

Interim Report Q4

Fourth quarter, October-December 2022

- The Company received a certification according to ISO 13485 for its quality management system
- The Company launched a new product series, Dendritic Nanogels (DNG)
- Net sales for the period amounted to KSEK 1,101 (759), an increase with 45% compared to the same period 2021

January-December 2022

- The Company has received several important follow-up orders from customers evaluating the technology, with potential for long-term projects
- An incentive program for key personnel was implemented and announced
- The Company received an order for a customized SpheriCal® ESI - a step towards launching SpheriCal® for additional MS techniques

Key Figures

(KSEK)	Fourth quarter		Full year	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	1,101	759	2,912	2,561
Profit (loss) for the period	-699	-846	-2,870	-3,378
Total assets	-	-	8,483	11,411
Equity / assets ratio (%)	-	-	91	93
Cash flow for the period	-803	-337	-4,470	6,110
Basic earnings per share (SEK)	-0.10	-0.12	-0.42	-0.49

COMMENTS FROM CEO ELIN MIGNÉRUS

We are closing Q4 and the full year 2022 on a positive note, with increased revenues and interesting business projects. 2022 has seen the fulfillment of several milestones, both from a technical and organizational point of view; this momentum is something we look forward to continuing in the new year.

”Closing 2022, we look back at a year that has provided many positive events and indications for Polymer Factory”

Q4 has been a busy quarter for Polymer Factory, where we have seen several fulfilled objectives and interesting projects. We have continued to build on activities started earlier in the year and were thereby able to increase our net sales compared to 2021 for the second consecutive quarter. This relates to several important customer projects, both follow-up orders building on existing customer relationships as well as new customers who are turning to Polymer Factory to solve their challenges. One example of the latter is the material transfer agreement we signed with a big pharma in October, which is an exciting opportunity for the Company. Projects like these are the first steps to building long-term relationships and are building foundations for potential future agreements.

In late Q4, we were very happy to announce that the Company received the certification for its quality management system (QMS) according to ISO13485, which is an internationally recognized standard. The team have worked on the implementation of this QMS during 2022, and reaching the certification is a huge milestone for the Company and something that we are proud to have achieved. Having this certification is a requirement for Polymer Factory to become a long-term supplier to established life science companies, and something that is requested among our customers.

On the product development side, we achieved yet another objective for 2022 by launching our newest platform Dendritic Nanogels (DNG) in December. This is foregone by a lot of hard work in developing this unique platform, which is intended to be a competitor to other encapsulating drug delivery systems, such as lipid nanoparticles (LNPs) that are used in several applications, such as Covid vaccines.



Elin Mignérus, CEO of Polymer Factory

In parallel to the technical development, we are continuing the process of protecting the DNG technology through pending patents in several geographies to strengthen our position relating to both technology and IPR.

In January 2023, the Board of Directors resolved on a rights issue of shares, subject to approval of an Extra General Meeting. While liquidity is good, something that was reinforced through a grant payment of approx. KSEK 1,800 in January*, we see this as an opportunity to further strengthen the Company's finances for our continued journey of growth. We welcome all shareholders to take part in this rights issue and look forward to continuing our journey together with you.

Closing 2022, we look back at a year that has provided many positive events and indications for Polymer Factory, from seeing several returning customers pushing their development forward with help from our products to achieving objectives set out for the year. We enter the new year with excitement and look forward to taking on 2023!

ELIN MIGNÉRUS
CEO

* Read more under Events during Q4

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.

