

INTERIM REPORT Q2 JANUARY – JUNE 2023

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



OrganoClick®

APRIL TO JUNE

- Net sales SEK 41,028 (38,526) thousand.
- Revenue growth 6.5 (–3.3) percent.
- EBIT SEK –382 (–6,734) thousand.
- Cash flow from operating activities SEK 8,043 (–8,522) thousand.
- Earnings per share before and after dilution SEK –0.03 (–0.09).

EVENTS DURING THE QUARTER

- American Glatfelter, one of the world's largest manufacturers of nonwoven, launched home compostable products with our biobased binders.
- OrganoClick's brand OrganoTex initiated collaboration with Bever, Netherlands' leading outdoor retailer, with 42 stores.
- OrganoClick's brand OrganoTex launched world-unique biobased and eco-labelled textile waterproofing and expanded into several new geographic markets.

JANUARY TO JUNE

- Net sales SEK 84,512 (71,160) thousand.
- Revenue growth 18.8 (2.4) percent.
- EBIT SEK –294 (–10,923) thousand.
- Cash flow from operating activities SEK –7,176 (–24,874) thousand.
- Earnings per share before and after dilution SEK –0.04 (–0.15).

Financial overview, SEK 000s	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	LTM 30 Jun 2023 ¹	Jan-Dec 2022 ¹
Net sales	41,028	38,526	84,512	71,160	128,399	115,047
Revenue growth, %	6.5	–3.3	18.8	2.4	14.9	4.5
Gross margin, %	26.9	17.6	26.4	21.1	15.7	11.2
EBIT	–382	–6,734	–294	–10,923	–27,881	–38,509
Cash flow from operating activities	8,043	–8,522	–7,176	–24,874	–288	–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.



More than 4 years of research and extensive testing to develop the second generation textile waterproofing for our brand OrganoTex.

A word from the CEO

Our strategic transformation to become a chemical company has continued according to plan during the second quarter. Binder sales in Nonwoven & fiber technologies continued to grow sharply, and our consumer products in Green coatings & maintenance products also showed good growth. On the other hand, sales of OrganoWood timber in Functional wood dropped heavily because of the weak construction activity. All in all, the group's sales grew by 6 percent to MSEK 41.0 (38.5).

Our streamlining measures is having a good effect, resulting in a decrease of -16 percent in operating costs. Our operating profit/loss strengthened to MSEK -0.4 (-6.7), and cash flow from operating activities improved greatly during the quarter, to MSEK 8.0 (-8.5).

Sales of binders in the Nonwoven & fiber technologies business unit multiplied to MSEK 10.0 (2.3). The increase is attributable to existing customers as well as initial deliveries to new customers. During the quarter, we announced that US Glatfelter, one of the world's largest manufacturers of nonwoven for hygiene products, napkins and wet wipes, is launching 100% biobased and home compostable products where our biobased binders are replacing plastic binders.

"Our strategic transformation to become a chemical company has continued according to plan during the second quarter."

The Green coatings & maintenance products business unit saw good development during the quarter, with healthy demand across most product segments. OrganoTex was the key engine of growth, with sales more than doubling during the quarter. Overall, sales in the business unit grew by 23 percent to MSEK 11.8 (9.5). OrganoTex growth was driven by a sustained healthy acquisition of new customers. Among other things, the leading Dutch outdoor chain Bever introduced our full range across its 42 stores during April. In June, we also launched the second generation of OrganoTex, which is completely biobased, biodegradable and eco-labeled with Oeko-Tex Eco Passport, something that makes OrganoTex textile impregnation truly unique. At the end of the quarter, we then signed distribution agreements with leading distributors in Germany, Austria, Italy, Poland, the Czech Republic, Slovakia, Taiwan, and Indonesia. Our focus is now on expanding sales in our new geographic markets.

"Sales of binders in the Nonwoven & fiber technologies business unit multiplied."

The weak construction sector continues to be a constraint on the sales of OrganoWood timber in the Functional wood business unit. Sales decreased by -28 percent to MSEK 19.2 (26.7). All geographic markets have experienced weak performance with the exception of Germany, which is on par with the previous year. We assess that the construction market will remain weak for the remainder of the year, but we may see some growth in Germany.

The third quarter has begun with good sales and order intake for our binders and OrganoTex. We have a strong portfolio of customer projects for our binders where new customers are preparing product launches. We are continuing our long-term effort to develop further, sell and supply our biobased products that replace plastics and fossil chemicals.



