

agile content

**Offer to the shareholders of  
Edgeware AB (publ)**

**EVLI**

## Important information

### General

Agile Content SA, Corporate Spanish tax number A64549181, ("**Agile Content**") has made a public offer for all outstanding shares in Edgware AB (publ) (registration number 556691-7554) ("**Edgware**" or "**The Company**") in accordance with the conditions set out in this offer document (the "**Offer**") (the "**Offer Document**"). The Offer, and the agreements entered into between Agile Content and Edgware's shareholders due to the Offer, shall be regulated and interpreted in accordance with Swedish law. Dispute regarding, or in connection with, the Offer shall exclusively be settled by a Swedish court, whereby Stockholm's District Court shall be first instance.

Nasdaq Stockholm's Takeover Rules (the "**Takeover Rules**") and the Swedish Securities Council's (Sw. Aktiemarknadsnämnden) rulings and statements on the interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's rulings and statements on the interpretation and application of the formerly applicable Rules on Public Offers for the Acquisitions of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. Näringslivets Börskommitté), are applicable to the Offer. Agile Content has, in accordance with the Swedish Takeover Act (Sw. lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden) (the "**Takeover Act**"), on 12 October 2020, contractually undertaken towards Nasdaq Stockholm to comply with said rules, rulings and statements and to submit to any sanctions that can be imposed on Agile Content in the event of a breach of the Takeover Rules. Agile Content has on 22 October 2020 informed the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) ("**SFSA**") about the Offer and the abovementioned undertakings towards Nasdaq Stockholm.

The Offer Document is available in Swedish and in English. The Swedish language version of the Offer Document shall prevail if there are any discrepancies between the two versions. The Swedish language version of the Offer Document has been approved and registered by the SFSA in accordance with Chapter 2 of the Takeover Act and Chapter 2a of the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument). The approval and registration of this Offer Document from the SFSA does not imply that the SFSA guarantees that the factual information in the Offer Document is correct or complete.

The information in this Offer Document is intended to be accurate, although not complete, only as of the date of the Offer Document. No warrant or guarantee is given that the information has been or will be accurate at any other time. Except as required by the Takeover Rules and any other applicable law, Agile Content does not take any responsibility to publish updates, revisions or additions of information to the Offer Document. The information in the Offer Document is published only because of the Offer and may not be used to serve any other purpose.

The information regarding Edgware on pages 17-52 in the Offer Document has been reviewed by the Board of Directors of Edgware. Agile Content does not guarantee that the information included herein with respect to Edgware is accurate or complete and does not take any responsibility for such information being accurate and complete other than in accordance with applicable laws. With exception to where it is expressly stated, no information in this Offer Document has been reviewed by Edgware's or Agile Content's accountants.

Evli Corporate Finance AB ("**Evli Bank**") is financial advisor to Agile Content, and to no one else in connection with the Offer, and will not be responsible for any advice to anyone other than Agile Content. The information in the Offer Document has been published by Agile Content and, the parts regarding Edgware, originates from public information published by the Company. Evli has undertaken no responsibility to validate any such information. Evli Bank thus dispense itself from all accountability due to the contents of such information.

The numbers that is presented in the Offer Document has, in some cases, been rounded off. This means that some tables may not be summed correctly. All information in the Offer Document regarding Edgware is based on 30 043 008 shares, which is the total amount of outstanding shares.

### Forward-looking statements

This Offer Document contains forward-looking statements which is based on Agile Content's current expectations and perceptions. All statements, except for statements regarding actual historic facts, are statements that can be deemed forward-looking, including any statements regarding the results of the Offer or subsequent transactions, perks, and synergies of any subsequent transaction, potential consequences of the Offer for the shareholders of Edgware that chooses not to accept the Offer, future possibilities for Agile Content or Edgware and estimates of revenue, margins, investments, available cash or other financial key figures, expected legal, arbitration-, political, authority or clinical proceedings or any results of such, customer- or prescribing trends, compensating activities and results, and similar estimates and results. Forward-looking statements does not constitute facts and is inherent with material risks and uncertainties. If not otherwise stated, Agile Content is providing this information as of the day of the Offer Document and does not undertake, if not required by the Takeover Rules or applicable law, to update any forward-looking information in the Offer Document due to new information, future events or similar. Forward-looking statements cannot be guaranteed and actual results may significantly deviate from Agile Content's expected outcome.

### Offer restrictions

The Offer, in accordance with the terms stipulated in this Offer Document, is not being made to persons whose participation in the Offer requires that any additional offer document is prepared or that any other measures are taken in addition to those required under Swedish law. Distribution of this Offer Document and other documents related to the Offer in certain jurisdictions, for example USA, Australia, Hong Kong, Japan, Canada, New Zealand, and South Africa, may be subject to restrictions or be affected by laws or regulations in such jurisdictions. Copies of this Offer Document is therefore not sent, and may not be sent, or by any other means forwarded, distributed or delivered, within, to or from such jurisdiction. Therefore, persons receiving this Offer Document (including, but not limited to, nominees, guardians, and chargees) and is subject to the laws in such jurisdiction, must gather information about, and observe, potential applicable laws and regulations. Failing to do so can result in a breach of securities laws in such jurisdiction. To the extent possible in accordance with applicable laws and regulations Agile Content disclaims any liability for any persons potential breach of such regulations. The Offer is not being made to, and this Offer Document may not be distributed, either directly or indirectly, in or to, and no acceptance forms will be accepted from or on behalf of a shareholder from a country where the Offer, distribution of this Offer Document or approval of accept of the Offer would be in breach of applicable laws or regulations or would require any additional Offer Document being drafted or that registration should take place, or that any other measure would be required in addition to what is required by Swedish law.

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### *The Offer in brief*

Consideration:	SEK 9.70 in cash for each Edgeware-share (the " <b>Offer Price</b> ")
Acceptance period:	2 November – 23 November 2020
Expected settlement date:	2 December 2020

## Offer to the shareholders of Edgeware

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### Introduction

On 30 October 2020 Agile Content SA (“**Agile Content**”) announced a recommended public cash offer to the shareholders of Edgeware AB (publ) (“**Edgeware**” or the “**Company**”) to transfer all outstanding shares in the Company (the “**Offer**”). Edgeware’s shares are listed on Nasdaq Stockholm Small Cap. The Company’s shares has the ISIN-code SE0009268360 and are being traded under the ticker EDGE.

### Consideration

The shareholders of Edgeware are offered 9.70 SEK in cash for each share in Edgeware. If Edgeware pays dividend or conducts any other value transfer to the shareholders of the Company the consideration within the Offer will be reduced proportionally.

### Premium

The Offer represents a premium of:

- 34.7 per cent for the shares in Edgeware in relation to the latest closing price on Nasdaq Stockholm on the 29 October 2020, which was the last day of trading prior to the announcement of the Offer,
- 38.7 per cent for the shares in Edgeware in relation to the volume weighted average price of the share during a period of 30 trading days prior to the announcement of the Offer, and
- 57.9 per cent for the shares in Edgeware in relation to the volume weighted average price of the share during a period of 180 trading days prior to the announcement of the Offer.

No commission will be charged in connection with the accounting of cash for the shares bought by Agile Content within the Offer. For the completion of the Offer the terms and conditions apply that is stipulated under the section “*Terms and conditions*”.

### Total value of the Offer

The total value of the Offer, based on 30,043,008 shares in Edgeware that is not directly or indirectly owned by Agile Content or closely related parties to Agile Content amounts to SEK 291,417,177.

### Financing of the Offer

The consideration that is paid in connection with the Offer is financed in its entirety by a combination of available funds and a credit facility that is available to Agile Content on terms which are customary for the financing of public offers.

The above-mentioned financing provides Agile Content with sufficient cash resources to satisfy in full the consideration payable in respect of the Offer and, accordingly, completion of the Offer is not subject to any financing condition.

### Recommendation from the Board of Directors of Edgeware

The Board of Directors<sup>2</sup> of Edgeware unanimously recommend, based on, inter alia, an opinion from Lenner & Partners Corporate Finance AB according to which the Offer is fair to Edgeware’s shareholders from a financial point of view, that the Company’s shareholders accept the Offer. The recommendation is presented in its entirety under section “Recommendations from Edgeware’s Board of Directors”.

### Agile Content’s ownership in Edgeware

Agile Content has no ownership in Edgeware.

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<sup>1</sup> Source for Edgeware’s share prices: Nasdaq.

<sup>2</sup> As a consequence of Amadeus EII LP, Amadeus III, Amadeus III Affiliates Fund LP and Volador AB’s undertakings to accept the Offer, neither Michael Ruffolo nor Rickard Blomqvist have participated in the Board of Directors of Edgeware’s evaluation of, or decisions regarding, the Offer.

## Undertakings to accept the Offer

In connection with the Offer, each of Amadeus EII LP, Amadeus III, Amadeus III Affiliates Fund LP, Volador AB, Nordea Funds Ltd, Investeringsföreningen Nordea Invest and Nordea 1 SICAV, which jointly owns 14,515,467 shares in Edgeware, corresponding to approximately 48.3 per cent of outstanding shares and votes in Edgeware, have executed unconditional irrevocable undertakings pursuant to which they have agreed (i) to accept the Offer, tender all their shares in the Offer and not withdraw their acceptance, (ii) not to transfer any of their respective shares in Edgeware and (iii) not to solicit competing offers regarding an acquisition of Edgeware.

## Due diligence

In relation to the preparations for the Offer, Agile Content has conducted a limited due diligence review of confirmatory nature regarding commercial, financial and legal information in relation to Edgeware, and in connection therewith met with Edgeware's management team. In connection with the due diligence, Agile Content has received some financial information regarding Edgeware's results during the third quarter of 2020. This information was published by Edgeware on 23 October 2020 through the quarterly report for the third quarter of 2020. Edgeware has confirmed that no other information that could reasonably be expected to affect the price of Edgeware's shares, and that has not been published by the date of this announcement, has been disclosed to Agile Content in connection with said due diligence review.

## Applicable law and disputes

The Offer, and the agreements entered into between Agile Content and Edgeware's shareholders as a result of the Offer, shall be governed by and construed in accordance with the laws of Sweden. The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the Stockholm District Court (Sw. Stockholms tingsrätt) shall be the court of first instance.

For the Offer, Nasdaq Stockholm's Takeover Rules (the "**Takeover Rules**") and the Swedish Securities Council's rulings regarding the interpretation and application of the Takeover Rules and, 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) apply. In accordance with the Swedish Takeover Act (Sw. Lagen (2006:451) om offentliga uppköpserbudanden på aktiemarknaden), Agile Content has, on 12 October 2020, undertaken towards Nasdaq Stockholm to comply with the Takeover Rules and submit to any sanctions imposed by Nasdaq Stockholm on Agile Content in the event of breach of the Takeover Rules and the Swedish Securities Council's rulings regarding the interpretation and application of the Takeover Rules and, 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. Agile Content has informed the Swedish Financial Supervisory Authority about the Offer and the undertaking towards Nasdaq Stockholm.

## Advisor

Agile Content has contracted Evli Corporate Finance AB and Bondo Advisors as financial advisors and Setterwalls Advokatbyrå as legal advisor in connection with the Offer.

## Background and reasons for the Offer

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Agile Content is a Spain-based technology provider with tools that enable publishers and brands to easily and efficiently curate, deliver and monetize their content, audiences, video and other content online. Edgeware is a Swedish company which develops, markets and sells IP-based streaming technologies for distributing TV and video content, allowing its customers to monetize their content.

Agile Content and Edgeware operate mainly in the same sector of digital video with a focus on the convergent business of the telecommunications industry. As software vendors Agile Content and Edgeware have complementary solutions based on a natural complementarity within the technological stack of a digital TV end-end solution. Geographically speaking both companies have a great complementarity and an important potential of cross-selling in addition to operational synergies.

Agile Content sees strong commercial and financial potential in a combination of Agile Content and Edgeware. The capabilities of Edgeware and its specialist competence would strengthen Agile Content's position on the global TV and video streaming market. The acquisition of Edgeware would provide Agile Content with the opportunity to accelerate its service and technology portfolio and hence contribute to Agile Content's overall strategic objectives.

Agile Content sees Edgeware as a successful company with a strong brand and competent management and employees. Together with the current management of Edgeware, it is Agile Content's intention to lever on Edgeware's complementing product offering and customer base and to utilize the attractive cross-selling opportunities between the companies.

Agile Content greatly values Edgeware's management and employees and is expecting that the Offer will support the Company's growth strategy and create long-term positive synergy effects for Edgeware and its employees. Based on Agile Content's knowledge about Edgeware, its strategy and the current market conditions it is currently Agile Content's intent that the completion of the Offer will not result in any changes regarding Edgeware's or Agile Content's organizations, management and employees, including their employment contracts, or the places where Edgeware and Agile Content respectively has their offices and runs their businesses.

*For further information, please refer to the information in this Offer Document, which has been prepared by the Board of Directors of Agile Content in relation to the Offer. The description of Edgeware on pages 17-52 in the Offer Document has been reviewed by Edgeware's board. The Board of Directors of Agile Content assures that, to the best of its knowledge, the information in this Offer Document with respect to Agile Content corresponds to actual conditions.*

30 October 2020

**Agile Content SA**

*The Board of Directors*

## Recommendation from Edgeware's board of directors

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Press Release  
30 October 2020 08:00:00 CET



### **STATEMENT FROM THE BOARD OF DIRECTORS OF EDGEWARE IN RELATION TO THE PUBLIC TENDER OFFER BY AGILE CONTENT**

This statement is made by the Board of Directors of Edgeware (publ) (the "Board" or the "Company") pursuant to Section II.19 of Nasdaq Stockholm's Takeover Rules (the "Takeover Rules").

#### **Conclusion**

The Board<sup>[1]</sup> of Edgeware unanimously recommends the shareholders of Edgeware to accept Agile Content's public tender offer.

#### **Background**

On October 30, 2020, a public tender offer was made by Agile Content, S.A. ("Agile Content") to the shareholders of Edgeware to tender all their shares in Edgeware to Agile Content (the "Offer"). Agile Content offers SEK 9.70 cash for each share in Edgeware, corresponding to a total value for all shares in Edgeware to approximately SEK 291 million<sup>[2]</sup>.

The Offer entails a premium of approximately:

- 34.7 per cent compared to the closing price of SEK 7.20 for the Edgeware share on October 29, 2020 (being the last day of trading prior to the announcement of the Offer);
- 38.7 per cent compared to the volume-weighted average price of SEK 6.99 for the Edgeware share during the last 30 trading days prior to the announcement of the Offer; and
- 57.9 per cent compared to the volume-weighted average price of SEK 6.14 for the Edgeware share during the last 180 trading days prior to the announcement of the Offer.

The acceptance period for the Offer is estimated to run from approximately November 2, 2020, until November 23, 2020, with reservations for possible extensions.

Edgeware has, following a written request from Agile Content, given Agile Content the opportunity to conduct a limited due diligence investigation of confirmatory nature regarding Edgeware in connection with the preparations for the Offer, and Agile Content has in connection therewith also met with the Company's management. Except for some limited information from the quarterly report that Edgeware subsequently published on October 23, 2020, Agile Content has not been provided with any undisclosed inside information during the due diligence investigation.

