



Offer to the shareholders of
Allgon AB (publ)

IMPORTANT INFORMATION

General

Latour Industries AB (a Swedish private limited liability company, with corporate registration number 556018-9754, domiciled in Gothenburg) ("Latour Industries"), has made a public offer for all shares in Allgon AB (publ), with corporate registration number 556387-9955 ("Allgon" or the "Company"), in accordance with the conditions set out in this offer document (the "Offer").

The Offer, as well as the agreements entered into between Latour Industries and the shareholders in Allgon as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer or such agreements, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the City Court of Stockholm (Sw. Stockholms tingsrätt) shall be the court of first instance.

Takeover rules for certain trading platforms (the "**Takeover Rules**") and the Swedish Securities Council's (Sw. Aktiemarknadsnämnden) statements and rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. Näringslivets Börskommitté) are applicable to the Offer.

The offer document has not been reviewed or approved by The Swedish Financial Supervisory Authority (Sw. Finansinspektionen) in accordance with the regulations in Chapter 2 § 3 of the Swedish Act on Public Takeovers on the Stock Market (Sw. lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden) or Chapter 2a § 9 of the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument).

The information in the offer document is intended to be accurate, although not complete, only as of the day of the announcement of the offer document. It is not implied that the information has been or will be accurate at any other time. The information in the offer document is provided solely with respect to the Offer and is not permitted to be used for any other purpose. The information regarding Allgon on pages 14–48 in the offer document has been reviewed by the board of directors of Allgon. Latour Industries does not guarantee and takes no responsibility for that the information included herein with respect to Allgon is accurate and complete, other than as according to applicable law. No information in the offer document has been reviewed or audited by Allgon's auditor.

The figures reported in the offer document have been rounded as appropriate. This implies that some tables may not sum up correctly. All information in the offer document regarding shareholdings in Allgon is based on 56,222,597 outstanding shares in Allgon, whereof all shares are shares of series B.

Forward-looking statements

Statements in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Latour Industries and Allgon.

Any forward-looking statements made herein speak only as of the date on which they are announced. Except as required by the Takeover Rules or applicable law or regulations, Latour Industries expressly disclaims any obligation or undertaking to publicly announce updates or revisions to any forward-looking statements contained in the offer document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Latour Industries or Allgon have made or may make.

Offer restrictions

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the "**Restricted Territories**"). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section "*Offer restrictions*" on pages 52–53.

Shareholders in the United States of America should also refer to the section "Offer restrictions – United States of America" on page 54.

The offer document has not been produced by, and has not been approved by, an "authorised person" for the purposes of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**"). The communication of this offer document to persons in the United Kingdom is exempt from the restrictions on financial promotions in section 21 FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire shares in a body corporate and the object of the transaction may reasonably be regarded as being the acquisition of day to day control of the affairs of that body corporate within article 62 (sale of a body corporate) of the FSMA 2000 (Financial Promotion Order 2005).

Contents

Offer to the shareholders of Allgon	2
Background and reasons for the Offer	4
Recommendation from the board of directors of Allgon	5
Fairness opinion from PwC	9
Terms and conditions	11
Description of Allgon	14
General	14
Allgon's financial information in summary	15
Allgon's share capital and ownership structure	20
Allgon's board of directors, group management and auditor	21
Allgon's articles of association	22
Allgon's interim financial report for the period 1 January 2020 - 30 September 2020	24
Statement from the board of directors of Allgon	49
Information about Latour Industries	50
Tax issues in Sweden	51
Offer restrictions	52
Offer restrictions - United States of America	54
Contact details	55

THE OFFER IN BRIEF

Consideration:	SEK 10.75 in cash for each share of series B in Allgon ¹⁾
Acceptance period:	14 December 2020 - 22 January 2021
Estimated settlement date:	29 January 2021

1) Should Allgon, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly.

Offer to the shareholders of Allgon

Introduction

On 14 December 2020, Latour Industries AB¹⁾ ("Latour Industries") announced a recommended public offer to the shareholders of Allgon AB (publ) ("Allgon" or the "Company") to tender all shares of series B²⁾ in Allgon to Latour Industries (the "Offer"). The shares of series B in Allgon are listed on Nasdaq First North Growth Market.

Consideration

The shareholders of Allgon are offered SEK 10.75 in cash per share of series B in Allgon.

Should Allgon, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly. In the event of either of the foregoing, Latour Industries reserves the right to determine whether this price adjustment mechanism or condition 7 to completion of the Offer (see the section "*Terms and conditions – Conditions for completion of the Offer*") shall be invoked.

No commission will be charged in respect of the settlement of the Allgon shares tendered to Latour Industries under the Offer.

Premiums

The price of the Offer represents a premium of³⁾:

- 30.5 per cent compared to the closing price on Nasdaq First North Growth Market on 11 December 2020 (the last day of trading prior to the announcement of the Offer) of SEK 8.24 for the shares;
- 33.1 per cent compared to the volume-weighted average trading price of SEK 8.08 for the shares during the last 30 trading days ended on 11 December 2020 (the last day of trading prior to the announcement of the Offer); and
- 41.1 per cent compared to the volume-weighted average trading price of SEK 7.62 for the shares during the last 180 trading days ended on 11 December 2020 (the last day of trading prior to the announcement of the Offer).

Total value of the Offer

The total value of the Offer, based on all 56,222,597 outstanding shares in Allgon, amounts to approximately SEK 604 million.

Financing of the Offer

The Offer is not subject to any financing condition. The Offer is fully financed by available cash on hand at Latour Industries.

Acceptance level in the Offer

The completion of the Offer is conditional upon, *inter alia*, the Offer being accepted to such extent that Latour Industries becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Allgon. Latour Industries reserves the right to waive the condition to complete the Offer at a lower level of acceptance. For further information, see the section "*Terms and conditions – Conditions for completion of the Offer*".

Statement from the board of directors of Allgon and fairness opinion

The board of directors of Allgon has assessed the Offer and unanimously resolved to recommend to the shareholders of Allgon to accept the Offer, which has been announced by Allgon in a press release.

The board of directors of Allgon has enlisted Öhrlings PricewaterhouseCoopers AB ("PwC") to provide a valuation opinion (a so-called fairness opinion) regarding the Offer. According to the fairness opinion, the Offer is fair for Allgon's shareholders from a financial point of view. The recommendation from the board of directors and the provided fairness opinion are included in this offer document.

Closely related party

The board member Per Nordlander is a closely related party to Verdane Capital VI K/S and Verdane Capital VI B K/S, that have undertaken to accept the Offer. In accordance with the takeover rules for certain trading platforms (the "Takeover Rules"), Per Nordlander has not participated, and will not participate, in Allgon's handling of or decisions concerning the Offer.^{4),5)}

1) A Swedish private limited liability company, with corporate registration number 556018-9754, domiciled in Gothenburg.

2) Shares of series B is the only outstanding share class in Allgon.

3) Source for Allgon's share prices: Nasdaq First North Growth Market.

4) The board member Anna Stålenbring owns 10,000 shares in Allgon. Anna Stålenbring is also a board member in Troax Group AB (publ) ("Troax"). Latour Industries' indirect shareholder, Investmentaktiebolaget Latour (publ), owns approximately 30.1 of the shares in Troax. Against this background, it shall be noted that Anna Stålenbring has not, in any way, cooperated with Latour Industries in connection with the Offer.

5) Anders Mörck, board member in Latour Industries and CFO in Investmentaktiebolaget Latour (publ) holds 34,400 shares in Allgon. The shares were acquired well before the work with the Offer commenced.

Latour Industries' shareholding in Allgon

At the time of this offer document, neither Latour Industries nor any closely related companies or closely related parties own any shares or financial instruments in Allgon that give financial exposure to Allgon's shares, nor has Latour Industries acquired or agreed to acquire any shares in Allgon or any financial instruments that give financial exposure to Allgon's shares during the six months preceding the announcement of the Offer.

Latour Industries may acquire, or enter into agreements to acquire, shares in Allgon outside the Offer and any purchases made or arranged will be disclosed in accordance with applicable rules.

Undertakings from shareholders in Allgon

Latour Industries has obtained irrevocable undertakings to accept the Offer from Verdane Capital VI K/S, Verdane Capital VI B K/S, Tibia Konsult AB, Bertil Görling and Akei AB¹⁾, holding in aggregate 27,743,935 Allgon shares, corresponding to approximately 49.3 per cent of the total shares and votes in Allgon.

The undertakings are conditional upon no other party, prior to the date when the Offer is declared unconditional, announcing a competing offer for all outstanding shares in Allgon at an offer price exceeding the price in the Offer by 7.5 per cent and Latour Industries resolving not to match such competing offer (the "**Right to Match**") within five business days. The Right to Match applies to any and all competing offers.

The irrevocable undertakings are terminated if the Offer is withdrawn or lapses (for whatever reason) and if Latour Industries, or any party acting in concert with Latour Industries, commits a material breach of mandatory applicable laws and regulations relating to the Offer, including the EU Market Abuse Regulation and the Takeover Rules.

Due Diligence

Latour Industries has performed a limited confirmatory due diligence review of Allgon in relation to the preparation of the Offer and has in connection therewith met with Allgon's management team. Allgon has informed Latour Industries that no information has been disclosed to Latour Industries during the due diligence process which has not previously been disclosed and which is reasonably expected to affect the price of the shares in Allgon.

Approvals from authorities

The completion of the Offer is conditional upon, *inter alia*, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities, being obtained, in each case on terms which, in Latour Industries' opinion, are acceptable. According to Latour Industries' assessment, the transaction will require the approval of the competition authority in Germany. Latour Industries has initiated the work on filing of the transaction in the relevant jurisdiction. Latour Industries expects that relevant clearances will be given prior to the end of the acceptance period.

Applicable law and disputes

The Offer, as well as the agreements entered into between Latour Industries and the shareholders in Allgon as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the Stockholm District Court (*Sw. Stockholms tingsrätt*) shall be the court of first instance.

The Takeover Rules and the Swedish Securities Council's (*Sw. Aktiemarknadsnämnden*) statements and rulings regarding interpretation and application of these rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (*Sw. Näringslivets Börskommitté*), are applicable to the Offer.

1) A company wholly-owned by Ola Samelius.

Background and reasons for the Offer

Allgon is a global leader in the industrial radio control market. The Company has a long history of developing, manufacturing and supplying critical solutions to its customers around the world. Allgon has about 350 employees in 19 countries with headquarter in Stockholm, Sweden.

Latour Industries has followed Allgon for a long time and is impressed by the Company and its leading position in the market for industrial radio control. Latour Industries is focused on investing in high quality businesses with leading market positions that operate in markets with clear underlying growth, we see Allgon meeting all our investment criteria. Further, Latour Industries is convinced that Allgon could benefit from having a long-term owner with strong financial resources to accelerate the growth.

Latour Industries consists of six wholly-owned holdings and one part-owned holding, each of them with their own products with high technology content and a clear potential for growth. Allgon will form a new wholly-owned business line and operate as an independent entity within Latour Industries.

Latour Industries fully supports Allgon's strategy to become the market leader in industrial radio control through globalization and continue to invest and develop new technology. Further, Allgon will benefit from accelerated growth initiatives under the Latour Industries umbrella. Latour Industries' plans for the future business and general strategy do not currently include any material changes with regard to the Company's operational sites, and its employees, including their terms of employment.

For further information, please refer to the information in the offer document, which has been prepared by the board of directors of Latour Industries in connection with the Offer. The description of Allgon on pages 14–48 in the offer document has been reviewed by the board of directors of Allgon. The board of directors of Latour Industries assures that, to the best of its knowledge, the information in the offer document with regard to Latour Industries is correct.

Gothenburg, 14 December 2020

Latour Industries AB
The board of directors

Recommendation from the board of directors of Allgon



Statement by the Board of Directors of Allgon in view of Latour Industries' public takeover offer

The Board of Directors of Allgon unanimously recommends the shareholders to accept Latour Industries' public takeover offer.

Background

This statement is made by the Board of Directors¹ 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").

Latour Industries AB² ("Latour" or the "Offeror") has by virtue of a press release today announced a public takeover offer to the shareholders of Allgon to tender all shares in Allgon to the Offeror at a consideration of SEK 10.75 in cash for each share (the "Offer").

The total value of the Offer, based on all issued and outstanding shares in Allgon, amounts to approximately SEK 604 million³ and represents a premium of approximately:

- 30.5 per cent compared to the closing price of SEK 8.24 for Allgon's B-share on Nasdaq First North Growth Market on 11 December 2020, the last trading day before the announcement of the Offer;
- 33.1 per cent compared to the volume-weighted average share price of SEK 8.08 for Allgon's B-share on Nasdaq First North Growth Market during the last 30 trading days before the announcement of the Offer; and
- 41.1 per cent compared to the volume-weighted average share price of SEK 7.62 for Allgon's B-share on Nasdaq First North Growth Market during the last 180 trading days before the announcement of the Offer.

According to the timetable included in the offer announcement, the acceptance period is expected to commence today on 14 December 2020 and end on 22 January 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 Latour becomes the owner of shares representing more than 90 per cent of the outstanding shares and votes in Allgon and that all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities, being obtained, in each case on terms which, in Latour Industries' 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.

Verdane Capital VI K/S, Verdane Capital VI B K/S, Tibia Konsult AB, Bertil Görling and Ola Samelius, through companies, as well as Allgon's deputy CEO and Tele Radio i Lysekil ABs' (the Company's largest subsidiary based on turnover) CEO, together representing shares corresponding to approximately 49.3 per cent of the total number of shares in Allgon, has on customary terms undertaken to accept the Offer.

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

² Latour industries is owned by Investment AB Latour and represents one of five wholly-owned business areas. Latour Industries is an investment company actively investing in the engineering industry.

³ Based on a total of 56,222,597 outstanding shares in the Company.

For further information about the Offer, please refer to the Offeror's offer announcement from today 14 December 2020 and the offer document which will be made public by the Offeror on or around 14 December 2020.

The Board of Directors of Allgon has, upon a written request by the Offeror, granted the Offeror the possibility to conduct a limited confirmatory due diligence review in relation to the preparation of the Offer. In connection with the due diligence process, the Offeror has also met with the Company's management team. The Offeror has not received any inside information concerning the Company as part of the due diligence review.

Allgon has appointed Erneholm Haskel AB as financial advisor and Advokatfirman Vinge KB as legal advisor in connection with the Offer. As part of the Board of Director's assessment of the Offer, the Board has further appointed PwC as provider of a fairness opinion regarding the Offer, which is attached hereto. For the assignment regarding the fairness opinion, PwC receives a fixed fee which is not dependent on the size of the offer consideration, the acceptance level in the Offer or whether the Offer is completed.

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 evaluated the Company's potential 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 relates to comparable transactions, offer premiums in previous public takeover offers, and the stock market's expectations regarding the Company.

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

The Offer of SEK 10.75 per share in the Company represents a premium of approximately 30.5 per cent compared to the closing price of SEK 8.24 for the Company's B share on Nasdaq First North Growth Market on 11 December 2020, the last trading day before the announcement of the Offer and 33.1 per cent compared to the volume-weighted average share price of SEK 8.08 for Allgon's B share on Nasdaq First North Growth Market during the last 30 trading days prior to the announcement of the Offer. 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.

The Board has further considered the fairness opinion from PwC, according to which the Offer is fair for the Company's shareholders from a financial perspective (based on the assumptions and considerations reported in the fairness opinion).

The recommendation is further supported by the fact that the Board, in addition to the proactive contacts made with other possible offerors in connection with the Offer, has been contacted by a number of undisclosed potential bidders during the past 24 months, without such contacts resulting in a public takeover offer.

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

"Latour Industries consists of six wholly-owned holdings and one part-owned holding, each of them with their own products with high technology content and a clear potential for growth. Allgon will form a new wholly-owned business line and operate as an independent entity within Latour Industries. Latour Industries fully supports Allgon's strategy to become the market leader in industrial radio control through globalization and continue to invest and develop new technology. Further, Allgon will benefit from accelerated growth initiatives under the Latour Industries umbrella. Latour Industries' plans for the future business and general strategy do not currently include any material changes with regard to the Company's operational sites, and its employees, including 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

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. The Offer does not fully reflect the entire long-term fundamental value of Allgon. At the same time, the Board notes that the business and operations of the Company and the Company's growth opportunities in light of prevailing market conditions have inherent risks. In its evaluation of the Offer, the Board has also considered that four of the Company's largest individual shareholders have undertaken to accept the Offer on customary terms, and that it is encouraging for the Company that a well-known and long-term investor may become a new major owner and as such can contribute to the Company's continued development.

Based on the aforementioned, Allgon's Board of Directors is therefore of the opinion that the terms of the Offer are fair and unanimously recommends the shareholders to accept Latour'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 on 14 December 2020

Allgon AB (publ)
The Board of Directors

For further information, please contact:

Anders Björkman
Chairman of the Board of Directors of Allgon
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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 14 December 2020, at 08:15 (CET).

Om 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 370 employees in 18 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.