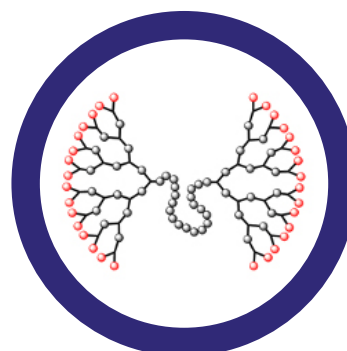
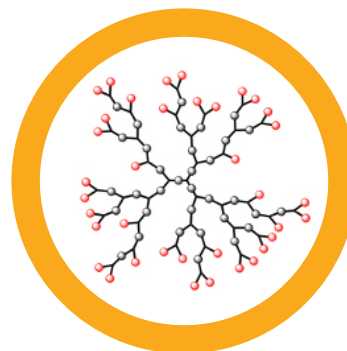
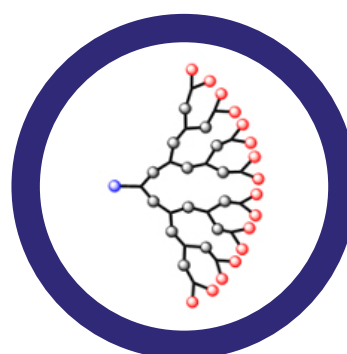
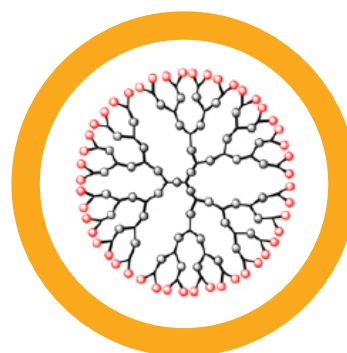
VISION

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 Q4 2022

KEY EVENTS DURING THE PERIOD

The Company signed a material transfer agreement (MTA) with a major multinational pharmaceutical company, covering materials from its precision nanocarrier platform. The signed agreement is an important first step that defines the relationship between both parties.

On November 7, the Company announced a revision of the Company's objectives for 2022-2025. The revised objectives include both financial and non-financial.

In December, the Company launched its platform Dendritic Nanogels (DNG), a nanocarrier platform with the potential use as delivery vehicles of pharmaceuticals, peptides, antibiotics etc. The launch of DNG was an operational objective set out for 2022.

The Company received certification for its quality management system (QMS) in accordance with ISO 13485:2016 from Svensk Certifiering Norden AB on December 14, 2022, fulfilling yet another objective for the year.

On December 16, the Company announced that it had appointed Sedermera Corporate Finance AB as liquidity provider for the Company's share. The assignment commenced on December 19, 2022.

In December, the Company received approval for a grant from the European Defence Fund for taking part in a three-year project together with a consortium of partners. The grant of approx. €455,000 (approx. KSEK 5,000) will be paid in three instalments.

KEY EVENTS AFTER THE END OF THE PERIOD

On January 17, the Company announced that it had received the first payment from the European Defence Fund (EDF) under the grant that was announced in December 2022. The first partial payment amounts to approx. SEK 1,8 million.

The Company's Board of Directors resolved on a rights issue of shares of approx. SEK 8.8 million on January 27, 2023. The Rights Issue is covered to approx. 70 percent through declarations of intent to subscribe and underwriting commitments.

On January 27, 2023, the Company's Board of Directors gave notice of an Extra General Meeting in Polymer Factory Sweden AB. The meeting will be held on Wednesday February 15th, 2023.

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 Q4, a total of KSEK 96 has been invoiced under the agreement. During 2022, a total of KSEK 384 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 fourth 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 6, 2022, which can be found on the company's website.

ORGANIZATION

As per 31 December, 2022, the number of employees in the company was 4, in addition to above mentioned consultancy agreements.

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 6,860,398.

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 year-end report is prepared in accordance with the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR 2012:1) (K3).

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.

DIVIDEND 2022

The Board of Directors proposes to the Annual General Meeting that no dividend should be paid for the financial year 2022.

ANNUAL REPORT

The Annual Report will be published on 5 April 2023, and will be held available on the Company's website and at the Company's office.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 2 June 2023 at the Company's offices, Teknikringen 48, 114 28 Stockholm.

FINANCIAL OVERVIEW

NET SALES

Net sales for the period amounted to KSEK 1,101 (759), an increase with 45% compared to Q4 2021. Net sales for year-to-date amounted to KSEK 2,912 (2,561), an increase with 14% compared to the same period 2021.

Out of the four segments (Dendrimers and dendrons, Hyperbranched materials, SpheriCal® and DNG), Dendrimers and dendrons was predominant in Q4, much relating to several customized project. Europe has been the predominant market during the period.