Sincerely



Mårten Hellberg
CEO, 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.

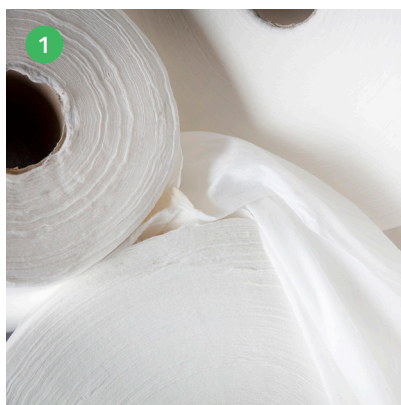
NOBEL PRIZE WINNING CHEMISTRY

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 INDEX23 fair in Geneva, US Glatfelter, one of the world's leading nonwoven manufacturers, launched a 100 percent biobased and home compostable nonwoven in which the traditional plastic-based binder has been replaced by OrganoClick's biobased binder.
- ② The leading Dutch outdoor chain Bever launched the full OrganoTex range across its 42 outdoor stores in the Netherlands.
- ③ The second generation of OrganoTex products was introduced in connection with the ISPO Outdoor fair in Munich. The new products are biobased, readily biodegradable and eco-labeled with Oeko-Tex Eco Passport, making them truly unique in the market.



THE FUTURE LOOKS GREEN. IT HAS TO!

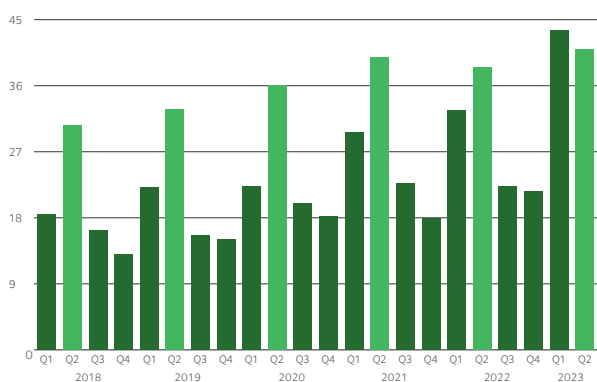
The Group has made steady progress since the first product was launched in 2012. Over the past five years, the Group's net sales have grown from MSEK 75 in 2017 to MSEK 115 in 2022. In the last year, the Group has expanded its factory in Täby to a doubled production capacity of more than 20,000 tonnes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



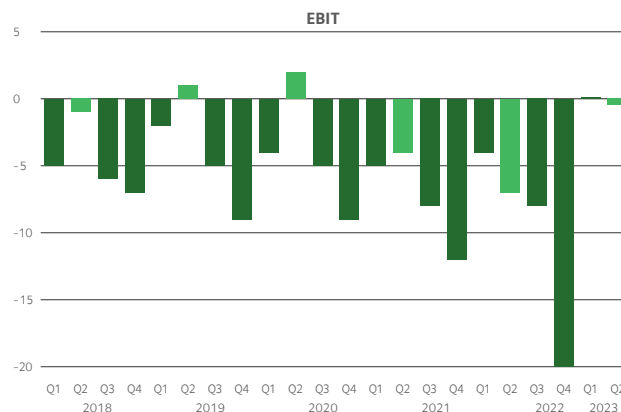
Net sales by quarter, MSEK

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



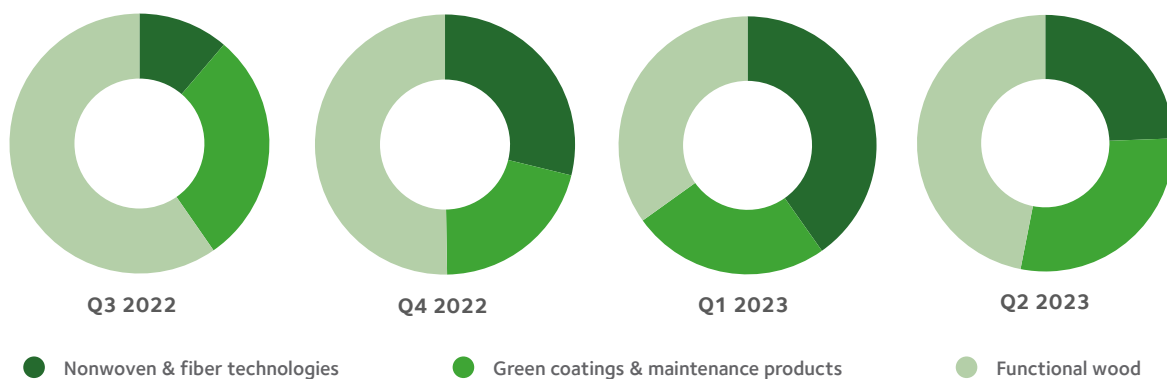
Operating profit/loss, EBIT, by quarter, MSEK

