



Interim Report Q3

Third quarter, July-September 2023

- SpheriCal® prototypes have been launched for beta testing for ESI and high mass MALDI
- Continuation of ongoing custom project
- Progress within the NanoSHIELD project, funded by the European Defense Fund

Year to date, January-September 2023

- The Board of Directors resolved on a share issue, with subsequent approval by the EGM
- The Company raised approx. SEK 6,1 million* through a rights issue of shares
- The first instalment of the EDF grant was paid, amounting to approx. SEK 1,8 million**
- The Company exhibited and presented at the ASMS conference in Houston in June

*before deduction of transaction related costs

**the grant is accrued and recognized as income continuously over a period of 18 months

Key Figures

(KSEK)	Third quarter		Nine months	
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	422	1,143	1,411	1,811
Profit (loss) for the period	-712	381	-3,520	-2,170
Total assets	10,655	9,400	10,655	9,400
Equity / assets ratio (%)	83	89	83	89
Cash flow for the period	-1,025	-1,008	3,775	-3,667
Basic earnings per share (SEK)	-0.07*	0.06	-0.33*	-0.32

* adjusted for the shares issued in Q1 2023

COMMENTS FROM CEO ELIN MIGNÉRUS

During the period, the Company has taken big steps with the SpheriCal® development, building on the news that was addressed in the previous interim report of the pre-launch of new products. We have also intensified work for the NanoSHIELD project funded by the European Defense Fund, and are now working in full to successfully close 2023.

“this gives us an opportunity to utilize the uniqueness of SpheriCal® as a dendritic calibrant ”

In Q3 2023, the Company has been occupied with many different activities, from development of the SpheriCal® platform to intensification and progress of work under the NanoSHIELD project, and more.

During this quarter, we have seen the SpheriCal® platform taking significant steps forward when it comes to expansion of the applications. Building on the pre-launch at the American Society for Mass Spectrometry (ASMS) Conference in Houston in June, which received very positive reactions, the Company has launched prototypes for beta testing for applications in both high mass MALDI and Electrospray Ionization (ESI). This testing is being performed at different selected partners', who represent both OEMs and end-users, and the feedback has so far been positive throughout. Taking these steps is something very exciting as launch of product into these markets will expand the total addressable market significantly; furthermore, this gives us an opportunity to utilize the uniqueness of SpheriCal® as a dendritic calibrant and offer the market something very different to today's calibration standards. As CEO, I am also very proud of the team for expanding the platform and creating the new products in a short time frame – the work is building on our existing SpheriCal® technology, which also underlines the flexibility of the technology.

In October, Polymer Factory had the first annual audit after the certification of its quality management system (QMS) according to ISO 13485. The Company's QMS was certified in December 2022, and is subject to annual audits by the certifying company. Polymer Factory has an effective and working QMS, which is of outmost importance when working with customers in regulated industries; the requirement on having this certification is also stated by our customers, and this is something we are proud to offer them in a structured, high-quality way, especially being a small company that can also cater to their technological requirements.



Elin Mignérus, CEO of Polymer Factory

During Q3, Polymer Factory delivered a follow-up order on a customized product for a returning customer. Several follow-up orders have been made by this customer, and we are happy to see this project moving forward and intensifying step-by-step; this is a testament to the persistence we have when working with global life science customers.

As discussed in previous reports, the timing and inflow of customized projects is unevenly spread out through a year; as these projects are often fairly large in terms of revenue, this also means that revenue will vary from quarter to quarter. Q3 2023 saw a decrease compared to the same period the year before, which is related to the phenomenon described above. We continue to work on pushing projects forward and have a positive view on these, but at the same time, we need to stay patient as lead times for project evaluations in our industry is often long.

With many exciting things in the pipeline for Polymer Factory, we look forward to finishing 2023 in the best possible way. I have the outmost confidence in our team, and collectively we continue to focus on delivering products and services of the highest possible quality to help our customers create successful life science products.

ELIN MIGNÉRUS
CEO

ABOUT POLYMER FACTORY

Polymer Factory is a leading developer and provider of dendritic nanomaterials, to be applied over a range of sectors globally.

Polymer Factory is in many ways an accelerator firm for dendritic nanotechnology – generating cutting-edge products desired by customers across different high-demand sectors. From our roots in dendritic materials, we have developed SpheriCal®, a pioneering calibration technology for mass spectrometry (MS), and more recently, our latest addition, DNGs. Our broad portfolio, comprising more than 300 products, has attracted customers from BigPharma, MedTech, BioTech, as well as the chemical and other industries.

