

Press release
Lerum, September 5th, 2019

Oboya sells production property in China and releases SEK 38.4 million

Oboya Horticulture Industries AB (publ) (“Oboya”) has through its wholly-owned subsidiary Oboya Metal Qingdao Co., Ltd. in Qingdao, China, signed an agreement to sell a production property. The sales price amounted to CNY 28.0 million, corresponding to SEK 38.4 million. The sale will have a positive effect on earnings during the third quarter of 2019 of CNY 15.2 million, corresponding to SEK 20.8 million.

Oboya has, through its wholly-owned subsidiary in Qingdao, China, signed an agreement to sell the company's production property. The sale has a positive effect on profit of CNY 15.2 million, corresponding to SEK 20.8 million, improvement of the company's liquidity by SEK 15 million and reduction of the company's debt by SEK 23 million. The buyer Qingdao Huaxian Zhineng Keji Co., Ltd is a local residential development company in Qingdao with plans to build residential. Oboya Metal Qingdao's operations will continue to be run in leased premises.

The sale is because the area has in recent years developed from an industrial area to a residential- and cultural area. This has significantly increased the value of the properties. With this, there is also interest in the market for Oboya's other wholly-owned subsidiary Oboya Packaging Qingdao's production property, which is adjacent to the property sold. Underlying market valuation for this amounts to CNY 24–28 million, corresponding to SEK 33–38 million. After sales, the company's production will continue to be conducted in leased premises. Parts of the production will also be moved to Oboya's factory in Ho Chi Minh City, Vietnam.

“I am very pleased with the sale of one of our properties in Qingdao, even though the sale has taken longer than originally planned. We also have our second property there under sale, which we hope to be able to carry out either the fourth quarter of 2019 or the first quarter of 2020. Furthermore, it is satisfactory to see the relatively higher sales values compared to our original indications. We can now streamline our capital structure, significantly strengthen our liquidity and pay back some of debt,” says Oboya's CEO Robert Wu.

Erik Penser Bank is Oboyas Certified Adviser at Nasdaq First North Growth Market. Tel: + 46 8-463 83 00, E-mail: certifiedadviser@penser.se

For any inquiry regarding this press release, kindly contact:

Robert Wu, CEO of Oboya Horticulture Industries AB (publ)

Phone: + 46 (0)735 63 09 35

E-mail: robert.wu@oboaya.se

Homepage: www.oboaya.se

SWEDEN CHINA NORWAY POLAND DENMARK JAPAN KENYA

Oboya Horticulture Industries AB, Snickarevägen 2, SE-443 61 Stenkullen, Sweden

Phone: + 46 (0)302-244 80

E-mail: info@oboaya.se

Web: www.oboaya.se

This information is insider information that Oboya Horticulture Industries AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 09.00 on September 5th, 2019.

About Oboya Horticulture Industries AB

Oboya Horticulture aims to become a world-leading total supplier of consumables and logistics products for the cultivation industry as well as consumer products for home cultivation and indoor environments. Production takes place in factories in China, Poland, Vietnam and Kenya. More information about the company is available at www.oboya.se.

SWEDEN **CHINA** **NORWAY** **POLAND** **DENMARK** **JAPAN** **KENYA**

Oboya Horticulture Industries AB, Snickarevägen 2, SE-443 61 Stenkullen, Sweden

Phone: + 46 (0)302-244 80

E-mail: info@oboya.se

Web: www.oboya.se