

KebNi AB (KEBNI)
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THE BOARD OF DIRECTORS OF KEBNI HAVE RESOLVED ON A 90 PERCENT GUARANTEED PREFERENTIAL RIGHTS ISSUE OF APPROXIMATELY SEK 50M FOR CONTINUED GROWTH

The Board of directors of KebNi AB ("KebNi" or the "Company") has, based on the authorization granted by the annual general meeting ("AGM") on May 14, 2020, resolved on a rights issue with pre-emptive rights for existing shareholders amounting to approximately SEK 50.0 million (the "Rights Issue"). The Rights Issue is covered to 90 percent by guarantee commitments from a consortium of qualified investors. If fully subscribed, the total proceeds from the Rights Issue will amount to approximately SEK 50 million, before deduction of issue-related costs. The Rights Issue is conditional on the Swedish Financial Supervisory Authority approving the prospectus prepared by the Company in conjunction with the Rights Issue no later than October 15, 2020.

Stockholm, Sweden, October 5th, 2020 - KebNi is a socially responsible and environmentally conscious company, focused on becoming a leading supplier of reliable technology, products and solutions for safety, positioning and stabilization. The Company currently has operations within two different product areas: stabilized antenna platforms and inertial motion sensors, IMU. In recent years, KebNi has achieved significant milestones and has initiated a commercial growth journey focusing on sales and marketing. To accelerate growth and capture current business opportunities, as well as strengthen the balance sheet, the Company intends to carry out the Rights Issue.

Summary of the Rights Issue

- **Issue volume:** The Rights Issue comprises a maximum of 33 361 664 B-shares. Assuming the Rights Issue is fully subscribed, gross proceeds amount to approximately SEK 50.0 million before deduction of issue-related costs.
- **Subscription price:** SEK 1.50 per share. No brokerage fee will be paid.
- **Record date:** The record date to determine which shareholders will receive subscription rights is October 13, 2020. The last day of trading in the Company's share including subscription rights is October 9, 2020. The first day of trading in the Company's share excluding subscription rights is October 12, 2020.
- **Subscription rights:** Existing shareholders in the Company will receive one (1) subscription right for each share held on the record date. One (1) subscription right entitles the holder to subscribe for one (1) new B-share in the Company.
- **Trading in subscription rights:** October 16–28, 2020.
- **Subscription period:** October 16-30, 2020. The board of directors retains the right to extend the subscription period and the settlement period.

- **Subscription and guarantee undertakings:** KebNi has received guarantee commitments of approximately SEK 45.0 million, corresponding to approximately 90 percent of the total issue volume.
- **Use of proceeds:** The Company intends to use the proceeds from the Rights Issue mainly for sales and marketing activities in order to accelerate growth combined with increased working capital, as well as to strengthen the balance sheet.
- **Condition:** The Rights Issue is conditional on the Swedish Financial Supervisory Authority approving the prospectus prepared by the Company in conjunction with the Rights Issue no later than October 15, 2020.

Background and motive

KebNi is active in the high-tech markets for satellite communications and inertial motion sensors, addressing government & military as well as commercial customers. In recent years, KebNi has won a number of important business projects, of which the most important so far is with IAI (Israel Aerospace Industries), an Israeli company active in the space and defense industry. The agreement with IAI, which was entered into in 2018, has to date resulted in orders with a total value of USD 7 million. In addition, KebNi entered into a framework agreement with SAAB Dynamics in June 2020, where KebNi will be an important component supplier to a new generation of products. In common for all of the Company's customers is that they place high demands on quality, competence and technological height, and the sales cycles are often long, which in turn places high demands on ongoing business development and sales and marketing efforts.

In June 2019, Carsten Drachmann was appointed new CEO. Carsten has many years of experience from international operations in several industries, including telecommunications and satellite communications, and the Company has, under his leadership, completed two acquisitions within the satellite communications market. KebNi has a clear growth strategy and has set five strategic goals that include both expansion of existing operations and growth through acquisitions.

Use of proceeds

As a result of covid-19, authorities around the world have restricted or completely closed access to certain countries. A country that has been highly affected and has been subject to two nationwide shutdowns is Israel, where the Company's most important customer IAI is based. As a last step in the delivery process with IAI, final testing and approval is conducted with the delivered equipment. Payment milestones are subject to the final testing and approval, which is likely to be affected by the aforementioned nationwide shutdown. Currently payments in excess of SEK 20 million on existing contract are expected to be received during the fourth quarter of 2020. To ensure continued development and operations the Company, by extending existing bridge loan and agreeing on an additional bridge loan of approximately SEK 12,6 million, has total loan facilities corresponding to the payments expected to be received from IAI during 2020 from current contracts.

