

PRESS RELEASE

December 14, 2020

Statement by the Board of Directors of Allgon in view of Latour Industries' public takeover offer

The Board of Directors of Allgon unanimously recommends the shareholders to accept Latour Industries' public takeover offer.

Background

This statement is made by the Board of Directors[1] of Allgon AB (publ) ("**Allgon**" or the "**Company**") pursuant to section II.19 of the Swedish Corporate Governance Board's takeover rules for certain trading platforms (the "**Takeover Rules**").

Latour Industries AB[2] ("**Latour**" or the "**Offeror**") has by virtue of a press release today announced a public takeover offer to the shareholders of Allgon to tender all shares in Allgon to the Offeror at a consideration of SEK 10.75 in cash for each share (the "**Offer**").

The total value of the Offer, based on all issued and outstanding shares in Allgon, amounts to approximately SEK 604 million[3] and represents a premium of approximately:

- 30.5 per cent compared to the closing price of SEK 8.24 for Allgon's B-share on Nasdaq First North Growth Market on 11 December 2020, the last trading day before the announcement of the Offer;
- 33.1 per cent compared to the volume-weighted average share price of SEK 8.08 for Allgon's B-share on Nasdaq First North Growth Market during the last 30 trading days before the announcement of the Offer; and
- 41.1 per cent compared to the volume-weighted average share price of SEK 7.62 for Allgon's B-share on Nasdaq First North Growth Market during the last 180 trading days before the announcement of the Offer.

According to the timetable included in the offer announcement, the acceptance period is expected to commence today on 14 December 2020 and end on 22 January 2021. The Offeror has retained the right to extend the acceptance period in the Offer.

The completion of the Offer is conditional upon, *inter alia*, the Offer being accepted to such extent that Latour becomes the owner of shares representing more than 90 per cent of the outstanding shares and votes in Allgon and that all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities, being obtained, in each case on terms which, in Latour Industries' opinion, are acceptable. The Offeror has reserved the right to waive, in whole or in part, the conditions set out above and other offer conditions.

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Verdane Capital VI K/S, Verdane Capital VI B K/S, Tibia Konsult AB, Bertil Görling and Ola Samelius, through companies, as well as Allgon's deputy CEO and Tele Radio i Lysekil ABs' (the Company's largest subsidiary based on turnover) CEO, together representing shares corresponding to approximately 49.3 per cent of the total number of shares in Allgon, has on customary terms undertaken to accept the Offer.

For further information about the Offer, please refer to the Offeror's offer announcement from today 14 December 2020 and the offer document which will be made public by the Offeror on or around 14 December 2020.

The Board of Directors of Allgon has, upon a written request by the Offeror, granted the Offeror the possibility to conduct a limited confirmatory due diligence review in relation to the preparation of the Offer. In connection with the due diligence process, the Offeror has also met with the Company's management team. The Offeror has not received any inside information concerning the Company as part of the due diligence review.

Allgon has appointed Erneholt Haskel AB as financial advisor and Advokatfirman Vinge KB as legal advisor in connection with the Offer. As part of the Board of Director's assessment of the Offer, the Board has further appointed PwC as provider of a fairness opinion regarding the Offer, which is attached hereto. For the assignment regarding the fairness opinion, PwC receives a fixed fee which is not dependent on the size of the offer consideration, the acceptance level in the Offer or whether the Offer is completed.

The Board's assessment and recommendation

In evaluating the Offer, the Board has considered a number of factors including, but not limited to, Allgon's current strategic and financial position, prevailing market conditions and challenges in each market in which the Company operates and the Company's expected future development, opportunities and related risks. The Board has also evaluated the Company's potential in the medium to long term based on management's business and strategy plan. The Board has also analysed the Offer based on such valuation methods that are normally used to evaluate public offers for listed companies and has included how the price in the Offer values Allgon in relation to comparable listed companies and how the price relates to comparable transactions, offer premiums in previous public takeover offers, and the stock market's expectations regarding the Company.

Allgon

In recent years, Allgon has developed from a small group of companies with a focus on antennas to a global supplier of complete solutions for industrial radio control. Today, Allgon has an international structure with sales and service through a global network of subsidiaries and resellers, which constitutes a stable platform for continued future growth of sales and profitability, primarily within industrial radio control. At the same time, there are risks inherent with the business that must be considered in relation to the potential, which mainly consist of risks associated with competing technologies for radio control and implementation of the Company's business plan. In addition, Allgon has been negatively affected by the outbreak of Covid-19 and has periodically met lower demand for its products and services as a result of the pandemic in 2020.

