

# INTERIM REPORT Q1 JANUARY—MARCH 2023

We are working  
to replace plastics  
and fossil chemicals  
with biobased and  
biodegradable  
solutions.



## FIRST QUARTER 2023

- Net sales SEK 43,484 (32,634) thousand.
- Revenue growth 33.2 (10.0) percent.
- EBIT SEK 88 (-4,189) thousand.
- Cash flow from operating activities SEK -15,220 (-16,352) thousand.
- Earnings per share before and after dilution SEK -0.01 (-0.06).

## EVENTS DURING THE QUARTER

- Positive operating profit for the first quarter.
- Finnish Sharpcell launched plastic-free nonwoven with our biobased binders.
- Launch of our next generation wood protection technology OrganoWood Nowa.

## EVENTS AFTER THE QUARTER

- American Glatfelter, one of the world's largest manufacturer of nonwoven, launched compostable nonwoven with our biobased binders.
- OrganoTex initiates collaboration with Bever, the leading Dutch outdoor retailer, with 42 stores.

Financial overview, SEK 000s	Jan-Mar 2023	Jan-Mar 2022	LTM 31 Mar 2023 <sup>1</sup>	Jan-Dec 2022 <sup>1</sup>
Net sales	43,484	32,634	125,897	115,047
Revenue growth, %	33.2	10.0	11.4	4.5
Gross margin, %	25.9	25.2	12.7	11.2
EBIT	88	-4,189	-34,233	-38,509
Cash flow from operating activities	-15,220	-16,352	-20,091	-21,223

1) Gross profit and operating profit/loss EBIT were charged with non-recurring restructuring costs of SEK 5.3 million and SEK 10.0 million, respectively.



Our plastic-free binder OC-BioBinder, for nonwoven applications.



During the quarter, deliveries of our binder increased very strongly.



# A word from the CEO

2023 started out well. The Group's sales grew by 33 percent to MSEK 43.5 (32.6) despite a weak construction and consumer market. The streamlining measures implemented during the autumn have reduced our operating costs by -10 percent. All in all, this results in us, for the first time ever, recognizing a positive operating profit for the first quarter.

The most significant growth was generated in the Nonwoven & fiber technologies business unit, where sales increased very strongly to MSEK 17.5 (0.8). The increase is mostly attributable to existing customers increasing their volume, but also to new customers placing initial orders during the quarter. At the end of the quarter, Sharpcell, the Finnish manufacturer of nonwoven, announced a launch of products that use our biobased binders. In April, US Glatfelter, one of the world's largest manufacturer of nonwoven, followed with an announcement that it too will launch products incorporating our biobased binders. With these two launches, we are becoming an increasingly established player in the binder market.

The business unit Green coatings & maintenance products has seen a continued challenging market for its consumer products. We continue to have a healthy acquisition of new customers, but the overall market has diminished considerably. Sales during the quarter decreased by -22 percent to MSEK 10.8 (13.9), with negative sales growth across all segments except for Car care. Our promotion of OrganoTex exports is beginning to show results, however. At the end of April, Bever, the largest outdoor chain in the Netherlands, introduced our full OrganoTex range across its more than 40 stores. With this collaboration, together with our other partnerships, OrganoTex is developing in the right direction.

"All in all, this results in us, for the first time ever, recognizing a positive operating profit for the first quarter."

The weak construction market has had a negative impact on the business unit Functional wood, resulting in a decline in sales of -15 percent to MSEK 15.2 (17.9). Sales activities in Germany have been successful, however, and we expect them to drive growth in the German market.

The launch of OrganoWood Nowa has also been well received among our customers. This product now represents almost all of our sales. Our assessment for the rest of the year is that the Swedish market will remain weak while some export markets will see growth.

The cash flow for the quarter was burdened by our significant sales growth, which has tied up working capital in trade receivables. This, however, is a temporary effect, which we are counteracting by means of our credit facilities. We keep to our goal of generating a positive cash flow in the year as a whole.

"With the continued growth of our binders and a new, lower cost structure in place, we are evolving in the right direction."

With the continued growth of our binders and a new, lower cost structure in place, we are evolving in the right direction. We have a strong portfolio of customer projects and own development projects that will give rise to additional product launches during the year. Our long-term efforts have now started to give results, on the financial side, but also in that our biobased solutions now are replacing thousands of tonnes of plastics and fossil chemicals!



Sincerely



Mårten Hellberg  
VD, OrganoClick AB

# Business overview

Unimaginable 11 million tonnes of plastic and hundreds of thousands tonnes of toxic chemicals are released into the world's oceans and nature every year. That is one of the greatest environmental challenges of our time and a problem that we at OrganoClick want to play a role in solving. With our green chemical innovations, we are replacing hidden plastics and fossil chemicals in cellulose-based materials with biobased and biodegradable alternatives. We call it Made Green Inside by OrganoClick.

OrganoClick AB (publ) is a Swedish green-tech company that develops and markets green chemical products and material technologies. The company was founded in 2006 as a spin-off from Stockholm University and the Swedish University of Agricultural Science, based on biomimetic research into natural chemical processes.

OrganoClick has won a number of awards, including the WWF "Climate Solver" award, and has been ranked among the 50 fastest-growing technology companies in Sweden and recognized by Affärsvärlden and NyTeknik in their listing of Sweden's top 33 hottest technology companies.