Stemming from many years of cutting-edge research, Polymer Factory was founded by a team of well-renowned scientists. This research has evolved into a business that provides products to billion dollar industries.

MISSION

Transform dendritic nanomaterials to mature innovations that fulfill technologically demanding sectors.

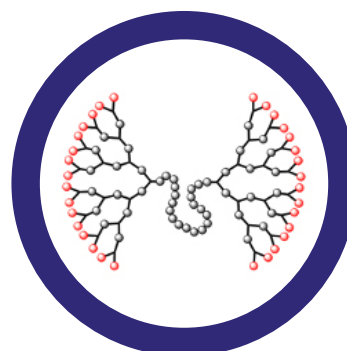
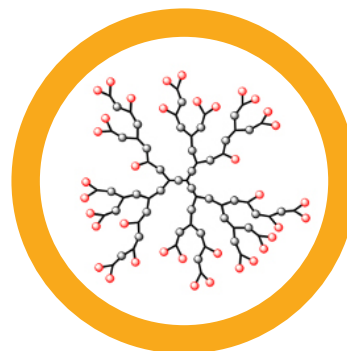
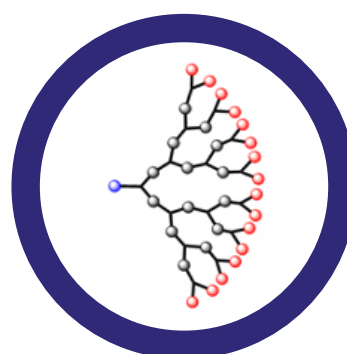
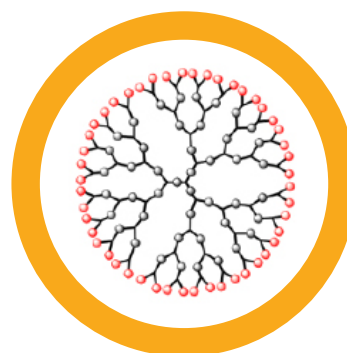
VISION

Global generator of groundbreaking dendritic technologies that accelerate innovations in high performance material and life science sectors.

What makes dendritic materials so special, and in many ways superior, is their flawlessness, multifunctionality and dynamic structure. This makes them ideal for a vast number of applications in an array of industrial uses, from applications within pharmaceuticals and diagnostics as well as the chemistry and material industries. Polymer Factory's dendritic materials have a number of competitive advantages:

- Structural perfection (i.e. they are monodisperse and structurally flawless).
- High scalability and batch-to-batch consistency – an important feature across several high-end sectors e.g. therapeutic and diagnostic applications.
- High loading capacity, enabling the attachment of an exact and large number of drugs while decreasing the drug's toxicity when merged with the dendritic material.
- High level of optimization and flexibility, allowing users to achieve desired targeted complexation and product formulation.
- Biocompatibility and biodegradability; the dendritic carriers degrade under physiological conditions.

For more information about Polymer Factory Sweden AB and our products, visit <http://www.polymerfactory.com>



EVENTS DURING Q3 2023

KEY EVENTS DURING THE PERIOD

On August 3, the Company announced that its materials had been mentioned in the book *New Trends in Smart Nanostructured Biomaterials in Health Sciences*, recognizing the potential of the materials for oncology applications.

On August 14, the Company announced the release of new SpheriCal® calibrant prototypes for betatesting at selected partners'. The application is calibration for measurement on high masses, e.g., within antibody research.

On September 4, the Company announced that it had released SpheriCal® calibrant prototypes for betatesting within the segment of electrospray ionization mass spectrometry, ESI-MS. The ESI market size is estimated to be many times higher than the MALDI market, the latter for which the Company currently commercially offers calibrants.

On September 26, the Company released an investor letter*, describing more about mass spectrometry calibration and new developments for the SpheriCal® platform.

*the letter was released in Swedish.

KEY EVENTS AFTER THE END OF THE PERIOD

After the end of the period, the Company has received feedback from multiple partners who have received prototypes for betatesting for both ESI and high mass calibrations. The feedback has been positive, and the work is ongoing, bringing the products closer to commercial launch.

RELATED PARTY TRANSACTIONS

There is a consultancy agreement between the Company and SCEM Consulting AB, which is partly owned by Michael Malkoch, regarding services related to his role as CTO for the Company.

During Q3, a total of KSEK 96 has been invoiced under the agreement. During 2023, a total of KSEK 288 has been invoiced under the agreement.

