

SHAREHOLDER LETTER – OPTICEPT TECHNOLOGIES NOVEMBER 2022

We are moving with good speed and have an aggressive plan for 2023. With the upcoming rights issue, we are creating the conditions for positive EBITDA in the coming year.

From my perspective as the new CEO since May, I see a very high level of activity. OptiCept reached many important milestones during both Q2 and Q3. With these behind us, we are now taking the next step in the company's development. A change that means a new focus for OptiCept. The most evident is the focus on prioritized application areas closest to positive cash flows. The focus in 2023 is on OptiBoost® for cut flowers and cuttings, as well as on oliveCEPT® for olive oil. Here we are closest to positive cash flow, and we have good margins.

If we look at the revenue side, we have an order backlog of SEK 30 million. Mostly CEPT® machines, which will generate revenue around the turn of the year. Also, we expect repeat orders in 2023. Furthermore, we have evaluations underway for OptiBoost® where we together with our customers try out recipes to optimize the effect of the treatment. These will be up for decision during fall and spring. With income from our order book, a couple of OptiBoost® for cut flowers contracts, and some agreements for cuttings, we expect to reach a positive EBITDA result in 2023.

Another change is implementing a more stringent view of what we include in our order book. After Q2 2022, we enter commercial contracts at 100% in the order book and not fully negotiated contracts at 50%. Currently, the full potential in the order book is SEK 45 million. The order book consists mainly of CEPT® machines, why it does not illustrate the potential on the OptiBoost® side, as most of this is excluded.

Through extensive investments in the development of FREJA (Cut flowers), SAGA (Cuttings), and the new CEPT® platform BALDER in 2022, costs next year will be reduced. We have started up production lines at our producers, built machines, and ran many major evaluation projects. We have paid the bill for this and now leave these start-up costs behind us.

Costs for the preparation of our list change, CEO change, and customer losses have also been reported. The customer losses are primarily a result of the non-delivery of EU subsidies for olive oil producers. This is one motivating factor for our new orientation. We have worked with the wrong customers in some cases. Now we shift focus toward more capital-strong and forward-leaning customers.

The EBITDA target for 2023 will influence the strategy of launching various systems. OptiCept has long had a broad focus on commercialization within several applications. Our technology is applicable in many areas, from juice to fish feed. This is a long-term strength and something that will be profitable in the long run.

We will reduce the pace of development for completely new application areas in 2023. We will be more selective about the evaluations we choose to carry out. Development within existing areas will continue but in close cooperation with leading actors. And only under the premise that we share costs for development and introduction. The goal is a partnership where we together qualify the technology and secure sales revenue in exchange for a period of exclusivity. There is great value in exploring new technology. Our latest agreements have shown that customers are willing to pay for development projects. Areas, where we apply this, are, for example, juice and oat milk.

Regarding the current new share issue, a large part of the proceeds will be used for machine manufacture. Machines in the order book are, as mentioned, already produced CEPT® machines. OptiBoost® is currently based on a pay-per-treatment model. This applies to both FREJA and SAGA. Capital is particularly required to build, ship, and install these machines and to get volume. With the great demand we see for oliveCEPT®, the proceeds will give us the conditions to meet the demand through the production of additional machines.

We are looking at an upfront payment model for future OptiBoost® contracts. This could reduce future capital requirements. Once BALDER is deemed a technology standard, we will take upfront payments that further reduce capital requirements. The share issue prepares for expansion in prioritized markets.

Overview – Business Model

Application	Business Model	Other
OptiBoost® for Cut Flowers	Pay-per-treatment, 0,025 – 0,09 € depending on volumes	Minimum monthly billing according to contract
OptiBoost® for cuttings	Pay-per-treatment, 0,022 – 0,050 € depending on volumes	Minimum monthly billing according to contract
oliveCEPT®	Traditional sales contract, 90-320K € depending on capacity	Aftermarket and service excluded

FoodTech/Other	Pay-per-treatment/ Traditional sales contract, 0,025-0,21 €/ 90-320K €	Aftermarket and service excluded
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We have signed agreements with great potential. I would particularly highlight our activities in South America for cut flowers. We currently have agreements with EQR, Flores Funza, and Elite Flower Group. These alone give us a potential of around one billion roses annually in South America.

Recently we also recently entered into agreements with two world-leading forestry companies for treatment of Eucalyptus cuttings, Aperam in Brazil and CMPC in Chile. The forest cuttings market has good conditions for our technology. 22 million hectares of Eucalyptus are grown commercially and cultivated areas are continuously increasing. Furthermore, an estimated 2-3 billion Eucalyptus trees are planted annually. Approximately 30%, meaning at least 600 million of these, are cuttings. Currently, a forestry company normally plants between 50 and 100 million cuttings a year. The companies also want to increase the proportion of cuttings, as trees grown from cuttings give better yields.

The OptiBoost® for cuttings application SAGA is relatively cheap to produce, is manufactured quickly, and can be shipped by air. We work with agents with long experience and good insight into the market. Potential customers are identified, and we already entered positive discussions with many of them. It is a very exciting product for 2023 and beyond.

Our activities are progressing according to plan, and we have got an incredible amount of work done in 2022. When working with large customers we cannot always set the conditions. But we find ways forward together with them. In some cases, this takes some time, which is completely normal.

If we look at it from a larger perspective, the world is shifting focus. Sustainability and "green technology" are at the top of the agenda. Investments in and demand for technology like OptiCepts will only increase.

Finally, I would like to take the opportunity to thank OptiCepts former CEO, Johan Möllerström for his efforts over the years at OptiCept and for the fine introduction I received. We all rejoice at the good news that all suspicions against him regarding insider trading are dropped.

Now we begin the next chapter in OptiCept's history. I hope you want to join in!

Thomas Lundqvist, CEO
OptiCept Technologies

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About Us

OptiCept Technologies AB (publ) provides the food and plant industry with technological solutions that contribute to a more sustainable world and enable climate-smart economic growth. OptiCept optimizes biological processes - Increased extraction from raw material, extended shelf life, reduced waste, and improved quality (taste, aroma, color, nutritional content) of the final product.

The positive effects of technology increase efficiency for our customers, better products for the consumers, and minimal impact on our environment. Through patented technology in PEF (pulsed electric field) and VI (Vacuum Infusion), the technology opens up new business opportunities for the food and plant industry worldwide. OptiCept's vision is to contribute to a sustainable world by offering efficient green cutting-edge technology that is easy to use in the areas of FoodTech and PlantTech.

The company is located in Lund and the share is traded on the Nasdaq First North Growth Market. Erik Penser Bank is a Certified Adviser and is available at 08-463 80 00 or certifiedadviser@penser.se.

For further information visit:
[OptiCept Technologies Official Website](#)

Attachments

[Shareholder Letter – OptiCept Technologies November 2022](#)