

# Interim Report

2017-01-01 - 2017-06-30

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.

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## Summary of quarters 1 and 2 (Q1, Q2), 2017

The following summary refers to the period 1/1/2017 – 30/6/2017, compared to 1/1/2016 – 30/6/2016

- Net sales for the first quarter totaled 0 SEK (0 SEK)
- Operating result for the period of -5 234 375 SEK (-3 265 174 SEK)\*
- Cash and bank balance of 4 680 775 SEK (16 158 346 SEK)
- Capitalized development costs of 663 628 SEK (455 421 SEK)
- Registered shares 8 580 000 (8 580 000)
- Result per share -0,61 SEK (-0,38 SEK)
- Equity Ratio 85,84% (92,85%)

## Summary of quarter 2 (Q2), 2017

The following summary refers to the period 1/4/2017 – 30/6/2017, compared to 1/4/2016 – 30/6/2016

- Net sales for the first quarter totaled 0 SEK (0 SEK)
- Operating result for the period of -2 863 559 SEK (-1 762 176 SEK)\*

*\*Result incl. depreciations for the period*

## Comments from the OptiFreeze management

During the second quarter of 2017, OptiFreeze made some changes in the management of the company. The board has two new members, board member Elisabeth Yllfors and me, Göran Hedbys, as Chairman of the Board. Elisabeth Yllfors has a long experience from the food consumer market and she has held several senior positions in companies such as Findus, among others. I have a long experience from the supplier world and have worked with the Swedish company Alfa Laval for many years. Nick Kramer was recruited as a new Managing Director for the company and he has brought a stronger customer insight to OptiFreeze. He has been working in the customer segment that OptiFreeze is targeting, cooling of fresh vegetables and fruits. Nick Kramer's previous employer was Vidinge Grönt, a market leader within fresh cut vegetables. OptiFreeze has strengthened the commercial competence with new participants, which is needed since OptiFreeze is now moving into the commercial phase.

We have worked with our commercial profile during this period and we have also made our web page more customer friendly. The Business plan has also been clarified and focus areas have been identified. The business model is put in place that is giving a clearer strategy, moving forward. OptiFreeze will continue to work towards the three customers segment Freezing, Cooling and drying. Where specifically Cooling, plant seeds and drying are believed to be the first areas to be commercialized.

During the period, a full-scale pilot plant has been delivered and tested. One of the critical components, the pulse generator, was delivered by Arc Aroma Pure, who also worked closely with OptiFreeze's technicians to fine-tune the line. The results from the testing are meeting our expectations.

We are now well prepared to take the customer dialogs one step further. We have created a solid knowledge, based on how our OptiCept process treats and improves different raw materials. The Pilot plant is ready to handle full scale volumes and will initially be focused towards customers working with cooling, plant seeds and drying, where customer test will be done. We are entering a very exiting period for the company.

**Lund August 29<sup>th</sup>, 2017**

**Göran Hedbys, Chairman of the board**

## Income Statement in summary, SEK

	1/4/2017 - 30/6/2017 3 months	1/4/2016 - 30/6/2016 3 months	1/1/2017 - 30/6/2017 6 months	1/1/2016 - 30/6/2016 6 months	1/1/2016 - 31/12/2016 12 months
<b>Operating income</b>					
Net sales	-	-	-	-	-
Capitalized own work performed /other income	410 375	224 734	669 726	445 421	1 024 220
<b>Total income</b>	<b>410 375</b>	<b>224 734</b>	<b>669 726</b>	<b>445 421</b>	<b>1 024 220</b>
<b>Operating expenses</b>					
Raw materials and consumables	-84 740	-82 128	-108 792	-98 983	-307 044
Other external costs	-2 219 295	-1 434 264	-4 125 543	-2 740 891	-5 407 317
Personnel costs	-874 789	-445 238	-1 502 769	-841 762	-1 983 159
Depreciation	-113 327	-25 188	-184 904	-49 515	-98 308
Other operating expenses	-	-	-237	-	-59
<b>Operating profit</b>	<b>-2 881 776</b>	<b>-1 762 084</b>	<b>-5 252 519</b>	<b>-3 275 731</b>	<b>-6 771 667</b>
Financial net	18 217	-92	18 144	10 557	9 960
<b>Result after financial items</b>	<b>-2 863 559</b>	<b>-1 762 176</b>	<b>-5 234 375</b>	<b>-3 265 174</b>	<b>-6 761 707</b>
Tax	-	-	-	-	-
<b>Net result</b>	<b>-2 863 559</b>	<b>-1 762 176</b>	<b>-5 234 375</b>	<b>-3 265 174</b>	<b>-6 761 707</b>
<b>Result per share</b>	<b>-0,33 kr</b>	<b>-0,21 kr</b>	<b>-0,61</b>	<b>-0,38 kr</b>	<b>-0,80 kr</b>

