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W5 Solutions intends to list its shares on Nasdaq First North Growth Market

W5 Solutions AB (publ) ("W5 Solutions" or the "Company"), a profitable fast-growing Swedish defence supplier, today announces its intention to list its shares on Nasdaq First North Growth Market and to launch an initial public offering of its shares (the "IPO" or the "Offering"). The Offering is expected to consist of new shares issued by the Company. Nasdaq Stockholm AB has made the assessment that the Company fulfils the applicable listing requirements on Nasdaq First North Growth Market, provided that certain customary conditions are fulfilled.

W5 Solutions is active within the growing market of defence and civil protection, supplying high-technology systems and solutions to Swedish and international defence contractors and government agencies. Developing technology for military and civil purposes requires the Company to meet high standards of safety and efficiency in demanding environments. Through expertise in training and simulation, mission systems, communication, integration, and power supply, W5 Solutions' support & services team ensures high reliability throughout the longevity of the systems delivered. The Company's largest geographical markets are Europe, with a strong foothold in Sweden, and the USA, with the ambition to over time have a presence in all democratic nations worldwide.

Since its foundation through the merger of MSE Engineering AB, Teleanalys AB, and W-5 Systems AB in 2018, W5 Solutions has exhibited strong organic growth and has refined a methodology to grow while maintaining profitability, which will remain a goal for the Company going forward. The Company sees opportunity for continued growth on multiple levels, where acquisitions offer an attractive addition to the organic growth. Expanding to new markets is another opportunity W5 Solutions wants to capitalize on.

W5 Solutions has an ambitious growth plan, where acquisitions will constitute an important addition to the existing profitable operations. The Company offers a platform where smaller players in the sector can join W5 Solutions' ecosystem and as a group enjoy economies of scale, which is key in the defence industry. The Company is well-structured to incorporate new companies into the group and successfully leverage on their technologies, production facilities and customer networks. With its knowledge from the Swedish market, new markets can be entered with a similar approach, both within partnerships and independently. Existing products and services can be offered to these new markets without new development costs.

To facilitate continued strong growth through acquisitions as well as expansion into new markets the Board of Directors has applied for listing of the Company's shares on Nasdaq First North Growth Market, and intends to carry out the Offering in conjunction with the listing. In addition to raising capital for the Company, the Offering will expand the Company's owner base, enable payment of future acquisitions through shares as well as strengthen brand recognition. The Offering is expected to provide W5 Solutions with proceeds of SEK 35 million before deduction of transaction-related costs. The Company has received subscription commitments of approximately SEK 30 million, corresponding to 85.7 % of the Offering. Nasdaq Stockholm AB has made the assessment that the Company fulfils the applicable listing requirements on Nasdaq First North Growth Market, provided that certain customary conditions are fulfilled.

Comment from W5 Solutions CEO, Daniel Hopstadius:

"Listing W5 Solutions on Nasdaq First North Growth Market is a logical next step on our growth journey, and this will enable us to make relevant acquisitions going forward as well as expand to new markets. Furthermore, it will create external visibility and attract potential partners. I am proud of our achievements within product development and manufacturing of top tier defence systems and with new investors on board, I am looking forward to accelerating our growth and market establishment."

Use of proceeds

The Offering is expected to provide W5 Solutions with issue proceeds of approximately SEK 35 million before deduction of transaction-related costs. The Company intends to use the net proceeds from the IPO accordingly:

- 75 % - Financing future acquisitions
- 25 % - Financing market expansion

Selected financial information

During the first 9 months of 2021, W5 Solutions grew its total revenue with 29,3 % to SEK 88,7 million with an EBIT margin of 14,9 %. The order intake during the period was SEK 85 million and the order book reached SEK 142 million at the end of the period.

(SEKm)	2021- 01-01	2020- 01-01	2020- 01-01	2018- 07-01
Financial statements for the group	-2021- 09-30	-2020- 09-30	-2020- 12-31	-2019- 12-31
	9 months.	9 months.	12 months.	18 months.
	<i>Not audited</i>	<i>Not audited</i>	<i>Audited</i>	<i>Audited</i>

Total revenue	88,7	68,6	114,5	75,8
EBIT	13,2	5,5	9,7	-6,3
EBIT Margin	14,9 %	8,1 %	8,4 %	Neg.
Profit for the period	10,5	4,0	5,3	-5,4
Total Assets	71,5	39,6	47,5	42,4
Total Equity	30,8	16,7	20,3	12,8
Cash flow from operating activities before changes in working capital	13,9	5,2	9,8	-6,3
Order book	142	152	131	*
Order intake	85	79	103	*

*Not reported for the period.

Financial targets

W5 Solutions has adopted the following financial targets for 2025:

- **Turnover target:** Reach a turnover of at least SEK 500m until 2025.
- **Profit target:** Reach EBIT margins of at least 12 % until 2025.

Investor meetings

Invitations to investor meetings will be sent out separately and will also be available on W5 Solutions' and Redeye's respective websites (www.w5solutions.com, www.redeye.se).

Prospectus

Full terms and conditions, as well as information about subscription commitments, will be included in the prospectus that will be prepared and published by the Company in connection with the Offering. The prospectus will be available on W5 Solutions' website, www.w5solutions.com.

Advisers

Redeye Aktiebolag acts as financial adviser, Törngren Magnell & Partners Advokatfirma KB acts as legal adviser, and Nordic Issuing acts as issuing agent in connection with the IPO.

This disclosure contains information that W5 Solutions is obliged to make public pursuant to the EU Market Abuse Regulation (EU No 596/2014). The information was submitted for publication, through the agency of the contact persons set out above, at 17:30 CEST on 18 November 2021.



IMPORTANT INFORMATION

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by W5 Solutions in any jurisdiction where such offer or sale would be unlawful.

Copies of this announcement are not being made and may not be distributed or sent into the United States of America, (including its territories and possessions), any state of the United States including the District of Columbia, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, Switzerland, South Africa, South Korea, or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. W5 Solutions does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus that will be published on W5 Solutions' website, www.w5solutions.com, following approval from the Swedish Financial Supervisory Authority.

This announcement is an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the prospectus and potential investors should read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. Any approval by the Swedish Financial Supervisory Authority of a prospectus should not be understood as an endorsement of the securities that are the subject of such prospectus.

In any EEA Member State other than Sweden (each, a "Relevant Member State"), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of article 2(e) of the Prospectus Regulation, that is, only to investors who can receive the offer without an approved prospectus in such Relevant Member State.

In the United Kingdom, this press release 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.

FORWARD-LOOKING STATEMENTS

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although W5 Solutions believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies, and other important factors which are difficult or impossible to predict and are beyond its control. 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 information, opinions and forward-looking statements contained in this announcement speak only as at 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 the Nasdaq First North Growth Market Rulebook for issuers.

For more information, please contact:

Daniel Hopstadius, CEO

+46 476 559 85

daniel.hopstadius[at]w5solutions.com

Lars Lennartsson, CFO

+46 476 559 50

lars.lennartsson[at]w5solutions.com

About W5 Solutions

W5 Solutions supplies high-technology systems and solutions to Swedish and international defense contractors and government agencies. We are experts in training and simulation, mission systems, communication, integration and power supply. W5 Solutions' support & services team ensures high reliability through the longevity of the system.

Learn more at www.w5solutions.com.

Press Release
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Attachments

[W5 Solutions intends to list its shares on Nasdaq First North Growth Market](#)