RISKS AND UNCERTAINTY FACTORS

Polymer Factory is exposed to various types of risks, which can be categorized as related to business and operations, industry and market, intellectual property, and financial risks. During the third quarter, it is assessed that no significant changes has occurred in respect of risks and uncertainties.

More details on the Company's risks and uncertainties are described in the Annual Report that was published on April 5, 2023, which can be found on the company's website.

ORGANIZATION

As per September 30, 2023, the number of employees in the company was 4, in addition to above mentioned consultancy agreement.

SHARE

Polymer Factory Sweden AB (publ) is listed on Spotlight Stock Market since April 7, 2021 under ticker POLYMER.

Total number of shares amounts to 10,699,422.

Spotlight Stock Market is a secondary name of ATS Finans AB, a securities company under the supervision of the Swedish Financial Supervisory Authority. ATS Finans AB is a subsidiary of Spotlight Group AB, a company listed on Spotlight Stock Market. Spotlight Stock Market operates a so-called MTF platform.

ACCOUNTING PRINCIPLES

The interim report is prepared in accordance with the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR 2012:1) (K3). Accounting principles are unchanged compared with 2022.

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

OTHER INFORMATION

A warrant program for the CEO and other employees was established on the extra general meeting on 20 December 2021. More information on the program and terms can be found on the Company's website.

FINANCIAL OVERVIEW

REVENUES

Net sales for the period amounted to KSEK 422 (1,143), a decrease with 63% compared to Q3 2022. Net sales for year to date amounted to KSEK 1,411 (1,811), a decrease with 22% compared to the same period 2022. The decrease for the period is related to differences in number of customized projects running over the period; timing of projects vary throughout a year for the Company.

During the quarter there was an increase in inventories with KSEK 56 (702), due to production of high-value stock materials. For year to date, the inventory value has changed with KSEK -588 (1,065) due to sales of stock products.

Other revenue amounted to KSEK 299 (8) for the period, and KSEK 920 (13) for year to date, which is derived from work performed under the grant from EDF.

Out of the four segments (Dendrimers and dendrons, Hyperbranched materials, SpheriCal® and DNG), Dendrimers and Dendrons was predominant in Q3 as well as year to date. Europe has been the predominant market during both periods.

OPERATING EXPENSES

Total operating expenses amounted to KSEK 1,489 (1,472) for Q3 and KSEK 5,263 (5,059) for year to date respectively. For year to date, approx. KSEK 194 is related to the new share issue taking place in Q1 2023.

RESULT

Result amounted to KSEK -712 (381) for the third quarter, and KSEK -3,520 (-2,170) for year to date. For the year to date, the result is affected by the differences in change in inventory, which resulted in KSEK -588 (1,065) for January-September 2023, and KSEK 194 can be derived from share issue related posts.

Earnings per share amounted to SEK -0.07* (0.06) for the third quarter and SEK -0.33* (-0.32) for year to date.

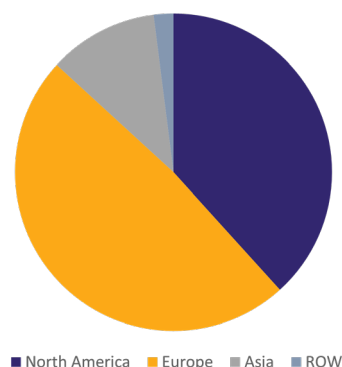
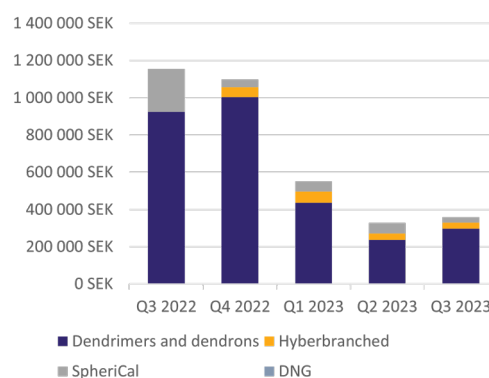
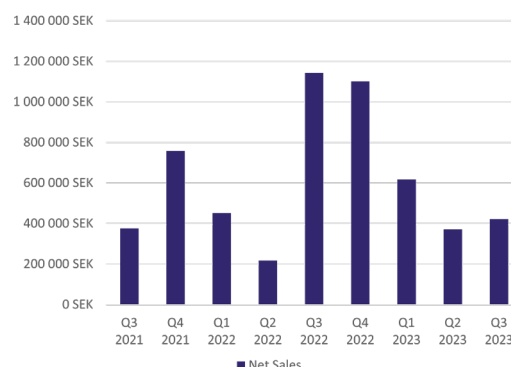
*adjusted for the shares issued in Q1 2023.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities for the period was KSEK -1,025 (-1,008) and KSEK -942 (-3,702) for year to date.

