain assessments when the Group's accounting principles are applied. The areas which involve a high degree of judgment, which are complex, or such areas in which assumptions and estimates are of material significance for the consolidated financial statements, are set forth in Note 4.

New standards and interpretations

New and amended standards applied by the Group effective as of 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2
- Amendment of IFRS 4 Insurance Contracts Extension of the temporary exemption from applying IFRS 9
- Amendment of IFRS 16 Leases Covid-19-related rent concessions beyond 30 June 2021

The amendments specified above has not had any impact on the Group's financial statements.

New standards and interpretations not yet adopted by the Group

A number of new standards and interpretations will come into force for financial years starting on or after 1 January 2021 and have not been applied when preparing these financial statements. These new standards and interpretations are not expected to have material impact on the Group's financial statements for this or future periods, nor on future transactions.

Changed accounting principles in the Group

In the valuation of inventories, the acquisition value for finished goods and work in progress from 2021 also consists of direct production costs in addition to previous raw materials. The effect of the change is insignificant for the financial statements.

The accounting principle for preference shares has changed. The Group allocates profits between the shareholders of the Parent Company and non-controlling interests holding preference shares. As of 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.

Consolidated accounts

Subsidiaries

Subsidiaries are such companies in which the Group holds a controlling interest. The Group holds a controlling interest in a company when it influences the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the consolidated accounts, the subsidiaries are included from the day the Group assumes a controlling interest. They are excluded from the consolidated accounts from the date on which the controlling interest ceases.

The Group's acquisitions of subsidiaries are recognized according to the purchase method. The acquisition value is calculated at the total fair value at the time of acquisition of assets paid, issued equity instruments and accrued and assumed liabilities. Identifiable acquired assets and assumed and contingent liabilities in a business acquisition are initially measured at fair value on the acquisition date, irrespective of the extent of any non-controlling interest. The amount by which the purchase price exceeds the fair value of the Group's share of identifiable acquired assets and assumed and contingent liabilities is recognized as goodwill. If the acquisition value is less than the fair value of the assets, liabilities and contingent liabilities of the acquired subsidiary, the difference is recognized directly in the income statement.

Intra-group transactions, balance sheet items and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, but any losses are regarded as an indication of possible impairment. Where appropriate, the accounting principles for subsidiaries have been changed to ensure consistent application of the Group's principles.

Non-controlling interests

Non-controlling interests in the profit or loss and equity of subsidiaries are reported separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Preference shares

Preference shares outstanding in a subsidiary to the Group are classified as equity instruments and recognized as non-controlling interests.

The Group allocates profits between the shareholders of the Parent Company and non-controlling interests holding preference shares. Then 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.

Segment reporting

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 company'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.

Translation of foreign currency

Functional currency and reporting currency

Items presented in the financial statements for the various units in the Group are valued in the currency which is used in the economic environment in which the relevant company primarily operates (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used; this is the Parent Company's functional currency and reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency in accordance with the exchange rates applicable on the transaction date. Exchange rate gains and losses which arise in conjunction with payments of such transactions and in conjunction with translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are recognized in the income statement.

Exchange rate gains and losses related to lending, borrowing, cash and cash equivalents are recognized in the income statement as financial income and expenses. All other exchange rate gains and losses are recognized in Other operating income or Other operating expenses in the income statement.

Group companies

The results and financial position of all Group companies (of which none has a high inflation currency as their functional currency) which have a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:

a. assets and liabilities for each of the balance sheets are translated using the exchange rate at the balance sheet date;

b. revenue and expenses for each of the income statements are translated using the average exchange rate (provided that this average exchange rate is a reasonable approximation of the accumulated effect of the exchange rates applicable on the dates of the transactions, otherwise revenue and expenses are translated using the exchange rate at the dates of the transactions), and

c. all exchange rate differences that arise are recognized in other comprehensive income. Goodwill and adjustments of fair value which arise upon the acquisition of a foreign business are treated as assets and liabilities of such business and translated using the exchange rate at the balance sheet date. Exchange rate differences are recognized in other comprehensive income.

Revenue recognition

The recognition of revenue is based on when the control of the product or service is transferred to the customer. The Group recognizes revenue to illustrate the transfer of promised goods and services to customers with an amount which reflects the compensation that the Group is expected to be entitled to in exchange for these goods and services according to the following five-step model:

Step 1: Identify the contract

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the prices to the performance obligations

Step 5: Recognize revenue as performance obligations are met by the company

Sale of goods

The Group's revenue is generated by the sale of goods to other companies, for example retail and industries, and the product range consists of proprietary products, including timber, maintenance products for homes and properties, binders and biocomposites. The performance obligation is to deliver the goods ordered by customers. Revenue is recognized when the control of the promised goods is transferred to the customer. The goods are considered to be transferred when the customer has assumed control of the goods in accordance with the terms of delivery.

The transaction price primarily comprises the fixed price of the quantity sold less applicable discounts. Volume discounts that reduce the recognized revenue exist in certain segments of the operations. The amount of volume discounts is continuously assessed over the year for each customer, and recognized revenues are reduced accordingly while provisions are made based on the estimated discount rate. At year end, the final volume discounts are determined on the basis of the actual sales volume and the provision is reduced in the following year when the discount is credited to the customer.

Customers are given only limited rights to return products except when the products are faulty. Upon the return of goods sold, previously recognized revenue is reversed, and the corresponding amount is recognized as a liability to the customer.

Some of the Group's products are subject to warranties that are settled by means of repayment or replacement products. In the event of repayment, recognized revenue is reduced. Replacement products increase cost of goods sold.

All sales of goods are recognized at a specific point in time. No revenue is recognized over time.

Government grants

Government grants to conduct research and development projects are recognized at fair value when there is reasonable certainty that the grant will be received and that the conditions associated with the aid will be satisfied. Government grants relating to costs are recognized in the income statement. The income is recognized in the same periods as the costs which the grant is intended to cover. In cases where a government grant is related to a development project which is capitalized as an asset, the government grant reduces the acquisition value of the asset. The government grant affects the reported result over the useful life of the asset by way of a reduced depreciation charge.

Interest income

Interest income is recognized as revenue over the corresponding term using the effective interest method. When a receivable has decreased in value, the Group writes down the carrying amount to the recoverable value, which comprises the estimated future cash flow discounted using the instrument's original effective interest rate, and then continues to dissolve the discounting effect as an interest income.

Leasing

The lease model for lessees entails that almost all lease agreements shall be recognized in the balance sheet. The right-of-use (the lease asset) and the liability are valued at the present value of the future lease payments. The right-of-use also includes direct costs attributable to the entering of the lease agreement. Depreciation of right-of-use and interest costs are recognized in the income statement.

Right-of-use is recognized included in the asset items Buildings, Machinery and Equipment, tools, fixtures and fittings in the balance sheet. In subsequent periods, right-of-use is recognized at cost less depreciation and, when applicable, impairment, and adjusted for any revaluations of the lease liability.

Lease liabilities are reported separately from other liabilities. In subsequent periods, the liability is recognized at amortized cost reduced by leasing payments made. The lease liability is revaluated if the terms are changed for e.g. lease period, residual value guarantees or lease payments.

There is no obligation to report shorter lease contracts (12 months or less) and agreements where the underlying asset has a low value in the balance sheet. These are recognized as an expense in the operating profit/loss on a straight-line basis over the lease period.

If the lease transfers ownership of the underlying asset to the Group at the end of the lease period, or if the acquisition value of the right-of-use reflects that the Group will exercise an option to buy, the Group depreciates the right-of-use from the start date to the end of the underlying asset's useful life. Otherwise, the Group depreciates the right-of-use from the start date to the end of the useful life or the end of the lease period, whichever occurs first.

Remuneration to employees

Remuneration to employees in the form of salary, bonuses, paid annual leave, compensated absences, etc., and pensions are recognized as they are earned.

Pension obligations

The Group companies have only defined contribution pension plans. In respect of defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans pursuant to mandatory or contractual obligations or on a voluntary basis. The Group has no further payment obligations when the contributions are paid. The contributions are recognized as personnel expenses when the employee performs his or her services. Prepaid contributions are recognized as an asset to the extent the Group may benefit from cash repayments or a reduction in future payments.

Compensation upon termination of employment

Compensation upon termination of employment is paid when an employee's employment is terminated by the Group prior to the normal retirement date or when an employee accepts voluntary severance in exchange for such compensation. The Group recognizes severance compensation when the Group is demonstrably obligated either to terminate an employee pursuant to a detailed formal plan without the possibility of recall, or to provide compensation upon termination as a result of an offer made to encourage voluntary severance. Benefits payable more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans

In cases where bonus payments have been resolved, the Group recognizes a liability and a cost for the bonus. The Group recognizes provisions when there is a legal or informal obligation to do so.

Current and deferred tax

The tax cost for the period comprises current and deferred tax. Tax is recognized in the income statement, unless the tax is attributable to items that are reported in other comprehensive income or directly in equity. In such events, related tax effects are also recognized in other comprehensive income or in equity, respectively.

Current taxes are calculated using the tax rules and tax rates that on the balance sheet date are decided upon or announced and which in all likelihood will be adopted in the respective countries where the Parent Company and its subsidiaries are active and generate taxable income. The management is continuously assessing the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation. When deemed appropriate, provisions are made for amounts that likely will have to be paid to the tax authority.

Deferred tax is recognized for temporary differences that arise between the tax value of an asset or a liability and the respective book value in the consolidated accounts. Deferred tax is not recognized when it arises from a transaction which constitutes the initial recognition of an asset or liability which is not a business combination and which, at the time of the transaction, does not affect neither the book nor the tax value. Deferred tax is calculated using the tax rates (and rules) that are decided upon or announced on the balance sheet date and in all likelihood will apply at the time when the deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are set off when a legally enforceable right of set-off for current tax assets and liabilities exists and when the deferred tax assets and liabilities arise from taxes levied by the same taxation authority and relate either to the same taxable entity or to different tax entities which intend to settle current tax liabilities and assets on a net basis.