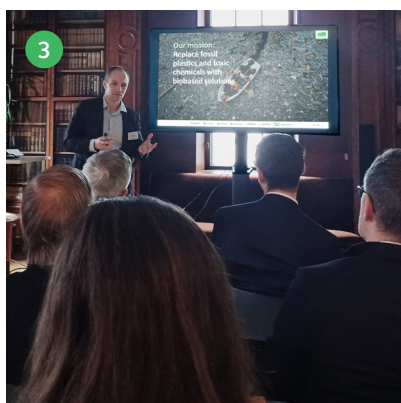
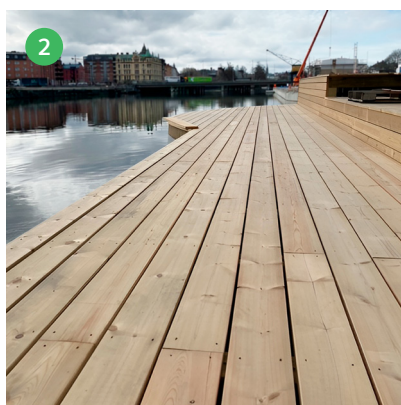
OrganoClick is listed on NASDAQ First North Growth Market and has its head office, production and R&D centre in Täby, north of Stockholm. In 2022, net sales amounted to MSEK 115 with about 50 employees.

## NOBEL PRIZE WINNING CHEMISTRY

OrganoClick's core technology was developed with inspiration from nature's own chemistry. By attaching organic molecules to the surface of cellulose fibers in materials such as wood, textile, paper or nonwoven, new features such as flame retardance, rot protection, water resistance and changed mechanical properties can be achieved.

Our name is composed of the words "Organo" for organocatalysis and "Click" for click-chemistry. The discovery of organocatalysis was awarded the Nobel Prize in Chemistry 2021, and the discovery of click-chemistry was awarded the Nobel Prize in Chemistry 2022.

We are very proud that OrganoClick in 2006 was one of the first companies in the world to begin developing products based on these groundbreaking green chemical technologies.



## DURING THE QUARTER

① At the Tissue World fair, Finnish Sharp-cell introduced an airlaid nonwoven in which OrganoClick's biobased binder replaces the traditionally used fossil-based binder. Commercial production will commence during the second quarter. When fully implemented, more than 1,000 tonnes of plastic can be replaced by our binders, which are made of biopolymers from side streams in the food industry.

② Our next-generation wood protection technology OrganoWood Nowa was launched in the first quarter. Significantly easier to manufacture than previous technologies, it paves the way for our new strategy to out-license wood treatment to wood treatment companies while supplying them with wood protection chemistry.

③ OrganoClick participated in Suominen's sustainability seminar in Nakkila, Finland, as a presenting partner. Suominen is a leading manufacturer of wet wipes, and the seminar brought partners and key customers together to speak about Suominen's novel products and coming innovations.

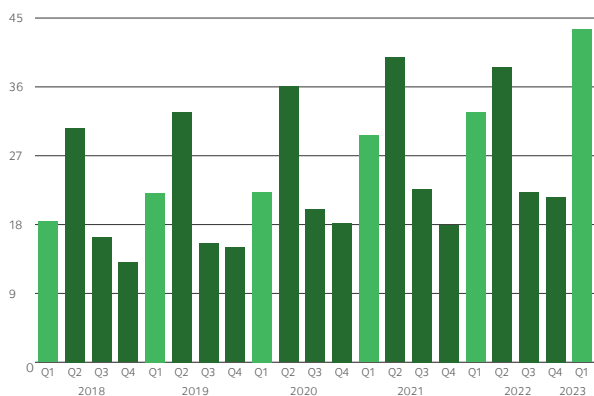
## THE FUTURE LOOKS GREEN. IT HAS TO!

The Group has made steady progress since the first product was launched in 2012. Over the past five years, the Group's net sales have grown from MSEK 75 in 2017 to MSEK 115 in 2022. In the last year, the Group has expanded its factory in Täby to a doubled production capacity of more than 20,000 tonnes per year.

Our goal is to continue to grow organically at a rapid pace and reach a positive cash flow by 2023—and in the process, build a sustainable business while we simultaneously replace thousands of tonnes of plastic and fossil chemicals with biobased solutions.

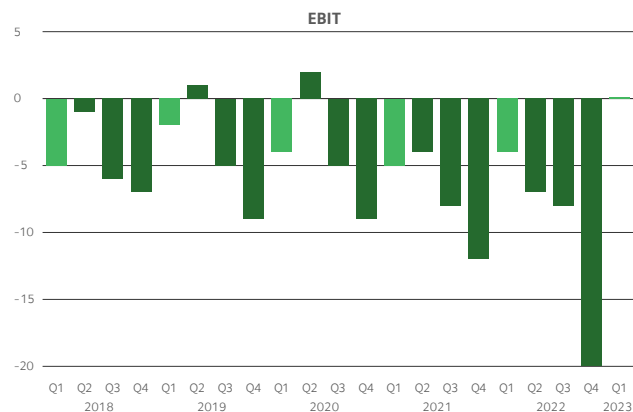
### Net sales by quarter, MSEK

Historically, the Group has been characterized by seasonal variations with higher sales in Q2, followed by Q1, while Q3 and Q4 have been weaker.