Cash flow for the period was KSEK -1,025 (-1,008) and for year to date KSEK 3,775 (-3,667), the latter being attributable to the new share issue in Q1 2023. As per September 30, 2023 Cash and bank amounted to KSEK 5,930 and equity amounted to 8,892.

The Board of Directors makes the assessment that the company's current liquidity is set based on existing business plans, is sufficient to finance the company for the next 12 months.



INCOME STATEMENT IN SUMMARY

(KSEK)	Third quarter		Nine months		Full year
	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	2022
Revenue					
Net sales	422	1,143	1,411	1,811	2,912
Change in inventories of products in progress, finished goods and work in progress	56	702	-588	1,065	1,013
Other revenue	299	8	920	13	20
Total revenue, inventory changes, etc.	777	1,853	1,743	2,889	3,945
Operating expenses					
Raw material	-56	-141	-159	-282	-417
Other external expenses	-525	-530	-2,351	-2,155	-2,810
Staff costs	-812	-708	-2,444	-2,337	-3,187
Depreciation of fixed assets	-92	-92	-277	-275	-369
Other operating expenses	-4	-1	-32	-10	-32
Total operating expenses	-1,489	-1,472	-5,263	-5,059	-6,815
Operating profit/loss	-712	381	-3,520	-2,170	-2,870
Financial items					
Interest expenses and similar items	-	-	-	-	-
Total financial items	-	-	-	-	-
Total after financial items	-712	381	-3,520	-2,170	-2,870
Taxes					
Tax on profit/loss for the period	-	-	-	-	-
Profit/loss for the period	-712	381	-3,520	-2,170	-2,870

BALANCE SHEET

(KSEK)	30 SEP 2023	30 SEP 2022	31 DECEMBER 2022
ASSETS			
Fixed assets			
Intangible fixed assets	729	846	817
Tangible fixed assets	1,995	2,225	2,185
Total fixed assets	2,724	3,071	3,002
Current assets			
Inventory	1,451	2,091	2,039
Current receivables	550	1,280	1,287
Cash and bank	5,930	2,958	2,155
Total current assets	7,931	6,329	5,481
TOTAL ASSETS	10,655	9,400	8,483
EQUITY AND LIABILITIES			
Equity			
Equity	12,412	10,566	10,566
Result of the period	-3,520	-2,170	-2,870
Total equity	8,892	8,396	7,696
Liabilities			
Current liabilities	1,763	1,004	787
Total liabilities	1,763	1,004	787
TOTAL EQUITY AND LIABILITIES	10,655	9,400	8,483

CASH FLOW STATEMENT

(KSEK)	Third quarter		Nine months		Full year
	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	2022
Operating activities					
Cash flow from operating activities	-1,025	-1,008	-942	-3,702	-4,480
Cash flow from operating activities	-1,025	-1,008	-942	-3,702	-4,480
Investing activities					
Cash flow from investing activities	-	-	-	-	-25
Cash flow from investing activities	-	-	-	-	-25
Financing activities					
Cash flow from financing activities	-	-	4,717	35	35
Cash flow from financing activities	-	-	4,717	35	35
Cash flow for the period	-1,025	-1,008	3,775	-3,667	-4,470
Bank					
Bank opening	6,955	3,966	2,155	6,625	6,625
Bank closing	5,930	2,958	5,930	2,958	2,155

CHANGES IN EQUITY

	SHARE CAPITAL	NON- REGISTERED SHARE CAPITAL	SHARE PREMIUM RESERVE	PROFIT BROUGHT FORWARD	PROFIT FOR THE PERIOD	TOTAL
2021-12-31	686	-	12,230	992	-3,378	10,530
New share issue	0		11			11
New warrant program			24			24
Disposition according to AGM				-3,378	3,378	0
Loss for the period					-2,870	-2,870
2022-12-31	686	-	12,265	-2,386	-2,870	7,695
New share issue	384		5,758			6,142
New share issue expenses			-1,425			-1,425
Disposition according to AGM				-2,870	2,870	0
Loss for the period					-3,520	-3,520
2023-09-30	1,070	-	16,598	-5,256	-3,520	8,892

The Board of Directors and the CEO assure that this interim report gives a true and fair view of the company's operations, position and results and describes significant risks and uncertainties that the company is facing.

