

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

THE BOARD OF DIRECTORS' REPORT ON CIRCUMSTANCES OF SIGNIFICANCE FOR ASSESSMENT OF VALUE OF ASSETS TO BE CONTRIBUTED IN KIND PURSUANT TO CHAPTER 13, SECTION 7 OF THE SWEDISH COMPANIES ACT (2005:551)

Polygiene AB, Reg. No. 556692-4287 (the "**Company**"), has entered into agreement with the owners of Addmaster Holdings Limited (the "**Target Company**") that the Company shall acquire all 80 shares in the Target Company.

The agreed purchase price for the transferred shares in the Target Company, on a cash and debt free basis, amounts to a total of GBP 33,000,000, of which GBP 22,000,000 shall be paid in cash while the remaining GBP 11,000,000 shall be paid in the form of 4,564,174 new issued shares in the Company. In determining the number of shares in the Company to be issued, a settlement price of SEK 27.31 per share (corresponding to the volume-weighted average price of the Company's shares on Nasdaq First North Growth Market during 25 trading days up to and including 9 December 2020) has been used and the conversion from GBP to SEK has been made at a conversion rate of GBP 1 = SEK 11.3316.

The number of shares in the Company that each owner of the Target Company shall be able to subscribe for and the number of shares in the Target Company that each owner must contribute are listed below:

Share subscriber	Number of shares in the Company subscribed for	Number of shares in the Target Company that are contributed
Paul Jonathan Morris	2,225,034	39
Lorraine Morris	2,225,034	39
Sandrine Marie-Therese Garnier	114,106	2
Total:	4,564,174	80

The value of the Target Company has been determined by the board of directors on the basis of the board of directors' own valuation and negotiations with the sellers. Prior to the negotiations, the board of directors carried out an in-depth valuation of the Target Company, taking into account the Target Company's position, results and future earning capacity. The board of directors' basis for the valuation included the result of a so-called due diligence examination of the Target Company and the valuation took into account the assessed synergies that may be generated through the acquisition of the Target Company.

Based on the above, the closing price of the Company's share on Nasdaq First North Growth Market on 9 December 2020, and the provisions of IFRS 3, the board of directors estimates that the shares in the Target Company, on a cash and debt free basis, will be entered in the Company's balance sheet with a total value of SEK 373,942,800 (where the conversion from GBP to SEK has been made at a conversion rate of GBP 1 =

SEK 11.3316). In light of the cash consideration of GBP 22,000,000, which corresponds to 2/3 of the total agreed consideration on a cash and debt free basis of GBP 33,000,000, the board of directors estimates that the part of the shares in the Target Company that constitutes in kind-assets and is acquired against remuneration in the form of new issued shares in the Company amounts to approximately SEK 124,647,600, which corresponds to a subscription price of approximately SEK 27.31 per share. The final value at which the in kind-assets will be entered in the Company's balance sheet as well as the subscription price will however, in accordance with applicable accounting rules, be determined based on the share price for the Company's shares and the exchange rate SEK/GBP at the so-called transaction date and may therefore deviate from the estimated value stated above.

It is the board of directors' assessment that the in kind-assets can be assumed to be of benefit to the Company's operations and that it has not been entered at a higher value than the fair value for the Company.

Documents pursuant to Chapter 2, Section 9 of the Swedish Companies Act are available at the Company's head office, Styrmansgatan 2, SE-211 18 Malmö, Sweden.

Malmö on 10 December 2020

(Signature page follows)



The Board of Directors of Polygiene AB (publ)

Jonas Wollin

Håkan Lagerberg

Ebba Fåhraeus

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Johan Thiel