Fairness opinion from PwC



To the Board of Directors of
Allgon AB (publ)
Kronobergsgränd 7
164 46 Kista

December 14, 2020

To the Board of Directors of Allgon AB (publ)

On December 14, Investment AB Latour (“Latour”), announced a public cash offer to the shareholders of Allgon AB (“Allgon”) to tender all their shares in Allgon to Latour for SEK 10.75 per share (the “Offer”). Based on 56,222,597 outstanding shares, the implied equity value amounts to SEK 604.4 million. Allgon’s shares are currently traded on Nasdaq First North Growth Market.

Öhrlings PricewaterhouseCoopers AB (“PwC”, “we” or “us”) has been assigned by the Board of Directors of Allgon, in the capacity as an independent expert, to assess the fairness of the Offer from a financial perspective for the shareholders in Allgon.

Our independent assessment of the market value of the share capital in Allgon has included market approach valuation based on listed comparable companies and historical bid premiums. Our analysis has also included income approach value calculations based on various scenarios. We have gathered the information and performed the analysis deemed necessary and relevant for our assessment of the fairness of the Offer.

As a basis for our assessment, we have reviewed, *inter alia*, the following information:

- a) publicly available information about Allgon such as:
 - the annual report for 2019 and prior financial years
 - quarterly reports up until the third quarter of 2020
- b) Allgon’s forecast for 2020 and strategic plan for the years 2021 to 2023
- c) the subsidiary Tele Radio’s forecast for 2020 to 2023 and strategic plan for the years 2020 to 2030
- d) the subsidiary Åkerströms forecast for 2020 to 2024 and strategic plan for the years 2020 to 2028
- e) the subsidiary Smarteq’s forecast for 2020 to 2023
- f) information retrieved through an interview with Johan Hårdén, CEO at Allgon, and Cecilia Ponthan, CFO at Allgon
- g) financial analyst reports covering the Allgon share
- h) publicly available information on the price and turnover of the Allgon share

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Öhrlings PricewaterhouseCoopers AB, Reg office: Stockholm, Reg nr: 556029-6740



- i) information from financial databases, such as Capital IQ, Refinitiv Eikon and Mergermarket
- j) other information available that PwC has deemed relevant for this fairness opinion

Our opinion is based on the financial, economic, market and other conditions, as well as the information provided to us, as at the date of this opinion. Changes in the circumstances mentioned may affect the assumptions that have formed the basis of our value assessment, and we do not assume any responsibility for updating, revising or confirming this opinion.

We have relied upon the accuracy and the completeness, in all relevant aspects, of the information provided and otherwise made available to us by representatives of Allgon.

We have not acted as a financial advisor to Allgon in connection with the contemplated transaction. Our fee for this assignment is not dependent on a decision of the completion of the transaction.

This opinion is addressed to the Board of Directors of Allgon for the purpose of serving as a basis for the current shareholders' standpoint regarding the Offer and we do not accept any responsibility for its use for other purposes than this.

Subject to the foregoing conditions and limitations, it is PwC's opinion that the Offer as at this date, from a financial point of view, is fair to the owners of shares in Allgon.

PwC

A handwritten signature in blue ink, appearing to read "Jon Walberg".

Jon Walberg
Partner

2 (2)

Terms and conditions

Consideration

The shareholders of Allgon are offered SEK 10.75 in cash per share of series B in Allgon.

Should Allgon, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Offer will be adjusted accordingly. In the event of either of the foregoing, Latour Industries reserves the right to determine whether this price adjustment mechanism or condition 7 to completion of the Offer (see the section titled "*Conditions for completion of the Offer*" below) shall be invoked.

No commission

No commission will be charged in respect of the settlement of the Allgon shares tendered to Latour Industries under the Offer.

Conditions for completion of the Offer

Completion of the Offer is conditional upon:

1. the Offer being accepted to such extent that Latour Industries becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Allgon;
2. no other party announcing an offer to acquire shares in Allgon on terms that are more favorable to the shareholders of Allgon than the Offer;
3. with respect to the Offer and completion of the acquisition of Allgon, receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in Latour Industries' opinion, are acceptable;
4. neither the Offer nor the acquisition of Allgon being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance;
5. no circumstances having occurred which could have a material adverse effect or could reasonably be expected to have a material adverse effect on Allgon's financial position or operation, including Allgon's sales, results, liquidity, equity ratio, equity or assets;
6. no information made public by Allgon, or otherwise made available to Latour Industries by Allgon, being inaccurate, incomplete or misleading, and Allgon having made public all information which should have been made public; and
7. Allgon not taking any action that is likely to impair the prerequisites for making or completing the Offer.

Latour Industries reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2–7 above, the Offer may only be withdrawn where the non-satisfaction of such condition is of material importance to Latour Industries' acquisition of Allgon or if otherwise approved by the Swedish Securities Council.

Latour Industries reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1 above, to complete the Offer at a lower level of acceptance.

Acceptance

Shareholders in Allgon whose shares are directly registered with Euroclear Sweden AB ("Euroclear") who wish to accept the Offer must, during the period from 14 December 2020 up to and including 22 January 2021, at 17.00 CET, sign and submit a duly completed acceptance form to Handelsbanken Capital Markets, Offerings & Issue Services ("Handelsbanken Issue department") either by mail to the address stated on the acceptance form or to the e-mail address stated on the acceptance form.

An acceptance form that is sent by mail, in the enclosed pre-paid envelope attached, must be sent in ample time before the last day of the acceptance period so that it may be received by Handelsbanken no later than **17.00 CET on 22 January 2021**.

The securities account (Sw. VP-konto) and the current number of shares held in Allgon as of 15 December 2020 are pre-printed on the acceptance form which is sent out together with the offer document and pre-paid envelope to shareholders in Allgon who are directly registered. Shareholders should verify that the pre-printed information on the acceptance form is correct.

Note that acceptance forms which are incomplete or incorrectly completed may be disregarded. No amendments to the pre-printed text may be conducted on the acceptance form.

If shares in Allgon are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed.

Those who are registered in the list of pledges and guardians will not receive an acceptance form, but will instead be notified separately.

Nominee-registered holdings

Shareholders in Allgon whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, will receive neither the offer document nor a pre-printed acceptance form. Acceptance must be made in accordance with instructions received by the nominee.

Offer document and acceptance form

This offer document is available on Latour Industries' website (www.latourindustries.se/en/recommended-offer) and through Handelsbanken's website (www.handelsbanken.se/prospekt). The acceptance form for shares directly registered with Euroclear can be ordered from Handelsbanken Issue Department via e-mail issuedept@handelsbanken.se.

Acceptance period and right to extend the Offer

The acceptance period in the Offer commences on 14 December 2020 and ends on 22 January 2021.

Latour Industries reserves the right to extend the acceptance period, as well as to postpone the settlement date. A notice of any such extension or postponement will be announced by Latour Industries by means of a press release in accordance with applicable rules and regulations.

Right to withdraw acceptance

Shareholders of Allgon have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by Handelsbanken Issue Department (address: Handelsbanken Capital Markets, Offerings & Issue Services HCOO, SE-106 70 Stockholm) before Latour Industries has announced that the conditions of the Offer have been fulfilled or, if such announcement has not been made during the acceptance period, not later than 17.00 CET on the last day of the acceptance period. If conditions to the Offer, which Latour Industries has reserved the right to waive, remain during an extension of the Offer, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer. Shareholders of Allgon holding nominee-registered shares wishing to withdraw acceptance shall do so in accordance with instructions from the nominee.

Confirmation and transfer of shares in Allgon to blocked securities accounts

After Handelsbanken Issue Department has received and registered an acceptance form which has been duly completed, the shares in Allgon will be transferred to a new blocked securities account (*Sw. apportkonto*) which has been opened for each shareholder. In connection hereto, Euroclear will send a notification ("VP-notice") showing the number of shares in Allgon that has been removed from the original securities account and a VP-notice showing the number of shares in Allgon that have been entered in the newly opened blocked securities account.

Settlement

Settlement will be initiated as soon as Latour Industries announces that the conditions for the Offer have been fulfilled or Latour Industries otherwise decides to complete the Offer. If such announcement takes place on 26 January 2021, at the latest, settlement is expected to be initiated on or around 29 January 2021. Settlement will be effected by distribution of a transaction note to those who have accepted the Offer.

The settlement amount will be paid to the yield account which is connected to the shareholder's securities account. The payment to shareholders in Allgon who do not have a yield account connected to their securities account, or whose account is a bank giro or postal giro account, may be delayed.

In connection with the settlement, the shares in Allgon will be removed from the blocked securities account which will then be terminated. No notice evidencing the removal from the blocked securities account will be sent.

Note that, even if the shares in Allgon are pledged, payment will be made to the yield account or in accordance with what is stated above.

If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

Compulsory redemption proceedings and delisting

If Latour Industries, whether in connection with the Offer or otherwise, acquires shares representing more than 90 per cent of the total number of shares in Allgon, Latour Industries intends to commence compulsory redemption proceedings under the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*) to acquire all remaining shares in Allgon and to promote delisting of Allgon's shares from Nasdaq First North Growth Market.

Important information regarding LEI and NID at acceptance

NID code requirement for natural persons

According to Directive 2014/65/EU of the European Parliament and of the Council ("**MiFID II**"), all investors must, as of 3 January 2018, have a global identification code, national ID or a National Client Identifier ("**NID code**") in order to execute a securities transaction. Under this requirement, natural persons must provide their NID code in order to execute a securities transaction. For natural persons who only have Swedish citizenship, the NID number consists of the designation "SE" followed by the individual's personal identity number. If the person in question has more than one citizenship or is a citizen of a country other than Sweden, the NID code will be a different type of number. The code must be provided on the acceptance form if other citizenship than Swedish. If the code is not provided, Handelsbanken may not be able to execute the transaction for the natural person concerned. For more information on how to obtain an NID code, contact your bank.

LEI code requirement for legal entities

The Legal Entity Identifier ("LEI") is a global identification code for legal entities. Under MiFID II, with effect from 3 January 2018, legal entities must have a LEI code in order to execute a securities transaction. If there is no LEI code, Handelsbanken may not be able to execute the transaction. Registration of LEI codes can be done by any of the providers in the market. It is important to register a LEI code well in advance as it must be confirmed on the acceptance form.

Other information

Handelsbanken is receiving and processing the acceptance forms for the Offer on behalf of Latour Industries. This means that there will be no customer/bank relationship between the shareholder that accept the Offer and Handelsbanken Capital Markets only due to Handelsbanken Issue Department is receiving and processing acceptance forms.

Information about processing of personal data

Svenska Handelsbanken AB (publ) is the party responsible (data controller) for processing the personal data that you provide on your acceptance form or that is otherwise registered in connection with this acceptance. Detailed information of Svenska Handelsbanken AB (publ)'s processing of personal data and your rights in connection with this process is available at www.handelsbanken.se.

Questions concerning the Offer

Information regarding the Offer is available at Latour Industries' website (www.latourindustries.se/en/recommended-offer). If you hold your shares in a custody account and have questions regarding administration of your shares in the Offer, please contact your custodian. For other questions regarding the administration of the Offer, please contact Handelsbanken Issue Department via e-mail, issueddept@handelsbanken.se

Description of Allgon

The following is a summary description of Allgon. The information presented in this description is, unless otherwise stated, based on publicly available information primarily gathered from Allgon's website, the annual report for the financial year 2019, and the interim report for the period 1 January 2020 – 30 September 2020, and has been reviewed by the board of directors of Allgon (see the section titled "*Statement from the board of directors of Allgon*" on page 49).

General

Business overview

Allgon is a leading player in industrial radio control. Allgon develops, manufactures and deliver industrial radio control solutions to customers around the world and has a long history in the field of wireless communication. In recent years, the business has been focused on industrial radio control, a market in which Allgon is now one of the five biggest global players. Industrial radio control is used in a range of different applications, both in industry and in the construction and transport sectors, and Allgon's solutions often play a key, business-critical role for customers in production and employee safety. The global market for industrial radio control is being driven by strong demand in all segments. Radio-controlled systems from the Company's wholly-owned subsidiaries Tele Radio International Holding group ("Tele Radio") and Åkerströms Björbo AB ("Åkerströms") account for most of Allgon's sales. Allgon has around 350 employees in 19 countries.

Business areas

Industrial Radio Control

Operations within the business area Industrial Radio Control are conducted through the wholly-owned subsidiaries Tele Radio and Åkerströms. Tele Radio develops, manufactures and markets robust radio control systems for industrial use, and the company's product offering encompasses advanced radio systems that are specially designed for situations where there are significant safety and reliability requirements, for example in heavy industry, and simple systems for opening and closing gates. Tele Radio operates in 19 countries, with local subsidiaries providing sales and service functions and some product customisation. Tele Radio also has the support of authorised distributors.

Åkerströms develops, manufactures and markets robust radio control products for industrial cranes, doors and mobile applications. The company has a strong market position in Sweden's basic heavy industry, founded on longstanding customer relationships in which the company's well-developed service offering is an important factor. The company sells directly to its end users and through selected distributors and partners, who provide local and global service and support. Åkerströms' customers are located mainly in the area around the Baltic Sea.

Connectivity

The business within the business area Connectivity is, since the divestment of Satmission AB and WSI Sweden AB, conducted within the wholly owned subsidiary Smarteq Wireless AB ("Smarteq") in the Antenna segment.

Smarteq develops and supplies antennas and antenna solutions with a focus on high performance, robustness and reliability. The company develops its products by working closely with its global customers, mainly in the automotive, energy and industrial sectors. It has an extensive product portfolio of advanced, multi-functional, high-performance antennas. Smarteq is a market leader in the field of antennas for smart electricity meters and charging stations in the Nordic countries and is a development partner for customised and inbuilt antenna solutions for the automotive industry.

Strategy

Allgon has clear growth targets, and a vision to become the global market leader in industrial radio control, with good levels of profitability. To achieve this, Allgon invest in Swedish and foreign companies which have a global focus. The customers of Allgon get access to new technology by Allgon investing in companies that are advancing in the industrial radio control market. The experience and know-how of Allgon enables the Company to develop and refine the group in a sustainable way.

Vision

To be the global market leader in industrial radio control.

Mission

To provide the safest, most reliable industrial radio control solutions.

Business concept

The company's business concept is to use industrial radio control solutions to create a safe, user-friendly working environment for industry customers. In doing so, the customers production processes and logistics becomes more cost-effective. Furthermore, Allgon constantly develop the Company's offer using advanced technology to meet the increasing needs of customers in terms of certification, ergonomics and user-friendly solutions.

Allgon's financial information in summary

The following information regarding Allgon has been extracted from the audited annual reports for 2019, 2018 and 2017, as well as the interim report for the period 1 January 2020 – 30 September 2020 (which has neither been audited, nor reviewed by Allgon's auditor) with comparative figures for the six-month period ended on 30 September 2019.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as well as the interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. In addition, Recommendation RFR 1, "Supplementary Accounting Rules for Groups" (Sw. *Kompletterande redovisningsregler för koncerner*) from the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*) and the Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) have been applied.

The consolidated interim reports of Allgon have been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

Audited annual reports as well as the interim report are available on the Company's website (www.allgon.se).

Complete information on the Company's financial development and financial position is available in the annual reports for 2017–2019. Figures stated in this section "*Allgon's financial information in summary*" are rounded to thousand SEK whereas the calculations are performed using an extended set of decimals. Percentages are displayed with one decimal and are also rounded. Some calculations may appear to sum incorrectly due to rounding.

Summary consolidated income statement¹⁾

SEK thousand	1 January - 30 September		1 January - 31 December		
	2020	2019	2019	2018	2017
Net sales	370,900	391,751	574,162	322,169	198,639
Work performed by the company for its own use and capitalised	905	478	1,282	4	682
	371,805	392,229	575,444	322,173	199,321
Raw materials and consumables	-102,800	-103,151	-157,252	-95,363	-83,863
Other external expenses	-68,780	-80,712	-114,464	-79,585	-41,377
Staff expenses	-142,261	-134,263	-209,288	-127,610	-65,787
Depreciation/amortisation	-50,138	-19,318	-31,696	-12,259	-6,843
Other operating income/expenses	3,696	-155	1,878	718	853
Operating profit/loss (EBIT)	11,522	54,630	64,622	8,073	2,304
Profit/loss from financial items					
Interest income and similar profit/loss items	1,168	924	4,271	3,712	139
Interest expenses and similar profit/loss items	-19,866	-17,739	-28,132	-15,830	-3,681
Net financial income/expenses	-18,698	-16,815	-23,861	-12,119	-3,542
Pre-tax profit/loss (EBT)	-7,176	37,815	40,761	-4,046	-1,238
Tax on profit for the year	-10,786	-7,302	6,115	-3,455	525
Minority share of profit/loss	-	-	-	-1,027	-
Profit/loss in the period, remaining operations	-17,962	30,513	-	-	-
Profit/loss in the period, divested operations	-22,157	-1,650	-	-	-
Profit/loss in the period, total for Group	-40,119	32,163	46,876	-8,527	-713
Other comprehensive income					
Translation difference	-7,069	9,577	2,838	2,098	68
Comprehensive profit/loss for the period	-47,188	41,740	49,714	-6,430	-645
Profit/loss for the period attributable to					
Parent company's shareholders	-42,690	27,744	42,479	-8,527	-713
Non-controlling interests	2,571	4,418	4,397	-1,027	-
	-40,119	32,162	46,876	-	-
Comprehensive profit/loss for the period attributable to					
Parent company's shareholders	-49,491	36,678	44,800	-6,605	-645
Non-controlling interests	2,303	5,062	4,914	-1,202	-
	-47,188	41,740	49,714	-	-

1) The figures for 2020 have been recalculated to include only remaining operations, while the figures for the years 2017–2019 refer to the group as a whole.

