

Interim report for Q1 2015

Dantherm posted revenue of DKK 93m for Q1 2015 compared with DKK 100m for Q1 2014. An operating loss (EBIT) of DKK 6.1m (Q1 2014: DKK -18.3m) was posted, negatively impacted by DKK 6.2m (Q1 2014: DKK -13.8m) from the Telecom segment. As announced in 2014, an agreement on the divestment of the Telecom segment has been signed. Closing has not yet been completed. The outlook for the year as a whole is reaffirmed.

Torben Duer, President & CEO:

“Overall, Dantherm’s operating results for Q1 2015 were unsatisfactory, primarily due to the loss-making Telecom business. The HVAC business posted better results for Q1 2015 than in 2014, among other things due to the cost cuts implemented. The start to the year is traditionally characterised by low levels of activity, and increasing levels of activity are expected for the rest of the year.”

Agreement on divestment of Telecom business segment

- As reported in company announcement no. 3 of 24 March 2014, Dantherm has entered into an agreement on the divestment of the Telecom business segment. Contrary to expectations, the buyer has not yet been able to complete the transaction, and the criteria for classifying the Telecom business as a discontinuing activity are therefore not deemed to have been fulfilled even though the transaction is still expected to go ahead.

Financing and capital structure

- As announced in company announcement no. 2 of 27 March 2015, in March Dantherm renegotiated its agreement on committed facilities with the primary credit institutions. The credit institutions have undertaken to extend the committed facilities until January 2016. With the current operating conditions and the agreed committed facilities, cash management has a high priority in the dialogue with the primary credit institutions.
- The Dantherm management will continue to assess the potential for further strengthening Dantherm’s capital base.

Development in Q1 2015

- Revenue totalled DKK 93m relative to DKK 100m in Q1 2014.
- An operating loss (EBIT) of DKK 6.1m (Q1 2014: DKK -18.3m was posted), negatively impacted by DKK 6.2m (Q1 2014: DKK -13.8m) from the Telecom segment.

Outlook for 2015

Dantherm is reaffirming the outlook for 2015 of an improved operating profit (EBIT) of approx. DKK 5–10m based on the same level of revenue as in 2014.

The outlook for 2015 is based on the divestment of the Telecom business going ahead. If, contrary to expectations, the transaction is not completed, the operating profit (EBIT) outlook before any impairment of goodwill is unchanged.

Any enquiries concerning this announcement can be directed to President & CEO Torben Duer on tel. +45 99 14 90 14.

In case of doubt the Danish version of this announcement is applicable

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About Dantherm

Dantherm was founded in 1958 by Ejler Olsen, the company's first product being a warm air heater for heating workshops and industrial buildings.

In the course of the following years, the product portfolio was extended to also include dehumidifiers, ventilation products, mobile heating and cooling units (the HVAC segment) and climate control products for the telecom industry (the Telecom segment)

Today, Dantherm is divided into two business segments: HVAC (Heating, Ventilation, Air Conditioning) and Telecom.

Within the HVAC business segment, Dantherm is an important European provider of products and solutions based on more than 50 years of experience within the heating, ventilation, cooling and dehumidification of air.

Within the Telecom business segment, Dantherm is a leading supplier of climate control products for radio base stations in telecom networks. In March 2014, Dantherm concluded an agreement on the divestment of the Telecom business segment, but the transaction has not yet been completed.

Dantherm's special competencies comprise extensive know-how within climate control, product development expertise and state-of-the-art production and test facilities in Europe, Asia and North America.

Dantherm's markets are driven by an increased focus on indoor climate and energy efficiency, which supports the ambition of increasing the company's value through growth in revenue and earnings.

Dantherm is domiciled in Skive, Denmark and has been listed on NASDAQ OMX since 2002.