Property, plant, and equipment

All property, plant and equipment are recognized at acquisition value less accumulated depreciation, and, when applicable, accumulated impairment. The acquisition value includes expenses directly related to the acquisition of the asset.

Additional expenses are added to the carrying amount of the asset or recognized as a separate asset, whichever is most appropriate, only where it is likely that the future economic benefits associated with the asset will flow to the Group and the asset's acquisition value can be measured in a reliable manner. The carrying amount of the replaced part is derecognized from the balance sheet. All other forms of repairs and maintenance are recognized as expenses in the income statement during the period in which they are incurred.

In order to allocate their acquisition value down to the estimated residual value over the estimated useful life, property, plant and equipment are depreciated on a straight-line basis as follows:

Equipment	3-10 years
Machinery	3-10 years

The residual value and useful life of the assets are assessed on each balance sheet date and adjusted as required. The carrying amount of an asset is immediately written down to its recoverable value if the carrying amount is higher than the assessed recoverable value.

Gains or losses from divestments are established through a comparison between the sales revenue and the carrying amount and are recognized in Other operating income or Other operating expenses in the income statement.

Intangible assets

Patents

Acquired patents are recognized at acquisition value. Patents have a determinable useful life and are recognized at acquisition value less accumulated amortization. Amortization is performed on a straight-line basis in order to allocate the cost of the patents over their estimated useful life. The useful life of a patent is assessed individually for each one, and the useful lives are currently set to between five and ten years. The assessment is based on the fact that the company is in an expansionary phase where existing products are under continuous improvement and development. The product groups that are patented are replaced by new models with an interval of between five and ten years, and new patent applications are prepared for these products. General costs for consultation and market intelligence are expensed as incurred.

Capitalized product development expenses

Research expenses are recognized when incurred. Development expenses are recognized as assets as of the date when the project or activity to which they belong are considered to fulfil the capitalization criteria. Only when it is likely that the intangible asset will generate future economic benefits that will be available to the company, and when the acquisition value can be reliably calculated, the asset is capitalized. The company applies project accounts to manage this efficiently; this entails that all research and development expenditure is allocated to projects.

The Group distinguishes between four different project stages, which form the basis for the internal separation and categorization of the active projects:

1. Research projects - general search for new knowledge, with unpredictable outcome.
2. Feasibility studies - projects aiming to test a new concept to find out if it can be turned into products.
3. Development projects - projects arising from a decision to commence development of a product following the positive result of a feasibility study. Classification as a development project requires an assessment that a significant opportunity exists to develop a product that is technically and economically viable and thus will generate future financial benefits.
4. Process development projects - projects aiming to scale up a successful development project to production scale. This may entail the construction of machinery or the adaptation of products for large-scale manufacturing.

Projects in project phases 1 and 2 are expensed while projects in project phases 3 and 4 are recognized as assets.

Capitalized development expenditure comprises direct costs for material and services as well as personnel costs, with a fair share of indirect costs added. Development expenditure recognized as an asset is amortized over the estimated useful life of the asset. Amortization is initiated when the asset is ready for use, that is, at the respective market introduction of each product. Capitalized assets that are not yet ready for use are tested for impairment annually. Previously expensed development expenditure is not recognized as an asset in the subsequent period.

Impairment of non-financial fixed assets

Assets with an undetermined useful life are not depreciated. Instead, an annual assessment is conducted to ascertain the need for impairment. Tangible fixed assets are tested for impairment as soon as events or new circumstances give indication that the carrying amount may not be recoverable. The asset's value is written down by the amount by which the carrying amount exceeds the recoverable value. Intangible fixed assets, both those being amortized and those where amortization is yet to commence, mainly capitalized development projects and patents, are tested for impairment annually and when new circumstances give indication that the carrying amount may not be recoverable. The asset's value is written down by the amount by which the carrying amount exceeds the recoverable value.

The recoverable value is the higher of fair value less selling expenses and value in use. When testing for impairment, assets are grouped on the lowest level where there are separate identifiable cash flows (cash-generating units). Previously written down tangible and intangible fixed assets are tested on each balance sheet day for reversal of impairment losses.

Financial instruments

Classification and valuation

Financial assets are classified according to the business model in which they are managed, and to their cash flow characteristics. A financial asset that is held within the framework of a business model whose objective is to collect contractual cash flows, and the agreed terms for the financial asset which, at specified times, generate cash flows consisting only of payments of capital sums, and interest on the outstanding capital sum, is recognized at amortized cost. This business model is categorized as a 'hold to collect' business model. Financial assets are recognized with deductions for expected credit losses.

For liquid assets, trade receivables and other short-term receivables, the Group's business model is 'hold to collect', which means that the assets are recognized at amortized cost. As the expected term of trade receivables is short, the value is approximated to the nominal amount without discounting. Liquid assets include cash funds and bank balances, and other short-term liquid investments that can be easily converted into cash and are subject to a negligible risk of changes in value. In order to be classified as liquid assets, the term may not exceed three months from the date of purchase. As bank funds are payable on demand, the amortized cost corresponds to the nominal sum. In cash and cash equivalents, the Group includes only cash and available balances with banks.

A financial liability is classified to fair value through the income statement if it a holding for trading or if it is initially identified as a liability at fair value through the income statement. Other financial liabilities are classified to amortized cost. Trade payables are valued at amortized cost.

The expected term of trade payables is, however, short, and hence the liability is recognized at a nominal sum without discounting. Interest-bearing bank loans, bank overdraft facilities and other loans are valued at amortized cost using the effective interest method. Any differences between the loan sum received (net of transaction costs) and repayment or amortization of loans are recognized over the term of the loans.

Amortized cost and effective interest method

Amortized cost of a financial asset is the sum at which the financial asset is valued at the initial recognition date minus the capital sum, plus the accumulated depreciation using the effective interest method of any difference between that capital sum and the outstanding capital sum, adjusted for any impairments. The recognized gross value of a financial asset is the amortized cost of a financial asset before adjustments for any loss allowance. Financial liabilities are recognized at the amortized cost using the effective interest method or at fair value via the income statement.

The effective interest rate is the interest rate that, when discounting all future expected cash flows over the expected term, results in the initially recognized value of the financial asset or financial liability.

The fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and liabilities traded on an active market is determined by reference to the quoted market price.

The fair value of other financial assets and liabilities is determined according to generally accepted valuation models, such as discounting future cash flows and the use of information obtained from current market transactions.

For all financial assets and liabilities, the carrying amount is deemed to be a good approximation of its fair value, unless otherwise stated.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and recognized with a net amount in the balance sheet when there is a legal right to offset, and when the intention is to settle the entries with a net amount or to simultaneously realize the asset and settle the debt.

Impairments

The Group reports a loss allowance for expected credit losses on financial assets that are valued at amortized cost. At each balance sheet date, the change in expected credit losses is recognized in the results.

The Group values expected credit losses by evaluating a range of possible outcomes, money's time value and reasonable verifiable data, current conditions and forecasts for future financial conditions. For trade receivables, there are simplifications that mean that the Group shall directly report expected credit losses for the asset's remaining term. For all other financial assets, the Group values the loss allowance at an amount corresponding to 12 months expected credit losses. For financial instruments where there has been a significant increase in credit risk since the first recognition date, an allowance based on credit losses for the entire term of the asset is recognized.

The Group's exposure to credit risk is primarily attributable to liquid assets and trade receivables. The Group notes that a credit risk attributable to liquid assets does exist, but deems this to be insignificant. The simplified model is used to calculate the credit losses on the Group's trade receivables. When expected credit losses are calculated, trade receivables are grouped based on business unit and geographic market. The expected credit losses on trade receivables are calculated using a commission matrix that is based on past events, current conditions and forecasts for future financial conditions, and the time value of the money if applicable.

Impairment of trade receivables is recognized in operational expenses.

The Group defines default as those cases where it is unlikely that the counterparty will meet its commitments, which is evidenced by signs of financial difficulties such as missed payments. Regardless, an asset is in default if the payment is more than 90 days late. The Group writes off a receivable when the assessment is that no reasonable additional opportunities for cash flows are available.

Inventories

Inventories are recognized at lower of the acquisition value and net realizable value. The acquisition value is determined using calculated prices. The acquisition value of finished goods and work in progress consists of raw materials and other direct costs. Loan expenses are not included. The net realizable value is the estimated sales price in operating activities, less estimated cost of completion and estimated costs necessary for achieving a sale.

Trade receivables

Trade receivables are recognized at amortized cost. As the expected term of trade receivables is short, the value is approximated to the nominal amount without discounting.

Cash and cash equivalents

Cash and cash equivalents include cash resources, bank balances and other current liquid investments with a term of less than three months from the date of acquisition. Cash and cash equivalents are recognized at amortized cost.

Share capital

Ordinary shares are classified as equity. Transaction expenses directly attributable to issuance of new shares are recognized, net after taxes, in equity as a deduction from the issue proceeds.

Dividend

Dividend to the shareholders of the Parent Company is recognized as a liability in the consolidated financial statements for the period when the dividend is approved by the Parent Company's shareholders.

Earnings per share

Earnings per share before dilution

Earnings per share before dilution is calculated by dividing:

- Profit/loss attributable to shareholders of the Parent Company,
- with the weighted average number of ordinary shares outstanding during the period.

Trade payables

Trade payables are initially recognized at fair value and thereafter at amortized cost applying the effective interest rate method. The carrying amount of trade payables is presumed to correspond to its fair value, since this item is short-term by nature.

Provisions

Provisions are recognized when the Group has a legal or informal obligation as a consequence of earlier events, it is likely that an outflow of resources will be required to settle the obligation, and the amount can be calculated in a reliable manner. The provisions are valued at the present value of the amounts that are expected to be required to settle the obligation. The valuation uses a discount rate before tax that reflects a current market assessment of the time-dependent value of money and the risks associated with the provision. The increase in provisions arising from the passage of time is recognized as interest expense.