Summary consolidated balance sheet¹⁾

SEK thousand	30 September		31 December		
	2020	2019	2019	2018	2017
ASSETS					
Fixed assets					
<i>Intangible fixed assets</i>					
Goodwill	302,774	371,283	366,253	371,000	118,406
Trademarks	25,000	25,006	25,004	25,011	5,000
Other intangible fixed assets	28,733	35,955	35,214	44,023	419
Installed customer base	-	-	-	-	2,880
Technology	-	-	-	-	3,120
Acquired product rights	-	-	-	-	3,892
Balanced expenses for development work	-	-	-	-	5,600
Total intangible fixed assets	-	-	426,471	440,034	139,317
<i>Tangible fixed assets</i>					
Buildings & conversion of leased property	33,829	20,058	32,891	-	3,032
Buildings	-	-	-	2,929	-
Machinery, tools, equipment & fittings	17,444	20,621	-	-	-
Machinery & tools	-	-	9,231	11,307	3,338
Equipment & fittings	-	-	10,192	1,289	1,330
Total tangible fixed assets	-	-	52,314	15,527	7,699
<i>Financial fixed assets</i>					
Shares and stakes	-	-	6	-	-
Holdings in associated companies	-	-	-	6	-
Holdings in associated companies and other financial assets	-	-	-	-	137
Other non-current assets	5,048	728	880	694	-
Deferred tax assets	33,656	12,769	31,294	13,229	8,073
Total financial fixed assets	-	-	32,180	13,929	8,211
Total fixed assets	446,484	486,420	510,965	469,490	155,227
Current assets					
Inventories	105,198	101,843	97,633	96,192	34,619
Current receivables	81,416	108,293	-	-	-
Accounts receivable	-	-	71,943	65,309	30,484
Tax assets	-	-	2,205	3,015	1,909
Other current receivables	-	-	7,753	12,952	1,561
Prepayments and accrued income	-	-	7,841	6,057	4,185
Current investments	-	-	-	-	185
Cash and cash equivalents	74,988	88,787	98,428	83,847	10,486
Discontinuing operations	-	-	-	-	-
Total current assets	261,602	298,923	285,803	267,373	83,428
TOTAL ASSETS	708,086	785,343	796,768	736,863	238,655

1) The figures for 2020 have been recalculated to include only remaining operations, while the figures for the years 2017-2019 refer to the group as a whole.

Summary consolidated balance sheet¹⁾, continuing

SEK thousand	30 September		31 December		
	2020	2019	2019	2018	2017
EQUITY AND LIABILITIES					
Share capital	279,725	319,415	281,113	281,113	105,540
Other contributed capital	-	-	332,345	332,345	340,595
Reserves	-	-	4,553	2,232	134
Retained earnings including net profit	-	-	-290,460	-332,953	-324,426
Equity attributable to the parent company's shareholders	-	-	327,552	282,738	121,843
Non-controlling interests	9,073	10,948	10,142	8,070	-
Total equity	-	-	337,694	290,808	121,843
<i>Long-term liabilities</i>					
Provisions	-	-	1,331	-	-
Other long-term liabilities	307,762	286,862	295,469	307,874	17,510
Total long-term liabilities	-	-	296,800	307,874	17,510
<i>Current liabilities</i>					
Overdraft facilities	5,124	6,006	7,118	9,841	19,206
Liabilities to credit institutions	-	-	2,499	2,500	1,293
Current interest-bearing liabilities	-	2,500	-	-	-
Accounts payable	-	-	35,164	37,046	32,508
Liability to shareholders	-	-	-	-	21,500
Deferred tax liability	8,000	11,572	7,662	9,460	2,970
Current liabilities	98,402	148,041	-	-	-
Other current liabilities	-	-	73,562	45,108	8,160
Prepayments and accrued income	-	-	36,269	34,226	13,665
Discontinuing operations	-	-	-	-	-
Total current liabilities	-	-	162,274	138,181	99,302
TOTAL EQUITY AND LIABILITIES	708,086	785,343	796,768	736,863	238,655

1) The figures for 2020 have been recalculated to include only remaining operations, while the figures for the years 2017-2019 refer to the group as a whole.

Summary consolidated cash flow statement¹⁾

SEK thousand	1 January - 30 September		1 January - 31 December		
	2020	2019	2019	2018	2017
Operating activities					
Profit/loss after financial items, remaining operations	-7,176	37,815	-	-	-
Profit/loss after financial items	-	-	40,761	-4,046	-1,238
Profit/loss after financial items, discontinuing operations	-1,676	1,650	-	-	-
<i>Adjustment for items not included in cash flow</i>					
Depreciation/amortisation of tangible and intangible assets	39,099	13,429	-	-	6,843
Amortisation of right-of-use assets	11,039	6,785	-	-	-
Amortisation of tangible and intangible assets	-	-	31,696	12,259	-
Changes in provisions	-971	208	107	-3,201	-3,431
Capitalised interest	2,058	2,525	3,367	4,000	623
Other items not included in cash flow	5,195	187	-1,081	-	-
Minority share of the profit	-	-	-	-755	-
Income tax paid	-8,200	-5,169	-9,964	-1,734	91
Cash flow from operating activities before changes in working capital	39,370	57,430	64,886	6,524	2,888
Changes in working capital					
Change in inventories	-12,043	-5,651	-1,442	-1,231	-2,562
Change in accounts receivable	-158	-17,007	-6,634	-	-
Change in current receivables	-9,115	-3,953	-3,972	3,037	1,619
Change in current liabilities	3,937	19,583	1,851	-22,224	-8,523
Cash flow from operating activities	21,991	50,402	54,689	-13,894	-6,578
Investing activities					
Investments in intangible assets	-3,717	-1,108	-3,454	-4	-747
Business combinations	-	-	-	-	-2,342
Investments in subsidiaries	-28,333	-25,000	-25,000	-203,829	-
Investments in tangible assets	-3,130	-6,123	-6,088	-1,288	-2,062
Divested subsidiaries	16,760 ²⁾	-	-	-	-
Cash flow from investing activities	-18,420	-32,231	-34,542	-205,121	-5,151
Financing activities					
Rights issue	-	-	-	126,660	-
Issue expenses	-	-	-	-14,907	-553
Net change in overdraft	-1,994	-3,835	-2,723	-20,556	6,476
Borrowings	-	-	-	279,626	7,589
Minority distribution	-873	-2,185	-	-	-
Amortisation of lease liabilities	-10,844 ³⁾	-7,211	-	-	-
Transactions with non-controlling interests	-	-	-2,842	-	-
Repayment of interest-bearing loans	-13,300	-	-1	-78,447	-119
Cash flow from financing activities	-27,011	-13,231	-5,566	292,376	13,393
CASH FLOW FOR THE PERIOD	-23,440	4,940	14,581	73,361	1,664
Cash and cash equivalents at beginning of period	98,428²⁾	83,847	83,847	10,486	8,822
Cash and cash equivalents at period end	74,988	88,787	98,428	83,847	10,486

1) The figures for 2020 have been recalculated to include only remaining operations, while the figures for the years 2017-2019 refer to the group as a whole.

2) The difference in cash and cash equivalents at 31 December 2019 in the Group's cash flow statement corresponds to cash and cash equivalents in Satmission amounting to SEK 1.2 million.

3) From 1/1/2020, amortisation of financial lease liability is accounted for under Financing activities. Comparative figures have been recalculated.

Key financial figures and ratios¹⁾

SEK thousand	1 January - 30 September		1 January - 31 December		
	2020	2019	2019	2018	2017
Profit/loss					
Net sales	370,900	391,751	574,162	322,169	198,639
Growth in sales (%)	-5.3%	146.3%	78%	62%	42%
Gross profit	268,100	288,599	416,910	-	-
Gross margin (%)	72.3%	73.7%	72.6%	-	-
EBITDA	61,600	73,949	96,318	20,332	9,147
Operating profit/loss (EBIT)	11,522	54,630	64,622	8,073	2,304
Operating margin (%)	3.1%	13.9%	11.3%	2.5%	1.2%
Profit/loss after financial items	-7,176	37,815	40,761	-4,046	-1,238
Profit/loss after tax, attributable to parent company's shareholders, total for Group	-42,690	27,744	42,479	-	-
Earnings after tax	-17,962	30,512	46,876	-	-
Earnings per share ²⁾	-0.32	0.54	-	-	-
Earnings per share, total for Group ²⁾	-0.76	0.49	0.76	-0.21	-0.04
Share data²⁾					
Earnings per share, remaining operations (SEK)	6.60	6.97	-	-	-
Earnings per share (SEK)	-	-	10.21	8.06	10.24
Equity per share (SEK)	4.98	5.68	5.83	5.03	6.28
Cash flow from operating activities per share (SEK)	0.39 ³⁾	0.90	0.97	-	-

1) The figures for 2020 have been recalculated to include only remaining operations, while the figures for the years 2017-2019 refer to the group as a whole.

2) Earnings per share is the same before and after dilution since there are no outstanding options or convertibles that could cause dilution.

3) From 1/1/2020, amortisation of financial lease liability is accounted for under Financing activities. Comparative figures have been recalculated.

Allgon's share capital and ownership structure

General

The shares in Allgon are listed on Nasdaq First North Growth Market.

Share capital

As of the date of this offer document, the registered share capital of Allgon amounts to SEK 281,112,988.987828, distributed over a total of 56,222,597 shares of series B. The shares have a quota value of approximately SEK 5 per share.

Shares may be issued in two series, series A and series B. No shares of series A have been issued. Each share of series B entitles the holder to one vote at the general meeting. Shares of series A, if issued, carry 10 votes per share. All shares carry equal right to Allgon's earnings and assets. For additional information, see Allgon's articles of association below.

Shareholders

As of 30 June 2020, Allgon had 3,299 shareholders.¹⁾ The ten largest shareholders as of 30 September 2020 are shown in the table below.²⁾

Owner	Number of shares of series B	% of the share capital and votes
Verdane Capital VI	14,392,620	25.60%
Tibia Konsult AB	5,742,103	10.21%
Verdane Capital VI B	3,874,686	6.89%
Försäkringsaktiebolaget Avanza Pension	2,412,379	4.29%
Futur Pension	2,388,766	4.25%
Bertil Görling	2,333,278	4.15%
Ola Samelius and companies	1,401,248	2.49%
Jan Robert Pärsson	1,401,000	2.49%
Clearstream Banking	934,170	1.66%
AB Jier	934,165	1.66%
Other shareholders	20,408,182	36.30%
Shares outstanding	56,222,597	100.00%

Dividends

Allgon has, as of the day of the offer document, not adopted or published a dividend policy.

The annual general meeting held in 2020, 2019 and 2018 resolved not to distribute cash-dividends to the shareholders for the respective previous financial year.

Shareholders' agreements, etc.

The board of directors of Allgon is not aware of any shareholders' agreements or equivalent agreements between shareholders of Allgon with the objective of creating joint influence over Allgon, or any material agreement between Allgon or any major shareholders.

Holding of own shares

Allgon does not, as of the date of the offer document, own any of its own shares.

Authorisations

At the annual general meeting on 13 May 2020, the shareholders authorised the board of directors of Allgon to, on one or more occasions, for the period until the next annual general meeting, resolve on a share issue of series B, issue of convertibles and/or issue of warrants, with the right to subscribe for new shares of series B for cash payment and/or with a provision of payment in kind or by way of set-off. A resolution entailing a deviation from the shareholders' preferential rights with support of the authorisation may be adopted to enable additional acquisitions and to enable an increased diversification of the ownership in the Company. Resolutions adopted with the support of the authorisation may result in a maximum increase of 6,250,000 shares of series B in the Company, which corresponds to a dilution of approximately 10 per cent.

Material agreements

The Company is party to financing agreements, and has issued a bond, that may be affected if a change in the control of the Company occurs. There are no other material agreements that Allgon is party to, which could be affected, amended or terminated if the control of Allgon would change as a result of a public offer.

1) Source: Euroclear.

2) Source: Allgon's interim report for the period 1 January 2020 – 30 September 2020.

Allgon's board of directors, group management and auditor

Board of directors

Anders Björkman (born 1959) (Chairman)

Chairman of the board of directors of Allgon since 2015.

Education: Chalmers University of Technology.

Other board assignments: Chairman of the board of Ovzon AB (publ), Vinnergi Holding AB, Elonroad AB and Maven Wireless Sweden AB, as well as board member of Tele2 AB.

Shareholding in Allgon: 6,600 shares.

Ingallill Östman (born 1956)

Member of the board of directors of Allgon since 2016.

Education: Civil engineer.

Other board assignments: Member of the board of directors and audit committee of Länsförsäkringar Gothenburg and Bohuslän, member of the board of directors of Bellman Group AB (publ), and StyrelseAkademien Västsverige.

Shareholding in Allgon: 6,816 shares.

Björn Lindblom (born 1966)

Member of the board of directors of Allgon since 2016.

Education: IHM Business School.

Other board assignments: Member of the board of directors of Luvly AB.

Shareholding in Allgon: 79,192 shares via B Lindblom AB.

Anna Stålenbring (born 1961)

Member of the board of directors of Allgon since 2020.

Education: Master's degree in economics.

Other board assignments: Member of the board of directors of Troax Group AB (publ), VBG Group AB (publ), FM Mattsson Mora Group AB (publ), Lammhults Design Group AB (publ), MedicaNatumin AB (publ), and Investment Aktiebolaget Chiffonjén.

Shareholding in Allgon: 10,000 shares.

Per Nordlander (born 1967)

Member of the board of directors of Allgon since 2016.

Education: MSc Engineering Physics, Uppsala University and Universität Berlin, Economy, Uppsala University, Advanced Management Program, Stockholm School of Economics.

Other board assignments: Member of the board of directors of Skandia Mutual Life Insurance Company, BEWiSynbra Group AB (publ), Bellman Group AB (publ), and Nordic Finance Business Partner AB. Per Nordlander is also partner at Verdane Capital.

Shareholding in Allgon: Per Nordlander does not hold any shares in Allgon.

Group management

Johan Hårdén (born 1976)

CEO of Allgon.

Education: Stockholm University.

Shareholding in Allgon: 137,259 shares.

Ola Samelius (born 1955)

Vice CEO of Allgon, CEO of Tele Radio AB.

Education: Chalmers University of Technology, University of Gothenburg.

Shareholding in Allgon: 1,401,248 shares.

Cecilia Ponthan (born 1975)

Acting CFO of Allgon.

Education: Business IT, Nackademin.

Shareholding in Allgon: Cecilia Ponthan does not hold any shares in Allgon.

Kristian Karlsson (born 1977)

Corporate Communications Manager of Allgon.

Education: University of Gothenburg, Hyper Island.

Shareholding in Allgon: 10,127 shares.

Auditor

At the annual general meeting held on 13 May 2020, the registered auditing firm Grant Thornton Sweden AB was re-elected as auditors of Allgon for the period until the end of the annual general meeting to be held in 2021. Carl-Johan Regell (born 1963), authorized public accountant and member of the Swedish Professional Institute for Authorized Public Accountants (Sw. Föreningen Auktoriserade Revisorer, FAR), is auditor in charge.

Miscellaneous

There are no agreements between the Company and its board members or employees stipulating remuneration if such persons' employment ceases as a result of a public offering to acquire shares in the Company.

Allgon's articles of association¹⁾

Allgon AB (publ) (reg. no. 556387-9955)

§ 1. Company

The name of the company is Allgon AB (publ).

§ 2. The board of directors' registered office

The board of directors shall have its registered office in Stockholm municipality.

§ 3. Nature of business

The company shall manufacture, acquire, sell, and market accessories for wireless communication and engage in therewith related activities.

§ 4. Share capital

The share capital shall amount to a minimum of SEK 80,000,000 and a maximum of SEK 320,000,000.

§ 5. Number of shares

The number of shares shall be a minimum of 16,000,000 and a maximum of 64,000,000.

§ 6. Share classes

Shares may be issued in two series, series A and series B. Shares of series A carry 10 votes per share and shares of series B carry 1 vote per share. A- and B- shares may in each series be issued in a maximum number corresponding to not more than 100% of the total share capital.

In the event of an increase in the share capital through a new issue where payment is not made in kind, holders of shares of series A and series B shall have a preferential right to subscribe for new shares of the same class in relation to the number of shares previously held (primary preferential right). Shares not subscribed for by primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential right). If the number of shares thereby offered is insufficient for subscription by subsidiary preferential rights, the shares shall be divided between subscribers in relation to the number of shares already held in the company. To the extent this is not possible regarding certain share(s), the shares shall be divided by drawing lots.

The above does not entail any restriction of entitlement to pass a resolution regarding a cash issue or set-off issue that departs from shareholders' preferential rights.

What is prescribed above regarding shareholders' preferential rights shall have corresponding application as regards to issuing of warrants and convertibles.

