ANNUAL REPORT 2023

Front page: With green chemistry we mimic nature's own solutions and create sustainable materials and products, fossil-free and 100% biodegradable. For instance, our unique and biobased binder for the nonwoven industry. With it, our customers can replace plastic binders and manufacture products that are entirely green on the inside. We call it Made Green Inside by OrganoClick.

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Our business concept:

OrganoClick's business concept is to replace hidden plastics and harmful chemicals in fiber-based materials with green chemical solutions based on fossil-free raw materials.

Based on the group's patented "OrganoClick" technologies, which are inspired by nature's chemistry, develops OrganoClick a range of products with the aim of enabling a green transition.

Examples of products and brands are the biobased binder OC-BioBinder® for nonwoven manufacturers, the biodegradable textile waterproofing OrganoTex® for consumer and textile industry, and the biocide-free wood protection technology OrganoWood® for the wood processing- and construction industry.

Filippa Winkvist is one of our chemists who is developing the biobased and biodegradable binder OC-BioBinder for the nonwoven industry.

Wet wipes that do not degrade and PFAS from textile impregnation that poison our drinking water. At OrganoClick, we want to solve these problems. With our green chemical innovations, we replace "hidden" plastics and harmful chemicals in cellulose-based materials with biobased and biodegradable alternatives. For example, we replace PFAS in water-repellent textiles with our product OrganoTex and we replace plastic binders in napkins with our biobased binder OC-BioBinder. In this way, we make the materials 100% biobased and biodegradable. We call it Made Green Inside by OrganoClick.

OrganoClick AB (publ) is a Swedish green chemical company that develops and markets biobased and biodegradable 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 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 2023, net sales amounted to MSEK 146 with about 45 employees.

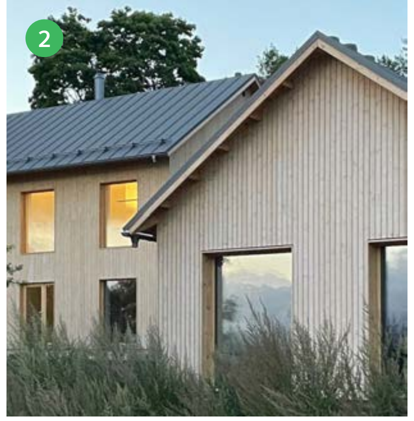
TECHNOLOGIES WITH NOBEL SHINE

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.

GREEN INNOVATION IS OUR DNA

Based on our technologies, we have developed a wide range of green chemical products for industrial customers and consumers.

1 Our biobased and biodegradable binder is used to replace plastic binders in nonwoven. Our binders are now used, among other things, to manufacture biobased and compostable napkins, agricultural mulch films and hygiene products.



2 Our biocide-free wood protection technology is used to manufacture OrganoWood Nowa timber. OrganoWood timber is sold to both professional construction companies and consumers via several hundred dealers and distributors in the Nordics and Central Europe. For the maintenance of wooden structures, houses and properties, the group also sells biobased and eco-labelled maintenance products under the BIOkleen brand via building suppliers and paint dealers.

3 Under our consumer brand OrganoTex, we market PFAS-free and biodegradable clothing and shoe care products and textile impregnations. The products are sold in the Nordics and Central Europe via more than 500 retailers in the sport and outdoor segment.

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 78 in 2018 to MSEK 146 in 2023 where we also achieved positive cash flow from operating activities. More than 90% of our products are today eco-labelled and we achieved 93% biobased content in our chemical products in 2023. We have a good production capacity of 20,000 tons per year in our factory in Täby and our goal is to continue to grow rapidly organically and continue to improve cash flow and results and thus both build a sustainable company while replacing thousands of tons of plastic and harmful chemicals with biobased solutions.

Dear shareholders,

2023 was a year of great sales success and improved profitability. We also broke a record in the number of product launches in 2023, with a total of seven new green products.

Sales of our biobased binders soared when Duni introduced them on a broad basis in their range of premium napkins. Growth was also sound for our consumer brand, OrganoTex, which expanded internationally. Our construction-related products, on the other hand, continued to have a tough time, due to a very weak European construction market.

The Group's sales grew in total by 27 (5) percent, to MSEK 146 (115). Our operating result also improved, to MSEK -9 (-39), and our cash flow from operating activities improved greatly, to MSEK 1 (-21).

"Our biobased and biodegradable binders, which replace plastic binders in nonwovens, enjoyed great sales success during the year."

Sales of binders increased significantly

Our biobased and biodegradable binders, which replace plastic binders in nonwovens, enjoyed great sales success during the year.

Duni replaced plastic binders with our binder in their premium napkins, leading American nonwoven manufacturer Glatfelter launched nonwoven with our binders, as did Finnish Sharpcell. The collaboration with Finnish company Ahlstrom also continued its positive development. Our binder was certified as home compostable by TÜV Austria during the year, an important certification in the nonwoven industry.

Several new customer projects with a focus on hygiene products also took significant steps in the right direction. In total, sales for the Nonwoven & fiber technologies business unit increased by 332 (120) percent, to MSEK 51 (12).

Growth in our consumer products

Our Green coatings & maintenance products business unit, despite a declining consumer market within the construction, paint, sports and outdoor trades, delivered double-digit sales growth of 10 (-10) percent, to MSEK 38 (34). Above all, our brand OrganoTex continued its growth journey into Europe.

Via the expansion to several new European markets, as well as new agreements with a number of Swedish retailers, sales of OrganoTex grew by 50 percent, to MSEK 12 (8). Our strongest markets, which currently make up roughly equal parts, are Sweden, Norway and the Netherlands.

A tough year for Functional wood

The Functional Wood business unit had a very tough year, due to a sharply declining construction market in Europe. Sales developed negatively for the first time ever, with a total of MSEK 57 (69).

However, an important milestone was reached at the beginning of the year when our new generation of wood protection, OrganoWood Nowa, was launched. Our new biocide-free wood protection technology has been in development since 2015, and provides both better rot protection and greater durability than our previous product. In addition, it is significantly easier to produce, as a traditional pressure impregnation process can be applied.

Implementation of our new strategy

During the year, we have implemented our new strategy with a focus on; i) becoming a more pure green chemical company, ii) profitable growth, and iii) focusing our continued international expansion on the three product areas of biobased binders for nonwovens, industrial wood protection, and textile impregnation.

We have now out-licensed the production of sound absorbers for BAUX to a contract manufacturer, and initiated phasing out of the manufacture of coffin materials. We have also begun discussions with potential licensed manufacturers of OrganoWood timber, to whom we will supply our wood preservative.

We have placed significant focus on improving profitability, primarily through our sales growth, but have also reduced our other operating expenses (excluding one-off items affecting comparability) by six percent, to MSEK 67 (72).

More than 1,500 tonnes of fossil plastics and harmful chemicals replaced

One of our strategic goals is to have 100% biobased products. In 2023, the proportion of biobased content in our products increased to 93 (80) percent. At the same time, the percentage of environmentally labelled products in our range increased to 91 (67) percent!

Thanks to our greatly increased sales volumes, our biobased products replaced more than 1,500 tonnes of fossil plastics and harmful chemicals during the year. Something that makes us very proud!

"We feel that we have a steady wind in our sails, and our products are continually attracting new customers. "

Enabler of the green transition!

In 2024, we will continue our work to enable our customers to replace plastics and harmful chemicals with our biobased products. Our ambition is to continue increasing our sales in order to make an even greater impact, at the same time as creating value for our shareholders.

We feel that we have a steady wind in our sails, and our products are continually attracting new customers. Even though it will remain to be a challenging market climate, we believe that we can continue to show growth with our strong green product portfolio.

For a nature and water without plastic and harmful chemicals!

Sincerely

Mårten Hellberg
CEO, OrganoClick AB

Mårten Hellberg, CEO OrganoClick AB

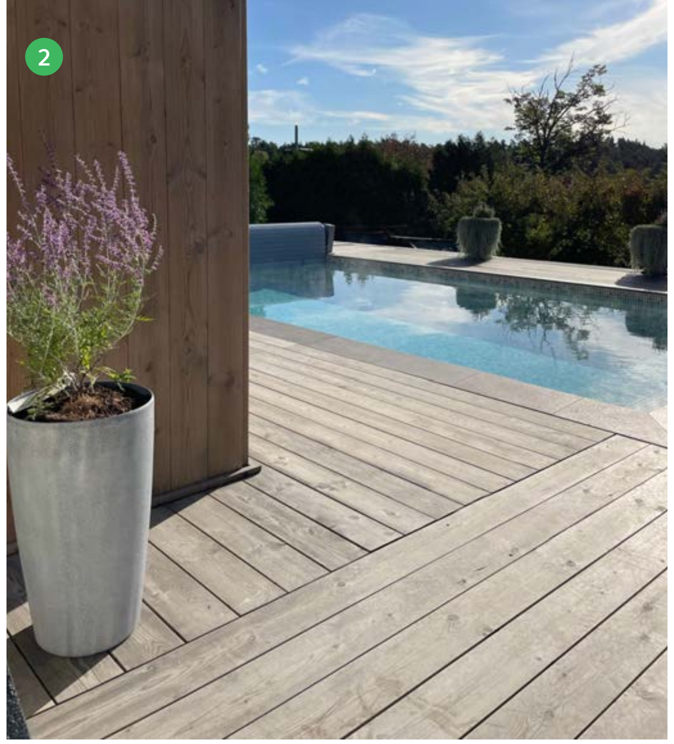
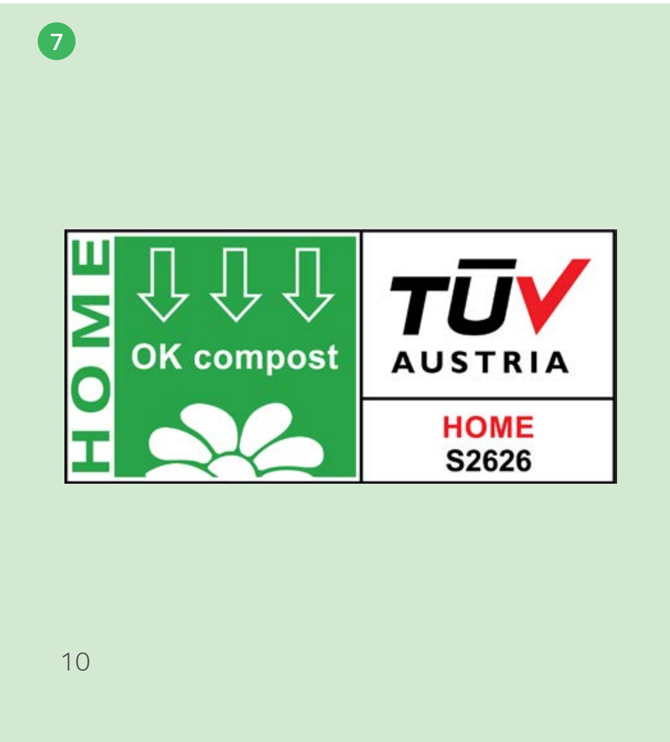


Photo: Duni



2023 proved to be a year of strong advancement, in which we took great steps towards profitable growth. At the same time, it was a year of significant changes for the group, where we launched a large number of new products that were incorporated in our production. Sales of our biobased binders and OrganoTex textile impregnation grew strongly. The downturn in the European construction sector, on the other hand, negatively affected our construction-related products. In total, sales increased by 27 (5) percent for the Group, and we achieved a positive cash flow from operating activities.

1 Launch of the biobased OrganoTex textile impregnation
After more than three years development work, we launched the world's first biobased and biodegradable textile impregnation for consumers. With this product, we have taken another huge step forward in the development of sustainable textile treatments. The product has been very well received by the market and achieved great sales success.

2 Launch of OrganoWood Nowa
In 2015, work began on developing a new biocide-free OrganoWood technology with a simplified production process. In 2023, after several years of tests in the lab and in the field, we were able to launch OrganoWood Nowa, a new technology based on biobased zirconium salts. With our new technology, production can take place with the same process and equipment as traditional pressure-treated timber. The test results achieved are on a par with traditional wood protection, and the timber greys beautifully over time. We are very proud of our new product!

3 Duni carried out a broad launch of Bio Dunisoft
Our customer Duni, the world's leading manufacturer of premium napkins, introduced our biobased binder, as a replacement for traditional plastic binders, into a large proportion of their premium napkins. The napkins, marketed under the Bio Dunisoft brand, are 100% fossil-free and certified as home compostable.

4 New global nonwoven customers
World-leading American Glatfelter and Finnish Sharpcell have launched biobased and biodegradable nonwoven materials, where our biobased binders replaced traditional plastic binders. They began the commercialisation of their new products during the year.

5 OrganoTex expanding internationally
OrganoTex continued its international expansion, with new distributors in Germany, Italy, Austria, Poland, the Czech Republic, Slovakia and Indonesia. In the Netherlands, a collaboration was initiated with their leading outdoor chain, Bever, who became a new retailer of OrganoTex.

6 BIOkleen expanded its eco-range
BIOkleens eco-range of maintenance products for house and home, eco-labelled as a 'good environmental choice', expanded with the launch of Penseltvätt eko and Klotterbort eko.

7 Home compostable binder
Our biobased and biodegradable nonwoven binder was certified by TÜV Austria as home compostable. As a result, napkins, wet wipes, and other materials treated with our binders can be composted in a normal home compost instead of being incinerated.

8 Our R&D Director, Maria Wennman, defended her doctoral thesis
OrganoClick's R&D Director, Maria Wennman, defended her doctoral thesis through a collaboration with KTH, with the title 'Biobased and biodegradable binders for paper and nonwovens'.

9 More than 1,500 tonnes of plastic replaced by our biobased products
In 2023, more than 1,500 tonnes of plastic were replaced by our biobasd products, not least as a result of our customer Duni introducing our biobased binders on a broad basis in their range of premium napkins, replacing traditional plastic binders.

Our 20 most important milestones

1

2006

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

2

2008

- OrganoClick completes its first financing round with investors Anders Wall and his Beijerinvest, TetraPak´s former President Bertil Hagman, and Claes-Göran Beckeman, the former CTO of TetraPak and SCA Hygiene Products. Anders Wall remains one of the major owners of the company.

3, 4

2010

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

5

2011

- OrganoClick begins construction of its first production facility in Täby, moving there from the University campus.

6, 7

2012

- The company introduces its first proprietary products, as OrganoWood timber and wood preservatives are launched via the Swedish construction supply chain XL-BYGG.
- The company finalizes its first textile product, OC-BioBinder, a biobased binder for nonwoven and technical textiles.

8, 9

2013

- For the second year, the company is named one of Sweden's 33 most exciting young technology companies by magazines NyTeknik and Affärsvärlden.
- The company's net sales increase above MSEK 10.

10

2014

- OrganoWood timber is named "most exciting building material of the year" at the Nordic region's largest construction fair, Nordbygg.

11, 12

2015

- The OrganoClick share is listed on NASDAQ First North Growth Market.
- OrganoClick builds a new factory in Täby with annual capacity to produce 10,000 tonnes of green chemical products.

13

2018

- OrganoTex for consumers is launched in the Swedish market and is available at more than 150 retailers by the end of the year, including Naturkompaniet.

14, 15

2021

- Duni, the world-leading manufacturer of premium napkins and the first major customer for our biobased binders OC-BioBinder, launches the Bio Dunisoft napkin.
- For the first time, OrganoClick reports annual net sales exceeding MSEK 100.

16, 17

2022

- OrganoClick is certified as a Carbon Neutral company according to Scope 1 and Scope 2.
- OrganoClick's biobased binder for nonwoven receives the New Innovation 2022 award at the world's largest fair for technical textiles, TechTextil in Frankfurt.

18, 19, 20

2023

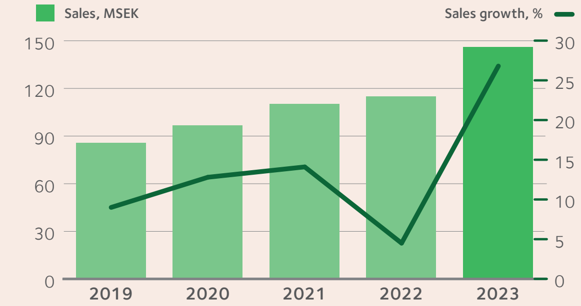
- Product launch of our next generation biobased and biodegradable OrganoTex waterproofing for consumers.
- Product launch of our next generation biocidal-free wood protection technology OrganoWood Nowa, based on biobased zirconium salts.
- More than 1,500 tons of fossil plastics and harmful chemicals was replaced with our biobased solutions.

Financial development OrganoClick Group 2019–2023

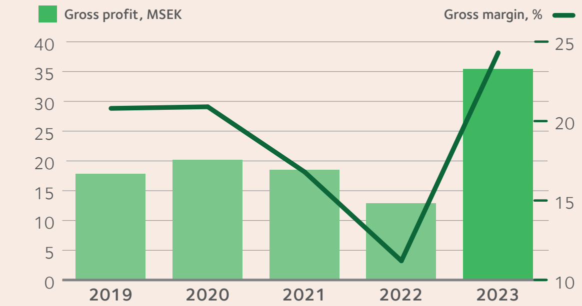
Net sales in the OrganoClick Group have increased every year since the initial product launch in 2012. Over the past five years, the Group's sales have grown organically from MSEK 78 in 2018 to MSEK 146 in 2023. The Swedish market continues to account for a majority of the Group's sales, but exports have increased their weight steadily. The result, on the other hand, declined during the Covid pandemic due to increasing raw material prices but this trend has now turned in the right direction this year.

In 2022, the Group's product offering underwent a major changeover, which included that the manufacturing of certain products was contracted out under license to enhance the Group's focus on sales and manufacturing of green chemical products. This resulted in one-off items in the form of impairment losses and write-down costs, which burdened the result for 2022 with approximately MSEK 10. These measures, however, reduced the Group's fixed operating costs during 2023 by MSEK 5, which together with increased sales improved the operating profit/loss to MSEK -9 (-29) (exckluding non-recurring posts).

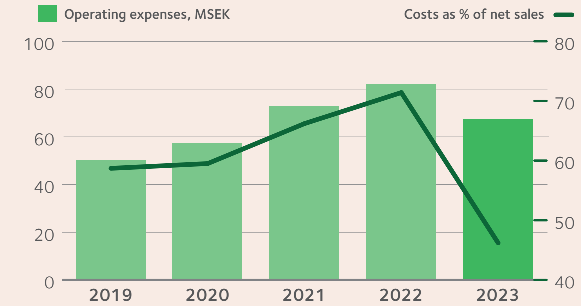
For the Group, the focus will henceforth be to achieve profitable growth as soon as possible through a combination of continued cost discipline and sales growth. The gross margin will also be strengthened gradually by means of changes in the product mix and a higher capacity utilization rate. Our goal is to further improve the cash flow from operating activities and in the longer term achieve an operating margin of 20 percent.



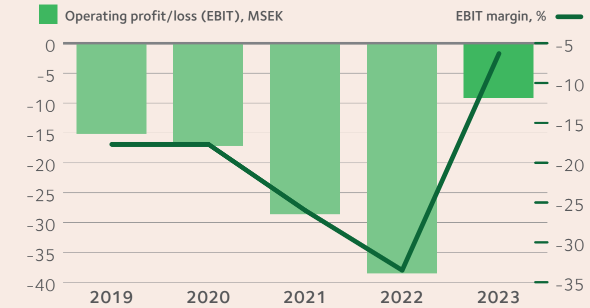
Sales 2019–2023
Over the past five years, the Group's sales have grown by an average of 13% per year. In 2023, sales amounted to SEK 145.9 (115.0) million.



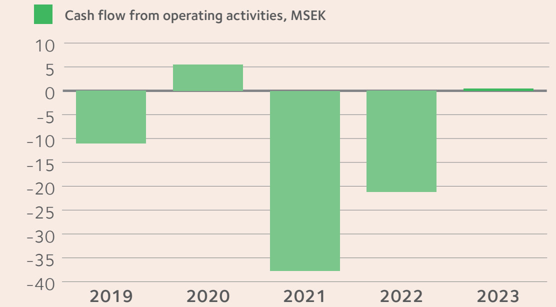
Gross profit 2019–2023
Gross profit for 2023 was SEK 35.4 (12.9) MSEK. The previous year was charged with non-recurring restructuring costs of SEK 5.3 million, excluding which gross profit was SEK 18.2 million



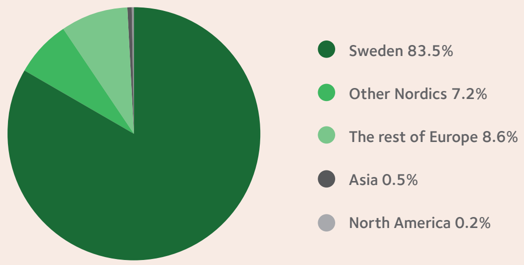
Operating expenses 2019–2023
Operating expenses (excl. raw materials) amounted to 67.4 (82.1) MSEK.The previous year was charged with non-recurring write-down and closure costs of SEK 10 million. Excluding these, operating expenses were SEK 72.1 million.



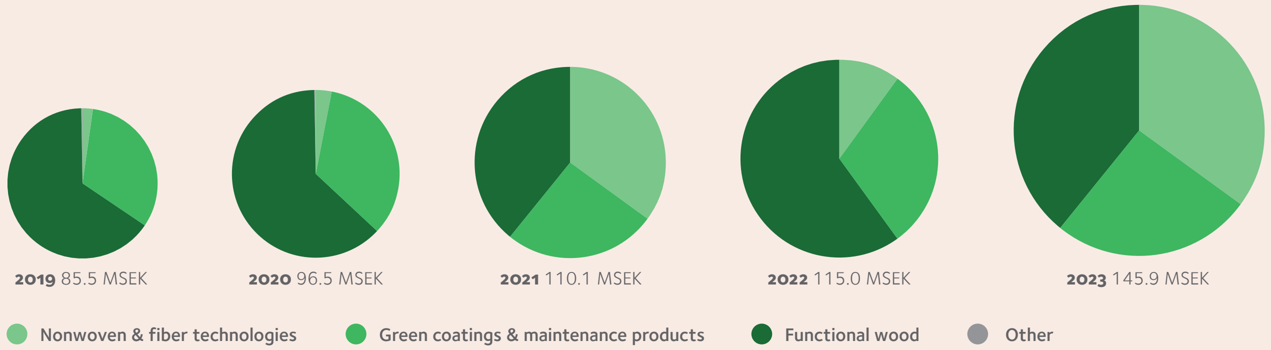
Operating profit/loss (EBIT) 2019–2023
The operating loss for 2023 was -9.2 (-38.5) MSEK. The previous year was charged with non-recurring restructuring costs of SEK 10.0 million, excluding which gross profit was SEK -28.5 million.



