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CybAero proposes a resolution for a preferential share issue of approx. SEK 128 million and obtains a short term loan financing of SEK 20 million

The Board of CybAero AB ("CybAero" or the "Company") has resolved on 14 September 2016 to propose an extraordinary meeting with the shareholders to resolve upon a share issue with preferential rights for the shareholders of approx. SEK 128 million. The share issue is guaranteed up to approx. SEK 115 million through subscription and guarantee undertakings corresponding to approx. 90 per cent of the total amount of the share issue. In order to provide CybAero with working capital for the period until receipt of the subscription amount, the Company has obtained a short term loan financing of SEK 20 million.

Background and motive in brief

CybAero has taken extensive measures to reduce costs and has restructured the sales and marketing departments in order to support the growth target. Accomplished measures combined with the present share issue of approx. SEK 128 million, aiming to increase the financial flexibility, and future cash flow generated by the business, including expected payment from the three helicopter system which have been delivered to the customer Jolly, is expected to strengthen the Company's balance sheet and reduce the net debt.

After extensive factory tests and further development of the Company's helicopter platform, the three helicopter systems have in August been delivered to Jolly, with the Chinese customs as the end customer. CybAero is first in the world to launch this kind of system and the Company now enters into a commercialization phase. The cooperation with Albright Stonebridge Group, which started in December 2015, has resulted in several important meetings with decision makers during 2016 and the Company is of the opinion that the cooperation will contribute to the Company's growth already during 2017.

The new share issue will provide CybAero approx. SEK 128 million, before costs for the share issue. From the issue amount will be deducted costs for the share issue of approx. SEK 16 million (including remuneration for underwriting commitments of approx. SEK 9 million). The Company will use the net proceeds from the share issue of approx. SEK 112 million primarily to strengthen its balance sheet through repayment of loans of approx. SEK 54 million, including the short term financing of SEK 20 million obtained in September 2016, in order to provide the Company with working capital until the net proceeds from the

share issue has been received, and to increase the financial flexibility to support the growth target, but also to create a financial preparedness to handle periods with fluctuations when the order flow could be influenced by long decision-making processes and lead times.

Conditions in brief

Shareholders will receive one (1) subscription right for each share owned on the record date 12 October 2016. One (1) subscription right entitles to subscription for one (1) new share. The company's share capital may be increased with not more than SEK 47 992 228 kronor 50 öre¹ and the number of shares issued will not exceed 31 994 819¹ shares. The subscription price is SEK 4.0.

Shares may also be subscribed for without the support from subscription rights. Shares subscribed for without support from subscription rights shall primarily be distributed to those who have subscribed for shares with support from subscription rights, irrespective of if they were shareholders on the record date or not, in proportion to the number of used subscription rights, and secondly to those who have subscribed for shares without support from subscription rights, irrespective of if they were shareholders on the record date or not, in proportion to the number of shares subscribed for during the normal subscription period; and if that is not possible, by the drawing of lots, and thirdly to those who subscribed for shares during any extended subscription period, irrespective of if they were shareholders on the record date or not, in proportion to the number of shares subscribed for during such extended subscription period; and if that is not possible, by the drawing of lots, and finally to those guarantors who have guaranteed subscription and payment of those shares which have not been distributed to any other subscriber, in relation to the guaranteed amount.

The record date for establishing which shareholders shall be entitled to receive subscription rights is 12 October 2016. The shares will be traded with right to participate in the share issue up until 10 October 2016. Subscription shall take place during the subscription period from and including 19 October 2016 up until 4 November 2016 or such later date that the Board may decide. Trade in subscription rights is supposed to take place from and including 19 October 2016 up until 2 November. Trade in paid subscribed shares will take place from and including 19 October 2016.

Shareholders who choose not to participate in the new share issue will have their ownership in the Company diluted by 50 per cent, but may compensate themselves financially by selling their subscription rights.

The share issue presupposes a decision by an extraordinary meeting with the shareholders which will be held on 4 October 2016. Notice to the meeting will be subject to a separate press release.

¹ If the 69 066 new shares in the company, which have been subscribed for through the use of outstanding warrants, will be registered by the Companies Register and in the share register kept by Euroclear Sweden AB before the record date for the share issue, the share issue decision shall be deemed to include that the company's share capital may be further increased by not more than SEK 103 599 through a share issue of not more than 69 066 shares.

Subscription – and underwriting commitments

CybAero has received commitments to subscribe for shares in the share issue from a number of major shareholders, including Rambas AB, of approx. SEK 4 million, corresponding to 3 per cent of the share issue. The Company has further entered into agreements for underwriting commitments of approx. 111 million, corresponding to 97 per cent of the share issue. Altogether the share issue is guaranteed up to an amount of SEK 115 million, corresponding to 90 per cent of the amount of the share issue

Indicative timetable for the rights issue

<i>4 October 2016:</i>	Extraordinary meeting with the shareholders to resolve upon the Board's proposal of a new share issue.
<i>10 October 2016:</i>	The last trading day for the share with right to participate in the new share issue.
<i>11 October 2016:</i>	The first trading day without right to participate in the new share issue.
<i>About 11 October 2016:</i>	Announcement of prospectus.
<i>12 October 2016:</i>	Record date, i.e. shareholders who are registered in the share register that day will receive subscription rights entitling to participation in the new share issue.
<i>19 October – 2 November 2016:</i>	Trade with subscription rights on Nasdaq First North.
<i>19 October – 4 November 2016:</i>	Subscription period.
<i>About 9 November 2016:</i>	Announcement of result.

Advisors

Financial advisors to CybAero in connection with the share issue are Erik Penser Bank and Redeye AB. Legal advisor to the Company is Advokatfirman Delphi.

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This information is information that CybAero AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on September 14 2016.

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Web: www.cybaero.se

Videos: www.youtube.com/cybaero

About CybAero

CybAero develops and manufactures Remotely Piloted Aircraft Systems (RPAS) for safer and more effective aerial operations in various environments, including those hazardous in nature. The company has made a great international impact with its APID One helicopter, which can be adapted for both military and civilian applications such as coastal and border surveillance, search and rescue missions, and mapping. CybAero's head office is located in the Mjärdevi Science Park in Linköping, Sweden. The company has around 50 employees and has been listed on the Nasdaq First North since 2007. FNCA Sweden AB is the company's certified adviser.