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



Net 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 SEK

41 million

Sales growth

6%

EBIT SEK

-0,4 million

Comments on the financial development

THE GROUP

Profit/loss April–June

Revenue for the second quarter amounted to KSEK 41,028 (38,526), corresponding to a sales growth of 6.5 (-3.3) percent. The business unit Nonwoven & fiber technologies saw sharp growth, 335.5 (26.5) percent, and sales amounted to KSEK 10,013 (2,299) after deliveries of binders to existing as well as new customers. Also the business unit Green coatings & maintenance products saw healthy growth of 23.5 (-25.3) percent despite a weak consumer market, and sales amounted to KSEK 11,770 (9,533), mostly driven by OrganoTex growth. The Functional wood business unit had a weak quarter and sales declined by -27.9 (6.8) percent to KSEK 19,245 (26,693) in the wake of a shrinking construction market.

Gross margin amounted to 26.9 (17.6) percent and gross profit to KSEK 11,021 (6,798), where the positive effect was due to increased sales, changes in the product mix, and reduced fixed production costs following the restructuring carried out in the autumn. The positive impact of the restructuring is also apparent from the reduced costs of sales and research and development. Operating profit/loss, EBIT, amounted to KSEK -382 (-6,734), and profit/loss for the period amounted to KSEK -1,689 (-7,527).

Cash flow and investments April–June

Cash flow from operating activities amounted to KSEK 8,043 (-8,522) with positive cash flow both from profit, KSEK 1,844 (-3,178) and from working capital, KSEK 6,199 (-5,344). Liquidity has been freed up through a reduced tie-up in inventory and trade receivables, which, contrary to 2022, were lower at the end of Q2 than at the end of Q1.

During the quarter, investments of KSEK 1,769 (1,726) and KSEK 368 (657) were made in intangible and tangible fixed assets, respectively. In financing activities, factoring loans utilization decreased with decreasing trade receivables, KSEK -4,954 (5,351). New credits of KSEK 3,237 were raised, and loans and leases of KSEK -2,344 (-2,267) were amortized.

Profit/loss January–June

Revenue in the first six months of the year grew by 18.8 (2.4) percent to KSEK 84,512 (71,160). Growth was driven by the business unit Nonwoven & fiber technologies, where sharply increasing supplies of binders led to a rise in revenue of 788.6 (2.3) percent, to KSEK 27,502 (3,095). Revenue in the business unit Green coatings & maintenance products was negatively affected by the decline in household consumption but has recovered somewhat after a strong second quarter. The total decline in sales amounted to -3.6 (-7.0) percent with sales of KSEK 22,591 (23,442). Revenue within the Functional wood business unit was substantially negatively affected by the overall downturn in the construction sector and decreased by -22.9 (9.2) percent to KSEK 34,420 (44,622).

Gross margin amounted to 26.4 (21.1) percent and gross profit amounted to KSEK 22,296 (15,025) thanks to increased sales and decreased fixed production costs after the restructuring carried

out at the end of 2022. The effects of the restructuring are also visible in decreased costs of sales and research and development costs. Increasing revenue combined with a lower cost base resulted in a sharp improvement of operating profit/loss, EBIT, which amounted to KSEK -294 (-10,923). Profit/loss for the period amounted to -2,454 (-12,444).

As the Group reports negative earnings, the effective tax is zero. Unused tax losses increase, and the Group does not capitalize deferred tax on loss carryforwards. In the income statement, deferred tax is recognized for temporary differences in internal gains in inventories and intangible assets, and in leases.

Cash flow and investments January–June

Cash flow from operating activities amounted to KSEK -7,176 (-24,874) with positive cash flow from profit, KSEK 4,925 (-2,653), and negative cash flow from working capital, KSEK -12,101 (-22,221). The negative impact on working capital was due to significantly increasing trade receivables, KSEK -13,987 (-17,232), in part on account of the Group's seasonal variations and in part on account of increased sales. This was partially offset by reduced tie-up in inventory, KSEK 2,553 (-6,040).