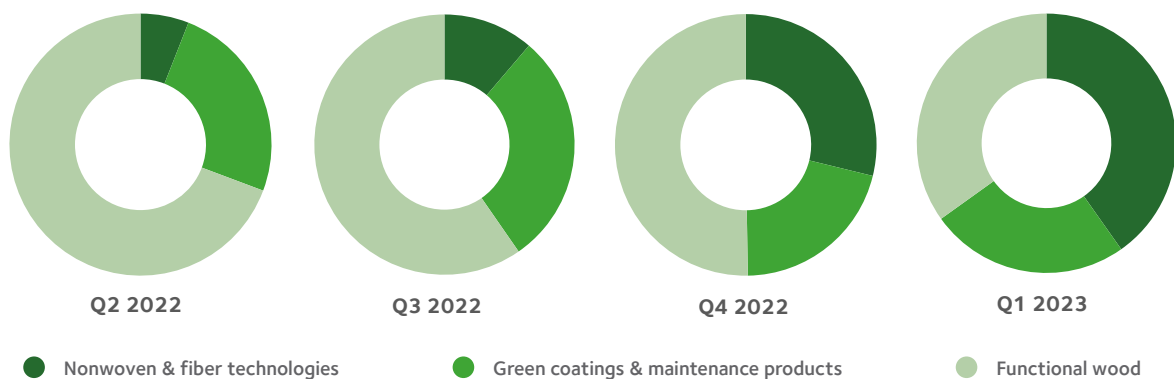
### Operating profit/loss, EBIT, by quarter, MSEK

Historically, operating profit/loss has mainly been negative, following seasonal variations. With increased sales and a reduced cost base, operating profit/loss for Q1 2023 was positive. Q4 2022 was impacted by non-recurring restructuring costs of SEK 10 million.



### Sales/business unit

During the past twelve months, a shift has taken place in the business, where the Nonwoven & fiber technologies business unit has experienced strong growth. The business units Green coatings and maintenance products and Functional wood are characterized by seasonal variations, with Q2 normally being the strongest quarter, followed by Q1.



Net sales of SEK

**43.5 million**

Sales growth

**33%**

EBIT of SEK

**88 thousand**

# Comments on the financial development

## THE GROUP

### Profit/loss January–March

Revenue in the year's first quarter grew by 33.2 (10.0) percent to KSEK 43,484 (32,634). Growth was driven by the business unit Nonwoven & fiber technology, in which revenue increased by 2,097.1 (-34.1) percent to KSEK 17,489 (796) after a sharp increase in binder deliveries. Revenue in the business unit Green coatings & maintenance products decreased by -22.2 (11.8) percent and amounted to KSEK 10,820 (13,910) as a result of the decline in household consumption in reaction to the high inflation and rising interest rates. Revenue in the Functional wood business unit decreased by -15.4 (12.9) percent and amounted to KSEK 15,175 (17,929) due to the overall downturn in the construction sector.

Gross margin amounted to 25.9 (25.2) percent and gross profit amounted to KSEK 11,275 (8,228) due to changes in the product mix and decreased fixed production costs after the restructuring carried out in the fourth quarter of 2022. Sales costs and research and development costs also decreased markedly for the same reasons. The revenue increase combined with the lower cost base resulted in a positive operating profit/loss, EBIT, of KSEK 88 (-4,189). Profit/loss for the period amounted to KSEK -765 (-4,917).

As the Group reports negative earnings, the effective tax will be zero. Deficit deductions increase and the Group does not capitalize deferred tax on deficit deductions. In the income statement,

deferred tax is recognized for temporary differences in internal gains in inventories, intangible assets and leases.

### Cash flow and investments January–March

Cash flow from operating activities amounted to KSEK -15,220 (-16,352), with a positive cash flow from profit of KSEK 3,080 (525) and a negative cash flow from working capital of KSEK -18,300 (-16,877). The negative working capital was the result of liquidity being tied up in trade receivables, KSEK -20,254 (-14,982), in part on account of the Group's seasonal variations and in part on account of increased sales.

During the quarter, investments of KSEK 1,601 (1,383) were made in intangible assets and of KSEK 288 (4,006) in tangible fixed assets. In financing activities, the Group decreased the utilization of its bank overdraft facility marginally, by KSEK -114 (-3,353), while factoring loans utilization increased sharply, by KSEK 16,469 (5,200), attributable in part to an increase in trade receivables and in part to the fact that unlike 2022, factoring loan agreements cover all companies within the Group as of 2023. Loans and leases of KSEK -2,401 (-2,329) were amortized and loans of KSEK -1,400 (0) were repaid. The total cash flow for the Group amounted to KSEK -4,555 (-17,975).

### Financial position

Cash and cash equivalents in the Group amounted to KSEK 10,656 (16,269) at the end of the period with a quick ratio of 54.6 (77.5) percent. Net debt/equity ratio amounted to 101.0 (36.6) percent. At the end of the period, KSEK 19,622 (9,161) of bank overdraft facilities totaling KSEK 20,000 (15,000) was utilized.

## PARENT COMPANY

### Profit/loss January–March

The parent company's revenue amounted to KSEK 32,047 (12,268) due to sharply increased sales of binders and increased internal sales. Gross margin strengthened over the previous year and gross profit amounted to KSEK 5,811 (-766). The reduced fixed expenses in the wake of the restructuring carried out at the end of 2022 further strengthened the result, and operating profit/loss, EBIT, amounted to KSEK -517 (-8,165). Profit/loss for the period amounted to KSEK -657 (-8,001).

### Financial position and investments

Cash and cash equivalents in the parent company amounted to KSEK 7,696 (13,179) and equity to KSEK 77,308 (114,210) at the end of the period. During the year, the parent company invested KSEK 1,284 (1,205) in intangible fixed assets in the form of development projects and patents and KSEK 288 (4,006) in tangible fixed assets.