Together with the payments expected to be received during Q4 2020 from IAI the proceeds from the Rights Issue, after repayment of the loan facilities, are expected to be allocated as set out below and, in the event not all activities can be carried out:

- 1. Sales and marketing (approximately 20% of total proceeds)**
 - Additional sales staff, building reseller network, global branding
- 2. Business development (approximately 10-15% of total proceeds)**
 - Exploring trends, leveraging technology for new applications, partnering for production & service, new market entry
- 3. Acquisitions/Joint Ventures (approximately 20% of the proceeds)**
 - Cost of running acquisition process and smaller acquisitions. Large acquisitions will require additional capital

- 4. Product Development & IP (approximately 15% of the proceeds)**
 - Enhancing current product portfolio, new technology, creating new IP and innovations
- 5. Strengthen the balance sheet (approximately 10-15% of the proceeds)**
 - Production & test equipment (SAAB), product demo units for sales & marketing
- 6. Working capital (approximately 20% of the proceeds)**
 - Ongoing operations, inventory

Comment from the CEO of KebNi, Carsten Drachmann

“KebNi is progressing on building a platform for sustainable shareholder value. The company acquired its first major reference customer in 2019, Israel Aerospace Industries, and launched a new strategy in the autumn of 2019, defining a clear direction. Since then, the company has signed an agreement with another key reference customer (SAAB Dynamics), completed two acquisitions, changed its name to KebNi for improved branding, moved the trading platform to Nasdaq First North, and hired new key staff to be able to execute the strategy and growth plan. One of the acquisitions has also opened up markets in Russia and Saudi Arabia.

With demanding customer references and proven quality products, KebNi is now ready to accelerate its focus and investment into sales, marketing and branding activities globally, to increase the international presence of the company. These efforts will lead to increased customer awareness, industry partnerships, and reseller agreements, ultimately growing the sales pipeline significantly, eventually leading to our goal of a much larger and stable revenue stream. In addition, the funds from the proceeds will be used for continuous product and technology development, and potential acquisitions or partnerships leading to increased business for KebNi”, – Carsten Drachmann, CEO

Terms for the Rights Issue

The board of directors has, based on the authorization granted by the AGM, resolved on a rights issue with pre-emptive rights for the Company’s existing shareholders at a subscription price of SEK 1.50 per share through the Rights Issue. The Rights Issue comprises a maximum of 33 361 664 new B-shares, resulting in an increase of the share capital with a maximum of SEK 2,284,273,13408. The total issue size is SEK 50,042,496 assuming full utilization and before deduction of costs related to the Rights Issue.

Those who, on the record date October 13, 2020, are registered in the share register kept by Euroclear Sweden AB have pre-emptive right to subscribe for new shares in the Rights Issue in relation to their existing holdings. One (1) existing share entitles the holder to one (1) subscription right, and one (1) subscription right entitles the holder to subscribe for one (1) new B-share.

If all the new shares are not subscribed for with subscription rights, the board of directors will decide on allotment of new shares subscribed for without subscription rights. Firstly, shares will be allotted to those parties who have registered for subscription without subscription rights and have subscribed for new shares with subscription rights, regardless of whether the subscriber was a shareholder on the record date or not. In the event of oversubscription, shares will be allocated in relation to the number of subscription rights exercised; if this is not possible, shares will be allotted by way of board resolution. Secondly, shares will be allotted to other parties who registered for subscription without subscription rights and, in the event of oversubscription, in relation to the number of new shares indicated in the respective subscription applications; if this is not possible, shares will be allotted by way of board resolution. Lastly, any remaining shares will be allotted to investors participating in the Rights Issue as guarantors in accordance with the terms and conditions set out in respective guarantee undertaking.

The last day of trading in the Company’s share including subscription rights is October 9, 2020. The first day of trading in the Company’s share excluding subscription rights is October 12, 2020.

Trading in subscription rights will take place on Nasdaq First North Growth Market during the period from October 16 – October 28, 2020.