In the event of an increase in share capital by means of a bonus issue, new shares of each series shall be issued in relation to the number of shares of the same series already issued. Existing shares of a given series shall confer preferential rights to new shares of the same series. This latter point shall not entail any restriction of entitlement to issue shares of a new series by means of a bonus issue, following the requisite amendment to the articles of association.

§ 7. Board of directors and auditors

The board of directors shall consist of at least three and not more than eight ordinary board members with not more than three deputy board members. These shall be elected annually at the annual general meeting for the period until the end of the annual general meeting the next year.

The company shall have one or two auditors, with or without any deputies. A registered public accounting firm can be elected as auditor.

§ 8. Notice convening a general meeting

Notice of a general meeting is to be made through publication in Post- och Inrikes Tidningar and by making the notice available on the company's website. Information that the notice has been issued is to be published in Svenska Dagbladet.

Notice of annual general meetings and notice of extraordinary general meetings where amendments to the articles of association will be considered shall be issued no earlier than six weeks before and no later than four weeks before the meeting.

Notice of an extraordinary general meeting of another kind shall be issued no earlier than six weeks and no later than two weeks before the general meeting.

In order to attend a general meeting, shareholders must give notice of their own attendance and the number of assistants attending to the company no later than 16:00 on the day specified in the notice convening the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not be more than the five working days prior to the meeting. Representatives do not have to give notice of the number of assistants.

§ 9. Annual general meeting

At the annual general meeting, the following matters shall be considered.

1. Election of chairman at the meeting.
2. Preparation and approval of the voting list.
3. Approval of agenda.
4. Election of at least one person to approve the minutes.
5. Determination of whether the meeting has been duly convened.
6. Presentation of annual report and auditor's report and, where applicable, consolidated annual report and consolidated auditor's report.
7. Resolution regarding adoption of the income statement and balance sheet, and, where applicable, the consolidated income statement and consolidated balance sheet.
8. Resolution regarding the allocation of the company's profit or loss according to the adopted balance sheet as well as the record date for payment of dividends, if applicable.
9. Resolution regarding discharge from liability for board members and the CEO.

1) This is a non-official translation of the Swedish language version of the articles of association.

10. Election of board members and, if applicable, auditors.
11. Determination of fees to the board of directors and the auditor.
12. Any other business incumbent on the meeting according to the Companies Act or the articles of association.

§ 10. Financial year

The company's financial year shall be 0101 – 1231.

§ 11. Record date provision

The company's shares shall be registered in a CSD register pursuant to the Financial Instruments Act (1998:1479).

§ 12. Conversion of A- share to B- share

It shall be possible to convert class A shares to class B shares in the order specified below. Requests for such conversion shall be made in writing to the board. This request shall state how many shares are requested for conversion, and if the conversion does not apply to the shareholder's full holdings of class A shares, which of the shares the conversion applies to. The board is required to address the request at the next board meeting after the request has been submitted. The conversion shall without delay be submitted for registration, and is executed when it is recorded and noted in the CSD register.

Allgon's interim financial report for the period 1 January 2020 - 30 September 2020

ALLGON™

QUARTERLY REPORT
JANUARY – SEPTEMBER

Q3

A strong recovery, and we're ready for 2021

All comments and figures in this report refer to remaining operations unless otherwise stated.

- EBITDA for the quarter was SEK 27.0 million, double the figure from the previous quarter and on a level with the corresponding quarter in the previous year.
- Pronounced increase in sales in key European markets, for example Germany and Sweden. Allgon has reorganised and adapted aspects of its sales operation in order to use digital channels to safeguard its sales and service functions.
- Continued preparations to enable the organisation to manoeuvre around any restrictions brought about by the pandemic. If a second wave impacts the market significantly, we will be ready for it.
- As of the last of September, WSI has been sold to Sigma Connectivity as a further step to refine Allgon's operations towards industrial radio control.

Third quarter 2020

- Net sales totalled SEK 121.8 (126.1) million, a decrease of 3.4 percent compared to the corresponding quarter in the previous year.
- EBITDA in the quarter amounted to SEK 27.0 (26.8) million, representing an EBITDA margin of 22.2 (21.3) percent.
- Operating profit amounted to SEK 20.1 (20.7) million, representing an operating margin of 16.5 (16.4) percent.
- Earnings for the quarter amounted to SEK 8.8 (15.0) million, giving an earning per share of SEK 0.16 (0.27).
- The cash flow from operating activities amounted to SEK -4.9 (7.8) million.

January to September 2020

- Net sales totalled SEK 370.9 (391.8) million, a decrease of 5.3 percent compared to the corresponding period in the previous year.
- EBITDA in the period amounted to SEK 61.7 (73.9) million, representing an EBITDA margin of 16.6 (18.9) percent.
- Operating profit amounted to SEK 11.5 (54.6) million, representing an operating margin of 3.1 (13.9) percent.
- Earnings for the period amounted to SEK -18.0 (30.5) million, giving an earnings per share of SEK -0.32 (0.54).
- The cash flow from operating activities was SEK 22.0 (50.4) million.

SEK thousand	2020:Q3	2020:Q2	2020:Q1	2019:Q4	2019:Q3 Total	12 mths
Remaining operations¹						
Net sales	121,823	109,128	139,949	132,866	126,083	503,766
Gross profit	89,752	77,898	100,450	95,718	93,428	363,818
Gross margin (%)	73.7%	71.4%	71.8%	72.0%	74.1%	72.2%
EBITDA	27,041	13,815	20,804	20,420	26,831	82,080
Operating profit/loss (EBIT)	20,108	-20,870	12,284	9,250	20,662	20,772
Operating margin (%)	16.5%	-19.1%	8.8%	7.0%	16.4%	4.1%
Pre-tax profit/loss	13,634	-26,647	5,837	2,370	15,477	-4,806
Earnings after tax	8,792	-29,704	2,950	15,788	15,004	-2,174
Earnings per share (SEK)	0.16	-0.53	0.05	0.28	0.27	-0.04
Cash flow from operating activities ²	-4,864	17,106	9,748	17,212	7,771	39,202
Net debt/EBITDA (x) (12-month rolling basis)	3.0	3.3	2.7	2.4 ³	2.5 ³	2.7 ³
Group total, including divested business						
Earnings after tax	-2,471	-41,258	1,039	14,736	10,209	-27,954
Earnings per share (SEK)	-0.04	-0.73	0.02	0.26	0.18	-0.50

¹ Group as a whole excluding Satmission & WSI

² From 1/1/2020, amortisation of financial lease liability is accounted for under Financing activities. Comparative figures have been recalculated.

³ Including assets and liabilities related to divested business. Figures have not been recalculated on the basis of divested business.

Allgon is a leading player in industrial radio control. We develop, manufacture and deliver solutions for various applications to customers around the world.



Allgon is experiencing a continuing recovery in the sector. The demand for radio control solutions for machinery, installations and cranes is increasing month by month. With our 10,000 customers, our business is on a firm foundation. We know, however, that the pandemic may spring surprises and we have prepared ourselves accordingly. We have managed to maintain our cash levels, kept costs under control and established contingency plans, leading to a strong result for the third quarter.

With the economy fluctuating, the sector has increasingly recognised the need to streamline and also safeguard production and service. Of course, investments can be postponed if new temporary concerns arise. Despite this,

we are seeing a genuine demand for technology, software and service that immediately give measurable results. This is very apparent in our two subsidiaries Tele Radio and Åkerströms.

In the past year, the strength we have in our broad customer base in five continents has been particularly noticeable. When a sector or a region is more defensive, other sectors or countries act as a counterbalance. Currently, demand is strongest in major exporting regions such as southern Germany, Sweden, the Netherlands and Switzerland. Sectors that are doing particularly well are construction, offshore wind power, specialist vehicles and machinery for the construction industry. These are all typical customers who need to be able to control, fine-tune and assess machinery, cranes and installations 24 hours a day. In some markets and sectors, there has been less demand and business has been sluggish. This is particularly the case with customers in the United Kingdom and the automotive, oil and shipping sectors. We have acquired new customers, mainly in our newest markets including Brazil, France and Russia.

Alongside this, we are continuing to put measures in place to enable us to cope with any setback in the global recovery. We have made sure that Allgon and our suppliers are able to act as quickly and decisively as we did in the spring. In regard to our customer relationships, some of which go back for several decades, we are well placed to develop business whatever the state of the economy.

Increased digitalisation

By moving towards a more digitally-based way of working, we will ensure we are less affected by restrictions arising from the pandemic, and we will increasingly undertake meetings and deliver adaptations, service functions, sales and training using this approach. This is most apparent in more mature countries such as Sweden, the United States and Finland where IT infrastructure is most advanced. In the United States, for example, we have used digital channels to strike deals with brand new customers and install systems remotely. This could be indicative of the way we work in the future. For example, we have adapted our physical maintenance services for customers to the new socially-distanced circumstances. Our new mobile service unit for maintenance and service at our customers' sites has had a very positive reception. And our new software that collects process data from machinery is now installed at two major companies in Sweden, Boliden and SSAB. This is yet another area in which we can introduce successful developmental projects into all markets.

I have been hugely impressed by Allgon's employees in the past few quarters. Colleagues with experience of global crises have provided stability and a long-term perspective. Dedicated younger employees, meanwhile, have contributed fresh energy and creative solutions.

Not all competitors in our sector have got through the

year so successfully, and so we have been able to win new customers in countries such as the Netherlands and Italy.

Our expansion continues

Allgon believes that there are major opportunities within industrial radio control for the company to grow and become the global leader. Our growth strategy centres on organic growth and selective acquisitions that complement our company. It remains our objective to establish a new subsidiary for Tele Radio during the year. Production in China and Vietnam is in full swing. We have moved some aspects of production between factories to further improve efficiency and resilience.

One important element of our work during the year has been the streamlining process that will enable Allgon to focus solely on its core activity of industrial radio control. During the quarter, Allgon has sold a further niche subsidiary, and industrial radio control now accounts for 90 percent of turnover. The remaining operation, Smarteq Wireless, has performed well and has won a pioneering order in the V2X (Vehicle-to-everything) field, i.e. communication between vehicles or between vehicles and their surroundings.

In summary, in the third quarter, despite an unsettled and challenging market, we have generated new business in radio control while continuing our streamlining process. We have also exercised restraint in terms of expenditure, leading to strong results. Allgon's mantra of "offering a safe, user-friendly work environment for our customers" will continue to resonate in everything we do. And, whatever direction the economy takes, we will be the premier company for our customers, employees and suppliers.

We are working very hard to deliver a reconfigured Allgon, ready to take the steps needed to continue developing and growing the business. We are already looking forward to 2021.

Johan Hårdén, CEO & President, Allgon
Stockholm, Sweden, 12 November 2020

4 Allgon AB | Quarterly Report January – September 2020

Business areas

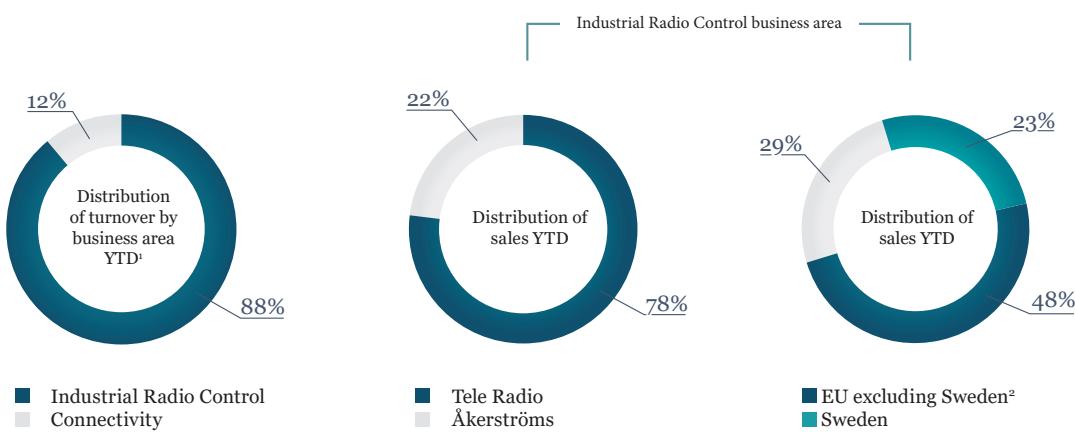
Industrial Radio Control

Wholly owned subsidiaries Tele Radio International Holding group (Tele Radio) and Åkerströms Björbo AB (Åkerströms) are responsible for business in this sector.

Tele Radio develops, manufactures and markets robust radio control systems for industrial use. Its product offering encompasses advanced radio systems that are specially designed for situations where there are significant safety and reliability requirements, for example in heavy industry, and simple systems for opening and closing gates. Tele Radio operates in 18 countries, with local subsidiaries providing sales and service functions and some product customisation. The company also has the support of authorised distributors.



Åkerströms develops, manufactures and markets robust radio control products for industrial cranes, doors and mobile applications. The company has a strong market position in Sweden's basic heavy industry, founded on longstanding customer relationships in which the company's well-developed service offering is an important factor. The company sells directly to its end users and through selected distributors and partners, who provide local and global service and support. Most of the company's customers are located in the area around the Baltic Sea.



¹ Relates to remaining operations

² The figures include the UK

Antennas

Our wholly owned subsidiary Smarteq Wireless AB (Smarteq) is responsible for business in our Antennas segment. Smarteq is a specialist Swedish company with over 50 years' experience of antenna design.

Smarteq develops and supplies antennas and antenna solutions with a focus on high performance, robustness and reliability. The company develops its products by working closely with its global customers, mainly in the automotive, energy and industrial sectors. It has an extensive product portfolio of advanced, multi-functional, high-performance antennas. Smarteq is a market leader in the field of antennas for smart electricity meters and charging stations in the Nordic countries and is a development partner for customised and inbuilt antenna solutions for the automotive industry.



Financial statements for business areas

Industrial radio control

Sales

During the quarter, Tele Radio achieved sales of SEK 83.3 million and Åkerströms and Allgon Tianjin had a turnover of SEK 23.7 million, a total of SEK 107.0 million, to be compared with SEK 96.1 million in the second quarter of the year and SEK 113.9 million in the corresponding quarter of the previous year. Sales for both Tele Radio and Åkerströms continued to be adversely affected by COVID-19 in the quarter, in comparison with the corresponding quarter in the previous year, although not to the same extent as in the second quarter. Sales in September for both companies were good and on a level with the previous year. Growth for the business area compared with the corresponding quarter of the previous year was negative, at -6.0 percent. EBITDA for the business area, before Group-wide costs, amounted to SEK 29.9 million compared to SEK 29.5 million in the corresponding quarter of the previous year. The Group-wide EBITDA margin excluding Group-wide costs for the third quarter was 27.9 percent.

In the January to September period, Tele Radio achieved sales of SEK 254.6 million and Åkerströms and Allgon Tianjin had a turnover of SEK 73.3 million, a total of SEK 327.9 million, to be compared with SEK 353.3 million in the corresponding period in the previous year. Growth for the business area compared with the corresponding period in the previous year was negative, at -7.2 percent. EBITDA for the business area, before Group-wide costs, amounted to SEK 73.9 million, compared to SEK 84.1 million in the corresponding period in the previous year. The Group-wide EBITDA margin for the January to September period excluding Group-wide costs was 22.5 percent.

The sales and growth of the business area in the January to September period exceeded Group management expectations during the ongoing pandemic.

SEK thousand	2020:Q3	2020:Q2	2020:Q1	2019:Q4
Net sales	107,045	96,131	124,724	118,889
EBITDA	29,907	18,924	25,045	27,038
Operating profit/loss (EBIT)	18,366	12,719	18,473	16,799
Operating margin (%)	17.2%	13.2%	14.8%	14.1%
Average number of employees	337	338	339	331
Net sales/employee	318	284	368	359

Tele Radio

Sales for Tele Radio amounted to SEK 83.3 million, to be compared with SEK 76.3 million in quarter two. In the third quarter, growth was negative, at -7.2 percent, compared to the corresponding quarter of the previous year, and positive, at 9.1 percent, compared to the second quarter of the year. This can be ascribed to the impact of COVID-19. Thanks to a diversified market and Tele Radio's global operation, sales in the third quarter recovered in comparison to the second quarter.

Åkerströms

Third quarter sales for Åkerströms amounted to SEK 23.7 million, to be compared with a turnover of SEK 19.8 million in the second quarter. In the third quarter, growth was negative, at -1.5 percent, compared to the corresponding quarter of the previous year, and positive, at 19.8 percent, compared to the second quarter of the year. This can be ascribed to the impact of COVID-19. Most of Åkerströms' sales are within the EU, including Sweden, where the market recovered during the third quarter.

Trends in the market and our business

Allgon's core activity of industrial radio control continued to recover in the third quarter despite the ongoing pandemic. There was a pronounced increase in demand in several important European markets, such as Sweden and Germany. However, the recovery for countries that were affected in previous quarters by shutdowns – such as the United Kingdom – was somewhat weaker due to less favourable conditions. Allgon's newly-established subsidiaries in France, Brazil and Russia performed well during the quarter and are now beginning to take market share, albeit from low levels.