The Group currently does not recognize provisions, but as sales grow and complaints become known and measurable, the assessment regarding warranty commitments may be taken into account.

Contingent liabilities

A contingent liability is recognized when there is a possible obligation arising from occurred events and whose occurrence is confirmed only by one or more uncertain future events, or when there is an obligation that is not recognized as a liability or provision as it is unlikely that an outflow of resources will be required.

The Parent Company's accounting principles

The Parent Company's annual accounts are prepared in accordance with the Swedish Annual Accounts Act (1995:1554) as well as the Swedish Financial Reporting Board's recommendations RFR 2 Accounting for Legal Entities. RFR 2 entails that the Parent Company's annual report for the legal entity shall apply all IFRSs and statements approved by the EU, insofar as possible within the scope of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and taking into consideration the connection between accounting and taxation. The recommendation states which exceptions and supplements are to be made compared with accounting pursuant to IFRS.

Changes in accounting principles and disclosure

New standards and interpretations not yet applied

At the time of preparation of the Parent Company's annual accounts as of 31 December 2021, the Parent Company's accounts are not affected by any new or modified standards or interpretations that have not yet entered into force.

Changed accounting principles in the Parent Company

In the valuation of inventories, the acquisition value for finished goods and work in progress from 2021 also consists of direct production costs in addition to previous raw materials. The effect of the change is insignificant for the financial statements.

Accounting principles of the Parent Company

The accounting principles applied by the Parent Company differs from the accounting principles of the Group in the following respects:

Presentation of income statement and balance sheet

The Parent Company complies with the form for presentation as set forth in the Swedish Annual Accounts Act. This entails, among other things, a different presentation regarding equity. Aside from this, the income statement and balance sheet are presented in the same way as for the Group. Some terms in the income statement differs between the Group and the Parent Company, which is related to the terminology used in the Annual Accounts Act and the IFRS standards, respectively. When applicable, provisions are presented under a separate heading in the Parent Company.

Shares in subsidiaries

Acquisition costs of shares in subsidiaries are capitalized as assets and recognized at cost less impairment. Received dividends are recognized as revenue when the right to receive the payment has been established. The shares the dividend is attributed to are then tested for impairment. When an indication exists that shares and participations in subsidiaries have decreased in value, the recoverable amount is estimated. If it is lower than the carrying amount, the value is written down. Write-downs are recognized in the item Result from participations in Group companies.

Financial instruments

The Parent Company does not apply IFRS 9 but applies RFR 2. Valuation of Financial instruments is based on the acquisition value.

Capitalized development expenditure/Fund for development expenditure

The Parent Company capitalizes development expenses. This is linked to restrictions on the possibilities to distribute equity. An amount equal to the capitalized amount must be allocated to a special restricted fund, 'Fund for development expenditure'. The fund for development expenditure shall be decreased in conjunction with amortization, impairment or disposal.

Leases

In the Parent Company, leasing fees are expensed on a straight-line basis over the lease period.

NOTE 3 FINANCIAL RISK MANAGEMENT

Financial risk factors

Through its operations, the Group is exposed to a number of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management policy focuses on contingencies on the financial markets and strives to minimize potentially adverse effects on the Group's financial result.

Risk management is handled by the CEO in consultation with the CFO, in accordance with policies adopted by the Board of Directors. The CEO and CFO identify, evaluate and hedge financial risks in close cooperation with the Group's senior management and operational units.

a) Market risks

(i) Currency risks

Transaction exposure

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily to EUR and USD but to some extent also GBP. The exposure is mostly attributable to the Group's sales to customers outside Sweden and purchases of raw materials and production equipment in foreign currency. The Group's exposure to foreign currency has increased over the last two years with growing imports and exports. Such currency risks consist in part of the risk of fluctuations in the value of trade receivables and payables, in part of the currency risk arising from expected and contractual payment flows.

Net flows of foreign currency, KSEK

	2021	2020
EUR	1,740	-5,210
USD	-2,542	-510
GBP	15	-168
Total	**-788**	**-5,888**

Sensitivity analysis

If the Swedish krona had weakened/strengthened by 10 percent against the exposure currencies EUR, USD and GBP, the impact on profit/loss before tax for the year would have been approximately KSES +/- 79 (589).

Translation exposure

The Group has two holdings in foreign operations, the net assets of which are exposed to currency risks. Currency risks also arise when the assets and liabilities of foreign subsidiaries are translated to the functional currency of the Parent Company - so-called translation exposure. Since the Group's translation exposure has been limited in 2020 and 2021, the Group has not included a sensitivity analysis.

(ii) Interest rate risks with respect to cash flows and fair value

Since the Group has interest-bearing liabilities, the Group's revenues and cash flows from operating activities are dependent of changes in market interest rates. The Group's interest rate risk arises through long-term borrowing. Borrowing at a variable interest rate exposes the Group to interest rate risks with respect to cash flows which is partially offset by cash balances with variable interest rates. Borrowing at fixed interest rate exposes the Group to interest rate risks with respect to fair value. As of the date of closure of accounts, the Group had 4 (5) borrowings from credit institutions totaling kSEK 4,645 (8,119) as well as an used overdraft facility of kSEK 12,513 (4,007). All of the Group's interest-bearing liabilities to credit institutions are variable-rate, with an average interest rate of 3.8 (3.9) percent. A 0,5 percentage point increase/decrease of interest rates on interest-bearing liabilities over the next 12 months would have a KSEK +/-86 (61) impact on interest costs.

b) Credit risk

Credit risk is managed on the Group level. Credit risks arise through cash and cash equivalents, balances held with banks and financial institutions, and credit exposure to the Group's customers, including outstanding receivables and agreed transactions. The maximum credit risk exposure consists of the book value of the exposed assets, and amounts to kSEK 58,744 (45,014), where the large change compared to the previous year is explained by increased utilization of bank overdraft facility.

The risk that the Group's customers fail to meet their obligations, that is, that payment is not received from customers, is a customer credit risk. The Group actively assesses the customer credit risk by defining and reviewing customer categories internally, by continuously considering the customers' financial position and payment patterns, and by demanding payment in advance in case of uncertainty regarding a customer's financial position. The Group applies the simplified model for calculation of credit losses on receivables. When expected credit losses are calculated, trade receivables are grouped based on business unit and geographic market. The expected credit losses on trade receivables are calculated using a commission matrix that is based on past events, current conditions and forecasts for future financial conditions, and the time value of the money if applicable. On the basis of this, an expected credit loss percentage has been calculated, see table below.

December 31, 2021	Expected credit loss, %	Trade receivables before loss reservation	Expected credit loss	Trade receivables after loss reservation
Not overdue	0.1%	10,572	-11	10,561
Overdue 1-30 days	0.5%	1,242	-6	1,236
Overdue 31-60 days	3%	77	-2	75
Overdue 61-120 days	20%	36	-7	29
Overdue for more than 121 days	50%	165	-82	82
Total		**12,092**	**-109**	**11,983**

December 31, 2020	Expected credit loss, %	Trade receivables before loss reservation	Expected credit loss	Trade receivables after loss reservation
Not overdue	0.1%	7,956	-8	7,948
Overdue 1-30 days	0.5%	952	-5	947
Overdue 31-60 days	3%	0	0	0
Overdue 61-120 days	20%	101	-20	81
Overdue for more than 121 days	50%	4	-2	2
Total		**9,013**	**-35**	**8,979**

The Group deems the customer credit risk to be low, and the credit reserve amounts to an insignificant amount. The low credit loss reservation is explained by the fact that the Group is heavily exposed to the Swedish market where the Group currently deems credit risk to be low, at the same time as the majority of the customers are large and established companies in the construction and paint trade which the Group considers to reduce the credit risk. As of the date of closure of accounts, 95 (89) percent of the Group's trade receivables are Swedish companies, 3 (7) percent companies in other Nordic countries, and 2 (4) percent companies in the rest of Europe, North America and Asia. The Group continuously examines the expected credit loss percentage and adjusts it when there are indications that it will not meet expectations moving forward.

The table below sets out the change in the loss reserve with regard to trade receivables.

Change in loss reserve relating to trade receivables

Opening balance 2020-01-01	**-39**
Reversed	39
New trade receivables	-35
Closing balance 2020-12-31	**-35**
Opening balance 2021-01-01	**-35**
Reversed	35
New trade receivables	-109
Closing balance 2021-12-31	**-109**

c) Liquidity risk

The Group's liquidity risk consists of the risk that loans need to be renewed with limited financing options and the risk that the Group is unable to fulfil its payment obligations due to insufficient liquidity. As per 31 December 2021, the Group had cash and cash equivalents of kSEK 34,248 (32,028) as well as a utilized bank overdraft facility of kSEK 12,513 (4,007). The Group has a non-utilized bank overdraft facility of kSEK 2,487 (10,993).

The maturity analysis below shows the Group's liquidity risk with regard to financial liabilities (including interest payments) broken down by time remaining to contractual maturity.

Maturity analysis, Group

2021	1-3 months	3-12 months	1-3 years	3-5 years	5-8 years
Bank overdraft facility	12,638	-	-	-	-
Liabilities to credit institutions	411	1,105	1,843	1,169	425
Invoice factoring debt	6,396	-	-	-	-
Lease liabilities	2,095	6,284	15,633	7,205	1,109
Trade receivables	13,365	-	-	-	-
Total	**34,905**	**7,389**	**17,476**	**8,374**	**1,534**

2020	1-3 months	3-12 months	1-3 years	3-5 years	5-8 years
Bank overdraft facility	4,040	-	-	-	-
Liabilities to credit institutions	551	1,458	2,493	1,458	1,002
Invoice factoring debt	5,228	-	-	-	-
Lease liabilities	1,829	5,487	12,447	7,852	439
Trade receivables	13,854	-	-	-	-
Total	**25,502**	**6,945**	**14,940**	**9,310**	**1,441**

The Group is not exposed to any significant liquidity risk due to lease liabilities. The lease liabilities are followed up within the Group's finance function.