Cash flow from operating activities 2019–2023
Cash flow from operating activities for 2023 was SEK 0.5 (-21.2) million.



Sales by geographic market
Sweden was the Group's largest market with 83.5 (79.3) % of sales. Other Nordics accounted for 7.2 (10.2) % while the rest of Europe accounted for 8.6 (9.5) %.



Sales/business unit 2019–2023. In 2023, the largest business unit was Functional wood with a total of 38.9 (59.8) % of the Group's sales. However, the Nonwoven & fiber technologies business unit grew strongly during the year and now accounted for 35.1 (10.3) % of sales.

Our business

OrganoClick manufactures and sells bio-based chemical products that replace "hidden" plastics and harmful chemicals in fiber-based materials. Inspired by nature's smart chemical processes, our researchers have developed green chemical technologies and products that provide water resistance, grease repellency, mechanical strength, rot protection or flame protection to materials such as textiles, nonwovens, paper and wood.

OUR BUSINESS CONCEPT – TO NOT REMAIN!

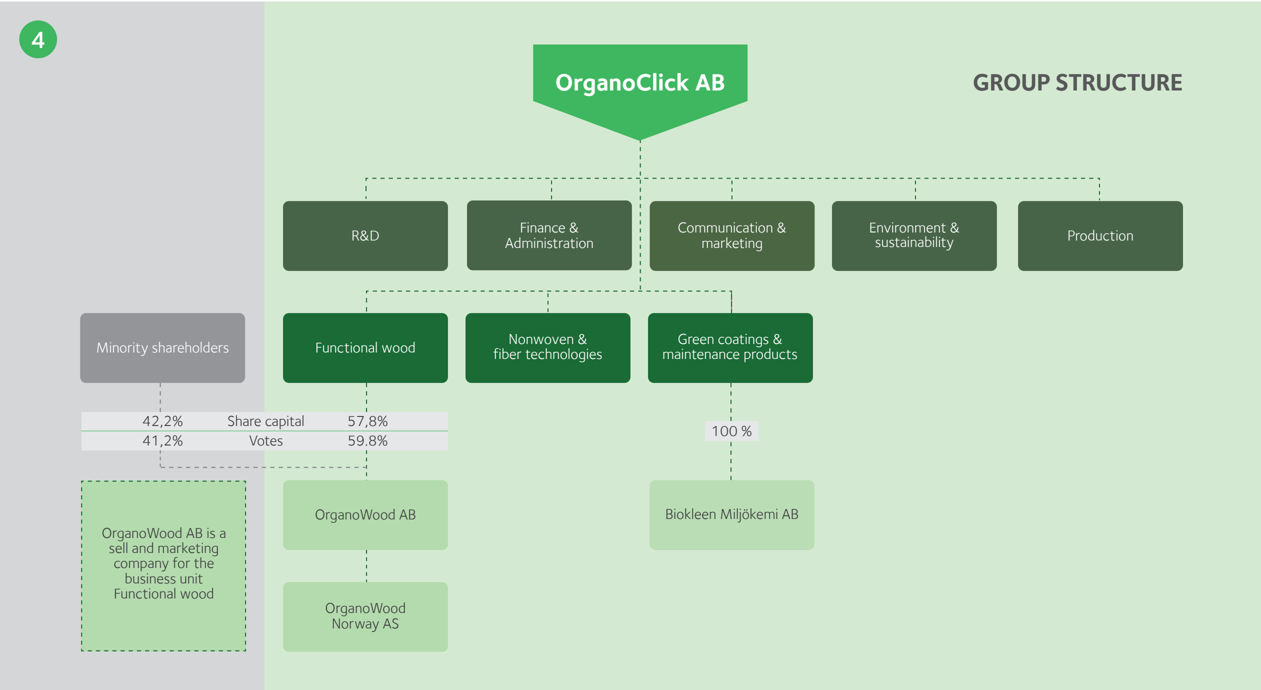
OrganoClick was founded based on an ambition to develop 100 percent biobased and biodegradable products that could replace fossil-based plastics and chemicals. We place extremely high environmental demands on our products and our product development. The purpose of all our products is that after use they should be able to degrade in nature and thus return to the biological cycle. Without any negative impact on nature. This is what drives us daily to help our customers in their green transition where we replace hidden plastics and harmful chemicals in their materials.
And thus make their products 100 percent biobased and biodegradable. We call it Made Green Inside by OrganoClick!

OUR BUSINESS MODEL – FOCUS ON GREEN CHEMISTRY

Based on our technology platform, we have developed products aimed at both industrial customers and consumers. We mainly sell and market our products under our own brands OrganoTex, OrganoWood, BIOkleen and OC-BioBinder. We produce and sell our green chemical products in-house in our factory in Täby. Through the partially owned (60%) subsidiary OrganoWood AB, OrganoWood Nowa timber, impregnated with the company's biocide-free wood preservative at our partner Bergs timber in Nybro, is also marketed and sold.

OUR GREEN INNOVATION WORK

1 In connection with our head office and production facility in Täby, we have a modern R&D lab where our chemists and chemical engineers work on the development of our green chemical products. In our lab, we have chemical analysis instruments and instruments for testing material properties. We also have a microbiological lab where we can test materials resistance to rot and mold in accelerated tests. In our pilot lab, we also have pilot equipment to manufacture treated nonwovens, modified wood, water-repellent textiles and paper. The result of our work in 2023 was 7 new product launches, which is a record for a single year! Among our new products can be mentioned our unique biobased OrganoTex textile impregnation, our new wood protection technology OrganoWood Nowa, additional products in BIOkleen's eco-labelled Eco-series and new variants of OC-BioBinder.



OUR GREEN PRODUCTION

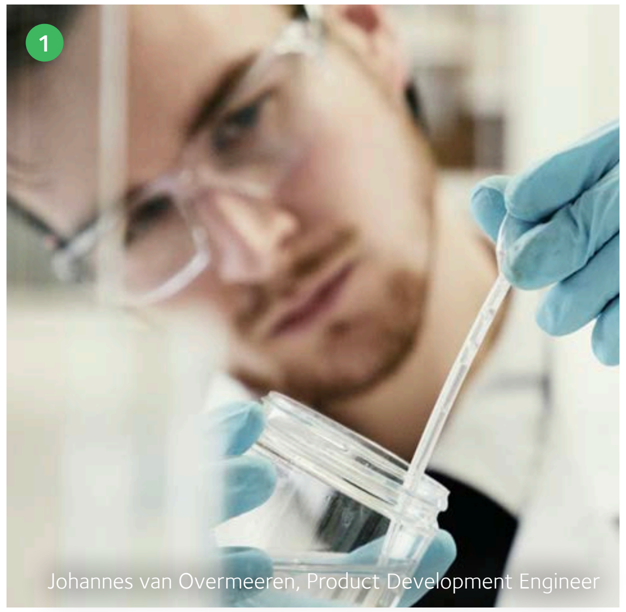
2 We manufacture our green chemical products in our own production facility in Täby. The facility is about 5,000 m^2 and includes offices, a development laboratory and production and storage space. We have several production lines to manufacture our various products. We have a total production capacity of around 20,000 tonnes per year. The latest production line for manufacturing our new biobased OrganoTex textile impregnation was installed in 2023. We ship our products in bulk by tank trucks or in 1 ton IBCs to our industrial customers. For our consumer products, we have fully automatic filling lines where we fill cans and bottles. We also have our own water purification system where we purify all our process water, which is then reused in our production. Of course, we only use 100 percent renewable energy in our processes!

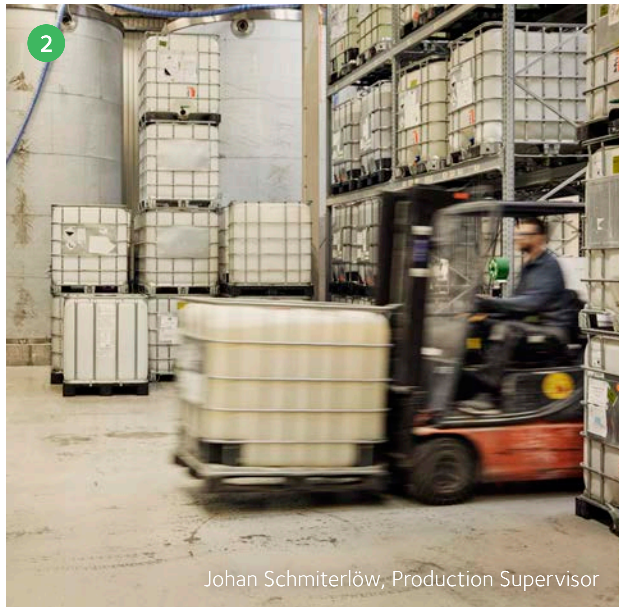
THE ORGANOCLICK PEOPLE

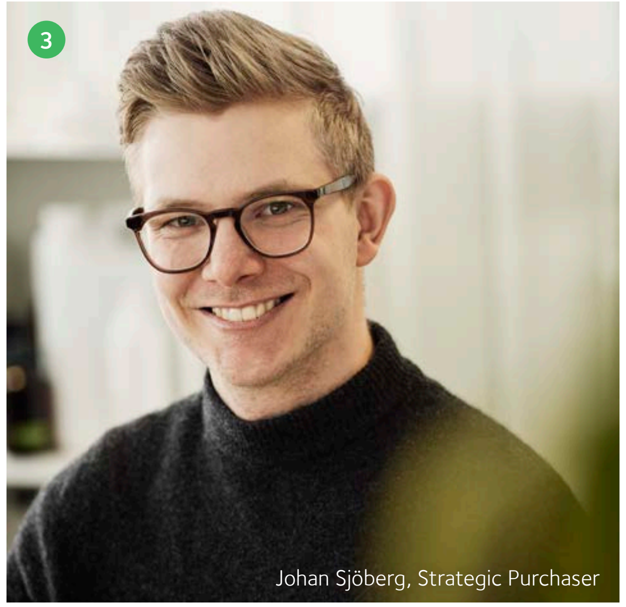
3 As an innovative industrial company, we have many different skills and personalities. Within the company, we have both chemists who work with our product development, sales people who work in our sales teams, marketers who work with our brands, economists in our administration and machine operators and engineers in our production. Among our 46 employees there are a total of 8 nationalities. What binds us together is our great commitment to the environment and our sustainable products! This mix of skills and background is one of our great strengths and something that also makes our working days more interesting.

OUR ORGANIZATION AND COMPANY STRUCTURE

4 The OrganoClick Group consists of parent company OrganoClick AB (publ), subsidiary Biokleen Miljökemi AB and partly-owned (60 percent ownership interest) subsidiary OrganoWood AB. The business is divided into the three business units of Nonwoven & fiber technologies, Green coatings & maintenance products, and Functional wood. Each business unit has its own sales team that sells and markets the company's products either to industrial customers (Nonwoven & fiber technologies and Functional wood) or to consumers through retailers (Green coatings & maintenance products). The Group has a joint Finance and Administrative unit, Marketing department, R&D unit, Operational unit and Environment department.


1 Johannes van Overmeeren, Product Development Engineer


2 Johan Schmiterlöw, Production Supervisor


3 Johan Sjöberg, Strategic Purchaser

Goals

By replacing hidden plastics and harmful chemicals with our biobased chemical products, we help our customers to create biobased and biodegradable materials. Through development of products with the market's best environmental profile and performance, our aim is for our products to become the customers' first choice. In this way, the company will grow rapidly with continuously increasing sales and improved profitability.

The long-term objectives of the Group are to:

- Grow organically by between 20 and 30 percent annually
- Achieve a gross margin of more than 40 percent
- Achieve an operating margin (EBIT) of 20 percent
- Reach a biobased content of 100 percent in our products
- Have 100 percent of our products eco-labeled

Strategy

The Group's strategy is based on our vision, mission and long term goals. Our strategic focus is to supply green chemical products for the treatment of fiber-based materials to industrial customers and consumers based on the following focus areas:

1) Become a purely green chemical company

- Operationally, the Group will develop into a green chemical company. This includes the manufacture and sale of our green chemical products and the out-licensing of our material technologies.

2) Profitable growth

- The group's ambition is to drive good growth in all business units while gradually increasing profitability.

3) Growth investments in green chemistry

- Focus on sales and further development of our non-woven binders in the European and North American nonwoven markets. This will be achieved by advancing collaborations with existing customers further and by continuing to pursue projects with new customers to the point of commercialization.
- Commencing sales of the company's new wood protection technology to the industrial pressure impregnation industry in Europe.
- Focus on building OrganoTex as a leading consumer brand for textile impregnation in Europe and North America and develop BIOkleen further in the Nordics.

Example of various applcation areas for nonwoven: Diapers, wet wipes, feminine hygiene products, tea bags, coffe filters, table cloths, napkins, agricultural mulch films, surgical gowns, hair protection, face masks and fiber cloth.

NONWOVEN & FIBER TECHNOLOGIES BUSINESS UNIT

Nonwoven materials are used in a variety of applications, such as diapers, sanitary pads, napkins, wet wipes, dishcloths, filter materials, mouth guards, and agricultural fabrics. They are often made from cellulose fibres that are bonded together with fossil plastic binders.

OrganoClick has developed biobasd binders, based on biopolymers from side streams in the food industry, e.g. shrimp shells and orange peels, which replace traditional plastic binders in nonwovens and technical textiles. This creates 100% biobased and biodegradable nonwoven materials. Our products are marketed and supplied under the brand name OC-BioBinder.

The business unit also sells the biodegradable hydrophobising product OC-aquasil Tex, which replaces PFAS, to nonwoven and textile manufacturers.

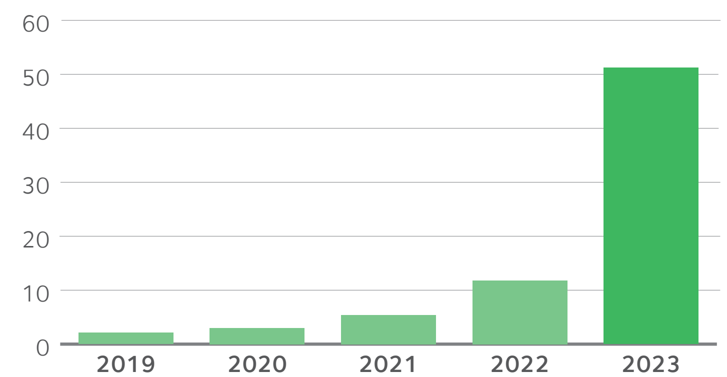
OUR MARKET

Nonwoven can be produced using a number of different manufacturing techniques. Binders are used in the airlaid nonwoven, wetlaid nonwoven, and chemically bonded carded nonwoven segments. The global market for binders for nonwovens is worth approximately SEK 3-4 billion per year.

Product areas where our biobased and biodegradable binders are particularly useful are in disposable items, such as napkins and wet wipes, hygiene products, medical products (wound care, surgical gowns, hair protection), agricultural fabrics, and packaging materials.

HIGHLIGHTS OF THE YEAR

2023 proved a very strong year for the business unit. Sales increased by 332 (120) percent, to MSEK 51.2 (11.8). The growth was primarily driven by sales to our customer Duni, who introduced our biobased binder in the Bio Dunisoft premium napkin range. Sales to Ahlstrom also increased during the year, as well as to our new customers Glatfelter and Sharpcell. Our portfolio of customer projects took steps in the right direction, and we now have two new nonwoven producers getting ready for product launches.



Sales in business unit Nonwoven & fiber technologies 2019–2023.
Sales increased by 332 percent, to MSEK 51.2 (11.8).

1 Broad market introduction of Duni's Bio Dunisoft
Duni, the market leader in premium napkins, launched the fossil-free napkin Bio Dunisoft in 2021, where our biobased binders replaced traditional plastic binders. At the end of 2022, the napkins was launched in Duni's entire range of colours, and in 2023 replaced large parts of Duni's previous product range.

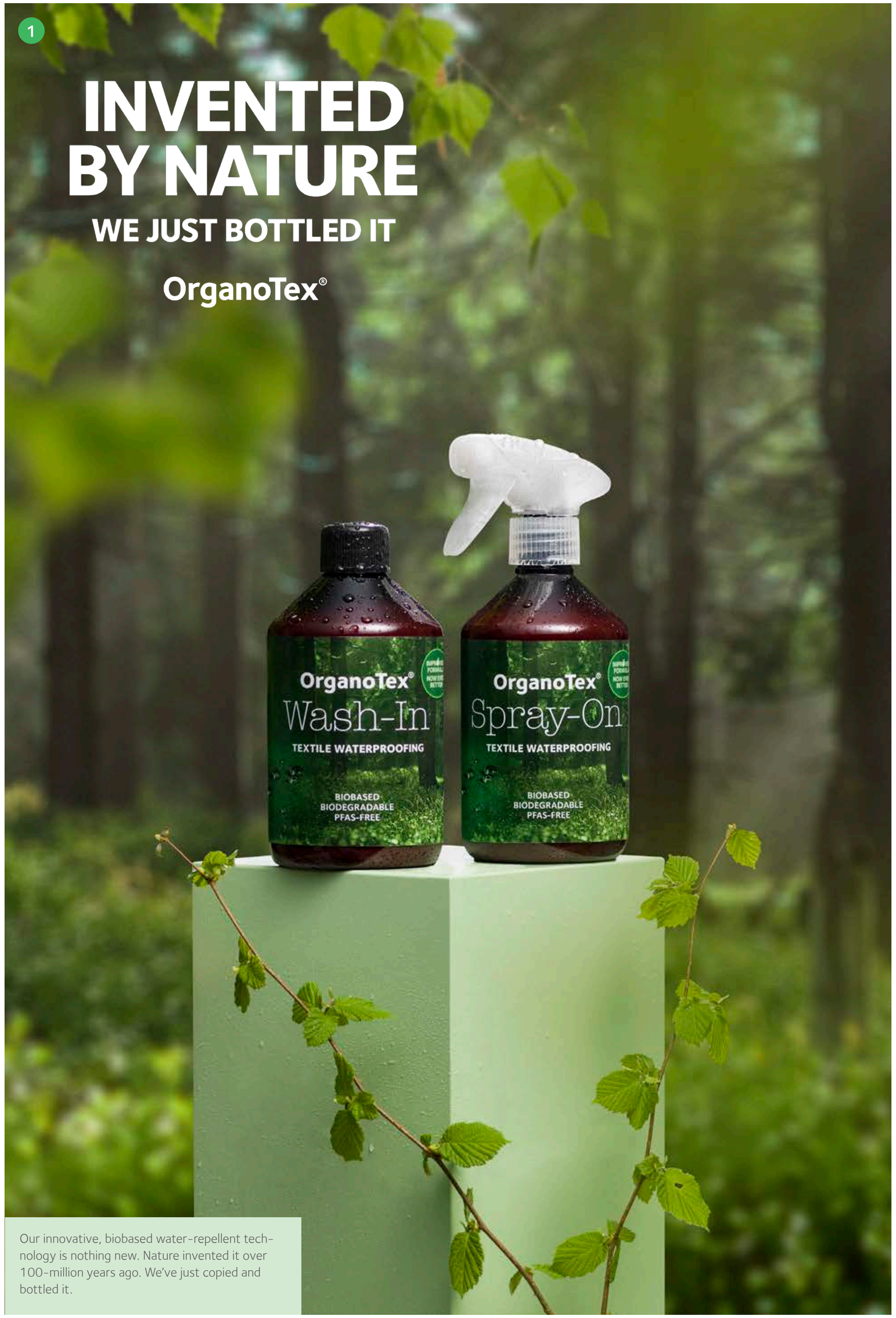
2 American Glatfelter launched home compostable airlaid nonwoven
The world's largest manufacturer of airlaid nonwoven, American Glatfelter, launched biobased airlaid nonwoven, where our binders replaced the plastic binders. The material is certified as home compostable, and can be used in a number of applications, including hygiene products and napkins. Glatfelter began its commercial introduction of the material in 2023.

3 Finish Sharpcell launched biobased airlaid nonwoven
The Finnish airlaid manufacturer Sharpcell launched biobased and plastic-free airlaid nonwoven with our biobased binders. During the year, they began sales to their customers who use the material for napkins and wipes.

4 OrganoClick's R&D Director, Maria Wennman, defended her thesis in biobased binders.
OrganoClick's R&D Director, Maria Wennman, defended and presented her thesis entitled 'Biobased and biodegradable binders for paper and nonwovens'. The doctoral studies were carried out through a collaboration between OrganoClick and KTH, where the research was directed on studying the fundamental reactions between our binders and the cellulose fibres in the nonwoven materials.

CONTINUED FOCUS ON CUSTOMER PROJECTS

In 2023, we went from producing our binders on a hundred-tonne scale to a thousand-tonne scale. New customers have been secured, and new applications have been launched. In 2024, we will focus on helping our customers to market and introduce our biobased and biodegradable binders in their production. We are also working on a large number of customer projects, where two new customers are nearing the launch of products. Our main focus is currently on further tabletop applications, wet wipes and cloths, hygiene products, such as diapers and sanitary pads, and agricultural applications. The interest from our customers in becoming plastic-free remains very high. We look forward to helping our customers in their green transition by replacing plastic binders with our biobased alternatives!



Our innovative, biobased water-repellent technology is nothing new. Nature invented it over 100-million years ago. We've just copied and bottled it.

GREEN COATINGS & MAINTENANCE PRODUCTS BUSINESS UNIT

An ever-increasing number of consumers are asking for, and choosing, fossil-free and eco-labelled products.

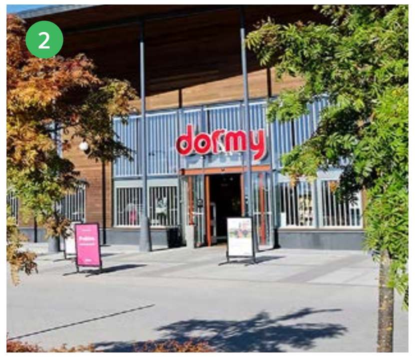
Within the Green coatings & maintenance products business unit, OrganoClick sells, markets, and delivers biobased and eco-labelled consumer products, such as textile and shoe impregnation under the brand OrganoTex, wood protection products under the brand OrganoWood, and complementary maintenance products for villas and properties under the brand BIOkleen.

The products are sold through retailers in outdoor and sports stores, for OrganoTex, and to building suppliers and paint retailers, for the brands OrganoWood and BIOkleen. The products are currently distributed and sold throughout the Nordic Region and Central Europe.

OUR MARKETS

The market for textile impregnation is a niche market, with customers mainly found among consumers interested in outdoor and sports. The global market is estimated to be worth approximately SEK 1.5 billion per year, while the European market is estimated to be worth about MSEK 500 per year. Outside of Europe, the North American market is by far the largest. We sell the OrganoTex products via retailers, primarily in the sports and outdoor trade, or via online stores.