The completion of the Offer is conditional on customary conditions, e.g. that Agile Content becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Edgeware (after full dilution). Agile Content has reserved the right to waive these and other conditions in accordance with the Offer.

Press Release  
30 October 2020 08:00:00 CET



For further information regarding the Offer, see the press release published by Agile Content on October 30, 2020, and the offer document regarding the Offer that will be published before the acceptance period commences.

The Company's three largest shareholders whose total shareholding in Edgeware corresponds to approximately 48.3 per cent of the total number of outstanding shares and votes, including Amadeus Capital Partners Ltd who is represented in the Board by the chairman Michael Ruffolo and board member Rickard Blomqvist, via the company Volador AB, has unconditionally undertaken to accept the Offer.

As part of the Board's evaluation of the Offer, the Board has obtained a fairness opinion from Lenner & Partners Corporate Finance AB. The fairness opinion, which is attached as an appendix to this press release, states that Lenner & Partners Corporate Finance AB considers the Offer to be regarded as reasonable from a financial perspective for the shareholders in Edgeware.

The Board has appointed Carnegie Investment Bank as financial advisor and KANTER Advokatbyrå as legal advisor in connection with the Offer.

### **Edgeware Board of Director's assessment of the Offer**

#### *Process*

The Board's opinion of the Offer is based on an evaluation of a number of different factors the Board has determined to be relevant when evaluating the Offer. These factors include, but are not limited to, the Company's current position, the expected future development of the Company and thereto related possibilities and risks. Also, the assessment is based on Lenner & Partner Corporate Finance AB's valuation statement regarding the fairness from a financial perspective for the shareholders of Edgeware.

Additionally, in assessing the Offer the Board has analysed the Offer using methods normally used when evaluating public offers for listed companies, *inter alia*, Edgeware's valuation relative to comparable listed companies and comparable acquisitions, offer premiums in previous tender offers on Nasdaq Stockholm, the stock market's expectations in respect of the Company, and the Board's view of the Company's long term value based on expected dividend payments and cash flows.

#### *Considerations*

The Board has a positive view of the value-creating potential of the merged company but has not taken part of detailed integration plans or risk analyzes and thus cannot comment on the future value potential of the Agile Content share. It can also be noted that full realization of synergies typically requires that all shares in a company are acquired. Agile Content has reserved the right to complete the Offer, even if Agile Content does not become the owner of shares representing more than 90 per cent of the total number of outstanding shares and votes in Edgeware, which may entail that Agile Content completes the Offer without having the opportunity to acquire all shares.

#### *Conclusion*

Based on its assessment, the Board concludes that the terms of the Offer correspond to Edgeware's future growth opportunities, as well as the risks associated with these opportunities.

Press Release  
30 October 2020 08:00:00 CET



In light of the above the Board unanimously recommends the shareholders of Edgeware to accept the Offer.

*Effect on Edgeware*

Under the Takeover Rules the Board is required, on the basis of Agile Content's statements in its Offer announcement, to make public its opinion of the effects the implementation of the Offer may have on Edgeware, specifically employment, and its views on Agile Content's strategic plans for Edgeware and the effect these may be expected to have on employment and the places where Edgeware conducts its operations. Agile Content has in the offer announcement stated the following:

*"Agile Content greatly values Edgeware's management and employees and is expecting that the Offer will support the company's growth strategy and create long-term positive synergy effects for Edgeware and its employees. Based on Agile Content's knowledge about Edgeware, its strategy and the current market conditions it is currently Agile Content's intent that the completion of the Offer will not result in any changes regarding Edgeware's or Agile Content's organizations, management and employees, including their employment contracts, or the places where Edgeware and Agile Content respectively has their offices and runs their businesses."*

The Board assumes that this description is accurate and has in relevant aspects no reason to take a different view.

This statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts. This statement has been made in a Swedish and English version. In case of any discrepancies between the Swedish and the English text, the Swedish text shall prevail.

Stockholm, October 30, 2020  
The Board of Directors of Edgeware AB (publ)

[1] The chairman of the board, Michael Ruffolo, and the board member, Rickard Blomqvist, did not, due to conflict of interest, participate in the Board's assessment or resolution regarding the Offer.

[2] Based on the total number of shares of 30,043,008.

**For further information on the Board of Director's statement, please contact:**

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Erik Hallberg, Board member  
Telephone: +46706581616  
Email: erha01@hotmail.com

Press Release  
30 October 2020 08:00:00 CET



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### About Edgeware

Edgeware supplies operators and content providers with systems to deliver modern TV services over the Internet at a huge scale. Edgeware's unique technology provides an outstanding viewing experience that allows its customers to retain control of their content. Edgeware has more than 200 customers and is headquartered in Stockholm, Sweden, with staff across Europe, Asia and the Americas. For more information, please visit <https://corporate.edgeware.tv>

*This information is information that Edgeware AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-10-30 08:00 CET.*

### Attachments

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[Statement from the Board of Directors of Edgeware in relation to the public tender offer by Agile Content](#)  
[Fairness Letter ENG](#)

## Fairness opinion from Lenner & Partners

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### LENNER & PARTNERS

Stockholm 29 October 2020

#### To the Board of Edgeware AB (publ)

Agile Content S.A. ("Agile") intends to, on 30 October 2020, announce a public cash offer to the shareholders of Edgeware AB ("Edgeware") to acquire all outstanding shares.

The consideration to be offered to the shareholders in Edgeware values each Edgeware share at SEK 9.70 and the total cash offer value amounts to approximately SEK 291 million<sup>1</sup> (the "Offer").

The Board of Edgeware has engaged Lenner & Partners Corporate Finance AB ("Lenner & Partners") to provide an opinion, as to the fairness, from a financial point of view, of the Offer proposed to be received by the shareholders of Edgeware.

In the analysis of the Offer, Lenner & Partners has among other things reviewed:

- publicly available information, such as annual reports, interim reports and broker reports regarding Edgeware;
- trading statistics, other financial and stock market related information concerning Edgeware and similar information for certain other comparable companies;
- selected mergers and acquisitions that have been viewed to be comparable to the Offer;
- internal forecasts and forward-looking information regarding Edgeware;
- discussions with the management of Edgeware;
- the Offer and a draft of the press release from Agile

Lenner & Partners' fairness opinion is based on several generally accepted valuation methods that are typically used in this type of analysis. The analyses have been produced solely to enable Lenner & Partners to provide the Board of Edgeware with a fairness opinion whether or not the Offer is fair from a financial point of view.

Lenner & Partners' assignment does not include expressing an opinion on the relative merits of the Offer as compared to any alternative business strategies that might exist for Edgeware, including whether any other transaction would potentially be more favourable for the shareholders of Edgeware, or the effect of any other transaction in which Edgeware might engage.

Lenner & Partners has not conducted a due diligence in order to control or verify the received information. Lenner & Partners has relied on the information received from Edgeware. The information is assumed to be true and fair and complete.

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<sup>1</sup> Based on 30,043,008 outstanding shares in Edgeware (Edgeware owns no own shares held in treasury).

Lenner & Partners' opinion is based on current market, economic, financial and other conditions as in effect on, and upon the information made available as of the date hereof. Any change in such conditions or information may require a revaluation of this opinion. Although subsequent developments may affect this opinion, Lenner & Partners assumes no obligation to update, revise or reaffirm this opinion.

Lenner & Partners' fairness opinion has been provided as information and documentation to the Board of Edgeware. This fairness opinion is not a recommendation whether or not shareholders in Edgeware should tender their shares in the Offer.

Lenner & Partners will be paid a fixed fee for this fairness opinion and the fee is not dependent on the outcome of the public offer from Agile.

Based on above and other circumstances, that Lenner & Partners considers being relevant, Lenner & Partners' opinion, as per the date hereof, is that the Offer is fair from a financial point of view for the shareholders in Edgeware.

Swedish law is applicable on this fairness opinion.

Lenner & Partners Corporate Finance AB

Lars Lenner

Tom Wikström

## Terms and conditions

### The Offer

Agile Content offers SEK 9.70 in cash for each share in Edgware. The Offer's total value amounts to approximately SEK 291,417,177. The Offer's total value is based on 30,043,008 shares, which is the total amount of outstanding shares in Edgware. Edgware does not hold any of its own shares.

Agile Content will not increase the price in the Offer or, either during the Offer or after the completion of the Offer acquire any shares in Edgware to a higher price than the price in the Offer. This statement does not apply if the Offer were to be redacted (not completed).

If Edgware pays dividend or conducts any other value transfer to the shareholders of the Company, for which the record date is before the payment of consideration in the Offer, or before the payment of consideration in the Offer issues new shares or conducts any similar corporate measure which results in a decrease in the value of the shares in Edgware, the consideration within the Offer will be reduced proportionally. In case any of the aforementioned does occur Agile Content reserves the right to decide if the consideration shall be reduced in accordance with the above or if condition 5 for the completion of the Offer shall be invoked.

No commission will be charged in connection with the Offer.

### Conditions for the completion of the Offer

Completion of the Offer is conditional upon:

1. the Offer being accepted to such extent that Agile Content becomes the owner of more than 90 per cent of the total number of outstanding shares in Edgware,
2. that neither the Offer nor the acquisition of Edgware, is wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance,
3. that no circumstances has occurred that could have a material negative effect, or could reasonably be estimated to have a negative material effect, on Edgware's financial standing or business, including Edgware's sales, results, liquidity, asset to equity ratio, equity or assets,
4. that no information that has been announced by Edgware or disclosed by Edgware to Agile Content is incorrect, incomplete or misleading, and that Edgware has announced all information that must be announced, and
5. that Edgware does not take any measures that typically are intended to impair the prerequisites for the implementation of the Offer.

Agile Content 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 2-5 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Agile Content's acquisition of Edgware or if otherwise approved by the Swedish Securities Council. Agile Content 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, to complete the Offer at a lower level of acceptance.

### Acceptance of the Offer

#### *Directly registered holding*

Shareholders of Edgware whose shares in Edgware are directly registered with Euroclear Sweden AB ("**Euroclear**") and wishes to accept the Offer shall during the period from and including the 2 November 2020 up until and including the 23 November 2020 CET 15.00 sign and send a duly signed pre-printed acceptance form to:

Aktieinvest FK AB  
Emittentservice  
Box 7415  
103 91 Stockholm  
E-mail: [emittentservice@aktieinvest.se](mailto:emittentservice@aktieinvest.se)

The acceptance form must be sent via post in the attached pre-franked acceptance envelope in good time before the final day of the acceptance period in order for Aktieinvest to receive it **no later than CET 15.00 on 23 November 2020**.

Securities account and current number of shares in Edgeware is set out in the pre-printed acceptance form that will be sent to all shareholders of Edgeware that are directly registered. Shareholders should control that the pre-printed information on the acceptance form is correct.

**Be advised that incorrect or incomplete acceptance forms will not be taken in to account.**

### ***Nominee registered holdings***

Shareholders of Edgeware whose holdings are registered in the name of a nominee, i.e. with a bank or other nominee, will not receive this Offer Document nor a pre-printed acceptance form or a pre-franked envelope. Such shareholders are instead requested to contact their nominee in order to obtain a copy of this Offer Document. Acceptance should be made in accordance with instructions from the nominee.

### ***Pledged holdings***

If shares to be tendered in the Offer are pledged in the Euroclear system, the shareholder as well as the pledgee must complete and sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed. Thus, the pledge must be de-registered in the Euroclear system prior to the time of delivery of the shares to Agile Content.

## **Offer Document and acceptance form**

The Offer Document and the acceptance form will be available on the following websites:

- Agile Content's website [www.agilecontent.com](http://www.agilecontent.com),
- Aktieinvest's website [www.aktieinvest.se/edgeware2020](http://www.aktieinvest.se/edgeware2020), and
- The SFSA's website ([www.fi.se](http://www.fi.se)) (only the Offer Document – and only the Swedish version).

## **Acceptance period and the right to extend the Offer**

The acceptance period is active from and including 2 November 2020 up to and including 23 November 2020, at 15.00 CET.

Agile Content reserves the right to extend the acceptance period for the Offer and to postpone the settlement date. A notice of any such extension and/or postponement(s) will be announced by Agile Content by means of press release(s) in accordance with applicable rules and regulations.

## **Right to withdraw acceptance**

Shareholders of Edgeware does have the right to withdraw any acceptance of the Offer. To be valid, such withdrawal must have been received in writing by Aktieinvest (at the address provided above) before Agile Content has announced that the conditions for the Offer have been fulfilled, or if such announcement has not been made during the acceptance period, not later than 15.00 CET on the last day of the acceptance period. If any conditions of the Offer remain and Agile Content chooses to extend of the Offer, the right to withdraw an acceptance will apply in the same manner throughout such extension of the Offer. Shareholders of Edgeware whose shares are nominee-registered wishing to withdraw acceptance shall do so in accordance with instructions from the nominee.

## **Confirmation of acceptance and transfer of shares in Edgeware to blocked securities accounts**

After a duly completed acceptance form has been received and registered by Aktieinvest, the shares of Edgeware will be transferred to a newly opened, blocked, securities account (Sw. apportkonto) in the shareholder's name. In connection thereto, Euroclear will send a notification ("**VP-notice**") which shows the number of shares of Edgeware that have transferred from the original securities accounts as well as a VP-notice, which shows the number of shares of Edgeware that have been entered in the newly opened blocked securities account.

## Settlement

Settlement will be initiated as soon as Agile Content has announced that the conditions for the Offer have been fulfilled or Agile Content otherwise decides to complete the Offer. Subject to such announcement being made no later than on or around 30 November 2020, settlement is expected to begin on or around 2 December 2020. Settlement of the Offer will be arranged by distribution of transaction notes to those who have accepted the Offer. If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

The settlement will be paid to the yield account which is connected to the shareholder's securities account, or if the yield account is a bank giro account or postal giro will obtain the consideration according to the instructions set out on the transaction note. In connection with the settlement, the shares of Edgware will be removed from the blocked securities accounts which will then be terminated. No VP-notice will be sent in connection herewith.

***Be advised that even if the shares in Edgware are pledged settlement will be made to yield account or in accordance with the instructions on the transaction note.***

## Compulsory acquisition and delisting

In the event that Agile Content obtains more than 90 per cent of the outstanding shares in Edgware, Agile Content intends to initiate a compulsory acquisition procedure under the Swedish Companies Act (Sw. aktieföretagslagen (2005:551)) of Edgware. In connection therewith, Agile Content intends to promote a delisting of the Edgware shares from Nasdaq Stockholm.

## Other information

Aktieinvest acts as settlement agent in relation to the Offer, which means that Aktieinvest performs certain administrative services relating to the Offer. This does not mean that a person who accepts the Offer (the "Participant") will be automatically regarded as a customer of Aktieinvest. A Participant will be regarded as a customer only if Aktieinvest has provided advice to the Participant or has otherwise contacted the Participant personally regarding the Offer, or if the Participant has accepted the Offer via Aktieinvest's branches, internet bank or telephone bank. If the Participant is not regarded as a customer, the rules regarding the protection of investors pursuant to the Swedish Securities Market Act (Sw. lag (2007:528) om värdepappersmarknaden) will not be applicable to the acceptance. This means, among other things, that neither customer categorization nor the appropriateness test will be performed with respect to the Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Offer.

