

Press Release
25 October 2023 15:30:00
CEST



THIS PRESS RELEASE MAY NOT BE MADE PUBLIC, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SINGAPORE, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH SUCH ACTIONS, WHOLLY OR IN PART, WOULD BE UNLAWFUL. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO BUY SECURITIES IN GOODBYE KANSAS GROUP AB (PUBL). SEE ALSO THE SECTION "IMPORTANT INFORMATION" BELOW IN THIS DOCUMENT.

The Board of Directors of Goodbye Kansas Group resolves on a rights issue of approximately SEK 55 million

The Board of Directors of Goodbye Kansas Group AB (publ) ("Goodbye Kansas" or the "Company") has today, on October 25, 2023, resolved on a rights issue of units, consisting of shares and warrants (the "Rights Issue"). If fully subscribed, the Rights Issue will initially provide Goodbye Kansas with gross proceeds of approximately SEK 55.4 million before deduction of transaction costs, and if the warrants are fully exercised, Goodbye Kansas can be provided with additional gross proceeds of approximately SEK 15.8 million before deduction of transaction costs. The Board of Directors' ambition is to secure 100 percent of the Rights Issue through subscription and guarantee commitments. The Rights Issue is conditional upon approval by an extraordinary general meeting ("EGM") on November 30, 2023. A notice to the EGM will be published through a separate press release.

Background and motive

Yesterday on October 24, 2023, the Board of Directors of Goodbye Kansas decided to declare bankruptcy for five subsidiaries, including the studio business which was operated by the subsidiary Goodbye Kansas Studios (see separate press release from October 24, 2023). The main reason for declaring bankruptcy for the above mentioned companies is that the studio business, due to external circumstances, has reached an unsustainable financial situation. The film and TV-industry in the US is one of Goodbye Kansas's most important markets and VFX services have been heavily impacted by the pandemic and the recently finished strike among script writers (and to some extent the ongoing strike among actors) has led to virtually a complete halt of film and series in North America and Europe since the beginning of May 2023. Further, plans to divest the Company's non-core businesses have not been successful in the prevailing weak market conditions. This is why the Board of Directors concludes that the Company is facing a liquidity shortage in the short term while the Company's total indebtedness is deemed unsustainable in the long term.

In order to create financial preconditions to submit an offer in order to acquire the studio business from the estate and secure sufficient capital until operations are cash flow positive, the Board of Directors has resolved on the Rights Issue.

Subject to Goodbye Kansas being able to purchase the studio business from the estate, additional cost savings and debt write-offs are planned for as part of structural measures undertaken in Q4 2023. These actions are in addition to decided and actioned cost savings in 2023 amounting to a total of more than SEK 30 million, which will generate full impact on financial results as of the first quarter 2024. With a long-term sound financial structure, substantially lower debt burden and additional cost savings, the studio business is believed to have international competitiveness and good possibilities to reach profitability targets in 2025, based on a normalized market following the end of strikes in the film- and

Press Release
25 October 2023 15:30:00
CEST



TV-industry.

"Goodbye Kansas Studios is world leading in VFX and the creation of advanced visual experiences for the film, TV and gaming industries. Several unfortunate events outside of our control, especially this year's strike in Hollywood, have led to an unsustainable financial situation for our business. The decided Rights Issue enables us to build a sound, long term and profitable business with a positive outlook," says Stefan Danieli, CEO of Goodbye Kansas.

Rights Issue

The Board of Directors has today resolved on the Rights Issue, conditional upon approval by the EGM, of up to 554,315,075 units, consisting of up to 554,315,075 shares and up to 554,315,075 warrants of series TO1, with preferential rights for existing shareholders. The subscription price in the Rights Issue is SEK 0.10 per unit. Upon full subscription, the Company initially receives gross proceeds of SEK 55.4 million following the issue of shares.

Shareholders that are included in the register of shareholders on the record date on December 4, 2023, have preferential rights to subscribe for units in the Rights Issue in relation to previous holdings. One (1) existing share gives the right to one (1) unit right and each unit right gives the right to subscribe for twenty-five (25) units. Each unit includes one (1) new share and one (1) warrant of series TO1.

Subscription of units, with or without preferential rights, will take place during the period 6 December – 20 December 2023. Unit rights that are not exercised during the subscription period will become invalid and lose their value. Trading in unit rights is expected to take place on Nasdaq First North Growth Market during the period 6 December – 15 December 2023.

Trading in paid subscribed units ("**BTU**") is expected to take place on Nasdaq First North Growth Market from and including December 6, 2023, until the Rights Issue has been registered with the Swedish Companies Registration Office.

In the event that not all units are subscribed for with the support of unit rights, the Board of Directors shall, within the maximum amount of the new issue of units, resolve on the allotment of units to those who have subscribed for units without the support of unit rights in accordance with the following allotment principles: Firstly, allotment shall be made to those who have subscribed for units through unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event of oversubscription, in proportion to the number of unit rights each subscriber exercised for subscription and, to the extent this is not possible, by drawing lots. Secondly, allotment shall be made to others who have subscribed for units without the support of unit rights, and, in the event that they cannot receive full allotment, in proportion to the number of units each subscriber subscribed for and, to the extent this is not possible, by drawing lots. Thirdly and finally, any remaining units shall be allotted to potential guarantors who have entered into guarantee commitments in proportion to the size of the guarantee commitment and, to the extent this is not possible, by drawing lots.