Capital risk management

The Group's financial objectives are to attain a strong financial position that contributes to the maintained confidence of investors, creditors and the market, to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to reduce the cost of capital. Until the Group reaches long-term and sustainable profitability, the Group's policy is to keep indebtedness low and solidity high.

The Group's equity includes non-controlling interests. The Group's equity ratio amounted to 57 (54) percent as at 31 December 2021. The Board of Directors proposes that no dividend be paid to shareholders.

The Group measures capital risk as net debt/equity ratio, defined as interest-bearing liabilities exclusive of lease liabilities and less cash and cash equivalents, as a percentage of equity.

Net debt/equity ratio

Group	2021	2020
Interest-bearing liabilities	24,554	18,354
Less: Cash and cash equivalents	-34,248	-32,028
Net debt	**-9,694**	**-13,673**
Equity	107,729	82,943
Net debt/equity ratio, %	**-9.0**	**-16.5**

Fair value

All financial assets are classified as financial assets valued at amortized cost and all financial liabilities are classified as financial liabilities valued at amortized cost.

Measurement to fair value comprises a valuation hierarchy regarding the data on which the valuation is based: This hierarchy is divided into three levels as below:

Level 1: The fair value of financial instruments traded on an active market (such as listed derivatives and equity securities) is based on quoted market prices on the balance sheet date. The quoted market price used for the Group's financial assets is the current bid price.

Level 2: The fair value of financial instruments not traded on an active market (e.g., OTC derivatives) is determined with the help of valuation methods that employ available market information to the largest possible extent and company-specific information to the least possible extent. All significant inputs required for a fair value measurement of an instrument are observable.

Level 3: In cases where one or several significant inputs are not based on observable market information. This applies, for example, to unlisted financial instruments.

All of the financial assets and liabilities of the Group are classified in Level 2. No transfers have occurred between levels in the fair value hierarchy, neither during the current nor the preceding financial year. For non-interest-bearing asset and liability items, such as trade receivables and trade payables where the remaining life is less than six months, the carrying amount is considered to correspond to fair value. The fair value of liabilities to credit institutions essentially corresponds to the carrying amount.

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

Financial assets and liabilities by valuation category

31 Dec 2021	Financial assets valued at amortized costs (Hold to collect)	Financial liabilities valued at amortized costs (Hold to collect)	Carrying amount
Financial assets			
Other non-current assets	3,142	-	3,142
Trade receivables	11,983	-	11,983
Other receivables	63	-	63
Prepaid expenses and accrued income	1,680	-	1,680
Cash and cash equivalents	34,248	-	34,248
	51,116	**-**	**51,116**
Financial liabilities			
Borrowings, non-current	-	3,249	3,249
Lease liabilities, non-current	-	21,605	21,605
Other non-current liabilities	-	1,000	1,000
Liabilities to credit institutions	-	13,910	13,910
Lease liabilities	-	8,379	8,379
Trade payables	-	13,365	13,365
Other liabilities	-	6,548	6,548
Accrued expenses and deferred income	-	10,314	10,314
	-	**78,370**	**78,370**
31 Dec 2020			
Financial assets			
Other non-current assets	3,153	-	3,153
Trade receivables	8,979	-	8,979
Other receivables	190	-	190
Prepaid expenses and accrued income	1,585	-	1,585
Cash and cash equivalents	32,028	-	32,028
	45,935	**-**	**45,935**
Financial liabilities			
Borrowings, non-current	-	4,645	4,645
Lease liabilities, non-current	-	18,700	18,700
Other non-current liabilities	-	1,000	1,000
Liabilities to credit institutions	-	7,481	7,481
Lease liabilities	-	7,307	7,307
Trade payables	-	13,854	13,854
Other liabilities	-	5,667	5,667
Accrued expenses and deferred income	-	9,560	9,560
	-	68,214	68,214

Net gains and losses arising from financial assets and liabilities are set forth in the table below, broken down by valuation category in accordance with IFRS 9.

2021	Financial assets valued at amortized costs (Hold to collect)	Financial liabilities valued at amortized costs (Hold to collect)	Carrying amount
Net financial items			
Interest income	70	-	70
Interest expenses	-	-2,648	-2,648
	70	**-2,648**	**-2,578**
2020			
Net financial items			
Interest income	103	-	103
Interest expenses	-	-2,534	-2,534
	103	**-2,534**	**-2,431**

NOTE 4 ACCOUNTING ESTIMATES

Estimates and judgments are evaluated regularly based on historical experience and other factors, including expectations of future events which may be deemed reasonable under prevailing circumstances.

Important estimates and assessments for accounting purposes

The Group makes estimates and assessments of the future. The estimates for accounting purposes that these result in will, by definition, rarely correspond to the actual outcome. The estimates and judgments which entail a significant risk of material adjustments in the carrying amounts of assets and liabilities during the following financial year are outlined below.

Intangible assets - capitalization of development expenditure

The Group conducts extensive development activities. An intangible asset that arises from development, or in the development phase of an internal project, is recognized as an asset in the balance sheet only if the Group can demonstrate that all of the criteria in IAS 38:57 have been met. There are three main criteria that are analyzed in order to assess historical expenditure and whether it meets the criteria for capitalization, 1) the probability of future economic benefits, 2) whether financing had been arranged at the time when the expense was incurred, and 3) whether the expenses attributable to the development of the product can be reliably calculated.

As of 2021-12-31, the Group's capitalized development expenditures amounted to KSEK 17,622 (15,532). Each development project is tested for impairment annually and upon any indication of a need for impairment. The executive management assesses the need for impairment by considering expected future cash flows for the products developed within each project. See Note 15 for the assumptions and parameters used in the management's assessments. During the year, 5 (3) development projects with a book value of KSEK 234 (54) were terminated and disposed. The management's assessment is that there is no further need for impairment loss. For detailed definitions relating to the Group's principles for capitalization of development expenditure, see Note 2.

Valuation of patents and trademarks

The Group's extensive development activities lead to major investments in patents, in particular, which are capitalized as assets in the balance sheet. As of the balance sheet date, the Group's patents and trademarks amounted to KSEK 8,299 (7,298). Each patent family is tested for impairment annually and upon any indication of a need for impairment, whereby the management considers expected future cash flows for the products protected by the patents. See Note 15 for the assumptions and parameters used in the management's assessments. During the year, the management concluded that there was no need for impairment loss.

Valuation of goodwill

The Group has a goodwill item of kSEK 16,794 (16,794) which comes from the acquisition of Biokleen Miljökemi AB. The Company management has conducted an impairment test with discounted future cash flows, and the outcome of this justifies the goodwill item's size. No need exists for impairment loss. See Note 15 for the assumptions and parameters used in the management's assessment of the goodwill item.

Valuation of leases

The Group's rights-of-use for leases amounted to KSEK 32,922 (28,833) at year-end. 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.

Valuation of inventories

At the end of the period, the Group has inventories valued at kSEK 32,391 (14,331). The Company management estimates that existing inventories will be used in sales during 2022.

Valuation of loss carryforwards

Every year, the Group examines the possibility of capitalizing new deferred tax assets arising from the carryforward of unused tax losses for the year, if appropriate. Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Since the Group is not yet showing a profit against which the unused tax losses can be utilized, the Group's assessment is that the unused tax losses shall not be capitalized. As of 31 December 2021, the Group had tax losses to carry forward in the amount of kSEK 216,706 (186,067), which were not taken into account in the calculation of deferred tax assets.

NOTE 5 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		Parent Company	
Net sales per business unit	**2021**	**2020**	**2021**	**2020**
Functional wood	65,707	60,562	-	-
Green coatings & maintenance products	38,407	32,797	7,957	4,569
Biocomposites	3,056	2,129	3,056	2,129
Nonwoven & technical textile	2,318	839	2,318	839
Other	575	130	575	130
Transactions between group companies[1]	-	-	*25,170*	*24,367*
Total	**110,064**	**96,458**	**39,076**	**32,035**
Net sales per geographic market				
Sweden	91,024	79,748	8,999	4,136
Other Nordics	9,318	11,591	3,056	2,235
The rest of Europe	8,881	4,447	1,010	631
Asia	313	638	313	631
North America	528	35	528	35
Transactions between group companies [1]	-	-	*25,170*	*24,367*
Total	**110,064**	**96,458**	**39,076**	**32,035**
Net sales by revenue type				
Products	109,489	96,328	13,331	7,538
Equipment and services	50	100	50	100
Services	525	30	525	30
Transactions between group companies [1]	-	-	*25,170*	*24,367*
Total	**110,064**	**96,458**	**39,076**	**32,035**

1. Sales within the Group take place at prices at arm's length.

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.

The Group has 1 (1) customer within AO Functional wood, which accounts for more than 10 percent of the Group's sales. The customer accounts for 16 (11) percent of the Group's sales.

NOTE 6 TRANSACTIONS BETWEEN GROUP COMPANIES

Of the Parent Company's invoicing, kSEK 25,170 (24,367), corresponding to 64 (76) percent, relates to subsidiaries. Invoicing of SEK 509 (814) thousand has been made from OrganoWood AB to the Parent Company. The transactions between the group companies take place at prices at arm's length.

NOTE 7 REMUNERATION AND PAYMENT OF EXPENSES TO THE AUDITORS

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
PricewaterhouseCoopers AB				
Audit engagements[1]	523	385	288	210
Summa	523	385	288	210

1. Audit engagements refer to the statutory audit of the annual and consolidated accounts and the administration of the Company's affairs by the Board of Directors and the Managing Director, as well as other statutory and contractual audits and examinations.

This further includes other tasks which are for the Company's auditor to perform, and consultation and other assistance in response to observations made during the aforementioned performance of audits, examinations and other tasks.

NOTE 8 LEASES

The Group holds a number of leases for premises, machinery and vehicles. The rights-of-use for these are included in items Buildings, Machinery and Equipment, tools, fixtures and fittings in Note 16: Property, plant and equipment.