During the first half of the year, investments of KSEK 3,369 (3,109) were made in intangible assets and of KSEK 656 (4,663) in tangible fixed assets. In financing activities, the Group decreased the utilization of its bank overdraft facility marginally by KSEK -309 (2,474) while factoring loans utilization increased by KSEK 11,515 (10,552), attributable in part to an increase in trade receivables and in part to the fact that unlike 2022, factoring loan agreements as of 2023 cover all companies within the Group. New credits of KSEK 3,237 (2,800) were raised, loans of KSEK -1,400 (0) were repaid, and loans and leases of KSEK -4,745 (-4,596) were amortized. The total cash flow for the Group amounted to KSEK -2,905 (-19,969).

Financial position

Cash and cash equivalents in the Group amounted to KSEK 12,307 (14,279) at the end of the period with a quick ratio of 51.5 (65.9) percent. Net debt/equity ratio amounted to 94.8 (51.5) percent. At the end of the period, KSEK 19,427 (14,987) of bank overdraft facilities totaling KSEK 20,000 (15,000) was utilized.

PARENT COMPANY

Profit/loss April–June

The parent company's revenue increased strongly and amounted to KSEK 23,517 (10,635) due to sharply increased sales of binders, increased OrganoTex sales and increased internal sales. The growth in sales together with higher margins on products after product mix changes and lower fixed production costs as a result of restructurings led to an increase in gross profit to KSEK 2,990 (-2,650). Costs of sales and of research and development decreased as a consequence of the restructuring. Operating profit/loss, EBIT, amounted to KSEK -3,878 (-10,602), and profit/loss for the period amounted to KSEK -4,021 (-10,444).

Profit/loss January–June

The parent company's revenue for the first half of the year amounted to KSEK 55,563 (22,903), mainly due to sharply increased sales of binders but also driven by increased OrganoTex sales and increased internal sales. Gross margin was strengthened by the sales growth and lower fixed production costs that followed the restructuring carried out at the end of 2022. Gross profit amounted to KSEK 8,801 (-3,417) and reduced fixed costs of sales and of research and development after the restructuring further enhanced performance. Operating profit/loss, EBIT, amounted to KSEK -4,395 (-18,767). Profit/loss for the period amounted to KSEK -4,678 (-18,444).

Financial position and investments

Cash and cash equivalents in the parent company amounted to KSEK 6,336 (7,828) and equity to KSEK 73,287 (103,767) at the end of the period. During the year, the parent company invested KSEK 2,609 (2,662) in intangible fixed assets in the form of development projects and patents and KSEK 617 (4,632) in tangible fixed assets.

Other information

SIGNIFICANT EVENTS DURING THE PERIOD

No significant events during the period.

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 (52). Of these, 32 (36) were employed in the parent company, 11 (13) employed in the subsidiary OrganoWood AB and 2 (3) employed in the subsidiary Biokleen Miljökemi AB. Of the employees, 15 (19) 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 June 30 was 4,157 (4,575) and the closing price of the share on June 30 was 4.65 (3.27), giving a market capitalization of SEK 455 (320) million.

The largest shareholders in OrganoClick AB as at 30 June 2023¹

Name	No. of shares	Share of votes and capital %
Peter Lindell with compay	12,204,969	12.46
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	3,249,680	3.32
Nordnet pensionsförsäkring AB	3,239,825	3.31
Sijotusrahasto Aktia Nordic	3,100,000	3.16
Handelsbanken Microcap Norden	2,382,627	2.43
Subtotal	51,494,343	52.57
Other shareholders	46,455,657	47.43
Total shares	97,950,000	100.00