The European and North American wood protection market for consumers is estimated to be worth approximately SEK 3-4 billion. OrganoWood wood protection and BIOkleen maintenance products are mainly sold to consumers and professionals via building suppliers and paint retailers.



HIGHLIGHTS OF THE YEAR

2023 has been a challenging year, with a declining European economy and weak market for the construction, paint and sports trades. Despite a weak market, the business unit succeeded in increasing sales by 10 (-10) percent, to MSEK 37.9 (34.4).

The sales increase for the business unit was achieved thanks to strong new customer sales and international expansion, in particular for OrganoTex. A new generation of biobased and eco-labelled OrganoTex products was launched during the year, which contributed positively to sales. In total, sales of OrganoTex products increased by 50 (30) percent, to MSEK 11.7 (7.8).

Our construction-related brands OrganoWood and BIOkleen were negatively affected by the weaker economy and the construction market. In total, sales of our wood protection and maintenance products decreased by -14 (-22) percent, to MSEK 13.3 (15.4).

We have developed a number of improved and eco-labelled products for our customers of car care products, which were launched during the year. These were well received and resulted in a sales increase of 16 (-13) percent, to MSEK 12.9 (11.2).

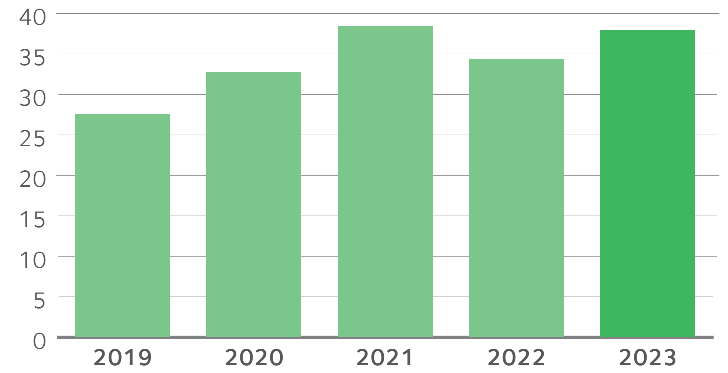
(1) Launch of biobased and eco-labelled OrganoTex textile impregnation
We launched the world's first biobased and biodegradable textile impregnation for consumers at the ISPO Outdoor fair in Munich. The products, which have been in development for more than three years, are both eco-labelled by Oekotex and certified biobased by USDA Biopreferred. The products have been well received by customers, and have now completely replaced our earlier products.

(2) New customers and new markets for OrganoTex
The international expansion of OrganoTex continued during the year, with new distribution agreements for Germany, Italy, Austria, Poland, the Czech Republic, Slovakia, and Indonesia. A number of larger sports and outdoor chains became new retailers, including leading Dutch outdoor chain Bever and the Swedish golf chain Dormy.

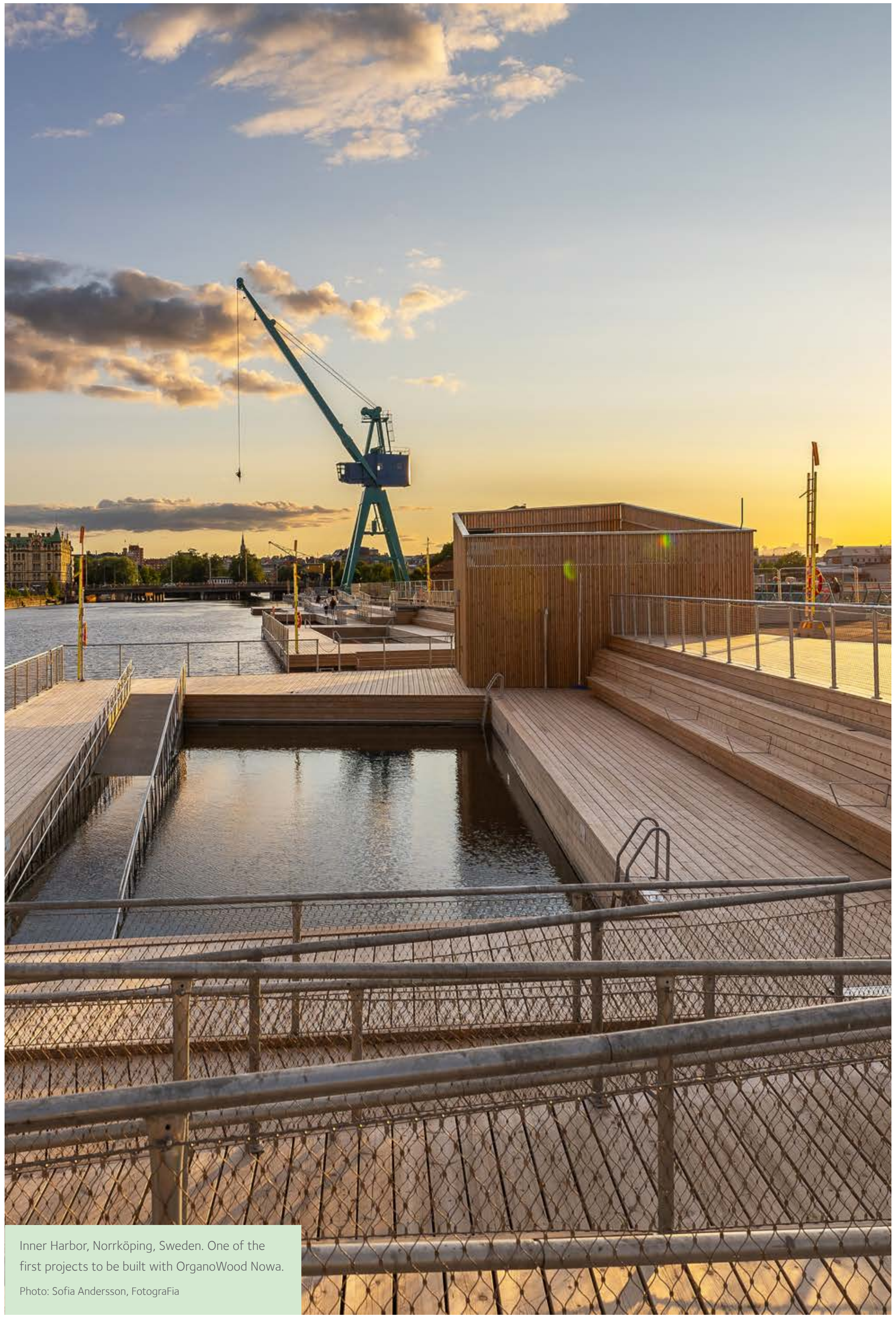
(3) BIOkleen's Eco-series expanding
We have worked over the past few years to improve BIOkleen's product range, by increasing the proportion of biobased raw materials and eco-labelling the products with the Swedish Association for Nature Conservation's "Good environmental choice". 2023 saw the continued expansion of BIOkleen's Eco-series, with BIOkleen Penseltvätt Eco and BIOkleen Klotterbort Eco.

CONTINUING OUR INTERNATIONAL EXPANSION

The international expansion of OrganoTex will continue in 2024. In addition to current markets, focus markets will be the Alpine countries. Focus for BIOkleen will be on strengthening the brand's position in the Nordic Region, where our ambition is to increase the number of retailers in the form of larger DIY-chains. Development work for all product segments will focus on increasing the proportion of biobased content in the products, and continue work on eco-labelling more and more products. We believe this is key in order for our products to take leading positions in their respective markets.



Sales in business unit Green coatings & maintenance products 2019–2023.
Sales increased by 10 percent, to MSEK 37.9 (34.4).



Inner Harbor, Norrköping, Sweden. One of the first projects to be built with OrganoWood Nowa.

Photo: Sofia Andersson, FotograFia

FUNCTIONAL WOOD BUSINESS UNIT

Biocides and heavy metals are traditionally used to protect wood against decay and rot. Globally, substances such as arsenic, chromium, copper or creosote are used in the most common wood preservatives.

OrganoClick has developed a biocide-free wood protection technology, where biobased zirconium salts are connected to the wood fibres. Instead of acting as a poison, zirconium cross-links the wood fibres, gives the timber hydrophobic (water-repellent) properties, and provides a physical barrier that makes it more difficult for rot fungi to break down the wood.

The treated timber is sold and marketed under the brand name OrganoWood Nowa through the company's partly owned subsidiary OrganoWood AB. The sale of OrganoWood Nowa timber is currently established in the Nordic countries, Germany, Great Britain, Switzerland, and Austria via building suppliers and timber distributors.

OUR MARKETS

OrganoWood Nowa timber is marketed by OrganoClick's co-owned subsidiary OrganoWood AB, primarily to the professional construction industry, but also to the consumer market, where the treated wood can replace traditional pressure-impregnated timber. In the Nordic region, approx. 2.5 million cubic metres of pressure-impregnated timber is produced annually, with a value in the region of SEK 5-6 billion.

The company's long-term strategy is to offer licences to wood processing companies for the production of OrganoWood Nowa timber, and supply the wood protection chemistry to these operators. Large quantities of wood preservatives are currently used in traditional wood impregnation. The global market for industrial wood preservatives within our segments is estimated to be worth approximately SEK 10 billion.

HIGHLIGHTS OF THE YEAR

2023 has been marked by a sharp slowdown in the European construction market. This has negatively affected our sales, and operations have had to be adapted accordingly, with significant focus on costs. In total, sales for the business unit decreased by -18 (4) percent, to MSEK 56.8 (68.8).

The biggest milestone in 2023 was the launch of our new wood protection technology OrganoWood Nowa. The silicon salts we previously used have been replaced with zirconium salts in our new wood protection technology. The technology has been under development since 2015, and has undergone a large number of tests, both accelerated in the lab (EN113) and in the field.

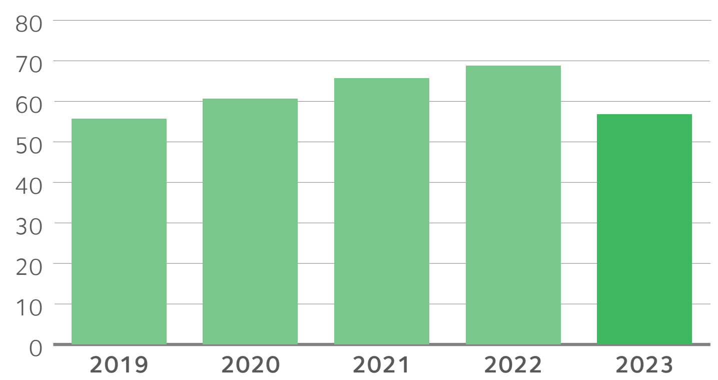
Our new technology gives the timber both improved rot protection and longer durability compared to our old technology, but, above all, it is easier to manufacture with consistent quality. Our new technology can be used in the same production process as traditional pressure-impregnated timber, making it easier to implement at various wood processing companies. Our old wood protection technology was completely phased out during the year, and only OrganoWood Nowa is now produced.

1 OrganoWood Nowa launched

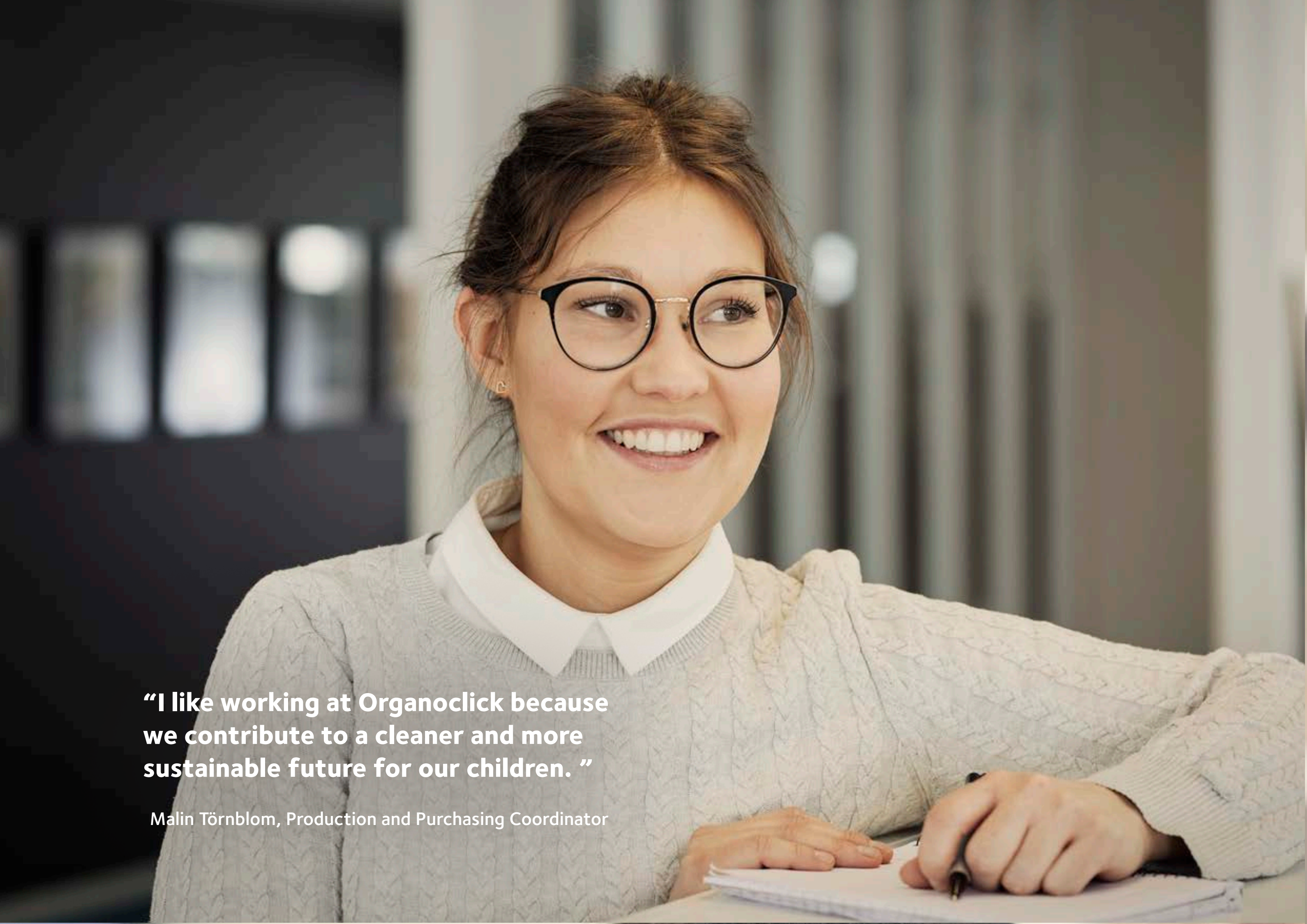
OrganoWood's new generation of wood protection technology, OrganoWood Nowa, was launched, and our previous wood protection technology were phased out. OrganoWood Nowa has both improved rot protection and durability, and is significantly easier to produce with consistent quality.

FOCUS ON INTERNATIONAL EXPANSION

The construction market will continue to be weak in 2024. Focus is therefore aimed at our new geographic markets, where we still have a small market share. Germany, Finland, Switzerland, and Italy will be our focus markets, as we have dedicated distribution partners there who sell OrganoWood Nowa. We will also continue discussions with a number of wood processing companies in relation to licensed manufacturing in the coming years.

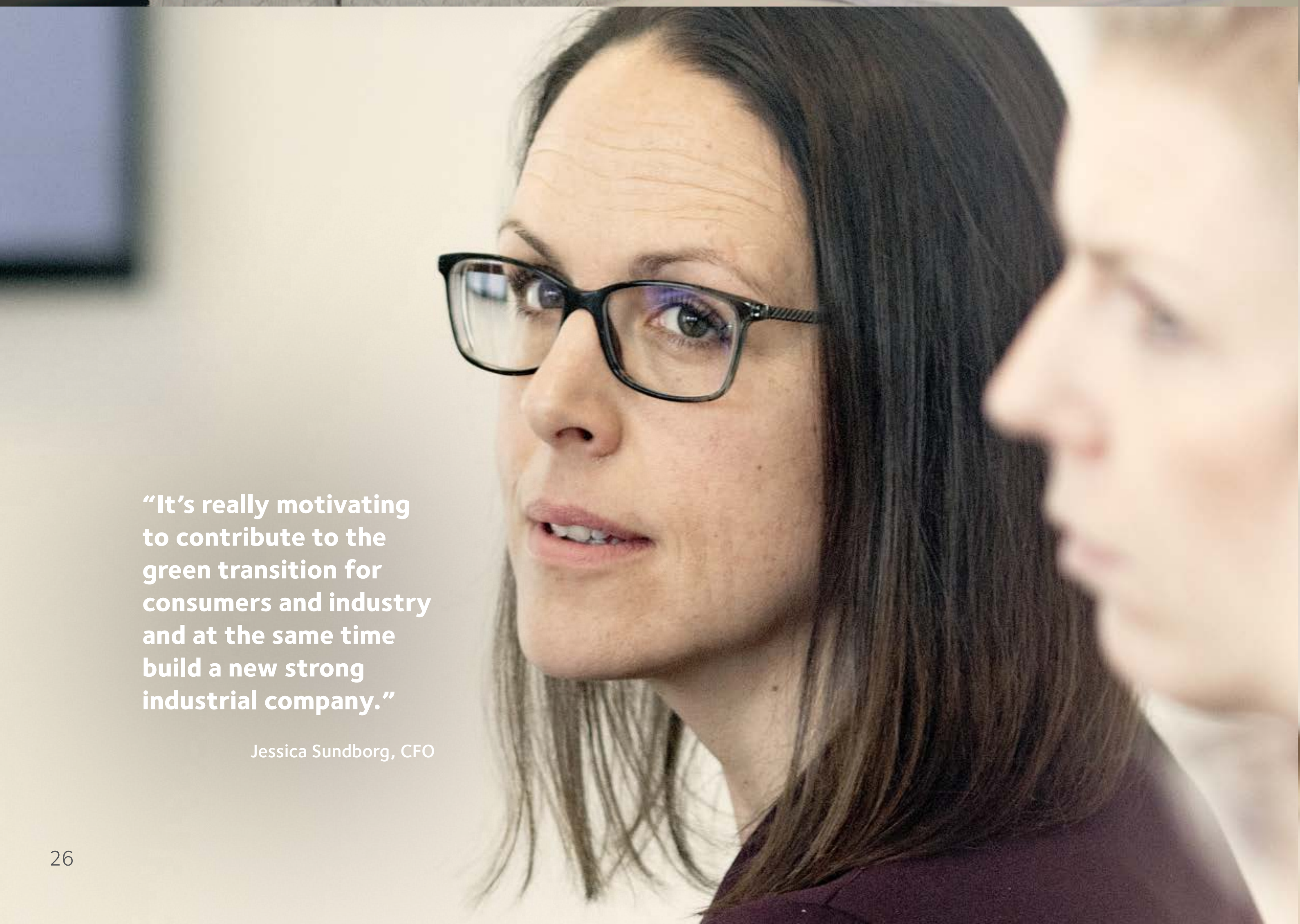


Sales in business unit Functional wood 2019–2023.
Sales decreased by 18 percent, to MSEK 56.8 (68.8)



"I like working at Organoclick because we contribute to a cleaner and more sustainable future for our children. "

Malin Törnblom, Production and Purchasing Coordinator



"It's really motivating to contribute to the green transition for consumers and industry and at the same time build a new strong industrial company."

Jessica Sundborg, CFO

"In my work I want to create chemistry between nature and feature. It's there our biobased solutions come to life. Made fit for their function and nature."

Johannes van Overmeeren, Product Development Engineer

"Being able to work for a greener future makes the job even more motivating."

Jacoub Adem, Operator & Warehouse

"It's fantastic to be able to contribute to a better future through our innovative products, on my part especially towards OrganoTex and the exciting expansion phase that we are in."

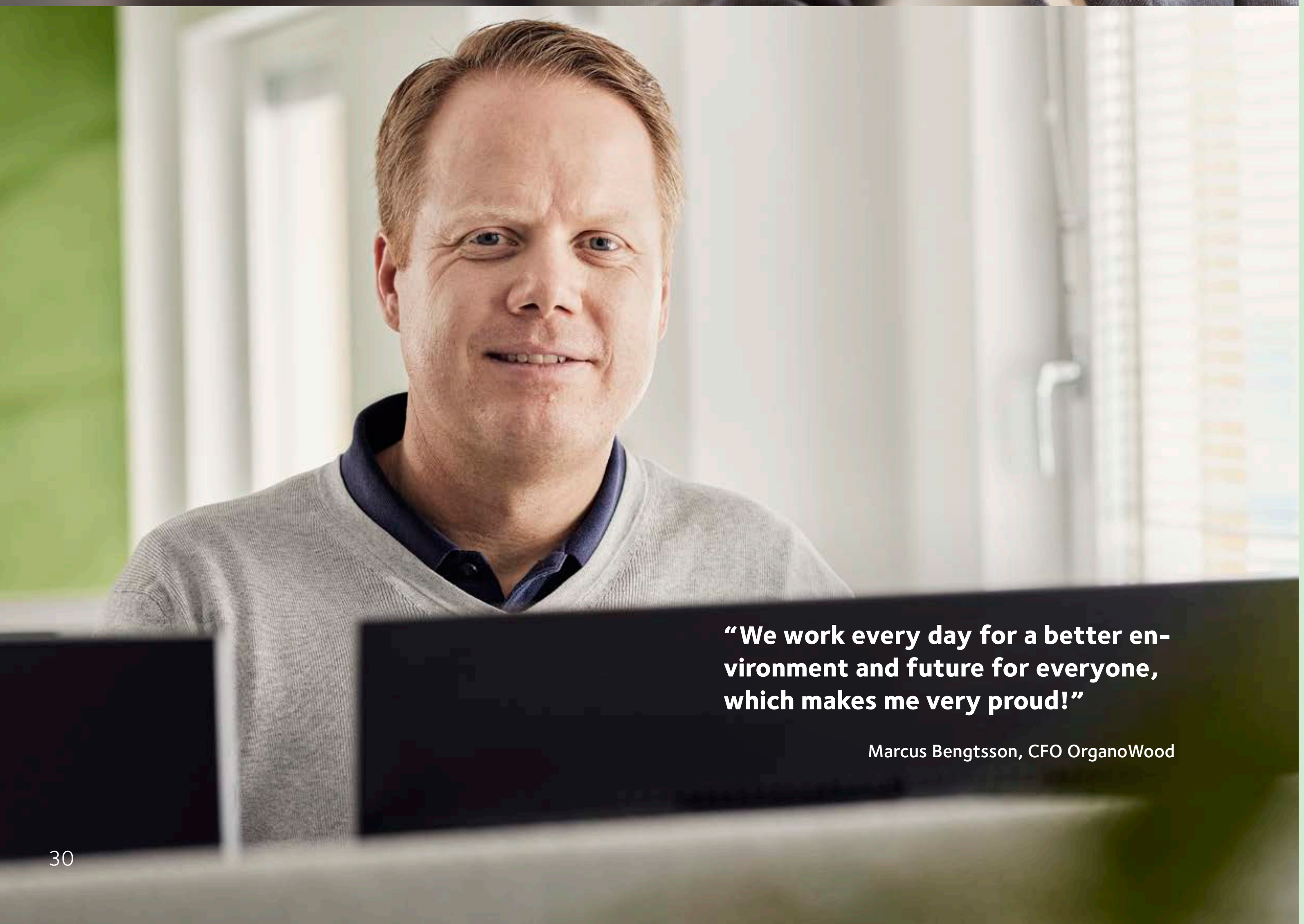
Susanne Karlsson, Sales Manager OrganoTex

"It feels incredibly good to go to work, when you contribute to redu-cing the climate impact every day."

