



PRESS RELEASE  
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Stockholm

## **Opcon: signs share purchase agreement concerning the sale of compressor and Waste Heat Recovery business for SEK 400 million**

Opcon, the energy and environmental technology Group, has signed a share purchase agreement concerning the sale of the Group's business in compressor technology and Waste Heat Recovery. The deal includes the newly formed holding company, Opcon Compressor Technology AB, and the subsidiaries Svenska Rotor Maskiner AB, Opcon Energy System AB as well as 48.9796% of the shares in the joint venture in China, Fujian Opcon Energy Technology Co. Ltd. The acquisition also includes all the intellectual property rights relating to compressor technology and Opcon Powerbox. The Opcon brand will also be transferred but will continue to be used by the Opcon Group during a transition period.

The purchase amount, following the performance of due diligence based on the accounts dated 31 March 2015, is set at SEK 400 million. 15% of the purchase amount shall be paid in cash within 20 days of the agreement coming into effect through the approval given by an extra general meeting of Opcon shareholders and by the investment committee of the investment company that controls the buyer. The remaining 85% of the purchase amount shall be paid in cash upon the closing of the deal, which is expected to be 30 September 2015, when the buyer will gain ownership of the transferred shares.

The share purchase agreement has been signed with the Chinese investment fund, Shanghai XingXueKang Investment Partnership, which is controlled by the Chinese investment company, Fujian XingXueXuanYuan Capital Management Co., Ltd. This investment company was set up by Fujian Snowman Co. Ltd., which has a 29% stake, and other Chinese investors. The agreement is conditional on acceptance being given by an extra meeting of Opcon AB shareholders and on acceptance by the investment committee of Fujian XingXueXuanYuan Capital Management Co. Ltd.

Snowman is Opcon's largest regular customer and the second largest owner of Opcon, controlling 17% of the capital and voting rights.

Svenska Rotor Maskiner AB (SRM) was founded in 1908 as AB Ljungströms Ångturbin and is the inventor of the screw compressor, among other achievements. SRM is Opcon's center-of-excellence for compressor technology and holds all intellectual property related to the compressor technology that has been developed by it since the 1930s. Opcon Energy Systems AB is the operating company in the compressor and waste heat recovery part of Opcon's business and the owner of the Opcon Powerbox technology for generating electricity from low-temperature waste heat. The companies have around 45 employees and had a joint sales turnover of around SEK 71 million in 2014 with an operating profit EBITDA of around SEK 9 million.

- "I am proud and happy that we have been able to finish this agreement within the time we set ourselves. There is an enormous amount of work behind this from all involved. This deal is good for Opcon and Opcon's shareholders. Opcon will receive SEK 400 million in cash from

the sale, which will strengthen the company's financial position considerably. The remaining part of the Group will have around 100 employees in Sweden, Germany and the UK with a strong focus on bioenergy. As a result we have initiated a full review of Opcon's organizational structure and strategy," says Rolf Hasselström, President and CEO of Opcon.

- "SRM is a part of Swedish industrial history. That SRM and Opcon Energy Systems along with our new cutting-edge energy- and environmental technology Opcon Powerbox are now being sold to China is something of a sign of our times. The majority of our sales turnover in these companies already have Chinese final customers, and we see how the Chinese are now investing heavily in industry, renewable energy and increased energy efficiency. We are convinced that this agreement will be positive for the companies and their employees and we feel confident that this will give SRM and Opcon Energy Systems the increased resources and contacts needed in the fast-growing Chinese market in order to develop, grow and to employ even more people also in Sweden" says Rolf Hasselström, President and CEO of Opcon.

Advisors to Opcon have been Awapatent AB, Hamilton Advokatbyrå and Erik Penser Bankaktiebolag. Legal advisor for the Buyer has been Advokatfirman Vinge.

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***The Opcon Group***

*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, Germany and the UK. There are around 140 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises one business area:*

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

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