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Press release

Malmö, 2020-07-20

Hövding carries out rights issue and reschedules interim report for the second quarter of 2020

Hövding Sverige AB (publ) (the “Company”), which is listed on Nasdaq First North Growth Market, 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 61 million with preferential rights for existing shareholders (the “Rights Issue”). The terms of the share issue mean that six (6) existing shares give the right to subscribe for one (1) new share at a subscription price of SEK 15.50. The Rights 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 August 5, 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 second quarter has been moved forward to August 4, 2020. The previously communicated date was August 25, 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 220,000 Hövdings have been sold, protecting over 5,000 cyclists in documented accidents around the world.

During the spring of 2020, Hövding completed a rights issue of SEK 25 million to finance additional costs incurred in connection with the development and launch of Hövding version 3, but also to enable continued marketing efforts when Hövding version 3 is rolled out. Shortly after the issue was completed, Hövding's markets were paralyzed to varying degrees by restrictions and shutdowns in the aftermath of the corona pandemic. Sales slowed sharply, but a significant part of the cost remained.

Of Hövding's four focus markets, Sweden, Denmark, Germany and England, the sales impact was smallest in Sweden. After an initial drop, sales in Sweden are back at similar levels as before the corona pandemic. Denmark and Germany have seen greater effect, which after a sharp initial decrease in sales is still at a lower level compared with before the corona pandemic, mainly due to the hesitant actions of distributors and retailers. England is the latest focus market and the Company had begun a rollout with marketing efforts when the market closed in March. Retailers who have not

previously had sales have subsequently been restrictive in bringing in a relatively unknown product to the local market, such as Hövding.

In a larger perspective, the corona pandemic is expected to have a positive impact on Hövding's underlying market, everyday cycling. The ongoing movement to increasingly use bicycle as a daily type of transport has been accelerated during the corona pandemic. Public transport has been opted out in favor of bicycles and this behavior is expected to continue to some extent in the future. Cities have also seen a need and opportunity to accelerate the transition to a more bicycle-friendly urban environment, and in several cases significant commitments on investments has made for increased cycling.

The corona pandemic has also accelerated a restructuring of the internal work at Hövding. Especially regarding the maintenance and establishment of sales networks, which during the spring largely took place digitally at distance. It has worked well, and the Company sees opportunities for efficiencies, especially in connection with establishment in new markets.

When the corona pandemic broke out, Hövding had intended to roll out Hövding 3 at a high rate in the Company's focus markets. When most of the Company's markets closed, the Company was left with marketing costs and a cost structure adapted for strong growth. In the wake of the operational and financial challenges posed by the pandemic, the Company has examined both processes and plans to find a financially sustainable level of ambition. The Company's focus in the future will be to achieve profitability in combination with reasonable growth and intends to adjust the cost level accordingly. This Rights Issue is proposed to secure the Company's financial position and continued develop of the Company.

Terms of the Rights Issue

The Rights Issue means that Hövding's share capital will be increased by a maximum of SEK 1,965,99.50 by issuing a maximum of 3,931,959 shares. Existing shareholders have a preferential right to subscribe for shares in relation to the number of shares they already own. Those who on the record date are registered as shareholders in Hövding have the right to subscribe for one (1) new share for six (6) existing shares in the Company.

The subscription price amounts to SEK 15.50 per share, which means that the new share issue, upon full subscription, will provide Hövding with approximately SEK 61 million before issue costs.

Subscription and guarantee commitments

The Company's existing owners Fosielund Holding AB, Safetech International AB, VIH Sweden AB and Jenz o Carl-Olof Hamrins Stiftelse, which together represent approximately 61 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 37.4 million. In addition, the Company has entered into an agreement with Fosielund Holding AB to guarantee the remaining part of the Rights Issue. 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

August 5

Extraordinary General Meeting

August 10	Last trading day with the rights to participate in the Rights Issue
August 12	Record date for participation in the Rights Issue
August 12	Estimated date for publication of Prospectus
August 14 - August 28	Subscription period
August 14 - August 26	Trading in subscription rights
September 2	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 August 5 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.

Prospectus

The Company will publish a Prospectus in connection with the Rights Issue. The prospectus 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.

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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 July 20, 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.