Mikael Wickström, Technical Manager

“It’s fantastic to be involved in building a group with sustainability in its business concept.”

Mattias Bodin,
Environmental & Sustainability Director



“We work every day for a better environment and future for everyone, which makes me very proud!”

Marcus Bengtsson, CFO OrganoWood

Sustainability report

In this Sustainability Report, we have taken inspiration from GRI Standards. However, it is not reviewed by 3rd party/auditor.

ORGANOCLICK’S IMPACT AND SOCIETAL ROLE

During the UN’s most recent climate meeting, COP28 in Dubai, the nations of the world finally agreed that a phase-out of fossil fuels is necessary. This is completely in line with OrganoClick’s mission to develop biobased and biodegradable products. As such, OrganoClick plays an important role in the global transition towards a more sustainable future, where the world is struggling to manage and limit the impact of climate change and negative environmental impacts. Our ground-breaking technologies and products become important components in the work to tackle challenges such as biodiversity loss, plastic pollution, and the spread of harmful chemicals. By replacing fossil, non-degradable, and toxic materials with sustainable alternatives, OrganoClick becomes a positive force for a better environment. Each tonne of our biobased binder OC-BioBinder® replaces an equivalent amount of fossil-based binder, while each pack of our biobased and biodegradable OrganoTex® textile impregnation can replace a pack of fluorocarbon-based, bio-accumulating impregnation.

It is clear that the linear economic model is not sustainable in the long run. Instead, we must embrace a circular perspective on resource use, where nothing is considered waste, rather resources that can be reused and recycled. OrganoClick’s brands fit well into this approach, by striving to extend the life of products, such as textiles, building materials, and vehicles. In the end, no product will be sustainable in the long term if it isn’t financially viable as well, and it is therefore OrganoClick’s strong belief that our customers’ choice of our products must be based on sound financial considerations.

ORGANOCLICK AND THE UN’S GLOBAL GOALS

The UN’s 17 global goals for sustainable development aim to eradicate poverty, stop climate change, and create peaceful and secure societies. OrganoClick’s operations touch on several of these goals. Below, we identify the areas where we can make the greatest positive difference. Since our products enable the phasing out of fossil plastics and harmful chemicals for our customers, and that they can extend the life of shoes and clothing, their indirect positive impact is very significant for several of the 17 goals.

The UN Sustainable Development Goals

OrganoClick’s possible material impact

- Biobased and biodegradable products that enable the phasing out of toxic and fossil-based plastics and chemicals.

- Products that extend the lifespan of other products.
- Resource-efficient production and use of materials.
- Biobased and biodegradable products that enable the phasing out of toxic and fossil-based plastics and chemicals.
- Minimize the amount of hazardous waste.

- Carbon-neutral production.
- Biobased products that enable the phasing out of toxic and fossil-based plastics and chemicals.
- Environmentally friendly transports.

- Reduce the amount of hazardous waste.
- Biodegradable products that enable the phasing out of toxic, non-biodegradable and bioaccumulative plastics.
- Biobased raw materials grown under certified sustainable conditions.

- Biobased raw materials grown under certified sustainable conditions.
- Products that enable the phasing out of toxic, non-biodegradable plastics and chemicals.

OUR STAKEHOLDERS

OrganoClick's premise is its customers' need for sustainable alternatives to the fossil plastics and harmful chemicals that are currently used. Sustainability is at the core of our operations, and understanding the requirements, expectations, and needs of our customers, and other stakeholders, is crucial, both for our sustainability work and for our commercial success. Through continuous dialogue with our stakeholders, we strive to develop this understanding in order to be able to prioritise which sustainability areas are most relevant to focus on. In addition to the obvious stakeholders, such as customers, suppliers, authorities, and owners, we also actively listen to the needs and expectations of society and private consumers in relation to sustainable solutions within our industry, and for our products. A list of selected stakeholders, their priority issues, and how we communicate and collaborate with them, is presented below.

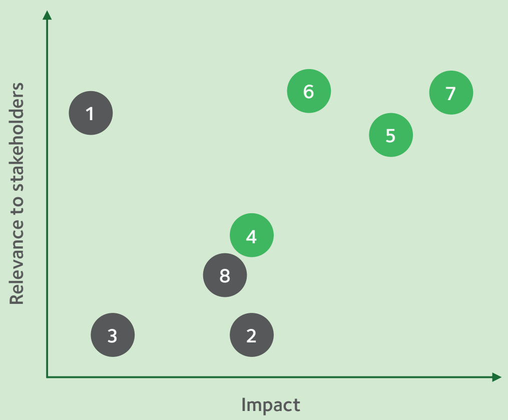
Stakeholder	Prioritized sustainability issues	Form of dialogue
Customers	Eco-labelled products Biobased products Biodegradable products Business ethics Climate impact Compliance	Meetings Customer surveys Audits Contracting Training Trade fairs
Suppliers	Business ethics	Ongoing dialogue Meetings Contracting
Personnel	Working environment Skills development Business ethics The company's overall environmental impact Equality and equal treatment Sustainable products	Daily communication Employee surveys Information meetings
Shareholders	Sustainability-related policies Business ethics Climate impact Sustainable products	General meetings Investor meetings
Providers of funds	Compliance Business ethics	Meetings
Authorities	Compliance	On-site inspections Authorization procedures Reportings

MATERIALITY ANALYSIS

By analysing the prioritised sustainability issues for our stakeholders, and combining them with our internal materiality analysis of the company's impact, we have made an assessment of the areas we should prioritise in our sustainability work moving forward.

Sustainability area

1) Climate (own operations)
2) Waste (own operations)
3) Water (own operations)
4) Biological diversity
5) Circular economy (our products)
6) Supply chain
7) Business ethics and regulatory compliance
8) Social commitment



Results of the materiality analysis, where the green indicates areas deemed to be essential for further investigation and future work.

PRODUCT DEVELOPMENT AND ENVIRONMENTAL CONSIDERATIONS

As always, we have maintained full speed in our product development in 2023, in part to be able to meet the demands of our customers on the performance of our products, but also to further improve the environmental and health profile of our products. 2023 entailed additional fossil-based raw materials being replaced by biobased alternatives, and raw materials being substituted for safer alternatives. Among other things, a biobased and biodegradable OrganoTex textile impregnation was launched.

ATTRACTIVE EMPLOYER

Being an attractive employer, and thereby being able to recruit and retain competent personnel, is of the utmost importance. Through continuous dialogue and employee surveys, we ensure that we as an employer meet the needs of employees, and identify what we can do better. For example, we offer occupational health care, skills development if needed, free access to our own well-equipped gym, wellness allowance, and an occupational pension. To ensure employee safety, work focused on systematic work environment is carried out, and risk analyses are carried out for the various parts of the business. Important issues, such as work environment, equal treatment, and abuse, are covered by clear policies.

RESPONSIBLE SUPPLY CHAIN

OrganoClick's suppliers are distributed across the globe, and consist of both small and large companies. At OrganoClick, we have developed a Code of Conduct based on the UN's Global Compact's 10 principles, and in our contact with suppliers we are clear that this is what we expect them to follow.

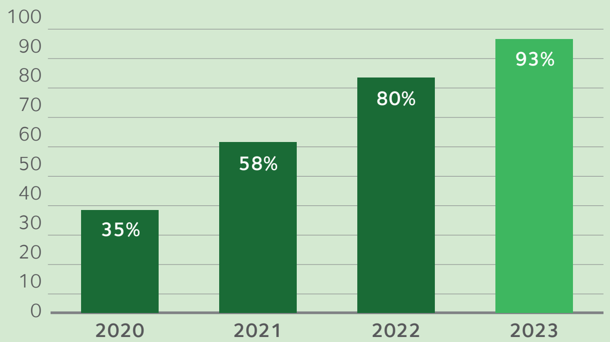
OBJECTIVES AND OUTCOMES

Product

Biobased Content

We continue to work tenaciously in order to achieve our goal of using only biobased raw materials, in which we observe a significant and growing interest in all customer segments. During the year, products within the OrganoTex and BIOkleen brands have been replaced by biobased variants. The production of our biobased binders has increased greatly. Together, this is the basis of a sharp increase in the proportion of biobased raw materials. The graph below shows the development in the proportion of biobased raw materials over the past four years. Our research and development unit continues to work on substituting remaining fossil-based raw materials for biobased alternatives.

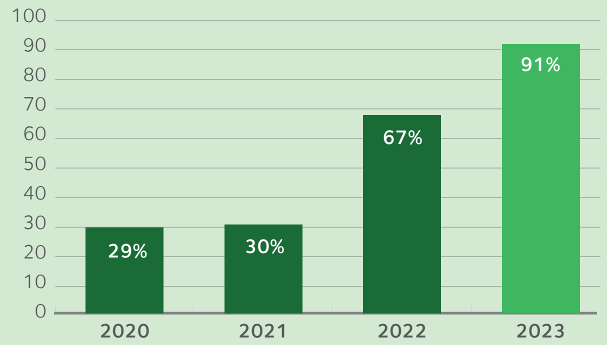
% (proportion of biobased raw material)



Eco-labelled products

Our investment in eco-labelled products has also developed positively during the year, which, like biobased products, is in ever increasing demand, and is frequently a requirement in order for products to be included in our customers' selected range of sustainable products. A relevant eco-label helps distinguish our products from those of our competitors, and increases the transparency and credibility of the environmental profile of our products. During the year, products within the OrganoTex brand were granted the OEKO-TEX® ECO PASSPORT and USDA Certified Biobased Product. The graph below shows the development of the proportion of eco-labelled product in relation to the total amount of product for our brands' chemical products for the last four years.

% (proportion of eco-labelled product)



Climate

During the year, we continued our collaboration with Climate Partner[1] to verify our climate work. The work applies to 2023, and the climate-impacting emissions that form the basis are Scope 1, Scope 2 and parts (personnel commuting to/from work, water consumption, waste management, and business trips) of Scope 3.

Our climate impact before compensation has decreased for 2023 compared to 2022, due to, among other things, a lower number of work-related longer flights, but also a reduction in climate-impacting staff-commuting to and from work. The consumption of energy and water, as well as the amount of generated waste, has continued to decrease for 2023 compared to 2022. This can, among other things, be attributed to reduced production of biocomposite, and the installation of an evaporator facility in autumn 2022, which enables the recycling of process wastewater and reduces the volume of waste. The most pleasing part is that we have managed to reduce our climate impact in absolute terms, despite having greatly increased production, and in relative terms the reduction is considerable.

Waste

The evaporator facility, which was commissioned in the autumn of 2022, has made a clear impression on the amount of hazardous waste generated, which decreased considerably in 2023 compared to 2022.

1) www.climatepartner.com

Summary of key figures

Key figures for 2021, 2022 and 2023 relating to the environment, social sustainability and business ethics are reported in the table below. The key figures in the Product area include chemical products and, for the proportion of biobased raw materials, those produced in OrganoClick's facility.

Area	Indicator	2023	2022	2021
Environment				
Product	Proportion of products that are eco-labelled (%)	91	67	30
	Proportion of raw materials that are biobased (%)	93	80	58
Regulatory compliance	Number of violations of environmental legislation (fines, penalties)	0	0	0
Energy[1]	Energy consumption (MWh)	782	845	1,080
	Energy consumption/tonne produced (MWh/tonne)	0.2	0.5	0.7
Climate	CO_2e emissions (tonnes)	120	181	113
	CO_2e emissions/tonne produced (CO_2e/tonne)[1]	0.03	0.10	0.08
Water[1]	Water consumption (m^3)	5,363	9,374	11,030
	Water consumption/tonne produced (m^3/tonne)	1.3	5.4	7.3
Waste[1]	Amount of waste (tonnes) – Combustible, Industrial waste	42	100	182
	Amount of waste/tonne produced (tonnes/tonne)	0.01	0.06	0.12
Management system	Facilities certified according to ISO 14001 (percentage of total)	100	100	100
Packaging	Share of recycled plastics in packaging (%)[2]	28		
Social sustainability				
Compliance	Number of violations of occupational safety and health legislation (fines, penalties)	0	0	0
Health and safety	Number of workplace accidents resulting in absence	0	1	1
	Sick leave (%)	2.3	5.5	5
Gender equality	Gender distribution of the Board (women/men)	3/2	2/3	2/3
	Gender distribution of senior management (women/men)	2/6	2/6	2/5
Business ethics				
Code of conduct	Reported breaches involving serious irregularities	0	0	0

Objectives Going Forward

We have set a number of goals for the coming years, which are reported in the table below.

Area	Indicator	Year
Environment		
Product	100 percent of our products eco-labelled.[3] 95 percent of raw materials biobased.[4]	2025
Packaging	75 percent of plastics from recycled sources.[2]	2025
Logistics	100 percent of transports environmentally friendly.[5]	2025
Environment/Social sustainability		
Raw materials	All key ingredients sourced from farms certified in accordance with relevant standards[6] for environmental and social sustainability.	2025

1) Refers to OrganoClick AB's facility.
2)Refers to products where the use of recycled plastics would be regulatory feasible and excludes packaging that is part of a return system, for example IBC (Intermediate Bulk Container).
3) Calculated as the weight of eco-labelled product sold compared with the total amount of product sold. The eco-label must be relevant in relation to the product type and the specific environmental aspect it is intended to address.
4) Calculated as the weight of biobased raw material used compared with the total amount of raw material used, taking market availability into account.
5) The objective includes truck transports procured by the company and fuels such as electricity, HVO and hydrogen.
6) Examples of relevant standards: Roundtable on Sustainable Biomaterials (RSB), Bonsucro, Roundtable of Responsible Soy (RTRS), International Sustainability and Carbon Certification (ISCC) and Roundtable on Sustainable Palm Oil (RSPO).

Board of Directors and Management

JAN JOHANSSON
Born in 1954. Chairman since 2016. **Education:** Master degree of Laws from Stockholm University. **Current assignments:** Chairman of the Board in Novedo Holding AB. Vice Chairman of Chinese Vinda and member of the board in Kährs Holding AB. **Selected past assignments:** CEO and President of SCA, CEO and President of Boliden, Executive Vice President of Vattenfall. **Sharehol-ding*:** 216,666 shares.

CHARLOTTE KARLBERG PH.D.
Born in 1963. Member of the board since 2020. **Education:** Ph.D. in Chemical Engineering from Lund University. **Current assignments:** CCTO at Alimak Group AB. Chairman of the Board of HMS AB , 7D and Avassa AB and member of a number of national R&D programs. **Selected past assign-ments:** Director General for Vinnova, the Swedish Innovation Agency. Various management positions in R&D and engineering at ABB. **Shareholding*:** 70,000 shares.

HÅKAN GUSTAVSON
Born in 1958. Member of the board since 2016. **Education:** MBA from Stockholm School of Eco-nomics. **Current assignments:** Advisor of Beijer Holding AB. Board member of Sturebadet Holding AB and several companies in the Wall/Beijer group. **Selected past assignments:** CFO/COO at Niscayah, Enea and MEC. **Shareholding*:** 440,000 shares.

MALIN BUGGE
Born in 1976. Member of the board since 2020. **Education:** Master's degree in Business & Mar-keting from Stockholm University, post-graduate degree from IHR. **Current assignments:** Chief Strategy Officer at Kurppa Hosk and partner at ARC. **Selected past assignments:** Strategy consultant at Differ, Essen International and Volt, Brand & Marketing Manager at Q-Park. **Shareholding*:** 15,000 shares.

CHATARINA SCHNEIDER
Born in 1963. Member of the board since 2023. **Education:** B.Sc. in Chemistry at Linköping University. **Current assignments:** Chairman of the Board of Jovitech Invest AB, Swedish Algae Factory AB, Adsorbi AB, Hardskills AB, n-ink AB and Matt4Green Tech AB and board member of I-Tech AB, BoTo Förvaltning AB, Svenska Aerogel AB and Dive Madhouse AB.. **Selected past assignments:** CEO of KRAHN Nordics AB and before that 25 years at the chemical group AkzoNobel. **Shareholding*:** 45,970 shares

*Shareholding including by related parties, natural and legal persons. Shareholding as at 31 December 2023.

MÅRTEN HELLBERG
Born in 1980. CEO and co-founder since 2006. **Education:** M.Sc. in Engineering Molecular Biotechnology from Uppsala University and ENS de Lyon in France. Economics at Stockholm University. **Current assignments:** Board member of Svenska Aerogel Holding AB. **Selected past assignments:** Multiple Swedish champion in canoe slalom with 12 years on the Swedish national team. Co-founder of X-brane Biopharma in 2008. **Shareholding*:** 7,701,695 shares and 193,504 warrants.

JESSICA SUNDBORG
Born in 1982. CFO since 2013. **Education:** Master in Economics from Södertörn University. **Current assignments:** No assignme-nts. **Selected past assignments:** Group Chief Accountant at Avega Group, auditing at the Swedish National Audit Office and Deloitte. **Shareholding*:** 205,000 shares and 122,437 warrants.

DAN BLOMSTRAND
Born in 1980. Business Development Director, employed since 2016. **Education:** M.Sc. in Chemical Engineering from Uppsala University. Economy and business development at the Uppsala School of Entre-preneurship. **Current assignments:** No assignments. **Selected past assignments:** Head of business unit Biocomposites at OrganoClick, Business Unit Manager at Aerosol Scandinavia and Global Account Executive at Catalent Pharma Solutions. **Shareholding*:** 154,00 shares and 100,000 warrants.

PETER RYDJA
Born in 1979. VP and Head of business unit Green coatings & maintenance products since 2021. **Education:** Master in Economics and B.Sc in Electrical Engineering from Mälardalen University. **Current assignments:** No assignments. **Selected past assignments:** CEO of Gateau AB, CFO at Fazer brands. **Shareholding*:** 40,000 shares and 100,000 warrants.

MARIA WENNMAN, PhD
Born in 1985. Research & Development Director, employed since 2012. **Education:** Degree of Doctor of Philosophy in the subject area of Fibre and Polymer Science from the Royal Institute of Technology in Stockholm. **Current assignments:** No assignments. **Selected past assignments:** Development engi-neer and later Project Manager at OrganoClick, with responsibility for the development of the company's biobased binders for nonwoven in particular. **Share-holding*:** 30,650 shares and 63,694 warrants.

DANIEL LUND
Born in 1975. COO since 2021. **Education:** M.Sc. in Chemical Engineering from Luleå University of Technology. **Current assignments:** No assignments. **Selected past assignments:** COO at Bactiguard, leading positions in production and logistics at Pfizer, Astra Zeneca and Medivir. **Shareholding*:** 250,000 shares and 193,504 warrants.

STEN ÅKERBLOM
Born in 1965. Brand manager since 2021. **Education:** Education in environmental science from Umeå University and degree in advertising and marketing from RMI Berghs. **Current assignments:** No assignments. **Selected past assignments:** Partner, Art Director and Brand Strategist at several advertising agencies, most recently BerntzonBylund /HH Group. **Shareholding*:** 40,370 shares and 138,361 warrants.

MATTIAS BODIN
Born in 1976. Environmental & Sustainability Director since 2022. **Education:** M.Sc. in Chemical Engineering from the Royal Institute of Technology in Stockholm. **Current assignments:** No assignments. **Selected past assignments:** Innovation Leader at H&M Group, Product Legislation & Compliance Manager at H&M Group. **Shareholding*:** 41,000 shares and 68,000 warrants.

*Shareholding including by related parties, natural and legal persons. Shareholding as at 31 December 2023.

New biobased OrganoTex textile waterproofing has been prompted by more than four years of research and development. To create the optimal water-repellent formula, a large number of tests have been carried out. Pictured are some of the sample jars.

Do you have a new innovative idea that will change the world? May we suggest that you write it down on the world's first fossil-free premium napkin. The formula you see here is a development of the basic formula that was first drawn up – perhaps on a napkin – and which we now use as a starting point in all our innovations, for example for the idea of making a premium napkin with a completely green inside.

Management report

The Board of Directors and the Chief Executive Officer of OrganoClick AB (publ), Corp. id. no. 556704-6908, hereby present the annual report and the consolidated financial statements for the financial year 2023-01-01 to 2023-12-31. Numbers within parentheses refer to the preceding year. Amounts are stated in KSEK unless specified otherwise.

Business and structure
OrganoClick AB (publ) and its subsidiaries ("the Group" or "OrganoClick") is a green chemical company founded in 2006 as a spin-off from Stockholm University and the Swedish University of Agricultural Sciences. The Group develops and manufactures biobased chemical products for treatment of nonwoven, technical textile and wood.

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

Sales and marketing within the Functional wood business unit is performed through the subsidiary OrganoWood AB. Sales and marketing towards specialized paint retailers is conducted through the subsidiary Biokleen Miljökemi AB. Other operations are conducted through the Parent Company, OrganoClick AB (publ). At the end of 2023, the Group employed 46 (46) people.

Product range
Within the business unit Nonwoven & fiber technologies the Group supplies biobased binders and water repellent products to industrial customers in nonwoven, paprer and technical textile. Products include the biobased binder OC-BioBinder that replaces the plastic binders in use today, and the biodegradable water repellent product OC-aquasil Tex that replaces fluorocarbons (PFAS). In 2022, Duni carried out a broad launch of the world's first fossil-free and home-compostable premium napkin, Bio Dunisoft, where OrganoClick binders have replaced traditional plastic binders. 2023 was the first full year with volume sales of our binders to Duni. A large number of customer projects are conducted with industrial customers where about ten projects are in production testing phase and two customers are preparing product launches.

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

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

Seasonal variations
The business units Functional wood and Green coatings & maintenance products are strongly characterized by seasonal variations depending on the weather and when in the year it is building and DIY season. For the Group, this 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.