Lease agreements for properties

OrganoClick has held 2 (3) lease agreements for properties during the year. An agreement for the Group's head office, production and laboratory runs for ten years until 2025-09-30, with a five-year extension clause. In addition, the Group has an agreement for a production facility which on 1 January 2021 was expanded to include a premises directly adjacent to the previous one, which gave additional right-of-use of SEK 7,283 thousand. This agreement runs until 2026-12-31, with an extension clause of 3 years.

No extension clauses have been taken into account in the assessment of the lease periods of rights-of-use assets, as the Group is anticipating rapid growth over the next few years; this makes it impossible for the company management to determine with any degree of certainty on the day of closure of accounts whether the extension clause will be used.

Property leases have variable leasing fees in the form of property taxes.

Leasing agreements for production equipment

At year-end, the Group had 6 (6) lease agreements for production equipment, 3 (3) of which were added during the year. In addition, 3 (1) agreement expired during the year and the asset was taken over. The agreements run between 36 and 72 months with residual values of ten percent.

The Group has an option to buy out all production equipment for the nominal amount at the end of the lease period. The Group's commitment is secured through the lessor's ownership of underlying assets held under leasing agreements.

Leasing agreements for vehicles

At the beginning of 2021, the Group had 16 (10) lease agreements for leasing cars and trucks. During the current financial year, an estimated 13 (60) percent of vehicle lease agreements expired. All of the expired leases were dissolved and replaced by new leasing agreements and underlying assets. During the year, 6 (6) new lease agreements were also added. The lease agreements run between 18 and 72 months with residual values, where applicable, of 10 percent.

RIGHTS-OF-USE ASSETS INCLUDED AS ASSETS IN THE GROUP'S FINANCIAL POSITION REPORT

	Buildings		Machinery		Inventory		Total	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Inbound accumulated acquisition values	28,796	29,195	9,041	7,710	3,852	1,822	41,688	38,727
Adjustment of additional rights-of-use	7,283	2,067	5,835	1,950	1,039	2,958	14,158	6,975
Adjustment of disposed rights-of-use	-	-2,831	-5,615	-619	-461	-947	-6,076	-4,397
Index adjustment adjustment	258	365	-	-	-280	18	-22	383
Outbound accumulated acquisition values	**36,337**	**28,796**	**9,261**	**9,041**	**4,150**	**3,852**	**49,748**	**41,688**
Inbound accumulated depreciation	-8,286	-4,857	-3,545	-3,165	-1,024	-770	-12,855	-8,791
This year's depreciations	-5,457	-4,688	-759	-980	-1,355	-878	-7,570	-6,545
Adjustment of disposed rights-of-use	-	1,258	3,293	600	306	623	3,599	2,482
Outbound accumulated depreciation	**-13,743**	**-8,286**	**-1,010**	**-3,545**	**-2,073**	**-1,024**	**-16,826**	**-12,855**
Closing carrying amount	**22,594**	**20,510**	**8,251**	**5,496**	**2,077**	**2,827**	**32,922**	**28,833**

A maturity analysis of leasing liabilities is presented in Note 3 during the maturity analysis of the Group's financial liabilities linked to liquidity risk.

Income-affecting leasing agreements, Group

Amounts recognized in profit/loss	2021	2020
Depreciation on rights-of-use	-7,570	-6,545
Interest expenses for lease liabilities	-1,063	-922
Expenses attributable to short-term leasing contracts	-144	-144
Expenses attributable to low value leasing contracts	-64	-57
Expenses attributable to variable leasing fees that are not included in the valuation of the lease liability	-171	-118
Revenue from releasing rights-of-use	-	371

As of December 31, 2021, the Group has obligations regarding short-term leasing agreements of SEK 0 (0).

Variable leasing fees refer to property tax, otherwise the Group's leasing agreements contain no variable fees.

Previous year, the Group received revenue from subletting part of a premises where the agreement was terminated in 2020.

The total cash outflow for leasing agreements amounted to SEK 10,811 (7,527) thousand.

Operational lease and lease agreements, Parent Company

Expensed leasing fees for the year	2021	2020
Minimum lease payments	8,036	6,430
Variable fees[1]	171	118
Total	**8,207**	**6,548**

1. The variable fees refers to property tax on premises.

The majority of leasing costs relate to leasing of premises. Of the total 2021 leasing costs in the Parent company, SEK 5,935 (4,648) thousand, was attributable to rents for premises.

Non-cancellable lease payments amount to	2021	2020
Within a year	7,930	6,596
Between one year and five years	22,262	19,427
Later than five years	1,109	439
Total	**31,302**	**26,462**

NOTE 9 EMPLOYEES, PERSONNEL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Average number of employees

Group	2021 Average number of employees	2021 of which are female, %	2020 Average number of employees	2020 of which are female, %
Sweden	51	33%	43	38%
Group, total	**51**	**33%**	**43**	**38%**
Parent Company				
Sweden	34	32%	29	40%
Parent Company, total	**34**	**32%**	**29**	**40%**

Gender distribution in the Group (including subsidiaries) for Board members and other senior executives

Group	2021 Number on balance sheet date	2021 of which are female, %	2020 Number on balance sheet date	2020 of which are female, %
Board members	10	30%	10	20%
CEO and other senior executives	13	31%	12	42%
Group, total	**23**	**30%**	**22**	**32%**
Parent Company				
Board members	5	40%	5	40%
CEO and other senior executives	7	29%	6	50%
Parent Company, total	**12**	**33%**	**11**	**45%**

Salaries, other allowances and social costs

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Board of Directors and CEO	4,312	4,060	2,009	1,922
Other employees	25,651	20,490	17,581	13,230
Total wages and other remuneration	29,963	24,550	19,589	15,152
Social expenses	11,952	9,186	7,786	5,362
of which are pension costs	3,459	2,711	2,341	1,638

Remuneration to senior executives, Parent Company

2021	Basic salary, board fees	Pension costs	Total
Board Members			
Jan Johansson (chair)	400	-	400
Charlotte Karlberg	100	-	100
Claes-Göran Beckeman	100	-	100
Håkan Gustavson	100	-	100
Malin Bugge	100	-	100
CEO, Mårten Hellberg	1,215	259	1,474
Other senior executives (6,5 people)	5,297	814	6,111
Total	**7,311**	**1,073**	**8,384**

2020	Basic salary, board fees	Pension costs	Total
Board Members			
Jan Johansson (chair)	400	-	400
Charlotte Karlberg	100	-	100
Claes-Göran Beckeman	100	-	100
Håkan Gustavson	100	-	100
Malin Bugge	100	-	100
CEO, Mårten Hellberg	1,195	266	1,461
Other senior executives (5 people)	3,907	543	4,450
Total	**5,902**	**809**	**6,711**

Severance pay for senior executives

The CEO's notice period is twelve months, both on termination from the company and on the part of CEO. In the event of termination on the part of the company, or on the part of the CEO in the event of significant breach of contract by the company, the CEO is entitled to severance pay of twelve months' salary. No additional severance pay is payable.

Bonus

For the year, the subsidiary OrganoWood AB has established bonuses for the CEO and sales staff of KSEK 182 (190). No other bonuses exist within the Group.

NOTE 10 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSE

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Exchange gains on receivables/payables of an operating nature	176	454	27	31
Commission income	189	447	-	-
Rental income	-	371	-	-
Government grants received for R&D[1]	801	283	801	283
Profits, disposal/sale of property, plant and equipment	12	126	-	-
Other operating income	40	-	21	-
Total	**1,218**	**1,681**	**849**	**314**
Exchange losses on receivables/payables of an operating nature	-400	-597	-202	-134
Losses, disposal/sale of property, plant and equipment	-477	-201	-392	-151
Total	**-877**	**-799**	**-593**	**-285**

1. The Parent Company participates in a number of research and development projects part-funded by government grants. The grants are recognized as revenue when costs are incurred that such subsidies are intended to cover.

NOTE 11 OPERATING PROFIT/LOSS

Operating profit/loss has been charged with depreciation and write-downs as follows:

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Development expenditures	1,669	1,241	1,014	864
Patents, trademarks	1,993	2,165	1,758	2,003
Software	140	92	89	54
Buildings	5,457	4,688	-	-
Improvement expenses of other property	102	64	102	64
Machines	4,058	2,635	2,236	1,655
Fixtures, tools and installations	2,180	1,704	764	676
Total depreciation and amortization	**15,599**	**12,590**	**5,963**	**5,316**

Depreciation has been allocated per function as follows

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Cost of goods sold	7,804	6,145	2,089	1,737
Selling expenses	1,297	736	-	-
Administrative expenses	1,463	1,093	398	339
Research and development costs	5,034	4,616	3,477	3,240
Total depreciation and amortization	**15,599**	**12,590**	**5,963**	**5,316**

Write-downs	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Intangible fixed assets	-	54	-	54
Total write-downs	**-**	**54**	**-**	**54**

Operating expenses per type of expense

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Cost of goods and material	66,493	56,156	23,505	20,321
Employee benefit expense (see Note 9)	43,012	35,059	28,110	21,679
Depreciation and amortization	15,599	12,643	5,963	5,370
Other expenses	13,550	9,700	16,089	10,738
Total	**138,655**	**113,558**	**73,668**	**58,108**

NOTE 12 FINANCIAL ITEMS

Interest income and financial exchange gains

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Interest income	70	103	70	103
Interest income on group receivables	-	-	349	326
Total	**70**	**103**	**420**	**429**

Interest expenses and financial exchange losses

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Interest expenses	-2,648	-2,534	-97	-191
Total	**-2,648**	**-2,534**	**-97**	**-191**

NOTE 13 TAX

Reported in income statement

Reported tax

Group	2021	2020
Current tax for the year	-	-
Change in deferred tax		
Deferred tax on impaired trade receivables	15	-1
Deferred tax on internal profits in capitalized development expenses	31	52
Deferred tax on internal profits in inventories	67	-21
Deferred tax on leasing	22	-20
Total	**135**	**10**

Reconciliation of effective tax

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Reported profit before tax	-31,168	-19,531	-34,269	-25,835
Tax according to the applicable tax rate for the Parent Company (20.6%)	6,421	4,180	7,059	5,529
Tax effect of				
Other tax rates for foreign subsidiaries	0	0	-	-
Non-deductible expenses	-28	-19	-17	-6
Non-taxable income	0	-	-	-
Increase in loss carryforwards without corresponding activation of deferred tax	-6,393	-4,160	-7,043	-5,523
Reported effective tax	**0**	**0**	**0**	**0**

Reported effective tax

The current tax rate for the Group's income tax amounts to 20.6 (21.4) %.
The current tax rate for Sweden's income tax amounts to 20.6 (21.4) %.
The current tax rate for Norway's income tax amounts to 22 (22) %.
The current tax rate for Finland's income tax amounts to 20 (20) %.