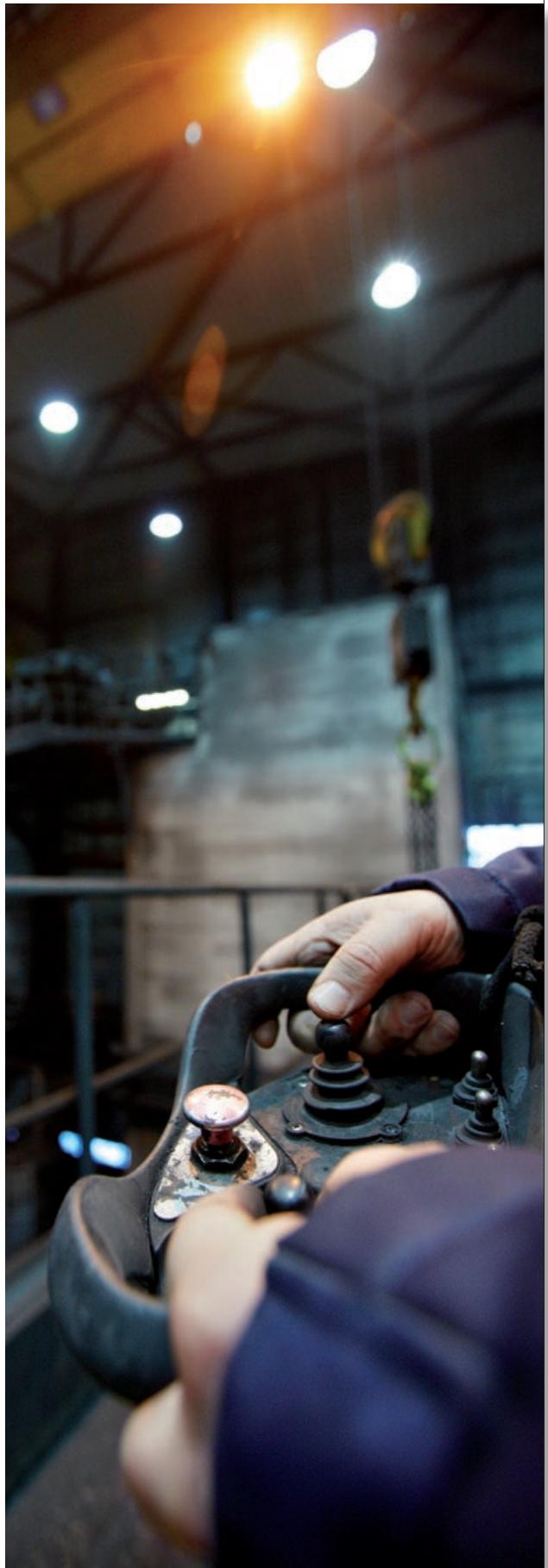
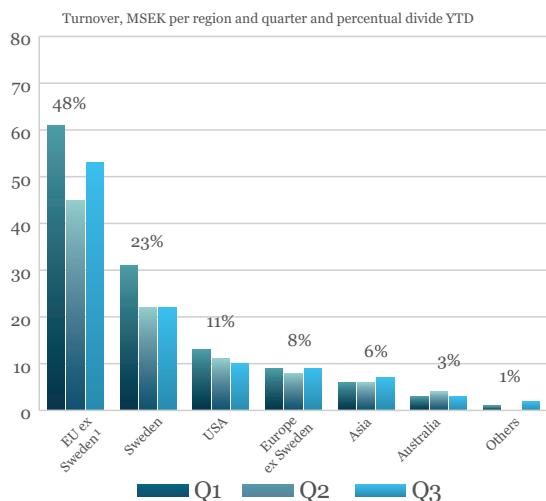
Allgon profited from its companies' business models during the quarter. Geographical reach and diversified customer portfolios helped to spread risk and enabled the business area to grow in some areas, which compensated for declines in others. The demand in the construction sector for solutions from our subsidiary Tele Radio was much stronger than expected, while the automotive industry continued to be impacted by the pandemic in the form of cutbacks and reduced investment. Meanwhile, our subsidiary Åkerströms can report a positive trend in radio control systems for jetting vehicles and the energy sector, and demand remains high in process industries. While the company saw some downturn in demand for standard systems, mainly in the export markets, August was a particularly strong month and especially for customised systems.



Deliveries to the business area's customers continued on schedule during the quarter without significant delays, and Allgon's establishment of the production unit in Vietnam is progressing to plan and will complement the company's operations in Xiamen, China. The company has moved some aspects of production between factories to further improve

efficiency and resilience. As reported in connection with the second quarter, our subcontractors in countries badly affected by the pandemic continue to face challenges, and during the period the company began an intensive review of options for components. Meanwhile, both subsidiaries continued to adapt their processes and offers to the current circumstances. Tele Radio has successfully streamlined its sales process and adapted its systems using digital channels. As part of its aftermarket offer, Åkerströms is supporting those customers for whom physical visits are difficult by providing systems maintenance via its service van, a flexible solution that is appreciated by customers and also reduces the risk of infection.

During the quarter, Allgon worked at high capacity, and the financial position of its subsidiaries is stable. In light of the continued uncertain situation, we will continue to restrict expenditure as in the first two quarters of the year until the external situation stabilises while at the same time preparing for continued growth. In addition, Åkerströms' Access_Ctrl business area, which was launched in the first quarter of the year, has been well received by the market and its solutions for access control and logging production data have been introduced into Swedish companies such as Boliden and SSAB.



Connectivity

Antennas

On 1 April, Satmission was sold to ASTG AB and the figures within Connectivity have been recalculated so that they include remaining operations only, i.e. Smarteq. Smarteq achieved sales in the quarter of SEK 14.8 million, compared with SEK 13.0 million in the second quarter of the year and SEK 12.0 million in the corresponding quarter in the previous year. Growth for Smarteq compared with the corresponding quarter of the previous year was positive, at 22.7 percent. EBITDA for Smarteq, before Group-wide costs, amounted to SEK 0.7 (2.1) million, representing an EBITDA margin of 4.8 percent. Smarteq's sales in the January to September period amounted to SEK 42.9 (36.7) million. Growth for Smarteq compared with the corresponding period in the previous year was positive, at 16.9 percent. EBITDA for Smarteq in the period, before Group-wide costs, amounted to SEK 1.0 (4.2) million, representing an EBITDA margin of 2.4 percent.

SEK thousand	2020:Q3	2020:Q2	2020:Q1	2019:Q4
Net sales	14,766	12,966	15,160	13,841
EBITDA	713	-1,431	1,752	-282
Operating profit/loss (EBIT)	465	-1,828	1,071	-989
Operating margin (%)	3.2%	-14.1%	7.1%	-7.1%
Average number of employees	13	12	12	12
Net sales/employee	1,136	1,080	1,263	1,153

Trends in the market and our business

Our subsidiary Smarteq remained stable and continued to perform well during the third quarter. With several markets embarking on nationwide rollouts of smart electricity meters, several significant orders were received from both existing and new customers within the segment, and the company noted that the demand amongst several of its bigger existing customers was in line with, or slightly exceeded, volumes prior to COVID-19. Electricity meters will be replaced over a period of several years, and Smarteq expects development in the segment to continue to be less cyclical when wireless smart electricity meters are introduced into new markets in coming years. In addition, in the third quarter Smarteq was also nominated the turnkey supplier of antennas to a new European manufacturer of electric cars.

During the second and third quarters, Smarteq was affected by higher transportation costs due to the ongoing pandemic, which together with the currency and product mix had an impact on the company's gross margin. During the period, the company has continued to follow local authority guidelines and recommendations, with large numbers of staff working remotely, and is ready to put further measures in place if the situation should require it.

In view of Allgon's focus on industrial radio control, Satmission was sold to ASTG during the second quarter. Payment was made partly in the form of 2,500,000 ASTG shares, which were sold in August for a settlement of SEK 5.4 million. This had a positive impact on cash flow in the third quarter. The overall capital loss on the sale amounts to SEK 12.3 million, of which SEK

0.6 million is charged to earnings in the third quarter.

Industrial IoT

As at 30 September, WSI has been sold to Sigma Connectivity. The comparative figures were recalculated in the previous quarterly report, when WSI was reclassified as a discontinuing operation. The business area comprises solely of IIOX, which is being closed down. Turnover for IIOX in the quarter and the period was SEK 0.0 million. EBITDA for IIOX, before Group-wide costs, amounted to SEK -0.8 million for the quarter and SEK -5.0 million for the January to September period. One-time costs of SEK 300 thousand relating to the early cancellation of rental contracts are charged to the quarter.

SEK thousand	2020:Q3	2020:Q2	2020:Q1	2019:Q4
Net sales	12	31	66	136
EBITDA	-829	-2,073	-2,097	-2,536
Operating profit/loss (EBIT)	-843	-2,088	-2,113	-2,552
Operating margin (%)	-7,250.7%	-6,814.3%	-3,185.6%	-1,876.5%
Average number of employees	1	4	6	6
Net sales/employee	12	8	11	23

Trends in the market and our business

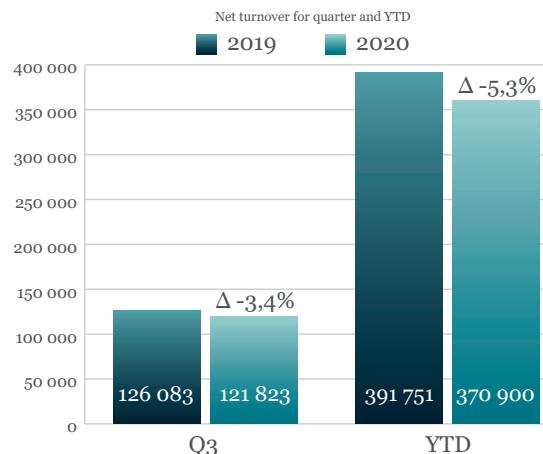
Operations at IIOX were closely associated with WSI's Business Creation solution. As WSI has decided to focus on its traditional line of business and the development of Business Creation has been halted for the time being, Allgon decided at the end of April to divest itself of IIOX. The closure of IIOX will lead to cost savings as the company has not generated any income since summer 2019. All IIOX employees were given notice at the end of April, and the last employee left the company during the third quarter. WSI was sold to Sigma Connectivity on 30 September. The sales price was SEK 16.7 million on a cash and debt free basis, which had a positive impact on cash flow for the quarter to the value of SEK 14.3 million. The sale resulted in a capital loss of SEK 8.3 million, which is charged to earnings in the third quarter.

Financial overview

Third quarter

Net sales

Net sales for the third quarter fell by SEK 4.3 million to SEK 121.8 (126.1) million compared to the corresponding quarter in the previous year. The fall is attributable to the COVID-19 pandemic that is affecting countries across the world to a greater or lesser degree. The Industrial Radio Control business area accounted for SEK 107.0 million of the turnover in the quarter, which represents 87.9 percent of total consolidated sales for remaining operations. Sales in the industrial radio control business area were SEK 10.9 million higher than in the second quarter of the year. The performance of the various segments is shown in Note 4.



Gross and operating profit

Gross profit was SEK 89.8 (93.4) million, corresponding to a gross margin of 73.7 (74.1) percent. The movement in gross profit is mainly due to variation in the product mix and currency fluctuations.

Operating profit amounted to SEK 20.1 (20.7) million, giving an operating margin of 16.5 (16.4) percent. Staff expenses benefits from compensation of SEK 1.4 million for staff on furlough and equivalent government support at Tele Radio's foreign subsidiaries.

The effect of the IFRS 16 adjustment for the quarter is to reduce external expenses by SEK 3.3 million and increase depreciation by SEK 3.3 million.

Net financial income/expenses

Net financial income/expenses for the third quarter amounted to SEK -6.5 (-5.2) million.

Interest on Allgon bonds runs at STIBOR 3M plus 6.75 percent. Bond yield charged to the quarter amounted to SEK -4.9 (-4.8) million. Other bond-related expenses reported under interest expenses and similar profit/loss items amounted to SEK -0.7 (-0.7) million.

Interest expenses relating to external loans and overdrafts amounted to SEK -0.2 (-0.1) million.

Exchange rate fluctuation amounted to SEK 0.0 (0.5) million and other financial income amounted to SEK 0.0 (0.1)

million. Earnings from participations in Group companies, at SEK 0.3 million, are included in net financial income/expenses.

The interest component of the IFRS 16 adjustment amounted to SEK -0.4 (-0.2) million.

Quarterly results

The pre-tax result for the quarter amounted to SEK 13.6 (15.5) million. The result for the quarter after tax amounted to SEK 8.8 (15.0) million. Tax for the quarter was SEK -4.8 (-0.5) million.

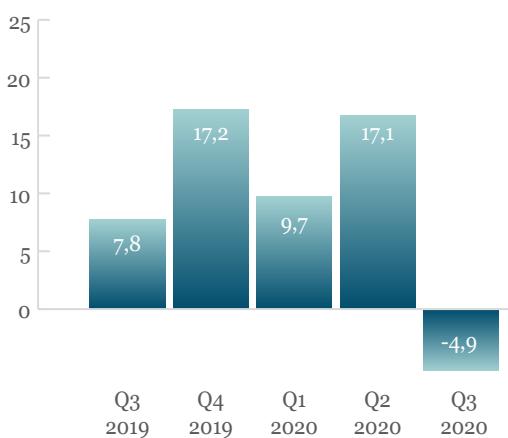
Tax expenses relate to Tele Radio's foreign subsidiaries. The minority share of the profit for the quarter amounted to SEK 1.2 (1.6) million. Minority interests consist of local subsidiary managers' holdings in Tele Radio's and Smarteq's foreign subsidiaries. Profit for the quarter represents an earnings per share of SEK 0.16 (0.27). The difference between the earnings for the quarter and the comprehensive income for the quarter was SEK -3.9 (5.7) million and is due to translation differences relating to the Tele Radio group.

Cash flow for the quarter

Cash flow from operating activities before changes in working capital was SEK 17.5 (16.6) million. Cash flow from operating activities after changes in working capital was SEK -4.9 (7.8) million. The quarter's cash flow from operating activities is negative due to the fact that we have tied up more money in inventories and accounts receivable at the same time as we have reduced our short-term liabilities. Cash flow from investing activities was SEK 16.0 (-3.7) million. The investment business is positive for the quarter due to the fact that we have been paid for both the shares for the sale of Satmission and the sale of WSI. Cash flow after investing activities was SEK 11.2 (4.1) million.

Cash flow from financing activities amounted to SEK -20.4 (-0.5) million and consisted mainly of changes in utilised overdraft facilities and amortisation of lease liabilities, and final regulation of the vendor loan of WSI.

Cash flow from operating activities
after changes in working capital, MSEK



The January – September period

Net sales

Net sales for the period fell by SEK 20.9 million to SEK 370.9 (391.8) million compared to the corresponding period in the previous year. The fall is attributable to the COVID-19 pandemic that is affecting countries across the world to a greater or lesser degree. The Industrial Radio Control business area accounted for SEK 327.9 million of turnover in the period, which represents 88.4 percent of total consolidated sales for remaining operations. The performance of the various segments is shown in Note 4.

Gross and operating profit

Gross profit was SEK 268.1 (288.6) million, corresponding to a gross margin of 72.3 (73.7) percent. Operating profit amounted to SEK 11.5 (54.6) million, giving an operating margin of 3.1 (13.9) percent. Staff expenses benefits from compensation of SEK 3.9 million for staff on furlough and equivalent government support at Tele Radio's foreign subsidiaries.

The effect of the IFRS 16 adjustment for the period is to reduce other external expenses by SEK 10.8 million and increase depreciation by SEK 11.0 million.

Net financial income/expenses

Net financial income/expenses for the period amounted to SEK -18.7 (-16.8) million.

Interest on Allgon bonds runs at STIBOR 3M plus 6.75 percent. Bond yield charged to the period amounted to SEK -14.3 (-14.1) million. Other bond-related expenses reported under interest expenses and similar profit/loss items amounted to SEK -2.1 (-2.1) million.

Interest expenses relating to external loans and overdrafts amounted to SEK -0.9 (-0.7) million.

Exchange rate fluctuation amounted to SEK 0.0 (0.3) million and other financial items amounted to SEK 0.1 (0.2) million. Earnings from participations in Group companies, at SEK -0.3 million, are included in net financial income/expenses. The interest component of the IFRS 16 adjustment amounted to SEK -1.1 (-0.4) million.

Profit/loss in the period

The pre-tax result for the period amounted to SEK -7.2 (37.8) million. The result for the period after tax amounted to SEK -18.0 (30.5) million. Tax for the period amounted to SEK -10.8 (-7.3) million.

Tax expenses relate to Tele Radio's foreign subsidiaries. The minority share of the profit for the period amounted to SEK 2.6 (4.4) million. Minority interests consist of local subsidiary managers' holdings in Tele Radio's and Smarteq's foreign subsidiaries. Profit for the period represents an earnings per share of SEK -0.32 (0.54). The difference between the earnings for the period and the comprehensive income for the period was SEK -7.1 (9.6) million and is due to translation differences relating to the Tele Radio group.

