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## W5 Solutions publishes prospectus and announces the price for its initial offering on Nasdaq First North Growth Market

**W5 Solutions AB (publ) ("W5 Solutions" or the "Company"), a profitable fast-growing Swedish defence supplier, announced on 18 November 2021 its intention to carry out an offering of shares and to list the Company's shares on Nasdaq First North Growth Market (the "IPO" or the "Offering"). The Offering is comprised of shares at a subscription price of SEK 25 per share, which is expected to provide W5 Solutions with proceeds of SEK 35 million before deduction of transaction costs. The prospectus for the Offering has today been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and is now available on the Company's website, [www.w5solutions.com](http://www.w5solutions.com). The first day of trading in the Company's shares is expected to be on 17 December 2021.**

### The Offering in brief

- The shares in the Offering are offered to institutional investors in Sweden and abroad, as well as to the general public in Sweden.
- The Offering comprises 1,400,000 newly issued shares.
- The subscription price is SEK 25 per share, corresponding to a company valuation of SEK 250 million before the Offering.
- Upon full subscription of the Offering, the Company will receive proceeds of approximately SEK 35 million before deduction of transaction costs.
- In order to cover any over-allotment in connection with the Offering, the Offering includes an over-allotment option of an additional 200,000 newly issued shares (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full, the Company will receive additional proceeds of SEK 5 million before deduction of transaction costs.
- Provided that the Over-Allotment Option is exercised in full, the Offering will comprise 1,600,000 new shares, which represent approximately 13,8 % of the total number of shares in the Company after the Offering.
- W5 Solutions has received subscription commitments from Redeye High Quality Specialplaceringsfond, qualified investors, existing shareholders & members of the board and management team of approximately SEK 30 million, corresponding to 85,7 % of the Offering.



- The Company's major shareholders as well as board members and senior executives have agreed on customary lock-up undertakings for a period of 360 after the first day of trading on Nasdaq First North Growth Market.
- The subscription period will run from and including 26 November 2021 up to and including 10 December 2021.
- The new shares will be issued under the ISIN code SE0016786040.
- On 18 November 2021, Nasdaq Stockholm AB assessed that the Company meets Nasdaq First North Growth Market's listing requirements, provided that customary conditions are met no later than on the day of listing of the Company's shares. The first day of trading in the Company's shares on Nasdaq First North Growth Market is expected to be on 17 December 2021.
- Full terms and conditions for the Offering are included in the prospectus which the Company has prepared in connection with the Offering, and which today has been approved by the Swedish Financial Supervisory Authority. The prospectus is available on the Company's website, [www.w5solutions.com](http://www.w5solutions.com). The prospectus will also be available on Nordic Issuing's and Redeye's respective websites, [www.nordic-issuing.se](http://www.nordic-issuing.se), [www.redeye.se](http://www.redeye.se).

**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."

**Background and reasons for the Offering**

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 will 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.

### 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

### 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](http://www.w5solutions.com), [www.redeye.se](http://www.redeye.se)).

### Prospectus and subscription

A prospectus, containing the complete terms and conditions of the Offering, has been published today on W5 Solutions' website, [www.w5solutions.com](http://www.w5solutions.com). During the subscription period, the prospectus will also be available on Nordic Issuing's and Redeye's respective websites, [www.nordic-issuing.se](http://www.nordic-issuing.se), [www.redeye.se](http://www.redeye.se). The prospectus will also, within a couple of days, be available on the Swedish Financial Supervisory Authority's website, [www.fi.se](http://www.fi.se). Applications from the general public can be made through Nordnet and Avanza in accordance with the terms set out in the prospectus.

The prospectus has been approved by the Swedish Financial Supervisory Authority. The approval of the prospectus by the Swedish Financial Supervisory Authority should not be understood as an endorsement of the securities offered. In order to fully understand the potential risks and rewards associated with the decision to invest in the Offering, potential investors should read the prospectus before making an investment decision.

### Preliminary timetable

Publishing of the prospectus	25 November 2021
Subscription period	26 November – 10 December 2021



Settlement date	15 December 2021
Preliminary first day of trading on Nasdaq First North Growth Market	17 December 2021

### Stabilization measures

In Connection with the Offering, Lago Kapital Oy will act as stabilization manager (“**Stabilization Manager**”) and may conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilization transactions may be carried out on Nasdaq First North Growth Market, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares and warrants on Nasdaq First North Growth Market and ending not later than 30 calendar days thereafter.

The Stabilization Manager has no obligation to undertake any stabilization measures and there is no assurance that stabilization measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering.

The stabilization transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The Stabilization Manager must, no later than by the end of the seventh trading day after stabilization transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596 /2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilization measures have been undertaken. Within one week of the end of the stabilization period, the Stabilization Manager will disclose whether stabilization measures were undertaken, the date on which stabilization started, the date on which stabilization was last carried out as well as the price range within which stabilization was carried out for each of the dates when stabilization measures were conducted.

### Advisers

Redeye Aktiebolag acts as financial adviser as well as Certified Adviser upon approval at Nasdaq First North Growth Market, Törngren Magnell & Partners Advokatfirma KB acts as legal adviser, and Nordic Issuing acts as issuing agent in connection with the IPO.

### For more information, please contact:

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### ABOUT W5 SOLUTIONS

W5 Solutions supplies high-technology systems and solutions to Swedish and international defence 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](http://www.w5solutions.com).

### **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](http://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.

#### **STABILIZATION MEASURES**

In connection with the offer or sale of securities referred to herein, a financial advisor engaged by W5 Solutions may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the engaged financial advisor in accordance with all applicable laws and rules.

#### **Attachments**

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