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Furthermore, the ongoing second wave of the pandemic is expected to create some uncertainty about the recovery of the general economy and demand for the Company's products and services during 2021. The negative financial effects of Covid-19 have been mitigated through cost control and cost reductions in the Company's operations.

Evaluation of the Offer

The Offer of SEK 10.75 per share in the Company represents a premium of approximately 30.5 per cent compared to the closing price of SEK 8.24 for the Company's B share on Nasdaq First North Growth Market on 11 December 2020, the last trading day before the announcement of the Offer and 33.1 per cent compared to the volume-weighted average share price of SEK 8.08 for Allgon's B share on Nasdaq First North Growth Market during the last 30 trading days prior to the announcement of the Offer. The Board is of the opinion that the Offer represents an offer premium in line with market practise. The Board also notes the low liquidity in Allgon's share and the opportunity which the Offer gives shareholders to realize their investment.

The Board has further considered the fairness opinion from PwC, according to which the Offer is fair for the Company's shareholders from a financial perspective (based on the assumptions and considerations reported in the fairness opinion).

The recommendation is further supported by the fact that the Board, in addition to the proactive contacts made with other possible offerors in connection with the Offer, has been contacted by a number of undisclosed potential bidders during the past 24 months, without such contacts resulting in a public takeover offer.

Under the Takeover Rules, the Board must, on the basis of Latour's statements in the Offer, present its opinion regarding the impact that the implementation of the Offer may have on the Company, particularly in terms of employment, and its opinion regarding Latour's strategic plans for the Company and the anticipated effects such plans will have on employment and on the locations where the Company conducts its business. Latour has in that respect stated that:

“Latour Industries consists of six wholly-owned holdings and one part-owned holding, each of them with their own products with high technology content and a clear potential for growth. Allgon will form a new wholly-owned business line and operate as an independent entity within Latour Industries. Latour Industries fully supports Allgon's strategy to become the market leader in industrial radio control through globalization and continue to invest and develop new technology. Further, Allgon will benefit from accelerated growth initiatives under the Latour Industries umbrella. Latour Industries' plans for the future business and general strategy do not currently include any material changes with regard to the Company's operational sites, and its employees, including their terms of employment.”

The Board assumes that this description is correct and has in relevant respects no reason to take a different view.

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The Board's recommendation

The Board has a strong belief in Allgon's long-term future prospects with the current strategy and business plan and sees potential for further value growth. The Offer does not fully reflect the entire long-term fundamental value of Allgon. At the same time, the Board notes that the business and operations of the Company and the Company's growth opportunities in light of prevailing market conditions have inherent risks. In its evaluation of the Offer, the Board has also considered that four of the Company's largest individual shareholders have undertaken to accept the Offer on customary terms, and that it is encouraging for the Company that a well-known and long-term investor may become a new major owner and as such can contribute to the Company's continued development.

Based on the aforementioned, Allgon's Board of Directors is therefore of the opinion that the terms of the Offer are fair and unanimously recommends the shareholders to accept Latour's public takeover offer.

This statement shall in all respects be governed by and construed in accordance with Swedish law. Any dispute arising out of or in connection with this statement shall be settled exclusively by Swedish courts.

Stockholm on 14 December 2020

Allgon AB (publ)
The Board of Directors

For further information, please contact:

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[1] The board member Per Nordlander has not participated in the handling of the matter due to his connection to Verdane Capital which has undertaken to accept the Offer.

[2] Latour industries is owned by Investment AB Latour and represents one of five wholly-owned business areas. Latour Industries is an investment company actively investing in the engineering industry.

[3] Based on a total of 56,222,597 outstanding shares in the Company.

This information is information that Allgon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact person set out above, on 14 December 2020, at 08:25 (CET).

Om Allgon

Allgon is a world leading company within the area of industrial radio remote control. We develop systems and products with a wide usage in industrial applications for customers in Europe, USA and Asia. The customer base is within areas such as mobile, transport, construction and the TMT sectors. Allgon has around 370 employees in 19 countries. Radio remote control systems is the mainstay of Allgons turnover through the subsidiaries Tele Radio and Åkerströms, two companies that complement each other.

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Åkerströms focuses on heavy industry with high demands on flexibility, safety and longevity in mainly Sweden markets, while Tele Radio offers a broader range of systems world-wide. Allgon also owns companies within connectivity. The company is headquartered in Kista, Stockholm and is listed on Nasdaq First North Stockholm (ALLG B) with FNCA, +46(0)8-528 00 399 info@fnca.se, as certified advisor.

Attachments

[Statement by the Board of Directors of Allgon in view of Latour Industries' public takeover offer](#)
[Allgon Fairness Opinion \(english\)](#)