Cash flow for the period

Cash flow from operating activities before changes in working capital was SEK 39.4 (57.4) million. Cash flow from operating activities after changes in working capital

was SEK 22.0 (50.4) million. Cash flow from investing activities was SEK -18.4 (-32.2) million and the item comprises the acquisition of outstanding minority shares in Tele Radio's British subsidiary, which is now wholly owned, and payment of the final consideration in respect of the acquisition of Tele Radio as well as the divestment of WSI and Satmission. Cash flow after investing activities was SEK 3.6 (18.2) million.

Cash flow from financing activities amounted to SEK -27.0 (-13.2) million and consisted mainly of changes in utilised overdraft facilities, amortisation of lease liabilities and partial payment of the vendor loan in respect of WSI.

Financial position as at 30/09/2020

The current ratio – current assets excluding stock relative to current liabilities and including discontinuing operations – was 151 (126) percent at the end of the period. Cash and cash equivalents at the period end amounted to SEK 75.0 (88.8) million. At the reporting date, unutilised overdraft facilities totalled SEK 35.9 (27.8) million. Available overdraft facilities amounted to SEK 41.0 million.

As at 30 September 2020, the Group's equity amounted to SEK 279.7 (319.4) million, which represents SEK 4.98 (5.68) per share.

Parent company results

The parent company, Allgon AB (publ.), undertakes the management of the Group. During the period, the parent company charged SEK 5.0 (4.5) million for services rendered. Cash and cash equivalents at the period end amounted to SEK 4.5 (4.6) million. Equity amounted to SEK 244.0 (292.7) million.

Significant events during the third quarter

- WSI was disposed of to Sigma Connectivity as at 30 September. The divestment is a result of the Board's decision to streamline Allgon's activity and focus over time on industrial radio control. The consideration amounted to SEK 16.7 million on a cash free and debt free basis, giving a capital loss of SEK 8.3 million.

Significant events after the reporting period

- On 9 November, Smarteq announced that they have taken their first order in V2X technology, where vehicles can receive and send data between each other and to local infrastructure. The value of the first development work corresponds to around SEK 2 million over the next two years.

Seasonal fluctuation

The Allgon Group does not traditionally experience seasonal fluctuation; the year reflects customers' production days, which vary from quarter to quarter. The lowest net sales and operating profit figures normally come in the third quarter, which has the lowest number of production days due to holiday periods in the Group's main markets. Performance in December is poorer due to lower levels of customer activity around the Christmas holiday period. Overall, this means that the first half of the year is normally stronger than the second half.

Risks and uncertainties

The risks primarily arise from market trends in the Group's different business areas, financial risks where the Group may need additional capital for the running of the business and production risks related to both its own and outsourced production. There are also risks associated with product development and the Group's intangible assets. The spread of COVID-19 and its impact on global business and financial performance has had, and will continue to have, an adverse affect on Allgon's income and results during 2020. It is difficult to assess the extent of the impact in the longer term as this is dictated by external factors beyond the company's control. For a more detailed description of the risks the Group is exposed to, please see the Annual Report for 2019, pages 58-59.

Estimates and judgments

The preparation of the interim report requires management to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported. Actual results may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates can be found in the Annual Report for 2019, page 57, Note K3.

Staff

At period end, the Group had 353 (371) employees (including discontinuing operations). The table below shows the average number of employees during the period.

Average number of employees	30/09/2020	31/12/2019
Allgon AB	4	3
Smarteq Wireless AB	12	12
WSI Sweden AB ¹	24	21
Satmission AB ²	2	4
Allgon Supply AB	-	1
Åkerströms Björbo AB	54	53
Industrial Internet of X AB ³	3	6
Allgon Comm. Tianjin Ltd. ⁴	17	17
Tele Radio Group	267	254
Total	383	371

¹ Business disposed of to Sigma Connectivity as at 30 September 2020

² Business disposed of to ASTG (KebNi) as at 1 April 2020

³ Business closed down during Q2; last employee left in Q3

⁴ Includes 5 people hired on long-term contracts



Allgon's shares and share capital

Owners	B shares Number of votes 1	Percentage of capital and votes
Verdane Capital VI	14,392,620	25.60%
Tibia Konsult AB	5,742,103	10.21%
Verdane Capital VI B	3,874,686	6.89%
Försäkringsaktiebolaget Avanza Pension	2,412,379	4.29%
Futur Pension	2,388,766	4.25%
Bertil Görling	2,333,278	4.15%
Ola Samelius and companies	1,401,248	2.49%
Jan Robert Pärsson	1,401,000	2.49%
Clearstream Banking	934,170	1.66%
AB Jier	934,165	1.66%
	35,814,415	63.70%
Other	20,408,182	36.30%
Total shares	56,222,597	100.00%

Allgon's class B shares (ALLG B) are listed on Nasdaq First North Growth Market. Total share capital is SEK 281.1 million, consisting of 56,222,597 class B shares. No class A shares have been issued. Each share carries one vote.

As at 30 September 2020, the Group's equity, excluding the minority share, amounted to SEK 279.7 (319.4) million, which represents SEK 4.98 (5.68) per share.

Interest on bonds

On 7 June 2018, Allgon issued a secured bond for SEK 276 million within a framework amount of SEK 500 million. The bond runs for four years and matures on 7 June 2022. Interest on the bond runs at STIBOR 3M plus 6.75 percent.

The bond has been listed on the Company Bond List at Nasdaq Stockholm, and the first day of trading was 1 August 2018.

Ticker: ALLG 101

ISIN: SE0011282649

CCY: SEK

Interest: STIBOR 3M + 6.75% (Ref.floor rate)

Payment: Quarterly

End date: 7 June 2022

Group report on overall performance

SEK thousand	2020	2019	2020	2019	2019
	JUL – SEP	JUL – SEP	JAN – SEP	JAN – SEP	JAN – DEC
Net sales	121,823	126,083	370,900	391,751	524,617
Work performed by the company for its own use and capitalised	262	248	905	478	1,282
	122,085	126,331	371,805	392,229	525,899
Raw materials and consumables	-32,070	-32,655	-102,800	-103,151	-140,299
Other external expenses	-21,125	-22,937	-68,780	-80,712	-105,854
Staff expenses	-45,898	-42,269	-142,261	-134,263	-186,866
Depreciation/amortisation	-6,933	-6,169	-50,138	-19,318	-30,488
Other operating income/expenses	4,049	-1,639	3,696	-155	1,488
Operating profit/loss (EBIT)	20,108	20,662	11,522	54,630	63,880
Profit/loss from financial items					
Interest income and similar profit/loss items	36	588	1,168	924	4,203
Interest expenses and similar profit/loss items	-6,510	-5,773	-19,866	-17,739	-27,898
Net financial income/expenses	-6,474	-5,185	-18,698	-16,815	-23,695
Pre-tax profit/loss (EBT)	13,634	15,477	-7,176	37,815	40,185
Tax on profit for the year	-4,842	-473	-10,786	-7,302	6,128
Profit/loss in the period, remaining operations	8,792	15,004	-17,962	30,513	46,313
Profit/loss in the period, divested operations	-10,112	-3,199	-22,157	1,650	563
Profit/loss in the period, total for Group	-1,320	11,805	-40,119	32,163	46,876
Other comprehensive income					
Translation difference	-3,869	5,736	-7,069	9,577	2,838
Comprehensive profit/loss for the period	-5,189	17,541	-47,188	41,740	49,714
Profit/loss for the period attributable to					
Parent company's shareholders	-2,471	10,209	-42,690	27,744	42,479
Non-controlling interests	1,151	1,596	2,571	4,418	4,397
	-1,320	11,805	-40,119	32,162	46,876
Comprehensive profit/loss for the period attributable to					
Parent company's shareholders	-6,057	15,852	-49,491	36,678	44,800
Non-controlling interests	868	1,689	2,303	5,062	4,914
	-5,189	17,541	-47,188	41,740	49,714
Earnings per share before dilution, remaining operations (SEK)	0.16	0.27	-0.32	0.54	0.82
Earnings per share before dilution, total for Group (SEK)	-0.02	0.21	-0.71	0.57	0.83
Earnings per share after dilution, remaining operations (SEK)	0.16	0.27	-0.32	0.54	0.82
Earnings per share after dilution, total for Group (SEK)	-0.02	0.21	-0.71	0.57	0.83

Consolidated statement of net financial income/expenses

SEK thousand	2020	2019	2020	2019	2019
	JUL – SEP	JUL – SEP	JAN – SEP	JAN – SEP	JAN – DEC
Interest income	3	73	97	196	528
Foreign exchange gains	33	515	1,071	728	563
Unpaid additional consideration	-	-	-	-	3,112
Total income	36	588	1,168	924	4,203
Interest expenses	-137	-66	-642	-592	-1,041
Foreign exchange losses	-24	-32	-1,093	-406	-622
Impairment of shares in subsidiaries	-348	-	-348	-	-3,112
Interest on overdraft facilities	-84	-40	-287	-123	-169
Bond issue expenses	-704	-703	-2,112	-2,076	-2,613
Bond interest expenses	-4,863	-4,761	-14,315	-14,128	-19,057
Lease interest expenses	-351	-162	-1,060	-399	-1,268
Other expenses	1	-9	-9	-15	-16
Total expenses	-6,510	-5,773	-19,866	-17,739	-27,898
Total net financial income/expenses	-6,474	-5,185	-18,698	-16,815	-23,695

14

Allgon AB | Quarterly Report January – September 2020

Group condensed report on financial position

SEK thousand	30/09/2020	30/09/2019	31/12/2019
ASSETS			
Fixed assets			
Goodwill	302,774	371,283	366,253
Trademarks	25,000	25,006	25,004
Other intangible fixed assets	28,733	35,955	35,214
Buildings & conversion of leased property	33,829	20,058	32,891
Machinery, tools, equipment & fittings	17,444	20,621	19,423
Other non-current assets	5,048	728	886
Deferred tax assets	33,656	12,769	31,294
Total fixed assets	446,484	486,420	510,965
Current assets			
Inventories	105,198	101,843	97,633
Current receivables	81,416	108,293	89,742
Cash and cash equivalents	74,988	88,787	98,428
Discontinuing operations	-	-	-
Total current assets	261,602	298,923	285,803
TOTAL ASSETS	708,086	785,343	796,768
EQUITY AND LIABILITIES			
Equity			
Equity	279,725	319,415	327,552
Non-controlling interests	9,073	10,948	10,142
Other long-term liabilities	307,762	286,862	296,800
Overdraft facilities	5,124	6,006	7,118
Current interest-bearing liabilities	-	2,500	2,499
Deferred tax liability	8,000	11,572	7,662
Current liabilities	98,402	148,041	144,995
Discontinuing operations	-	-	-
TOTAL EQUITY AND LIABILITIES	708,086	785,343	796,768

Consolidated condensed statement of changes in equity

SEK thousand	2020	2019	2019
	JAN – SEP	JAN – SEP	JAN – DEC
Equity at beginning of period	337,694	290,808	290,808
Profit/loss in the period	-40,119	32,163	46,876
Effect of change in accounting principles	-	-	14
Other comprehensive income	-7,069	9,577	2,838
Total comprehensive income for the period	-47,188	41,740	49,728
Transactions with shareholders			
Non-controlling interests (distribution of profits)	-873	-2,185	-2,842
Minority interest divested during the year	-835	-	-
Total transactions with shareholders	-1,708	-2,185	-2,842
Equity at end of period	288,798	330,363	337,694

Consolidated statement of cash flows

SEK thousand	2020	2019	2020	2019	2019
	JUL - SEP	JUL - SEP	JAN - SEP	JAN - SEP	JAN - DEC
Operating activities					
Profit/loss after financial items, remaining operations					
Profit/loss after financial items, discontinuing operations	13,634	15,477	-7,176	37,815	40,185
Adjustment for items not included in cash flow	-1,296	-3,199	-1,676	1,650	576
Depreciation/amortisation of tangible and intangible assets	3,615	4,472	39,099	13,429	19,505
Amortisation of right-of-use assets	3,318	1,980	11,039	6,785	12,191
Changes in provisions	-1,000	10	-971	208	107
Capitalised interest	375	842	2,058	2,525	3,367
Other items not included in cash flow	729	-2,087	5,195	187	-1,081
Income tax paid	-1,885	-907	-8,200	-5,169	-9,964
Cash flow from operating activities before changes in working capital	17,490	16,588	39,370	57,430	64,886
Changes in working capital					
Change in inventories	-6,547	-4,285	-12,043	-5,651	-1,442
Change in accounts receivable	-4,867	-2,596	-158	-17,007	-6,634
Change in current receivables	1,212	-1,988	-9,115	-3,953	-3,972
Change in current liabilities	-12,152	52	3,937	19,583	14,775
Cash flow from operating activities	-4,864	7,771	21,991	50,402	67,613
Investing activities					
Investments in intangible assets	-837	-530	-3,717	-1,108	-3,454
Investments in subsidiaries	-	-	-28,333	-25,000	-25,000
Investments in tangible assets	-1,097	-3,137	-3,130	-6,123	-6,088
Divested subsidiaries ²	17,980	-	16,760	-	-
Cash flow from investing activities	16,046	-3,667	-18,420	-32,231	-34,542
Financing activities					
Net change in overdraft	-11,046	2,108	-1,994	-3,835	-2,723
Borrowings	-	15	-	-	-
Minority distribution	-873	-454	-873	-2,185	-2,842
Amortisation of lease liabilities ¹	-3,343	-2,210	-10,844	-7,211	-12,924
Repayment of interest bearing loans	-5,092	-	-13,300	-	-1
Cash flow from financing activities	-20,354	-541	-27,011	-13,231	-18,490
Cash flow for the period	-9,172	3,563	-23,440	4,940	14,581
Cash and cash equivalents at beginning of period²	84,160	97,028	98,428	83,847	83,847
Cash and cash equivalents at period end	74,988	85,224	74,988	88,787	98,428

¹ From 1/1/2020, amortisation of financial lease liability is accounted for under Financing activities. Comparative figures have been recalculated.

² The difference in cash and cash equivalents at 31 December 2019 in the Group's cash flow statement corresponds to cash and cash equivalents in Satmission amounting to SEK 1.2 million.

Consolidated income statement per quarter

SEK thousand	2018:Q3 ¹	2018:Q4 ¹	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2020:Q3
Net sales	90,760	129,967	136,838	128,830	126,083	132,866	139,949	109,128	121,823
Work performed by the company for its own use and capitalised	-	-	137	93	248	804	430	213	262
	90,760	129,967	136,975	128,923	126,331	133,670	140,379	109,341	122,085
Raw materials and consumables	-25,312	-32,403	-36,532	-33,964	-32,655	-37,148	-39,499	-31,230	-32,070
Other external expenses	-28,175	-31,910	-28,970	-28,805	-22,937	-25,143	-27,751	-19,904	-21,125
Staff expenses	-37,132	-51,734	-45,692	-46,303	-42,269	-52,601	-50,153	-46,210	-45,898
Depreciation/amortisation	-4,208	-4,345	-6,572	-6,169	-11,170	-8,520	-34,685	-6,933	
Other operating income/expenses	-231	236	540	945	-1,639	1,642	-2,172	1,818	4,049
Operating profit/loss (EBIT)	-4,298	9,811	19,749	14,219	20,662	9,250	12,284	-20,870	20,108
Profit/loss from financial items									
Interest income and similar profit/loss items	46	3,535	149	187	588	3,279	852	280	36
Interest expenses and similar profit/loss items	-4,909	-9,147	-6,240	-5,726	-5,773	-10,159	-7,299	-6,058	-6,510
Net financial income/expenses	-4,863	-5,613	-6,091	-5,539	-5,185	-6,880	-6,447	-5,777	-6,474
Pre-tax profit/loss (EBT)	-9,161	4,198	13,658	8,680	15,477	2,370	5,837	-26,647	13,634
Tax on profit/loss in the period	-413	-3,262	-2,920	-3,910	-473	13,431	-2,887	-3,057	-4,842
Minority share of profit/loss	-89	-938	-1,342	-1,480	-1,596	22	-824	-595	-1,151
Profit/loss, remaining operations	-	-	850	3,999	-3,199	-1,087	-1,086	-10,959	-10,112
Profit/loss attributable to parent company's shareholders	-9,663	-2	10,246	7,289	10,209	14,736	1,039	-41,258	-2,471

