



Press Release  
Stockholm September 24, 2021

## **The Board of Directors of Goodbye Kansas has resolved on a fully guaranteed preferential rights issue of approximately SEK 100 million**

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**INSIDE INFORMATION: STOCKHOLM, 24 September 2021 – The Board of Directors of Goodbye Kansas Group AB (publ) (“Goodbye Kansas” or the “Company”) has today, on the basis of the authorization from the Extraordinary General Meeting held on 20 September 2021 (the "EGM"), resolved on a new issue of class B shares with preferential rights for existing shareholders in the Company (the “Rights Issue”). The Rights Issue encompasses 270,329,317 shares at a subscription price of SEK 0.37. The Rights Issue is fully covered by subscription undertakings by certain existing shareholders, and guarantee commitments from existing shareholders and new investors. The Company will receive gross proceeds of approximately SEK 100 million in the Rights Issue.**

### **The Rights Issue in brief**

- The maximum number of shares that may be issued is 270,329,317. The subscription price is SEK 0.37 per share. Goodbye Kansas will receive gross proceeds of approximately SEK 100 million before deduction of costs related to the Rights Issue.
- Those who are registered as shareholders in Goodbye Kansas’ share register on the record date receive one (1) subscription right for each share held in Goodbye Kansas. Two (2) subscription rights entitle to subscription for five (5) new shares.
- The record date for determining the right to receive subscription rights is 1 October 2021. The last day of trading in Goodbye Kansas shares including the right to receive subscription rights is 30 September 2021.
- The subscription period begins on 5 October 2021 and ends on 19 October 2021.
- A prospectus regarding the Rights Issue is expected to be published on 4 October 2021.
- Goodbye Kansas’ CEO Peter Levin, Chairman of the Board Per Anders Wärn and the Company's largest shareholders Brofund Equity AB, have undertaken to subscribe for their respective *pro rata* shareholding in the Rights Issue, totalling approximately SEK 15 million, corresponding to approximately 15 percent of the Rights Issue. In addition to the subscription

commitments, Modelio Equity, Chairman of the Board Per Anders Wärn, the Company's largest shareholder Brofund Equity AB and K2L Förvaltning AB have provided guarantee commitments totalling approximately SEK 85 million, corresponding to 85 percent of the Rights Issue, which means that the Rights Issue is fully guaranteed.

## **Background and reasons**

Goodbye Kansas utilizes cutting-edge technology and world-class artistry to produce digital content, create IP's and develop scalable products. The Company's strategic priorities include realizing synergies through cross-selling and the use of common technical platforms, to increase the share of recurring sales related to licenses and own IP's, and to utilize the global network of clients to expand internationally.

Goodbye Kansas is continuing to execute on the set strategy towards profitable growth, with a target of an average annual sales growth of 20 percent and an EBITDA margin exceeding 20 percent by 2024. As part of this, Goodbye Kansas on 8 July 2021 announced a cost optimization program, a new bridge loan facility of SEK 55 million (the "**Bridge Facility**") and the forthcoming Rights Issue amounting to approximately SEK 100 million.

The gross proceeds from the Rights Issue will be used for the refinancing of the bridge financing of SEK 36 million previously announced on 22 June 2021, the Bridge Facility of SEK 55 million, accrued interest on the loans and transaction costs.

### *Growth initiatives and operational momentum*

The Bridge Facility incurred in July 2021 have allowed the Company to work with full focus to deliver on its strategic objectives. The proceeds from the loan have been utilised for growth initiatives in Goodbye Kansas Studios, which now sees a strong operational momentum with multiple completed and ongoing VFX projects for various high-profile productions (recurring clients including e.g. Amazon, BBC, Netflix and Rovio). The studio has a significantly larger pipeline of profitable VFX projects today compared to September 2020 as the Film and TV segment is recovering back towards pre Covid-19 activity. Goodbye Kansas Studios accounted for 92% of the Company's revenues in Q2 2021 and is targeted to be profitable in 2022.