## Important information regarding LEI and NID

According to MiFID II and starting from 3 January 2018, all investors must have a global identification code in order to conduct a securities transaction. These regulations require legal entities to apply for registration of a LEI code (Legal Entity Identifier code) and natural persons need to find their National ID or NID number (National Client Identifier number) in order to accept the Offer. Please note that it is the shareholder's legal status that determines whether a LEI code or NID number is required, and that Aktieinvest may be prevented from performing the transaction on behalf of the person in question if a LEI code or NID number (as applicable) is not provided. Legal persons who need to obtain a LEI code may contact one of the suppliers available on the market. Through this link approved institutions for the global LEI system can be found: [www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations](http://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations). As for natural persons who only have Swedish citizenship, the NID number consists of the designation "SE" followed by the person's social security number. If the person in question has a citizenship other than Swedish, or multiple citizenships, the NID number may be any other type of number. Apply for registration of a LEI code (legal persons) or find out the NID number (natural persons) in good time since this information is required in the application form upon acceptance of the Offer.

## Information about processing of personal data

Those who accept the Offer will submit personal data to Aktieinvest, which is responsible for such data. Personal data submitted to Aktieinvest will be processed in data systems to the extent required to administer the Offer. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in the data systems of companies with which Aktieinvest cooperate. Information about addresses may be obtained by Aktieinvest through an automatic procedure executed by Euroclear. For additional information about Aktieinvest's processing of personal data and your rights, see Aktieinvest's website [www.aktieinvest.se](http://www.aktieinvest.se).

### **Questions regarding the Offer**

For questions regarding the Offer, please contact Aktieinvest at telephone number +46 8-5065 1795. Information is also available at Aktieinvest's website for prospectuses and Offer Documents [www.aktieinvest.se/edgeware2020](http://www.aktieinvest.se/edgeware2020) and at Agile Content's website ([www.agilecontent.com](http://www.agilecontent.com)).

## Description of Agile Content

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### Agile Content

Agile Content is a technology provider with tools that enables Network Operators and Media companies to efficiently manage, deliver and monetize video platforms for digital distribution. Agile Content is a Spanish public limited company and has its domicile in Spain and its registered offices in Barcelona. The company's shares are listed at BME Growth, an MTF-platform for small and medium-sized companies looking to expand their businesses, which is being run by the regulated market Bolsa de Madrid. More information regarding Agile Content and the company's products are available at <https://www.agilecontent.com/solutions/>.

## Description of Edgeware

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*The following is a brief description of Edgeware. If nothing else is stated the information about Edgeware on the pages 17 - 52 in this Offer Document is based on Edgeware's (i) annual report for 2019, (ii) interim report for the period January-September 2020 and (iii) information from the Company's website (<https://corporate.edgeware.tv/en/>).*

### Background

Edgeware was founded in 2004 by Joachim Roos, Lukas Holm and Kalle Henriksson, all of whom had extensive experience from the networking industry, and has since been developed to a high tech company that develops and offers products that allows high quality streaming of TV and video. Edgeware's business model is to develop, market and sell streaming solutions to customers who distribute TV and video content to viewers over the internet. The Company's customers are primarily telco and cable operators (such as Vodafone, Telia and Televisa), and to an increasing extent OTTs/broadcasters (such as TVB in Hong Kong) who distribute directly to their viewers via the internet. During 2016 Edgeware's shares was listed for trading on Nasdaq Stockholm and the Company has since continued to develop its customer offering, especially within software.

### The business in brief

Edgeware helps telcos, cable TV operators, broadcasters and content providers deliver modern TV services that are beyond broadcast.

Offering IP-based TV delivery technology Edgeware facilitates the new way of consuming TV and allows customers to capitalize their content, give viewers an amazing viewing experience and scalability even for e.g. big live events. Edgeware has its head office in Stockholm and this is where a majority of the company's employees work. Edgeware has an international sales organisation, with several employees working in the field. Edgeware has a wholly owned subsidiary in the US and one in Hong Kong, from which its sales and support services in the region are delivered.

### **Edgeware's offerings include systems for**

- Content processing – prepare and optimize content for distribution over the internet to any screen.
- Delivery control – orchestrate delivery in multi CDN environment.
- Content delivery – cache and stream content to client devices such as TV screens, mobile phones, PCs.
- Subtitling – insert, transcode subtitles to any screen.

### Edgeware's market and customers

Edgeware has had a global presence since it was founded. Edgeware now has over 200 customers in more than 70 countries, including telecom and cable operators as well as broadcasters and content owners.

Developments in modern streaming technology for video and TV are continuously changing the value chain for distribution. All in all, this results in a steadily increasing volume of video and data traffic.

### **Shift in online TV services**

Edgeware's market is changing from one type of internet-based TV (IPTV) to a new type of TV service: OTT (Over-The-Top, TV over the open internet). IPTV services are normally offered by telecom and cable providers that own their own networks. This is one category that has historically represented the majority of Edgeware's customer base. OTT services are normally offered by traditional OTTs/broadcasters such as TVB in Hong Kong and new content owners such as Netflix. The IPTV market has matured and has a lower growth rate, whereas services for the OTT market are growing rapidly.

The number of global IPTV subscribers is expected to grow the coming five years. The services are divided primarily into two categories: Subscription-based VOD (SVOD) and advertising VOD (AVOD).

### **Customers**

The primary customer groups in the market are telecom and cable operators and OTTs/broadcasters, who

distribute TV and video content over the internet.

**Telecom operators**, which also include broadband providers, primarily use Edgware's products and solutions to deliver their TV services over IP and normally purchase comprehensive solutions. Examples of customers include KPN in the Netherlands and PCCW in Hong Kong.

**Cable operators** typically have similar needs to those of telecom operators. As TV providers, most cable operators already have networks built and they tend to purchase components and functions rather than comprehensive solutions. They also represent the largest customer category in the total market. Examples of these customers are Com Hem in Sweden and Televisa in Mexico.

**OTTs/broadcasters** is the smallest customer category in the market, but is growing at a faster rate than the other customer segments. Customers in this category use Edgware's products to enable their live and on-demand services over the internet. These customers appreciate high quality, the ability to analyse viewing habits and the delivery quality of the service. Examples of customers include TVB in Hong Kong.

Edgware has enabled telecom and cable operators to deliver new services over IP, and thereby find new sources of income. New products and services create ever greater potential for delivery to the OTTs/broadcasters customer category, which distributes content via the internet. Companies in this customer category are growing considerably and thus require scalable streaming solutions. They also require greater insight into user behaviour and high-quality delivery.

## Summary of financial information

The financial information below regarding Edgeware has been retrieved from (i) the audited annual reports of the financial years ended on 31 December 2017, 2018 and 2019, (ii) the unaudited interim report for the period January – September 2020 and (iii) from the Company's webpage. The groups audited financial reports for the financial years ended on 31 December 2017, 2018 and 2019 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as endorsed by the EU and the groups unaudited interim report for the period January – September 2020 has been prepared in accordance with IAS 34. The previously mentioned annual reports are available on <https://www.edgeware.tv/> and the interim report for January – September 2020 is presented on pages 29 - 52 of the Offer Document.

### Consolidated income statement of the group

(MSEK)	1 January–30 September			1 January – 31 December	
	2020	2019	2019	2018	2017
Net sales	117.9	126.9	184.4	231.9	236.8
Cost of goods and services sold	-37.0	-41.3	-59.3	-71.7	-60.5
<b>Gross profit</b>	<b>80.9</b>	<b>85.6</b>	<b>125.1</b>	<b>160.2</b>	<b>176.3</b>
Selling expenses	-27.9	-35.8	-48.8	-68.7	-64.5
Administrative expenses	-21.1	-26.6	-34.9	-44.1	-44.2
Research and development expenses	-44.4	-45.4	-61.6	-53.4	-56.1
Other operating income/expenses	-3.0	-3.4	-5.0	-3.1	0.3
<b>EBIT</b>	<b>-15.5</b>	<b>-25.6</b>	<b>-25.2</b>	<b>-9.1</b>	<b>11.8</b>
Profit/loss from financial items					
Financial income	2.9	2.4	3.4	3.2	1.5
Financial expenses	-2.9	-1.6	-2.3	-2.4	-1.9
Pre-tax profit	-15.5	-24.8	-24.1	-8.3	11.4
Tax	-0.7	6.4	-0.4	1.7	-3.9
<b>Profit/loss for the period</b>	<b>-16.2</b>	<b>-18.4</b>	<b>-24.5</b>	<b>-6.6</b>	<b>7.5</b>

## Consolidated balance sheet of the group

(MSEK)	30 September		2019	31 December	
	2020	2019		2018	2017
<b>ASSETS</b>					
Trademarks	2.4	0.8	2.7	0.8	0.8
Capitalised expenditure on development work	23.3	23.4	23.6	22.7	19.9
Other intangible assets	2.0	0.9	2.7	0.8	0.2
Goodwill	3.3	7.0	3.3	-	-
Equipment, tools and installations	1.1	2.2	1.9	2.9	4.2
Right-of-use assets	4.3	9.5	8.0	-	-
Other long-term receivables	2.3	2.3	2.3	1.9	5.0
Deferred tax assets	12.3	19.9	12.8	12.6	10.8
<b>Total non-current assets</b>	<b>51.0</b>	<b>66.0</b>	<b>57.3</b>	<b>41.7</b>	<b>40.9</b>
Inventories	9.7	16.2	13.5	12.2	12.9
Trade accounts receivable	45.1	35.6	64.2	83.3	72.8
Other receivables	2.6	1.0	1.2	0.2	1.8
Prepaid expenses and accrued income	8.1	13.5	11.3	14.5	10.5
Current investments	-	75.4	75.5	74.9	75.1
Cash and cash equivalents	136.5	74.6	66.4	93.1	97.7
<b>Total current assets</b>	<b>202.0</b>	<b>216.3</b>	<b>232.1</b>	<b>278.2</b>	<b>270.8</b>
<b>Total assets</b>	<b>253.0</b>	<b>282.3</b>	<b>289.4</b>	<b>319.9</b>	<b>311.7</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	1.5	1.5	1.5	1.5	1.5
Other paid-in capital	235.9	235.9	235.9	235.9	234.3
Translation reserve	-5.8	-5.3	-4.8	-3.6	-2.5
Retained earnings including profit for the year	36.2	-14.1	-20.0	4.3	11.4
<b>Equity attributable to owners of the parent company</b>	<b>195.4</b>	<b>218.0</b>	<b>212.6</b>	<b>238.1</b>	<b>244.7</b>
<b>Total equity</b>	<b>195.4</b>	<b>218.0</b>	<b>212.6</b>	<b>238.1</b>	<b>244.7</b>
Lease liabilities	1.1	6.7	5.2	-	-
Deferred tax liability	0.9	-	0.8	-	-
<b>Total non-current liabilities</b>	<b>2.0</b>	<b>6.7</b>	<b>6.0</b>	<b>-</b>	<b>-</b>
Trade accounts payable	6.3	10.5	9.3	19.4	18.9
Lease liabilities	3.0	2.8	3.0	-	-
Current tax liabilities	-	0.0	0.1	0.6	0.5
Other current liabilities	2.2	3.1	3.8	4.3	0.3
Other provisions	0.1	0.2	0.3	0.4	0.3
Accrued expenses and deferred income	44.0	41.0	54.3	57.1	47.0
Total current liabilities	55.6	57.6	70.8	81.8	67.0
<b>Total equity and liabilities</b>	<b>253.0</b>	<b>282.3</b>	<b>289.4</b>	<b>319.9</b>	<b>311.7</b>

### Consolidated cash flow statement of the group

(MSEK)	1 January - 30 September		1 January - 31 December		
	2020	2019	2019	2018	2017
Cash flow from operating activities before changes in operating capital	0.2	-12.0	-4.5	6.0	22.8
Cash flow from operating capital	9.6	17.9	7.6	5.6	-25.5
Cash flow from operating activities	9.8	5.9	3.1	11.6	-2.7
Cash flow from investing activities	65.2	-19.9	-23.7	-15.9	-94.3
Cash flow from financing activities	-4.3	-4.6	-5.6	-0.6	-
<b>Cash flow for the period</b>	<b>70.7</b>	<b>-18.6</b>	<b>-26.2</b>	<b>-4.9</b>	<b>-97.0</b>
<b>Cash and cash equivalents at year-end</b>	<b>136.5</b>	<b>74.6</b>	<b>66.4</b>	<b>93.1</b>	<b>97.7</b>

### Key figures and data per share

Key figures (MSEK)	1 January - 30 September		1 January - 31 December		
	2020	2019	2019	2018	2017
Gross margin (%)	68.6	67.4	67.8	69.1	74.4
Operating margin (%) (EBIT)	-13.2	-20.3	-13.7	-3.9	5.0
Profit/Loss for the period after tax	-16.2	-18.4	-24.5	-6.6	7.5
<b>Share data</b>					
Earnings per share before dilution (SEK) <sup>3</sup>	-0.5	-0.6	-0.8	-0.2	0.2
Earnings per share after dilution (SEK) <sup>4</sup>	-0.5	-0.6	-0.8	-0.2	0.2
Equity per share before dilution, (SEK)	6.5	7.3	7.1	7.9	8.1

<sup>3</sup> Data for this key figure relating to 1 January - 30 September for 2020 and 2019 is collected from Edgeware's website.

<sup>4</sup> Data for this key figure relating to 1 January - 30 September for 2020 and 2019 is collected from Edgeware's website

## Share capital and ownership structure

### General

Edgeware's shares are listed on Nasdaq Stockholm Small Cap under the ticker symbol "EDGE", and has the ISIN code SE0009268360.

### Share capital

Edgeware's share capital as of the date of announcement of this Offer Document was SEK 1,502,150.40, divided into 30,043,008 shares with a quota (par) value of SEK 0.05 per share. Each share entitles to one (1) vote at a shareholders' meeting and the shares entitles to the same right to Edgeware's assets and profit.

Edgeware does not hold any of its own shares.

### Shareholders

According to Edgeware's annual report the number of shareholders amounted to 2,898 by the end of 2019. The table below shows the ten largest shareholders as of 30 September 2020.

Shareholder	Number of shares	Per cent of share capital and votes
Amadeus Capital Partners	6,937,694	23.09
Volador AB	4,056,261	13.50
Nordea Fonder	3,306,512	11.01
Avanza Pension	1,121,667	3.73
ÖstVäst Capital Management	1,084,482	3.61
Aktia Asset Management	983,577	3.27
Öhman Fonder	699,726	2.33
DNB Fonder	665,137	2.21
David Zaudy	449,778	1.50
Thomas Wernhoff	400,000	1.33
<b>Others</b>	<b>10,338,174</b>	<b>34.41</b>

### Shareholders' agreements

The Board of Directors of Agile Content is not aware of any shareholders' agreements or other agreements between the shareholders of Edgeware with the purpose of creating a joint influence over Edgeware.

