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Ovzon sets the terms of the rights issue of approximately SEK 250 million

Ovzon AB ("Ovzon" or the "Company") announced on 20 October 2023 that the Board of Directors has resolved, subject to the approval by an Extraordinary General Meeting ("EGM"), to carry out a new issue of shares with preferential rights for existing shareholders of approximately SEK 250 million (the "Rights Issue"). The Board of Directors has today resolved on the terms of the Rights Issue including the subscription price which has been set to SEK 4.50 per share. The Rights Issue will provide Ovzon with proceeds of approximately SEK 250 million before deduction of costs attributable to the Rights Issue.

Summary of the Rights Issue

- Shareholders that are registered as a shareholder in the share register kept by Euroclear Sweden AB for Ovzon on the record date of 20 November 2023 will receive one (1) subscription right for each share held in Ovzon. One (1) subscription right entitles the holder to subscribe for one (1) new share.
- The last day of trading in shares including the right to receive subscription rights is 16 November 2023.
- The subscription price has been set to SEK 4.50 per share, which means that the Rights Issue, if fully subscribed and paid, will provide Ovzon with approximately SEK 250 million before deduction of costs attributable to the Rights Issue.
- The subscription period runs from 22 November 2023 until 6 December 2023.
- A number of existing shareholders, including Bure Equity AB, Investment AB Öresund, Grignolino AB, Handelsbanken Fonder, Fourth AP-fund¹ and Per Wahlberg, as well as members of the Board of Directors and management (including CEO Per Norén), have undertaken to subscribe for shares representing approximately 60.4 percent of the Rights Issue. In addition, a number of the Company's existing shareholders, including Bure Equity AB, Investment AB Öresund, Grignolino AB, Per Wahlberg and CEO Per Norén have entered into guarantee commitments corresponding to approximately 19.6 percent of the Rights Issue. The Rights Issue is thus covered by subscription

¹ The Fourth AP-fund's commitment to subscribe shares in the Rights Issue is conditional on its ownership stake not exceeding 10.0 percent of all outstanding shares in the Company after the Rights Issue.



undertakings and guarantee commitments jointly corresponding to approximately 80 percent of the Rights Issue.

- The Board of Director's resolution on the Rights Issue is conditional upon the approval by the EGM on 15 November 2023. Existing shareholders holding shares corresponding to approximately 60 percent of the outstanding votes in the Company have undertaken to vote in favor of the Rights Issue at the EGM.
- The record date for the Rights Issue is 20 November 2023.
- The net proceeds from the Rights Issue, which are expected to amount to approximately SEK 250 million, are mainly intended to be used for the following:
 - Financing the Company's operations during 2024 and 2025, taking into account the revised outlook for 2023 (approximately 70 percent).
 - Strengthen the Company's working capital (approximately 20 percent).
 - Estimated additional costs for the finalization of Ovzon 3 (approximately 10 percent).

Terms of the Rights Issue

Shareholders that are registered as a shareholder in the share register held by Euroclear Sweden AB on the record date on 20 November 2023, have preferential right to subscribe for new shares in proportion to the number of shares held by the shareholder on the record date. For each Ovzon share held, one (1) subscription right is received. One (1) subscription right entitles the holder to subscribe for one (1) new share. Subscription for shares can also be made without subscription rights. Only whole shares can be subscribed for (i.e., no fractions).

If not all new shares in the Rights Issue are subscribed for with subscription rights, the Board of Directors shall resolve to allocate new shares as follows:

- a) *firstly*, to those who applied for subscription without subscription rights and who subscribed for new shares with subscription rights, regardless of whether or not the subscriber was a shareholder on the record date, and in the case of oversubscription, allocation shall be made in relation to the number of exercised subscription rights, and to the extent that this is not possible, allocation shall take place by drawing of lots;
- b) *secondly*, to others who have applied for subscription without subscription rights and, in the case of oversubscription, in relation to the number of new shares stated in the respective application form, and to the extent this is not possible, allocation shall take place by drawing of lots;
- c) *finally*, allocation of remaining shares shall be made to the investors who have provided guarantees commitments in accordance with the terms and conditions of the guarantee commitment of the respective guarantor.

The Rights Issue entails, if fully subscribed and paid, that the Company's share capital increases by a maximum of SEK 5,576,525.80, from the current SEK 5,576,525.80 to SEK 11,153,051.60, and that the number of shares increases by 55,765,258, from the current 55,765,258 to 111,530,516.

The subscription price has been set at SEK 4.50 per share, which means that the Rights Issue, if fully subscribed and paid, will provide Ovzon with a total of approximately SEK 250 million before deduction of costs attributable to the Rights Issue.

