

OptiFreeze AB gives a financial update

Optifreeze AB estimates that each process line sold in the OptiFlower segment will generate a sales margin between 7,5 MSEK and 15 MSEK over a five-year period.

Earlier OptiFreeze AB has announced the signing of a LOI with a multinational leading company in the flower industry. Through this cooperation the business model and future income flow has been refined.

Every year 2.5 billion flower cuttings are sold globally. The life time of cuttings from harvest to plantation is an industrial problem as the plants normally are produced far away from the end market. Optifreeze is providing a solution to the plant propagation industry with a unique technology. Our business model consists of three parts: Capital sales of the OptiCept line, annual sales of OptiCap (additives) and finally a royalty income per treated product (flower plant). Over a five-year period, each machine is expected to generate a sales margin of 7.5 MSEK to 15 MSEK depending on which type of plant. Optifreeze forecast to sell and install 10 lines to customers in the OptiFlower segment during the coming 3 years. In addition to that the company also expect to sell process lines on other applications during the same period.

The OptiCept process lines are new to the industry, but it is our belief that this will change the supply structure of the plant propagation industry. The plant will have a longer life time, perform better in growth and keep the freshness and high quality at the moment of sales from the producer to the growers.

OptiFreeze has taken a caution approach to the expectations as we are introducing a new process to the industry. Earlier it has been estimated to reach the break-even results in 2020. The company makes the estimation that this is still valid.

Several sub-applications have appeared during the tests with cuttings. One such application is to use the OptiCept process with different growth additives. This can then accelerate the growth of the plant and create even higher value to the industry. So far Optifreeze have only approached the flower cutting industry, the same technique will be introduced to fruit and vegetables cuttings as well as cut flowers. None of these future potentials are considered in the above estimations.

“We are now reaching a point where the business model and its potential is clearer for us. We think it is correct and fair that our owners and the financial market are informed. We shall at the same time remind you that this is a new technique and a process to the cutting industry with challenges and large potentials.” says Eda Demir Westman, CEO of OptiFreeze AB.

Lund, November 14, 2018

Eda Demir Westman, CEO

The information above was provided by Inhalation OptiFreeze AB according to EU Market Abuse Regulations. The information was provided, through the above contact person, for publication on November 14, 2018.

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