### Dividend policy

Edgeware's dividend policy is that the Company's cash-flow shall in the coming years be used to finance further development and expansion and possibilities for acquisitions whereas no dividends are expected to be paid. Historically, no dividends have been paid by Edgeware.

### Material clauses in the articles of association

There are no provisions in Edgeware's articles of association that restrict the shareholders' rights to transfer their shares. Nor does Edgeware's articles of association contain any other provisions set forth in Chapter 6 Section 2(a) of the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)), such as provisions regarding the dismissal of board members, and no restrictions on the number of votes any shareholder may cast at a general meeting or regarding changes to the articles of association.

### Authorization of the Board of Directors

The Board of Directors has currently not received any authorization from the annual general meeting to issue new, buy or sell securities in Edgeware.

## Articles of Association of Edgeware

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Articles of Association of Edgeware was adopted at an extraordinary general meeting on 28 November 2016.

### **1 § NAME**

The company's name is Edgeware AB (publ).

### **2 § REGISTERED OFFICE**

The Board of Directors' registered office shall be situated in Stockholm.

### **3 § OBJECT OF THE COMPANY'S BUSINESS**

The object of the company's business is to, directly or indirectly; conduct development and sales of electronic systems for network applications and any other activities compatible therewith.

### **4 § SHARE CAPITAL AND SHARES**

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 10,000,000 and not more than 40,000,000.

### **5 § EUROCLEAR COMPANY**

The company's shares shall be registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

### **6 § BOARD OF DIRECTORS**

The Board of Directors, to the extent elected by the shareholders' meeting, shall consist of not less than three (3) and not more than ten (10) with no deputy members.

### **7 § AUDITOR**

The company shall have not less than one (1) and not more than two (2) auditors and not more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, an authorised public accountant or a registered public accounting firm shall be elected.

### **8 § NOTICE OF SHAREHOLDERS' MEETING**

Notice of shareholders' meetings shall be published in the Swedish Official Gazette and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

### **9 § PARTICIPATION IN SHAREHOLDERS' MEETINGS**

Shareholders who wish to participate in a shareholders' meeting shall be registered as shareholders on a transcript of the entire share register as stipulated in Chapter 7, Section 28, third paragraph of the Swedish Companies Act (2005:551) that relates to the conditions prevailing five workdays prior to the meeting and shall also provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the shareholders' meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting. If a shareholder wishes to be joined by proxy (not more than two proxies) at the shareholders' meeting, the number of proxies must be stated in the notice of participation.

### **10 § BUSINESS AT SHAREHOLDERS' MEETINGS**

The following business shall be addressed at annual shareholders' meetings:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons who shall approve the minutes of the meeting;

5. Determination of whether the meeting was duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
  - c. discharge of the members of the Board of Directors and the managing director from liability;
8. Determination of the number of members and deputy members of the Board of Directors to be elected by the shareholders' meeting and, where applicable, the number of auditors and deputy auditors;
9. Determination of fees for members of the Board of Directors and auditors;
10. Election of the members of the Board of Directors
11. Election of auditors and, where applicable, deputy auditors;
12. Other matters, which should be resolved by the shareholders' meeting according to the Swedish Companies Act or the company's articles of association.

#### **11 § FINANCIAL YEAR**

The company's financial year shall be 1 January - 31 December.

## Board of directors, Management and Auditors in Edgeware

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### The Board of Directors

#### MICHAEL RUFFOLO

Born 1961. Chairman of Edgeware since 2013.

**Other assignments:** -

**Education:** Master of Science in business administration, Harvard Business School.

**Holding in Edgeware:** 24,430 shares.

#### ARND BENNINGHOFF

Born 1969. Board member in Edgeware since 2018.

**Other assignments:** EVP Gaming & esports of MTGx within Modern Times Group. Chairman of Kongregate, San Francisco. Board member of ESL, Turtle Entertainment GmbH, Cologne, Dreamhack AB, Stockholm and Innogames GmbH, Hamburg.

**Education:** Diploma in Business and Administration, University of Münster.

**Holding in Edgeware:** -

#### RICKARD BLOMQUIST

Born 1971. Board member in Edgeware since 2020.

**Other assignments:** Board member, CEO and principal owner of Volador AB, board member of GARO AB (publ).

**Education:** Bachelor's degree from Business Administration and Economics, Halmstad University.

**Holding in Edgeware:** 4,056,261 shares (indirectly via Volador AB).

#### ERIK HALLBERG

Born 1956. Board member in Edgeware since 2020.

**Other assignments:** Ledamot i HiQ International AB (publ) och Netmore Group AB (publ), ordförande i Fidesmo AB.

**Education:** Machine Engineering.

**Holding in Edgeware:** -

#### JONAS HASSELBERG

Born 1967. Board member in Edgeware since 2018.

**Other assignments:** President and CEO, Proact IT Group.

**Education:** Master of Science in Engineering Physics, Royal Institute of Technology, Stockholm.

**Holding in Edgeware:** -

#### TUIJA SOANJÄRVI

Born 1955. Board member in Edgeware since 2018.

**Other assignments:** Board member and chairman of the audit committee of Nixu Corporation and President of the Finnish Orienteering Federation.

**Education:** Masters Degree in Economics and Business Administration, Helsinki School of Economics.

**Holding in Edgeware:** -

## Executive management

### KARL THEDÉEN

Born 1963. CEO in Edgeware since 2018.

**Education:** Master of Science in systems engineering, Royal Institute of Technology.

**Other assignments:** Board member of Semcon AB.

**Holding in Edgeware:** 42,900 shares.

### RICHARD BERG

Born 1967. Employed in Edgeware since 2013.

**Education:** Degree of Master of Laws (L.L.M.), Lund University.

**Other assignments:** -

**Holding in Edgeware:** -

### JOHAN BOLIN

Born 1967. Employed in Edgeware since 2014.

**Education:** Master of Science in electrical engineering, Royal Institute of Technology.

**Other assignments:** Board member of Appalanche AB.

**Holding in Edgeware:** 1,034 shares.

### ASTRID HVEDING LENGDELL

Born 1967. Employed in Edgeware since 2017.

**Education:** Bachelor's degree from Business Administration and Economics, Luleå University of Technology.

**Other assignments:** -

**Holding in Edgeware:** -

### ANNIKA NORIN

Born 1970. Employed in Edgeware since 2016.

**Education:** Bachelor's degree from Business Administration and Economics, Stockholm University.

**Other assignments:** -

**Holding in Edgeware:** 6,000 shares.

### ANDERS WESTIN

Born 1967. Employed in Edgeware since 2017.

**Education:** Master of Science in Electrical Engineering, Royal Institute of Technology.

**Other assignments:** Owner of Anders Westin Consulting AB.

**Holding in Edgeware:** -

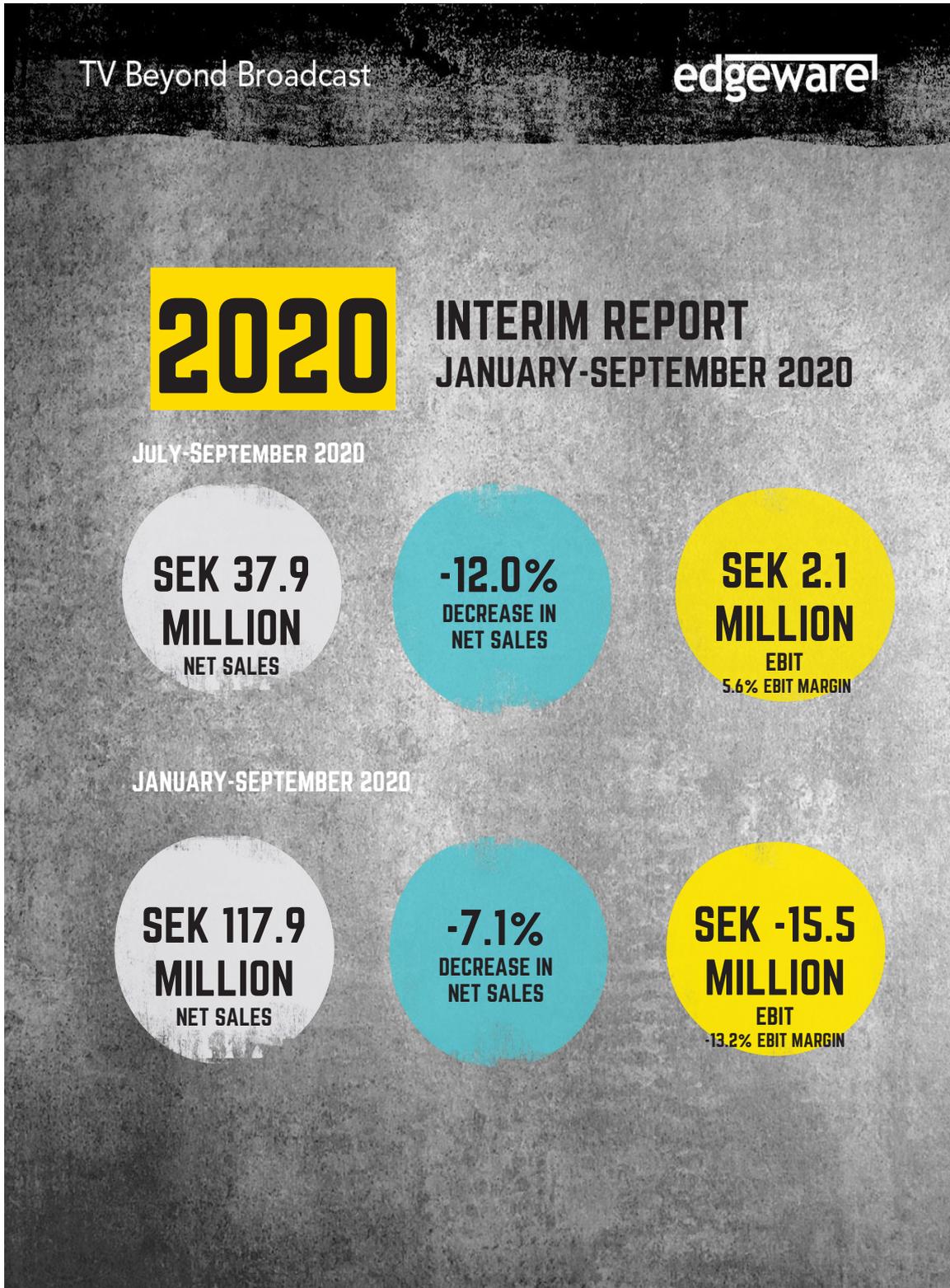
### **Auditor**

At the annual general meeting held on 6 May 2020 Deloitte AB was elected as auditor for Edgeware for the period up until the next annual general meeting. Andreas Frountzos, certified auditor and member of FAR (Sw. Föreningen Auktoriserade Revisorer), was elected as auditor in charge.

### **Other information**

According to an employment contract between Edgeware and Karl Thedéen (CEO), Karl Thedéen has the right to immediately terminate his employment should a change of control take place in Edgeware resulting in a new majority owner (at least 75 per cent ownership must be reached). In the event of a termination due to the previous conditions being fulfilled Karl Thedéen has right to severance pay as if Edgeware had terminated the employment, meaning that a severance pay of 6 months' salary is payable. If Edgeware terminate the employment, Karl Thedéen has the right to a severance pay of 12 months' salary.

## Edgeware's interim report for the period 1 January - 30 September 2020



# 2020

## INTERIM REPORT JANUARY-SEPTEMBER

### THIRD QUARTER OF 2020:

- Net sales totalled SEK 37.9 million (43.1), a decrease of 12.0 percent.
- Gross profit amounted to SEK 26.1 million (28.8), corresponding to a gross margin of 69.0 percent (66.9).
- Operating income (EBIT) amounted to SEK 2.1 million (neg: 3.6), corresponding to an operating margin of 5.6 percent (neg: 8.4).
- Operating income (EBIT) adjusted for restructuring costs and currency effects amounted to SEK 1.9 million (neg: 2.0).
- Profit for the period amounted to SEK 2.4 million (loss: 2.4).
- Cash flow from operating activities totalled negative SEK 11.9 million (pos: 5.9).
- Cash flow for the period was negative SEK 16.2 million (pos: 2.0).

### JANUARY-SEPTEMBER 2020:

- Net sales totalled SEK 117.9 million (126.9), a decrease of 7.1 percent.
- Gross profit amounted to SEK 80.9 million (85.6), corresponding to a gross margin of 68.6 percent (67.4).
- Operating income (EBIT) amounted to negative SEK 15.5 million (neg: 25.6), corresponding to an operating margin of negative 13.2 percent (neg: 20.3).
- Operating income (EBIT) adjusted for restructuring costs and currency effects amounted to negative SEK 12.5 million (neg: 22.2).
- Loss for the period amounted to SEK 16.2 million (loss: 18.4).
- Cash flow from operating activities totalled SEK 9.8 million (5.9).
- Cash flow for the period was SEK 70.7 million (neg: 18.6), which included the sale of the short-term interest fund of SEK 75.0 million.

### SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Edgeware StreamPilot in live production at Norwegian TV 2 Sumo.
- A1 uses Edgeware's StreamBuilder and OTT-CDN to offer multi-screen TV viewing.
- Edgeware enables 5G optimisation using cloud-based elastic CDN technology.

(SEK million unless otherwise indicated)	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Net sales	37.9	43.1	117.9	126.9	184.4
Gross profit	26.1	28.8	80.9	85.6	125.1
Gross margin (%)	69.0%	66.9%	68.6%	67.4%	67.8%
EBIT	2.1	-3.6	-15.5	-25.6	-25.2
EBIT margin (%)	5.6%	-8.4%	-13.2%	-20.3%	-13.7%
Result for the period	2.4	-2.4	-16.2	-18.4	-24.5
Cash flow from operating activities	-11.9	5.9	9.8	5.9	3.1
Cash flow for the period*	-16.2	2.0	70.7	-18.6	-26.2
No. of employees at the end of the period**	80	99	80	99	98
Cash and cash equivalents	136.5	74.6	136.5	74.6	66.4
Current investments	-	75.4	-	75.4	75.5

\*Cash flow for the period Jan-Dec 2019 included the purchase consideration for the company acquired in January 2019, Cavena Image Products AB. Cash flow for the second quarter of 2020 includes sale of the short-term interest fund of SEK 75 million.

\*\*Included in the number of employees at 30 September 2020 are 4 (8) consultants with employment-like agreements.

"By developing new products, a strong customer focus and continued efficiency measures, we returned to profitability during the quarter."  
Karl Thedéen,  
CEO, Edgeware

## COMMENTS BY THE CEO

### Returning to profitability in third quarter

In the past two years, Edgeware has undergone major changes involving a focus on new products, partially new customer segments and reduced costs. As a result of these measures, we were able to demonstrate during the year that our new product offering has been well received by our customers and today, we are also reporting a positive EBIT of SEK 2 million for the third quarter.

