



Interim Report

01.01.2018 – 31.03.2018

OptiFreeze AB (publ)

Corp. Id-number: 556844-3914

***OptiFreeze AB** has patented technology that enhances taste, shape and texture of vegetables, fruit and herbs that can be guaranteed by a freezing and de-freezing process. The company also developed a method that can improve shelf life of cooled processed fruit and vegetables. The same technology can be used to dry herbs, while enhancing taste, smell and color. The technology provides new business opportunities for producers and distributors, but also for food processors all around the globe. The natural sugars used in the process regenerate cells, which enhances the taste, shape, texture and shelf life. OptiFreeze is the result of a long period of research at the Institute of Food Technology at the University of Lund. The company is situated in Lund, Sweden and is listed at the AktieTorget stock exchange.*

Table of Contents

Summary of quarter Q1 2018	3
Comments from the Managing Director	4
Income Statement in summary, SEK	5
Balance Sheet in summary, SEK	5
Change in Equity 31.03.2018, SEK	6
Cash Flow Statement, SEK	6
Next reporting dates	7
Business information	8
<i>General information</i>	<i>8</i>
<i>Significant events during Q1</i>	<i>8</i>
<i>Significant events after the end of the reporting period</i>	<i>8</i>
Accounting principles	10

Summary of quarter Q1 2018

The following summary refers to the period 01.01.2018 – 31.03.2018, compared to 01.01.2017 – 31.03.2017

- Net sales for this period totalled to SEK 0 (SEK 0)
- Operating result for the period of SEK -2,192,873 (SEK -2,370,816)
- Cash and bank balance SEK 13,605,765 (SEK 8,203,739)
- Capitalized development costs of SEK 404,996 (SEK 259,350)
- Average number of registered shares 9,877,264 (8,580,000 shares)
- Result per share* SEK -0.22 (SEK -0.28)
- Equity Ratio 93.8% (87.5%)

**Result per share is calculated on the average number of registered shares during the period.*

Comments from the Managing Director

OptiFreeze started the first quarter of 2018 after some organizational changes with focusing on increased customer contacts and sales activities. We decided to focus mainly on the OptiDry and OptiFlower segment as we believe these segments show the best potential in the short term.

After finishing our industrial trials with the OptiCept line in December 2017, a new PEF chamber was ordered during the first quarter of this year. The new chamber with a higher capacity and better product packing capability has now been delivered. The customer trials will continue with our new PEF chamber during the second quarter of the year.

There is a great interest from the flower cutting industry in our unique technology. Industrial scale tests are commenced within the OptiFlower segment with one of the major player in the flower industry in the beginning of January 2018. Initially the tests are performed at OptiFreeze's premises and the planting of the treated flower cuttings are carried out at the customer's green house in Sweden. After the positive results obtained, the trials continued with extended tests. As this is a completely new area for us we have faced some challenges in the storage of the cuttings. This is now being addressed together with the customer. We are currently discussing the future of the project with an aim to deepen the collaboration and to together solve the practical issues.

We have produced a marketing movie to describe our products and application areas much better to our customers as well as to our shareholders and future investors. The movie has animations of our process illustrating how our technology works on a cellular level.

We have hired a mechanical engineer to focus on production on industrial level on the OptiCept line. Our R&D manager focused on supporting tests and on introducing our process to new customers. The R&D team for method development supported the focus areas and developed the method for handling more products in the OptiDry and OptiFlower segments. Our development team is working as well with finding a supplier and packer for OptiCap to have OptiCap ready for sales at the same time as we are selling the OptiCept line.

Our work will continue with more customer contacts, industrial tests and commercialization of our products, with the intention of sales of OptiCept and OptiCap as 2018 will be the first sales year for OptiFreeze.

Lund, May 24, 2018

Eda Demir, Managing Director

Income Statement in summary, SEK

	01.01.2018 – 31.03.2018 3 month	01.01.2017 – 31.03.2017 3 month	01.01.2017 – 31.12.2017 12 month
Operating income			
Net sales	0	0	191,345
Capitalized own work performed /other income	404,996	259,350	1,428,220
Other operating revenues			12,283
Total income	404,996	259,350	1,631,848
Operating expenses			
Raw materials and consumables	-73,522	-24,052	-233,579
Other external costs	-1,416,963	-1,906,248	-6,502,728
Personnel costs	-966,974	-627,980	-3,498,997
Depreciation	-137,929	-71,577	-369,487
Other operating expenses	-1,880	-237	-3,048
Total operating expenses	-2,597,269	-2,630,094	-10,607,839
Operating result	-2,192,273	-2,370,744	-8,975,991
Financial net	-601	-72	17,139
Result after financial items	-2,192,873	-2,370,816	-8,958,852
Tax	0	0	
Net result	-2,192,873	-2,370,816	-8,958,852
Result per share	SEK -0.22	SEK -0.28	SEK -1.02

Balance Sheet in summary, SEK

	31.03.2018	31.03.2017	31.12.2017
Assets			
Subscribed capital unpaid			341,544
Capitalized development costs/patents	4,601,293	2,825,442	4,190,777
Equipment, tools, fixtures and fittings	2,049,369	1,488,000	2,162,298
Other long-term receivables	160,000	160,000	160,000
Other short-term receivables	624,748	762,979	859,714
Cash and bank equivalents	13,605,765	8,203,739	15,660,371
Total assets	21,041,176	13,440,160	23,374,704
Equity and liabilities			
Equity	19,731,129	11,762,639	21,924,002
Current liabilities	1,310,047	1,677,521	1,450,702
Total equity and liabilities	21,041,176	13,440,160	23,374,704