Read more at www.dantherm.com

Financial highlights

| DKKm | Q1 | | FY |
|--|-------|--------|-------|
| | 2015 | 2014 | 2014 |
| Income statement: | | | |
| Revenue | 93.5 | 100.1 | 441.0 |
| Earnings before depreciation, amortisation etc. (EBITDA) | -1.5 | -2.3 | 13.0 |
| Earnings before impairment of goodwill (EBITA) | -6.0 | -7.3 | -7.8 |
| Goodwill impairment | -0.1 | -11.0 | -11.0 |
| Operating loss (EBIT) | -6.1 | -18.3 | -18.8 |
| Net financials | -2.0 | -3.9 | -14.8 |
| Earnings before tax (EBT) | -8.1 | -22.2 | -33.6 |
| Net loss for the period | -8.1 | -22.2 | -28.5 |
| Balance sheet, end of period: | | | |
| Working capital | 61.1 | 63.1 | 61.4 |
| Net interest-bearing debt, credit institutions | 212.9 | 209.1 | 209.1 |
| Balance sheet total | 380.0 | 373.3 | 387.5 |
| Equity | 57.4 | 62.8 | 59.6 |
| Invested capital | 270.3 | 272.0 | 268.7 |
| Cash flows: | | | |
| Cash flow from operating activities | 0.0 | 0.2 | 10.2 |
| Cash flow from investing activities | -3.5 | -5.5 | -16.3 |
| Cash flow from financing activities | 0.0 | -1.9 | -6.1 |
| Cash flow for the period | -3.5 | -7.2 | -12.2 |
| RATIOS | | | |
| Financial ratios: | | | |
| Growth rate (growth in revenue) | -6.6% | -15.5% | -8.4% |
| Profit margin (EBIT %) | -6.5% | -18.3% | -4.3% |
| Equity interest | 15.1% | 16.8% | 15.4% |
| Average number of employees | 420 | 474 | 460 |
| Share-related ratios: | | | |
| Earnings per share (EPS), DKK | -1.14 | -3.12 | -4.01 |
| Diluted earnings per share (EPS-D), DKK | -1.14 | -3.12 | -4.01 |
| Cash flow per share, DKK | 0.0 | 0.0 | 1.4 |
| Equity value, end of period, DKK | 8.0 | 8.7 | 8.3 |
| Share price, end of period, DKK | 11.5 | 15.0 | 9.2 |
| Price/equity value | 1.4 | 1.7 | 1.1 |
| Number of shares of DKK 10 each, end of period ('000) | 7,191 | 7,191 | 7,191 |

Management's review

Agreement on divestment of Telecom business segment

As reported in company announcement no. 3 of 24 March 2014, Dantherm has entered into an agreement on the divestment of the Telecom business segment. Contrary to expectations, the buyer has not yet been able to complete the transaction, and the criteria for classifying the Telecom business as a discontinuing activity are therefore not deemed to have been fulfilled even though the transaction is still expected to go ahead.

Financing and capital structure

As announced in company announcement no. 2 of 27 March 2015, in March Dantherm renegotiated its agreement on committed facilities with the primary credit institutions. The credit institutions have undertaken to extend the committed facilities until January 2016. With the current operating conditions and the agreed committed facilities, cash management has a high priority in the dialogue with the primary credit institutions.

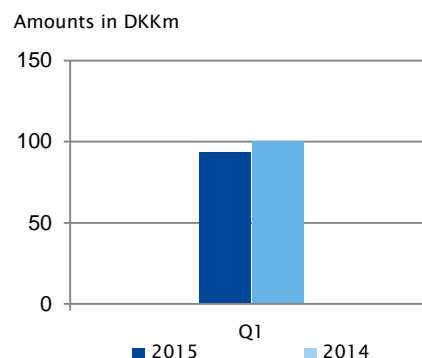
The Dantherm management will continue to assess the potential for further strengthening Dantherm's capital base.

Comments on the Q1 financial statements

Dantherm posted revenue of DKK 93m for Q1 2015 compared with DKK 100m for Q1 2014.

The decline in revenue is attributable to the Telecom business segment, while revenue for the HVAC business segment was on a par with the same period in 2014.