However, our sales continue to be negatively affected by the corona pandemic, which has resulted in fewer major sports events and heightened caution in relation to new investments in all markets. Sales for the third quarter totalled SEK 38 million, compared with SEK 43 million for the year-earlier quarter but I am pleased to report a recurring revenue of SEK 16 million for the quarter corresponding to an increase of 8 percent of our recurring revenue compared to last year. Our sales in EMEA remained unchanged at SEK 29 million. Above all, a number of modernisation projects contributed to the quarter's sales and it was pleasing to see that various sports events have now begun to be held in Europe again, albeit still far from the level in the preceding year. In APAC, where we conduct business development and foresee business opportunities over time, sales declined to SEK 4 million, partly due to the continued impact of the corona pandemic. In Americas, we are highly dependent on a single customer, which results in strong fluctuations between the quarters. For the third quarter, sales in the region amounted to SEK 5 million.

The gross margin for the quarter was nearly 70 percent due to favourable underlying product margins and an improved service margin. We also reduced our operating expenses, adjusted for non-recurring effects, by 13 percent compared with the year-earlier quarter. Cash flow was negative SEK 16 million and our net cash amounted to SEK 136 million at the end of the quarter.



Our new products continued to gain new ground. During the quarter, we added new channels and new traffic to the SaaS-based StreamPilot solution that we delivered to Norwegian TV2 Sumo. A1 Telekom Austria Groups has implemented StreamBuilder and our OTT-CDN solution to be able to offer multi-screen OTT-TV viewing over its new A1 Xplore TV content and streaming platform. In addition, we launched cloud-based elastic CDN and StreamPilot solutions that mobile providers can use to deliver quality-optimised video streaming services on their 5G networks.

During the quarter, Edgeware also conducted a market survey in collaboration with a leading industry analyst, Dan Rayburn. A key conclusion was that there is a large need for the ability to monitor the CDN networks and video quality for end-users in real time, both in individual and multiple CDN networks. This is precisely what is enabled by our StreamPilot product, which increasing numbers of potential customers are showing an interest in. We are now also conducting several tests together with a number of these.

To summarise, our market remains negatively affected by the corona pandemic, but an expansion of the CDN networks' capacity is continuing and investments are being made to modernise the networks. Our new products have received a positive market response and overall, it is highly satisfying to see that our change efforts resulted in a positive EBIT for the third quarter.

**Karl Thedéen**  
CEO, Edgeware

**THIRD QUARTER: 1 JULY 2020 -30 SEPTEMBER 2020**

**Corona pandemic effects**

In conjunction with the corona pandemic and all of the restrictions introduced relating to travel, physical meetings, closed offices and home working in Edgeware's regions, physical customer meetings have become more difficult to conduct. On the other hand, the adaption to working from home has gone well and the organisation is working with the same capacity as when working from the office. Following the summer vacation period, there was some return to working at the office in Stockholm, with an arrangement that allows different teams to be present in the office at different times to avoid crowding, but nonetheless with the possibility of holding physical internal meetings. Attendance in the office has been changed to times that avoid rush-hour traffic on public transport to and from the office.

The other major impact experienced by Edgeware is that customers, for most of 2020, have not distributed live sport. This means that the need is reduced for expanding existing capacity and investing in new products from Edgeware. Expected new capacity investments by Edgeware's customers ahead of the European Football Championships and the summer Olympics were also absent as these events were cancelled. During the third quarter, some sports events were restarted, although without spectators, which generated a certain positive effect for some customers' investments.

Furthermore, several customers have indicated more restrained investment budgets in general, which has negatively impacted and will continue to negatively impact Edgeware's order intake for the remainder of the year. The paradox is that TV viewing is increasing in number of hours, but the occasions with very high loads have disappeared.

Edgeware invests approximately 30 percent of sales in research and development. Currently, two new product concepts, StreamPilot and StreamBuilder, are being developed, which will give customers the possibilities to manage personalised advertising and control several CDN networks to achieve higher quality and delivery reliability. Products in the industry in which Edgeware operates must always be developed in close cooperation with customers. The market is currently cautious and the customers want to make few changes in their networks for managing TV/Video. This reduces the possibilities to start up and gain help in testing new product concepts, which entails that the pace of the roll-out of new products and the corresponding revenue streams will decline. At the same time, we have customers such as TV2 in Norway, which have worked closely with Edgeware to develop StreamPilot for a large part of 2020.

Overall, Edgeware has already seen a significant impact of the corona pandemic during the first nine months of the year, but the effect will probably continue to be apparent for the remainder of the

year. Edgeware's main market, Europe, has already been severely impacted by the corona pandemic and has now entered the second wave. Latin America, where our largest customer in Americas is located, is also severely affected by the pandemic, with consequences for the economies in those countries.

Edgeware has applied for and been granted support for furloughing from the Swedish Agency for Economic and Regional Growth for the period June to August. The reduction in working hours during this period is 20 percent. Since vacation leave and other absences do not qualify for support measures, the grant for this period was limited. The amount of support for the period June to August was SEK 1.0 million.

No additional impairment requirement has been identified in relation to the effects of the corona pandemic. Impairment testing of intangible non-current assets is conducted as usual each quarter and no further impairment of these is deemed necessary due to corona. In terms of the trade accounts receivable outstanding and assessed risk of future credit losses, the provision for future credit losses did not increase significantly in the third quarter of 2020. Although the general credit risk increased as a result of the corona pandemic, Edgeware's historically largest customer group, telco operators, are not considered to belong to the group that has been significantly impacted by the corona pandemic to date. Traditional telco operators, which form a large part of the company's customer base, have also generally been less affected by the pandemic since the television business has become even more important in their offerings in a world where social distancing is currently the new norm. Nor has Edgeware noticed any change in payment patterns among its customers. The development of credit risks will continue to be monitored closely and there may be a need to adjust the provision for future credit losses at a later stage if the credit risk for Edgeware's receivables increases. Edgeware has a strong balance sheet with a high equity/assets ratio of 77.2 percent and healthy liquidity, with cash and cash equivalents that amount to SEK 136.5 million, which corresponds to 53.9 percent of total assets.

**Net sales**

**Third quarter**

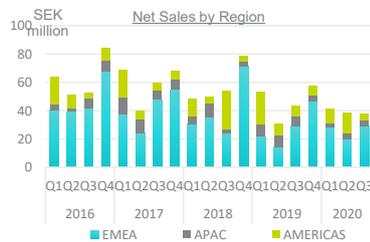
The Group's net sales for the third quarter totalled SEK 37.9 million (43.1), corresponding to a year-on-year decrease of 12.0 percent. The decrease in comparable currencies was 8.1 percent.

Net sales in EMEA (Europe, the Middle East and Africa) were in line with the preceding year at SEK 29.3 million (29.4). Net sales for AMERICAS declined to SEK 4.9 million (7.2) and in APAC (Asian and Pacific region), net sales declined to SEK 3.7 million (6.5) compared with the third quarter of 2019.

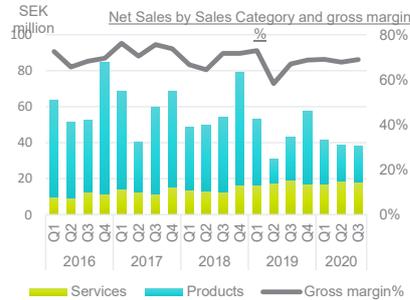
In the EMEA region, medium-sized product and license investments were registered from some of the region's customers. The restart of sports events also generated investments in the EMEA region. The APAC region continued to be impacted by the corona pandemic during the third quarter. Our operations and sales in the APAC region were also on low levels in the third quarter and the region's sales were mainly derived from ongoing support contracts. Product sales fell from SEK 2.4 million in the third quarter of 2019 to SEK 0.4 million in the third quarter of 2020, a decrease of 82.7 percent. Total sales for the quarter for the APAC region were SEK 3.7 million (6.5), down 43.2 percent. Sales declined for the AMERICAS region by 32.0 percent to SEK 4.9 million (7.2) compared with the corresponding quarter in 2019. The customer concentration is high in the region and in the third quarter of the year, there was an absence of investments from the region's largest customer.

Service business for the company declined by 5.3 percent compared with the third quarter of 2019. The service business includes both the recurring support business and professional services. The company's support business grew 6.1 percent in the third quarter compared with 2019, while professional services declined 43.8 percent.

Edgeware has had, and still has, a high customer concentration in all its regions. The investment level from a few major customers has historically significantly impacted an individual quarter, and moving forward will continue to do so. Historically, Edgeware has also had a large customer concentration and dependence on major telco operators in Western Europe, the EMEA region. This becomes clear in the company's sales performance, since growth in the Western European CDN market is limited.



Of total net sales in the third quarter, the Products business stream (hardware, software and licenses) accounted for 52.4 percent (55.8), while the remaining 47.6 percent (44.2) was attributable to Services (maintenance, support and other services). Recurring revenue from the support business and software licenses from existing customers amounted to SEK 15.8 million (14.7). The Support business corresponded to 86.5 percent (77.3) of the total Services' net sales, while the remainder was Professional services, such as installation and system integration.

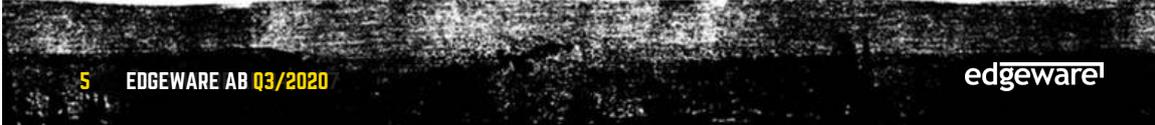


**Nine months**

Net sales in the first nine months totalled SEK 117.9 million (126.9), down 7.1 percent compared with the first nine months of 2019. The decrease in comparable currencies was 5.5 percent.

Net sales in EMEA amounted to SEK 77.4 million (65.2), an increase of 18.6 percent year-on-year. In AMERICAS, net sales decreased 23.3 percent to SEK 29.1 million (37.9) compared with the first nine months of 2019 and in APAC, net sales decreased by 51.8 percent. The decline in APAC was primarily attributable to a lower level of activity in the region due to the corona pandemic. Net sales in the region largely comprise support revenue from existing support contracts. Product sales in the region declined from SEK 13.4 million in 2019 to SEK 1.9 million for the first nine months of 2020, down 85.8 percent. The decrease in sales in the AMERICAS region was attributable to the region's largest customer making major investments in the first quarter of 2019, driven by a higher number of subscribers and increased use of such functions as Time-shift, and by investment in the subtitling product from Cavena. Sales in the EMEA region for the first half of 2019 were on a low level with very few investments by our major customers in the region. However, in the first nine months of 2020, we secured mid-sized product and license investments for network expansion and modernisation projects from some of the region's customers. We have been affected during the year by sports events being cancelled due to corona. Sports events usually drive up the capacity requirement among our traditional customers. During the third quarter, some sports events resumed, although without spectators, which generated a certain positive effect for some customers' investments at the end of the period. However, it is not only sport that drives Edgeware's business, but network expansions, modernisation projects and sales of new products and services are also important.

Net sales from products amounted to SEK 64.4 million (74.2) and from services to SEK 53.5 million (52.8). The decline in products that began already during the first half of 2019 was primarily attributable to limited growth in the company's historically largest CDN market, Western Europe, where there was an absence of investments by the company's major



customers. However, during 2020, we have seen investments in the EMEA region from our existing customers, despite the cancelled sports events. On the other hand, the increase between the years is from the low levels during the first half of 2019. The largest percentage loss in products derives from the APAC region, which was severely affected by the effects of corona. Recurring revenue from the support business from existing customers and recurring revenue from software licenses amounted to SEK 46.6 million (41.6), corresponding to an increase of 12.0 percent. Support revenue corresponded to 85.9 percent (78.1) of net sales from services.

**Results**

**Third quarter**

Gross profit in the third quarter amounted to SEK 26.1 million (28.8), corresponding to a year-on-year decline of SEK 2.7 million. The quarter's product sales and the service business's sales were lower in the third quarter of 2020 compared with 2019. The cost of service personnel was also lower in 2020 compared with 2019.

The gross margin was 69.0 percent (66.9). The gross margin was impacted by factors including the mix between hardware and licences, and the share of fixed costs such as amortisation of capitalised development expenses and personnel costs for service employees. At the lower net sales levels, the fixed costs' share of the gross margin becomes higher. Amortisation of capitalised development expenses, which was SEK 3.4 million (2.9) for the quarter, impacted the quarter's gross margin by 8.9 percent (6.6), while personnel costs for service employees had an impact of 12.2 percent (14.5). During the quarter, an inventory impairment was made of SEK 0.2 million (0).

The proportion of software and capacity licenses in relation to total product sales was higher than in the year-earlier quarter. The margin on the company's service business was also better in 2020 compared with the preceding year, which was attributable to lower service costs.

Operating expenses amounted to SEK 24.0 million (32.4), down SEK 8.4 million or 25.8 percent year-on-year. The operating expenses for both this and the preceding year were impacted by nonrecurring expenses or reduction of costs and adjusted for these, the underlying cost decline between the years was 13.5 percent. For the third quarter of 2020, costs were lower, largely due to corona, as no travel was conducted and furloughing resulted in lower payroll expenses and contributions from the Swedish Agency for Economic and Regional Growth. Operating expenses for the year-earlier quarter included a restructuring expense of SEK 2.6 million. There was no corresponding expense in the expenses for the quarter in 2020. The underlying costs declined in all functions compared with the preceding year due to the savings and reorganisation measures implemented during the first half of 2020. However, there was a positive

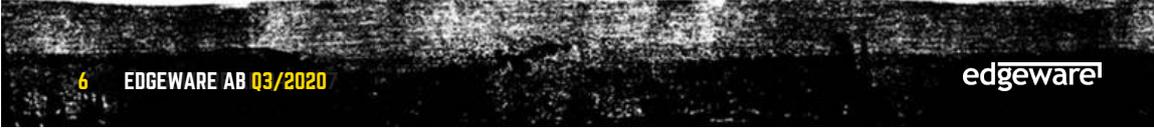
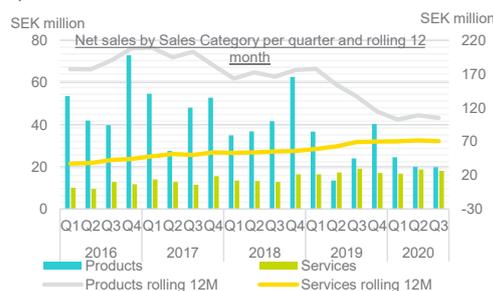
effect from exchange gains on accounts receivable attributable to a weakened Swedish krona during the third quarter, which generated a positive effect on accounts receivable of SEK 0.2 million (0.5). Edgeware had outstanding accounts receivables in EUR, USD and MXN at the end of the quarter. Costs also declined by SEK 1.3 million due to furloughing schemes in the third quarter of 2020. During the third quarter, the cost level was generally lower than in the other quarters due to the vacation effect.

During the third quarter, development expenses were capitalised in an amount of SEK 2.8 million (2.2), corresponding to 20.3 percent (14.4) of the company's total R&D expenses. Amortisation of previously capitalised development expenses during the period amounted to SEK 3.4 million (2.9). This amortisation is a component of the company's cost of goods sold and thus impacts Edgeware's gross profit. On the whole, the net of the period's capitalised expenses after amortisation for the period had a negative effect of SEK 0.5 million (neg: 0.7) on EBIT.