Proceeds from the Bridge Facility have also contributed to the financing of projects within the business area Games & Apps such as the partnership with Keywords Studios Electric Square, a globally recognized game developer, for the location-based mobile game based on Hello Kitty, which is proceeding according to plan and is set to release in 2022. Goodbye Kansas is looking forward to the launch of the game as the world is opening and Covid-19 restrictions are withdrawn. With Hello Kitty being one of the world's most famous IP's, Goodbye Kansas believes the game has high potential to attract attention when released. In addition to Hello Kitty, Games & Apps will soon carry out a test-launch of an app that has been developed in collaboration with the social network ZEPETO which will allow its 250 million users to use their 3D avatars in new digital environments.

### *Cost optimisation program*

The cost optimisation program announced on 8 July 2021 has been initiated throughout the organisation with the objective of reaching a total of SEK 38 million in annual cost reductions. The cost optimisation initiatives are proceeding according to plan and will together with the operational initiatives financed by the proceeds from the Bridge Facility and Rights Issue increase efficiency throughout the organisation.

## **Subscription undertakings and guarantee commitments**

Goodbye Kansas' CEO Peter Levin, Chairman of the Board Per Anders Wärn and the Company's largest shareholder Brofund Equity AB, have undertaken to subscribe for their respective *pro rata* shareholding in the Rights Issue, totalling approximately SEK 15 million, corresponding to approximately 15 percent of the Rights Issue. In addition to the subscription commitments, Modelio Equity, Chairman of the Board Per Anders Wärn, the Company's largest shareholder Brofund Equity AB and K2L Förvaltning AB have provided guarantee commitments totalling approximately SEK 85 million, corresponding to 85 percent of the Rights Issue, which means that the Rights Issue is fully guaranteed.

Neither the subscription undertakings nor the guarantee commitments are secured by a bank guarantee, blocked funds, pledges or similar arrangements. For the guarantee commitments, there is a customary guarantee commission, conforming to the prevailing market conditions, of 8.0 percent of the guaranteed amount. No compensation is paid to the parties that have provided subscription undertakings. The Rights Issue is thus fully covered through subscription undertakings and guarantee commitments.

### **Terms of the Rights Issue**

The Board of Directors of the Company has today, on the basis of the authorization of the EGM held on 20 September 2021, resolved to carry out a new issue of 270,329,317 class B shares with preferential rights for existing shareholders in the Company. The maximum number of class B shares that may be issued is 270,329,317 at a subscription price of SEK 0.37 per share which, at full subscription, will result in gross proceeds of SEK 100 million before deduction of costs related to the Rights Issue. The costs of the Rights Issue are estimated at approximately SEK 8.9 million (primarily consisting of compensation for guarantee commitments and fees to advisors). Goodbye Kansas' share capital will increase by SEK 7,722,312.

Those who are registered as shareholders in Goodbye Kansas' share register maintained by Euroclear Sweden AB on the record date 1 October 2021 receive one (1) subscription right for each share held in Goodbye Kansas. Two (2) subscription rights entitle to subscription for five (5) new shares. Only entire new shares can be subscribed for (i.e., no fractions). Application for subscription for new shares can also be made without subscription rights.

If all new shares are not subscribed for with subscription rights, the Board of Directors will, within the limit of the maximum amount of the Rights Issue decide on allotment of new shares in accordance with the following:

- *Firstly* to persons who have applied for subscription without subscription rights and who have subscribed for shares with subscription rights, regardless of whether or not the subscriber was a shareholder on the record date, and in case of oversubscription, allocation shall be made in relation to the total number of shares allotted through exercise of subscription rights, and to the extent that this is not possible, by drawing of lots.
- *Secondly*, allocation shall be made to other persons who have applied for subscription without subscription rights, and in the case of oversubscription, *pro rata* to the number of shares subscribed for in the application form, and to the extent that this is not possible, by drawing of lots.
- *Finally*, allotment of the remaining shares shall be made to the investors who have provided guarantees and in accordance with the conditions of their respective guarantee.

To the extent allotment in accordance with the above cannot be made *pro rata*, allotment shall be made by drawing of lots.

