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Ovzon announces final outcome of the fully guaranteed rights issue

The final outcome for Ovzon AB's (publ) ("Ovzon" or "the Company") fully guaranteed rights issue, for which the subscription period ended on 23 January 2019 (the "Rights Issue"), shows that 21,295,104 shares, corresponding to approximately 84.5 percent of the shares offered, was subscribed with and without subscription rights including shareholders in OverHorizon (Cyprus) PLC. Guarantee undertakings corresponding to 3,894,093 shares, approximately 15.5 percent of the shares in the Rights Issue, will thus be utilized. The Rights Issue will provide the Company with approximately SEK 750 million before deduction for issue costs.

ABOUT THE RIGHTS ISSUE

Those registered by Euroclear Sweden AB as a shareholder in Ovzon on the record date on 7 January 2019 had preferential rights to subscribe for shares in the Rights Issue. For each share held in Ovzon, three (3) subscription rights were received. One (1) subscription right entitled to subscribe for one (1) new share at the subscription price SEK 29.70. In addition, it was offered the opportunity to subscribe for shares without subscription rights.

PREPAYMENT OF LOANS

In connection with the Rights Issue, the Company, OverHorizon (Cyprus) PLC and Carnegie Investment Bank have agreed that the Company shall, in advance, repay approximately SEK 14.3 million of the Company's debt to Etheron AB¹ and to Equi Performance Sweden AB², to be used for subscription of shares in the Rights Issue.

FINAL OUTCOME

The Rights Issue comprised a maximum of 25,189,197 shares, of which 18,822,169 shares, corresponding to approximately 74.7 percent, have been subscribed with subscription rights. In total, 1 654 705 shares, corresponding to approximately 6.6 per cent, have been subscribed without subscription rights from shareholders in OverHorizon (Cyprus) PLC. Other subscribed shares without subscription rights amount to 818,320 shares corresponding to approximately 3.2 percent of the Rights Issue. A total of 21,295,104 shares, corresponding to approximately 84.5 percent of the offered shares, have been subscribed with and without subscription rights (including subscriptions from shareholders in OverHorizon (Cyprus) PLC). Guarantee undertakings corresponding to 3,894,093 shares, approximately 15.5 per cent of the shares in the Rights Issue, will thus be utilized.

NOTICE OF ALLOTMENT

¹ Etheron AB is a company controlled by the Company's CEO, Per Wahlberg.

² Equi Performance Sweden AB is a company controlled by the Company's board member, Kennet Lejnell.



Those who have subscribed for shares without subscription rights will be allocated shares in accordance with the principles set out in the prospectus, whereby shareholders in OverHorizon (Cyprus) PLC who signed up for subscription without subscription rights will receive allotment before the others who have registered for subscription without subscription rights in accordance with the set out principles. Notice of allotment to the persons who subscribed for shares without subscription rights is expected to be distributed on 25 January 2019. Subscribed and allotted shares shall be paid in cash no later than the settlement date, 29 January 2019, in accordance with the instructions on the settlement note. Trustee-registered shareholders receive notification of allocation in accordance with the respective manager's procedures. Only those allotted will be notified.

NUMBER OF SHARES AND SHARE CAPITAL

Through the Rights Issue, Ovzon's share capital will increase by SEK 2,518,920 to approximately SEK 3,358,560 and the total number of shares will increase by 25,189,197 shares to 33,585,596 shares, when the Rights Issue has been registered with the Swedish Companies Registration Office. As soon as the increase in share capital has been registered with the Swedish Companies Registration Office, paid subscribed shares (BTA) will be converted into new shares. The new shares subscribed with and without subscription rights are expected to be traded on Nasdaq First North around 1 February 2019.

ADVISORS

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

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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 <http://www.ovzon.com>.

IMPORTANT INFORMATION

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Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company. Such information has not been independently verified by the financial advisors. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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This press release is not a prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue described in this press release has been approved and registered by the SFSA. Following the SFSA’s approval and registration of the prospectus, the prospectus will be published and kept available at Ovzon’s website.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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.



Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Ovzon have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Ovzon may decline and investors could lose all or part of their investment; the shares in Ovzon offer no guaranteed income and no capital protection; and an investment in the shares in Ovzon is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the share issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Ovzon.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in Ovzon and determining appropriate distribution channels.