

## Extension of option agreement concerning divestment of Telecom business segment

**Dantherm has extended an option agreement on the divestment of its Telecom business segment until 9 March 2016.**

In 2014, Dantherm entered into a binding agreement with the parent company of China Technologies Holdings Group Co. (Hong Kong) (CTHG) concerning the divestment of the Telecom business segment. So far, the buyer has been unable to complete the transaction.

The divestment of the HVAC business segment to Procuritas on 15 January 2016 (see company announcement no. 1) included the Telecom EMEA companies, for which reason the agreement with CTHG was terminated by Dantherm, while giving CTHG the option of re-entering into the former agreement by the end of February 2016.

Based on an agreed extension of the deadline for re-entering into the agreement up until Wednesday 9 March 2016, Dantherm is negotiating an updated agreement with CTHG on the acquisition of the entire Telecom segment including the Telecom EMEA companies.

If the divestment to CTHG is realised, Dantherm's only remaining activities will be the company's 43% stake in Dantherm Power.

If the divestment of the Telecom activities to CTHG is not realised, Dantherm will seek to divest the operating activities individually.

The proceeds from any sale cannot be calculated until the agreements have been finalised, but in both scenarios, the net proceeds are at present expected to be considerably lower than the company's interest-bearing debt, and Dantherm moving into negative equity, after which Dantherm will be in a capital loss situation as defined by the Danish Act on Public and Private Limited Companies.

Following the divestment of all operating activities, a winding-up process will – subject to agreement with Dantherm's credit institutions – commence, which will include exploring the possible sale of the listed company and its tax asset, although this would be conditional upon the making of a composition concerning the outstanding debt with the credit institutions. Whether the divestment of the listed company is possible is uncertain, and it is therefore doubtful whether the final winding-up process will result in minimal proceeds for the company's shareholders.

The Board of Directors will update the market further as soon as new information becomes available.

### **Financial statements**

The financial statements for 2015 will be published on 29 March, and not as previously announced on 18 March. As announced earlier, the annual general meeting will be held on 27 April 2016. The deadline for submitting items for the agenda is 18 March 2016.

Any enquiries concerning this announcement can be directed to Chairman of Dantherm's Board of Directors Jørgen Møller-Rasmussen on tel. +45 23 20 50 50.

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