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Press release

Malmö, 2019-02-04

Hövding carries out rights issue and reschedules interim report for the fourth quarter of 2019

Hövding Sverige AB (publ), which is listed on Nasdaq First North, announces that the Company's Board of Directors, subject to approval of the Extraordinary General Meeting, has decided on a new share issue of approximately SEK 25 million with preferential rights for existing shareholders. The terms of the share issue mean that seventeen (17) existing shares give the right to subscribe for one (1) new share at a subscription price of SEK 19. The issue is 100% covered by subscription and guarantee commitments from existing owners. Both the subscription and guarantee commitments are free of charge.

The issue requires approval of the Extraordinary General Meeting and shareholders are therefore called to an Extraordinary General Meeting, which will be held on February 19, 2020. Notice of the Extraordinary General Meeting is published in a separate press release.

As a result of the rights issue, Hövding's interim report for the fourth quarter has been moved forward to February 19, 2020. The previously communicated date was March 5, 2020.

Background and reasons

Hövding Sverige AB (publ) is a Swedish company that develops, sells and markets the airbag helmet Hövding, the world's first and only airbag for cyclists. Hövding is a revolutionary protection for cyclists with superior protection performance and at the same time an attractive and practical fashion accessory. The company was founded in 2005 and launched its first helmet on the market in 2011 after many years of development work. Since launch, over 200,000 hövdings have been sold, protecting over 5,000 cyclists in documented accidents around the world.

Hövding is in a growth phase where the focus in 2019 has been on the development and launch of Hövding 3, which was released during the third quarter. The new version has received a good reception and includes updates such as a softer collar, adjustable size and Bluetooth connection. During the development work, opportunities to invest in the future associated services related to Bluetooth connectivity and other software-related features arose. For instance, that data from the helmet can be collected in real time. Since Hövding 3's launch, qualitative data from more than 140,000 bicycle trips has already been generated that can be used in various contexts to understand and improve everyday cycling in big cities.

The investments meant that the cost of developing version 3 has exceeded the company's forecasts. In addition, logistics challenges at launch have resulted in delay of sales but also to a certain extent higher cost. All in all, the company's financial position has weakened, and the issue is proposed to enable continued marketing efforts to maintain the pace in the rollout of Hövding 3.

Terms of the rights issue

The rights issue means that Höving's share capital is increased by a maximum of SEK 1,310,653 by issuing a maximum of 1,310,653 shares. The right to subscribe for new shares with preferential rights vest in those who, on the record date for the rights issue, are registered as shareholders in the company, whereby one (1) new share can be subscribed for by seventeen (17) existing shares in the company.

The subscription price amounts to SEK 19 per share, which means that the rights issue, when fully subscribed, adds approximately SEK 24.9 million to Hövding before issue costs.

Subscription and guarantee commitments

The company's existing owners Fosielund Holding AB, VIH Sweden AB and the Jenz o Carl-Olof Hamrins Stiftelse, which together represent approximately 38 percent of the share capital in Hövding, have undertaken to subscribe their pro rata of shares in the rights issue, corresponding to a total of SEK 9.4 million. In addition, the company has entered into an agreement with Fosielund Holding AB to guarantee the remaining part of the rights issue of up to a total of SEK 15.5 million. The rights issue is thus 100% covered by subscription and guarantee commitments. The subscription and guarantee commitments have not been secured through advance transaction, bank guarantee or similar. Both the subscription and guarantee commitments are free of charge.

Preliminary timetable for the rights issue

February 19	Extraordinary General Meeting
February 21	Last trading day with the rights to participate in the rights issue
25 February	Record date for participation in the rights issue
25 February	Estimated date for publication of information memorandum
26 February - 11 March	Subscription period
26 February - 9 March	Trading in subscription rights
March 16	Estimated date for publication of the outcome in the rights issue

Extraordinary general meeting

Extraordinary General Meeting to approve the Board's decision of a rights issue as set out above will be held on February 19 at 13.00 in Hövdings premises at Bergsgatan 33 in Malmö. Notice of the Extraordinary General Meeting will be published through a separate press release.

Information Memorandum

The company will publish an information memorandum in connection with the rights issue. The information memorandum will be available on the company's website (www.hovding.se) and the Västra Hamnen Corporate Finance website (www.vhcorp.se).

Financial and legal advisers

Västra Hamnen Corporate Finance AB is a financial advisor and Advokatfirman Delphi is legal advisor for Hövding in connection with the rights issue.

For further information, please contact:

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Hövding Sverige AB (publ) is listed on the Nasdaq First North Growth Market since 2015.

Västra Hamnen Corporate Finance AB is Hövding's Certified Advisor.

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This information

This information is such information as Hövding Sverige AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 on February 4, 2020.

About Hövding Sverige AB

Hövding Sverige AB (publ) develops, markets and sells "Hövding - Airbag for Cyclists". A revolutionary bicycle helmet consisting of a collar containing an airbag that the cyclist wears around his neck. The airbag releases in the event of an accident and is designed as a hood that encloses and protects the cyclist's head and neck. The triggering mechanism is controlled by sensors that detect abnormal movement of the cyclist in the event of an accident. Hövding offers superior security in the form of the world's best shock absorbing ability and protection against rotational violence.

Forward-looking statements

This press release contains certain forward-looking statements that reflect the company's current views and expectations of future events, as well as financial and operational development, including statements regarding the rights issue and statements regarding guidance, planning, outlook and strategies. Words that are "intended", "assessed", "expected", "planned", "estimated", "can", and other terms that imply indications or predictions regarding future developments or trends and which are not based on historical facts, are forward-looking information.

Although the company believes that these statements are based on reasonable assumptions and expectations, the company cannot guarantee that such forward-looking statements will be realized. Since these forward-looking statements include both known and unknown risks and uncertainties, actual outcomes may differ materially from what is stated in forward-looking information. Forward-looking statements in the press release are valid only at the time of the press release and are subject to change without notice. The company makes no commitment to publish updates or revisions to forward-looking statements as a result of new information, future events or the like in addition to what is required by applicable laws or stock market regulations.

Important information

This press release does not constitute an offer for any securities in Hövding. The issue is not directed at shareholders or other investors domiciled in the United States, Australia, Hong Kong, Japan, Canada, Singapore, South Africa or New Zealand, or in any other country where participation in the issue would require additional prospectus, registration or other measures than under Swedish law or contravene rules in such a country. No subscription rights, paid subscribed shares, shares or other securities issued by Hövding have been registered or will be registered under the United States Securities Act 1933, or under the securities laws of any state in the United States or any provincial law in Canada. Therefore, no subscription rights, paid subscribed shares, shares or other securities issued by Hövding may be transferred or offered for sale in the United States or Canada other than in exceptional cases that do not require registration. The issue is only for (i) persons located outside the UK; (ii) to professional investors covered by Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (iii) other persons to whom it may be lawfully directed.