



PRESS RELEASE 22 NOVEMBER 2018

## The Board of Directors in Ovzon proposes a guaranteed rights issue up to SEK 750 million to finance the Company's first satellite

The Board of Directors in Ovzon AB (publ) ("Ovzon" or the "Company") today announces a notice to an Extra General Meeting on 21 December 2018. The general meeting is proposed to resolve to authorize the Board of Directors to, among others, carry out a fully guaranteed rights issue up to SEK 750 million (the "Rights Issue"). The proceeds from the Rights Issue will be used to finance the Company's first satellite – Ovzon-3.

### SUMMARY

- The Board of Directors today announces a notice to an Extra General Meeting on 21 December 2018. The general meeting is proposed to resolve to authorize the Board of Directors to, among others, carry out a fully guaranteed rights issue up to SEK 750 million and to change the limits of the number of shares and share capital of the articles of association.
- The proceeds from the Rights Issue will primarily be used to finance the Company's own satellite – Ovzon-3 – which is planned to be launched during the fourth quarter of 2020 at the earliest.
- The Rights Issue is fully guaranteed through a combination of subscription and guarantee undertakings. Provided that the Extra General Meeting authorizes the Board of Directors and that the Board of Directors resolves to carry out the Rights Issue:
  - Certain of the Company's major shareholders, including Investment AB Öresund, Bure Equity AB, AFA Försäkring, Catella Fonder, Handelsbanken Fonder and Dan Sten Olsson (including other family members), have undertaken to subscribe for their respective pro-rata portion of the proposed Rights Issue. These subscription undertakings amount to, in aggregate, approximately SEK 333 million, equivalent to approximately 44 percent of the Rights Issue; and
  - certain existing shareholders, including Investment AB Öresund, Bure Equity AB and AFA Försäkring, and certain external guarantors have provided guarantee commitments which, in aggregate, amount to approximately SEK 417 million, equivalent to approximately 56 percent of the Rights Issue with provisions for customary conditions.
- Shareholders with aggregate holdings corresponding to approximately 81 percent of the number of shares and votes in Ovzon, have undertaken to vote in favor of the proposal of authorization to issue shares and changes to the articles of association.
- The subscription period in the Rights Issue is expected to take place during January 2019.



- The Company has furthermore decided to initiate a process for a listing change to Nasdaq Stockholm. The Company's ambition is to complete the listing change during the second half of 2019.

## BACKGROUND AND REASONS

Ovzon provides satellite based broadband services through user friendly, compact and light terminals, targeting markets and customers in need of high capacity in combination with mobility. This comprise, among others, users which are dependent on real-time sensors and video uploads, either from mobile platforms or directly from users transmitting on-the-go.

Ovzon's current system is designed to give competitive advantages through a unique combination of multiple applications, including high mobility, high-speed data, both in uplink and in downlink, small terminals and high link availability. Ovzon's own satellite design could furthermore give steerable coverage areas and enable direct communication between smaller terminals.

Ovzon's current services offering is based on leased satellite transponders from existing satellites. To broaden the service coverage and the total available bandwidth, the Company intends to lease additional satellite capacity from satellites that are in manufacturing and are planned to be launched in 2019.

Since its establishment, the strategic goal of the Company has been to launch its own satellites, of which the first is referred to as Ovzon-3. The development of the satellite has been underway for a long time. The Company assesses that Ovzon-3 will entail, among other things, significantly increased service performance, new types of services, the potential to use even smaller terminals, increased coverage areas and more available bandwidth, which in all leads the Company to believe that it will be able to offer a more advanced and valuable satellite communication service based on its own satellite.

The total investment for Ovzon-3 is estimated to amount to approximately SEK 1.5 billion. The Company expects to finance SEK 750 million through the Rights Issue and approximately SEK 750 million through existing funds and external loans.

Ovzon plans to launch Ovzon-3 during the fourth quarter of 2020 at the earliest. Based on an optimized utilization of the satellite's capacity, the Company expects that Ovzon-3 will generate annual revenues of up to SEK 1 billion with a better margin.

## EXTRA GENERAL MEETING

The Board of Directors today convene the shareholders to an Extra General Meeting to authorize the Board of Directors to resolve on new share issues and changes of the limits for the number of shares and share capital in the articles of association. The Extra General Meeting will be held on 21 December 2018 at the Company's premises at Anderstorpsvägen 10 in Solna.

## SUBSCRIPTION UNDERTAKINGS, GUARANTEE COMMITMENTS AND VOTING COMMITMENTS

Provided that the Extra General Meeting resolves to authorize the Board of Directors and that the Board of Directors resolves to carry out the Rights Issue, certain of the Company's major shareholders, including Investment AB Öresund, Bure Equity AB, AFA Försäkring, Catella Fonder, Handelsbanken Fonder and Dan Sten Olsson (including other family members), have undertaken to subscribe for their respective pro-rata portion of the Rights Issue. These subscription undertakings amount to, in aggregate, approximately SEK 333 million, equivalent to 44 percent of the Rights Issue.



In addition to the aforementioned subscription commitments, certain existing shareholders, including Investment AB Öresund, Bure Equity AB and AFA Försäkring, and certain external guarantors, have provided guarantees with provisions for customary conditions which, in aggregate, amount to approximately SEK 417 million equivalent to approximately 56 percent of the Rights Issue. No guarantor has undertaken a guarantee above SEK 75 million.

Consequently, the Rights Issue is fully guaranteed through the subscription and guarantee undertakings mentioned above.

The Company's largest shareholder OverHorizon (Cyprus) Plc and the shareholders that have entered into the subscription undertakings, with aggregate holdings corresponding to approximately 81 percent of the number of shares and votes in Ovzon, have undertaken to vote in favor of the proposal of authorization to issue shares and changes to the articles of association.

## ADVISORS

Carnegie Investment Bank is financial adviser and Baker McKenzie is legal adviser to the Company in connection with the Rights Issue.

*This information is information that Ovzon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 11:00 AM CET on 22 November 2018.*

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## ABOUT OVZON

Ovzon offers a revolutionary mobile broadband service via satellite combining high bandwidth with highly mobile terminals – offering speeds up to 80 times faster than competing services. Applications include real-time sensor and video upload, either from moving or highly mobile platforms or directly from users on-site transmitting on-the-go. Ovzon is headquartered in Solna, Sweden and has offices in Tampa, FL and Bethesda, MD in the United States. The share (OVZON) is traded on Nasdaq First North Premier, FNCA Sweden AB is the company's Certified Adviser. Read more on [www.ovzon.com](http://www.ovzon.com).



## IMPORTANT INFORMATION

The information in this press release do not contain any offering to purchase, subscribe or in any other way trade with shares or any other financial instruments in Ovzon.

## FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.