Tax loss carryforwards

Total fiscal deficits	2021	2020	Period of validity	Tax rate
OrganoClick AB	190,845	156,657	Unlimited	20,6%[1]
OrganoWood AB	17,294	18,750	Unlimited	20,6%[1]
OrganoWood Finland Oy	2,539	2,491	10 years[2]	20%
OrganoWood Norway AS	4,695	4,398	Unlimited	22%
Biokleen Miljökemi AB	1,332	3,770	Unlimited	20,6%[1]
Total	**216,706**	**186,067**		

1. From January 1, 2021, the tax rate will be reduced to 20.6%.
2. 10 years from declaration year.

Reported in the balance sheet

Deferred tax assets

Group	2021	2020
Deferred tax on impaired trade receivables	22	7
Deferred tax on internal profits in capitalized development expenses	426	359
Deferred tax on internal profits in inventories	389	359
Deferred tax on leasing	232	144
Total	**1,070**	**869**

Deferred tax liability

Group	2021	2020
Deferred tax on leasing	423	356
Total	**423**	**356**

NOTE 14 EARNINGS PER SHARE

Earnings per share before and after dilution are calculated by dividing the earnings attributable to the Parent Company's shareholders by a weighted average number of shares outstanding during the period.

In 2021, the Parent Company issued ordinary shares at a price below the market price, which gave rise to a fund issue element, meaning the weighted average number of shares when calculating earnings per share was adjusted.

Group	2021	2020
Profit/loss for the year attributable to Parent Company's shareholders	-32,687	-23,646
Total	**-32,687**	**-23,646**

Weighted average number of outstanding ordinary shares (number)	2021	2020
As of December 31	93,600,078	92,112,789
Bonus element	2,265,811	364,546
Weighted average number of ordinary shares outstanding, taking into account a bonus issue factor	**95,865,889**	**92,477,335**

Earnings per share before and after dilution, Group	2021	2020
Profit/loss for the year attributable to Parent Company's shareholders	-32,687	-23,646
Weighted average number of shares	95,865,889	92,477,335
Earnings per share, SEK	**-0.34**	**-0.26**

NOTE 15 INTANGIBLE FIXED ASSETS

Group	Capitalized development expenditures 2021	Capitalized development expenditures 2020	Patents, trademarks 2021	Patents, trademarks 2020	Licenses 2021	Licenses 2020	Goodwill 2021	Goodwill 2020	Total 2021	Total 2020
Inbound accumulated acquisition values	20,214	16,411	17,473	13,465	1,762	1,483	16,794	16,794	56,241	48,152
New acquisitions	3,993	3,874	2,993	4,008	192	278	-	-	7,179	8,161
Impairments/disposals	-234	-54	-	-	-	-	-	-	-234	-54
Reclassification	-	-18	-	-	-	-	-	-	-	-18
Outbound accumulated acquisition values	23,973	20,214	20,466	17,473	1,953	1,762	16,794	16,794	63,185	56,241
Inbound accumulated depreciation	-4,682	-3,440	-10,174	-8,010	-1,402	-1,310	-	-	-16,257	-12,760
Depreciation for the year according to plan	-1,669	-1,241	-1,993	-2,165	-140	-92	-	-	-3,802	-3,498
Outbound accumulated depreciation	-6,351	-4,682	-12,167	-10,174	-1,543	-1,402	-	-	-20,060	-16,257
Closing carrying amount	**17,622**	**15,532**	**8,299**	**7,298**	**411**	**359**	**16,794**	**16,794**	**43,126**	**39,984**

Parent Company	Capitalized development expenditures 2021	Capitalized development expenditures 2020	Patents, trademarks 2021	Patents, trademarks 2020	Licenses 2021	Licenses 2020	Total 2021	Total 2020
Inbound accumulated acquisition values	14,361	12,157	14,471	10,895	914	636	29,745	23,687
New acquisitions	2,146	2,276	2,777	3,576	140	278	5,062	6,130
Impairments/disposals	-234	-54	-	-	-	-	-234	-54
Reclassification	-	-18	-	-	-	-	-	-18
Outbound accumulated acquisition values	16,272	14,361	17,247	14,471	1,054	914	34,573	29,745
Inbound accumulated depreciation	-3,361	-2,497	-8,060	-6,057	-621	-567	-12,042	-9,121
Depreciation for the year according to plan	-1,014	-864	-1,758	-2,003	-89	-54	-2,861	-2,921
Outbound accumulated depreciation	-4,375	-3,361	-9,817	-8,060	-711	-621	-14,903	-12,042
Closing carrying amount	**11,897**	**11,000**	**7,430**	**6,411**	**343**	**292**	**19,670**	**17,703**

The Group's research and development expenses, excluding depreciation, amounted to SEK 6,841 (5,439) thousand, which corresponds to 6 (6) percent of net sales. Of these expenses, SEK 3,993 (3,874) thousand have been capitalized, while the remaining SEK 2,847 (1,565) thousand have been charged to the profit/loss for the year. The Parent Company's expenses for research and development, excluding depreciation, amounted to SEK 5,421 (4,278) thousand. Of these expenses, SEK 2,146 (2,276) thousand has been capitalized, while the remaining SEK 3,275 (2,002) thousand has been charged to profit/loss for the year.

Information on government support in The Group

The Parent Company participates in a number of research and development projects that are partly financed by grants from Vinnova. Where development projects that receive state aid have been capitalized as development expenditures, state aid reduces the acquisition value of the asset.

Impairment testing of intangible fixed assets

Impairment testing of intangible fixed assets in the form of patents or ongoing and completed development projects is carried out annually and when there is an indication that impairment need exists. Testing is based on the smallest cash-generating unit, which is the legal person that owns the asset. The Group has assessed the patent families and development projects using discounted cash flows for the period 2022-2026, ie: a period of 5 years. For patents and completed development projects related to finished products, the analysis is based on the business budget and forecasts for the next five years. The most important assumptions in the model relate to sales development, and company management has based the assumptions on historical growth for each product together with projected future sales volumes. For patents and ongoing development projects related to still unfinished products, the analysis is based on market analyses, LOIs and customer discussions to assess the expected potential sales at product launch and a reasonable subsequent growth rate. The model works on an assumed growth rate beyond the forecasted five years of 2 (2) percent annually, which company management considers reasonable. As a discount rate, a pre-tax WACC of 14.5 (14.4) percent has been used. During the year, 5 (3) smaller ongoing development projects totaling KSEK 234 (54) were written down or disposed as management held that market potential was lacking. For other patents and development projects, the impairment test shows that the recoverable amount is higher than the carrying amount, and there is no need for impairment.

The Group has a goodwill item following the acquisition of Biokleen Miljökemi AB. An impairment test of goodwill has been made on the basis of an examination of two cash-generating units, the subsidiary Biokleen Miljökemi AB, and the production unit of OrganoClick AB, which manufactures Biokleen's products. The Group has assessed the goodwill item using discounted cash flows for the period 2022-2026, ie: a period of 5 years. The analysis is based on the business budget and forecasts for the next five years. The most important assumptions in the model relate to sales development, and company management has based the assumptions on historical growth in the company. The model works on an assumed growth rate beyond the forecasted five years of 2 (2) percent annually, which company management considers reasonable. As a discount rate, a pre-tax WACC of 14.5 (14.4) per cent has been used for OrganoClick AB and a pre-tax WACC of 15.0 (14.6) per cent has been used for Biokleen Miljökemi AB. The WACC for the latter has risen slightly compared to the previous year as a result of a changed financial position in the company with stronger equity. The impairment test shows that the recoverable amount is higher than the carrying amount, and there is no need for impairment.