For the full year 2022, Dendrimers and dendrons has been the highest performing segment, much related to several follow-up orders that are of strategic importance for the Company. These are the foundation for building long-term relationships and agreements.

OPERATING EXPENSES

Total operating expenses amounted to KSEK 1,755 (1,552,) for Q4 and KSEK 6,815 (5,323) for 2022. For both the period and the full-year, the major reasons for the increase are increased staff and raw material costs. The former can be derived from growing the organization, while the latter relates to both an increase in produced materials, increased raw material prices and from raw material purchased for customized projects; the latter include more specialized and/or high-end materials.

The Company has increased the number of employees from 3 to 4 in 2022, increasing staff costs with KSEK 1,207 for the full year 2022.

Depreciation of assets has increased with KSEK 2 and KSEK 165 for Q4 and year to date respectively, due to the purchase of the MALDI-TOF instrument in Q3 2021.

RESULT

Operating loss before financial items (EBIT) amounted to KSEK -699 (-846) for Q4 and KSEK -2,870 (-3,193) for the full year 2022.

Loss after financial items amounted to KSEK -699 (-846) for the fourth quarter and KSEK -2,870 (-3,378) for year-to-date, a decrease with 17% and 15% respectively. The improved result can be related to higher net sales.

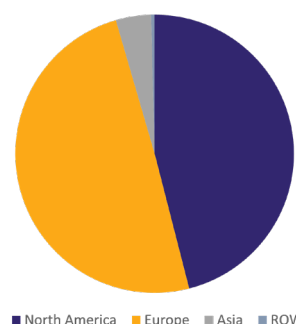
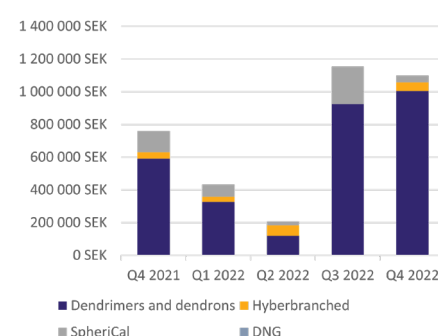
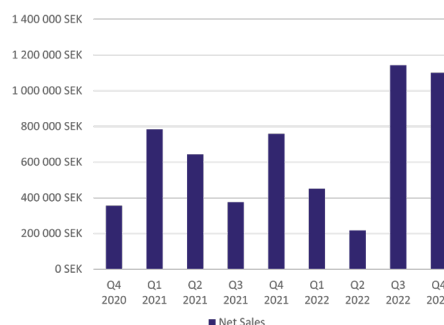
Earnings per share amounted to SEK -0.10 (-0.12) for Q4 and SEK -0.42 (-0.49) for full year 2022.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities for the period was KSEK -778 (-337). For full year 2022, cash flow from operating activities was KSEK -4,480 (-2,656). Cash flow from investing activities was KSEK -25 (-) for the period and KSEK -25 (-2,500) for full year 2022.

Cash flow from financing activities amounts to KSEK 0 (0) for Q4 and for KSEK 35 (11,266) for full year due to the exercise of warrants under TO1 and to the new share issue in 2021.

Cash flow for the period was KSEK -803 (-337). Cash flow for 2022 was KSEK -4,470 (6,110).



As per 31 December, 2022, Cash and bank amounted to KSEK 2,155 (6,625) and equity amounted to 7,696 (10,530).

As announced by the Company in the press release on January 27, 2023, the Board of Directors have resolved on a rights issue of shares of approx. SEK 8.8 million. The Rights Issue is covered to approx. 70 percent through declarations of intent to subscribe and underwriting commitments. The Board of Directors' resolution is subject to approval by an Extraordinary General meeting planned to be held on 15 February 2023.

The Board of Directors makes the assessment that the company's current liquidity, combined with the additional financing plan, is sufficient to finance the company for the next 12 months.