## Balance sheet in summary, SEK

	30/6/2017	30/6/2016	31/12/2016
<b>Assets</b>			
Capitalized development costs/patents	3 299 511	1 975 531	2 533 439
Equipment, tools, fixtures and fittings	1 472 878	334 083	1 213 066
Other long-term receivables	160 000	-	160 000
Other short-term receivables	753 833	519 084	724 292
Current assets	4 680 775	16 158 346	10 710 683
<b>Total assets</b>	<b>10 366 997</b>	<b>18 987 044</b>	<b>15 341 480</b>
<b>Equity and liabilities</b>			
Equity	8 899 080	17 629 988	14 133 455
Current liabilities	1 467 917	1 357 056	1 208 025
<b>Total equity and liabilities</b>	<b>10 366 997</b>	<b>18 987 044</b>	<b>15 341 480</b>

## Cash Flow Statement, SEK

	1/4/2017 - 30/6/2017 3 months	1/4/2016 - 30/6/2016 3 months	1/1/2017 - 30/6/2017 6 months	1/1/2016 - 30/6/2016 6 months	1/1/2016 - 31/12/2016 12 months
<b>Result from operating activities</b>					
Operating result	-2 881 776	-1 762 084	-5 252 519	-3 275 731	-6 761 708
Adjustment for items not affecting the cash flow	113 326	25 188	184 904	49 512	-
Net received / paid interest	18 217	-92	18 145	10 557	9 960
Paid tax	-	-	-	-	-
Changes in operating activities	-200 457	153 241	230 351	372 894	18 653
<b>Cash flow from operating activities</b>	<b>-2 950 690</b>	<b>-1 583 747</b>	<b>-4 819 119</b>	<b>-2 842 768</b>	<b>-6 733 094</b>
<b>Cash flow from investing activities</b>	<b>-572 274</b>	<b>-354 173</b>	<b>-1 210 789</b>	<b>-569 136</b>	<b>-2 116 512</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 935 836</b>	<b>17 935 836</b>
<b>Cash flow for the period</b>	<b>-3 522 964</b>	<b>-1 937 920</b>	<b>-6 029 908</b>	<b>14 523 932</b>	<b>9 086 229</b>
Cash and cash equivalents at start of period	8 203 739	18 096 266	10 710 683	1 634 414	1 634 414
<b>Cash and cash equivalents at end of period</b>	<b>4 680 775</b>	<b>16 158 346</b>	<b>4 680 775</b>	<b>16 158 346</b>	<b>10 710 683</b>

## Change in Equity 30/6/2017

	Share capital	Fund for Development costs	Share premium reserve	Profit and loss brought forward	Result for the period	Total Equity
<b>Ingoing balance 1/1/2017</b>	772 200	944 888	18 133 885	1 044 189	-6 761 707	14 133 455
Allocation between restricted and non-restricted equity		259 354		-259 354		0
Last year result			-5 717 518	-1 044 189	6 761 707	0
Result for the period					-2 370 816	-2 370 816
<b>Outgoing balance 31/3/2017</b>	<b>772 200</b>	<b>1 204 242</b>	<b>12 416 367</b>	<b>-259 354</b>	<b>-2 370 816</b>	<b>11 762 639</b>
Allocation between restricted and non-restricted equity		404 274		-404 274		0
Result for the period					-2 863 559	-2 863 559
<b>Outgoing balance 30/6/2017</b>	<b>772 200</b>	<b>1 608 516</b>	<b>12 416 367</b>	<b>-663 628</b>	<b>-5 234 375</b>	<b>8 899 080</b>

Total registered shares amounts to 8 580 000 shares.