A reasonably likely change in an important assumption on which company management has based its determination of the unit's recoverable value would not mean that the unit's carrying value would exceed its recoverable value.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

	Improvement expense of other property		Machinery		Equipment, tools, fixtures and fittings		Ongoing new facilities		Total	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Inbound accumulated acquisition values	447	447	15,696	13,988	10,581	9,856	9,519	416	36,243	24,708
New acquisitions	288	-	3,913	829	916	889	2,354	9,519	7,470	11,237
Leases taken over	-	-	4,836	619	-	-	-	-	4,836	619
Divestments and disposals	-	-	-419	-156	-417	-183	-	-	-835	-340
Reclassification	-	-	9,282	416	31	18	-9,313	-416	0	18
Outbound accumulated acquisition values	735	447	33,309	15,696	11,111	10,581	2,559	9,519	47,714	36,243
Inbound accumulated depreciation	-182	-117	-7,552	-5,284	-7,467	-6,823	-	-	-15,201	-12,224
Leases taken over	-	-	-3,275	-619	-	-	-	-	-3,275	-619
Depreciation for the year according to plan	-102	-64	-3,300	-1,655	-825	-827	-	-	-4,227	-2,546
This year's disposals	-	-	213	6	417	183	-	-	630	189
Reclassification	-	-	-	-	-	-	-	-	-	-
Outbound accumulated depreciation	-284	-182	-13,913	-7,552	-7,875	-7,467	-	-	-22,073	-15,201
Closing carrying amount	**451**	**265**	**19,395**	**8,144**	**3,236**	**3,114**	**2,559**	**9,519**	**25,642**	**21,042**
Rights-of-use[1]	-	-	8,251	5,496	2,077	2,827	-	-	10,328	8,323
Closing carrying amount including rights-of-use	**451**	**265**	**27,646**	**13,640**	**5,313**	**5,941**	**2,559**	**9,519**	**35,970**	**29,365**

	Improvement expense of other property		Machinery		Equipment, tools, fixtures and fittings		Ongoing new facilities		Total	
Parent Company	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Inbound accumulated acquisition values	447	447	15,077	13,988	8,743	8,103	2,485	416	26,753	22,954
New acquisitions	288	-	2,981	829	891	622	2,354	2,485	6,514	3,937
Divestments and disposals	-	-	-309	-156	-417	-	-	-	-726	-156
Reclassification	-	-	2,249	416	31	18	-2,280	-416	0	-18
Outbound accumulated acquisition values	735	447	19,998	15,077	9,249	8,743	2,559	2,485	32,541	26,753
Inbound accumulated depreciation	-182	-117	-6,933	-5,284	-5,918	-5,242	-	-	-13,033	-10,643
Depreciation for the year according to plan	-102	-64	-2,236	-1,655	-764	-676	-	-	-3,102	-2,396
Reclassification	-	-	152	6	417	-	-	-	568	6
Outbound accumulated depreciation	-284	-182	-9,018	-6,933	-6,266	-5,918	-	-	-15,567	-13,033
Closing carrying amount	**451**	**265**	**10,980**	**8,144**	**2,983**	**2,825**	**2,559**	**2,485**	**16,974**	**13,719**

1. For more information on the Group's leasing agreements, see Note 8: Leases.

NOTE 17 SHARES IN GROUP COMPANIES

Parent Company	2021	2020
Inbound accumulated acquisition values	30,610	30,610
Repaid shareholder contribution, conditional	-2,000	-
Acquisition of preference shares in OrganoWood AB	11,178	-
Outbound accumulated acquisition values	39,788	30,610
Closing carrying amount	**39,788**	**30,610**

Specification of Parent Company holdings of shares and participations in subsidiaries

	Biokleen Miljökemi AB	OrganoWood AB	OrganoWood Finland Oy[1]	OrganoWood Norway AS[1]
Corp. Id. No.	556663-3078	556801-8906	2654270-5	915070574
Seat	Vaggeryd	Stockholm	Pori, Finland	Moss, Norge
Number of shares	1,000	1,200,000	60	60
Share of capital, %	100	57.9	57.9	57.9
Share of votes, %	100	59.8	59.8	59.8
Carrying amount	20,840	18,948	23	33
Equity as of 2021/12/31	4,042	8,468	50	-52
Profit/loss 2021	2,428	1,411	-1	-83

1. OrganoWood Finland Oy and OrganoWood Norway AS are indirectly owned subsidiaries. The companies are wholly owned by OrganoWood AB.

NOTE 18 INVENTORIES

	Group		Parent Company	
	2021	2020	2021	2020
Raw materials and consumables	14,829	7,582	9,560	4,958
Work in progress	3,035	977	-	11
Finished goods	14,527	5,772	4,414	2,256
Total	**32,391**	**14,331**	**13,974**	**7,225**

The Group's inventories are reviewed several times a year and in connection with this, impairment tests are performed. If the impairment test shows that there is a need for impairment, inventory is written down. No impairment was made during the year.

NOTE 19 TRADE RECEIVABLES

	Group		Parent Company	
	2021	2020	2021	2020
Trade receivables	11,983	8,979	2,426	801
Total	**11,983**	**8,979**	**2,426**	**801**

Trade receivables are recognized after taking into account customer losses incurred during the year. This totaled SEK 0 (0) thousand in the Group and SEK 0 (0) thousand in the Parent Company.

As of December 31, 2021, trade receivables of SEK 1,422 (1,030) thousand were due within the Group. A credit reservation of trade receivables has been made, see Note 3.

Trade receivables overdue but not written-down

	Group		Parent Company	
	2021	2020	2021	2020
Not overdue	10,561	7,948	1,485	693
Overdue 1-30 days	1,236	947	908	104
Overdue 31-60 days	75	-	12	-
Overdue 61-120 days	29	81	8	3
Overdue for more than 121 days	82	2	13	1
Total	**11,983**	**8,979**	**2,426**	**801**

NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2021	2020	2021	2020
Prepaid rents	61	160	1,272	1,240
Prepaid leasing fees	111	178	511	287
Prepaid insurance premiums	415	337	277	200
Accrued grant income	-	47	-	47
Other prepaid costs	1,093	863	886	507
Total	**1,680**	**1,585**	**2,946**	**2,280**

NOTE 21 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2021	2020	2021	2020
Cash and bank balances	34,248	32,028	29,816	28,427
Total	**34,248**	**32,028**	**29,816**	**28,427**

NOTE 22 EQUITY

Group & Parent Company Equity

Reconciliation of the opening and closing balances for the Group's and Parent Company's components in equity is reported in a separate report on changes in equity, following the Group's and Parent Company's balance sheet, respectively.

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 23. Preference shares were issued in 2013, which provided an additional MSEK 20 to OrganoWood AB's equity.

Description of components in Group equity

Other contributed capital

Refers to equity contributed by the owners. This includes premium funds.

Reserves

Reserves include all exchange rate differences that arise when translating financial reports from foreign operations that have prepared their financial reports in a currency other than the currency in which the Group's financial reports are presented. The Parent Company and the Group present their financial reports in Swedish kronor.

Accumulated loss including profit/loss for the year

Accumulated losses, including profit/loss for the year, include accumulated losses in the Parent Company and its subsidiaries.

Description of components in Parent Company equity

Restricted equity

Share capital

At the beginning of 2021, the Parent Company's share capital amounted to SEK 921,128, distributed on 92,112,789 shares with a quotient value of SEK 0.01. 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.

Fund for development expenditures

When the Parent Company activates expenses for its own development work, the corresponding amount must be transferred from non-restricted equity to a development expenditures fund that constitutes restricted equity.

Non-restricted equity

Share premium reserve

When a share is issued at a premium, that is, for the shares to be paid more than the share's quotient value, an amount corresponding to the amount received in addition to the share's quotient value shall be transferred to the share premium fund.

Retained earnings

Consists of all the company's profits and losses from previous years, less any dividends.

Share capital development

Year	Event	Increase in share capital	Total share capital	Increase in total number of shares	Total number of shares	Quotient
2006	Company founded		100,000.00		21,859,907	0.0046
2008	New issue	5,300.00	105,300.00	53	21,859,960	0.0048
2008	New issue	4,000.00	109,300.00	40	21,860,000	0.0050
2009	New issue	4,000.00	113,300.00	800,000	22,660,000	0.0050
2010	New issue	125,000.00	238,300.00	25,000,000	47,660,000	0.0050
2011	New issue	18,103.43	256,403.43	3,620,686	51,280,686	0.0050
2013	New issue	17,093.56	273,496.99	3,418,712	54,699,398	0.0050
2013	New issue	1,695.26	275,192.25	339,051	55,038,449	0.0050
2014	Bonus issue	275,192.25	550,384.50	0	55,038,449	0.0100
2015	New issue	110,294.12	660,678.62	11,029,412	66,067,861	0.0100
2015	Exercise of warrants	10,600.00	671,278.62	1,060,000	67,127,861	0.0100
2016	New issue	8,232.24	679,510.86	823,224	67,951,085	0.0100
2017	New issue	5,444.97	684,955.83	544,497	68,495,582	0.0100
2017	New issue	59,701.49	744,657.32	5,970,149	74,465,731	0.0100
2019	New issue	176,470.59	921,127.91	17,647,058	92,112,789	0.0100
2021	New issue	58,372.12	979,500.03	5,837,211	97,950,000	0.0100

NOT 23 NON-CONTROLLING INTEREST

In the subsidiary OrganoWood AB there are two types of shares, ordinary shares and preference shares. OrganoClick AB owns 57.9 (54.5) % of the capital and 59.8 (59.4) % of the votes in OrganoWood AB, other ordinary shareholders owns 38.5 (36.4) % of the capital and 39.8 (39.6) % of the votes and 3.6 (9.1) % of the capital and 0.4 (1.0) % of the votes are owned by 29 preference shareholders.

The carrying amount of non-controlling interest is presented below for ordinary shares and preference shares in OrganoWood AB, respectively.

Ordinary shares	2021	2020
Inbound carrying amount	-5,712	-7,068
Ordinary share minority's share of profit for the year	401	1,356
Outbound carrying amount of ordinary shares	**-5,311**	**-5,712**

Preference shares		
Inbound carrying amount	20,000	20,000
Parent Company aquisition of preference shares	-7,285	-
Enumeration preference shares	1,253	2,847
Transfer enumeration preference shares	-1,253	-2,847
Outbound carrying amount of preference shares	**12,715**	**20,000**
Total closing carrying amount	**7,404**	**14,288**

The preference share

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 percent 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 ordinary 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 ordinary shares in OrganoWood AB (23.45%) and 29 preference shareholders (40.12%).

Information about OrganoWood AB

Financial position	2021	2020
Non-current assets	23,767	22,472
Current assets	29,911	17,857
Total	**53,678**	**40,329**
Equity	8,468	7,057
Non-current liabilities	5,900	7,296
Current liabilities	39,310	25,976
Total	**53,678**	**40,329**

Profit/loss	2021	2020
Net sales	69,320	62,735
Operating profit/loss	3,248	4,929
of which, non-controlling interest	*1,299*	*1,972*
Total comprehensive income	1,411	3,232
of which, non-controlling interest	*564*	*1,293*

NOTE 24 LIABILITIES TO CREDIT INSTITUTIONS

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Almi				
Growth loan 1	167	667	-	-
Investment credit	394	758	-	-
Growth loan 2	869	1,150	-	-
Danske Bank				
Acquisition credit	-	1,770	-	1,770
SEB				
Bank overdraft facility (limit SEK 15,000 (15,000) thousand)	12,513	4,007	-	-
Investment credit	3,216	3,775	-	-
Total	**17,159**	**12,126**	**-**	**1,770**
of which, long-term	**3,249**	**4,645**	**-**	**-**
of which, short-term	**13,910**	**7,481**	**-**	**1,770**

Interest rates on loans are between 2.6-4.9 percent.