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

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

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

OrganoClick has also manufactured the Group's biocomposites in-house. During 2022, however, parts of this production were out-licensed to a production partner. Discussions have taken place during the year regarding the out-licensing of the remaining parts of this production. The ambition is that all manufacturing of biocomposites will be out-licensed as of 2024.

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

Legal structure
As of 31 December 2023, OrganoClick had 3,926 (4,296) shareholders divided on 97,950,000 shares. The five major owners on 31 December 2023 were: Peter Lindell (with company) 13,239,107 shares (13.52 percent), Mårten Hellberg (with company), 7,701,695 shares (7.86 percent), Beijer Ventures AB, 7,107,180 shares (7.26 percent), Anders Wall Foundations, 5,358,227 shares (5.47 percent) and UBS Switzerland AG, W8IMY 3,862,033 shares (3.94 percent).

OrganoClick AB has a wholly-owned subsidiary, Biokleen Miljökemi AB, and a part-owned subsidiary, OrganoWood AB. OrganoClick AB owns 57.9 (57.9) percent of the capital and 59.8 (59.8) percent of the votes in OrganoWood AB. Other ordinary shareholders own 38.8 (38.8) percent of the capital and 39.8 (39.8) percent of the votes and 3.3 (3.3) percent of the capital and 0.4 (0.4) percent of the votes are owned by 26 preference shareholders.

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 closing price of the share on 31 December 2023 was 3.18 (3.00), giving a market capitalization of MSEK 311 (294).

The largest shareholders as at 31 December 2023[1]

Name	No. of shares	Share of votes and capital %
Peter Lindell with compay	13,239,107	13.52
Mårten Hellberg with compay	7,701,695	7.86
Beijer Ventures AB	7,107,180	7.26
Anders Wall Stiftelser	5,358,227	5.47
UBS Switzerland AG, W8IMY	3,862,033	3.94
CBLDN-EQ Nordic small cap fund	3,738,722	3.82
Nordnet pensionsförsäkring AB	3,272,049	3.34
Avanza Pension	3,131,865	3.20
Sijoitusrahasto Aktia Nordic	3,100,000	3.16
Handelsbanken Microcap Norden	2,389,003	2.44
Subtotal	**52,899,881**	**54.01**
Other shareholders	45,050,119	45.99
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.

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

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

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

Personnel
At the end of the period, the number of employees in the Group was 46 (46). Of these, 35 (32) were employed in the Parent Company, 9 (11) employed in the subsidiary OrganoWood AB and 2 (3) employed in the subsidiary Biokleen Miljökemi AB. Of the employees, 16 (17) were women and 30 (29) men.

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

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

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

Significant events during the year
- OrganoClick'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.
- Finnish Sharpcell launched home compostable products with our biobased binders.
- American Glatfelter, one 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.

Significant events after the end of the year
- No significant events after the end of the year.

PERFORMANCE DEVELOPMENT

The Group

Profit/Loss
Revenue for the year grew by 26.8 (4.5) percent and sales amounted to KSEK 145,871 (115,047). Growth was driven by sales in the Nonwoven & fiber technologies business unit. Sharply increasing supplies of binders to both existing and new customers led to a rise in revenue of 332.5 (120.2) percent, to KSEK 51,175 (11,832). The economic downturn and the decline in household purchasing power notwithstanding, revenue in the Green coatings & maintenance products business unit increased by 10.1 (-10.3) percent to KSEK 37,938 (34,446), with growth attributable to the second half of the year. Revenue in the Functional wood business unit was adversely affected by the economic conditions in the construction sector and decreased by -17.5 (4.7) percent to KSEK 56,758 (68,770).

Gross margin strengthened to 24.3 (11.2) percent and gross profit to KSEK 35,390 (12,934). This was mainly driven by the increased sales, but the product mix and lower fixed production costs after the restructuring carried out at the end of 2022 contributed as well. The restructuring of the previous year then burdened the gross profit with an impairment of KSEK -5,251 of the Group's fiber moulding machine. Sales costs and research and development costs for the year also decreased as a result of the restructuring. During the previous year, research and development costs were burdened by impairment charges totaling KSEK -4,074 for patents and development projects associated with the production of biocomposites. A faulty raw material resulted in the production of defective products, incurring a cost of KSEK -3,080. Insurance compensation covered a large part of the cost and resulted in an income of KSEK 1,989. All in all, the outcome was a one-off net cost of KSEK -1,091. The increase in revenue and the lower cost base resulted in a greatly improved profit/loss, EBIT, of KSEK -9,230 (-38,509). The profit/loss for the year amounted to KSEK -14,157 (-41,621). The previous year's result was burdened by impairments totaling KSEK -9,325.

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, intangible assets and leases.

Cash flow and investments
Cash flow from operating activities for the year amounted to KSEK 533 (-21,223) with positive cash flow from profit, KSEK 713 (-13,282), and slightly negative cash flow from working capital, KSEK -181 (-7,941). The main change in working capital during the year and year-on-year is that liquidity was released from inventories, KSEK 4,836 (-9,133).

During the year, investments of KSEK 6,845 (6,202) were made in intangible assets and of KSEK 1,765 (7,926) in tangible fixed assets in the form of production equipment. In financing activities, the Group increased both its utilization of the bank overdraft facility by KSEK 7,242 (7,223) and its factoring loans, by KSEK 1,778 (5,778) due to increased trade receivables. New credits of KSEK 6,704 (8,868) were raised, loans of KSEK -2,825 (-3,219) were repaid, and loans and leases of KSEK -9,296 (-10,472) were amortized. The total cash flow for the Group amounted to KSEK -4,474 (-19,046).

Financial position
Cash and cash equivalents in the Group amounted to KSEK 10,737 (15,204) at the end of the year, with a quick ratio of 38.0 (45.6) percent. Net debt/equity ratio amounted to 110.0 (72.9) percent. At the end of the year, KSEK 26,978 (19,737) of bank overdraft facilities totaling KSEK 30,000 (20,000) were utilized. During October, a KSEK 10,000 increase of OrganoClick's bank overdraft facility was granted. After the end of the year, the Parent Company was granted additional credit facilities of KSEK 10,000.

The Parent Company

Profit/Loss
The Parent Company's revenue for the year amounted to KSEK 93,881 (44,696), mainly attributable to sharply increased sales of binders but also to an increase in OrganoTex sales and internal sales. The sales growth combined with lower fixed production costs after the restructuring carried out at the end of 2022 strengthened both the gross margin and the gross profit, which amounted to KSEK 13,322 (-10,586). In the previous year, the gross profit was burdened by a KSEK -4,594 impairment loss on the Group's fiber moulding machine. The year's costs of sales and research and development have been lower as a result of the restructuring. During the previous year, research and development costs were burdened by impairment charges of KSEK -4,074 for patents and development projects associated with the Group's production of biocomposites. Faulty raw material resulted in the production of defective products, incurring a cost of KSEK -3,080. This cost was largely covered by the company's insurance, which gave rise to an income of KSEK 1,989. All in all, the outcome was a one-off net cost of KSEK -1,091. Operating profit/loss, EBIT, amounted to KSEK -14,166 (-45,494), and the profit/loss for the year amounted to KSEK -14,521 (-44,245).

Cash flow and investments
Cash flow from operating activities has strengthened significantly, to KSEK -6,779 (-39,488), where the result contributed with KSEK -10,541 (-28,474), and the working capital with KSEK 3,762 (-11,014). The large improvement in working capital came from the fact that only a small amount of cash has been tied up in inventory, KSEK -788 (-9,517), and nothing in accounts receivable, KSEK 546 (-5,554).

During the year, the Parent Company invested KSEK -5,318 (-4,729) in intangible fixed assets, in the form of development projects and patents, and KSEK -1,726 (-7,560) in tangible fixed assets, mainly production equipment. Loans from subsidiaries have been repaid, to the amount of KSEK 4,200 (4,000). Under financing activities, the use of the bank overdraft facility increased by KSEK 7,083 (4,954), while the use of invoice financing was at the same level as in last year, KSEK -60 (5 939). During the year, new bank credits of KSEK 583 (6,068) were taken out, loans from group companies of KSEK 1,180 (5,200) were obtained, and loans of KSEK -1,048 (-1,305) were repaid. Cash flow for the year amounted to KSEK -1,885 (-23,475).

Financial position
Cash and cash equivalents in the Parent Company at year-end amounted to KSEK 4,455 (6,341) and equity to KSEK 63,445 (77,966). After the end of the year, the Parent Company was granted additional credit facilities of KSEK 10,000.

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

Geopolitical risks
The Group sees that a number of geopolitical risks, with wars and armed conflicts, a deteriorating relationship between the West on the one hand and China, Russia and several countries on the other may affect world trade and the supply of raw materials. The Group sees the risk of problems in the supply chains that could result in volatile raw material and freight prices, and/or raw material shortages, that could lead to production disruptions within the Group. This may result in the Group not being able to deliver on its contracts, or in increased prices for the Group's customers, which may negatively affect the Group's sales.

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

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

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

Risks related to key customers
OrganoClick has a number of key customers that accounts for a significant share of the Group's sales. The loss of or severely reduced sales to one or several of these key customers would have a negative impact on the Group's sales and profitability as well as its ability to meet long-term objectives.

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

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

Raw material supply
The Group has a number of key suppliers of critical raw materials. Should problems arise in the supply chain from these key suppliers, disruptions to the Group's production could ensue. This could result in an inability to meet the Group's commitments to customers to deliver the agreed quantity and quality in a timely manner, which could result in a deterioration of economic performance or a negative financial impact from penalties.

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

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

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

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

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

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

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

Currency risk
Exchange rate fluctuations impact the Group's performance mainly in connection with purchases but also with some sales that are carried out in various currencies (transaction exposure), particularly EUR, USD and GBP.

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

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

Future outlook
OrganoClick has a steady sales growth, and has grown by an average of approximately 13 percent/per year over the past five years. The Group's sales expansion continued in 2023, with growth of 26.8 percent. The Group's expenses were also reduced (excluding one-off costs affecting comparability) by six percent, following the strategic restructuring carried out by the Group in the autumn of 2022.

The Group's ambition is to have continued sales growth in the Nonwovens & fiber technologies business unit in 2024, driven primarily by new customers. Within the Green coatings & maintenance products business unit, the goal in 2024 is to continue growing the BIOkleen brand in the Nordic market, as well as continue the export investment for OrganoTex in the Nordic Region and Central Europe. The Group's plan is to continue the expansion of OrganoWood timber in 2024, primarily in our export markets, with a focus on Germany. Overall, the goal is for these improvements to result in a continued increase in sales, and an improved performance for the Group over the coming year.

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

Tidningar" and on the website of the Company. The fact that notice has been given shall be published in "Dagens Industri".

The AGM 2023

The Annual General Meeting for the financial year 2022 was held on 17 May 2023. The AGM passed the following resolutions:

- to adopt the income statement and statement of financial position, and to dispose the accumulated result according with the Board's proposal set forth in the annual report.
- to approve discharge from personal liability for the members of the Board of Directors and the CEO for their administration during the financial year.
- to pay an annual fee of SEK 500,000 to the Chairman of the Board and an annual fee of SEK 125,000 to the other ordinary members of the Board.
- that the Auditors' fee's would be paid in accordance with current approved invoicing.
- re-election of Jan Johansson, Charlotte Karlberg, Håkan Gustavson and Malin Bugge, and election of Chatarina Schneider as new ordinary member of the Board of Directors until the end of the next Annual General Meeting and re-election of Jan Johansson as Chairman of the Board.
- to adopt the nomination procedure and election of nomination committee for the Annual General Meeting 2024.
- that authorization is given to the Board of Directors to, during the period until the next Annual General Meeting and on one or more occasions, resolve on a new issue of shares, subscription warrants, or convertible bonds with or without deviation from the shareholders' preferential rights, to be paid in cash, in kind or by right of set-off. The issue may at most increase the share capital by 10 percent or SEK 97,950 (corresponding to 9,795,000 shares).

The AGM 2024

The Annual General Meeting will be held on May 15, 2024 at 5 pm at OrganoClick's head office in Arninge, Täby. Notice will be published through a press release and announced in Post och Inrikes Tidningar and in Dagens Industri and published on the OrganoClick website.

Nomination Committee

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

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

The Annual General Meeting on 17 May 2023 resolved that the nomination committee shall consist of three people: one representative from each of the three major owners as of the 30 September 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.

Auditors

The registered audit firm PricewaterhouseCoopers AB is elected auditors until the annual general meeting 2024, with authorized public accountant Sebastian Ionescu as auditor in charge.

Proposed appropriation of profits

The Board of Directors and the Chief Executive Officer propose that no dividends be paid for the financial year 2023/01/01 - 2023/12/31.

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

Share premium reserve	310,701,387
Retained earnings	-242,509,670
Profit/loss for the year	-14,521,059
Total	**53,670,657**

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

Surplus carried forward to new account	53,670,657
Total	**53,670,657**

The financial result and position of the Group and the Parent Company in general is set out in the accounts below. Amounts are stated in KSEK unless specified otherwise. Numbers within parentheses refer to the preceding year. The income statement and statement of financial position will be submitted for adoption by the Annual General Meeting on 15 May 2024.

OrganoTex shoe care. With minimal ecological footprint.

FINANCIAL DEVELOPMENT IN SUMMARY, THE GROUP

SEK 000s

Consolidated income statement	2023	2022	2021	2020	2019
Net sales	**145,871**	**115,047**	**110,064**	**96,458**	**85,480**
Operating profit/loss	**-9,230**	**-38,509[1]**	**-28,590**	**-17,100**	**-15,131**
Net financial items	-4,857	-3,211	-2,578	-2,431	-3,680
Profit/loss before tax	-14,087	-41,720	-31,168	-19,531	-18,811
Profit/loss for the year	**-14,157**	**-41,621[2]**	**-31,033**	**-19,520**	**-18,356**
Profit/loss for the year attributable to:					
Shareholders´ of Parent Company	-15,772	-44,399	-32,687	-23,646	-20,391
Non-controlling interests	1,615	2,778	1,653	4,126	2,035
Other comprehensive income	7	2	1	-7	-1
Comprehensive income for the year	**-14,150**	**-41,619**	**-31,032**	**-19,527**	**-18,358**
Comprehensive income for the year attributable to:					
Shareholders´ of Parent Company	-15,768	-44,398	-32,686	-23,650	-20,392
Non-controlling interests	1,618	2,779	1,654	4,123	2,034

Consolidated statement of financial position	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Intangible fixed assets	41,715	39,050	43,126	39,984	35,393
Property, plant and equipment	36,155	43,634	58,563	49,875	42,419
Other non-current assets	3,987	3,973	4,212	4,022	4,227
Total non-current assets	**81,857**	**86,657**	**105,902**	**93,881**	**82,040**
Current assets	58,155	60,739	48,236	26,894	30,009
Cash and cash equivalents	10,737	15,204	34,248	32,028	61,150
Total current assets	**68,892**	**75,943**	**82,484**	**58,922**	**91,159**
Total assets	**150,749**	**162,600**	**188,386**	**152,802**	**173,199**
Equity attributable to shareholders´ of Parent Company	44,581	58,777	100,325	68,655	89,458
Non-controlling interests	8,825	8,779	7,404	14,288	13,013
Total equity	**53,407**	**67,556**	**107,729**	**82,943**	**102,470**
Non-current liabilities	12,658	19,622	26,277	24,701	23,977
Current liabilities	84,684	75,422	54,380	45,158	46,751
Total equity and liabilities	**150,749**	**162,600**	**188,386**	**152,802**	**173,199**

Consolidated cash flow statement	2023	2022	2021	2020	2019
Cash flow from operating activities	533	-21,223	-37,688	5,471	-11,012
Cash flow from investing activities	-8,610	-7,448	-14,649	-19,398	-7,007
Cash flow from financing activities	3,603	9,625	54,556	-15,189	73,048
Cash flow for the year	**-4,474**	**-19,046**	**2,219**	**-29,115**	**55,029**

1) SEK -28.5 million exluding non-recurring costs of SEK 10.0 million
2) SEK -31.6 million exluding non-recurring costs of SEK 10.0 million

KEY FIGURES, THE GROUP[1]

SEK 000s	2023	2022	2021	2020	2019
Net sales	145,871	115,047	110,064	96,458	85,480
Revenue growth, %	26.8	4.5	14.1	12.8	9.0
Gross profit	35,390	12,934[2]	18,510	20,198	17,763
Gross margin, %	24.3	11.2	16.8	20.9	20.8
Operating profit/loss, EBIT	-9,230	-38,509[3]	-28,590	-17,100	-15,131
Operating margin, EBIT, %	-6.3	-33.5	-26.0	-17.7	-17.7
EBITDA	5,850	-11,882	-12,991	-4,457	-3,117
Profit/loss for the year	-14,157	-41,621[4]	-31,033	-19,520	-18,356
Profit margin, %	-9.7	-36.2	-28.2	-20.2	-21.5
Equity ratio, %	35.4	41.5	57.2	54.3	59.2
Quick ratio, %	38.0	45.6	92.1	98.7	162.6
Net debt/equity ratio,%	110.0	72.9	18.8	14.9	-5.8
Average number of employees	42	49	51	43	35
Average number of shares before and after dilution[5]	97,950,000	97,950,000	95,865,889	92,477,335	79,927,844
Number of shares issued at end of year	97,950,000	97,950,000	97,950,000	92,112,789	92,112,789
Earnings per share before and after dilution SEK[5]	-0.16	-0.45	-0.34	-0.26	-0.26

1) For definitions and reconciliation of alternative performance measures, see pages 86-87.
2) SEK 18.2 million exluding non-recurring costs of SEK 5.3 million
3) SEK -28.5 million exluding non-recurring costs of SEK 10.0 million
4) SEK -31.6 million exluding non-recurring costs of SEK 10.0 million
5) There is no dilution effect when the subscription price is higher than the share price

"Naturally effective" is the motto of the BIOkleen brand. The focus is on the least possible environmental impact. In the Eco-series, all products are biodegradable and eco-labeled with Good Environmental Choice (Bra Miljöval).

OrganoTex has had a favorable growth during the year with a good influx of new retailers, as well as establishing itself in new areas such as golf.

Financial information

CONSOLIDATED INCOME STATEMENT

SEK 000s	Note	2023	2022
Net sales	5	145,871	115,047
Cost of goods sold	8,9	-110,481	-102,113
Gross profit		**35,390**	**12,934**
Selling expenses	8,9	-23,428	-28,842
Administrative expenses	7,8,9	-13,799	-14,020
Research and development costs	8,9	-6,651	-12,202
Other operating income	10	4,952	5,245
Other operating expense	10	-5,694	-1,624
Operating profit/loss	11	**-9,230**	**-38,509**
Financial income	12	103	15
Financial expenses	12	-4,960	-3,226
Net financial items		**-4,857**	**-3,211**
Profit/loss before tax		**-14,087**	**-41,720**
Income tax	13	-69	99
Profit/loss for the year		**-14,157**	**-41,621**
Profit/loss for the year attributable to:			
Shareholders´ of Parent Company		-15,772	-44,399
Non-controlling interests		1,615	2,778
Earnings per share before and after dilution[1] SEK	14	-0.16	-0.45
Average number of shares before and after dilution[1]		97,950,000	97,950,000

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Note	2023	2022
Profit/loss for the year		**-14,157**	**-41,621**
Other comprehensive income for the year:			
Items that can later be reclassified into profit or loss			
This year's translation differences when translating foreign operations		7	2
Other comprehensive income for the year, net after tax		**7**	**2**
Comprehensive income for the year		**-14,150**	**-41,619**
Comprehensive income for the year attributable to:			
Shareholders´ of Parent Company		-15,768	-44,398
Non-controlling interests		1,618	2,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible fixed assets	15		
Capitalized development expenditures		18,634	16,598
Patents, trademarks		6,147	5,399
Licences		140	258
Goodwill		16,794	16,794
		41,715	39,050
Property, plant and equipment	8, 16		
Buildings		13,074	18,115
Improvement expense of other property		224	335
Machinery		19,624	21,294
Equipment, tools, fixtures and fittings		3,233	3,889
		36,155	43,634
Other non-current assets			
Other long-term receivables		3,140	3,140
Deferred tax assets	13	847	833
Total non-current assets		**81,857**	**86,657**
Current Assets			
Inventories	18	36,688	41,524
Trade receivables	19	18,022	16,196
Income tax receivables		532	447
Other receivables		376	598
Prepaid expenses and accrued income	20	2,536	1,974
Cash and cash equivalents	21	10,737	15,204
Total current assets		**68,892**	**75,943**
TOTAL ASSETS		**150,749**	**162,600**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

SEK 000s	Note	31 Dec 2023	31 Dec 2022
EQUITY			
Share capital		980	980
Other contributed capital		307,059	307,059
Reserves		37	33
Accumulated loss including profit/loss for the year		-263,495	-249,295
Equity attributable to shareholders´ of Parent Company	22	**44,581**	**58,777**
Non-controlling interests	23	8,825	8,779
Total equity		**53,407**	**67,556**
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	24	3,018	3,722
Lease liabilities		8,495	14,813
Other non-current liabilities		975	1,000
Deferred tax liabilities	13	170	88
Total non-current liabilities		**12,658**	**19,622**
Current liabilities			
Liabilities to credit institutions	24	28,258	20,833
Lease liabilities		8,666	9,137
Trade payables		14,559	15,478
Other liabilities	25	22,981	19,358
Accrued expenses and deferred income	26	10,220	10,616
Total current liabilities		**84,684**	**75,422**
TOTAL EQUITY AND LIABILITIES		**150,749**	**162,600**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK 000s	Share capital	Other contri-buted capital	Reserves	Accumula-ted loss	Total	Non-control-ling interests	Total equity
	Attributable to shareholders´ of Parent Company						
Equity at 1 January 2022	**980**	**307,059**	**32**	**-207,746**	**100,325**	**7,404**	**107,729**
Comprehensive income							
Profit/loss for the year	–	–	–	-44,399	-44,399	2,778	-41,621
Transfer enumeration preference shares	–	–	–	1,403	1,403	-1,403	0
Other comprehensive income							
Translation differences	–	–	1	–	1	1	2
Total comprehensive income	**–**	**–**	**1**	**-42,996**	**-42,995**	**1,375**	**-41,619**
Shareholder transactions							
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**
Equity at 1 January 2023	**980**	**307,059**	**33**	**-249,295**	**58,777**	**8,779**	**67,556**
Comprehensive income							
Profit/loss for the year	–	–	–	-15,772	-15,772	1,615	-14,157
Transfer enumeration preference shares	–	–	–	1,572	1,572	-1,572	0
Other comprehensive income							
Translation differences	–	–	4	–	4	3	7
Total comprehensive income	**–**	**–**	**4**	**-14,200**	**-14,196**	**46**	**-14,150**
Shareholder transactions							
Total shareholder transactions	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Equity at 31 December 2023	**980**	**307,059**	**37**	**-263,495**	**44,581**	**8,825**	**53,407**

CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	Note	2023	2022
Cash flow from operating activites			
Operating profit/loss		-9,230	-38,509
Adjustment for non-cash items	28	14,886	28,316
Interest received		103	15
Interest paid		-4,960	-3,226
Income tax paid		-85	122
Cash flow from operating activities before changes in working capital		**713**	**-13,282**
Changes in working capital			
Changes in inventories and work in progress		4,836	-9,133
Changes in trade receivables		-1,826	-4,214
Changes in other operating receivables		-425	624
Changes in trade payables		-918	2,113
Changes in other operating liabilities		-1,848	2,670
Cash flow from changes in working capital		**-181**	**-7,941**
Cash flow from operating activities		**533**	**-21,223**
Cash flow from investing activities			
Investments in intangible assets	15	-6,845	-6,202
Investments in property, pland and equipment	16	-1,765	-7,926
Sale of property, plant and equipment1		–	6,680
Cash flow from investing activities		**-8,610**	**-7,448**
Cash flow from financing activities	29		
Transfer warrants		–	1,446
Net change bank overdraft facility		7,242	7,223
Net change invoice factoring debt		1,778	5,778
Borrowings		6,704	8,868
Repayment of debt		-2,825	-3,219
Amortization of debt		-9,296	-10,472
Cash flow from financing activities		**3,603**	**9,625**
Cash flow for the year		**-4,474**	**-19,046**
Cash and cash equivalents at beginning of year	21	15,204	34,248
Exchange rate differences in cash and cash equivalents		7	2
Cash and cash equivalents at end of year	21	**10,737**	**15,204**

PARENT COMPANY INCOME STATEMENT

SEK 000s	Note	2023	2022
Net sales	5,6	93,881	44,696
Cost of goods sold	8,9	-80,559	-55,281
Gross profit		**13,322**	**-10,586**
Selling expenses	8,9	-10,606	-13,897
Administrative expenses	7,8,9	-10,994	-10,754
Research and development costs	8,9	-4,768	-10,950
Other operating income	10	3,821	1,230
Other operating expense	10	-4,939	-538
Operating profit/loss	11	**-14,166**	**-45,494**
Interest income and similar items	12	425	550
Interest expenses and similar items	12	-1,567	-240
Net financial items		**-1,142**	**310**
Profit/loss before tax		**-15,308**	**-45,184**
Appropriations		787	939
Income tax	13	–	–
Profit/loss for the year		**-14,521**	**-44,245**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK 000s	Note	2023	2022
Profit/loss for the year		**-14,521**	**-44,245**
Other comprehensive income for the year:		–	–
Comprehensive income for the year		**-14,521**	**-44,245**

PARENT COMPANY BALANCE SHEET

SEK 000s	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible fixed assets	15		
Capitalized development expenditures		13,446	11,224
Patents, trademarks		5,541	4,615
Licences		137	238
		19,123	16,077
Property, plant and equipment	16		
Improvement expense of other property		224	335
Machinery		13,116	13,691
Equipment, tools, fixtures and fittings		2,007	2,242
		15,346	16,268
Financial assets			
Shares in group companies	17	35,878	37,788
Due from group companies		1,651	1,651
Other non-current assets		838	1,175
		38,367	40,614
Total non-current assets		**72,837**	**72,960**
Current assets			
Raw materials, supplies and finished inventories	18	24,280	23,492
		24,280	23,492
Short-term receivables			
Trade receivables	19	7,434	7,981
Due from group companies		131	7,324
Income tax receivables		326	172
Other receivables		311	418
Prepaid expenses and accrued income	20	3,707	3,366
		11,908	19,261
Cash and cash equivalents	21	4,455	6,341
Total current assets		**40,644**	**49,093**
TOTAL ASSETS		**113,481**	**122,053**

PARENT COMPANY BALANCE SHEET (CONT.)

SEK 000s	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		980	980
Fund for development expenditures		8,794	6,573
Total restricted equity		**9,774**	**7,552**
Non-restricted equity			
Share premium reserve		310,701	310,701
Retained earnings		-242,510	-196,043
Profit/loss for the year		-14,521	-44,245
Total non-restricted equity	22	**53,671**	**70,413**
Total Equity		**63,445**	**77,966**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	24	3,018	3,722
Liabilities to group companies		4,710	4,710
Total non-current liabilities		**7,728**	**8,432**
Current liabilities			
Liabilities to credit institutions	24	13,317	5,994
Trade payables		13,092	12,415
Liabilities to group companies		1,718	3,415
Other short-term liabilities	25	7,673	7,689
Accrued expenses and deferred income	26	6,508	6,142
Total current liabilities		**42,308**	**35,655**
TOTAL EQUITY AND LIABILITIES		**113,481**	**122,053**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK 000s	Share capital	Fund for development expenditures	Share premium reserve	Retained earnings	Profit/ loss for the year	Total equity
Equity at 1 January 2022	**980**	**7,245**	**310,701**	**-163,892**	**-34,269**	**120,765**
Transfer warrants	–	–	–	1,446	–	1,446
Capitalized development expenditures	–	2,129	–	-2,129	–	–
Depreciation and impairment of previously capitalized development expenditures	–	-2,802	–	2,802	–	–
Transfer previous year's profit/loss	–	–	–	-34,269	34,269	–
Profit/loss for the year	–	–	–	–	-44,245	-44,245
Equity at 31 December 2022	**980**	**6,573**	**310,701**	**-196,043**	**-44,245**	**77,966**
Equity at 1 January 2023	**980**	**6,573**	**310,701**	**-196,043**	**-44,245**	**77,966**
Capitalized development expenditures	–	3,031	–	-3,031	–	–
Depreciation and impairment of previously capitalized development expenditures	–	-810	–	810	–	–
Transfer previous year's profit/loss	–	–	–	-44,245	44,245	–
Profit/loss for the year	–	–	–		-14,521	-14,521
Equity at 31 December 2023	**980**	**8,794**	**310,701**	**-242,510**	**-14,521**	**63,445**

PARENT COMPANY CASH FLOW STATEMENT

SEK 000s	Not	2023	2022
Cash flow from operating activites			
Operating profit/loss		-14,166	-45,494
Adjustment for non-cash items	28	4,920	16,587
Interest received		425	550
Interest paid		-1,567	-240
Income tax paid		-153	122
Cash flow from operating activities before changes in working capital		**-10,541**	**-28,474**
Changes in working capital			
Changes in inventories and work in progress		-788	-9,517
Changes in trade receivables		546	-5,554
Changes in other operating receivables		3,097	-878
Changes in trade payables		676	4,804
Changes in other operating liabilities		231	131
Cash flow from changes in working capital		**3,762**	**-11,014**
Cash flow from operating activities		**-6,779**	**-39,488**
Cash flow from investing activities			
Investments in intangible assets	15	-5,318	-4,729
Investments in property, plant and equipment	16	-1,726	-7,560
Loans to group companies		4,200	4,000
Repaid shareholder contributions group companies		-	2,000
Cash flow from investing activities		**-2,845**	**-6,289**
Cash flow from financing activities	29		
Transfer warrants		-	1,446
Net change bank overdraft facility		7,083	4,954
Net change invoice factoring debt		-60	5,939
Borrowings		583	6,068
Loans from group companies		1,180	5,200
Amortization of debt		-1,048	-1,305
Cash flow from financing activities		**7,738**	**22,302**
Cash flow for the year		**-1,885**	**-23,475**
Cash and cash equivalents at beginning of year	21	6,341	29,816
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at end of year	21	**4,455**	**6,341**

Did you know that we use residual streams from the food industry in several of our applications, such as shrimp shells, orange peels and wheat bran?

Notes

NOTE 1 GENERAL INFORMATION

OrganoClick AB (publ.) and its subsidiaries ("the Group" or "OrganoClick") is a green chemical group that develops and markets green chemical products and material technologies. Sales are conducted within the business units Nonwoven & fiber technologies, Green coatings & maintenance products and Functional wood. The products marketed by OrganoClick include the Groups biobased binders for nonwoven, the water repellent textile treatment OrganoTex and the rot-resistant timber OrganoWood. The Parent Company, Corp. id. no. 556704-6908, is a public listed company registered in Sweden and seated in Stockholm. The visiting address to the headquarters is Linjalvägen 9, 187 66 Täby, Sweden. The consolidated financial statements for 2023 covers the Parent Company and its subsidiaries, collectively referred to as "the Group" or "OrganoClick".

On 4 April 2024, this consolidated and annual report was approved by the Board of Directors for publication.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

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

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

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

Changes in accounting principles and disclosures

New and amended standards applied by the Group effective as of 1 January 2023:

- New standard IFRS 17, Insurance contracts, contains rules on classification, valuation, reporting and additional information regarding insurance contracts, and replaces IFRS 4, Insurance contracts.
- Amendments to IAS 1, Presentation of financial statements, (disclosures on accounting principles), where the requirement for disclosure of significant accounting principles is replaced with a requirement for disclosure of material information on accounting principles.
- Amendments to IAS 8, Accounting policies, changes in accounting estimates and errors, (definition of estimates), aim to clarify the difference between changes in estimates, accounting principles and errors.
- Amendments to IAS 12, Income taxes, (Deferred tax assets and deferred tax liabilities arising from a single transaction), make it clear that the exemption from reporting deferred tax for temporary differences that arise when an asset or liability is first recognised is not applicable when reporting transactions that simultaneously give rise to both an asset and a liability, such as, for example, right-of-use assets and leasing liabilities.

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

New standards and interpretations not yet adopted by the Group

A number of new standards and interpretations will come into force for financial years starting on or after 1 January 2023 and have not been applied when preparing these financial statements. These new standards and interpretations are not expected to have material impact on the Group's financial statements for this or future periods, nor on future transactions.

Consolidated accounts

Subsidiaries

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

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

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

Non-controlling interests

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

Preference shares

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

The Group allocates profits between the shareholders of the Parent Company and non-controlling interests holding preference shares. Then a transfer is carried out within equity, a transaction with non-controlling interests, when the value adjustment of the preference shares results in negative equity for the holders of ordinary shares. This transfer is carried out because the holders of preference shares are not able to benefit beyond what the equity amounts to.

Segment reporting

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

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

The follow-up of the Group's net sales is done for the 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.

Translation of foreign currency

Functional currency and reporting currency

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

Transactions and balance sheet items

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

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

Group companies

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

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

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

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

Revenue recognition

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

Step 1: Identify the contract

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the prices to the performance obligations

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

Sale of goods

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

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

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

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

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

Government grants

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Equipment 3–15 years
Machinery 3–15 years

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

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

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

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

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

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

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

Capitalized development expenditure comprises direct costs for material and services as well as personnel costs, with a fair share of indirect costs added. Development expenditure recognized as an asset are amortized on a straight-line basis over the estimated useful life of the asset. An assessment of a development project's useful life is made individually for each project and the useful life is currently set at between five and ten years based on existing products constantly being developed and replaced by new models at an interval of five to ten years. Amortization is initiated when the asset is ready for use, that is, at the respective market introduction of each product. Capitalized assets that are not yet ready for use are tested for impairment annually. Previously expensed development expenditure is not recognized as an asset in the subsequent period.

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

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

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

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

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

Amortized cost and effective interest method
Amortized cost of a financial asset is the sum at which the financial asset is valued at the initial recognition date minus the capital sum, plus the accumulated depreciation using the effective interest method of any difference between that capital sum and the outstanding

capital sum, adjusted for any impairments. The recognized gross value of a financial asset is the amortized cost of a financial asset before adjustments for any loss allowance. Financial liabilities are recognized at the amortized cost using the effective interest method or at fair value via the income statement.

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

The fair value of financial instruments

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

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

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

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

Offset of financial assets and liabilities

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

Impairments

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

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

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

Impairment of trade receivables is recognized in operational expenses.

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

Derivatives and hedging measures

Derivative instruments are held only for financial hedging of risks and not for speculative purposes. When a derivative instrument does not meet the criteria for hedge accounting, it is classified as held for trading and recognized at fair value through profit or loss on the Other operating income or Other operating expenses line. Derivative instruments expected to be settled within twelve months after the end of the reporting period are classified as current assets or current liabilities.

Inventories

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

Share capital

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

Earnings per share

Earnings per share before dilution

Earnings per share before dilution is calculated by dividing profit/loss attributable to shareholders of the Parent Company, with the weighted average number of ordinary shares outstanding during the period.

Earnings per share after dilution

Earnings per share after dilution are calculated by adjusting the average number of shares for the effects of all potential ordinary shares that are dilutive. Warrant programs where the subscription price exceeds the average market price during the period are not dilutive.

The Parent Company's accounting principles

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

Changes in accounting principles and disclosure

New standards and interpretations not yet applied

At the time of preparation of the Parent Company's annual accounts as of 31 December 2023, the Parent Company's accounts are not affected by any new or modified standards or interpretations that have not yet entered into force.

Accounting principles of the Parent Company

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

Presentation of income statement and balance sheet

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

Shares in subsidiaries

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

Financial instruments

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

Capitalized development expenditure/Fund for development expenditure

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

Leases

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

NOTE 3 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

a) Market risks

(i) Currency risks

Currency risk refers to the risk that changes in exchange rates will have a negative impact on the Group's income statement, balance sheet or cash flow. The Group's reporting currency is SEK.

Transaction exposure

The exposure is mostly attributable to the Group's sales denominated in EUR and purchases of raw materials and production equipment denominated in EUR and USD, and also GBP during 2023. Such currency risks consist in part of the risk of fluctuations in the value of trade receivables and payables, in part of the currency risk arising from expected and contractual payment flows. This risk is referred to as transaction exposure. The exposure has increased over recent years, with both exports and imports growing.

Net flows in foreign currency, SEK thousand

	2023	2022
EUR	-986	3,748
USD	-23,596	-8,220
GBP	-5,870	-37
Total	**-30,452**	**-4,509**

Sensitivity analysis

As set out in the table above, the Group's main transaction expoure is against USD, as no sales are currently conducted in USD. The net flow of sales and purchases in currencies other than SEK is hedged using currency forwards in accordance with the Group's established guidelines.

If the Swedish krona had weakened/strengthened by 10 percent against the exposure currencies EUR, USD and GBP, the impact on profit/ loss before tax for the year would have been approximately KSES +/- 3,045 (451).

Translation exposure

During the year, the Group had two holdings in foreign operations, one of which was discontinued during the year, whose net assets are exposed to currency risks. Currency risks also arise when the assets and liabilities of foreign subsidiaries are translated to the functional currency of the Parent Company - so-called translation exposure.

Since the Group's translation exposure has been limited in 2022 and 2023, the Group has not included a sensitivity analysis.

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

Since the Group has interest-bearing liabilities, the Group's revenues and cash flows from operating activities are dependent of changes in market interest rates. The Group's interest rate risk arises through long-term borrowing. Borrowing at a variable interest rate exposes the Group to interest rate risks with respect to cash flows which is marginally offset by cash balances with variable interest rates. Borrowing at fixed interest rate exposes the Group to interest rate risks with respect to fair value. As of the date of closure of accounts, the Group had 4 (4) borrowings from credit institutions totaling KSEK 4,298 (4,819) as well as a used overdraft facility of KSEK 26,978 (19,737). All of the Group's interest-bearing liabilities to credit institutions are variable-rate, with an average interest rate of 8.3 (7.0) percent. A 1 percentage point increase/decrease of interest rates on interest-bearing liabilities over the next 12 months would have a KSEK +/-313 (246) impact on interest costs.

b) Credit risk

Credit risk is managed on the Group level. Credit risks arise through cash and cash equivalents, balances held with banks and financial institutions, and credit exposure to the Group's customers, including outstanding receivables and agreed transactions. The maximum credit risk exposure consists of the book value of the exposed assets and amounts to KSEK 55,737 (51,137).

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

December 31, 2023	Expected credit loss, %	Trade receivables before loss reservation	Expected credit loss	Trade receivables after loss reservation
Not overdue	0.1%	15,148	-15	15,133
Overdue 1-30 days	0.5%	2,862	-14	2,848
Overdue 31-60 days	3%	0	0	0
Overdue 61-120 days	20%	1	0	0
Overdue for more than 120 days	50%	81	-40	40
Total		**18,092**	**-70**	**18,022**

December 31, 2022	Expected credit loss, %	Trade receivables before loss reservation	Expected credit loss	Trade receivables after loss reservation
Not overdue	0.1%	13,197	-13	13,184
Overdue 1-30 days	0.5%	2,500	-12	2,487
Overdue 31-60 days	3%	225	-7	218
Overdue 61-120 days	20%	278	-56	222
Overdue for more than 120 days	50%	171	-85	85
Total		**16,369**	**-173**	**16,196**

The Group deems the customer credit risk to be low, and the credit reserve amounts to an insignificant amount. The low credit loss reservation is explained by the fact that the Group is heavily exposed to the Swedish market where the Group currently deems credit risk to be low, at the same time as the majority of the customers are large and established industrial companies or large companies in the construction and paint trade which the Group considers to reduce the credit risk. As of the date of closure of accounts, 96 (92) percent of the Group's trade receivables are Swedish companies, 3 (4) percent companies in other Nordic countries, and 1 (4) percent companies in the rest of Europe, North America and Asia. The Group continuously examines the expected credit loss percentage and adjusts it when there are indications that it will not meet expectations moving forward.

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

Change in loss reserve relating to trade receivables

Opening balance 2022-01-01	**-109**
Reversed	109
New trade receivables	-173
Closing balance 2022-12-31	**-173**
Opening balance 2023-01-01	**-173**
Reversed	173
New trade receivables	-70
Closing balance 2023-12-31	**-70**

c) Liquidity risk

The Group's liquidity risk consists of the risk that loans need to be renewed with limited financing options and the risk that the Group is unable to fulfil its payment obligations due to insufficient liquidity. As per 31 December 2023, the Group had cash and cash equivalents of KSEK 10,737 (15,204) as well as a utilized bank overdraft facility of KSEK 26,978 (19,737). The Group has a non-utilized bank overdraft facility of KSEK 3,022 (263).

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

Maturity analysis, Group

2023	1-3 months	3-12 months	1-3 years	3-5 years	5-8 years
Bank overdraft facility	27,556	-	-	-	-
Liabilities to credit institutions	505	1,024	2,510	795	-
Invoice factoring debt	14,193	-	-	-	-
Lease liabilities	2,170	6,509	8,210	1,115	-
Trade receivables	14,559	-	-	-	-
Total	**58,984**	**7,532**	**10,720**	**1,910**	**-**

2022	1-3 months	3-12 months	1-3 years	3-5 years	5-8 years
Bank overdraft facility	20,102	-	-	-	-
Liabilities to credit institutions	370	942	2,354	1,699	-
Invoice factoring debt	12,173	-	-	-	-
Lease liabilities	2,289	6,868	12,818	3,426	-
Trade receivables	15,478	-	-	-	-
Total	**50,413**	**7,811**	**15,173**	**5,125**	**-**

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

Capital risk management

The Group's financial objectives are to attain a strong financial position that contributes to the maintained confidence of investors, creditors and the market, to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group's equity includes non-controlling interests. The Group's equity ratio amounted to 35 (42) percent as of 31 December 2023. The Board of Directors proposes that no dividend be paid to shareholders.

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

Net debt/equity ratio

Group	2023	2022
Interest-bearing liabilities	52,324	40,528
Less: Cash and cash equivalents	-10,737	-15,204
Net debt	**41,587**	**25,324**
Equity	53,407	67,556
Net debt/equity ratio, %	**77.9**	**37.5**

Fair value

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

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

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

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

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

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

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

Financial assets and liabilities by valuation category

31 Dec 2023	Financial assets valued at amortized costs (Hold to collect)	Financial liabilities valued at amortized costs (Hold to collect)	Carrying amount
Financial assets			
Other non-current assets	3,140	–	3,140
Trade receivables	18,022	–	18,022
Other receivables	244	–	244
Prepaid expenses and accrued income	2,536	–	2,536
Cash and cash equivalents	10,737	–	10,737
	34,679	**–**	**34,679**
Financial liabilities			
Borrowings, non-current	–	3,018	3,018
Lease liabilities, non-current	–	8,495	8,495
Other non-current liabilities	–	975	975
Liabilities to credit institutions, current	–	28,258	28,258
Lease liabilities, current	–	8,666	8,666
Trade payables	–	14,559	14,559
Other liabilities	–	21,368	21,368
Accrued expenses and deferred income	–	10,220	10,220
	–	**95,559**	**95,559**

31 Dec 2022	Financial assets valued at amortized costs (Hold to collect)	Financial liabilities valued at amortized costs (Hold to collect)	Carrying amount
Financial assets			
Other non-current assets	3,140	–	3,140
Trade receivables	16,196	–	16,196
Other receivables	116	–	116
Prepaid expenses and accrued income	1,974	–	1,974
Cash and cash equivalents	15,204	–	15,204
	36,630	**–**	**36,630**
Financial liabilities			
Borrowings, non-current	–	3,722	3,722
Lease liabilities, non-current	–	14,813	14,813
Other non-current liabilities	–	1,000	1,000
Liabilities to credit institutions, current	–	20,833	20,833
Lease liabilities, current	–	9,137	9,137
Trade payables	–	15,478	15,478
Other liabilities	–	15,407	15,407
Accrued expenses and deferred income	–	10,616	10,616
	–	**91,006**	**91,006**

Net gains / losses from financial assets and financial liabilities distributed by valuation category in accordance with IFRS 9 are shown in the table below.

2023	Financial assets valued at amortized costs (Hold to collect)	Financial liabilities valued at amortized costs (Hold to collect)	Carrying amount
Net financial items			
Interest income	103	–	103
Interest expenses	–	-4,960	-4,960
	103	**-4,960**	**-4,857**

2022			
Net financial items			
Interest income	15	–	15
Interest expenses	–	-3,226	-3,226
	15	**-3,226**	**-3,211**

NOTE 4 ACCOUNTING ESTIMATES

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

Important estimates and assessments for accounting purposes

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

Intangible assets – capitalization of development expenditure

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

At year end, the Group's capitalized development expenditures amounted to KSEK 18,634 (16,598). Each development project is tested for impairment annually and upon any indication of a need for impairment. The executive management assesses the need for impairment by considering expected future cash flows for the products developed within each project. See Note 15 for the assumptions and parameters used in the management's assessments. During the year, 0 (3) development projects totaling SEK 0 (1,389) thousand were written down. The write-downs in the previous year pertained to the Group's biocomposite production, which was then discontinued. The management's assessment is that there is no need for impairment loss. For detailed definitions relating to the Group's principles for capitalization of development expenditure, see Note 2.