REVENUE PER QUARTER



Goodwill was impaired by DKK 0.1m in Q1 2015 relative to DKK 11.0m in Q1 2014. The impairment of goodwill is based on the share transfer agreement in connection with the divestment of the Telecom business segment.

Depreciation and amortisation totalled DKK 4.5m in Q1 2015 relative to DKK 5.0m in Q1 2014. In Q1 2015, the amortisation period for development projects was changed from three to five years based on the expected period of economic benefit of the developed products, and depreciations are as result of this DKK 0,3m lower in Q1 2015.

An operating loss (EBIT) of DKK 6.1m (Q1 2014: DKK -18.3m) was posted, negatively impacted by DKK 6.2m (Q1 2014: DKK -13.8m) from the Telecom segment.

Net financials totalled DKK 2.0m for Q1 2015 against DKK 3.9m in Q1 2014, the development being attributable primarily to USD foreign exchange gains in Q1 2015.

A loss of DKK 8.1m before tax was posted against a loss of DKK 22.2m for the prior-year period.

Cash flows and interest-bearing debt

Cash flows from operating activities were DKK 0m in Q1 2015 and on the same level as the prior-year period.

Cash flows from investing activities and financing activities in Q1 2015 are lower than in the same period in 2014.

Dantherm's net interest-bearing debt amounted to DKK 213m at the end of Q1 2015 against DKK 209m at the end of 2014. Interest-bearing debt include finance lease commitments and bank debt related to properties of DKK 89m.

Developments in business segments

Dantherm's activities are structured into two business segments - HVAC and Telecom. Moreover, Dantherm owns approx. 38% of the associate Dantherm Power, the revenue of which is not included in Dantherm's consolidated revenue.

HVAC revenue for Q1 2015 was on a par with the same period in 2014. EBITDA of DKK 4.7m was posted for Q1 2015 against DKK 1.1m for the prior-year period as a result of lower costs.

Telecom revenue declined by 18% in Q1 2015 relative to the prior-year period, due to lower sales to network suppliers. EBITDA for Q1 2015 amounted to a loss of DKK 5.2m against a loss of DKK 1.4m last year due to lower revenue.

Outlook 2015

Dantherm is reaffirming the outlook for 2015 of an improved operating profit (EBIT) of approx. DKK 5-10m based on the same level of revenue as in 2014.

The outlook for 2015 is based on the divestment of the Telecom business being completed. If, contrary to expectations, the transaction is not completed, the operating profit (EBIT) outlook before any impairment of goodwill is unchanged.

Statement by the Board of Directors and the Board of Executives

Today, the Board of Directors and the Board of Executives have considered and approved the interim report of Dantherm A/S for the period 1 January – 31 March 2015.

The interim financial statements, which have not been audited or reviewed by the company's auditors, are presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets, equity and liabilities and financial position as at 31 March 2015 and of the results of the group's operations and cash flows for the period 1 January – 31 March 2015.

We also find that the management's review contains a fair review of the development in the group's activities and financial affairs, the results for the period and the group's financial position as a whole as well as a description of the main risks and uncertainties facing the group.

Skive, Denmark, 29 April 2015

Board of Executives:

Torben Duer
President & CEO

Bjarke Brøns
CFO

Board of Directors:

