



PRESS RELEASE
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Opcon: Agrees on main articles with Snowman on establishment of Opcon Powerbox JV for China

- Equity of JV should amount to 98 million CNY (approx. 110 m SEK)
- Snowman invests 50 million CNY (approx. 56 m SEK) for 51 % of shares
- Opcon to grant technology license to JV to a value of 72 million RMB (approx. 81 m SEK), giving Opcon;
 - 49% of shares in JV, equivalent of 48 million CNY (approx. 54 m SEK)
 - 24 million CNY (approx. 27 m SEK) in royalties.

Following the LOI signed in July 2014, Energy and environmental technology group Opcon AB (publ) has come to an agreement with its strategic partner Fujian Snowman Co. Ltd., Fuzhou, Fujian, China, on the main articles regarding the formation of an Equity Joint Venture for the marketing, manufacturing and sales of Opcon's Waste Heat Recovery technology, the Opcon Powerbox in China and parts of Southeast Asia.

The main articles have been adopted by the Board of Directors of Fujian Snowman Co. Ltd., and will be subject to approval by the shareholders of Snowman which is expected around the 23rd of September. A final agreement for the set-up of the JV is expected to be signed in the end of September.

The JV will be responsible for commercializing the Opcon Powerbox in China, which is seen as one of the world's largest potential market for waste heat recovery technology with strong growth. According to the feasibility study of the project conducted by Fujian Snowman Co. Ltd., yearly sales in the JV are expected to reach over 220 m CNY within two-three years. The JV will also be responsible for developing Snowman's existing manufacturing base for future low-cost, quality manufacturing of Opcon Powerbox ORC and WST in China.

Ownership and Capitalisation

The parties have agreed to form an equity joint venture that will be owned 51% by Snowman and 49% by Opcon. Initial equity of the JV will be 98 million RMB (110 m SEK). Snowman will for its 51% pay a total of 50 million RMB. Total cash contribution of Snowman will be 50 million RMB of which some will be used for the first reference equipment manufactured in Sweden.

Opcon's contribution to equity will be by a system technology license of its proprietary Opcon Powerbox ORC and WST (West Steam Turbine) technology in the Territory with certain exclusivities in China and parts of Southeast Asia. The JV will be granted exclusive manufacturing and sales rights of the Opcon Powerbox in China and exclusive manufacturing and non-exclusive sales rights for Taiwan, Thailand, Vietnam, Indonesia, Malaysia and North Korea.

Total value of the marketing, manufacturing and sales rights for the Technology in the Territory has been agreed at 72 million CNY (approx. 81 million SEK), of which 48 million CNY will be used as Opcon's equity part in the JV, while the remaining 24 million CNY will be paid as royalty to Opcon by the JV.

"Waste Heat Recovery is a grand opportunity to a global problem and one of the most promising venues for energy efficiency and reducing emissions. We believe By combining Opcon's state-of-the-art technology and know-how with Snowman's outstanding quality control, low-cost manufacturing advantage and local market

presence we aim to create a strong player that can make the Opcon Powerbox an economic and environmental success in China and abroad says Rolf Hasselström, CEO of Opcon AB.”

“Our vision for this is not only to develop the very large local Chinese market but also to create a cost-effective high performance manufacturing base for Opcon’s sales in other countries as well, says Rolf Hasselström, CEO of Opcon AB.”

Fujian Snowman Co. Ltd was founded in 2000 and is listed on the Shenzhen stock exchange. The Group has around 700 employees. Snowman is one of China’s major actors in industrial cooling. Marketing of its goods and services is primarily done through the brand Snowkey and RefComp.

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The Opcon Group Opcon

Opcon is an energy and environmental technology Group that develops, produces and markets systems and products for eco-friendly, efficient and resource-effective use of energy.

Opcon has activities in Sweden, China, Germany and the UK. There are around 140 employees. The company’s shares are listed on Nasdaq OMX Stockholm. The Group comprises two business areas:

Renewable Energy focuses on the following areas: electricity generation based on waste heat, bioenergy-powered heating and CHP plants, pellets plants, drying of biomass, handling systems for biomass, sludge and natural gas, industrial cooling, flue gas condensation, treatment of flue gases and air systems for fuel cells.

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