



PRESS RELEASE

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STOCKHOLM

Opcon develops new bioenergy strategy and winds up drying system business

As part of its work in developing and launching a new strategy for bioenergy, the Board of Opcon, the energy and environmental technology Group, has decided to close down the low-temperature drier business that has for several years required extensive resources and suffered considerable profitability problems. As a consequence of this decision, the Group is reporting an impairment of assets amounting to SEK 82.4 million, of which SEK 71.8 million was for intangible assets with the remainder covering inventory.

In accordance with IAS 10.7 this decision means that the year-end accounts for 2012 have been adjusted, and operating earnings for 2012 have been impacted by SEK 82.4 million. The parent company is writing down the value of shares in the subsidiary to their net worth, which means an impairment of SEK 130 million.

This change is part of Opcon's major financial and operational turn-around where a key component is a sharper focus within the Swedish bioenergy business, which has been losing large amounts of money in recent years. This measure will not have any negative effect on cash flow and will contribute to an improvement in operating earnings going forward. Sales of low-temperature driers in 2012 amounted to SEK 0.

“Development of driers has taken a large amount of the Group's resources over the past five to six years. Our current assessment of the market and of the resources required for further commercialisation of this equipment means that we instead choose to focus on areas and markets that we consider to have better opportunities for development over both the short and long term. Compared with last year, this measure

alone will mean an improvement in operating earnings by around 5-10 million per year. This is yet another stage in our restructuring activities and in our efforts to regain profitability. We are concentrating available resources on our initiative with Opcon Powerbox for the recycling of waste and surplus heat to generate electricity,” says Rolf Hasselström, President and CEO of Opcon AB.

Opcon’s focus going forward within bioenergy means a return to core business with its Saxlund, Svensk Rökgasenergi and Opti Energy brands within flue gas condensation and treatment, material handling, bioenergy plants and a more developed aftermarket business.

Greater efforts will also be focused the fast-expanding markets in which the cornerstone of development is Saxlund in Germany and the UK. Resources will be switched from the Swedish market to further strengthen the UK market following the average growth of 30% per year that Saxlund has reported in the UK over the past five years. Licensing of technology has been initiated to exploit the company’s strong technology on several markets with lower risk. Licensing agreements have so far been signed for flue gas condensers and incineration technology with Axis in Lithuania to cover the markets in the Baltic states, Belarus and Ukraine. Royalties from this agreement have already started flowing.

Stefan Wallerman will be the new CEO for Saxlund Bioenergy AB in Sweden with responsibility for the Saxlund and Svensk Rökgasenergi brands. Stefan Wallerman is 33, has an excellent background in engineering and joined Opcon in 2009. He has worked throughout the company’s bioenergy operation. He studied civil engineering with a focus on mechanical engineering at Sweden’s Royal Institute of Technology. He previously worked with engine development at Scania and as a consultant for Semcon.

“We are now looking to the future with a finely-honed organization that features a high level of competence and experience with well-proven technical solutions at competitive prices. With business in Germany and the UK and over 60 years of experience we offer a broad international presence and documented experience across most applications,” says Stefan Wallerman, CEO of Saxlund Bioenergy AB.

Saxlund and SRE are leading bioenergy brands and a part of Opcon’s Renewable Energy business area and its Waste To Value initiative with a special focus on Waste Heat Recovery and bioenergy. Within the bioenergy sector, Opcon offers everything from the design of complete combined heat and power (CHP) plants to handling systems and incineration plants under the Saxlund brand. Under the SRE brand, systems are supplied for treatment

and improved energy efficiency for bioenergy-powered district heating plants, sawmills, pellets producers and commercial greenhouses. The offer also includes flue gas condensation equipment for industrial activities. The Opcon Group also supplies Opcon Powerbox for production of green electricity produced from hot water or wet steam.

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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 150 employees. The company's shares are listed on Nasdaq OMX Stockholm. The Group comprises one business area:

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

The information in this report is such that Opcon AB (publ) is obliged to disclose in accordance with Swedish securities markets law and/or Swedish law on trading in financial instruments.

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