^{1) Figures have not been recalculated on the basis of divested business.}

16

Allgon AB | Quarterly Report January – September 2020

Group key data per quarter

SEK thousand	2018:Q4	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2020:Q3
Growth in sales (%) ¹	168.3%	255.2%	240.5%	52.5%	10.3%	2.3%	-15.3%	-3.4%
Operating margin (%)	7.5%	14.4%	11.0%	16.4%	7.0%	8.8%	-19.1%	16.5%
Earnings after tax per share (SEK)	0.00	0.18	0.13	0.18	0.26	0.02	-0.73	-0.04
Equity per share (SEK)	5.03	5.25	5.40	5.68	5.83	6.00	5.08	4.98
Return on equity (ROE) (%) ²	Neg	3.5%	2.4%	3.3%	4.6%	0.3%	Neg	Neg
Cash flow from operating activities per share (SEK)	0.12	0.38	0.38	0.14	0.31	0.17	0.30	-0.09
Total investments including IFRS 16, total for Group	982	22,721	4,385	9,303	20,585	11,117	16,770	2,312
Total investments excluding IFRS 16, total for Group	982	1,008	1,978	1,637	1,465	2,852	2,061	1,934
Net debt (+), net receivables (-) ³	209,225	211,403	220,514	225,706	232,282	238,535	266,277	242,218
Share price at end of period (SEK)	5.10	6.16	8.10	7.32	11.15	6.10	6.92	9.12
Highest share price during period (SEK)	7.90	6.56	9.38	9.02	12.20	11.95	8.28	9.38
Lowest share price during period (SEK)	4.90	5.08	6.14	7.12	7.10	5.50	5.88	6.70
Market value at end of period	286,735	346,334	455,406	411,552	626,886	342,958	389,060	512,750
Weighted number of shares during period (1000s)	56,223	56,223	56,223	56,223	56,223	56,223	56,223	56,223
Number of shares at end of period (1000s)	56,223	56,223	56,223	56,223	56,223	56,223	56,223	56,223

¹ Total Group 2018 and remaining operations recalculated 2019-2020² Relates to the total Group³ 2020 recalculated to include only remaining operations; 2018-2019 relates to the total Group

Group key data

SEK thousand	2020		2019		2020		2019	
	JUL - SEP	JUL - SEP	JUL - SEP	JUL - SEP	JAN - SEP	JAN - SEP	JAN - SEP	JAN - DEC
Profit/loss								
Remaining operations								
Net sales	121,823	126,083	370,900	391,751	524,617			
Growth in sales (%)	-3.4%	52.5%	-5.3%	146.3%	87.7%			
Gross profit	89,752	93,428	268,100	288,599	384,318			
Gross margin (%)	73.7%	74.1%	72.3%	73.7%	73.3%			
EBITDA	27,041	26,831	61,600	73,949	94,369			
Operating profit/loss (EBIT)	20,108	20,662	11,522	54,630	63,880			
Operating margin (%)	16.5%	16.4%	3.1%	13.9%	12.2%			
Profit/loss after financial items	13,634	15,477	-7,176	37,815	40,185			
Profit/loss after tax, attributable to parent company's shareholders, total for Group	-2,471	10,209	-42,690	27,744	42,479			
Earnings after tax	8,792	15,004	-17,962	30,512	46,300			
Earnings per share ¹	0.16	0.27	-0.32	0.54	0.82			
Earnings per share, total for Group ¹	-0.04	0.18	-0.76	0.49	0.76			
Financial position								
Total Group								
Equity excluding minority share	279,725	319,415	279,725	319,415	327,552			
Equity ratio (%)	41%	42%	41%	42%	42%			
Net debt ²	242,218	225,706	242,218	225,706	232,282			
Current ratio (%)	235%	191%	235%	191%	186%			
Return on capital employed (ROCE) (%)	3.2%	2.9%	2.0%	9.3%	13.0%			
Return on equity (ROE) (%)	Neg	3.3%	Neg	9.2%	13.9%			
Share data¹								
Earnings per share, remaining operations (SEK)	2.17	2.24	6.60	6.97	9.33			
Equity per share (SEK)	4.98	5.68	4.98	5.68	5.83			
Cash flow from operating activities per share (SEK) ³	-0.09	0.14	0.39	0.90	1.08			
Share price at end of period (SEK)	9.14	7.32	9.14	7.32	11.15			
Average number of shares at end of period (1000s)	56,223	56,223	56,223	56,223	56,223			
Staffing information								
Earnings per employee, remaining operations	344	365	1,039	1,145	1,516			
Average number of employees, remaining operations	354	345	357	342	346			

¹ Earnings per share is the same before and after dilution since there are no outstanding options or convertibles that could cause dilution.² Net debt for 2020 is recalculated to include only remaining operations. Figures for 2019 include assets and liabilities relating to divested operations. The figures have not been recalculated.³ From 1/1/2020, amortisation of financial lease liability is accounted for under Financing activities. Comparative figures have been recalculated.

Definitions of key financial data

Key data	Definition/calculation	Purpose
Gross margin	Net sales less cost of goods sold (gross profit) as a percentage of net sales.	Used to measure the profitability of production.
Operating margin	Operating profit/loss (EBIT) after depreciation and amortisation as a percentage of net sales.	Used to measure operational profitability.
EBITDA	Operating profit/loss (EBIT) before depreciation and amortisation.	EBITDA together with EBITA gives an overall picture of profit generated by operating activities.
Equity ratio	Equity including minority interest as a percentage of total assets.	Shows the proportion of assets financed using equity. Assets not financed using equity are financed by loans.
Debt/equity ratio	Interest-bearing liabilities divided by equity.	Shows the extent of the company's liabilities in relation to equity and is thus a measure of the company's financial strength.
Current ratio	Current assets divided by total current liabilities excluding deferred tax liability.	Used to measure liquidity.
Return on capital employed	Operating profit/loss plus financial income as a percentage of average capital employed. Includes minority share of profit/loss and equity.	Shows the company's earning capacity independent of financing, i.e. how the company has obtained a return on the equity made available by shareholders and lenders.
Average capital employed	Total assets less non-interest-bearing provisions and liabilities, based on opening and closing capital for the year.	Used in other calculations.
Return on equity	Profit/loss for the year after tax attributable to the parent company's shareholders divided by average equity. Equity does not include minority interests in subsidiaries.	Shows the return the owners receive on the capital they have invested.
Average equity	Average equity is calculated as the average of opening and closing balances.	Used in other calculations.
Average number of employees	The total number of employees in the month divided by the number of months in the period.	Used in other calculations.
Turnover per employee	Turnover divided by the average number of employees.	Used to assess the company's efficiency.
Earnings per share (SEK)	Profit/loss for the period attributable to the parent company's shareholders divided by the average number of shares.	Used to establish the value of the company's outstanding shares.
Equity per share (SEK)	Equity attributable to the parent company's shareholders divided by the average number of shares.	Used to calculate equity per share.
Average number of shares	The weighted average number of shares at the close of each month.	Used in other calculations.
Net debt	Recognised interest-bearing liabilities less cash and cash equivalents.	Used to track the company's debt position.
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA, adjusted on a rolling twelve month basis.	Net debt/EBITDA provides an estimate of the company's ability to lower its debt. It represents the number of years it would take to repay debt if net debt and EBITDA remained at a constant level, without taking into account cash flows in respect of interest, tax and investments.
Investments	Investments in tangible fixed assets including and excluding the effect of IFRS 16.	The recognised difference between actual investments and capitalised lease expenses.

Reconciliation of key ratios not defined in accordance with IFRS

The company presents certain financial measurements in this interim report that are not defined in accordance with IFRS. We are of the opinion that these measurements provide investors and company management with valuable, supplementary information, as they enable relevant trends to be assessed. Allgon's definitions of these measurements may differ from other companies' definitions of the same

concepts. The financial measurements should therefore be seen as a complement to, rather than a replacement for, measurements defined in accordance with IFRS. Definitions are given below of measurements not defined in accordance with the IFRS interim report. Reconciliation of the measurements is shown in the table below. For definitions of key data, see page 17.

SEK thousand	2020 JUL – SEP	2020 APR – JUN	2020 JAN – MAR	2019 OCT – DEC	Total 12 mths	2019
(A) Operating profit/loss (EBIT)	18,857	-20,115	11,179	8,244	18,165	64,622
Amortisation and impairment of acquisition-related intangible fixed assets	2,315	2,315	2,315	2,315	9,260	9,260
(B) EBITA	21,172	-17,800	13,494	10,559	27,425	73,882
Depreciation, amortisation and impairment of tangible and intangible fixed assets	4,618	32,473	6,502	9,167	52,760	22,436
(C) EBITDA	25,790	14,673	19,996	19,726	80,185	96,318
(D) Adjusted EBITA	21,172	-17,800	13,494	10,559	27,425	73,882
Less EBITDA discontinuing operations	1,251	-858	808	694	1,895	-1,662
(E) Adjusted EBITDA	27,041	13,815	20,804	20,420	82,080	94,656
(F) Net sales, remaining operations	121,823	109,128	139,949	132,866	503,766	524,617
(F) Net sales, total for Group	127,910	117,415	150,249	144,513	540,087	574,162
(A/F) EBIT margin (%)	15.5%	-18.4%	8.0%	6.2%	3.3%	12.3%
(B/F) EBITA margin (%)	17.4%	-16.3%	9.6%	7.9%	5.1%	14.1%
(C/F) EBITDA margin (%)	21.2%	13.4%	14.3%	14.8%	15.4%	18.4%
(D/F) Adjusted EBITA margin (%)	17.4%	-16.3%	9.6%	7.9%	5.1%	14.1%
(E/F) Adjusted EBITDA margin (%)	22.2%	12.7%	14.9%	15.4%	16.1%	18.0%

Net debt relates to the total Group for 2019 and remaining operations for 2020.

Calculation of Net debt	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019	30/06/2019
Long-term interest-bearing liabilities	-271,312	-270,626	-269,940	-269,254	-268,568	-279,896
Utilised overdraft facilities	-5,124	-15,340	-3,957	-7,118	-6,006	-3,898
Current interest-bearing liabilities	-	-5,045	-4,982	-14,824	-14,670	-2,485
IFRS 16 effect on interest-bearing liabilities	-40,770	-54,157	-45,262	-39,514	-25,249	-19,459
Cash and cash equivalents	74,988	78,891	85,606	98,428	88,787	85,224
Net debt*	-242,218	-266,277	-238,535	-232,282	-225,706	-220,514
Adjusted EBITDA (rolling 12 months pro forma)	82,080	81,870	88,851	96,318	90,954	76,708
Net debt/Adjusted EBITDA	3.0	3.3	2.7	2.4	2.5	2.9

* Excluding conditional additional consideration in respect of Tele Radio (SEK 25 million).

Parent company's condensed income statement

SEK thousand	2020	2019	2020	2019	2019
	JUL – SEP	JUL – SEP	JAN – SEP	JAN – SEP	JAN – DEC
Net sales	1,633	1,500	5,029	4,500	6,000
	1,633	1,500	5,029	4,500	6,000
Other external expenses	-2,056	-2,059	-6,404	-7,869	-11,015
Staff expenses	-2,142	-1,661	-6,400	-4,927	-7,407
Operating profit/loss (EBIT)	-2,565	-2,220	-7,775	-8,296	-12,422
Profit/loss from financial items					
Capital loss on sales of shares in group companies	-1,299	-	-13,688	-	-
Impairment of shares in group companies	-17,024	-	-17,024	-	-15,696
Interest income and similar profit/loss items	264	285	849	977	1,242
Interest expenses and similar profit/loss items	-5,665	-5,544	-16,799	-16,443	-21,987
Net financial income/expenses	-23,724	-5,259	-46,662	-15,466	-36,441
Pre-tax profit/loss (EBT)	-26,289	-7,479	-54,437	-23,762	-48,863
Year-end appropriations	-	-	-	-	12,852
Tax on profit/loss in the period	-	-	-	-	17,933
Profit/loss	-26,289	-7,479	-54,437	-23,762	-18,078

Parent company's condensed balance sheet

SEK thousand	30/09/2020	30/09/2019	31/12/2019
ASSETS			
Fixed assets			
Shares in subsidiaries	479,809	529,578	513,882
Receivables from subsidiaries	28,288	46,631	26,765
Deferred tax assets	17,933	-	17,933
Other financial assets	4,524	-	177
Total fixed assets	530,554	576,209	558,757
Current assets			
Receivables from subsidiaries	9,819	-	44,421
Current receivables	835	15,508	980
Cash and cash equivalents	4,549	4,641	395
Total current assets	15,203	20,149	45,796
TOTAL ASSETS	545,757	596,358	604,553
EQUITY AND LIABILITIES			
Equity	243,990	292,743	298,427
Long-term liabilities	271,652	268,568	269,474
Liabilities to subsidiaries	23,732	6,356	7,153
Other current liabilities	6,383	28,691	29,499
TOTAL EQUITY AND LIABILITIES	545,757	596,358	604,553

Note 1 Company information

Allgon AB (publ), corporate ID number 556387-9955, is a Swedish publicly traded company with a registered office in Stockholm, Sweden. In this report, Allgon AB (publ) is referred to either by its full name or as the “parent company”. The Allgon Group is referred to as “the Allgon Group”, “the Group” or “Allgon”. All figures are expressed in thousands of Swedish kronor (SEK thousand), unless otherwise stated. Information in brackets relates to the previous year. For details of the results and position of the Group and the parent company, please see the accounting statements above.

Allgon AB (publ) is listed on the Nasdaq First North Growth Market, an alternative marketplace and not a regulated market for the trading of shares and other securities, run by Nasdaq Stockholm.

The accounting principles and the basis of calculation remain unchanged from the Annual Report for 2019. Important accounting and valuation principles are set out on pages 50-57 of the Annual Report for 2019.

No new or revised IFRS standards that have come into force in 2020 have had an effect on the Group's accounts.

Note 2 Financial assets and liabilities at fair value

The Group's financial instruments – accounts receivable, cash and cash equivalents, accounts payable and other short or long-term liabilities – are reported at amortised cost. For these assets and liabilities, the fair value is deemed to match the reported value. The book value is thus an approximation of the fair value, which explains why these items are not classified into levels in accordance with the

valuation hierarchy.

Interest rates on loans are deemed to correspond in all material respects to current market rates and the loans are classified as level 2. The conditional additional consideration in respect of the acquisition of Tele Radio is reported at fair value.

Note 3 Transactions with related parties

The Group's previous CFO, Sten Hildemar, was contracted through a consultancy firm. The cost for the year is SEK 1,200 thousand and is reported under Other external expenses.

Tele Radio has agreed a development partnership with JOBTech, where Tele Radio's CEO Ola Samelius, CTO Jesper Ribbe and the head of Chinese operations, Bill Sun, are associates. During the year, the Allgon Group made sales of SEK 1.7 million to JOBTech and purchases of SEK 7.3 million from JOBTech. At the date of this report, the Group had a claim against JOBTech of SEK 0.1 million and

a liability in respect of JOBTech of SEK 0.8 million. Tele Radio also has a development partnership with Aprod, where Tele Radio staff Ola Samelius, CEO, Jesper Ribbe, COO, Bill Sun, the head of Chinese operations, and Ruhan Agar, the head of Turkish operations, are associates. During the year, the Allgon Group made purchases of SEK 0.9 million from Aprod. At the date of this report, the Group had liabilities of SEK 0.1 million in respect of Aprod. The Chinese subsidiary Tele Radio Electronics Co. Ltd. has a liability of SEK 1.1 million in respect of the company's CEO. The loan is expected to be cleared before the end of 2021.

Note 4 Segmental accounting

Allgon's segmental information is presented from a company management perspective, and operational segments are identified on the basis of internal reporting to the company's chief operational decision-makers. Allgon's chief operational decision-making body is the Group management team. Allgon has three operational segments: Industrial Radio Control, Antennas and Industrial IoT. This division reflects

the company's internal structure and reporting systems. The Antennas and Industrial IoT segments together make up the Connectivity business area, but, for the purposes of governance and monitoring, the business area is divided into two parts. Transfer pricing operates on a commercial basis. Intra-Group profit is eliminated.

Results per segment per quarter

SEK thousand	2020	2020	2020	2019	2019	2019	2019	2018 ¹
	JUL – SEP	APR – JUN	JAN – MAR	OCT – DEC	JUL – SEP	APR – JUN	JAN – MAR	OCT – DEC
Industrial Radio Control segment	107,045	96,131	124,724	118,889	113,871	116,784	122,690	109,773
Antennas segment	14,766	12,966	15,160	13,841	12,033	11,188	13,480	9,885
Industrial IoT segment	12	31	65	136	179	858	668	10,310
Total net sales	121,823	109,128	139,949	132,866	126,083	128,830	136,838	129,967
Industrial Radio Control segment	29,907	18,924	25,045	27,038	29,513	25,101	29,461	19,161
Antennas segment	713	-1,431	1,752	-282	2,099	846	1,299	-2,006
Industrial IoT segment	-829	-2,073	-2,097	-2,536	-1,610	-872	-1,014	731
Total operating profit/loss before depreciation and Group-wide expenses	29,791	15,420	24,700	24,220	30,002	25,075	29,746	17,886
Unallocated Group-wide expenses	-2,750	-1,605	-3,896	-3,800	-3,171	-4,279	-3,425	-3,523
Transaction expenses	-	-	-	-	-	-	-	-206
Depreciation/amortisation	-6,933	-34,685	-8,520	-11,170	-6,169	-6,577	-6,572	-4,345
Net financial income/expenses	-6,474	-5,777	-6,447	-6,880	-5,185	-5,539	-6,091	-5,613
Group pre-tax profit/loss (EBT)	13,634	-26,647	5,837	2,370	15,477	8,680	13,658	4,198

¹ Figures have not been recalculated on the basis of divested business.