The growth loan 1 from Almi runs for 60 months until April 2022 and is amortized at SEK 42 thousand per month. The Investment credit from Almi runs for 36 months until January 2023 and is amortized at SEK 30 thousand per month. The growth loan 2 from Almi runs for 48 months until October 2024 and is amortized at SEK 26 thousand per month.

The unused portion of bank overdraft facility totals SEK 2,487 (10,993) thousand.

The investment credit from SEB runs for 84 months until September 2027 and is amortized at SEK 47 thousand per month.

NOTE 25 OTHER LIABILITIES

	Group		Parent Company	
	2021	2020	2021	2020
Withholding tax and social security contributions for employees	1,350	1,176	831	694
Invoice factoring debt	6,396	5,228	-	-
Other items	666	490	503	2
Total	**8,413**	**6,894**	**1,334**	**696**

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2021	2020	2021	2020
Accrued holiday pay	3,914	3,466	2,260	1,917
Accrued social security charges	1,184	1,089	710	602
Accrued special payroll tax	675	529	457	320
Prepaid contributions	599	1,336	599	1,336
Accrued board fees	976	972	630	630
Accrued volume discount	1,561	796	-	-
Other items	1,404	1,371	924	889
Total	**10,314**	**9,560**	**5,580**	**5,694**

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
Pledged collateral	2021	2020	2021	2020
Guarantee liability for debts in group companies	8,700	8,700	8,700	8,700
Floating charges	19,000	19,000	-	-
Total	**27,700**	**27,700**	**8,700**	**8,700**

OrganoClick AB has general guarantee liaison for the subsidiary OrganoWood AB's loans with Almi as well as bank overdraft facility with SEB.

There were no contingent liabilities as of 2021/12/31 or at 2020/12/31.

NOTE 28 ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

	Group		Parent Company	
Group	2021	2020	2021	2020
Depreciation/amortization of intangible fixed assets	3,802	3,498	2,861	2,921
Depreciation/amortization of property, plant and equipment	11,797	9,092	3,102	2,396
Impairment/disposal intangible fixed assets	234	54	234	54
Disposal of property, plant and equipment	230	78	158	151
Total	**16,064**	**12,722**	**6,355**	**5,520**

NOT 29 RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

Group	Closing balance 2020	Cash flow from financing activities	Other changes[1]	Closing balance 2021
Liabilities to credit institutions[2]	8,119	-3,474	-	4,645
Liabilities to related parties	1,000	-	-	1,000
Lease liabilities	26,007	-7,462	11,438	29,984
Bank overdraft facility	4,007	8,506	-	12,513
Invoice factoring debt	5,228	1,168	-	6,396
Total liabilities attributable to financing activities	**44,361**	**-1,263**	**11,438**	**54,538**

Group	Closing balance 2019	Cash flow from financing activities	Other changes[1]	Closing balance 2020
Liabilities to credit institutions[2]	5,531	2,588	-	8,119
Liabilities to related parties	1,000	-	-	1,000
Lease liabilities	27,856	-6,523	4,674	26,007
Bank overdraft facility	12,953	-8,946	-	4,007
Invoice factoring debt	7,835	-2,607	-	5,228
Total liabilities attributable to financing activities	**55,175**	**-15,489**	**4,674**	**44,361**

1. Other changes in Lease liabilities refer to changes in liabilities for right-of-use as a result of additional, extended or terminated agreements for premises, production equipment and vehicles.

2. During the year, new loans of SEK 0 (7,463) thousand were raised and loans of SEK -3,474 (-4,875) thousand were amortised and/or repaid.

NOT 29 RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES (CONT.)

Parent Company	Closing balance 2020	Cash flow from financing activities	Closing balance 2021
Liabilities to credit institutions[1]	1,770	-1,770	0
Total liabilities attributable to financing operations	**1,770**	**-1,770**	**0**

Parent Company	Closing balance 2019	Cash flow from financing activities	Closing balance 2020
Liabilities to credit institutions[1]	3,550	-1,780	1,770
Total liabilities attributable to financing operations	**3,550**	**-1,780**	**1,770**

1. During the year, new loans of SEK 0 (0) thousand were raised and loans of SEK -1,770 (-1,780) thousand were amortised and/or repaid.

NOTE 30 EXCHANGE RATES

The table below shows the rates used for translation of financial reports from foreign operations that have prepared their financial reports in a currency other than the currency in which the Group's financial reports are presented (SEK). Exchange rates have been obtained from Sweden's Riksbank.

	NOK		EUR	
	2021	**2020**	**2021**	**2020**
Average exchange rate	0.9980	0.9786	10.1449	10.4867
Closing rate	1.0254	0.9546	10.2269	10.0375

The average exchange rate has been used when translating the income statement and the closing rate has been used when translating the balance sheet.

NOTE 31 TRANSACTIONS WITH RELATED PARTIES

The Parent Company has a close relationship with its subsidiaries, see note 17.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, 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 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.

As of 2021/12/31, OrganoClick AB had receivables from OrganoWood AB of SEK 380 (964) thousand, and Biokleen Miljökemi AB of SEK 905 (596) thousand. OrganoWood AB had receivables from OrganoClick AB of SEK 0 (26) thousand.

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 32 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 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.
- OrganoClick, Ahlstrom-Munksjö and Ellepot announced collaboration and the launch of a new organic plant pot for industrial cultivation made of nonwoven from Ahlström-Munksjö with OrganoClick's binder.
- Mattias Bodin was appointed new Environmental & Sustainability Director at OrganoClick and part of Group management.

NOTE 33 PROPOSED APPROPRIATION OF PROFITS

At the disposition of the AGM, the following profits in the Parent Company are reported, (SEK thousands):

Share premium reserve	310,701
Retained earnings	-163,892
Profit/loss for the year	-34,269
Total	**112,540**

The Board of Directors and the CEO propose that the above amounts be disposed of as follows:

Surplus carried forward to new account	112,540
Total	**112,540**

The Board of Directors and CEO propose that no dividend be paid for the financial year 2021-01-01 – 2021-12-31.

SIGNATURES

The income statement and balance sheet will be submitted to the Annual General Meeting 2022/05/17 for adoption. The Board of Directors and the CEO assure that the consolidated financial statements have been prepared in accordance with international accounting standards IFRS as adopted by the EU and gives a true and fair view of the Group's position and earnings. The annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's position and results. The Management report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and the Parent Company's operations, position and results and describes significant risks and uncertainties that the Parent Company and the companies that are part of the Group are facing.

Stockholm, 6 April 2022

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
CEO

Our auditor's report was submitted on April 6 2022
PricewaterhouseCoopers AB

Sebastian Ionescu
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of OrganoClick AB, corporate identity number 556704-6908

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of OrganoClick AB for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 36-78 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-35 and 81-84. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.
Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can
arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of OrganoClick AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm 6 April 2022
PricewaterhouseCoopers AB

Sebastian Ionescu
Authorized Public Accountant

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 follwoing 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
Performance measures		
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, EBIT	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 activites, 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.	Organic growth excludes the effects of changes in the Group's structure, enabling a comparison of net sales over time.
Capital structure		
Equity ratio	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.
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 debet) 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 and equity and measures the extent to which the company is financed by loans.

Non-IFRS key ratios	Definition/Calculation	Purpose
Return ratios		
Return on equity	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.
Capital employed	Total assets minus interest-free liabilities.	Capital employed measures how much of the company's assets are financed by interest-bearing capital.
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.
Share data		
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.
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.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEK 000s	2021	2020
Gross margin, %		
Gross profit	18,510	20,198
Net sales	110,064	96,458
Gross margin, %	**16.8**	**20.9**
Gross margin after variable costs, %		
Net sales	110,064	96,458
Cost of goods sold, variable costs	-66,493	-56,156
Gross profit after variable costs	**43,571**	**40,302**
Gross margin after variable costs, %	**39.6**	**41.8**
EBIT, %		
Operating profit/loss	-28,590	-17,100
Net sales	110,064	96,458
EBIT, %	**-26.0**	**-17.7**
EBITDA		
Operating profit/loss	-28,590	-17,100
Plus: Depreciation	15,599	12,643
EBITDA	**-12,991**	**-4,457**
Profit margin, %		
Profit/loss for the period	-31,033	-19,520
Net sales	110,064	96,458
Profit margin, %	**-28.2**	**-20.2**
Net sales, change		
Net sales	110,064	96,458
Net sales corresponding period prior year	96,458	85,480
Net sales, change	**13,607**	**10,978**
Revenue growth, organic, %	**14.1**	**12.8**
Equity ratio, %		
Equity	107,729	82,943
Total assets	188,386	152,802
Equity ratio, %	**57.2**	**54.3**
Quick ratio, %		
Current assets, excluding inventories	50,093	44,590
Current liabilites	54,380	45,158
Quick ratio, %	**92.1**	**98.7**

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

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

MORE INFORMATION

QUESTIONS

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FINANCIAL CALENDAR

Interim report January-March 2022 on 4 May 2022
Annual General Meeting 2022 on 17 May 2022
Interim report January-June 2022 on 17 August 2022
Interim report January-September 2022 on 10 November 2022
Year end report 2022 on 15 February 2023

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 17, 2022 at 5 pm at the company's head office in Arninge, Täby. Notice will be published through a press release and announced in Post och Inrikes Tidningar and in Dagens Industri and published on the OrganoClick website.

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