



Rovsing A/S - Company announcement no 268

At a board meeting on 5 December 2017, the Board of Directors of Rovsing A/S has adopted a number of initiatives aimed at strengthening Rovsing's capital structure, profitability, growth and incentives. These initiatives are described in more detail below.

Strategic initiatives

The Board of Directors has adopted an overall plan for the strategic development of Rovsing. The strategic plan is attached as Appendix 1 to this announcement and includes i.a. the below initiatives and focus areas.

Main items from the Company's strategy plan:

- Continue focus on institutional customers
- Expand into the private commercial and the military segments
- Focus on standard products, thereby reducing complexity
- In Europe, leverage existing customer relationships through direct sales activities
- Expand in the US and APAC through local partners
- Initiate comprehensive cost savings program to ensure efficient production and sourcing
- Initiate and complete full supplier review/renegotiation program in Q1 2018
- Increase use of salary models with performance based incentives
- Continued focus on liquidity and capturing of EU- and other grant programs
- Secure alignment of interests between shareholders, the Board and management
- Financial targets for 2021/22 of revenue of DKK 64 million and EBITDA-margin of +10%.

Directed share issue

Rovsing has completed a private placement of 33,321,204 new shares, equivalent to 9.09% of the current share capital. The subscription has taken place at a price of DKK 0.141 per share, which is based on the average trading price of Rovsing shares on NASDAQ OMX Copenhagen over the three trading days prior to the 5th of December 2017 and taking the liquidity and volatility of the share into consideration.

The new shares have primarily been placed with members of the Company's Board of Directors, management and senior managers as well as with two existing shareholders and one new shareholder. Following the capital increase, all members of the Company's Board of Directors hold shares in the Company and the combined holding of all members of the Board of Directors and management amounts to 6.3% of the Company's total share capital.

Of the total nominal capital increase of DKK 1,666,060, nominal DKK 669,557 has been subscribed for by way of cash payment of the subscription price, while nominal DKK 996,504 has been subscribed for by way of conversion of debt. The total proceeds to the Company amounts to DKK 4,698,290, of which DKK 1,888,150 has been received in cash and DKK 2,810,140 has been settled by conversion of debt.

The purpose of the capital increase is to strengthen the Company's capital structure and safeguard its ability to make investments in relation to the planned expansion, productwise and marketwise.



Rovsing

In connection with the capital increase it is hereby confirmed that no significant events or developments have taken place in Rovsing since the release of the company's annual report for 2016/17 other than events announced by the Company via NASDAQ OMX.

Issue of warrants

The Board of Directors has resolved to use its authorization pursuant to clause 6 of the articles of association of the Company to grant warrants representing a total nominal share capital of DKK 2.75 million to members of the Board of Directors, management and senior managers. If fully exercised, the warrants represents a capital increase of 13.76%. The exercise price of the warrants is DKK 0.168 per share.

The allocation of warrants has primarily been based on the amount of each recipient's shareholdings in the Company following capital increase announced today.

The warrants will vest gradually during the next 3-year period and can be exercised in a period of four weeks starting on the 6th of December 2020. The warrants are issued in accordance with the terms of the authorization as stated in the Company's articles of association. The Company's updated articles of association, which are available on the Company's web-site, have been updated in relation to the current and previous authorizations and use of authorizations concerning issuance of warrants.

Board members attached to management as consultant

In order to support management's execution of the strategy, the Board of Directors has agreed with board member Flemming Hynkemejer to be temporarily assigned to Rovsing on a consultancy basis. Flemming Hynkemejer's assignment is expected to have a duration of less than two months, and the assignment will not affect the work and responsibilities of Flemming Hynkemejer as a member of the Board of Directors.

Attachments:

Appendix 1: Rovsing Strategy 2021