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

2023-11-09	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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	1,2	41,028	38,526	84,512	71,160	115,047
Cost of goods sold		-30,007	-31,728	-62,216	-56,135	-102,113
Gross profit		11,021	6,798	22,296	15,025	12,934
Selling expenses		-6,768	-8,107	-13,055	-15,724	-28,842
Administrative expenses		-3,359	-3,205	-6,896	-6,585	-14,020
Research and development costs		-1,522	-2,085	-2,828	-3,827	-12,202
Other operating income	3	501	264	798	706	5,245
Other operating expenses	3	-255	-399	-609	-517	-1,624
Operating profit/loss		-382	-6,734	-294	-10,923	-38,509
Financial income		29	4	31	15	15
Financial expenses		-1,361	-783	-2,409	-1,430	-3,226
Net financial items		-1,332	-780	-2,378	-1,416	-3,211
Profit/loss before tax		-1,714	-7,513	-2,672	-12,338	-41,720
Income tax	25		-14	219	-106	99
Profit/loss for the period		-1,689	-7,527	-2,454	-12,444	-41,621
Profit/loss for the period attributable to:						
Shareholders' of Parent Company		-2,671	-8,812	-3,668	-14,705	-44,399
Non-controlling interests		983	1,285	1,215	2,261	2,778
Earnings per share before and after dilution SEK ¹		-0.03	-0.09	-0.04	-0.15	-0.45
Average number of shares before and after dilution ¹		97,950,000	97,950,000	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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Profit/loss for the period	-1,689	-7,527	-2,454	-12,444	-41,621
Other comprehensive income for the period:					
<i>Items that can later be reclassified into profit or loss</i>					
This period's translation differences when translating foreign operations	1	4	8	1	2
Other comprehensive income for the period, net after tax	1	4	8	1	2
Comprehensive income for the period	-1,688	-7,522	-2,446	-12,443	-41,619
Comprehensive income for the period attributable to:					
Shareholders' of Parent Company	-2,671	-8,809	-3,663	-14,704	-44,398
Non-controlling interests	983	1,287	1,218	2,261	2,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Non-current assets				
<i>Intangible fixed assets</i>				
Capitalized development expenditures		17,756	17,811	16,598
Patents, trademarks		5,778	8,140	5,399
Licences		199	334	258
Goodwill		16,794	16,794	16,794
		40,528	43,079	39,050
<i>Property, plant and equipment</i>				
Buildings		16,336	20,316	18,115
Improvement expense of other property		277	393	335
Machinery		20,378	26,046	21,294
Equipment, tools, fixtures and fittings		3,046	5,055	3,889
Ongoing new facilities		-	6,422	-
		40,038	58,231	43,634
<i>Other non-current assets</i>				
Other non-current receivables		3,140	3,140	3,140
Deferred tax assets		1,382	987	1,089
Total non-current assets		85,088	105,437	86,913
Current assets				
Inventories		38,971	38,432	41,524
Trade receivables		30,183	29,215	16,196
Income tax receivables		286	211	447
Other receivables		294	550	598
Prepaid expenses and accrued income		1,854	3,107	1,974
Cash and cash equivalents		12,307	14,279	15,204
Total current assets		83,895	85,794	75,943
TOTAL ASSETS		168,984	191,231	162,856

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

SEK 000s	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY				
Share capital		980	980	980
Other contributed capital		307,059	307,059	307,059
Reserves		38	32	33
Accumulated loss including profit/loss for the period		-252,214	-220,335	-249,295
Equity attributable to shareholders of Parent Company		55,862	87,736	58,777
Non-controlling interests	4	9,248	8,996	8,779
Total equity		65,110	96,732	67,556
LIABILITIES				
Non-current liabilities				
Borrowings from credit institutions		3,202	2,786	3,722
Lease liabilities		11,977	18,450	14,813
Other non-current liabilities		1,000	1,000	1,000
Deferred tax liabilities		418	446	343
Total non-current liabilities		16,597	22,682	19,878
Current liabilities				
Liabilities to credit institutions		20,468	16,065	20,833
Lease liabilities		9,027	8,848	9,137
Trade payables		14,593	15,256	15,478
Other liabilities		33,200	22,108	19,358
Accrued expenses and deferred income		9,988	9,539	10,616
Total current liabilities		87,277	71,817	75,422
TOTAL EQUITY AND LIABILITIES		168,984	191,231	162,856