R&D, MSEK	Q3 2020	Q3 2019
Total R&D expenses	- 13,9	- 15,3
Capitalised development expenses	2,8	2,2
Amortisation of capitalised development expenses	- 3,4	- 2,9
<b>Net effect P/L</b>	<b>- 0,5</b>	<b>- 0,7</b>
R&D expenses according to income statement	- 11,1	- 13,1
<b>% activated of tot gross Development</b>	<b>- 20,3%</b>	<b>- 14,4%</b>

Operating income before depreciation and amortisation (EBITDA) amounted to SEK 7.3 million (1.1).

Operating income (EBIT) for the quarter amounted to SEK 2.1 million (loss: 3.6), corresponding to a year-on-year improvement of SEK 5.7 million. EBIT corresponded to an operating margin of 5.6 percent (neg: 8.4). Net financial items for the period amounted to income of SEK 0.4 million (0.5) and mainly comprised FX effects on cash and cash equivalents, a change in value of current investments and a revaluation of inter-company transactions. Profit for the period was SEK 2.4 million (loss: 2.4), corresponding to a year-on-year improvement of SEK 4.8 million.



### Nine months

Gross profit for the first nine months amounted to SEK 80.9 million (85.6), a year-on-year decline of SEK 4.7 million. The gross margin was 68.6 percent (67.4).

The gross margin for the first nine months was higher than for the year-earlier period. The improvement in the service business, with increased service sales and reduced costs for service personnel, drove up the gross margin.

Operating expenses amounted to SEK 96.4 million (111.2), corresponding to a reduction of SEK 14.8 million or 13.3 percent compared with the first nine months of 2019. The decrease in operating expenses is mainly attributable to a reduction in the number of employees in the Group, but also the review that is in progress of the company's total costs. The period's costs include restructuring expenses for the reorganisation implemented to achieve expanded focus on our software business during the second quarter. These costs affecting comparability amounted to SEK 2.3 million (5.5) for the first nine months of the year. The 2020 period included SEK 0.6 million in exchange rate losses on accounts receivable attributable to a stronger Swedish krona, which generated a negative effect on the accounts receivable outstanding for Edgeware in EUR, USD and MXN in operating expenses. The corresponding period of the preceding year included a positive exchange-rate effect of SEK 1.9 million in operating expenses.

During the first nine months, development expenses of SEK 9.3 million (9.4) were capitalised, accounting for 17.2 percent (17.2) of the company's total R&D expenses. At the same time, amortisation of previously capitalised development expenses rose to SEK 9.6 million (8.7). This amortisation is a component of the company's cost of goods sold and thus impacts Edgeware's gross profit. On the whole, the net of the period's capitalised expenses after amortisation for the period had a negative impact of SEK 0.3 million (pos: 0.7) on EBIT.

R&D, MSEK	Q1-Q3 2020	Q1-Q3 2019
Total R&D expenses	-53,9	-54,7
Capitalised development expenses	9,3	9,4
Amortisation of capitalised development expenses	-9,6	-8,7
<b>Net effect P/L</b>	<b>-0,3</b>	<b>0,7</b>
R&D expenses according to income statement	-44,6	-45,3
<b>% activated of tot gross Development</b>	<b>-17,2%</b>	<b>-17,2%</b>

Operating loss (EBIT) for the first nine months amounted to SEK 15.5 million (loss: 25.6), corresponding to a year-on-year improvement of SEK 10.1 million. Adjusted for non-recurring restructuring expenses, EBIT was a loss of SEK 13.2 million (loss: 20.1).

Net financial items amounted to income of SEK 0.0 million (0.8) and mainly comprised FX effects on cash and cash equivalents and a revaluation of inter-company transactions.

Loss for the period was SEK 16.2 million (loss: 18.4), corresponding to a year-on-year improvement of SEK 2.2 million.

### Financial position

The comparative figures under financial position pertain to December 2019. The equity/assets ratio was 77.2 percent (73.5) on 30 September 2020 and equity amounted to SEK 195.4 million (212.6).

Total assets on 30 September 2020 amounted to SEK 253.0 million (289.4). Inventories amounted to SEK 9.7 million (13.5) at the end of the period and capitalised development expenses amounted to SEK 23.3 million (23.6).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 136.5 million (66.4). The current investments comprising short-term interest fund investments were sold during the second quarter of 2020 at a value of SEK 75.2 million and the proceeds were deposited in an interest-bearing bank account. This amounted to SEK 75.5 million at year-end. In total, cash and cash equivalents, including current investments, amounted to SEK 136.5 million (141.9) at 30 September 2020.

### Liquidity and cash flows

Cash flow from operating activities during the third quarter amounted to SEK negative 11.9 million (pos: 5.9). The negative cash flow was mainly generated by a negative change in operating capital related to trade accounts receivable and other current liabilities.

Cash flow from investing activities in the third quarter was negative in an amount of SEK 2.9 million (neg: 2.5). Cash flow from investing activities for the quarter was primarily attributable to direct costs for capitalised development work as well as investments in tangible and intangible non-current assets. Cash flow from investing activities for the first nine months was primarily attributable to the sale of the short-term interest fund and reinvestment of the proceeds in an interest-bearing bank account.

Total cash flow for the third quarter amounted to negative SEK 16.2 million (pos: 2.0). Total cash flow for the first nine months amounted to SEK 70.7 million (neg: 18.6). For the first nine months of 2020, SEK 75.0 million was derived from the sale of the short-term interest fund and SEK 19.1 million from a positive change in operating capital regarding trade accounts receivable. In the preceding year, the acquisition of Cavena was included in investing activities in an amount of SEK 9.0 million.

### Parent company

The parent company's net sales in the third quarter amounted to SEK 36.1 million (28.2) and loss for the period amounted to SEK 0.1 million (loss: 4.2). During the quarter, the parent company expensed commissions from the subsidiary in Hong Kong. This

is a part of the company's transfer pricing setup, and the transaction will be eliminated in the Group. The quarter also included a partial repayment of loans from the subsidiary Edgeware Inc in an amount of SEK 2.1 million, which had a positive effect on net financial items, as these loans were impaired in the parent company during an earlier period. The parent company's financial expense has also been charged with a write-down of shares in the subsidiary Cavena Image Products AB of SEK 4.2 million. The operations were continuously transferred to Edgeware AB during the year. The personnel, customer contracts and IP rights have been transferred to Edgeware AB and the value in shares has therefore been written down to net asset value in the equity in the subsidiary.

Since a large part of the Group's business and net sales is generated in the parent company, reference is made to the Group for additional comments in the quarterly report.

### Employees

The number of employees in the Group at the end of the period was 80 (99). The reduction between the years was 19 persons. Also included in the number of employees at 30 September are consultants with employment-like agreements 4 (8). Added to this are two outsourced development teams in Vietnam and one team in Poland, a total of about 14 (14) persons.

### Risks and uncertainties

Edgeware's operations, sales and results are affected by a number of internal and external risk factors. The company has a continuous process to identify and assess how each risk should be managed. The main risks facing the company are delivery risk, technical development risk and financial risk. Edgeware had, and still has, a high customer concentration in all its regions. The investment level from a few major customers has historically significantly impacted an individual quarter, and moving forward will continue to do so.

During 2020, the uncertainties affecting the entire global economy due to the corona pandemic also increased the uncertainties for Edgeware during the first nine months of 2020, and will continue during the fourth quarter of 2020. Refer also to the section "Corona pandemic effects" for further information.

Apart from the corona pandemic, no material risks and uncertainties beyond those described in the 2019 annual report have arisen in 2020.

### Edgeware's share

During the third quarter, Edgeware's share price varied between SEK 5.02 and SEK 9.20. The closing price on the last day of trading in September 2020 was SEK 7.74. Edgeware's market capitalisation on 30 September 2020 was SEK 232.5 million. As per 30 September 2020, Edgeware's share capital amounted to SEK 1,502,150.40, represented by 30,043,008 shares, of which Class C shares accounted for 100 percent. Refer also to Note 4.

For information on capital owned and invested in the company by the management and Board of Directors, visit Edgeware's website: <https://corporate.edgeware.tv/>

### Seasonal variations and outlook

On a global basis, Edgeware's sales are impacted by the underlying need to transform traditional television distribution into interactive television delivered over the Internet to a large number of different platforms, such as mobiles, iPads and Smart TVs. The trend in this direction is clear and there is still a great need for investments that contribute to this transformation. In Western Europe, however, subscriber growth is now low and the capacity of the CDN market is well developed. The western European CDN market is therefore specifically considered to be mature. Edgeware entered 2020 with expectations of low business volumes from the company's largest Western European customers and expecting continued fluctuations in sales between the quarters during the period of build-up for the company's new business.

Regarding the impact on Edgeware's future business from the ongoing corona pandemic, see the text under the section entitled "Corona pandemic effects."

The policy of not issuing a forecast stands firm.

Edgeware experiences some seasonal variations of revenue over the quarters. Like many other companies in our industry, revenue tends to be strongest in the fourth quarter. However, the distribution of revenue across quarters and years is determined primarily by the larger customers' purchasing patterns and can therefore vary considerably. Operating expenses are seasonally lower during the third quarter in connection with holiday withdrawal effects. Based on the cost reductions implemented during the first half of 2020 and the cost savings that are a direct result of the corona pandemic, such as lower travel costs and cancelled fairs, we anticipate a cost saving of about 15 percent between the years.



### Financial objectives

Edgeware has the following long-term financial objectives, adopted at the Board meeting on 23 January 2020:

- Edgeware's target is to increase recurring revenues by 15 percent annually.
- Edgeware's target is to achieve a long-term (more than three years) EBIT margin of more than 10 percent.
- Edgeware's target for the short term, the next two years, is to annually improve EBIT.
- Edgeware's capital structure is to enable a high degree of financial flexibility and allow for acquisitions. The company's objective is for net indebtedness to amount to a maximum of two times EBITDA for the most recent 12-month period.
- Since Edgeware's cash flow in coming years should finance the continued development, expansion and opportunities to acquire, no dividend will be paid.

For more information, please visit:  
<https://corporate.edgeware.tv/>

**CONSOLIDATED INCOME STATEMENT**

(AMOUNTS IN SEK MILLION)	2020 JUL-SEP Q3	2019 JUL-SEP Q3	2020 JAN-SEP Q1-Q3	2019 JAN-SEP Q1-Q3	2019 JAN-DEC FULL YEAR
Net sales	37.9	43.1	117.9	126.9	184.4
Cost of goods and services sold	-11.8	-14.3	-37.0	-41.3	-59.3
<b>Gross profit</b>	<b>26.1</b>	<b>28.8</b>	<b>80.9</b>	<b>85.6</b>	<b>125.1</b>
Selling expenses	-7.2	-10.5	-27.9	-35.9	-48.8
Administrative expenses	-5.9	-7.3	-21.1	-26.7	-34.9
Research and development expenses	-11.1	-13.0	-44.4	-45.2	-61.6
Other operating income/expenses	0.2	-1.6	-3.0	-3.4	-5.0
<b>EBIT</b>	<b>2.1</b>	<b>-3.6</b>	<b>-15.5</b>	<b>-25.6</b>	<b>-25.2</b>
<b>Financial items</b>					
Financial income	0.6	1.0	2.9	2.4	3.4
Financial expenses	-0.2	-0.5	-2.9	-1.6	-2.3
<b>Pre-tax profit</b>	<b>2.5</b>	<b>-3.1</b>	<b>-15.5</b>	<b>-24.8</b>	<b>-24.1</b>
Tax	-0.1	0.7	-0.7	6.4	-0.4
<b>Loss for the period</b>	<b>2.4</b>	<b>-2.4</b>	<b>-16.2</b>	<b>-18.4</b>	<b>-24.5</b>
<b>Attributable to:</b>					
Owners of the parent	2.4	-2.4	-16.2	-18.4	-24.5
Earnings per share before dilution, SEK	0.1	-0.1	-0.5	-0.6	-0.8
Earnings per share after dilution, SEK	0.1	-0.1	-0.5	-0.6	-0.8

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>2.4</b>	<b>-2.4</b>	<b>-16.2</b>	<b>-18.4</b>	<b>-24.5</b>
<b>Other comprehensive income</b>					
Items that can be reversed to profit or loss:					
Exchange-rate differences when translating foreign operations	-0.9	-1.4	-1.0	-1.7	-1.1
<b>Other comprehensive income, net after tax</b>	<b>-0.9</b>	<b>-1.4</b>	<b>-1.0</b>	<b>-1.7</b>	<b>-1.1</b>
<b>Comprehensive income for the period</b>	<b>1.5</b>	<b>-3.8</b>	<b>-17.2</b>	<b>-20.1</b>	<b>-25.6</b>
<b>Attributable to:</b>					
Owners of the parent	1.5	-3.8	-17.2	-20.1	-25.6

**CONSOLIDATED BALANCE**

(AMOUNTS IN SEK MILLION)	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	3.3	7.0	3.3
Capitalised expenditure on development work	23.3	23.4	23.6
Trademarks	2.4	0.8	2.7
Other intangible assets	2.0	0.9	2.7
<b>Property, plant and equipment</b>			
Equipment	1.1	2.2	1.9
Right-of-use assets	4.3	9.5	8.0
<b>Financial non-current assets</b>			
Other non-current assets	2.3	2.2	2.3
<b>Deferred tax assets</b>	<b>12.3</b>	<b>19.9</b>	<b>12.8</b>
<b>Total non-current assets</b>	<b>51.0</b>	<b>65.9</b>	<b>57.3</b>
<b>Current assets</b>			
Inventories	9.7	16.2	13.5
Trade accounts receivable	45.1	35.6	64.2
Other receivables	2.6	1.0	1.2
Prepaid expenses and accrued income	8.1	13.7	11.3
Current investments	-	75.4	75.5
Cash and cash equivalents	136.5	74.6	66.4
<b>Total current assets</b>	<b>202.0</b>	<b>216.5</b>	<b>232.1</b>
<b>TOTAL ASSETS</b>	<b>253.0</b>	<b>282.4</b>	<b>289.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1.5	1.5	1.5
Other paid-in capital	235.9	235.9	235.9
Translation reserve	-5.8	-5.3	-4.8
Retained earnings including profit for the period	-36.2	-14.1	-20.0
<b>Equity attributable to owners of the parent</b>	<b>195.4</b>	<b>218.0</b>	<b>212.6</b>
<b>Total equity</b>	<b>195.4</b>	<b>218.0</b>	<b>212.6</b>
Lease liabilities	1.1	6.7	5.2
Deferred tax liabilities	0.9	-	0.8
<b>Total non-current liabilities</b>	<b>2.0</b>	<b>6.7</b>	<b>6.0</b>
<b>Current liabilities</b>			
Trade accounts payable	6.3	10.5	9.3
Lease liabilities	3.0	2.8	3.0
Current tax liabilities	-	0.0	0.1
Other current liabilities	2.2	3.1	3.8
Accrued expenses and deferred income	44.0	41.1	54.3
Other provisions	0.1	0.2	0.3
<b>Total current liabilities</b>	<b>55.6</b>	<b>57.7</b>	<b>70.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>253.0</b>	<b>282.4</b>	<b>289.4</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(AMOUNTS IN SEK MILLION)	30 Sep 2020	30 Sep 2019
Opening balance, equity 1 Jan 2020 (1 Jan 2019)	212.6	238.1
Loss for the period	-16.2	-18.4
Other comprehensive income	-1.0	-1.7
<b>Total comprehensive income</b>	<b>-17.2</b>	<b>-20.1</b>
Closing balance, equity	195.4	218.0

