



Press release February 6, 2023

Ovzon announces intention to carry out a directed share issue

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INSIDE INFORMATION: Ovzon AB (publ) (“Ovzon” or the “Company”) hereby announces its intention to carry out a directed share issue of shares, corresponding to up to SEK 200 million through an accelerated bookbuilding procedure (the “Directed Share Issue”). The Company has obtained interest from major shareholders, including Öresund, Bure, Handelsbanken Fonder, Fourth AP-fund and AFA Försäkring, to subscribe for shares covering the entire Directed Share Issue. The Directed Share Issue is carried out for the purpose of financing the increased costs of the Ovzon 3 satellite launch, which was recently announced, as well as to enable Ovzon to increase the current loan facility with Proventus from USD 60 million to USD 65 million and thereby securing additional financing for the Company.

The Company intends to carry out the Directed Share Issue of up to SEK 200 million, directed to qualified investors in Sweden and internationally, with deviation from the existing shareholders’ preferential rights, based on a resolution by the Company’s Board of Directors which is subject to the subsequent approval by an extra general meeting. The Company has obtained interest from major shareholders, including Öresund, Bure, Handelsbanken Fonder, Fourth AP-fund and AFA Försäkring, to subscribe for shares covering the entire Directed Share Issue. Shareholders representing 60.2 percent of the number of shares and votes in the Company have undertaken to vote for the proposal at an extra general meeting. Ovzon has engaged Carnegie Investment Bank AB (publ) (“**Carnegie**”) to investigate the conditions to carry out the Directed Share Issue.

The subscription price and the total number of new shares in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, which will begin immediately after the announcement of this press release. The Directed Share Issue is contingent on a resolution by the Board of Directors, which, alongside pricing and allocation, is expected to occur prior the commencement of trading on Nasdaq Stockholm on 7 February 2023. The Board of Directors may, at any time, decide to cancel, shorten or extent the bookbuilding procedure as well as refrain from executing the Directed Share Issue, in part or in full.

The net proceeds from the Directed Share Issue are intended to be used to the following:

1. To finance the increased project cost due to the additional delay of the Ovzon 3 satellite; and
2. Strengthen the Company’s financial position and increase financial flexibility,



The Company's Board of Directors has made an overall assessment and carefully considered the possibility to raise capital through a preferential rights issue, but considers that it, for example, would entail a risk that the Company cannot provide for its capital needs and at the same time maintain an optimal capital structure. The Board of Directors has concluded that a rights issue, compared to the Directed Share Issue, (i) would take significantly longer time to execute and thereby entail increased market risk exposure, (ii) would require significant underwriting commitments from an underwriting syndicate given the current market volatility, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such underwriting commitments, (iii) likely would have had to be made at a lower subscription price given the discount levels in rights issues completed on the market in recent time, and (iv) unlike a rights issue, the Directed Issue is to some extent expected to broaden the shareholder base and provide the Company with new reputable institutional owners and strategic investors. Considering the above, the Board of Directors has made the assessment that a directed share issue with deviation from the shareholders' preferential right is the most favorable alternative for Ovzon and in the best interest of the Company's shareholders and thus considers that the reasons outweigh the main rule that new issues must be carried out with preferential rights for the shareholders.

Given that the subscription price in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, it is the Board of Directors' assessment that the subscription price will be determined in accordance with market conditions.

Subject to the Directed Share Issue being carried out, 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, the CEO and the CFO of the Company as well as all members of the 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 acts as Sole Bookrunner and Baker McKenzie is the legal adviser to the Company in connection with the Directed Share Issue.

Responsible parties

This information is information that Ovzon AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation 596/2014. The information in this press release has been published through the agency of the contact persons set out below, at the time stated by Ovzon AB's (publ) news distributor Cision upon publication of this press release.

For further information please contact:

Per Norén, CEO, pno@ovzon.com, +1 206 931 7232
Noora Jayasekara, CFO, nja@ovzon.com , +46 70 318 92 97

About Ovzon

Ovzon offers world-leading mobile satellite communications solutions, SATCOM-as-a-Service, to customers across the globe. The services combine high data speed with high mobility. Ovzon's SATCOM-as-a-Service meets the growing demand for global connectivity for customers with high performance and security requirements such as Defense, Emergency Services, NGOs, Media and Commercial organizations. Ovzon was founded in 2006 and has offices in Stockholm, Sweden, Herndon, VA, and Tampa, FL, in the USA. Ovzon is listed on Nasdaq Stockholm Mid Cap. For more information, visit www.ovzon.com.



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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Ovzon has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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**" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) 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.



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 to acquire or subscribe for shares 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 Carnegie. Carnegie are acting for the Company in connection with the transaction and no one else. Carnegie 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 press release does not constitute a recommendation for any investors' decisions regarding the Directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

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 and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group 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, Carnegie 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 Nordic Main Market Rulebook for Issuers of Shares (Nasdaq Stockholm).

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 "**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 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 Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie 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 Ovzon.

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