

OrganoClick has entered into an agreement to acquire BIOkleen Miljökemi AB



OrganoClick has entered into an agreement to acquire all shares in the chemical technology company BIOkleen Miljökemi AB. The acquisition is part of OrganoClick's growth strategy and adds to the existing product portfolio another strong brand as well as a sales force for Swedish paint dealers. With the result of BIOkleen Miljökemi and the synergies the acquisition creates, our assessment is that OrganoClick will reach EBITDA-breakeven during the full year of 2017 and will thus not require any new capital in form of equity for OrganoClick's running operations.

To further increase our growth rate, OrganoClick made the decision in August to start investigating acquisition opportunities of companies working with functional green chemistry. This decision was taken in order to accelerate our vision of becoming a leading green chemistry supplier in our business segment. OrganoClick has during the last years built up a factory with large capacity, where we get big economies of scale with an increased production volume.

BIOkleen Miljökemi AB is a chemical technology company that focuses on eco-labeled cleaning and maintenance products for wood, home, house, and car care. The products are used for washing off mold, algae and dirt from facades, roofs and wooden decks. This is great addition to OrganoClick's existing wood treatment products. A number of BIOkleens products are eco-labeled with the Swedish Swan and the product for algae and mold cleaning has been named "Best in Test" by the Folksam Test for mold cleaning products.

In the year of 2014/15, BIOkleen had sales of SEK 23 million, profits before tax of about 2 million and is growing at about 10% annually. There are great synergies between the companies in terms of sales, production and purchasing. OrganoClick believes that the acquisition after synergies will add 4-5 million in additional EBIT for the Group in 2017. The agreement is conditioned upon that the extraordinary general meeting of OrganoClick resolves a share issue as part of the payment for BIOkleen Miljökemi AB. The acquisition is thus expected to be completed in December, after the decision is made to issue the shares by the OrganoClick extraordinary general meeting.

- BIOkleen Miljökemi AB is a company we have known for a long time, and just like OrganoClick the quality and environmental aspects are of high importance for its business. The company's product portfolio and customer base complements our existing portfolio perfectly. The acquisition also provides a substantial contribution of sales, cash flow and profit for OrganoClick. With the growth we see in our existing areas, it is our assessment that OrganoClick, after the acquisition, will reach EBITDA-breakeven for the full year of 2017 and thus not require any new capital injection in form of emission of shares for OrganoClick's running operations. We welcome CEO Robert Weber and his organization to the OrganoClick group and look forward to developing these markets together, says Mårten Hellberg, CEO OrganoClick.

The total price OrganoClick pays for BIOkleen Miljökemi AB is SEK 16 million. The payment is proposed to be made by SEK 4.75 million in form of 823 224 shares in OrganoClick at a share price of 5.77 SEK / share and SEK 11.25 million in cash. The share price is calculated as an average share price during the period 26 September-26 October (when the Letter Of Intent was signed) with a discount of about 5%. The final agreement was signed on 10 November. The cash will be financed through a combination of loans and a proposed directed emission of shares. The acquisition is expected to be completed in December 2016.

For more information, please contact:

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About OrganoClick

OrganoClick AB (publ) is a public Swedish cleantech company listed on Nasdaq First North. The company develops, produces and markets functional materials based on environmentally friendly fiber chemistry. Examples of products that are marketed by OrganoClick are the water repellent fabric treatment OrganoTex®, the flame and rot-resistant timber OrganoWood® and biocomposite materials. OrganoClick was founded in 2006 as a commercial spin-off company based on research performed at Stockholm University and the Swedish University of Agricultural Sciences within environmentally friendly fiber chemistry. OrganoClick has won a number of prizes, such as "Sweden's Most Promising Start-up" and "Sweden's Best Environmental Innovation", and has also received a number of awards, such as the WWF "Climate Solver" award and has also appeared for two years on the Affärsverldens and NyTeknik's list of Sweden's top 33 hottest technology companies. OrganoClick has its head office, production and R&D located in Täby, north of Stockholm. OrganoClick's Certified Adviser on Nasdaq First North is Erik Penser Bank.

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