For existing shareholders who decide not to exercise their subscription rights to subscribe for new shares in the Rights Issue, a dilution effect of a maximum of 270,329,317 shares arises, corresponding to approximately 71 per cent of the total number of shares in Goodbye Kansas after the Rights Issue and approximately 71 per cent of the total number of votes in Goodbye Kansas after the Rights Issue. Shareholders who do not participate in the Rights Issue have an opportunity to receive economic compensation for the dilution by selling their subscription rights. In order not to lose the value of the subscription rights, the holder must either use these to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.

Subscription for new shares with subscription rights shall be made by payment in cash during the period 5 October – 19 October 2021. Subscription for new shares without subscription rights shall be made on a separate subscription list during the period 5 October – 19 October 2021. Payment for shares subscribed for without subscription rights shall be made not later than two banking days from the date of the issue of the contract note stating the allotment of shares. The Board of Directors have the right to extend the subscription period and postpone the payment date.

Securities legislation applicable in certain jurisdictions may affect the possibility for certain foreign shareholders and other investors to receive subscription rights and subscribe for shares in the Rights Issue, please see the section “*Important information*” below.

Full terms and conditions for the Rights Issue and further information regarding net proceeds, guarantee commitments etc. will be disclosed in the prospectus which will be published by the Company no later than in conjunction with the commencement of the subscription period.

### **Timetable for the Rights Issue**

- 30 September 2021: Last day of trading in Goodbye Kansas’ shares including right to receive subscription rights
- 1 October 2021: Record date for right to receive subscription rights
- 4 October 2021: Publication of the prospectus
- 5 October – 14 October 2021: Trading in subscription rights
- 5 October – 19 October 2021: Subscription period
- 5 October – 1 November 2021: Trading in paid subscribed shares (BTA)
- 20 October 2021: Expected date for publication of final results of the Rights Issue

### **Advisers**

ABG Sundal Collier has been engaged as financial advisor and Baker McKenzie as legal advisor to Goodbye Kansas in connection with the Rights Issue.

### **For further information, please contact:**

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### **Goodbye Kansas Group**

Goodbye Kansas Group AB (publ) is a leading supplier of technology driven visual content. The company creates award-winning visual experiences for all media and offers products that combine cutting-edge technology with world-class artistry. In order to realize growth opportunities the Group has created three business areas: Visual Content & Brand, IP & Products and Games & Apps. Visual Content & Brand offers visual content for film, TV and games. IP & Products develops IP for film and TV, offers VR-training solutions and a SaaS platform that visualizes e-retailers' products through AR. Games & Apps develops location based mobile games and offers an app for 3D animation. Goodbye Kansas Group is listed on the Nasdaq First North Growth Market and has studios and offices in Stockholm (HQ), London, Helsinki, Vilnius, Belgrade, Los Angeles, Beijing and Manilla.

The company has G&W Fondkommission as Certified Adviser, Kungsgatan 3, Stockholm, Stockholm, email: ca@gwkapital.se, phone. +46 (0)8-503 000 50.

### **Important information**

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from someone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by any party involved in the Rights Issue. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The advisors are acting for the Company in connection with the Rights Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced,

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared in connection with the Rights Issue and will be scrutinized and approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) which is the national competent authority in Sweden with regard to the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market Rulebook for Issuers.

### **Information to distributors**

For the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on

markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) national implementing measures, (together the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the offered shares have been subject to a product approval process, who have established that these shares are: (i) suitable for a target market consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II, and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II (“**Target Market Assessment**”).

Irrespective of the Target Market Assessment, distributors should note that: the price of the securities in the Company may decline and investors could lose all or part of their investment; the Company’s securities offer no guaranteed income and no capital protection; and an investment in the Company’s securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to the securities of the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the securities of the Company and determining appropriate distribution channels.

*This information is inside information that Goodbye Kansas Group AB (publ) is obliged to make public under the EU Market Abuse Regulation 596/2014. The information was provided by the contact person set out above for publication at 2021-09-24 07:30 CEST.*

## **Attachments**

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[The Board of Directors of Goodbye Kansas has resolved on a fully guaranteed preferential rights issue of approximately SEK 100 million](#)