The record date for determining which shareholders that are entitled to receive subscription rights in the Rights Issue is 20 November 2023. The shares in the Company are traded including the right to receive subscription rights until 16 November 2023. The shares are traded excluding the right to receive subscription rights from 17 November 2023.



The subscription period is expected to run from 22 November 2023 to 6 December 2023, or to the later date decided by the Board of Directors. Trading in subscription rights is expected to take place on Nasdaq Stockholm during the period from 22 November 2023 to 1 December 2023 and trading in BTA (paid subscribed shares) during the period from 22 November 2023 to 18 December 2023.

Shareholders who choose not to participate in the Rights Issue will be diluted by up to 50.0 percent of the share capital and votes but are able to financially compensate for the dilution by selling their subscription rights.

Extraordinary General Meeting (EGM)

The Board of Directors' resolution regarding the Rights Issue is subject to approval by the EGM on 15 November 2023. The notice of the EGM is available at Ovzon's website, www.ovzon.com. Existing shareholders holding shares corresponding to approximately 60 percent of the outstanding votes in the Company have undertaken to vote in favor of the Rights Issue at the EGM.

Subscription undertakings, guarantee commitments and voting commitments

A number of existing shareholders, including Bure Equity AB, Investment AB Öresund, Grignolino AB, Handelsbanken Fonder, Fourth AP-fund² and Per Wahlberg, as well as members of the Board of Directors and management (including CEO Per Norén), jointly representing approximately 60.4 percent of the total number of shares in the Company, have committed to subscribe for shares in the Rights Issue amounting to approximately SEK 151 million, corresponding to approximately 60.4 percent of the Rights Issue. In addition, a number of the Company's existing shareholders, including Bure Equity AB, Investment AB Öresund, Grignolino AB, Per Wahlberg and CEO Per Norén, have entered into guarantee commitments amounting to approximately SEK 49 million, corresponding to approximately 19.6 percent of the Rights Issue. In total, subscription undertakings and guarantee commitments amount to approximately SEK 200 million, corresponding to approximately 80 percent of the Rights Issue. Existing shareholders corresponding to approximately 60 percent of the outstanding votes in the Company have also undertaken to vote in favor of the Rights Issue at the EGM on 15 November 2023.

Those who have entered into a guarantee commitment in the Rights Issue will receive guarantee commission of three (3) per cent of the guaranteed amount. No commission will be paid for the subscription undertakings. Neither the subscription undertakings nor the guarantee commitments are secured through bank guarantees, restricted funds, pledged assets or similar arrangements.

Further information regarding the subscription undertakings and guarantee commitments will be presented in the prospectus that will be published in connection with the Rights Issue.

Prospectus

Complete information regarding the Rights Issue and information about the Company will be provided in a prospectus that is expected to be published on or around 21 November 2023.

Preliminary timetable for the Rights Issue

EGM to approve the Board of Directors resolution of the Rights Issue	15 Nov 2023
Last day of trading in the Company's shares including right to receive subscription rights	16 Nov 2023
First day of trading in the Company's shares excluding right to receive subscription rights	17 Nov 2023

² The Fourth AP-fund's commitment to subscribe shares in the Rights Issue is conditional on its ownership stake not exceeding 10.0 percent of all outstanding shares in the Company after the Rights Issue.



Record date for right to receive subscription rights	20 Nov 2023
Publication of the prospectus	21 Nov 2023
Trading in subscription rights	22 Nov – 1 Dec 2023
Subscription period	22 Nov – 6 Dec 2023
Trading in BTA (paid subscribed shares)	22 Nov – 18 Dec 2023
Announcement of the outcome of the Rights Issue	Around 8 Dec 2023

Advisors

ABG Sundal Collier is acting as Sole Global Coordinator in connection with the Rights Issue. Baker McKenzie is the legal advisor to the Company.

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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 press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue, prepared in



accordance with the simplified disclosure regime for secondary issuances as set forth in the Prospectus Regulation, is intended to be published by the Company prior to commencement of the subscription period in the Rights Issue.

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 Company. The information relating to the Rights Issue 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. ABG Sundal Collier is acting for Ovzon in connection with the Rights Issue and for no one else. ABG Sundal Collier will not be responsible to anyone other than Ovzon for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

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 offer 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 the USA, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland 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 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 that the assumptions on which it is based is correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome



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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 Company's shares 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 Company's shares may decline and investors could lose all or part of their investment; the Company's shares offer no guaranteed income and no capital protection; and an investment in the Company's shares 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 Rights 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 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 Company's shares.

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

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.