Valuation of patents

The Group's extensive development activities lead to major investments in patents which are capitalized as assets in the balance sheet. As of the balance sheet date, the Group's patents amounted to KSEK 6,147 (5,399). Each patent family is tested for impairment annually and upon any indication of a need for impairment, whereby the management considers expected future cash flows for the products protected by the patents. See Note 15 for the assumptions and parameters used in the management's assessments. During the year, 0 (3) patents totaling SEK 0 (2,685) thousand were written down. The write-downs in the previous year pertained to the Group's biocomposite production, which was then discontinued. The management's assessment is that there is no need for impairment loss.

Valuation of goodwill

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

Valuation of leases

The Group's rights-of-use for leases amounted to KSEK 20,143 (26,820) at year-end. The Group holds leases for properties, production equipment and vehicles. The amount of the lease liability is measured based on the agreed rent. Leases for properties have variable leasing fees in the form of property taxes that are not included in the amount of the lease liability. Assumptions regarding the estimated lease period have a significant impact on the valuation of the amount of a lease liability. The Group has 2 (2) lease agreements for properties that contain extension clauses, none of which have been taken into account in the estimation of the duration of lease periods. The reason is that it currently is impossible to determine with any degree of certainty if the Group will exercise its options to extend the agreements.

Valuation of inventories

At the end of the year, the Group has inventories valued at KSEK 36,688 (41,524). The Company management estimates that existing inventories will be used in sales during 2024.

Valuation of loss carryforwards

Every year, the Group examines the possibility of capitalizing deferred tax assets arising from the carryforward of unused tax losses for the year. Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Since the Group is not yet showing a profit against which the unused tax losses can be utilized, the Group's assessment is that the unused tax losses shall not be capitalized. At year end, the Group had tax losses to carry forward in the amount of KSEK 269,910 (258,795), which were not taken into account in the calculation of deferred tax assets.

NOTE 5 OPERATING SEGMENTS AND BREAKDOWN OF REVENUE

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

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

The follow-up of the Group's net sales is 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		Parent Company	
Net sales per business unit	**2023**	**2022**	**2023**	**2022**
Nonwoven & fiber technologies	51,175	11,832	51,175	11,832
Green coatings & maintenance products	37,938	34,446	11,811	10,560
Functional wood	56,758	68,770	–	–
Transactions between group companies[1]	–	–	30,896	22,304
Total	**145,871**	**115,047**	**93,881**	**44,696**
Net sales per geographic market				
Sweden	121,809	91,223	52,698	15,159
Other Nordics	10,558	11,805	4,534	3,866
The rest of Europe	12,492	10,897	4,940	2,245
Asia	745	892	547	892
North America	267	231	267	231
Transactions between group companies[1]	–	–	30,896	22,304
Total	**145,871**	**115,047**	**93,881**	**44,696**

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

Net 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.

The Group has 2 (1) customers within AO Nonwoven & fiber technologies and AO Functional wood, which each accounts for more than 10 percent of the Group's sales.

NOTE 6 TRANSACTIONS BETWEEN GROUP COMPANIES

Of the Parent Company's invoicing, KSEK 30,896 (22,304), corresponding to 33 (50) percent, relates to subsidiaries. Invoicing of SEK 0 (567) thousand has been made from OrganoWood AB to the Parent Company.

The transactions between the Group companies take place at prices at arm's length.

NOTE 7 REMUNERATION AND PAYMENT OF EXPENSES TO THE AUDITORS

	Group		Parent Company	
Net sales per business unit	**2023**	**2022**	**2023**	**2022**
PricewaterhouseCoopers AB				
Audit engagements[1]	475	385	259	249
Audit business in addition to audit engagements	–	36	–	36
Tax consultancy services	–	–	–	–
Other services	–	–	–	–
Total	**475**	**421**	**259**	**285**

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

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

NOTE 8 LEASES

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

Lease agreements for properties

OrganoClick has held 2 (2) lease agreements for properties during the year. An agreement for the Group's head office, production and laboratory runs for ten years until 2025-09-30, with a five-year extension clause. The Group also has an agreement for a production facility that runs until 2026-12-31with a three-year extension clause.. No extension clauses have been taken into account in the assessment of the lease periods of rights-of-use assets, as it is not possibly to assess with reasonable certainty whether the extension clause will be used.

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

Leasing agreements for production equipment

At year-end, the Group had 5 (6) lease agreements for production equipment. During the year, 0 (0) agreements were added and 1 (0) agreements expired and was taken over in own book. The agreements run between 36 and 72 months with residual values of ten percent.

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

Leasing agreements for vehicles

At the beginning of 2023, the Group had 19 (20) lease agreements for leasing cars and trucks. During the current financial year, an estimated 37 (25) percent of vehicle lease agreements expired. All of the expired leases were dissolved and some were replaced by new leasing agreements and underlying assets. During the year 2 (4) new lease agreements were added. The lease agreements run between 18 and 72 months with residual values, where applicable, of 10 percent.

Rights-of-use assets included as assets in the Group's financial position report.

	Buildings		Machinery		Inventory		Total	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Inbound accumulated acquisition values	37,549	36,337	9,261	9,261	4,080	4,150	50,889	49,748
Adjustment of additional rights-of-use	-	-	-	-	635	617	635	617
Adjustment of disposed rights-of-use	-	-	-370	-	-2,024	-721	-2,394	-721
Adjustment for indexation/revaluation	1,123	1,211	-13	-	139	34	1,249	1,246
Outbound accumulated acquisition values	38,672	37,549	8,878	9,261	2,829	4,080	50,379	50,890
Inbound accumulated depreciation	-19,433	-13,743	-1,987	-1,010	-2,649	-2,073	-24,069	-16,826
This year's depreciations	-6,164	-5,690	-961	-977	-1,001	-1,297	-8,127	-7,964
Adjustment of disposed rights-of-use	-	-	111	-	1,849	721	1,960	721
Outbound accumulated depreciation	-25,598	-19,433	-2,837	-1,987	-1,801	-2,649	-30,236	-24,069
Closing carrying amount	**13,074**	**18,115**	**6,041**	**7,274**	**1,027**	**1,431**	**20,143**	**26,821**

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

Income-affecting leasing agreements, Group

Amounts recognized in profit/loss	**2023**	**2022**
Depreciation on rights-of-use	-8,127	-7,964
Interest expenses for lease liabilities	-765	-972
Expenses attributable to short-term leasing contracts	-	-24
Expenses attributable to low value leasing contracts	-70	-67
Expenses attributable to variable leasing fees that are not included in the valuation of the lease liability	-164	-164

As of December 31, 2023, the Group has obligations regarding short-term leasing agreements of SEK 0 (0).

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

The total cash outflow for leasing agreements amounted to SEK 9,013 (8,704) thousand.

Operational lease and lease agreements, Parent Company

Expensed leasing fees for the year	**2023**	**2022**
Minimum lease payments	8,378	8,128
Variable fees[1]	164	164
Total	**8,542**	**8,292**

1) The variable fees refers to property tax on premises

The majority of leasing costs relate to leasing of premises. Of the total 2023 leasing costs in the Parent company, SEK 6,807 (6,246) thousand, was attributable to rents for premises.

Non-cancellable lease payments amount to	**2023**	**2022**
Within a year	8,218	8,396
Between one year and five years	9,054	16,088
Later than five years	-	-
Total	**17,271**	**24,484**

NOTE 9 EMPLOYEES, PERSONNEL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Average number of employees

	2023		2022	
Group	**Average number of employees**	**of which are female, %**	**Average number of employees**	**of which are female, %**
Sweden	42	33%	49	36%
Group, total	**42**	**33%**	**49**	**36%**

	2023		2022	
Group	**Average number of employees**	**of which are female, %**	**Average number of employees**	**of which are female, %**
Sweden	30	32%	34	36%
Group, total	**30**	**32%**	**34**	**36%**

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

	2023		2022	
Group	**Number on balance sheet date**	**of which are female, %**	**Number on balance sheet date**	**of which are female, %**
Board members	9	44%	10	30%
CEO and other senior executives	14	29%	14	29%
Group, total	**23**	**35%**	**24**	**29%**

	2023		2022	
Parent Company	**Number on balance sheet date**	**of which are female, %**	**Number on balance sheet date**	**of which are female, %**
Board members	5	60%	5	40%
CEO and other senior executives	8	25%	8	25%
Parent Company, total	**13**	**38%**	**13**	**31%**

Salaries, other allowances and social costs

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Board of Directors and CEO	4,691	4,496	2,320	2,133
Other employees	22,441	25,006	16,453	17,837
Total wages and other remuneration	**27,132**	**29,502**	**18,772**	**19,971**
Social expenses	11,142	12,224	7,657	8,210
of which are pension costs	3,054	3,414	2,122	2,413

Remuneration to senior executives, Parent Company

2023	**Board fees, basic salary including car benefit**	**Pension costs**	**Total**
Board Members			
Jan Johansson (chair)	500	-	500
Charlotte Karlberg	125	-	125
Chatarina Schneider	125	-	125
Håkan Gustavson	125	-	125
Malin Bugge	125	-	125
CEO, Mårten Hellberg	1,447	282	1,729
Other senior executives (7 people)	6,359	934	7,294
Total	**8,806**	**1,216**	**10,022**

2022	**Board fees, basic salary including car benefit**	**Pension costs**	**Total**
Board Members			
Jan Johansson (chair)	400	-	400
Charlotte Karlberg	100	-	100
Claes-Göran Beckeman	100	-	100
Håkan Gustavson	100	-	100
Malin Bugge	100	-	100
CEO, Mårten Hellberg	1,323	252	1,575
Other senior executives (7 people)	6,024	895	6,919
Total	**8,148**	**1,147**	**9,295**

Severance pay for senior executives

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

NOTE 10 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	Group		Parent Company	
Group	**2023**	**2022**	**2023**	**2022**
Exchange gains on receivables/payables of an operating nature	1,637	1,235	1,019	417
Commission income	–	77	–	–
Government grants received for R&D[1]	223	1,048	23	774
Profits, disposal/sale of property, plant and equipment	–	2,834	–	–
Insurance compensation	2,743	–	2,743	–
Other operating income	350	51	37	39
Total	**4,952**	**5,245**	**3,821**	**1,230**
Exchange losses on receivables/payables of an operating nature	-1,839	-1,226	-1,092	-249
Losses, disposal/sale of property, plant and equipment	-20	-398	-14	-289
Other operating expenses	-3,834	–	-3,834	–
Total	**-5,694**	**-1,624**	**-4,939**	**-538**

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

NOTE 11 OPERATING PROFIT/LOSS

Operating profit/loss has been charged with depreciation and impairment as follows:

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Development expenditures	2,078	3,654	821	2,802
Patents, trademarks	1,970	5,179	1,336	4,812
Software	118	152	101	105
Buildings	6,164	5,690	–	–
Improvement expenses of other property	112	116	112	116
Machines	3,035	9,538	1,990	6,906
Equipment, tools and installations	1,604	2,298	547	952
Total depreciation and impairment	**15,080**	**26,627**	**4,906**	**15,693**

	Group		Parent Company	
Depreciation and impairment have been allocated per function as follows	**2023**	**2022**	**2023**	**2022**
Cost of goods sold	7,657	14,062	1,686	6,854
Selling expenses	933	1,203	6	–
Administrative expenses	1,067	1,193	241	385
Research and development costs	5,422	10,169	2,974	8,454
Total depreciation and impairment	**15,080**	**26,627**	**4,906**	**15,693**

	Group		Parent Company	
Impairment	**2023**	**2022**	**2023**	**2022**
Intangible fixed assets	–	4,074	–	4,074
Property, plant and equipment	–	5,251	–	4,594
Total impairment	**–**	**9,325**	**–**	**8,668**

Operating expenses[1] per type of expense

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Cost of goods and material	87,675	71,449	59,620	28,042
Employee benefit expense (see Note 9)	39,143	42,849	27,008	28,868
Depreciation and impairment	15,080	26,627	4,906	15,693
Other expenses	12,461	16,252	15,394	18,279
Total	**154,359**	**157,177**	**106,928**	**90,882**

1) Operating expenses include Cost of goods sold, Selling expenses, Administrative expenses and Research and development costs. Other operating income and Other operating expenses are excluded..

NOTE 12 FINANCIAL ITEMS

Interest income and financial exchange gains

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Interest income	103	15	36	15
Interest income on group receivables	–	–	390	535
Total	**103**	**15**	**425**	**550**

Interest expenses and financial exchange losses

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Interest expenses	-4,960	-3,226	-1,567	-240
Total	**-4,960**	**-3,226**	**-1,567**	**-240**

NOTE 13 TAX

Reported in income statement

Reported tax

Group	**2023**	**2022**
Current tax for the year	–	–
Change in deferred tax		
Deferred tax on impaired trade receivables	-21	13
Deferred tax on internal profits in capitalized development expenses	-24	18
Deferred tax on internal profits in inventories	81	-59
Deferred tax on market value futures	20	-20
Deferred tax on leasing and fixed assets	-125	146
Total	**-69**	**99**

Reconciliation of effective tax

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Reported profit before tax	**-14,087**	**-41,720**	**-15,308**	**-45,184**
Tax according to the applicable tax rate for the Parent Company (20.6%)	2,902	8,594	3,153	9,308
Tax effect of				
Other tax rates for foreign subsidiaries	0	0	–	–
Non-deductible expenses	-57	-61	-39	-32
Non-taxable income	15	0	1	–
Group contribution	–	–	-162	-193
Increase in loss carryforwards without corresponding activation of deferred tax	-2,859	-8,533	-2,954	-9,082
Reported effective tax	**0**	**0**	**0**	**0**

Reported effective tax

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

Tax loss carryforwards

Total fiscal deficits	**2023**	**2022**	**Period of validity**	**Tax rate**
OrganoClick AB	249,271	234,933	Unlimited	20,6%
OrganoWood AB	15,317	15,421	Unlimited	20,6%
OrganoWood Finland Oy[1]	–	2,767	10 years	20%
OrganoWood Norway AS	5,321	5,670	Unlimited	22%
Biokleen Miljökemi AB	–	4	Unlimited	20,6%
Total	**269,910**	**258,795**		

1) The company was liquidated in 2023.

Reported in the balance sheet

Deferred tax assets

Group	**2023**	**2022**
Deferred tax on impaired trade receivables	14	36
Deferred tax on internal profits in capitalized development expenses	383	408
Deferred tax on internal profits in inventories	449	368
Deferred tax asset on leasing	–	278
Deferred tax liability on leasing	–	-256
Total	**847**	**833**

Deferred tax liability

Group	**2023**	**2022**
Deferred tax on market value futures	–	20
Deferred tax liability on leasing	301	–
Deferred tax asset on leasing	-227	–
Deferred tax on fixed assets	96	68
Total	**170**	**88**

NOTE 14 EARNINGS PER SHARE

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

A warrant program implemented in 2022 has resulted in the addition of Earnings per share after dilution. There is no dilution effect for the year when the subscription price exceeds the average market price.

Group	**2023**	**2022**
Profit/loss for the year attributable to Parent Company's shareholders	-15,772	-44,399
Total	**-15,772**	**-44,399**

Weighted average number of outstanding ordinary shares (number)	**2023**	**2022**
As of December 31	97,950,000	97,950,000
Total	**97,950,000**	**97,950,000**

Earnings per share before and after dilution, Group	**2023**	**2022**
Profit/loss for the year attributable to Parent Company's shareholders	-15,772	-44,399
Weighted average number of shares	97,950,000	97,950,000
Earnings per share, SEK	**-0.16**	**-0.45**

NOTE 15 INTANGIBLE FIXED ASSETS

Group	Capitalized development expenditures 2023	2022	Patents, trademarks 2023	2022	Licenses 2023	2022	Goodwill 2023	2022	Total 2023	2022
Inbound accumulated acquisition values	26,542	23,973	22,740	20,466	1,953	1,953	16,794	16,794	68,029	63,185
New acquisitions	4,127	3,174	2,718	3,028	–	–	–	–	6,845	6,202
Divestments and disposals	-25	-605	–	-754	–	–	–	–	-25	-1,359
Outbound accumulated acquisition values	30,644	26,542	25,458	22,740	1,953	1,953	16,794	16,794	74,850	68,029
Inbound accumulated depreciation	-9,944	-6,351	-17,341	-12,167	-1,695	-1,543	–	–	-28,980	-20,060
Depreciation for the year according to plan	-2,078	-2,265	-1,970	-2,494	-118	-152	–	–	-4,166	-4,911
Impairments for the year	–	-1,389	–	-2,685	–	–	–	–	–	-4,074
Divestments and disposals for the year	11	61	–	5	–	–	–	–	11	66
Outbound accumulated depreciation	-12,010	-9,944	-19,311	-17,341	-1,813	-1,695	–	–	-33,135	-28,980
Closing carrying amount	**18,634**	**16,598**	**6,147**	**5,399**	**140**	**258**	**16,794**	**16,794**	**41,715**	**39,050**

Parent Company	Capitalized development expenditures 2023	2022	Patents, trademarks 2023	2022	Licenses 2023	2022	Total 2023	2022
Inbound accumulated acquisition values	18,401	16,272	19,243	17,247	1,054	1,054	38,699	34,573
New acquisitions	3,056	2,130	2,263	2,599	–	–	5,318	4,729
Divestments and disposals	-25	0	–	-603	–	–	-25	-603
Outbound accumulated acquisition values	21,432	18,401	21,506	19,243	1,054	1,054	43,993	38,699
Inbound accumulated depreciation	-7,177	-4,375	-14,629	-9,817	-816	-711	-22,622	-14,903
Depreciation for the year according to plan	-821	-1,413	-1,336	-2,126	-101	-105	-2,258	-3,645
Impairments for the year	–	-1,389	–	-2,685	–	–	–	-4,074
Divestments and disposals for the year	11	0	–	–	–	–	11	0
Outbound accumulated depreciation	-7,987	-7,177	-15,966	-14,629	-917	-816	-24,869	-22,622
Closing carrying amount	**13,446**	**11,224**	**5,541**	**4,615**	**137**	**238**	**19,123**	**16,077**

The Group's research and development expenses, excluding depreciation, amounted to SEK 6,612(6,544) thousand, which corresponds to 5 (6) percent of net sales. Of these expenses, SEK 4,127 (3,174) thousand have been capitalized, while the remaining SEK 2,485 (3,370) thousand have been charged to the profit/loss for the year. The Parent Company's expenses for research and development, excluding depreciation, amounted to SEK 5,566 (5,466) thousand. Of these expenses, SEK 3,056 (2,130) thousand has been capitalized, while the remaining SEK 2,510 (3,336) thousand has been charged to profit/loss for the year. In addition to this, investments have also been made in patents totaling SEK 2,718 (3,028) thousand in the Group and SEK 2,263 (2,599) thousand in the Parent Company.

Information on government support in The Group

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

Impairment testing of intangible fixed assets

Impairment testing of intangible fixed assets in the form of patents or ongoing and completed development projects is carried out annually and when there is an indication that impairment need exists. Testing is based on the smallest cash-generating unit, which is the legal person that owns the asset. The Group has assessed the patent families and development projects using discounted cash flows for the period 2024-2028, ie: a period of 5 years. For patents and completed development projects related to finished products, the analysis is based on the business budget and forecasts for the next five years. The most important assumptions in the model relate to sales development, and company management has based the assumptions on historical growth for each product together with projected future sales volumes. For patents and ongoing development projects related to still unfinished products, the analysis is based on market analyses, LOIs and customer discussions to assess the expected potential sales at product launch and a reasonable subsequent growth rate. The model works on an assumed growth rate beyond the forecasted five years of 2 (2) percent annually, which company management considers reasonable. As a discount rate, a pre-tax WACC of 10.0 (13.6) percent has been used. During the year, 0 (3) development projects totaling KSEK 0 (1,389) and 0 (3) patents totaling KSEK 0 (2,685) were written down. Last year's write down of development projects and patents concerned the Group's biocomposite production which was then discontinued. This years impairment test shows that the recoverable amount is higher than the carrying amount, and there is no need for impairment.

The Group has a goodwill item following the acquisition of Biokleen Miljökemi AB. An impairment test of goodwill has been made on the basis of the cash-generating unit, the subsidiary Biokleen Miljökemi AB. The Group has assessed the goodwill item using discounted cash flows for the period 2024-2028, ie: a period of 5 years. The analysis is based on the business budget and forecasts for the next five years. The most important assumptions in the model relate to sales development, and company management has based the assumptions on historical growth in the company together with expected sales volumes going forward. The model works on an assumed growth rate beyond the forecasted five years of 2 (2) percent annually, which company management considers reasonable. As a discount rate, a pre-tax WACC of 9.6 (12.4) percent has been used. The impairment test shows that the recoverable amount is higher than the carrying amount, and there is no need for impairment.

