

PRESS RELEASE

January 8, 2021

Statement by the Board of Directors of Allgon in view of Bure's public takeover offer

The Board of Directors of Allgon unanimously recommends the shareholders to accept Bure's 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**").

Bure Equity AB (publ) ("**Bure**" or the "**Offeror**") has by virtue of a press release dated 22 December 2020 announced a public takeover offer to the shareholders of Allgon to tender all shares in Allgon to the Offeror for a consideration of SEK 13.50 for each share (the "**Offer**"). The Offer was announced after Latour Industries AB (publ) on the 14 December 2020 announced a public takeover offer to the shareholders of Allgon at a consideration of SEK 10.75 per share (the "**Latour Offer**"). The Latour Offer was withdrawn on 4 January 2021.

The total value of the Offer, based on all issued and outstanding shares in Allgon, amounts to approximately SEK 759 million[2] and represents a premium of approximately:

- 63.8 per cent compared to the closing price of SEK 8.24 on First North on 11 December 2020, the last trading day before the announcement of the Latour Offer;
- 21.1 per cent compared to the closing price of SEK 11.15 on First North on 21 December 2020, the last trading day prior to the announcement of the Offer;
- 67.2 per cent compared to the volume-weighted average trading price of SEK 8.08 during the last 30 trading days before the announcement of the Latour Offer on 14 December 2020; and
- 77.2 per cent compared to the volume-weighted average trading price of approximately SEK 7.62 during the last 180 trading days before the announcement of the Latour Offer on 14 December 2020.

According to the timetable included in the offer announcement, the acceptance period is expected to commence on 11 January 2021 and end on 1 February 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 Bure becomes the owner of shares representing more than 50 per cent of the outstanding shares and votes in Allgon, no circumstances having occurred that Bure did not have knowledge of at the time of the announcement of the Offer, and that would have a material adverse effect or could reasonably be expected to have a material adverse effect on Allgon's sales, results, liquidity, equity, or assets and that all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from

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competition authorities, being obtained, in each case on terms which, in Bure's 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.

For further information about the Offer, please refer to the Offeror's offer announcement from 22 December 2020 and the offer document which will be made public by the Offeror on or around 8 January 2021.

Allgon has appointed Erneholm Haskel AB as financial advisor and Advokatfirman Vinge KB as legal advisor in connection with the Offer.

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 considered the Company's conditions 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 stands in relation to comparable transactions, offer premiums in previous public takeover offers, and the stock market's expectations regarding the Company. In connection with the Board's evaluation of the Latour Offer a fairness opinion was obtained, according to which the lower Latour Offer was deemed fair from a financial perspective.

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. 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

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The Offer of SEK 13,50 per share in the Company represents a premium of approximately 63,8 per cent compared to the closing price of SEK 8.24 on First North on 11 December 2020, the last trading day before the announcement of the Latour Offer, 21.1 per cent compared to the closing price of SEK 11.15 on First North on 21 December 2020, the last trading day prior to the announcement of the Offer and 67.2 per cent compared to the volume-weighted average share price of approximately SEK 8.08 during the last 30 trading days prior to the announcement of the Latour Offer on 14 December 2020 and 77.2 per cent compared to the volume-weighted average trading price of approximately SEK 7.62 during the last 180 trading days before the announcement of the Latour Offer on 14 December 2020.

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, as well as Bure offering a possibility for the Company to continue being a listed company. The Board has further received information from shareholders in Allgon representing approximately 49.3[3] per cent of all outstanding shares in Allgon that they intend to accept the Offer.

Under the Takeover Rules, the Board must, on the basis of Bure'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 Bure'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. Bure has in that respect stated that:

"Bure fully supports Allgon's global strategy with focus on development of new technology and the aim of becoming the market leader in industrial radio remote control. Hence, Bure does not currently have any intentions to implement major changes, and no decisions have been made, with regard to Allgon's strategic plans, future operations, employment, operational sites, Allgon's management and employees or their terms of employment."

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

The Board's recommendation

As stated in the recommendation published by the Board in connection with the Latour Offer on 14 December 2020, 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. In connection with the Board's evaluation of the Latour Offer, a fairness opinion was obtained, pursuant to which the lower Latour Offer was deemed fair from a financial perspective. Hence, the Board's opinion is that the Offer is fair and that it to a greater extent reflects the long term fundamental value of Allgon. In its evaluation of the Offer, the Board has considered that it is encouraging for the Company that a well-known and long-term investor can become a new major owner and thus contribute to the Company's continued development and that the Offer is only conditional upon Bure becomes the owner of shares representing more than 50 per cent of the outstanding shares and votes in Allgon. Bure's current shareholding in Allgon amounts to approximately 11.2 per cent of the total number of shares in the Company.[4]

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Based on the aforementioned, Allgon's Board of Directors is of the opinion that the terms of the Offer are fair and unanimously recommends the shareholders to accept Bure'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, 8 January 2021

Allgon AB (publ)

The Board of Directors

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 8 January 2021, at 14.00 (CET).

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

[2] Based on a total of 56,222,597 outstanding shares in Allgon.

[3] Such information has been received from Verdane Capital VI K/S, Verdane Capital VI B K/S, Tibia Konsult AB, Bertil Görling and Ola Samelius indirectly through companies, as well as Allgon's CEO and TeleRadio i Lysekil AB's (the Company's largest subsidiary in terms of sales) CEO.

[4] As of 22 December 2020, Bure's shareholding in Allgon amounted to 6,310,924 shares, corresponding to approximately 11.2 per cent of the total number of shares in Allgon. Purchases of these shares occurred during the period 14 December 2020 to 21 December 2020.

For more information, please contact:

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About 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 350 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. 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 Bure's public takeover offer](#)