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(AMOUNTS IN SEK MILLION)	2020 JUL-SEP Q3	2019 JUL-SEP Q3	2020 JAN-SEP Q1-Q3	2019 JAN-SEP Q1-Q3	2019 JAN-DEC FULL YEAR
<b>Operating activities</b>					
EBIT	2.1	-3.6	-15.5	-25.6	-25.2
Adjustments for non-cash items:					
Depreciation/amortisation	5.2	4.6	15.3	15.1	19.6
Other non-cash items	0.1	-0.9	0.4	-1.5	1.1
<b>Cash flow from operating activities before changes in operating capital</b>	<b>7.4</b>	<b>0.1</b>	<b>0.2</b>	<b>-12.0</b>	<b>-4.5</b>
<b>Cash flow from changes in operating capital</b>					
Decrease/Increase in inventories	0.5	-0.2	3.7	-4.0	-1.2
Decrease/Increase in trade accounts receivable	-10.5	21.4	19.1	49.6	20.9
Decrease/Increase in other current receivables	1.6	0.1	1.9	0.9	2.8
Decrease/Increase in trade accounts payable	-1.9	-6.0	-3.0	-8.8	-10.0
Decrease/Increase in other current liabilities	-9.0	-9.5	-12.1	-19.8	-4.9
<b>Cash flow from operating activities</b>	<b>-11.9</b>	<b>5.9</b>	<b>9.8</b>	<b>5.9</b>	<b>3.1</b>
<b>Investing activities</b>					
Acquisition of intangible non-current assets	-2.8	-2.5	-9.3	-9.8	-12.9
Acquisition of property, plant and equipment	-	-	-0.4	-1.0	-1.5
Investments in other financial non-current assets	-0.1	-	74.9	-0.3	-0.3
Acquisitions of subsidiaries after deduction of acquired cash and cash equivalents	-	-	-	-9.1	-9.0
<b>Cash flow from investing activities</b>	<b>-2.9</b>	<b>-2.5</b>	<b>65.2</b>	<b>-20.2</b>	<b>-23.7</b>
<b>Financing activities</b>					
Amortisation of lease liability	-1.4	-1.4	-4.3	-4.3	-5.6
<b>Cash flow from financing activities</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-4.3</b>	<b>-4.3</b>	<b>-5.6</b>
<b>Cash flow for the period</b>	<b>-16.2</b>	<b>2.0</b>	<b>70.7</b>	<b>-18.6</b>	<b>-26.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>153.1</b>	<b>72.4</b>	<b>66.4</b>	<b>93.1</b>	<b>93.1</b>
Exchange-rate differences in cash and cash equivalents	-0.4	0.2	-0.6	0.1	-0.5
<b>Cash and cash equivalents at the end of the period</b>	<b>136.5</b>	<b>74.6</b>	<b>136.5</b>	<b>74.6</b>	<b>66.4</b>

(AMOUNTS IN SEK MILLION)

	30 SEP-20	30 SEP-19	30 SEP-20	30 SEP-19	31-DEC-19
Current investments at the end of the period	-	75.4	-	75.4	75.5

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The Group applies the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with the applicable provisions in the Swedish Annual Accounts Act. Disclosures according to IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in this interim report.

The parent company applies RFR 2 Accounting for Legal Entities as well as the Swedish Annual Accounts Act.

The Group and the parent company have applied the same accounting policies and measurement methods as used in the preparation of the most recent annual report.

### 2. Measurement of financial instruments at fair value

Financial assets and financial liabilities that are measured at fair value in the balance sheet, or for which fair value disclosures are made, are classified at one of three levels based on the information used to establish fair value.

**Level 1** – Financial instruments for which fair value is established based on observable quoted prices (unadjusted) on active markets for identical assets or liabilities. A market is regarded as active if quoted prices from a stock market, broker, industry group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length.

**Level 2** – Financial instruments for which fair value is established using measurement models that are based on observable data for the assets or liabilities other than quoted prices included in level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Examples of observable data within level 2 are:

- Quoted prices for similar assets or liabilities.
- Data that can provide a basis for price assessment, e.g. market interest rates and yield curves.

**Level 3** – Financial instruments for which fair value is established using measurement models in which input data is based on non-observable data.

For cash and cash equivalents, trade accounts receivable, other current receivables, trade accounts payable, lease liabilities and other current liabilities, the carrying amount is a good approximation of the fair value when the duration is short. Current investments amounted to SEK - million (75.2) and are measured at fair value in accordance with level 1.

Edgeware is able to hedge orders invoiced in EUR or MXN with an order value exceeding SEK 2 million and with payment terms of 60 days or more in order to reduce the currency risk. Currency future contracts are measured at fair value through profit or loss. Hedge accounting is not applied. At the end of September 2020, the outstanding currency future contracts in MXN were measured at negative SEK 0.1 million (neg: 0.2) and in EUR at SEK 0 million (0). Derivatives are measured according to level 2 of the fair value hierarchy with discounting of cash flows using exchange rates and interest rates prevailing on the balance-sheet date.

### 3. Estimates and judgments

Preparation of the report requires management to make judgments and estimates, and to make assumptions that affect the application of the accounting policies and the recognised amounts for assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates and judgments. For further information, refer to Edgeware's 2019 Annual Report.

### 4. Share capital

At the end of the period, there were 30,043,008 shares (30,043,008) with a quota value of SEK 0.05 (0.05). The share capital at period-end was SEK 1,502,150.40 (1,502,150.40).

### 5. Transactions with related parties

Significant transactions with related parties are presented in the Group's Note 34 i Edgeware consolidated financial statements and annual report for 2019. No material changes occurred in relationships or transactions with related parties compared with what was described in Edgeware's consolidated financial statements and annual report for 2019.

### 6. Segment information

Operating segments are reported in compliance with the internal reports submitted to the chief operating decision-maker.

The Group's regions and the business areas utilise the same sales, development and administrative resources, so the company's expenses are distributed by allocating them proportionately. The same applies to the Group's assets and liabilities. Group management does not feel that an allocation of income statement and balance sheet items would

provide a fairer view of operations and therefore follows results for the Group as a whole. Accordingly, the Group has not identified any business streams.

The Group's net sales are monitored by region – EMEA, APAC and AMERICAS – based on two operating sectors: Products and Services.

The outcomes by region and operating sector consist of the sum of invoices for products and services sold by various parts of the Group. These are not, however, reflected in separate income statements and balance sheets.

**NOTE 7 REVENUE SPLIT**

In the table below, net sales are broken down by region, sales category and timing of revenue recognition.

**Revenue split**

MSEK	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019
<b>Net sales by sales category</b>				
Products	19,9	24,0	64,4	74,2
Services	18,0	19,0	53,5	52,8
Of which support	15,6	14,7	46,0	41,2
Of which professional services	2,4	4,3	7,6	11,5
<b>Sum net sales</b>	<b>37,9</b>	<b>43,1</b>	<b>117,9</b>	<b>126,9</b>
<b>Net sales by region</b>				
EMEA	29,3	29,4	77,4	65,2
AMERICAS	4,9	7,2	29,1	37,9
APAC	3,7	6,5	11,5	23,8
<b>Sum net sales</b>	<b>37,9</b>	<b>43,1</b>	<b>117,9</b>	<b>126,9</b>
<b>Net sales by time</b>				
At a point in time	22,1	28,3	71,3	85,7
Over time	15,8	14,7	46,6	41,2
<b>Sum net sales</b>	<b>37,9</b>	<b>43,1</b>	<b>117,9</b>	<b>126,9</b>

**CONDENSED PARENT COMPANY INCOME STATEMENT**

(AMOUNTS IN SEK MILLION)	2020 JUL-SEP Q3	2019 JUL-SEP Q3	2020 JAN-SEP Q1-Q3	2019 JAN-SEP Q1-Q3	2019 JAN-DEC FULL YEAR
Net sales	36.1	39.4	112.8	117.7	170.9
Cost of goods sold	-10.0	-11.2	-32.8	-33.5	-47.7
<b>Gross profit</b>	<b>26.1</b>	<b>28.2</b>	<b>80.0</b>	<b>84.2</b>	<b>123.2</b>
Selling expenses	-8.4	-13.2	-37.9	-50.9	-66.5
Administrative expenses	-5.4	-6.4	-19.0	-22.2	-29.1
Research and development expenses	-10.8	-12.7	-43.3	-41.2	-55.8
Other operating income/expenses	0.2	-1.5	-3.0	-3.5	-5.2
<b>EBIT</b>	<b>1.7</b>	<b>-5.6</b>	<b>-23.2</b>	<b>-33.6</b>	<b>-33.4</b>
<b>Financial income and expenses</b>					
Financial income	2.6	0.8	4.5	1.8	5.0
Financial expenses	-4.4	-0.5	-5.4	-1.3	-1.8
<b>Profit/loss after financial items</b>	<b>-0.1</b>	<b>-5.3</b>	<b>-24.1</b>	<b>-33.1</b>	<b>-30.2</b>
Tax on profit for the period	-	1.1	-0.2	6.8	-0.2
<b>Profit/loss for the period</b>	<b>-0.1</b>	<b>-4.2</b>	<b>-24.3</b>	<b>-26.3</b>	<b>-30.4</b>

**CONDENSED PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

(AMOUNTS IN SEK MILLION)	2020 JUL-SEP Q3	2019 JUL-SEP Q3	2020 JAN-SEP Q1-Q3	2019 JAN-SEP Q1-Q3	2019 JAN-DEC FULL YEAR
Loss for the period	-0.1	-4.2	-24.3	-26.3	-30.4
<b>Other comprehensive income:</b>		-	-	-	-
<b>Comprehensive income for the period</b>	<b>-0.1</b>	<b>-4.2</b>	<b>-24.3</b>	<b>-26.3</b>	<b>-30.4</b>

**PARENT COMPANY BALANCE SHEET**

(AMOUNTS IN SEK MILLION)	30 SEP 2020	30 SEP 2019	31 DEC 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure on development work	23.3	23.1	23.6
Trademarks	0.7	0.8	0.7
Other intangible assets	0.5	0.9	0.8
<b>Property, plant and equipment</b>			
Equipment	1.1	2.2	1.9
<b>Financial non-current assets</b>			
Shares in subsidiaries	7.3	11.5	11.5
Deferred tax assets	12.2	19.3	12.4
Other non-current assets	1.8	1.8	1.8
<b>Total non-current assets</b>	<b>46.9</b>	<b>59.6</b>	<b>52.7</b>
<b>Current assets</b>			
Inventories	9.5	15.3	13.2
Trade accounts receivable	44.5	33.5	59.5
Current receivables	10.0	13.9	12.8
Receivables from Group companies	0.3	0.8	-
<b>Total current assets</b>	<b>64.3</b>	<b>63.5</b>	<b>85.5</b>
<b>Current investments</b>	-	75.0	75.0
<b>Cash and bank balances</b>	126.8	68.7	63.3
<b>Total current assets</b>	<b>191.1</b>	<b>207.2</b>	<b>223.8</b>
<b>TOTAL ASSETS</b>	<b>238.0</b>	<b>266.8</b>	<b>276.5</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	1.5	1.5	1.5
Reserve for development expenses	23.2	21.7	23.6
<b>Total restricted equity</b>	<b>24.7</b>	<b>23.2</b>	<b>25.1</b>
<b>Unrestricted equity</b>			
Share premium reserve	235.9	235.9	235.9
Retained earnings	-49.8	-17.8	-19.7
Loss for the period	-24.3	-26.3	-30.4
<b>Total equity</b>	<b>186.5</b>	<b>215.0</b>	<b>210.9</b>
<b>Provisions</b>			
Other provisions	0.2	0.2	0.3
<b>Total provisions</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>
<b>Current liabilities</b>			
Trade accounts payable	6.2	9.8	8.4
Current tax liabilities	-	0.4	0.4
Liabilities to Group companies	0.7	-	1.4
Other current liabilities	2.1	2.9	3.7
Accrued expenses and deferred income	42.3	38.5	51.4
<b>Total current liabilities</b>	<b>51.3</b>	<b>51.6</b>	<b>65.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>238.0</b>	<b>266.8</b>	<b>276.5</b>

**KEY FINANCIAL FIGURES**

	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	JLL YEAR
<b>Net sales by region</b>								
EMEA	28.3	19.7	29.3	21.6	14.2	29.4	46.7	111.9
AMERICAS	9.9	14.3	4.9	22.6	8.2	7.2	6.5	44.4
APAC	3.2	4.6	3.7	8.8	8.5	6.5	4.2	28.0
<b>Net sales</b>	<b>41.4</b>	<b>38.6</b>	<b>37.9</b>	<b>53.0</b>	<b>30.8</b>	<b>43.1</b>	<b>57.4</b>	<b>184.4</b>
<b>Net sales by sales category</b>								
Products	24.6	19.9	19.9	36.6	13.5	24.0	40.3	114.5
Services	16.8	18.7	18.0	16.4	17.3	19.0	17.1	69.8
<i>Of which: Support</i>	14.4	15.9	15.6	12.1	14.4	14.7	14.9	56.1
<i>Of which: Professional Services</i>	2.4	2.8	2.4	4.3	2.9	4.3	2.2	13.7
<b>Net sales</b>	<b>41.4</b>	<b>38.6</b>	<b>37.9</b>	<b>53.0</b>	<b>30.8</b>	<b>43.1</b>	<b>57.4</b>	<b>184.4</b>
Gross profit	28.6	26.2	26.1	38.7	18.0	28.8	39.5	125.1
Gross margin, %	69.0%	67.8%	69.0%	73.0%	58.5%	66.9%	68.8%	67.8%
Operating expenses **)	-34.3	-38.2	-24.0	-39.5	-39.3	-32.4	-39.1	-150.3
Operating expenses/Net sales, %	-82.8%	-98.8%	-63.4%	-74.5%	-127.6%	-75.2%	-68.0%	-81.5%
EBIT **)	-5.7	-11.9	2.1	-0.7	-21.3	-3.6	0.4	-25.2
EBIT margin, % **)	-13.8%	-30.9%	5.6%	-1.4%	-69.1%	-8.4%	0.7%	-13.7%
EBITDA **)	-0.5	-7.0	7.3	4.7	-16.3	1.1	5.5	-5.2
EBITDA margin (%) **)	-1.2%	-18.2%	19.3%	8.7%	-53.0%	2.6%	9.6%	-2.8%
Profit/loss for the period after tax	-6.9	-11.6	2.4	0.4	-16.4	-2.4	-6.1	-24.5
Net margin, profit/loss for the period after tax, %	-16.7%	-30.1%	6.3%	0.7%	-53.1%	-5.5%	-10.7%	-13.3%
Total assets	281.0	263.5	253.0	310.4	303.0	282.3	289.4	289.4
Equity assignable to the parent company's shareholders	205.5	193.8	195.4	238.2	221.8	218.0	212.6	212.6
Equity/assets ratio, % **)	73.2%	73.5%	77.2%	76.7%	73.2%	77.2%	73.5%	73.5%
Return on equity (ROE) **)	-3.3%	-5.8%	1.2%	0.2%	-7.1%	-1.1%	-2.8%	-10.9%
Return on operating capital (ROOC) **)	-3.5%	-7.9%	1.4%	-0.4%	-12.0%	-2.2%	0.3%	-14.0%
Return on capital employed (ROCE) **)	-1.7%	-3.9%	1.1%	0.1%	-6.8%	-0.9%	0.5%	-7.1%
Cash flow from operating activities	15.8	5.8	-11.9	19.6	-19.7	5.9	-2.7	3.1
Cash flow for the period	10.9	76.1	-16.2	5.6	-26.2	2.0	-7.6	-26.2
No. of employees at the end of the period*	95	86	80	106	100	99	98	98
Of whom, women	12	10	8	14	14	14	13	13

\*)Employees: Included in the number of employees at 30 September 2020 are 4 (8) consultants with employment-like agreements.