Jørgen Møller-Rasmussen
Chairman

Preben Tolstrup Nils R. Olsen
Deputy Chairman

Henrik Sørensen

Conni-Dorthe Laursen

Per F. Pedersen

Søren Ø. Hansen

Income statement

| DKKm | Q1 | | FY |
|--|-------------|--------------|--------------|
| | 2015 | 2014 | 2014 |
| Revenue | 93.5 | 100.1 | 441.0 |
| Other operating expenses | -0.1 | -0.7 | -2.2 |
| Costs of raw materials and consumables | -47.2 | -53.1 | -227.8 |
| Other external expenses | -16.4 | -15.9 | -46.1 |
| Staff costs | -31.3 | -32.7 | -151.9 |
| Earnings before depreciation, amortisation etc. (EBITDA) | -1.5 | -2.3 | 13.0 |
| Goodwill impairment | -0.1 | -11.0 | -11.0 |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | -4.5 | -5.0 | -20.8 |
| Operating loss (EBIT) | -6.1 | -18.3 | -18.8 |
| Net financials | -2.0 | -3.9 | -14.8 |
| Loss from continuing operations before tax (EBT) | -8.1 | -22.2 | -33.6 |
| Tax on loss for the period | 0.0 | 0.0 | 5.1 |
| Net loss for the period | -8.1 | -22.2 | -28.5 |
| Distributed as follows: | | | |
| Shareholders of Dantherm A/S | -8.1 | -22.2 | -28.5 |
| Earnings per share | | | |
| Earnings per share (EPS), DKK | -1.1 | -3.1 | -4.0 |
| Diluted earnings per share (EPS-D), DKK | -1.1 | -3.1 | -4.0 |

Statement of comprehensive income

| DKKm | Q1 | | FY |
|--|-------------|--------------|--------------|
| | 2015 | 2014 | 2014 |
| Net loss for the period | -8.1 | -22.2 | -28.5 |
| Other comprehensive income: | | | |
| Items which may be reclassified to the income statement: | | | |
| Foreign currency translation adjustment, foreign enterprises | 5.9 | -0.8 | 3.1 |
| Value adjustment of hedging instruments | 0.0 | -0.8 | -1.6 |
| Other comprehensive income after tax | 5.9 | -1.6 | 1.5 |
| Total comprehensive income | -2.2 | -23.8 | -27.0 |
| Distributed as follows: | | | |
| Shareholders of Dantherm A/S | -2.2 | -23.8 | -27.0 |
| Total comprehensive income | -2.2 | -23.8 | -27.0 |

Balance sheet

| DKKm | 31/3 2015 | 31/3 2014 | 31/12 2014 |
|--|--------------|--------------|--------------|
| Intangible assets | 91.8 | 87.2 | 89.8 |
| Property, plant and equipment | 102.2 | 111.1 | 103.9 |
| Financial assets | 2.8 | 2.2 | 2.5 |
| Other non-current assets | 15.1 | 11.1 | 13.8 |
| Total non-current assets | 211.9 | 211.6 | 210.0 |
| Inventories | 95.3 | 93.3 | 91.0 |
| Trade receivables | 56.8 | 58.8 | 67.1 |
| Other receivables | 12.4 | 7.6 | 10.1 |
| Cash | 3.6 | 2.0 | 9.3 |
| Total current assets | 168.1 | 161.7 | 177.6 |
| TOTAL ASSETS | 380.0 | 373.3 | 387.5 |
| The Dantherm A/S shareholders' share of equity | 57.4 | 62.8 | 59.6 |
| Total equity | 57.4 | 62.8 | 59.6 |
| Provisions | 0.5 | 0.5 | 0.5 |
| Credit institutions | 82.7 | 87.9 | 6.6 |
| Total non-current liabilities | 83.2 | 88.4 | 7.1 |
| Provisions | 2.2 | 2.3 | 2.2 |
| Credit institutions | 133.8 | 123.2 | 211.8 |
| Trade payables | 51.5 | 47.7 | 52.9 |
| Other payables | 51.9 | 48.9 | 53.9 |
| Total current liabilities | 239.4 | 222.1 | 320.8 |
| Total liabilities | 322.6 | 310.5 | 327.9 |
| TOTAL EQUITY AND LIABILITIES | 380.0 | 373.3 | 387.5 |