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			
Equity at 1 January 2023	980	307,059	33	-249,295	58,777	8,779	67,556
<i>Comprehensive income</i>							
Profit/loss for the period	-	-	-	-3,668	-3,668	1,215	-2,454
Transfer enumeration preference shares	-	-	-	749	749	-749	0
<i>Other comprehensive income</i>							
Translation differences	-	-	5	-	5	3	8
Total comprehensive income	-	-	5	-2,919	-2,914	469	-2,446
<i>Shareholder transactions</i>							
Total shareholder transactions	-	-	-	-	-	-	-
Equity at 30 June 2023	980	307,059	38	-252,214	55,862	9,248	65,110
Equity at 1 January 2022	980	307,059	32	-207,746	100,325	7,404	107,729
<i>Comprehensive income</i>							
Profit/loss for the period	-	-	-	-14,705	-14,705	2,261	-12,444
Transfer enumeration preference shares	-	-	-	669	669	-669	0
<i>Other comprehensive income</i>							
Translation differences	-	-	0	-	0	0	1
Total comprehensive income	-	-	0	-14,036	-14,036	1,592	-12,443
<i>Shareholder transactions</i>							
Transfer warrants	-	-	-	1,446	1,446	-	1,446
Total shareholder transactions	-	-	-	1,446	1,446	-	1,446
Equity at 30 June 2022	980	307,059	32	-220,335	87,736	8,996	96,732
Equity at 1 January 2022	980	307,059	32	-207,746	100,325	7,404	107,729
<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
Total comprehensive income	-	-	1	-42,996	-42,995	1,375	-41,619
<i>Shareholder transactions</i>							
Transfer warrants	-	-	-	1,446	1,446	-	1,446
Total shareholder transactions	-	-	-	1,446	1,446	-	1,446
Equity at 31 December 2022	980	307,059	33	-249,295	58,777	8,779	67,556

CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Cash flow from operating activities						
Operating profit/loss		-382	-6,734	-294	-10,923	-38,509
Adjustment for non-cash items	5	3,742	4,494	7,436	9,326	28,316
Interest received		29	4	31	15	15
Interest paid		-1,361	-783	-2,409	-1,430	-3,226
Income tax paid		-184	-159	161	359	122
Cash flow from operating activities before changes in working capital		1,844	-3,178	4,925	-2,653	-13,282
Changes in working capital						
Changes in inventories and work in progress		2,134	-2,696	2,553	-6,040	-9,133
Changes in trade receivables		6,267	-2,250	-13,987	-17,232	-4,214
Changes in other operating receivables		1,268	486	355	-408	624
Changes in trade payables		-1,880	-1,049	-884	1,891	2,113
Changes in other operating liabilities		-1,590	165	-138	-431	2,670
Cash flow from changes in working capital		6,199	-5,344	-12,101	-22,221	-7,941
Cash flow from operating activities		8,043	-8,522	-7,176	-24,874	-21,223
Cash flow from investing activities						
Investments in intangible assets		-1,769	-1,726	-3,369	-3,109	-6,202
Investments in property, plant and equipment		-368	-657	-656	-4,663	-7,926
Sale of property, plant and equipment		-	-	-	-	6,680
Cash flow from investing activities		-2,137	-2,383	-4,025	-7,772	-7,448
Cash flow from financing activities						
Transfer warrants		-	-	-	1,446	1,446
Net change bank overdraft facility		-195	5,826	-309	2,474	7,223
Net change invoice factoring debt		-4,954	5,351	11,515	10,552	5,778
Borrowings		3,237	-	3,237	2,800	8,868
Repayment of debt		-	-	-1,400	-	-3,219
Amortization of debt		-2,344	-2,267	-4,745	-4,596	-10,472
Cash flow from financing activities		-4,256	8,911	8,297	12,677	9,625
Cash flow for the period		1,650	-1,994	-2,905	-19,969	-19,046
Cash and cash equivalents at beginning of period		10,656	16,269	15,204	34,248	34,248
Exchange rate differences in cash and cash equivalents		1	4	8	1	2
Cash and cash equivalents at end of period		12,307	14,279	12,307	14,279	15,204

KEY FIGURES, THE GROUP

SEK 000s	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	41,028	38,526	84,512	71,160	115,047
Revenue growth, %	6.5	-3.3	18.8	2.4	4.5
Gross profit	11,021	6,798	22,296	15,025	12,934 ¹
Gross margin, %	26.9	17.6	26.4	21.1	11.2
EBIT	-382	-6,734	-294	-10,923	-38,509 ²
EBIT margin, %	-0.9	-17.5	-0.3	-15.3	-33.5
EBITDA	3,362	-2,436	7,137	-2,367	-11,882
Profit/loss for the period	-1,689	-7,527	-2,454	-12,444	-41,621 ³
Profit margin, %	-4.1	-19.5	-2.9	-17.5	-36.2
Equity ratio, %	38.5	50.6	38.5	50.6	41.5
Quick ratio, %	51.5	65.9	51.5	65.9	45.6
Net debt/equity ratio,%	94.8	51.5	94.8	51.5	72.9
Average number of employees	44	51	43	51	49
Average number of shares before and after dilution ⁴	97,950,000	97,950,000	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	97,950,000	97,950,000
Earnings per share before and after dilution SEK ⁴	-0.03	-0.09	-0.04	-0.15	-0.45