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

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Group	Improvement expense of other property 2023	2022	Machinery 2023	2022	Equipment, tools, fixtures and fittings 2023	2022	Ongoing new facilities 2023	2022	Total 2023	2022
Inbound accumulated acquisition values	735	735	33,875	33,327	11,003	11,111	–	2,559	45,614	47,733
New acquisitions	–	–	1,415	7,673	350	253	–	–	1,765	7,926
Leases taken over	–	–	332	–	–	–	–	–	332	–
Divestments and disposals	–	–	–	-9,684	–	-361	–	–	–	-10,044
Reclassification	–	–	–	2,559	–	–	–	-2,559	–	–
Outbound accumulated acquisition values	735	735	35,622	33,875	11,354	11,003	–	–	47,711	45,614
Inbound accumulated depreciation	-400	-284	-19,855	-13,932	-8,546	-7,875	–	–	-28,800	-22,091
Leases taken over	–	–	-111	–	–	–	–	–	-111	–
Depreciation for the year according to plan	-112	-116	-2,073	-3,518	-603	-793	–	–	-2,788	-4,427
Impairments for the year	–	–	–	-5,044	–	-207	–	–	–	-5,251
Divestments and disposals for the year	–	–	–	2,639	–	330	–	–	–	2,969
Outbound accumulated depreciation	-511	-400	-22,039	-19,855	-9,148	-8,546	–	–	-31,699	-28,800
Closing carrying amount	**224**	**335**	**13,583**	**14,020**	**2,205**	**2,458**	**–**	**–**	**16,012**	**16,814**
Rights-of-use[1]	–	–	6,041	7,274	1,027	1,431	–	–	7,069	8,705
Closing carrying amount including rights-of-use	**224**	**335**	**19,624**	**21,294**	**3,233**	**3,889**	**–**	**–**	**23,082**	**25,519**

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

Parent Company	Improvement expense of other property 2023	2022	Machinery 2023	2022	Equipment, tools, fixtures and fittings 2023	2022	Ongoing new facilities 2023	2022	Totalt 2023	2022
Inbound accumulated acquisition values	735	735	29,233	19,998	9,136	9,249	–	2,559	39,102	32,541
New acquisitions	–	–	1,415	7,339	312	222	–	–	1,726	7,560
Divestments and disposals	–	–	–	-663	–	-336	–	–	–	-999
Reclassification	–	–	–	2,559	–	–	–	-2,559	–	–
Outbound accumulated cquisition values	735	735	30,647	29,233	9,447	9,136	–	–	40,829	39,102
Inbound accumulated depreciation	-400	-284	-15,542	-9,018	-6,893	-6,266	–	–	-22,834	-15,567
Depreciation for the year according to plan	-112	-116	-1,990	-2,519	-547	-745	–	–	-2,648	-3,380
Impairments for the year	–	–	–	-4,387	–	-207	–	–	–	-4,594
Divestments and disposals for the year	–	–	–	382	–	324	–	–	–	707
Outbound accumulated depreciation	-511	-400	-17,531	-15,542	-7,440	-6,893	–	–	-25,482	-22,834
Closing carrying amount	**224**	**335**	**13,116**	**13,691**	**2,007**	**2,242**	**–**	**–**	**15,346**	**16,268**

NOTE 17 SHARES IN GROUP COMPANIES

Parent Company	2023	2022
Inbound accumulated acquisition values	37,788	39,788
Repaid shareholder contribution, conditional	-1,910	-2,000
Outbound accumulated acquisition values	35,878	37,788
Closing carrying amount	**35,878**	**37,788**

Specification of Parent Company holdings of shares and participations in subsidiaries

	Biokleen Miljökemi AB	OrganoWood AB	OrganoWood Norway AS[1]
Corp. Id. No.	556663-3078	556801-8906	915 070 574
Seat	Vaggeryd	Stockholm	Moss, Norway
Number of shares	1,000	1,200,000	60
Share of capital, %	100	57.9	57.9
Share of votes, %	100	59.8	59.8
Carrying amount	16,930	18,948	33
Equity as of 2023/12/31	1,439	10,308	-88
Profit/loss 2023	-3	89	-27

1) OrganoWood Norway AS is an indirectly owned subsidiary that is wholly owned by OrganoWood AB. Another subsidiary of OrganoWood AB, OrganoWood Finland Oy, was liquidated in 2023.

NOTE 18 INVENTORIES

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Raw materials and consumables	22,561	24,976	18,889	17,518
Work in progress	–	116	–	2
Finished goods	14,127	16,433	5,391	5,972
Total	**36,688**	**41,524**	**24,280**	**23,492**

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

NOTE 19 TRADE RECEIVABLES

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Trade receivables	18,022	16,196	7,434	7,981
Total	**18,022**	**16,196**	**7,434**	**7,981**

Trade receivables are recognized after taking into account customer losses incurred during the year. This totaled SEK 6 (0) thousand in the Group and SEK 6 (0) thousand in the Parent Company.

As of December 31, 2023, trade receivables of SEK 2,889 (3,013) thousand were due within the Group. A credit reservation of trade receivables has been made, see Note 3.

Trade receivables overdue but not written-down

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Not overdue	15,133	13,184	6,366	7,099
Overdue 1-30 days	2,848	2,487	1,061	404
Overdue 31-60 days	0	218	–	198
Overdue 61-120 days	0	222	1	278
Overdue for more than 120 days	40	85	6	2
Total	**18,022**	**16,196**	**7,434**	**7,981**

NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Prepaid rents	66	98	1,413	1,393
Prepaid leasing fees	22	76	380	450
Prepaid insurance premiums	680	512	450	446
Accrued grant income	110	259	110	259
Other prepaid costs	1,660	1,030	1,354	818
Total	**2,536**	**1,974**	**3,707**	**3,366**

NOTE 21 CASH AND CASH EQUIVALENTS

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Cash and bank balances	10,737	15,204	4,455	6,341
Total	**10,737**	**15,204**	**4,455**	**6,341**

NOTE 22 EQUITY

Group & Parent Company Equity

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

The Group's equity is calculated by consolidating the equity of the Parent Company and its subsidiaries. In the subsidiary OrganoWood AB there are two types of shares, ordinary shares and preference shares. For conditions regarding the preference shares, see note 23. Preference shares were issued in 2013, which provided an additional KSEK 20 000 to OrganoWood AB's equity.

Description of components in Group equity

Other contributed capital

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

Reserves

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

Accumulated loss including profit/loss for the year

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

Description of components in Parent Company equity

Restricted equity

Share capital

At the beginning of 2023, the Parent Company's share capital amounted to SEK 979,500, distributed on 97,950,000 shares with a quotient value of SEK 0.01. No change has taken place in the share capital during the year.

Fund for development expenditures

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

Non-restricted equity

Share premium reserve

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

Retained earnings

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

Share capital development

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

NOT 23 NON-CONTROLLING INTEREST

In the subsidiary OrganoWood AB there are two types of shares, ordinary shares and preference shares. OrganoClick AB owns 57.9 (57.9) % of the capital and 59.8 (59.8) % of the votes in OrganoWood AB, other ordinary shareholders owns 38.8 (38.8) % of the capital and 39.8 (39.8) % of the votes and 3.3 (3.3) % of the capital and 0.4 (0.4) % of the votes are owned by 26 preference shareholders.

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

Ordinary shares	2023	2022
Inbound carrying amount	-3,936	-5,311
Share of ordinary shares in profit for the year	46	1,375
Outbound carrying amount of ordinary shares	-3,890	-3,936

Preference shares		
Inbound carrying amount	12,715	12,715
Enumeration preference shares	1,572	1,403
Transfer enumeration preference shares	-1,572	-1,403
Outbound carrying amount of preference shares	12,715	12,715
Total closing carrying amount	**8,825**	**8,779**

The preference share

In 2013, OrganoWood AB issued 200,000 preference shares with a nominal amount of SEK 100 per share, corresponding to a total amount of the issue of SEK 20 000 thousand. The terms of the preference shares are established in OrganoWood AB's Articles of Association. OrganoClick AB owns 36.4% of the preference shares, other ordinary shareholders in OrganoWood AB own 27.0% and 26 preference shareholders own 36.6%.

The preference shares do not carry dividend rights, but holders are only entitled to a redemption value. The redemption value was SEK 184.80 as of 31 May 2019 and the amount increases by 12 percent per annum as of 1 June 2019. As of 31 December 2023, the redemption value per preference share was SEK 311.1 (277.8).

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.

Information about OrganoWood AB

Financial position	2023	2022
Non-current assets	15,740	16,280
Current assets	30,145	35,444
Total	**45,885**	**51,724**
Equity	10,335	10,218
Non-current liabilities	2,626	2,651
Current liabilities	32,925	38,855
Total	**45,885**	**51,724**

Profit/loss	2023	2022
Net sales	58,463	69,337
Operating profit/loss	2,806	4,286
of which, non-controlling interest	*1,122*	*1,714*
Total comprehensive income	116	1,750
of which, non-controlling interest	*46*	*700*

NOTE 24 LIABILITIES TO CREDIT INSTITUTIONS

	Group		Parent Company	
	2023	2022	2023	2022
Almi				
Investment credit	–	30	–	–
Growth loan	–	26	–	–
SEB				
Bank overdraft facility (limit SEK 30,000 (20,000) thousand)	26,978	19,737	12,037	4,954
Instalment loan	2,198	2,063	2,198	2,063
Promissory note loan	2,100	2,700	2,100	2,700
Total	**31,276**	**24,555**	**16,335**	**9,717**
of which, long-term	**3,018**	**3,722**	**3,018**	**3,722**
of which, short-term	**28,258**	**20,833**	**13,317**	**5,994**

Interest rates on loans are between 6.6-9.1 (4.6-7.6) percent.

The promissory note loan from SEB runs for 60 months unitl June 2027 and is amortized at SEK 150 thousand per quarter. Instalment loan from SEB refer to three different loans that all run for 60 months, until August and September 2027 and November 2028 respectively, and are amortized with a total of SEK 44 thousand / month.

The unused portion of bank overdraft facility totals SEK 3,022 (263) thousand.

NOTE 25 OTHER LIABILITIES

	Group		Parent Company	
	2023	2022	2023	2022
Withholding tax and social security contributions for employees	1,237	1,362	860	912
VAT debt	376	2,589	–	824
Temporary tax-payment respite	6,122	–	–	–
Invoice factoring debt	13,951	12,173	5,879	5,939
Other items	1,295	3,234	934	14
Total	**22,981**	**19,358**	**7,673**	**7,689**

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2023	2022	2023	2022
Accrued holiday pay	3,959	3,993	2,719	2,523
Accrued social security charges	1,239	1,248	850	786
Accrued special payroll tax	596	667	414	471
Prepaid contributions	536	405	536	279
Accrued board fees	1,095	1,070	805	788
Accrued volume discount	1,173	1,593	–	–
Other items	1,621	1,640	1,184	1,295
Total	**10,220**	**10,616**	**6,508**	**6,142**

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
Pledged collateral	2023	2022	2023	2022
Guarantee liability for debts in group companies	7,500	8,700	7,500	8,700
Foating charges	33,000	28,000	18,000	9,000
Blocked funds	1,681	1,652	1,681	1,652
Total	**42,181**	**38,352**	**27,181**	**19,352**

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

There were no contingent liabilities as of 2023/12/31 or at 2022/12/31.

NOTE 28 ADJUSTMENT FOR NON-CASH ITEMS

	Group		Parent Company	
	2023	2022	2023	2022
Impairment intangible fixed assets	–	4,074	–	4,074
Depreciation/amortization of intangible fixed assets	4,166	4,911	2,258	3,645
Disposal of intangible fixed assets	–	1,293	–	603
Impairment property, plant and equipment	–	5,251	–	4,594
Depreciation/amortization of property, plant and equipment	10,914	12,392	2,648	3,380
Disposal of property, plant and equipment	-195	396	14	291
Total	**14,886**	**28,316**	**4,920**	**16,587**

The previous year's impairments of intangible fixed assets and property, plant and equipment were a result of the Group's new strategic focus with the ambition to outlicense all biocomposite production. The impairments were attributed to patents and development projects for biocomposites as well as the Group's fiber moulding machine (used in the manufacture of biocomposites).

NOT 29 RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

Group	Closing balance 2022	Cash flow from financing activities	Other changes[1]	Closing balance 2023
Liabilities to credit institutions[2]	4,819	-521	-	4,298
Liabilities to related parties	3,800	-2,825	-	975
Lease liabilities	23,950	-8,192	1,403	17,160
Bank overdraft facility	19,737	7,242	-	26,978
Invoice factoring debt	12,173	1,778	-	13,951
Temporary tax-payment respite[3]	-	6,122	-	6,122
Total liabilities attributable to financing activities	**64,479**	**3,603**	**1,403**	**69,485**

Group	Closing balance 2021	Cash flow from financing activities	Other changes[1]	Closing balance 2022
Liabilities to credit institutions[2]	4,645	174	-	4,819
Liabilities to related parties	1,000	2,800	-	3,800
Lease liabilities	29,984	-7,796	1,763	23,950
Bank overdraft facility	12,513	7,223	-	19,737
Invoice factoring debt	6,396	5,778	-	12,173
Total liabilities attributable to financing activities	**54,538**	**8,177**	**1,763**	**64,479**

1) Other changes in Lease liabilities refer to changes in liabilities for right-of-use as a result of additional, extended or terminated agreements for premises, production equipment and vehicles.
2) During the year, new loans of SEK 583 (6,068) thousand were raised and loans of SEK -1,104 (-5,894) thousand were amortised and/or repaid.
3) A subsidiary in the Group has been granted a temporary tax-payment respite following the corona pandemic. The respite period is 12 months, after which the company can apply for an installment plan of another 36 months. The Group sees this as part of the financing of the Group.

Parent Company	Closing balance 2022	Cash flow from financing activities	Closing balance 2023
Liabilities to credit institutions[1]	4,763	-465	4,298
Bank overdraft facility	4,954	7,083	12,037
Invoice factoring debt	5,939	-60	5,879
Total liabilities attributable to financing operations	**15,655**	**6,558**	**22,214**

Parent Company	Closing balance 2021	Cash flow from financing activities	Closing balance 2022
Liabilities to credit institutions[1]	-	4,763	4,763
Bank overdraft facility	-	4,954	4,954
Invoice factoring debt	-	5,939	5,939
Total liabilities attributable to financing operations	**-**	**15,655**	**15,655**

1) During the year, new loans of SEK 583 (6,068) thousand were raised and loans of SEK -1,048 (-1,305) thousand were amortised and/or repaid.

NOTE 30 EXCHANGE RATES

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

The holding that prepared its financial statements in EUR was liquidated during the year.

	NOK		EUR	
	2023	**2022**	**2023**	**2022**
Average exchange rate	1.0054	1.0523	-	10.6317
Closing rate	0.9871	1.0572	-	11.1283

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

NOTE 31 TRANSACTIONS WITH RELATED PARTIES

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 103 (180). In addition to guarantee liabilities, Kvigos AB has outstanding interest-bearing loans to OrganoWood of KSEK 550 (1,000). Invoiced and accrued interest on loans provided by shareholder Ilija Batljan, via his own company Ilija Batljan Invest AB, amount to KSEK 128 (112). Outstanding interest-bearing loans from Ilija Batljan Invest AB to OrganoWood AB amount to KSEK 425 (2,800). The transactions between OrganoWood AB and the shareholders take place at prices at arm's length.

NOTE 32 EVENTS AFTER THE END OF THE PERIOD–

No significant events after the end of the period.

NOTE 33 PROPOSED APPROPRIATION OF PROFITS

At the disposition of the AGM, the following profits in the Parent Company are reported, (SEK thousands):	
Share premium reserve	310,701
Retained earnings	-242,510
Profit/loss for the year	-14,521
Total	**53,671**

The Board of Directors and the CEO propose that the above amounts be disposed of as follows:	
Surplus carried forward to new account	53,671
Total	**53,671**

The Board of Directors and CEO propose that no dividend be paid for the financial year 2023/01/01 - 2023/12/31.

Signatures

The income statement and balance sheet will be submitted to the Annual General Meeting 2024/05/15 for adoption. The Board of Directors and the CEO assure that the consolidated financial statements have been prepared in accordance with international accounting standards IFRS as adopted by the EU and gives a true and fair view of the Group's position and earnings. The annual report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's position and results. The Management report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and the Parent Company's operations, position and results and describes significant risks and uncertainties that the Parent Company and the companies that are part of the Group are facing.

Stockholm, 4 April 2024

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

Our auditor's report was submitted on April 4 2024
PricewaterhouseCoopers AB

Sebastian Ionescu
Authorized Public Accountant

Auditor's report

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of OrganoClick AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 39-82 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–38 and 86-88. The Board of Directors and the Managing Director are responsible for the other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of OrganoClick AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

Stockholm 4 April 2024
PricewaterhouseCoopers AB

Sebastian Ionescu
Authorized Public Accountant

Alternative performance measures

OrganoClick presents alternative performance measures in addition to the conventional financial key ratios established by IFRS, with the aim of giving investors and management the opportunity to evaluate and understand the development of the operational operations and financial status and to facilitate comparisons between different periods. Below, and on the follwoing 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 activites, excluding the effects of previously made investments and accounting decisions.
Profit margin	Profit/loss for the period in relation to net sales for the period.	The profit margin shows the profit per turnover (SEK), which gives an indication of how efficient a company is.
Revenue growth	The percentage increase in sales for the past period compared to the corresponding previous period.	The change in net sales reflects the company's realized sales growth over time.
Organic growth	Changes in net sales, excluding acquisition-driven growth.	Organic growth excludes the effects of changes in the Group's structure, enabling a comparison of net sales over time.
Capital structure		
Equity ratio	Equity in relation to total assets. Equity includes non-controlling interests.	The key figure reflects the company's financial position. Good equity ratio gives a readiness to handle periods of weak economic activity and financial preparedness for growth. At the same time, it provides a minor advantage in the form of financial leverage.
Quick ratio	Current assets, excluding inventories, in relation to current liabilities, without adjustment for proposed dividend.	Quick ratio shows short term solvency. If quick ratio is greater than 100 percent, current liabilities can be paid immediately, provided that the current receivables can be converted immediately.
Net debt	Interest-bearing non-current and current liabilities (incl. leasing and invoice factoring debet) minus interest-bearing assets including cash and cash equivalents.	Net debt show the ability to pay off all interest-bearing liabilities with available cash and shows the possibility of living up to financial commitments.
Net debt/equity ratio	Net debt in relation to shareholders' equity. Equity includes non-controlling interests.	The debt/equity ratio shows the relationship between debt and equity and measures the extent to which the company is financed by loans.

RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES

SEK 000s	2023	2022
Gross margin, %		
Gross profit	35,390	12,934
Net sales	145,871	115,047
Gross margin, %	**24.3**	**11.2**
EBIT margin, %		
Operating profit/loss	-9,230	-38,509
Net sales	145,871	115,047
EBIT margin, %	**-6.3**	**-33.5**
EBITDA		
Operating profit/loss	-9,230	-38,509
Plus: Depreciations/impairments	15,080	26,627
EBITDA	**5,850**	**-11,882**
Profit margin, %		
Profit/loss for the period	-14,157	-41,621
Net sales	145,871	115,047
Profit margin, %	**-9.7**	**-36.2**

SEK 000s	2023	2022
Net sales, change		
Net sales	145,871	115,047
Net sales corresponding period prior year	115,047	110,064
Net sales, change	**30,824**	**4,982**
Revenue growth, organic, %	**26.8**	**4.5**
Equity ratio, %		
Equity	53,407	67,556
Total assets	150,749	162,856
Equity ratio, %	**35.4**	**41.5**
Quick ratio, %		
Current assets, excluding inventories	32,204	34,419
Current liabilites	84,684	75,422
Quick ratio, %	**38.0**	**45.6**
Net debt/equity ratio, %		
Interest-bearing liabilities	69,485	64,478
Less: Cash and cash equivalents	-10,737	-15,204
Net debt	**58,748**	**49,275**
Equity	53,407	67,556
Net debt/equity ratio, %	**110.0**	**72.9**

More information

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FINANCIAL CALENDAR
2024-04-30 Interim report January–March
2024-05-15 Annual General Meeting
2024-07-19 Interim report January–June
2024-11-06 Interim report January–September
2025-02-13 Year end report 2024

ANNUAL GENERAL MEETING
The Annual General Meeting will be held on May 15, 2024 at 5 pm at the company's head office in Arninge, Täby. Notice will be published through a press release and announced in Post och Inrikes Tidningar and in Dagens Industri and published on the OrganoClick website.

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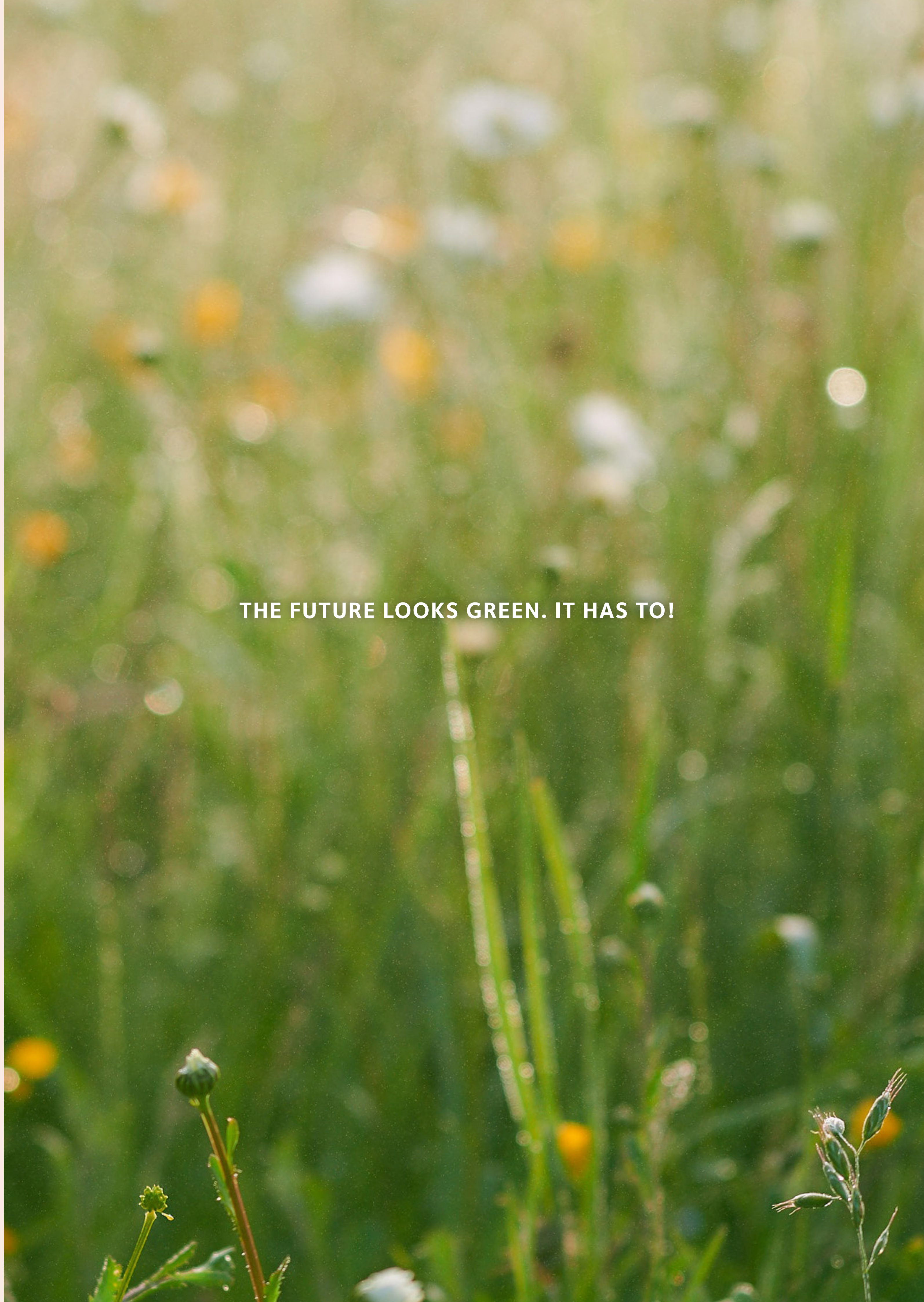
This Annual report is a translation from the Swedish original.



MADE GREEN INSIDE by OrganoClick

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 and free from harmful chemicals and plastics,

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