Results per segment

SEK thousand	2020	2019	2020	2019	2019
	JUL – SEP	JUL – SEP	JAN – SEP	JAN – SEP	JAN – DEC
Industrial Radio Control segment	107,045	113,871	327,900	353,345	472,233
Antennas segment	14,766	12,033	42,892	36,701	50,543
Industrial IoT segment	12	179	108	1,705	1,841
Total net sales	121,823	126,083	370,900	391,751	524,617
Industrial Radio Control segment	29,907	29,513	73,876	84,075	111,113
Antennas segment	713	2,099	1,034	4,244	3,962
Industrial IoT segment	-829	-1,610	-4,999	-3,496	-6,032
Total operating profit/loss before depreciation and Group-wide expenses	29,791	30,002	69,911	84,823	109,043
Unallocated Group-wide expenses	-2,750	-3,171	-8,251	-10,875	-14,675
Depreciation/amortisation	-6,933	-6,169	-50,138	-19,318	-30,488
Net financial income/expenses	-6,474	-5,185	-18,698	-16,815	-23,695
Group pre-tax profit/loss (EBT)	13,634	15,477	-7,176	37,815	40,185

Note 5 Divested business

Satmission

Satmission was sold on 12 May to Advanced Stabilized Technologies Group AB (ASTG), with a transaction date of 1 April. This was an initial step in Allgon's strategy to streamline the company and focus on industrial radio control. ASTG focuses on advanced systems and services for satellite communication and will be a better fit for Satmission in the long term. The loss on the sale is the difference between the book value of assets and liabilities and the agreed consideration, which consists of 2,500,000 ASTG shares and an earn-out of no less than SEK 4.6 million over three years. All effects related to this are referenced as "divested operations".

WSI

As part of Allgon's strategy to focus on Industrial radio control, WSI Sweden AB was sold on 30 September to Sigma Connectivity. Within Sigma, the company can operate in a new strong context. The loss on the sale is the difference between the book value of assets and liabilities and the agreed consideration of SEK 16.7 million on a cash and debt-free basis, which corresponds to SEK 15.5 million in cash payment. All related effects are referred to as "discontinued operations".

Divested businesses

The financial information presented below represents WSI and Satmission AB's contribution to the Allgon Group's financial information after intra-Group dealings have been eliminated. The Group's report on comprehensive income for the comparative periods has been recalculated in accordance with the same principles. Earnings for WSI and Satmission have been excluded from the individual lines in the consolidated income statement. Instead, the net profit/loss is shown as "Profit/loss in the period, divested operations", which is attributable in its entirety to the owners of the parent company. The consolidated cash flow statement includes a complete cash flow statement for activity in the quarter and a total cash flow for divested operations. The IFRS states that balance sheets from previous years may not be recalculated and so they remain unchanged.

SEK thousand	2020	2019	2020	2019	2019
	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Whole year
Net sales	6,087	6,533	24,674	37,898	49,545
	6,087	6,533	24,674	37,898	49,545
Raw materials and consumables	-1,838	-2,589	-6,879	-12,846	-16,953
Other external expenses	1,769	2,553	4,854	6,547	8,610
Staff expenses	-3,392	-4,517	-14,531	-16,149	-22,422
Depreciation/amortisation	-	-283	-400	-896	-1,208
Other operating income/expenses	-339	143	389	288	390
Operating profit/loss (EBIT)	-1,251	-3,266	-1,601	1,748	742
Profit/loss from financial items					
Interest income and similar profit/loss items	10	52	114	132	68
Interest expenses and similar profit/loss items	-52	15	-189	-230	-234
Net financial income/expenses	-42	67	-75	-98	-166
Pre-tax profit/loss (EBT)	-1,293	-3,199	-1,676	1,650	576
Tax on profit for the year	-	-	-	-	-13
Profit/loss in the period	-1,293	-3,199	-1,676	1,650	563
Loss on sale	-8,819	-	-20,481	-	-
Profit/loss in the period, divested operations	-10,112	-3,199	-22,157	1,650	563

SEK thousand	30/09/2020	30/09/2019	31/12/2019
Fixed assets			
Other intangible fixed assets	-	2,046	1,871
Buildings & conversion of leased property	-	138	108
Machinery, tools, equipment & fittings	-	898	981
Other non-current assets	-	28	28
Total fixed assets	-	3,110	2,988
Current assets			
Inventories	-	3,532	3,458
Current receivables	-	12,578	10,981
Cash and cash equivalents	-	2,922	5,345
Total current assets	-	19,032	19,784
TOTAL ASSETS	-	22,142	22,772
Provisions	-	2,125	2,125
Overdraft facilities	-	471	2,000
Current liabilities	-	8,195	8,905
TOTAL LIABILITIES	-	10,791	13,030

SEK thousand	2020	2019	2020	2019	2019
	Jul – Sep	Jul – Sep	Jan – Sep	Jan – Sep	Whole year
Cash flow from operating activities	3,618	-3,793	-31	-645	439
Cash flow from investing activities	-	-	-933	-209	-398
Cash flow from financing activities	-49	47	-550	-2,409	-2,051
Cash flow for the period	3,667	-3,746	1,514	-3,263	-2,010

Review by auditors

The quarterly report has not been reviewed by the company's auditors.

Certification

The Board and the CEO hereby declare that this quarterly report gives a true and fair view of the operations, financial position and financial results of the parent company and the Group, and describes the material risks and uncertainty factors to which the parent company and the companies that are members of the Group are thought to be exposed.

Anders Björkman
Chairman of the Board

Anna Stålenbring
Board member

Björn Lindblom
Board member

Ingall Östman
Board member

Per Nordlander
Board member

Johan Hårdén
President & CEO

This information is information that Allgon AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the above-named CEO, at 8.30 am on 12 November 2020.

Forthcoming financial reports

- Year-end report 2020, 25 February 2021
- Interim Report Quarter 1, 10 May 2021
- Interim Report Quarter 2, 26 August 2021
- Interim Report Quarter 3, 9 November 2021
- Year-end report 2021, 21 February 2022

ALLGON™

Allgon is a leading player in industrial radio control. We develop, manufacture and deliver industrial radio control solutions to customers around the world. Allgon has a long history in the field of wireless communication. We have focused in recent years on industrial radio control, a market in which we are now one of the five biggest global players. Industrial radio control is used in a range of different applications, both in industry and in the construction and transport sectors. Our

solutions often play a key, business-critical role for our customers in production and employee safety. The global market for industrial radio control is being driven by strong demand in all segments. Radio-controlled systems from our wholly-owned subsidiaries Tele Radio and Åkerströms account for most of Allgon's sales. We are also investing in related new technology in our Connectivity business area. The Group has around 350 employees in 18 countries.

Our vision

To be the global market leader in industrial radio control.

Our business concept

We use industrial radio control solutions to create a safe, user-friendly working environment for our industry customers. In doing so, we make their production processes and logistics more cost-effective. We constantly develop our offer using advanced technology to meet the increasing needs of our customers in terms of certification, ergonomics and user-friendly solutions.

Our mission

To provide the safest, most reliable industrial radio control solutions.

Strategy

Allgon has clear growth targets and a vision to become the global market leader in industrial radio control, with good levels of profitability. To achieve this, we invest in Swedish and foreign companies that have a global focus. We give our customers access to new technology by investing in companies that are advancing in the industrial radio control market. Our experience and know-how enable us to develop and refine our companies sustainably.

5

In the top 5 globally for industrial radio control

18

Countries where our business is located

353

Total number of employees in the group as at 30 September

88%

Radio control business area's proportion of Group sales YTD

Contact details

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<https://allgon.se>

Statement from the board of directors of Allgon

The description of Allgon on pages 14–48 of this offer document has been reviewed by the board of directors of Allgon. It is the opinion of the board of directors of Allgon that this short description provides an accurate and fair, although not complete, picture of Allgon

Stockholm, 14 December 2020

Allgon AB (publ)
The board of directors

Information about Latour Industries

Latour Industries is an investment company actively investing in the engineering industry. Latour Industries is owned by Latour-Gruppen Aktiebolag, which in turn is owned by Investmentaktiebolaget Latour (publ) ("Latour"), and represents one of five wholly-owned business areas. The turnover of Latour Industries' business area amounted to SEK 3,079 million 2019.

Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of nine substantial holdings with a market value of about SEK 68 billion. The wholly-owned industrial operations have an annual turnover of about SEK 15 billion. Latour is quoted on Nasdaq Stockholm since 1985.

Tax issues in Sweden

The following is a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current Swedish tax legislation and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not cover the specific rules that in certain cases apply to shares acquired by virtue of shares in a closely held company (Sw. *fåmansföretag*). Also, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax-exempt capital gains on "shares held for business purposes" (Sw. *näringsbetingade aktier*). Nor does this description deal with the rules that apply where shares are held by a partnership, held as inventory by a legal person or held in an investment savings account (Sw. *investeringssparkonto*) or endowment insurance (Sw. *kapitalförsäkring*). Special tax consequences that are not described below may also apply for certain categories of shareholders, such as investment companies, mutual funds, banks, brokers and other financial traders holding shares as trading assets. Each shareholder is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise from the Offer, including the applicability and effect of foreign tax legislation, provisions in tax treaties and other rules that may be applicable.

General information on taxation in connection with sale of shares

Shareholders who accept the Offer and sell their shares in Allgon will generally be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost is determined according to the "average method". This means that the acquisition cost for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. For listed shares (such as the Allgon shares) the acquisition cost may, as an alternative, be determined as 20 per cent of the net sale revenue under the "standard rule" (Sw. *schablonmetoden*).

Individuals

A capital gain on listed shares is taxed as income from capital at a rate of 30 per cent. As a general rule, 70 per cent of a capital loss is deductible against any other taxable income from capital. Capital losses on listed shares and other listed securities that are taxed in the same manner as shares are, however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. If a capital loss on listed shares could not be deducted as above, 70 per cent of the loss may be deducted from other income from capital. Should a deficit arise in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the real-estate tax and the municipal real-estate fee, is allowed. Such tax reduction amounts to 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any remaining deficit. Deficits may not be carried forward to a later fiscal year.

Legal entities

For limited liability companies and other legal entities, capital gains on shares are normally taxed as income from business operations at a rate of 21.4 per cent for financial years beginning after 31 December 2018 but before 1 January 2021.¹⁾ For the calculation of capital gains and losses, see the section "*General information on taxation in connection with sale of shares*" above. A tax deductible capital loss on shares incurred by a corporate shareholder may only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met (Sw. *Koncernbidrag*). Capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year, may be carried forward and be offset against such capital gains in future fiscal years without any limitation in time.

Shareholders residing outside of Sweden

Generally, shareholders who are not fiscally resident in Sweden and do not carry out business operations from a permanent establishment in Sweden are not subject to Swedish taxation on a sale of shares. These shareholders may nonetheless be subject to tax in their residence state. However, as far as individuals are concerned, capital gains on the sale of shares may be subject to Swedish tax if the individual has been resident or habitually stayed in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The applicability of this provision may however be limited under tax treaties that Sweden has concluded with other countries. There is no Swedish withholding tax on capital gains resulting from the Offer.

1) For financial years commencing prior to 1 January 2019, the tax rate is 22 per cent and for financial years commencing from and including 1 January 2021, the tax rate is 20.6 per cent.

Offer restrictions

Important information for shareholders outside Sweden and for banks, brokers, dealers, nominees and other intermediaries holding shares for persons with residence outside Sweden

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or in any other jurisdiction where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “**Restricted Territories**”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other communication means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national securities exchange or other trading venue of the Restricted Territories and the Offer cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, the Restricted Territories. Accordingly, the offer document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Restricted Territories.

The offer document is not being, and must not be, sent to shareholders with registered addresses in the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in the Restricted Territories must not forward the offer document or any other document received in connection with the Offer to such persons. Persons receiving such documents or information (including custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use the mails or any means, within a Restricted Territory in connection with the Offer.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any of the Restricted Territories. It is the responsibility of all persons obtaining the offer document, acceptance form or other documents relating to the offer document or to the Offer or into whose possession such documents otherwise come, to inform themselves of and observe all such restrictions. Any recipient of the offer document who is in any doubt about his or her status in relation to these restrictions should consult his or her professional adviser in the relevant territory.

Neither Latour Industries nor Handelsbanken accepts or assumes any responsibility or liability for any violation by any person of any such restrictions.

The offer document does not represent an offer to acquire or obtain securities other than the shares of Allgon that are subject to the Offer.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of the restrictions described in the offer document and the related documents will be invalid. Further, any person purporting to tender shares pursuant to the Offer will be deemed not to have made a valid tender if such person is unable to make the representations and warranties set out in the section “*Certifications as to Restrictions*” below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of Allgon made by a person located in a Restricted Territory, by any trustee, representative, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories, or by the use of mails or any other communication means, within the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodian, nominee, trustee agent, fiduciary or other intermediary holding shares of Allgon for any persons).

Any acceptance form or other communication relating to the Offer that originates from, is postmarked from, bears a return address in, or otherwise appears to have been dispatched from, the Restricted Territories will not be accepted (and should not be accepted by any trustee, representative, fiduciary or other intermediary).

Acceptances of the Offer and tenders of shares of Allgon will not be accepted (and should not be accepted by any custodian, nominee, trustee agent, fiduciary or other intermediary) if the consideration for the shares of Allgon is required to be mailed or otherwise delivered in or into a Restricted Territory or if an address within a Restricted Territory is provided for receipt of the price of the shares in the Offer or the return of the acceptance form.

Each of Latour Industries and Handelsbanken reserves the right, in its absolute discretion (and without prejudice to the relevant shareholder’s responsibility for the representations and warranties made by it), to (a) reject any tender of shares without investigation because the origin of such tender cannot be determined, or (b) investigate, in relation to any tender of shares pursuant to the Offer, whether any such representations and warranties given by a shareholder are correct and, if such investigation is undertaken and as a result Latour Industries determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

Certification as to restrictions

By accepting the Offer through delivery of a duly executed acceptance form to Handelsbanken, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or other intermediary submitting the acceptance form on behalf of such holder, certifies that such person:

- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of receiving the offer document, the acceptance form or any other document or information relating to the Offer, and has not mailed, transmitted or otherwise distributed any such document or information in or into a Restricted Territory;
- has not used, directly or indirectly, the mails, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and telephone) of interstate or foreign commerce, or the facilities of the securities exchanges, of a Restricted Territory in connection with the Offer;
- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of accepting the terms of the Offer, at the time of returning the acceptance form or at the time of giving the order or instruction to accept the Offer (whether orally or in writing); and
- if acting in a custodial, nominee, trust, fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the shares covered by the acceptance form or (ii) the person on whose behalf it is acting has authorized it to make the foregoing representations and was not present or resident in, nor is a citizen of, a Restricted Territory at the time he or she instructed such custodian, nominee, trustee, fiduciary, agent or intermediary to accept the Offer on his or her behalf, and such custodian, nominee, trustee, fiduciary, agent or other intermediary is processing that acceptance as part of its normal securities custodial function.

Offer restrictions - United States of America

The Offer described in the offer document is made for the issued and outstanding shares of Allgon, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. The Offer is made in the United States pursuant to Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") and Regulation 14E thereunder, to the extent applicable, and otherwise in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the Offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. Holders of the shares of Allgon domiciled in the United States (the "**U.S. Holders**") are encouraged to consult with their own advisors regarding the Offer.

The Company's financial statements and all financial information included herein, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. The Offer is made to the U.S. Holders on the same terms and conditions as those made to all other shareholders of the Company to whom an offer is made. Any information documents, including the offer document, are being disseminated to U.S. Holders on a basis comparable to the method pursuant to which such documents are provided to the Company's other shareholders.

The Offer, which is subject to Swedish law, is being made to the U.S. Holders in accordance with the applicable U.S. securities laws, and applicable exemptions thereunder. To the extent the Offer is subject to U.S. securities laws, those laws only apply to U.S. Holders and thus will not give rise to claims on the part of any other person. The U.S. Holders should consider that the price for the Offer is being paid in SEK and that no adjustment will be made based on any changes in the exchange rate.

It may be difficult for the Company's shareholders to enforce their rights and any claims they may have arising under the U.S. federal or state securities laws in connection with the Offer, since the Company and Latour Industries are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. The Company's shareholders may

not be able to sue the Company or Latour Industries or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel the Company or Latour Industries and/or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

To the extent permissible under applicable law or regulations, Latour Industries and its affiliates or its brokers and its brokers' affiliates (acting as agents for Latour Industries or its affiliates, as applicable) may from time to time and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase shares of the Company outside the United States, or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Holders of such information. In addition, the financial advisors to Latour Industries may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities as long as such purchases or arrangements are in compliance with the applicable law. Any information about such purchases will be announced in Swedish and in a non-binding English translation available to the U.S. Holders through relevant electronic media if, and to the extent, such announcement is required under applicable Swedish or U.S. law, rules or regulations.

The receipt of cash pursuant to the Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder is urged to consult an independent professional adviser regarding the tax consequences of accepting the Offer. Neither Latour Industries nor any of its affiliates and their respective directors, officers, employees or agents or any other person acting on their behalf in connection with the Offer shall be responsible for any tax effects or liabilities resulting from acceptance of this Offer.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer, passed any comments upon the merits or fairness of the offer, passed any comment upon the adequacy or completeness of the offer document or passed any comment on whether the content in the offer document is correct or complete. Any representation to the contrary is a criminal offence in the United States.

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