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

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

3) SEK -31,6 million excluding 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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	2	23,517	10,635	55,563	22,903	44,696
Cost of goods sold		-20,527	-13,285	-46,763	-26,319	-55,281
Gross profit		2,990	-2,650	8,801	-3,417	-10,586
Selling expenses		-3,065	-3,795	-5,530	-7,346	-13,897
Administrative expenses		-2,666	-2,588	-5,438	-5,156	-10,754
Research and development costs		-1,136	-1,667	-2,169	-3,234	-10,950
Other operating income		226	187	408	539	1,230
Other operating expenses		-226	-89	-468	-152	-538
Operating profit/loss		-3,878	-10,602	-4,395	-18,767	-45,494
Interest income and similar items		193	158	335	324	550
Interest expenses and similar items		-336	0	-618	-1	-240
Net financial items		-143	158	-283	322	310
Profit/loss before tax		-4,021	-10,444	-4,678	-18,444	-45,184
Appropriations		-	-	-	-	939
Income tax		-	-	-	-	-
Profit/loss for the period		-4,021	-10,444	-4,678	-18,444	-44,245

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Profit/loss for the period	-4,021	-10,444	-4,678	-18,444	-44,245
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period	-4,021	-10,444	-4,678	-18,444	-44,245

PARENT COMPANY BALANCE SHEET

SEK 000s	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Non-current assets				
<i>Intangible fixed assets</i>				
Capitalized development expenditures		12,475	12,554	11,224
Patents, trademarks		5,029	7,446	4,615
Licences		187	290	238
		17,691	20,291	16,077
<i>Property, plant and equipment</i>				
Improvement expense of other property		277	393	335
Machinery		13,298	10,403	13,691
Equipment, tools, fixtures and fittings		1,993	2,733	2,242
Ongoing new facilities		-	6,422	-
		15,568	19,950	16,268
<i>Financial assets</i>				
Shares in group companies		35,878	37,788	37,788
Due from group companies		1,651	1,651	1,651
Other non-current receivables		1,007	1,346	1,175
		38,536	40,785	40,614
Total non-current assets		71,796	81,027	72,960
Current assets				
Raw materials, supplies and finished inventories		20,492	18,711	23,492
		20,492	18,711	23,492
<i>Short-term receivables</i>				
Trade receivables		12,978	3,205	7,981
Due from group companies		5,067	6,299	7,324
Income tax receivables		74	4	172
Other receivables		28	532	418
Prepaid expenses and accrued income		2,910	3,842	3,366
		21,057	13,883	19,261
Cash and cash equivalents		6,336	7,828	6,341
Total current assets		47,885	40,422	49,093
TOTAL ASSETS		119,680	121,448	122,053

PARENT COMPANY BALANCE SHEET (CONT.)

SEK 000s	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		980	980	980
Fund for development expenditures		7,824	7,903	6,573
Total restricted equity		8,803	8,882	7,552
Non-restricted equity				
Share premium reserve		310,701	310,701	310,701
Retained earnings		-241,539	-197,373	-196,043
Profit/loss for the period		-4,678	-18,444	-44,245
Total non-restricted equity		64,484	94,884	70,413
Total equity		73,287	103,767	77,966
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions		3,202	-	3,722
Liabilities to group companies		4,710	4,710	4,710
Total non-current liabilities		7,912	4,710	8,432
Current liabilities				
Liabilities to credit institutions		5,531	-	5,994
Trade payables		10,776	6,767	12,415
Liabilities to group companies		3,304	-	3,415
Other short-term liabilities		13,668	1,319	7,689
Accrued expenses and deferred income		5,203	4,885	6,142
Total current liabilities		38,481	12,972	35,655
TOTAL EQUITY AND LIABILITIES		119,680	121,448	122,053

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					
Net sales per business unit	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Nonwoven & fiber technologies	10,013	2,299	27,502	3,095	11,832
Green coatings & maintenance products	11,770	9,533	22,591	23,442	34,446
Functional wood	19,245	26,693	34,420	44,622	68,770
Total	41,028	38,526	84,512	71,160	115,047

Net sales per geographic market					
Sweden	32,285	31,663	70,201	53,031	91,223
Other Nordics	3,621	3,219	6,343	8,811	11,805
The rest of Europe	4,921	3,240	7,234	8,914	10,897
Asia	138	402	475	402	892
North America	64	2	258	2	231
Total	41,028	38,526	84,512	71,160	115,047

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 has historically meant that the strongest sales quarter has normally been the second quarter, followed by the first while the third and the fourth quarters have been weaker.

