

## **Oboya increases production capacity and streamlines the organization in Poland**

**Oboya Horticulture Industries AB ("Oboya" or "The Company") has decided to make further investments in new machines of approximately SEK 5 million in the factory in Skierniewice, Poland. The reason for the investment decision is that during the last period the Company has received inquiries and increased orders of cultivation pots. In parallel with the new investments, Oboya is merging the Polish subsidiaries in the Group. The merger is part of previously communicated profitability improvement measures and the Company's strategic plan to achieve a net margin of 5–7 percent.**

Oboya has decided to make further investments in new machines of approximately SEK 5 million at the factory in Skierniewice, Poland. The investments are being made to meet the increased demand and to strengthen the Company's presence in the Nordic market, which is the target market for the products. The investment is financed partly through own funds and partly through bank loans. The company believes that the investment in general improve Oboya's profitability and the entire investment is expected to be fully repaid over the next two years.

The new machines will initially produce cultivation pots in both recyclable plastics and biomaterials that reduce energy use, which promotes the environment and sustainability. The machines will be delivered during January 2020 and will be put into operation with immediate effect.

In parallel with the new investments, Oboya is merging the wholly-owned subsidiaries VEFI Europa Sp.z. o.o. and Oboya Horticulture Poland Sp.z o.o. to a legal entity in Poland. Merging is part of previously communicated profitability improvement measures. The merger means the cost savings attributable to reduced costs for personnel and various administrative services, which total a total of approximately SEK 2.0 million annually with full effect from January 2020.

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## **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](http://www.oboya.se).

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