



Press release 21 September 2021

# Ovzon has completed a directed share issue and thereby raises approximately SEK 238 million

INSIDE INFORMATION: The board of directors of Ovzon AB (publ) ("Ovzon" or the "Company") has, in accordance with the announcement made in a press release earlier today, completed a directed issue of 4,660,988 shares corresponding to approximately SEK 238 million before deduction of costs related to the issue (the "Directed Share Issue"). The subscription price in the Directed Share Issue was set at 51 SEK per share and was determined through an accelerated book building procedure conducted by Carnegie Investment Bank AB (publ) ("Carnegie") and Skandinaviska Enskilda Banken ("SEB", and together with Carnegie, the "Joint Bookrunners").

## Summary of the Directed Share Issue

The board of directors of Ovzon has, based on the authorization granted by the annual general meeting held on 13 April 2021, resolved on the Directed Share Issue.

- The Directed Share Issue encompasses a total of 4,660,988 new shares.
- The subscription price in the Directed Share Issue was set at 51 SEK per share and was determined through an accelerated book building procedure carried out by Carnegie and SEB.
- Through the Directed Share Issue, the Company will receive proceeds of approximately SEK 238 million before deduction of costs related to the Directed Share Issue.
- The Directed Share Issue entails a dilution of approximately 9.1 percent of the number of shares and votes in the Company. Through the Directed Share Issue, the number of shares outstanding and votes increases by 4,660,988 from 46,609,888 to 51,270,876. The share capital increases by SEK 466,098.80 from SEK 4,660,988.80 to SEK 5,127,087.60.
- The Directed Share Issue was directed to selected Swedish and international institutional investors.

The Company intends to use the proceeds from the Directed Share Issue to the following:

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1. Based on, and to benefit of, the agreement for steerable beams on IS-37 and IS-39 with IntelSat:
  - a. accelerate marketing of the global reach offering and invest in a stronger network of selling agents
  - b. finance pilot projects, field tests and new application products to pave the way for future recurring orders on Ovzon 3
2. Strengthen the Company's financial position and increase financial flexibility, especially in light of the above initiatives and the short-term financial impact of the rescheduling of the launch of Ovzon 3

The board of directors' assessment, based on the accelerated book building process executed by Carnegie and SEB, is that the Directed Share Issue, including the subscription price, was carried out at market terms. The reason for the deviation from the shareholder's preferential rights was to allow the Company to raise capital in a time and cost-effective manner and with favourable conditions raise capital for the Company's continued expansion, in line with the description of use of proceeds as set out above, as well as to diversify the shareholder base with Swedish and international investors.

In connection with the Directed Share Issue, the Company has undertaken, subject to customary exceptions, not to issue additional shares for a period of 180 calendar days after the settlement date in the Directed Share Issue. In addition, all members of the Company's management and board of directors have agreed not to sell any shares in the Company for a period of 180 calendar days after the settlement date in the Directed Share Issue, subject to customary exceptions.

## **Advisers**

Carnegie and SEB are Joint Bookrunners and Baker McKenzie is legal adviser to the Company in connection with the Directed Share Issue.

## **Responsible parties**

This press release constitutes inside information that Ovzon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out below, at the time stated by the Company's news distributor, Cision, at the publication of this press release.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners. 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. The Joint Bookrunners are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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### 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, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

### 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 the Company 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares of the Company 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 Directed Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 UK MiFIR; 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 the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.