NOTE 3 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Group	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Exchange gains on receivables/payables of an operating nature	451	98	633	175	1,235
Commission income	-	27	-	58	77
Government grants received for R&D	17	126	127	459	1,048
Profits, disposal/sale of property, plant and equipment	-	-	-	-	2,834
Other operating income	34	13	38	13	51
Total	501	264	798	706	5,245

Exchange losses on receivables/payables of an operating nature	-255	-394	-603	-492	-1,226
Losses, disposal/sale of property, plant and equipment	-	-5	-7	-24	-398
Total	-255	-399	-609	-517	-1,624

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 30 June 2023, the

redemption value per preference share was SEK 293.70 (262.20).

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 17 May 2023, 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	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Impairment intangible fixed assets	-	-	-	-	4,074
Depreciation/ amortization of intangible fixed assets	983	1,228	1,892	2,410	4,911
Disposal of intangible fixed assets	-	191	-	746	1,293
Impairment property, plant and equipment	-	-	-	-	5,251
Depreciation/ amortization of property, plant and equipment	2,760	3,071	5,539	6,146	12,392
Disposal of property, plant and equipment	-2	5	5	25	396
Total	3,742	4,494	7,436	9,326	28,316

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 105 (90). 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 81 (55). 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
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.
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.
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 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 net debt/equity ratio shows the relationship between net debt and equity and measures the extent to which the company is financed by loans.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEK 000s	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<i>Gross margin, %</i>					
Gross profit	11,021	6,798	22,296	15,025	12,934
Net sales	41,028	38,526	84,512	71,160	115,047
Gross margin, %	26.9	17.6	26.4	21.1	11.2
<i>EBIT margin, %</i>					
Operating profit/loss	-382	-6,734	-294	-10,923	-38,509
Net sales	41,028	38,526	84,512	71,160	115,047
EBIT margin %	-0.9	-17.5	-0.3	-15.3	-33.5
<i>EBITDA</i>					
Operating profit/loss	-382	-6,734	-294	-10,923	-38,509
Plus: Depreciations/impairments	3,744	4,298	7,431	8,556	26,627
EBITDA	3,362	-2,436	7,137	-2,367	-11,882
<i>Profit margin, %</i>					
Profit/loss for the period	-1,689	-7,527	-2,454	-12,444	-41,621
Net sales	41,028	38,526	84,512	71,160	115,047
Profit margin, %	-4.1	-19.5	-2.9	-17.5	-36.2
<i>Net sales, change</i>					
Net sales	41,028	38,526	84,512	71,160	115,047
Net sales corresponding period prior year	38,526	39,823	71,160	69,479	110,064
Net sales, change	2,502	-1,297	13,352	1,681	4,982
Revenue growth, organic, %	6.5	-3.3	18.8	2.4	4.5
<i>Equity ratio, %</i>					
Equity	65,110	96,732	65,110	96,732	67,556
Total assets	168,984	191,231	168,984	191,231	162,856
Equity ratio, %	38.5	50.6	38.5	50.6	41.5
<i>Quick ratio, %</i>					
Current assets, excluding inventories	44,924	47,362	44,924	47,362	34,419
Current liabilities	87,277	71,817	87,277	71,817	75,422
Quick ratio, %	51.5	65.9	51.5	65.9	45.6
<i>Net debt/equity ratio, %</i>					
Interest-bearing liabilities	73,999	64,097	73,999	64,097	64,478
Less: Cash and cash equivalents	-12,307	-14,279	-12,307	-14,279	-15,204
Net debt	61,692	49,818	61,692	49,818	49,275
Equity	65,110	96,732	65,110	96,732	67,556
Net debt/equity ratio, %	94.8	51.5	94.8	51.5	72.9

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, 17 August 2023

Jan Johansson
Chairman of the Board

Chatarina Schneider
Board member

Charlotte Karlberg
Board member

Malin Bugge
Board member

Håkan Gustavson
Board member

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



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