The company has 145,000 outstanding warrants as decided by the Extraordinary General Meeting in November 2014. Subscription of shares under warrants may take place between 8 December 2017 and 22 December 2017. The subscription price amounts to 17:02 SEK / share

## Next reporting dates

- Interim statement Q3 January 2017 - September 2017 November 29<sup>th</sup>, 2017
- Year-end report January 2017 - December 2017 February 15<sup>th</sup>, 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 enhances 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 Kalkstenvägen 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 the reporting period

- 28/02/2017 A proposal for the new Board of Directors was submitted for the General Annual Meeting. Shareholders representing 23% of the votes propose that the Board will be comprised of four (4) board members and two (2) deputies. Anders Hättmark and Petr Dejmek are proposed to be re-elected and Elisabeth Yllfors and Göran Hedbys are proposed as new Board Members. Furthermore, Johan Möllerström and Federico Gomez are proposed to be elected as deputies. Göran Hedbys is proposed to be elected as Chairman of Board
- 30/03/2017 Fredrik Westman has announced to the Board that he intends to terminate his position as CEO of OptiFreeze and resign formally on April 10, 2017 when successor Nick Kramer takes over. Fredrik Westman has been CEO of OptiFreeze since spring 2014 when the company was listed on AktieTorget.
- 30/03/2017 The Board has appointed Nick Kramer as new CEO and he will start on April 10, 2017. Nick has a long background in the food industry, for example as co-owner in the Dutch fresh cut fruit and vegetable market leader Royal Vezet B.V., a family company with over 1,400 employees.
- 07/04/2017 CEO of OptiFreeze, Nick Kramer, has acquired 300,000 shares in OptiFreeze AB. 150,000 shares have been purchased privately and 150,000 shares were acquired through a holding company where Nick Kramer is co-owner and Board Member. All shares have been acquired from Arc Aroma Pure AB.
- 07/04/2017 Chairman Göran Hedbys has purchased 7,500 shares in OptiFreeze AB through his company. Elisabeth Yllfors also acquired 10,000 shares in OptiFreeze AB through her company. Hedbys and Yllfors shares have been acquired from Arc Aroma Pure AB.
- 09/06/2017 A new OptiFreeze corporate website has been launched. The website contains information about the team, vision and mission, market segments, product benefits, process, business model, goals and various videos.

### Significant events after the end of the reporting period

- 17/08/2017 In July our present MD, Nick Kramer, was unfortunately put on sick leave. The board decided that Göran Hedbys will enter the role as working chairman of the board. Our hope is that Nick will be able to return in his position as MD of the company during the autumn.

During July, the pilot plant was tested and it was verified that the upscaling to production capacity works as planned. It was also verified that the volume targets that were set was achieved. More information around this can be found in OptiFreeze home page under "News".

## Accounting principles

The company applies to the Annual Accounts Act and the Swedish Accounting Standards Board BFAR 2012:1 (K3) in the preparation of the financial statements. The account policies applied are the same as those used in the 2016 Annual Report. For more information see the Annual Report 2016.

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 29 August 2017.

For more information please contact:

Göran Hedbys, Chairman of the board

goran.hedbys@optifreeze.se

+46(0)735-29 95 44

Lund, August 29<sup>th</sup>, 2017

OptiFreeze AB (publ) Board of Directors  
/Göran Hedbys, Chairman

OptiFreeze AB (publ)  
Address: Kalkstensvägen 16, 224 78 Lund  
Phone: +46 46 - 15 23 00  
E-mail [info@optifreeze.se](mailto:info@optifreeze.se)  
Website: [www.optifreeze.se](http://www.optifreeze.se)