

ORGANOCLICK'S PART-OWNED SUBSIDIARY ORGANOWOOD MAKES ORGANIZATIONAL CHANGES AHEAD OF A CHANGE IN BUSINESS MODEL

For several years, OrganoClick's strategic focus has been to become a pure green chemical company. As part of this, the ambition has been to out-license sales and production of the Group's modified timber. The work of finding a license partner, in the form of a wood treatment company, for the production and sale of the Group's modified timber is now accelerating. This is after excellent results were obtained from a five-year field study (CEN/TS 12037) for our new wood protection technology in the spring. In connection with this change in business model, a large part of OrganoWood's current organization will be discontinued, which will result in annual cost savings of approximately SEK 8 million.

An important milestone in enabling this business model was achieved during the quarter when we received excellent results from five-year field studies (CEN/TS 12037) conducted by the Danish Technological Institute in Malaysia and Denmark. Timber modified with our wood protection technology showed no degradation of rot at any of the sites (level 0 on a scale of 0-4) while the untreated wood reference is completely degraded (level 4) after only three years in Malaysia.

"This change of business model for the business unit Wood protection is fully in line with our strategic plan to become a pure green chemical company. With this new business model, the Group will deliver wood protection chemistry and its technology platform to wood processing companies, which then process the wood and are responsible for sales to the construction industry. This will create a uniform business model for the Group and a clearer position as a pure green chemical company. This will provide both greater scalability, improved profitability and provide even more synergies between the business units", says Mårten Hellberg, CEO OrganoClick.

In order to prepare for the new license model and reduce costs for the business area, a large part of the organization in OrganoClick's part-owned subsidiary OrganoWood AB is now being dismantled. This will result in annual cost savings of approximately SEK 8 million with full effect from 2027. OrganoWood AB will thereafter have a cost base of approximately SEK 3 million consisting of a technical support function and non-cash depreciation of intangible assets. Remaining operational tasks will be taken over by the Group's existing organization. The change in business model for the business unit will result in a sharp reduction of revenues, as the Group will only sell wood preservatives in the future, but at the same time both profitability and future scalability will improve.

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About Us

About OrganoClick

OrganoClick is a Swedish green chemical company, founded in 2006 replacing hidden plastic and harmful chemicals in fiber-based materials with green chemical solutions based on fossil-free raw materials. Based on the company's patented "OrganoClick" technologies, which are inspired by nature's chemistry, OrganoClick develops, produces and markets a range of products with the aim of enabling a green transition. For example, the biobased binder OC-BioBinder for the nonwoven and paper industry, the biodegradable textile impregnation OrganoTex® for consumers and the textile industry, the biocidal-free wood protection technology OrganoWood® for wood treatment companies and the construction industry, as well as eco-labelled maintenance products for home owners under the BIOkleen brand. OrganoClick was founded as a spin-off from Stockholm University and the Swedish Agricultural University and has received several awards for its green innovations, including being named a "Climate Solver" by the World Wide Fund for Nature - WWF. The company is listed on the Nasdaq First North Growth Market and has its headquarters, production and R&D in Täby, north of Stockholm. OrganoClick's Certified Adviser on the Nasdaq First North Growth Market is Mangold Fondkommission AB, tel: +46 (0)8 503 01 551, email: ca@mangold.se.