# Other information

## SIGNIFICANT EVENTS DURING THE PERIOD

- OrganoClick's partly owned subsidiary OrganoWood launched the third generation of wood protection technology OrganoWood Nowa.
- OrganoClick announced a new strategic direction and efficiency program that reduces the Group's operating costs by SEK 5–6 million from 2023.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events after the end of the period.

## RISKS AND UNCERTAINTIES

The Group's significant risks are primarily attributable to the market development for the Group's various product areas, financial risks as the Group may need additional capital injection to conduct its operations in its current form, production risks related to its own production and partners' production capacity and risks with intangible assets and product development. For a more detailed description of significant risks and uncertainties, refer to OrganoClick's Annual report for 2022, pages 44–46.

### 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.

## PERSONNEL

At the end of the period, the number of employees in the Group was 45 (51). Of these, 31 (35) were employed in the parent company, 12 (13) employed in the subsidiary OrganoWood AB and 2 (3) employed in the subsidiary Biokleen Miljökemi AB. Of the employees, 15 (18) were women and 30 (33) men.

## SHARE INFORMATION

OrganoClick AB's share capital at the beginning of 2023 amounted to SEK 979,500 distributed on 97,950,000 shares. The quota value of all shares is 0.01 and they are equally entitled to share the company's assets and earnings. No change has taken place in the share capital during the year.

OrganoClick AB's share has been listed on Nasdaq First North Growth Market since 2015. The number of shareholders on March 31 was 4,228 (4,655) and the closing price of the share on March 31 was 3.95 (5.20), giving a market capitalization of SEK 386 (509) million.

## The largest shareholders in OrganoClick AB as at 31 March 2023<sup>1</sup>

Name	No. of shares	Share of votes and capital %
Peter Lindell with compay	12,040,006	12.29
Mårten Hellberg with company	7,646,113	7.81
Beijer Ventures AB	7,107,180	7.26
Anders Wall Foundations	5,090,227	5.20
CBLDN-EQ Nordic small cap fund	3,749,422	3.83
CS (CH) Client Omnibus ACC	3,724,300	3.80
Avanza Pension	3,157,087	3.22
Sijotusrahasto Aktia Nordic	3,100,000	3.16
Nordnet pensionsförsäkring AB	3,015,345	3.08
Handelsbanken Microcap Norden	2,386,456	2.44
<b>Subtotal</b>	<b>51,016,136</b>	<b>52.08</b>
Other shareholders	46,933,864	47.92
<b>Total shares</b>	<b>97,950,000</b>	<b>100.00</b>

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

## WARRANT PROGRAM

During 2022, a warrant-based incentive scheme was implemented through the issue of 979,500 warrants to senior executives of the company, which corresponds to a dilution of approximately one (1) percent of the number of outstanding shares and votes in the company. Exercise of warrants to subscribe for shares, in accordance with the warrant terms, shall be possible during the period between 12 January 2025 and 12 July 2025, inclusive. The exercise price is SEK 10.23 per share. Each warrant gives the right to acquire one share.

## FINANCIAL CALENDAR 2023

2023-05-17	Annual General Meeting
2023-08-17	Interim report January–June
2023-11-09	Interim report January–September
2024-02-15	Year end report 2023

## CERTIFIED ADVISER

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

# Financial information

## CONSOLIDATED INCOME STATEMENT

SEK 000s	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	1,2	43,484	32,634	115,047
Cost of goods sold		-32,208	-24,406	-102,113
<b>Gross profit</b>		<b>11,275</b>	<b>8,228</b>	<b>12,934</b>
Selling expenses		-6,286	-7,617	-28,842
Administrative expenses		-3,537	-3,381	-14,020
Research and development costs		-1,306	-1,743	-12,202
Other operating income	3	297	442	5,245
Other operating expenses	3	-354	-118	-1,624
<b>Operating profit/loss</b>		<b>88</b>	<b>-4,189</b>	<b>-38,509</b>
Financial income		2	11	15
Financial expenses		-1,048	-647	-3,226
<b>Net financial items</b>		<b>-1,046</b>	<b>-636</b>	<b>-3,211</b>
<b>Profit/loss before tax</b>		<b>-958</b>	<b>-4,825</b>	<b>-41,720</b>
Income tax		193	-92	99
<b>Profit/loss for the period</b>		<b>-765</b>	<b>-4,917</b>	<b>-41,621</b>
<b>Profit/loss for the period attributable to:</b>				
Shareholders' of Parent Company		-997	-5,893	-44,399
Non-controlling interests		232	976	2,778
Earnings per share before and after dilution SEK <sup>1</sup>		-0.01	-0.06	-0.45
Average number of shares before and after dilution <sup>1</sup>		97,950,000	97,950,000	97,950,000

1) There is no dilution effect for the period when the subscription price is higher than the share price.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>	<b>-765</b>	<b>-4,917</b>	<b>-41,621</b>
<b>Other comprehensive income for the period:</b>			
<i>Items that can later be reclassified into profit or loss</i>			
This period's translation differences when translating foreign operations	7	-4	2
<b>Other comprehensive income for the period, net after tax</b>	<b>7</b>	<b>-4</b>	<b>2</b>
<b>Comprehensive income for the period</b>	<b>-758</b>	<b>-4,921</b>	<b>-41,619</b>
<b>Comprehensive income for the period attributable to:</b>			
Shareholders' of Parent Company	-993	-5,895	-44,398
Non-controlling interests	235	974	2,779