Subscription for new shares will take place during the period October 16 – October 30, 2020. Subscription of shares by exercising subscription rights shall be made through simultaneous payment. Subscription of shares without the support of subscription rights shall be made on a separate subscription form, and payment for allotted shares shall be made no later than three banking days after the notice of allotment has been sent to the subscriber. The board of directors retains the right to extend the subscription period and the period for settlement.

Trading in paid subscription share (BTA) will commence on Nasdaq First North Growth Market from October 16, 2020 until the Rights Issue has been registered with the Swedish Companies Registration Office and the BTAs have been converted to shares.

If the Rights Issue is fully subscribed, the Company's share capital – through the issue of 33,361,664 shares – will increase with SEK 2,284,273.13408 to a total of SEK 4,568,546.26816, and the number of shares will increase from 33,361,664 shares to a total of 66,387,161 shares. Shareholders who choose not to participate in the Rights Issue will be subject to a dilution effect of 50 percent of the shares in the Company. Shareholders who choose not to participate in the Rights Issue will have the opportunity to gain economic compensation for the dilution by selling their subscription rights.

Guarantee commitments

KebNi has received guarantee commitments of approximately SEK 45 million, securing approximately 90 percent of the total Rights Issue. The guarantee commitments have been entered into by a consortium of external investors.

Preliminary timetable

- October 9, 2020 – Last day of trading incl. subscription rights
- October 12, 2020 – First day of trading excl. subscription rights
- October 13, 2020 – Record date in the Rights Issue
- October 13, 2020 – Preliminary date for publication of the prospectus
- October 16-28, 2020 – Trading in subscription rights
- October 13-30, 2020 – Subscription period
- October 16 – registration of Rights Issue with Swedish Companies Registration Office - Trading in BTA
- November 4, 2020 – Disclosure of the outcome of the Rights Issue

Investor meetings

Investor meetings will be held in conjunction with the Rights Issue. Invitation will be distributed separately and will also be available on both KebNi's and Redeye's websites (www.kebni.com, www.redeye.se).

Advisers

Redeye AB is financial adviser and Synch Advokat AB is legal adviser in connection with the Rights Issue. Aktieinvest Fondkommission AB acts as issuer agent.

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in KebNi AB. Any invitation to the persons concerned to subscribe for shares in KebNi AB will only be made through the prospectus which KebNi AB will present, which is expected to be announced around October 13, 2020. This press release may not be released, published or distributed, directly or indirectly, in or into Australia, Hong Kong, Canada, Japan, New Zealand, South Africa, Switzerland, Singapore, the United States or any other jurisdiction where such measures are subject to legal restrictions or participation would require additional prospectuses, registration or measures besides those required by Swedish law. Furthermore, this press release may not be distributed in or into such countries or any other country or jurisdiction in which distribution requires such measures or otherwise would be in conflict with applicable regulations. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

No subscription rights, paid subscription shares (Sw. *Betalda och tecknade aktier*) or shares subscribed for in the offer have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, subscribed for, exercised, pledged, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, unless in accordance with an applicable exception from the registration requirements of the Securities Act. Furthermore, the offer is not directed to persons resident in Australia, Hong Kong, Canada, Japan, New Zealand, South Africa, Switzerland, Singapore or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law.

About KebNi AB

KebNi AB is a publicly traded company on the Nasdaq First North Growth Market stock exchange in Sweden, focused on becoming a leading supplier of reliable technologies, products and solutions for safety, location precision and stabilization.

The value KebNi bring to its customers is offering customized high-tech solutions that are reliable and stable. KebNi "brings stability to a world in motion".

The company is headquartered in Stockholm, Sweden and has a long history and experience in maritime satellite antenna solutions and solutions for inertial movement sensing.

KebNi markets its products through three business areas. KebNi Maritime for Maritime Satellite Antennas, KebNi Inertial Sensing for Inertial Measurement Units and KebNi Land Mobile for Communication on the Move (COTM) as well as Communication on the Pause (COTP) antennas.

The company operates in global markets and reaches customers both directly and through a network of resellers.

KebNi's products and solutions are addressing government & military customers, as well as commercial customers in industries for robotics and self-driving vehicles.

The company is listed on NASDAQ First North Growth Market [KEBNI B] and the company's Certified Adviser is Redeye AB (certifiedadviser@redeye.se, +46 8 121 576 90)

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