INCOME STATEMENT IN SUMMARY

(KSEK)	OCT-DEC 2022	OCT-DEC 2021	JAN-DEC 2022	JAN-DEC 2021
Revenue				
Net sales	1,101	759	2,912	2,561
Change in inventories of products in progress, finished goods and work in progress	-52	-60	1,013	-445
Other revenue	7	7	20	13
Total revenue, inventory changes, etc.	1,056	706	3,945	2,129
Operating expenses				
Raw material	-135	-91	-417	-216
Other external expenses	-655	-634	-2,810	-2,905
Staff costs	-850	-728	-3,187	-1,980
Depreciation of assets	-94	-92	-369	-204
Other operating expenses	-21	-7	-32	-17
Total operating expenses	-1,755	-1,552	-6,815	-5,323
Operating profit/loss	-699	-846	-2,870	-3,193
Financial items				
Interest expenses and similar items	0	0	0	-185
Total financial items	0	0	0	-185
Total after financial items	-699	-846	-2,870	-3,378
Profit/loss before taxes	-699	-846	-2,870	-3,378
Taxes				
Tax on profit/loss for the period	-	-	-	-
Profit/loss for the period	-699	-846	-2,870	-3,378

BALANCE SHEET

(KSEK)	31 DECEMBER 2022	31 DECEMBER 2021
ASSETS		
Fixed assets		
Intangible fixed assets	817	933
Tangible fixed assets	2,185	2,412
Total fixed assets	3,002	3,345
Current assets		
Inventory	2,039	1,026
Current receivables	1,287	415
Cash and bank	2,155	6,625
Total current assets	5,481	8,066
TOTAL ASSETS	8,483	11,411
EQUITY AND LIABILITIES		
Equity		
Equity	10,566	13,908
Result of the period	-2,870	-3,378
Total equity	7,696	10,530
Liabilities		
Current liabilities	787	881
Total current liabilities	787	881
TOTAL EQUITY AND LIABILITIES	8,483	11,411

CASH FLOW STATEMENT

(KSEK)	OCT-DEC 2022	OCT-DEC 2021	JAN-DEC 2022	JAN-DEC 2021
Operating activities				
Loss after financial items	-699	-846	-2,870	-3,378
Adjustment for non-cash items	94	92	369	204
Change in working capital	-173	417	-1,979	518
Cash flow from operating activities	-778	-337	-4,480	-2,656
Investing activities				
Cash flow from investing activities	-25	-	-25	-2,500
Cash flow from investing activities	-25	-	-25	-2,500
Financing activities				
New share issue	-	-	35	11,266
Loan	-	-	-	-
Repayment of loan	-	-	-	-
Cash flow from financing activities	-	-	35	11,266
Cash flow for the period	-803	-337	-4,470	6,110
Bank				
Bank opening	2,958	6,962	6,625	515
Bank closing	2,155	6,625	2,155	6,625

CHANGES IN EQUITY

	SHARE CAPITAL	NON- REGISTERED SHARE CAPITAL	SHARE PREMIUM RESERVE	PROFIT BROUGHT FORWARD	PROFIT FOR THE PERIOD	TOTAL
2020-12-31	100	1,137	-	1,695	-290	2,642
Reg new share issue	3	-1,137	1,134			0
Bonus issue	413			-413		0
New share issue	170		12,782			12,952
New share issue expenses			-1,686			-1,686
Disposition according to AGM				-290	290	0
Loss for the period					-3,378	-3,378
2021-12-31	686	-	12,230	992	-3,378	10,530
New share issue			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

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 February 2023.