Change in Equity 31.03.2018, SEK

	Share Capital	Fund for Development costs	Share premium reserve	Profit and loss brought forward and result for the period	Total Equity
Opening balance 01.01.2018	888,954	2,373,108	29,049,012	-10,387,072	21,924,002
Allocation of result according the Annual General Meeting			-10,387,072	10,387,072	0
Allocation between restricted and non-restricted equity		404,996		-404,996	0
Result for the period				-2,192,873	-2,192,873
Closing balance 31.03.2018	888,954	2,778,104	18,661,940	-2,597,869	19,731,129

Total registered shares amounts to 9,877,264 shares

Cash Flow Statement, SEK

	01.01.2018 – 31.03.2018 3 month	01.01.2017 – 31.03.2017 3 month	01.01.2017 – 31.12.2017 12 month
Result from operating activities			
Operating result	-2,192,273	-2,370,744	-8,975,991
Adjustment for items not affecting the cash flow	137,929	71,577	369,487
Net received / paid interests	-601	-72	17,139
Paid tax		0	0
Changes in working capital	94,311	430,809	107,255
Cash flow from operating activities	-1,960,634	-1,868,430	-8,482,110
Cash flow from investing activities	-435,516	-638,514	-2,976,057
Cash flow from investing activities	341,544	0	16,407,855
Cash flow for the period	-2,054,606	-2,506,944	4,949,688
Cash and bank equivalents at start of the period	15,660,371	10,710,683	10,710,683
Cash and bank equivalents at end of the period	13,605,765	8,203,739	15,660,371

Next reporting dates

- **Interim report Q2** January 2018 - June 2018 August 29th, 2018
- **Interim report Q3** January 2018 - September 2018 November 29th 2018

Business information

General information

OptiFreeze AB has patented technology that enhances taste, shape and texture of vegetables, fruit and herbs that can be guaranteed by a freezing and de-freezing process. The company also developed a method that can improve shelf life of cooled processed fruit and vegetables. The same technology can be used to dry herbs, while enhancing taste, smell and color. The technology provides new business opportunities for producers and distributors, but also for food processors all around the globe. The natural sugars used in the process regenerate cells, which enhance the taste, shape, texture and shelf life.

The company was founded in 2011 by Arc Aroma Pure AB (publ), LU Innovation and several researchers at the Department of Food Technology at Lund University. The operations are based on Kalkstensvägen in Lund, where the company conducts method and product development on its own and in cooperation with partners. From now on the company will work with industry partners to industrialize the technology. OptiFreeze is the result of a long period of research at the Institute of Food Technology at the University of Lund. The company is situated in Lund, Sweden and is listed at the AktieTorget stock exchange.

Significant events during Q1

- 09.01.2018 Optifreeze conducted full-scale industrial tests with a leading European supplier of dried vegetables and herbs. The tests were carried out at the customer's facilities in December 2017. Both Optifreeze and the customer were satisfied with the result as they met the targets that were agreed to achieve. The two parties proceeded the dialogue with the intention to reach a sales/purchase of OptiCept. A joint project was later started to reach a solution that will meet the request set up by the customer.

- 09.03.2018 During the customer tests that were started 2017, OptiFreeze observed possible improvements to the industrial PEF system. The improvements consisted of a possibility to cope with a wider range of products and an increased capacity of 2 to 4 times depending on what kind of products that's being handled. A new updated PEF chamber was later ordered.

 OptiFreeze started tests together with a customer within the OptiFlower segment. There was a great interest in live expectancy improvements for flower cuttings on the market.

- 14.03.2018 The OptiFreeze marketing movie was launched. The movie is intended to be used at sales/marketing activities and in contact with current/potential investors. The movie describes the process in detail with animations as well as OptiFreeze's application areas and product portfolio.

Significant events after the end of the reporting period

- 24.04.2018 OptiFreeze signed an agreement with a partner within the OptiDry segment to perform second industrial scale testing with the OptiCept's updated PEF chamber. The customer part-financed the tests.

- 16.05.2018 The updated PEF chamber arrived at OptiFreeze's facilities. The PEF chamber will be used in tests together with different customers.

17.05.2018 An agreement to test the OptiFreeze technology was signed with one of the largest dried herb producers in Europe. The tests will be carried out during the summer 2018 at the producer's facility and are partly financed by the producer. The intention of the tests is to validate OptiFreeze's method with different herbs and then to continue into the commercial phase. The updated PEF chamber will be used during the tests.

Accounting principles

The company applies to the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 (K3) in the preparation of the financial statements. The account policies applied are the same as those used in the 2017 Annual Report. For more information see the Annual Report 2017.

The present interim report has not been audited by the company's auditors.

This information is such information as OptiFreeze AB (publ) is obliged to disclose under the EU Market Abuse Regulation.

The information was provided, through the contact of the following contact person, for publication on May 24th, 2018.

Lund, May 24th, 2018

OptiFreeze AB (publ) Board of Directors
Eda Demir, CEO

OptiFreeze AB (publ)

Address: Kalkstensvägen 16, 224 78 Lund, Sweden

Phone: +46 46 - 15 23 00

Email: info@optifreeze.se

Web page: www.optifreeze.se