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible fixed assets</i>				
Capitalized development expenditures		17,155	17,553	16,598
Patents, trademarks		5,564	8,051	5,399
Licences		229	372	258
Goodwill		16,794	16,794	16,794
		39,742	42,771	39,050
<i>Property, plant and equipment</i>				
Buildings		17,695	21,567	18,115
Improvement expense of other property		306	422	335
Machinery		20,703	26,562	21,294
Equipment, tools, fixtures and fittings		3,445	4,868	3,889
Ongoing new facilities		132	6,422	-
		42,282	59,841	43,634
<i>Other non-current assets</i>				
Other non-current receivables		3,140	3,140	3,140
Deferred tax assets		1,288	988	1,089
<b>Total non-current assets</b>		<b>86,452</b>	<b>106,740</b>	<b>86,913</b>
<b>Current assets</b>				
Inventories		41,105	35,736	41,524
Trade receivables		36,450	26,965	16,196
Income tax receivables		154	52	447
Other receivables		439	1,695	598
Prepaid expenses and accrued income		2,998	2,479	1,974
Cash and cash equivalents		10,656	16,269	15,204
<b>Total current assets</b>		<b>91,803</b>	<b>83,195</b>	<b>75,943</b>
<b>TOTAL ASSETS</b>		<b>178,255</b>	<b>189,934</b>	<b>162,856</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

SEK 000s	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY</b>				
Share capital		980	980	980
Other contributed capital		307,059	307,059	307,059
Reserves		38	30	33
Accumulated loss including profit/loss for the period		-249,924	-211,864	-249,295
<b>Equity attributable to shareholders of Parent Company</b>		<b>58,151</b>	<b>96,204</b>	<b>58,777</b>
Non-controlling interests	4	8,647	8,050	8,779
<b>Total equity</b>		<b>66,798</b>	<b>104,255</b>	<b>67,556</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings from credit institutions		3,462	3,002	3,722
Lease liabilities		13,716	20,046	14,813
Other non-current liabilities		1,000	1,000	1,000
Deferred tax liabilities		349	433	343
<b>Total non-current liabilities</b>		<b>18,527</b>	<b>24,481</b>	<b>19,878</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		20,663	10,372	20,833
Lease liabilities		9,247	8,392	9,137
Trade payables		16,474	16,305	15,478
Income tax liabilities		51	-	-
Other liabilities		35,872	16,085	19,358
Accrued expenses and deferred income		10,622	10,046	10,616
<b>Total current liabilities</b>		<b>92,929</b>	<b>61,199</b>	<b>75,422</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>178,255</b>	<b>189,934</b>	<b>162,856</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK 000s	Attributable to shareholders' of Parent Company				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Accumulated loss			
<b>Equity at 1 January 2023</b>	<b>980</b>	<b>307,059</b>	<b>33</b>	<b>-249,295</b>	<b>58,777</b>	<b>8,779</b>	<b>67,556</b>
<i>Comprehensive income</i>							
Profit/loss for the period	-	-	-	-997	-997	232	-765
Transfer enumeration preference shares	-	-	-	367	367	-367	0
<i>Other comprehensive income</i>							
Translation differences	-	-	4	-	4	3	7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-630</b>	<b>-625</b>	<b>-133</b>	<b>-758</b>
<i>Shareholder transactions</i>							
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity at 31 March 2023</b>	<b>980</b>	<b>307,059</b>	<b>38</b>	<b>-249,924</b>	<b>58,151</b>	<b>8,647</b>	<b>66,798</b>
<b>Equity at 1 January 2022</b>	<b>980</b>	<b>307,059</b>	<b>32</b>	<b>-207,746</b>	<b>100,325</b>	<b>7,404</b>	<b>107,729</b>
<i>Comprehensive income</i>							
Profit/loss for the period	-	-	-	-5,893	-5,893	976	-4,917
Transfer enumeration preference shares	-	-	-	328	328	-328	0
<i>Other comprehensive income</i>							
Translation differences	-	-	-2	-	-2	-2	-4
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-5,565</b>	<b>-5,567</b>	<b>646</b>	<b>-4,921</b>
<i>Shareholder transactions</i>							
Transfer warrants	-	-	-	1,446	1,446	-	1,446
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,446</b>	<b>1,446</b>	<b>-</b>	<b>1,446</b>
<b>Equity at 31 March 2022</b>	<b>980</b>	<b>307,059</b>	<b>30</b>	<b>-211,864</b>	<b>96,204</b>	<b>8,050</b>	<b>104,255</b>
<b>Equity at 1 January 2022</b>	<b>980</b>	<b>307,059</b>	<b>32</b>	<b>-207,746</b>	<b>100,325</b>	<b>7,404</b>	<b>107,729</b>
<i>Comprehensive income</i>							
Profit/loss for the period	-	-	-	-44,399	-44,399	2,778	-41,621
Transfer enumeration preference shares	-	-	-	1,403	1,403	-1,403	0
<i>Other comprehensive income</i>							
Translation differences	-	-	1	-	1	1	2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-42,996</b>	<b>-42,995</b>	<b>1,375</b>	<b>-41,619</b>
<i>Shareholder transactions</i>							
Transfer warrants	-	-	-	1,446	1,446	-	1,446
<b>Total shareholder transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,446</b>	<b>1,446</b>	<b>-</b>	<b>1,446</b>
<b>Equity at 31 December 2022</b>	<b>980</b>	<b>307,059</b>	<b>33</b>	<b>-249,295</b>	<b>58,777</b>	<b>8,779</b>	<b>67,556</b>



## CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Cash flow from operating activities</b>				
Operating profit/loss		88	-4,189	-38,509
Adjustment for non-cash items	5	3,694	4,833	28,316
Interest received		2	11	15
Interest paid		-1,048	-647	-3,226
Income tax paid		344	518	122
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,080</b>	<b>525</b>	<b>-13,282</b>
<b>Changes in working capital</b>				
Changes in inventories and work in progress		419	-3,344	-9,133
Changes in trade receivables		-20,254	-14,982	-4,214
Changes in other operating receivables		-913	-894	624
Changes in trade payables		996	2,940	2,113
Changes in other operating liabilities		1,452	-596	2,670
<b>Cash flow from changes in working capital</b>		<b>-18,300</b>	<b>-16,877</b>	<b>-7,941</b>
<b>Cash flow from operating activities</b>		<b>-15,220</b>	<b>-16,352</b>	<b>-21,223</b>
<b>Cash flow from investing activities</b>				
Investments in intangible assets		-1,601	-1,383	-6,202
Investments in property, plant and equipment		-288	-4,006	-7,926
Sale of property, plant and equipment		-	-	6,680
<b>Cash flow from investing activities</b>		<b>-1,888</b>	<b>-5,389</b>	<b>-7,448</b>
<b>Cash flow from financing activities</b>				
Transfer warrants		-	1,446	1,446
Net change bank overdraft facility		-114	-3,353	7,223
Net change invoice factoring debt		16,469	5,200	5,778
Borrowings		-	2,800	8,868
Repayment of debt		-1,400	-	-3,219
Amortization of debt		-2,401	-2,329	-10,472
<b>Cash flow from financing activities</b>		<b>12,553</b>	<b>3,766</b>	<b>9,625</b>
<b>Cash flow for the period</b>		<b>-4,555</b>	<b>-17,975</b>	<b>-19,046</b>
Cash and cash equivalents at beginning of period		15,204	34,248	34,248
Exchange rate differences in cash and cash equivalents		7	-4	2
<b>Cash and cash equivalents at end of period</b>		<b>10,656</b>	<b>16,269</b>	<b>15,204</b>

## KEY FIGURES, THE GROUP

SEK 000s	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	43,484	32,634	115,047
Revenue growth, %	33.2	10.0	4.5
Gross profit	11,275	8,228	12,934 <sup>1</sup>
Gross margin, %	25.9	25.2	11.2
EBIT	88	-4,189	-38,509 <sup>2</sup>
EBIT margin, %	0.2	-12.8	-33.5
EBITDA	3,776	69	-11,882
Profit/loss for the period	-765	-4,917	-41,621 <sup>3</sup>
Profit margin, %	-1.8	-15.1	-36.2
Equity ratio, %	37.5	54.9	41.5
Quick ratio, %	54.6	77.5	45.6
Net debt/equity ratio,%	101.0	36.6	72.9
Average number of employees	43	51	49
Average number of shares before and after dilution <sup>4</sup>	97,950,000	97,950,000	97,950,000
Number of shares issued at end of period	97,950,000	97,950,000	97,950,000
Turnover per share before and after dilution SEK1 <sup>4</sup>	-0.01	-0.06	-0.45

1) SEK 18,2 million exluding non-recurring costs of SEK 5.3 million.

2) SEK -28,5 million exluding non-recurring costs of SEK 10.0 million.

3) SEK -31,6 million exluding non-recurring costs of SEK 10.0 million.

4) There is no dilution effect for the period when the subscription price is higher than the share price.

## PARENT COMPANY INCOME STATEMENT

SEK 000s	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	2	32,047	12,268	44,696
Cost of goods sold		-26,235	-13,034	-55,281
<b>Gross profit</b>		<b>5,811</b>	<b>-766</b>	<b>-10,586</b>
Selling expenses		-2,464	-3,551	-13,897
Administrative expenses		-2,771	-2,569	-10,754
Research and development costs		-1,033	-1,567	-10,950
Other operating income		182	351	1,230
Other operating expenses		-242	-63	-538
<b>Operating profit/loss</b>		<b>-517</b>	<b>-8,165</b>	<b>-45,494</b>
Interest income and similar items		142	166	550
Interest expenses and similar items		-282	-1	-240
<b>Net financial items</b>		<b>-140</b>	<b>165</b>	<b>310</b>
<b>Profit/loss before tax</b>		<b>-657</b>	<b>-8,001</b>	<b>-45,184</b>
Appropriations		-	-	939
Income tax		-	-	-
<b>Profit/loss for the period</b>		<b>-657</b>	<b>-8,001</b>	<b>-44,245</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>	<b>-657</b>	<b>-8,001</b>	<b>-44,245</b>
Other comprehensive income for the period	-	-	-
<b>Comprehensive income for the period</b>	<b>-657</b>	<b>-8,001</b>	<b>-44,245</b>