Stockholm 10 February, 2023
CEO, Elin Mignérus

COMPANY INFORMATION

Company name
Polymer Factory Sweden AB (PUBL)

Organizational number
556695-9531

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Teknikringen 48,
114 28 Stockholm, Sweden

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Website
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CALENDAR

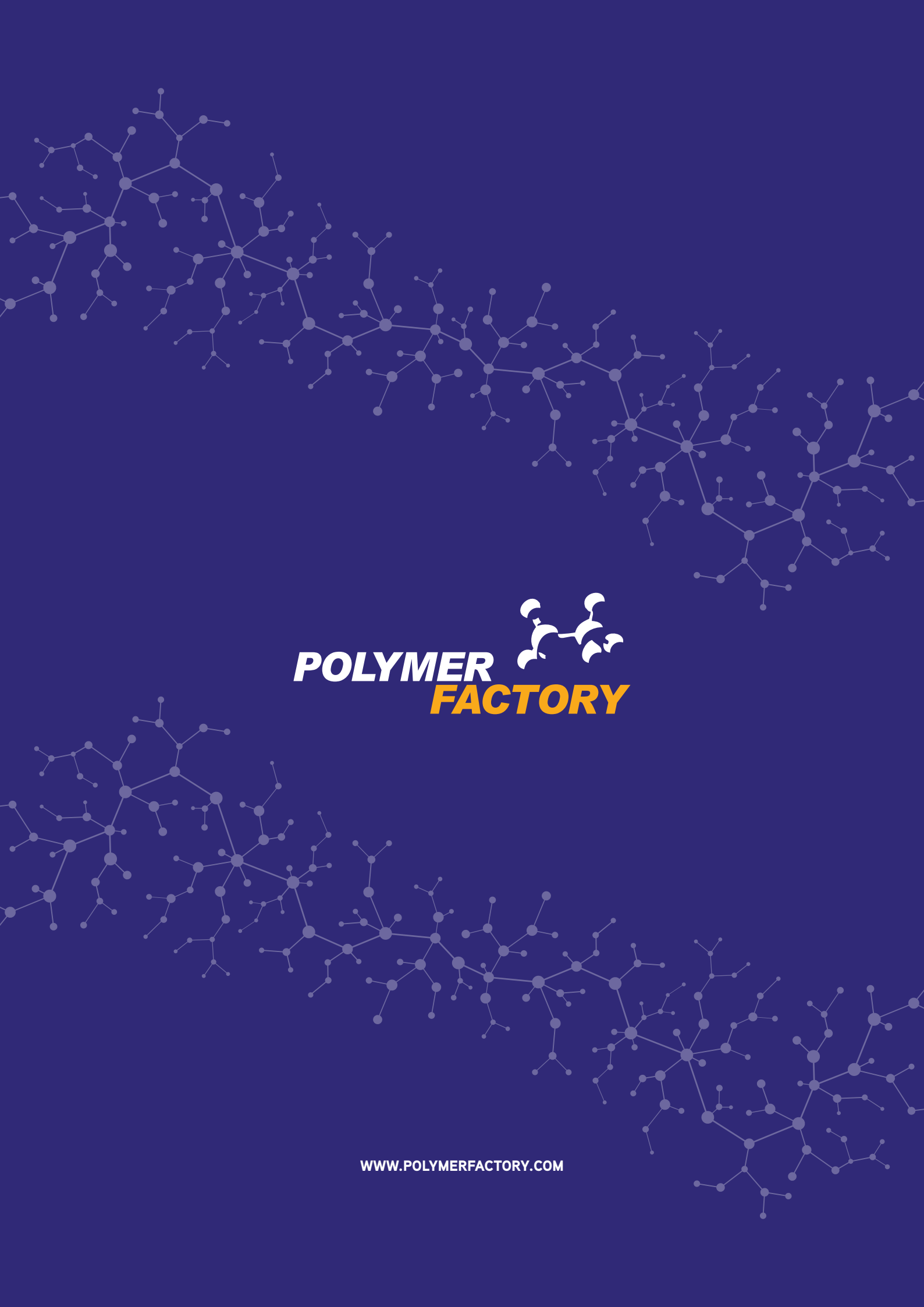
Current financial year:	2023-01-01 – 2023-12-31
Extra General Meeting:	2023-02-15
Annual Report FY2022:	2023-04-05
Quarterly Report (Q1):	2023-05-10
Annual General Meeting:	2023-06-02
Half-year Report (Q2):	2023-08-16
Quarterly Report (Q3):	2023-11-10
Quarterly Report (Q4):	2024-02-16


CONTACT

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