\*\*)Financial measures not defined according to IFRS. Definitions of these measurements are presented on pages 20-21

## ALTERNATIVE PERFORMANCE

### Definitions

**EMEA** Europe, Middle East and Africa.

**APAC** Asia and Pacific region.

**AMERICAS** North and South America.

**Gross profit** Net sales less cost of goods and services sold.

**Gross margin** Gross profit as a percentage of net sales.

**EBIT** Operating profit before financial items and tax.

**EBIT margin %** EBIT in relation to net sales.

**EBITDA** Operating profit before depreciation/amortisation and impairment losses.

**EBITDA margin** EBITDA as a percentage of net sales.

**Return on equity (ROE)** Profit for the period as a percentage of average adjusted equity (equity plus the equity portion of untaxed reserves).

**Adjusted equity** Equity plus the equity portion of untaxed reserves.

**Equity/assets ratio** Adjusted equity in relation to total assets.

**Number of shares after dilution** has been restated to account for new share issues and the historical effect of warrants.

**Earnings per share** Profit for the period in relation to number of shares.

**Equity per share** Equity in relation to number of shares.

**Operating expenses** The company's costs that are not directly related to the company's goods or services.

**Operating expenses/Net sales %** Operating expenses in relation to net sales whereby operating expenses correspond to the company's costs that are not directly related to the company's goods or services.

**Net margin** The company's net profit in relation to net sales.

**Operating capital** All the company's current assets minus current liabilities.

**Return on operating capital (ROOC)** EBIT in relation to average operating capital.

**Capital employed** The company's total assets.

**Return on capital employed (ROCE)** EBIT plus financial income in relation to average capital employed.

### Financial measures not defined according to IFRS

The company presents certain financial measures in the interim report that are not defined according to IFRS. The company is of the opinion that these measures provide valuable additional information for investors and the company's management, since they facilitate an evaluation of the company's presentation. Since not all companies calculate financial measures in the same way, these measures are not always comparable to those used by other companies. Consequently, they should not be regarded as a substitute for the measures defined according to IFRS. The tables below present a reconciliation of certain financial measures not defined according to IFRS.

The company has chosen to no longer present performance measures adjusted for items affecting comparability in the company's financial statements since these are no longer considered relevant given that expenses related to IPO preparations are no longer included in the comparative year. Any material income and expenses of a non-recurring nature will be disclosed in the company's comments on the outcome for the period.

### EBIT margin, %

The company has chosen to report the key performance measure EBIT margin, since it shows the company's profit in relation to net sales unaffected by financing costs.

(AMOUNTS IN SEK MILLION)	2020 Q1	2020 Q2	2020 Q3	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 FULL YEAR
Net sales	41.4	38.6	37.9	53.0	30.8	43.1	57.4	184.4
EBIT	-5.7	-11.9	2.1	-0.7	-21.3	-3.6	0.4	-25.2
<b>EBIT margin, %</b>	<b>-13.8%</b>	<b>-30.9%</b>	<b>5.6%</b>	<b>-1.4%</b>	<b>-69.1%</b>	<b>-8.4%</b>	<b>0.7%</b>	<b>-13.7%</b>

### Net margin, %

The company has chosen to report the key performance measure Net margin, since it shows how much net profit the company generates in relation to net sales.

(AMOUNTS IN SEK MILLION)	2020 Q1	2020 Q2	2020 Q3	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 FULL YEAR
Net sales	41.4	38.6	37.9	53.0	30.8	43.1	57.4	184.4
Profit/loss for the period after tax	-6.9	-11.6	2.4	0.4	-16.4	-2.4	-6.1	-24.5
<b>Net margin, %</b>	<b>-16.7%</b>	<b>-30.1%</b>	<b>6.3%</b>	<b>0.7%</b>	<b>-53.1%</b>	<b>-5.5%</b>	<b>-10.7%</b>	<b>-13.3%</b>

### EBITDA

The company has chosen to report the key performance measure EBITDA, since it shows the underlying result adjusted for the effect of depreciation/amortisation, which provides a more comparable profit measure over time, since depreciation/amortisation refers to historical investments.

(AMOUNTS IN SEK MILLION)	2020 Q1	2020 Q2	2020 Q3	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 FULL YEAR
EBIT	-5.7	-11.9	2.1	-0.7	-21.3	-3.6	0.4	-25.2
Amortisation of capitalised development expenses	-3.2	-3.0	-3.4	-3.0	-2.9	-2.9	-2.9	-11.7
IFRS 16 depreciation	-1.7	-1.2	-1.2	-1.7	-1.3	-1.3	-1.6	-5.7
Other depreciation	-0.3	-0.7	-0.6	-0.7	-0.8	-0.5	-0.6	-2.5
<b>EBITDA</b>	<b>-0.5</b>	<b>-7.0</b>	<b>7.3</b>	<b>4.7</b>	<b>-16.3</b>	<b>1.1</b>	<b>5.5</b>	<b>-5.2</b>
<b>EBITDA margin (%)</b>	<b>-1.2%</b>	<b>-18.2%</b>	<b>19.3%</b>	<b>8.7%</b>	<b>-53.0%</b>	<b>2.6%</b>	<b>9.6%</b>	<b>-2.8%</b>

**Equity/assets ratio**

The company has chosen to report the key performance measure Equity/assets ratio, since it reflects the company's long-term solvency.

(AMOUNTS IN SEK MILLION)	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FULL YEAR
Total assets	281.0	263.5	253.0	310.4	303.0	282.3	289.4	289.4
Equity	205.5	193.8	195.4	238.2	221.8	218.0	212.6	212.6
<b>Equity/assets ratio (%)</b>	<b>73.2%</b>	<b>73.5%</b>	<b>77.2%</b>	<b>76.7%</b>	<b>73.2%</b>	<b>77.2%</b>	<b>73.5%</b>	<b>73.5%</b>

**Return on equity (ROE) (%)**

The company has chosen to report the key performance measure Return on equity (ROE), since it shows how effectively the company uses its assets to generate profits.

(AMOUNTS IN SEK MILLION)	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FULL YEAR
Equity	205.5	193.8	195.4	238.2	221.8	218.0	212.6	212.6
Average adjusted equity	209.0	199.7	194.6	238.1	230.0	220.0	215.3	225.3
Loss for the period	-6.9	-11.6	2.4	0.4	-16.4	-2.4	-6.1	-24.5
<b>Return on equity (ROE) (%)</b>	<b>-3.3%</b>	<b>-5.8%</b>	<b>1.2%</b>	<b>0.2%</b>	<b>-7.1%</b>	<b>-1.1%</b>	<b>-2.8%</b>	<b>-10.9%</b>

**Return on operating capital (ROOC), %**

The company has chosen to report the key performance measure Return on operating capital (ROOC), since it shows how much operating capital is tied up in operation and how efficiently the tied-up operating capital is being used.

(AMOUNTS IN SEK MILLION)	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FULL YEAR
Current receivables	147.6	57.1	65.5	149.6	163.0	141.7	165.7	165.7
Cash and cash equivalents	77.7	153.1	136.5	98.6	72.4	74.6	66.4	66.4
Current liabilities	-68.0	-64.1	-53.4	-59.6	-70.1	-54.4	-68.3	-68.3
<b>Operating capital</b>	<b>157.3</b>	<b>146.1</b>	<b>148.5</b>	<b>188.6</b>	<b>165.3</b>	<b>161.7</b>	<b>163.9</b>	<b>163.9</b>
<b>Average operating capital</b>	<b>160.6</b>	<b>151.7</b>	<b>147.3</b>	<b>192.6</b>	<b>176.9</b>	<b>163.5</b>	<b>162.8</b>	<b>180.3</b>
EBIT	-5.7	-11.9	2.1	-0.7	-21.3	-3.6	0.4	-25.2
<b>Return on operating capital (ROOC), %</b>	<b>-3.5%</b>	<b>-7.9%</b>	<b>1.4%</b>	<b>-0.4%</b>	<b>-12.0%</b>	<b>-2.2%</b>	<b>0.3%</b>	<b>-14.0%</b>

**Return on capital employed (ROCE), %**

The company has chosen to report the key performance measure Return on capital employed (ROCE), since it shows the return on the total capital tied up in the operations.

(AMOUNTS IN SEK MILLION)	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FULL YEAR
EBIT	-5.7	-11.9	2.1	-0.7	-21.3	-3.6	0.4	-25.2
Financial income	0.8	1.4	0.7	0.9	0.5	1.0	1.0	3.5
<b>EBIT plus financial income</b>	<b>-4.9</b>	<b>-10.5</b>	<b>2.8</b>	<b>0.2</b>	<b>-20.8</b>	<b>-2.6</b>	<b>1.4</b>	<b>-21.8</b>
Total assets	281.0	263.5	253.0	310.4	303.0	282.3	289.4	289.4
<b>Average total assets</b>	<b>285.0</b>	<b>272.1</b>	<b>258.3</b>	<b>315.3</b>	<b>306.5</b>	<b>292.7</b>	<b>285.8</b>	<b>304.6</b>
<b>Return on capital employed (ROCE), %</b>	<b>-1.7%</b>	<b>-3.9%</b>	<b>1.1%</b>	<b>0.1%</b>	<b>-6.8%</b>	<b>-0.9%</b>	<b>0.5%</b>	<b>-7.1%</b>

**Operating expenses and operating expenses in relation to net sales, %**

The company has chosen to report the key performance measure Operating expenses, since it shows the expenses that are not directly related to the company's goods or services. The company has chosen to report Operating expenses in relation to net sales in order to show how large a share of the costs is not directly related to goods or services.

(AMOUNTS IN SEK MILLION)	2020	2020	2020	2019	2019	2019	2019	2019
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FULL YEAR
Selling expenses	-10.8	-9.9	-7.2	-11.8	-13.6	-10.5	-12.9	-48.8
Administrative expenses	-8.2	-7.0	-5.9	-11.3	-8.1	-7.3	-8.2	-34.9
Research and development expenses	-16.9	-16.4	-11.1	-16.0	-15.3	-13.0	-16.4	-61.6
Other operating income/expenses	1.6	-4.8	0.2	0.6	-2.3	-1.6	-1.6	-5.0
<b>Operating expenses</b>	<b>-34.3</b>	<b>-38.1</b>	<b>-24.0</b>	<b>-39.5</b>	<b>-39.3</b>	<b>-32.4</b>	<b>-39.1</b>	<b>-151.3</b>
Net sales	41.4	38.6	37.9	53.0	30.8	43.1	57.4	184.4
<b>Operating expenses/net sales, %</b>	<b>-82.8%</b>	<b>-98.8%</b>	<b>-63.4%</b>	<b>-74.5%</b>	<b>-127.6%</b>	<b>-75.2%</b>	<b>-68.0%</b>	<b>-81.5%</b>



The Board of Directors and the Chief Executive Officer hereby confirm that this report provides a true and fair overview of the operations, financial position and results of the parent company and the Group and describes material risks and factors of uncertainties faced by the parent company and the companies in the Group.

Stockholm, 22 October 2020

Michael Ruffolo  
Chairman of the Board

Karl Thedéen  
CEO

Erik Hallberg  
Board member

Rickard Blomqvist  
Board member

Arnd Benninghoff  
Board member

Jonas Hasselberg  
Board member

Tuija Soanjärvi  
Board member

#### **FINANCIAL CALENDAR**

- Year-end Report, October-December 2020, 5 February 2021.
- Interim report January-March 2021, Q1 2021, 30 April 2021.
- 2021 Annual General Meeting, 6 May 2021.

#### **ABOUT EDGEWARE**

Edgware offers operators and content providers the tools to deliver modern TV services over the Internet on a large scale and a low cost. Edgware's unique technology provides an outstanding viewing experience and gives customers control over their content. Edgware has its head office in Stockholm, Sweden, and has employees and more than 200 customers across Europe, Asia and North and Latin America.

For more information, visit <https://corporate.edgware.tv>

**Edgware – TV beyond Broadcast!**

## Statement from the board of directors of Edgeware

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The description of Edgeware on pages 17-52 in the Offer Document has been reviewed by the Board of Directors of Edgeware. It is the opinion of the Board of Directors that this brief description provide an accurate and fair, although not complete, picture of Edgeware.

Stockholm on 30 October 2020

**Edgeware AB (publ)**

*The Board of Directors*

## Tax issues in Sweden

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*Below follows a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current 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, and mutual funds, and 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 Edgware 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 Edgware 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 22 per cent. For the calculation of capital gains and losses, see the “General information on taxation in connection with sale of shares” section 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. 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.

### Certain tax issues for shareholders 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.

## Offer restrictions

### ***Important information for shareholder outside Sweden and for banks, brokers, dealers, nominees and other institutions holding shares for persons with residence outside Sweden***

The Offer Document is not an offer, whether directly or indirectly, in Australia, USA, 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.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other 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 security exchange, of the Restricted Territories and the Offer cannot be accepted by any such use, means instrumentality or facility of, or from within, 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, instrumentality or facility of 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 Agile Content, Evli Bank or Aktieinvest 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 Edgeware 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 under “Offer restrictions – Certifications as to restrictions” below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of Edgeware made by a person located in a Restricted Territory, by any custodian, nominee, trustee agent, 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 means, instrumentality or facility of the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodian, nominee, trustee agent, fiduciary or intermediary holding shares of Edgeware 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 custodian, nominee, trustee agent, fiduciary or intermediary).

Acceptances of the Offer and tenders of shares of Edgeware will not be accepted (and should not be accepted by any custodian, nominee, trustee agent, fiduciary or intermediary) if the consideration for the shares of Edgeware 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 Agile Content and Aktieinvest 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 Agile Content determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

### **Certifications as to restrictions**

By accepting the Offer through delivery of a duly executed acceptance form to Aktieinvest, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or 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.

## Addresses

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**Agile Content SA**

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**Edgeware AB (publ)**

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agile content