Cash flow statement

| DKKm | Q1 | | FY |
|--|-------------|-------------|--------------|
| | 2015 | 2014 | 2014 |
| Loss before tax | -8.1 | -22.2 | -33.6 |
| Adjustment for non-cash operating items etc. | 10.2 | 20.9 | 47.9 |
| Cash flow from primary operations before changes in working capital | 2.1 | -1.3 | 14.3 |
| Change in inventories | -4.3 | 4.7 | 7.0 |
| Change in receivables | 8.0 | 14.7 | 6.9 |
| Change in trade payables and other payables | -3.4 | -13.5 | -3.7 |
| Cash flow from primary operations | 2.4 | 4.6 | 24.5 |
| Financial items, paid | -2.0 | -3.9 | -14.8 |
| Cash flow from ordinary operations | 0.4 | 0.7 | 9.7 |
| Income tax paid | -0.4 | -0.5 | 0.5 |
| Cash flow from operating activities | 0.0 | 0.2 | 10.2 |
| Cash flow from investing activities | -3.5 | -5.5 | -16.3 |
| Cash flow from financing activities | 0.0 | -1.9 | -6.1 |
| Cash flow for the period | -3.5 | -7.2 | -12.2 |

Statement of changes in equity

| DKKm | 31/3 2015 | 31/3 2014 | 31/12 2014 |
|--|-------------|--------------|--------------|
| Equity as at 1 January | 59.6 | 86.6 | 86.6 |
| Comprehensive income | | | |
| Net loss for the period | -8.1 | -22.2 | -28.5 |
| Other comprehensive income | | | |
| Items which may be reclassified to the income statement: | | | |
| Foreign currency translation adjustment, foreign enterprises | 5.9 | -0.8 | 3.1 |
| Value adjustment of hedging instruments | 0.0 | -0.8 | -1.6 |
| Total other comprehensive income | 5.9 | -1.6 | 1.5 |
| Total comprehensive income | -2.2 | -23.8 | -27.0 |
| Total equity | 57.4 | 62.8 | 59.6 |

Notes

Note 1: Accounting estimates and assessments

The preparation of interim reports requires the management to make certain accounting estimates and assessments which affect the application of the accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The significant estimates made by the management in applying the group's accounting policies and the considerable uncertainty associated with these estimates are the same for the preparation of the compiled interim report and the preparation of the annual report as at 31 December 2014, and reference is made to the description in note 1 in the annual report.

In Q1 2015, the amortisation period for development projects was changed from three to five years based on the expected period of economic benefit of the developed products, and depreciations are as result of this DKK 0,3m lower in Q1 2015.

Note 2: Segment information

Dantherm's reportable segments comprise the two strategic business segments HVAC and Telecom, which sell different products and services and have separate managements.

The development of the business segments is primarily assessed on the basis of the profit/loss before depreciation, amortisation, impairment losses and write-downs (EBITDA). The internal financial reporting on which the assessments are based follows the group's accounting policies.

| DKKm | Q1 2015 | | | | Q1 2014 | | | |
|------------------|---------|---------|---------------------------|-------------|---------|---------|---------------------------|-------------|
| | HVAC | Telecom | Total reportable segments | Group total | HVAC | Telecom | Total reportable segments | Group total |
| External revenue | 61.5 | 32.0 | 93.5 | 93.5 | 61.0 | 39.1 | 100.1 | 100.1 |
| Internal revenue | 4.6 | 1.8 | 6.4 | 0.0 | 7.9 | 2.3 | 10.2 | 0.0 |
| Total revenue | 66.1 | 33.8 | 99.9 | 93.5 | 68.9 | 41.4 | 110.3 | 100.1 |
| EBITDA | 4.7 | -5.2 | -0.5 | -1.5 | 1.1 | -1.4 | -0.3 | -2.3 |

| DKKm | FY 2014 | | | |
|------------------|---------|---------|---------------------------|-------------|
| | HVAC | Telecom | Total reportable segments | Group total |
| External revenue | 277.1 | 163.9 | 441.0 | 441.0 |
| Internal revenue | 35.3 | 12.0 | 47.3 | 0.0 |
| Total revenue | 312.4 | 175.9 | 488.3 | 441.0 |
| EBITDA | 24.6 | -3.3 | 21.3 | 13.0 |

Note 3: Fair value measurement of financial instruments

The subsidiary Dantherm Air Handling A/S has entered into a fixed-rate interest rate swap for hedging the floating interest rate on loans in the property in Skive.