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

This disclosure contains information that Polymer Factory is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 10 November 2023.

Stockholm 2023-11-10
CEO, Elin Mignérus

COMPANY INFORMATION

Company name

Polymer Factory Sweden AB (PUBL)

Organizational number

556695-9531

Address

Teknikringen 48,
114 28 Stockholm, Sweden

Phone

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Website

www.polymerfactory.com

CALENDAR

Current financial year: 2023-01-01 – 2023-12-31

End-year Report (Q4): 2024-02-16

Annual General Meeting 2024-06-05

CONTACT

CEO

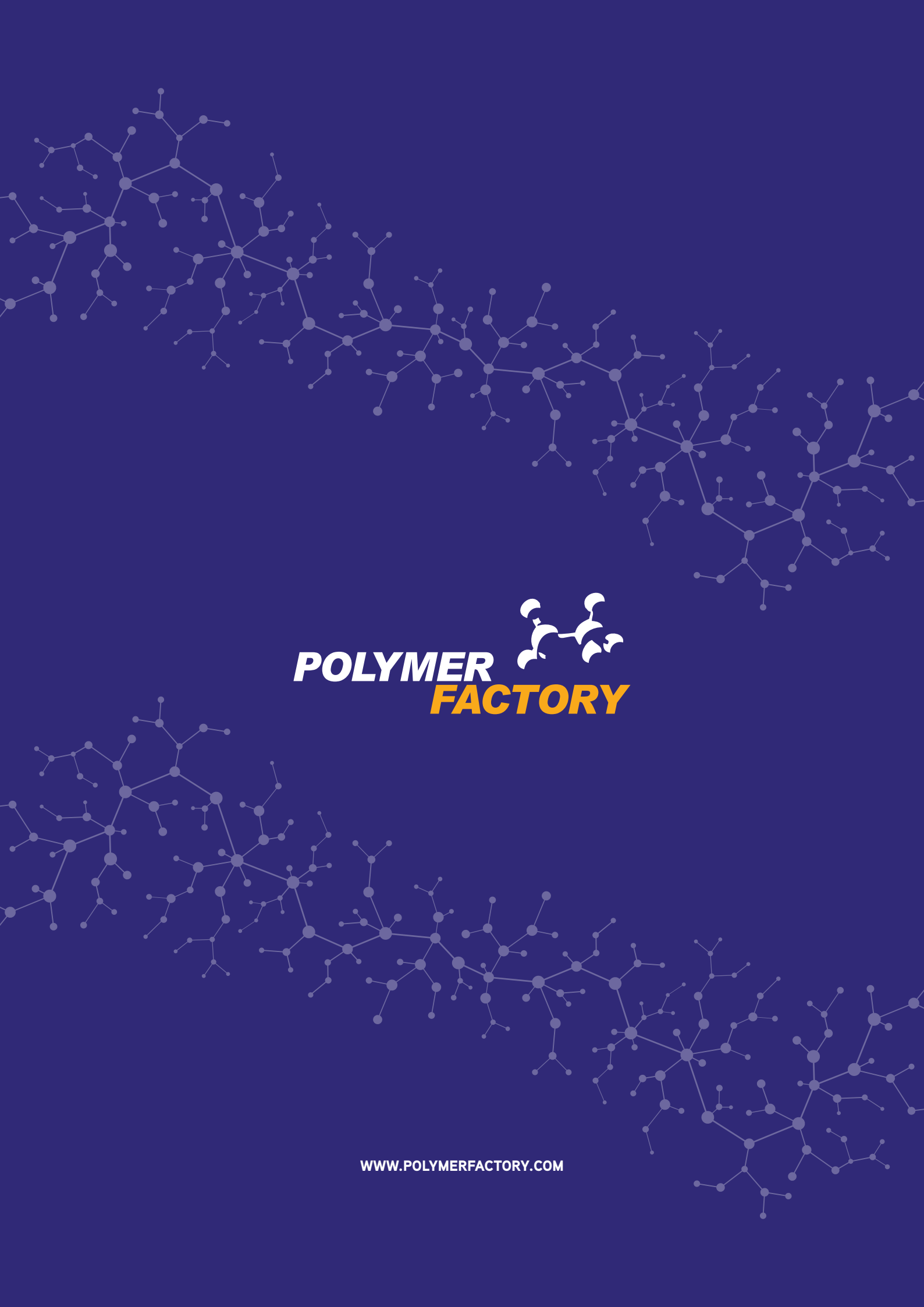
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