## PARENT COMPANY BALANCE SHEET

SEK 000s	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible fixed assets</i>				
Capitalized development expenditures		11,808	12,242	11,224
Patents, trademarks		4,858	7,246	4,615
Licences		212	317	238
		16,879	19,805	16,077
<i>Property, plant and equipment</i>				
Improvement expense of other property		306	422	335
Machinery		13,362	10,411	13,691
Equipment, tools, fixtures and fittings		2,102	2,897	2,242
Ongoing new facilities		132	6,422	-
		15,902	20,152	16,268
<i>Financial assets</i>				
Shares in group companies		37,788	39,788	37,788
Due from group companies		1,651	1,651	1,651
Other non-current receivables		1,091	1,447	1,175
		40,530	42,886	40,614
<b>Total non-current assets</b>		<b>73,311</b>	<b>82,843</b>	<b>72,960</b>
<b>Current assets</b>				
Raw materials, supplies and finished inventories		20,873	16,611	23,492
		20,873	16,611	23,492
<i>Short-term receivables</i>				
Trade receivables		15,561	4,599	7,981
Due from group companies		7,560	11,664	7,324
Income tax receivables		-	-	172
Other receivables		415	1,270	418
Prepaid expenses and accrued income		4,096	3,476	3,366
		27,632	21,010	19,261
Cash and cash equivalents		7,696	13,179	6,341
<b>Total current assets</b>		<b>56,202</b>	<b>50,800</b>	<b>49,093</b>
<b>TOTAL ASSETS</b>		<b>129,513</b>	<b>133,643</b>	<b>122,053</b>

## PARENT COMPANY BALANCE SHEET (CONT.)

SEK 000s	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>				
<b>Restricted equity</b>				
Share capital		980	980	980
Fund for development expenditures		7,157	7,591	6,573
<b>Total restricted equity</b>		<b>8,136</b>	<b>8,570</b>	<b>7,552</b>
<b>Non-restricted equity</b>				
Share premium reserve		310,701	310,701	310,701
Retained earnings		-240,872	-197,061	-196,043
Profit/loss for the period		-657	-8,001	-44,245
<b>Total non-restricted equity</b>		<b>69,172</b>	<b>105,640</b>	<b>70,413</b>
<b>Total equity</b>		<b>77,308</b>	<b>114,210</b>	<b>77,966</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Liabilities to credit institutions		3,462	-	3,722
Liabilities to group companies		4,710	4,710	4,710
<b>Total non-current liabilities</b>		<b>8,172</b>	<b>4,710</b>	<b>8,432</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		5,808	-	5,994
Trade payables		11,417	7,420	12,415
Income tax liabilities		51	80	-
Liabilities to group companies		4,286	-	3,415
Other short-term liabilities		16,397	1,289	7,689
Accrued expenses and deferred income		6,074	5,934	6,142
<b>Total current liabilities</b>		<b>44,033</b>	<b>14,723</b>	<b>35,655</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>129,513</b>	<b>133,643</b>	<b>122,053</b>

# Notes

## ACCOUNTING PRINCIPLES

This interim report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups. The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting principles and calculation methods have been applied in the interim report as in the annual report 2022.

## NOTE 1 OPERATING SEGMENTS AND BREAKDOWN OF REVENUE

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

The Group's business units utilize common resources in terms of sales, production, research & 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 from 2023 done for the three business units Nonwoven & fiber technologies, Green coatings & maintenance products and Functional wood. 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	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Net sales per business unit</b>			
Nonwoven & fiber technologies	17,489	796	11,832
Green coatings & maintenance products	10,820	13,910	34,446
Functional wood	15,175	17,929	68,770
<b>Total</b>	<b>43,484</b>	<b>32,634</b>	<b>115,047</b>

### Net sales per geographic market

Sweden	37,916	21,368	91,223
Other Nordics	2,723	5,591	11,805
The rest of Europe	2,313	5,675	10,897
Asia	337	-	892
North America	194	-	231
<b>Total</b>	<b>43,484</b>	<b>32,634</b>	<b>115,047</b>

Product sales consist of sales of products within the Group's various business units.

Revenue is reported at the time the control of the products is transferred to the customer, generally upon delivery. All sales are reported at a specific time, no revenue is recognized over time.

## NOTE 2 SEASONAL VARIATIONS

The business units Green coatings & maintenance products and Functional wood 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 while the third and the fourth quarter is weaker.

## NOTE 3 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSE

Group	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Exchange gains on receivables/payables of an operating nature	182	77	1,235
Commission income	-	31	77
Government grants received for R&D	110	333	1,048
Profits, disposal/sale of property, plant and equipment	-	-	2,834
Other operating income	5	0	51
<b>Total</b>	<b>297</b>	<b>442</b>	<b>5,245</b>
Exchange losses on receivables/payables of an operating nature	-348	-99	-1,226
Losses, disposal/sale of property, plant and equipment	-7	-20	-398
<b>Total</b>	<b>-354</b>	<b>-118</b>	<b>-1,624</b>

## NOTE 4 ORGANOWOOD AB'S PREFERENCE SHARES

In the subsidiary OrganoWood AB there are two types of shares, ordinary shares and preference shares. In 2013, OrganoWood AB issued 200,000 preference shares with a nominal amount of SEK 100 per share, corresponding to a total amount of the issue of SEK 20,000 thousand. The terms of the preference shares are established in OrganoWood AB's Articles of Association. As of the balance sheet date, OrganoClick owned 36.4% of the preference shares, other ordinary shareholder in OrganoWood AB 27.0% and the remaining 36.6% was owned by 26 preference shareholders.

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 March 2023, the redemption value per preference share is SEK 285.60 (255.00).

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 16 May 2022, 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.