As at 31 March 2015, the fair value of the outstanding interest rate swap is negative at DKK 13.4m. The accounting value corresponds to the fair value. The term of the interest rate swap corresponds to the term of the loan in the property, which expires in June 2020.

As at 31 December 2014, the fair value and the accounting value of the interest rate swap were also negative at DKK 13.4m.

The interest rate swap is valued at level 2 in the fair value hierarchy with recurring fair value measurements. Measurements are based on generally accepted valuation methods.

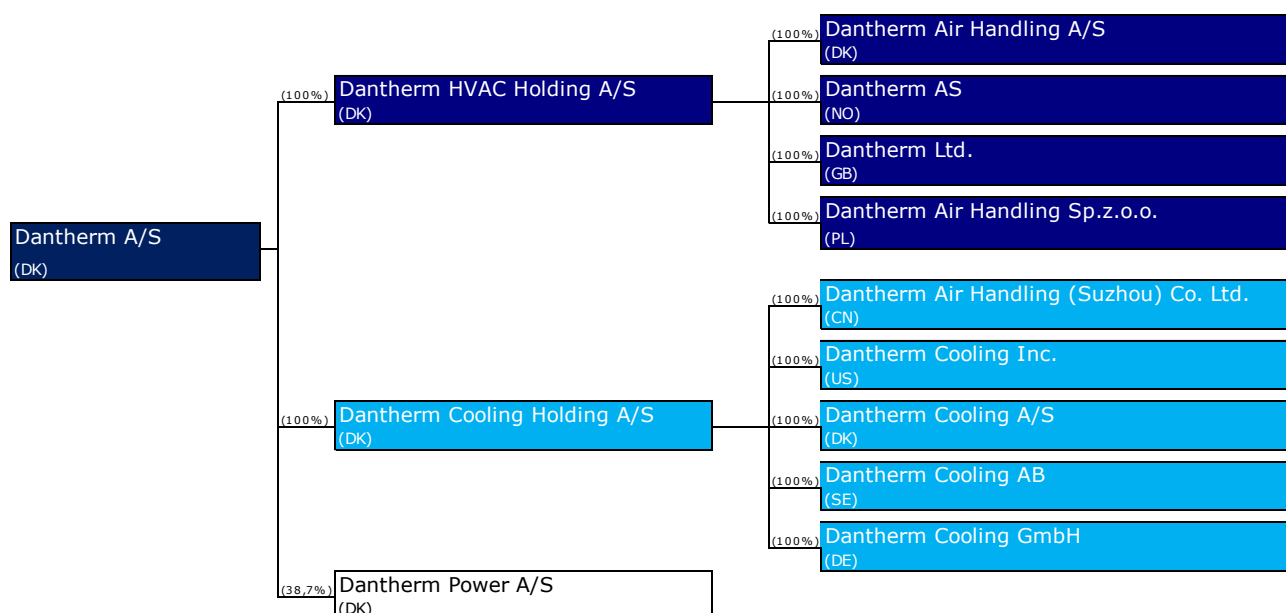
Note 4: Accounting policies

The interim report is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

The consolidated financial statements and the financial statements for 2014 contain the full description of the accounting policies.

The accounting policies have been applied consistently with the annual report for 2014, except that the group has implemented new accounting standards (IFRS and IAS) and interpretations (IFRIC) which have taken effect in 2015. The new standards and interpretations have not affected the recognition and measurement.

Group chart



Disclaimer

This announcement contains forward-looking statements that reflect the management's current perception of future events and financial results. The statements made about 2015 and coming years are naturally subject to uncertainty, and Dantherm's actual results may therefore deviate from the outlook. Factors which may cause the actual results to deviate from the outlook include, but are not limited to, changes in the group's activities and market conditions, such as raw materials prices, exchange rates and the economic climate. This interim report should not be construed as an encouragement to buy or sell shares in Dantherm.