## NOTE 5 ADJUSTMENT FOR NON-CASH ITEMS

Group	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Impairment intangible fixed assets	-	-	4,074
Depreciation/amortization of intangible fixed assets	909	1,182	4,911
Disposal of intangible fixed assets	-	555	1,293
Impairment property, plant and equipment	-	-	5,251
Depreciation/amortization of property, plant and equipment	2,779	3,075	12,392
Disposal of property, plant and equipment	7	20	396
<b>Total</b>	<b>3,694</b>	<b>4,833</b>	<b>28,316</b>

## NOTE 6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

For the Group's financial assets and liabilities, the fair value is assessed to be consistent with the carrying amount.

## NOTE 7 RELATED PARTIES

OrganoWood AB has transactions with related parties. Invoiced and accrued interest and guarantee fees for loans and guarantees provided by board member and shareholder Robert Charpentier, via his own company Kvigos AB, amount to KSEK 53 (45). In addition to guarantee liabilities, Kvigos AB has outstanding interest-bearing loans to OrganoWood of KSEK 1,000 (1,000). Invoiced and accrued interest on loans provided by shareholder Ilija Batljan, via his own company Ilija Batljan Invest AB, amount to KSEK 43 (25). Outstanding interest-bearing loans from Ilija Batljan Invest AB to OrganoWood AB amount to KSEK 1,400 (2,800). The transactions between OrganoWood AB and the shareholders take place at prices at arm's length.

## NOTE 8 ESTIMATES AND ASSESSMENTS

The preparation of the interim report requires the management to make assessments and estimates and to make assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. The critical estimates and sources of uncertainty in estimates can be found in the Group's annual report for 2022, page 72.

# Alternative performance measure

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

Non-IFRS key ratios	Definition/Calculation	Purpose
<b>Performance measures</b>		
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.
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 impairments of intangible assets and property, plant and equipment.	EBITDA is used to measure cash flow from operating activities, excluding the effects of previously made investments and accounting decisions.
Profit margin	Profit/loss for the period in relation to net sales for the period.	The profit margin shows the profit per turnover SEK, which gives an indication of how efficient a company is.
Revenue growth	The percentage increase in sales for the past period compared to the corresponding previous period.	The change in net sales reflects the company's realized sales growth over time.
Organic growth	Changes in net sales, excluding acquisition-driven growth.	Organic growth excludes the effects of changes in the Group's structure, enabling a comparison of net sales over time.
<b>Capital structure</b>		
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 debt) minus interest-bearing assets including cash and cash equivalents.	Net debt shows 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.

## RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEK 000s	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	SEK 000s	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Gross margin, %				Equity ratio, %			
Gross profit	11,275	8,228	12,934	Equity	66,798	104,255	67,556
Net sales	43,484	32,634	115,047	Total assets	178,255	189,934	162,856
<b>Gross margin, %</b>	<b>25.9</b>	<b>25.2</b>	<b>11.2</b>	<b>Equity ratio, %</b>	<b>37.5</b>	<b>54.9</b>	<b>41.5</b>
EBIT margin, %				Quick ratio, %			
Operating profit/loss	88	-4,189	-38,509	Current assets, excluding inventories	50,697	47,459	34,419
Net sales	43,484	32,634	115,047	Current liabilities	92,929	61,199	75,422
<b>EBIT margin %</b>	<b>0.2</b>	<b>-12.8</b>	<b>-33.5</b>	<b>Quick ratio, %</b>	<b>54.6</b>	<b>77.5</b>	<b>45.6</b>
EBITDA				Net debt/equity ratio, %			
Operating profit/loss	88	-4,189	-38,509	Interest-bearing liabilities	78,130	54,407	64,478
Plus: Depreciations/impairments	3,688	4,258	26,627	Less: Cash and cash equivalents	-10,656	-16,269	-15,204
<b>EBITDA</b>	<b>3,776</b>	<b>69</b>	<b>-11,882</b>	<b>Net debt</b>	<b>67,474</b>	<b>38,138</b>	<b>49,275</b>
Profit margin, %				Equity	66,798	104,255	67,556
Profit/loss for the period	-765	-4,917	-41,621	<b>Net debt/equity ratio, %</b>	<b>101.0</b>	<b>36.6</b>	<b>72.9</b>
Net sales	43,484	32,634	115,047				
<b>Profit margin, %</b>	<b>-1.8</b>	<b>-15.1</b>	<b>-36.2</b>				
Net sales, change							
Net sales	43,484	32,634	115,047				
Net sales corresponding period prior year	32,634	29,656	110,064				
<b>Net sales, change</b>	<b>10,849</b>	<b>2,978</b>	<b>4,982</b>				
Revenue growth, organic, %	33.2	10.0	4.5				



# Signatures

## CERTIFICATION

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

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

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

Stockholm, 5 May 2023

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**Jan Johansson**  
*Chairman of the Board*

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**Claes-Göran Beckeman**  
*Board member*

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**Charlotte Karlberg**  
*Board member*

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**Malin Bugge**  
*Board member*

---

**Håkan Gustavson**  
*Board member*

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**Mårten Hellberg**  
*CEO*



and free from harmful chemicals and plastics, we call it Made Green Inside, and it is our business concept that all products we develop must be manufactured from biobased raw materials, be biodegradable



OrganoClick AB (publ), Linjalvägen 9, SE-187 66 Täby, Sweden  
+46 8 674 00 80 info@organoclick.com www.organoclick.com

**Questions:** Mårten Hellberg, CEO: +46 8 684 001 10, marten.hellberg@organoclick.com  
Jessica Sundborg, CFO: +46 8 684 001 19, jessica.sundborg@organoclick.com