Seven (7) warrants of series TO1 gives the right to subscribe for one (1) new share in Goodbye Kansas, during the period 2 May – 16 May 2024, for the subscription price corresponding to 75 percent of the volume-weighted average price of Goodbye Kansas's share on Nasdaq First North Growth Market during a period of 10 trading days prior to the exercise period, however a minimum of SEK 0.10 and a maximum of 200 percent of the subscription price in the Rights Issue. This means that Goodbye Kansas, upon full exercise of warrants, will receive gross proceeds of a maximum of SEK 15.8 million before deduction of transaction costs. Exercise of warrants require that Goodbye Kansas announces an EGM that decides upon a necessary reduction of share capital in order to lower the quota value of the Company's shares. Goodbye Kansas intends to announce such EGM as soon as the Rights Issue is completed.

Preliminary time plan for the Rights Issue

30 November 2023	Final day of trading in the share including the right to receive unit rights
1 December 2023	First day of trading in the share excluding the right to receive unit rights
4 December 2023	Record date for participation in the Rights Issue
5 December 2023	Prospectus is published

Press Release
25 October 2023 15:30:00
CEST



6 – 15 December 2023 Trading in unit rights on Nasdaq First North Growth Market
6 – 20 December 2023 Subscription period
21 December 2023 Announcement of final outcome in Rights Issue

Extraordinary General Meeting ("EGM")

The EGM will be hosted on November 30, 2023 and the announcement will be made separately. The Rights Issue is conditional upon approval by the EGM of the Board of Directors proposal of a Rights Issue, a reduction of the share capital, a bonus issue and accompanying changes of the Articles of Association. Additional information will be included in the separate announcement of the EGM.

Changes of share capital and number of shares as well as dilution

Based upon the outstanding number of shares as of today's date, the Rights Issue will increase the share capital in the Company by a maximum of SEK 12,499,804.94125 (following decision to reduce the share capital prior to decision on the Rights Issue) following the issue of a maximum of 554,315,075 shares. The number of shares will thereby increase from 22,172,603 to a maximum of 576,487,678 shares. For existing shareholders that choose to not participate in the Rights Issue this means that they will experience a dilution effect of approximately 96 percent. In case all subscription rights are exercised in the Rights Issue to subscribe for new shares in Goodbye Kansas, the number of shares will increase by an additional maximum of 79,187,867 to a maximum of 655,675,546 shares and the share capital will increase by an additional maximum of SEK 1,785,686.40085 .

Prospectus

Complete terms and conditions for the Rights Issue as well as other information regarding the Company will be included in the prospectus that is expected to be published on or around December 5, 2023.

Advisors

Hagberg & Aneborn Fondkommission AB has acted as financial advisor and Advokatfirman Schjødt has acted as legal advisor in connection to the Rights Issue.

For more information, please contact:

Stefan Danieli, CEO, Goodbye Kansas Group
E-mail: stefan.danieli@goodbyekansas.com
Tel: +46 701 981049

Goodbye Kansas Group

Goodbye Kansas Group AB (publ) is a leading supplier of technology-driven visual content. Goodbye Kansas Group is headquartered in Stockholm and its shares are listed on the Nasdaq First North Growth Market with Erik Penser Bank as Certified Adviser.

Important information

Publication, release or distribution of this press release may in certain jurisdictions be subject to legal restrictions and persons in the jurisdictions where this press release has been made public or distributed should be informed of and follow such legal restrictions. The recipient of this press release is responsible for using this press release and the information herein in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer or solicitation to buy or subscribe for any securities in Goodbye Kansas in any jurisdiction, either from Goodbye Kansas or from anyone else.

This press release is not a prospectus according to the definition in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared by the Company and published on the Company's website after the prospectus has been reviewed and approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

Press Release
25 October 2023 15:30:00
CEST



This press release does not constitute an offer or solicitation to buy or subscribe for securities in the United States. The securities mentioned herein may not be sold in the United States without registration, or without an exemption from registration, under the U.S. Securities Act from 1933 ("Securities Act"), and may not be offered or sold within the United States without being registered, covered by an exemption from, or part of a transaction that is not subject to the registration requirements according to the Securities Act. There is no intention to register any securities mentioned herein in the United States or to issue a public offering of such securities in the United States. The information in this press release may not be released, published, copied, reproduced or distributed, directly or indirectly, wholly or in part, in or to Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or any other jurisdiction where the release, publication or distribution of this information would violate current rules or where such an action is subject to legal restrictions or would require additional registration or other measures beyond those that follow from Swedish law. Actions in contravention of this instruction may constitute a violation of applicable securities legislation.

Forward-looking statements

This press release contains forward-looking statements related to the Company's intentions, estimates or expectations with regard to the Company's future results, financial position, liquidity, development, outlook, estimated growth, strategies and opportunities as well as the markets in which the Company is active. Forward-looking statements are statements that do not refer to historical facts and can be identified by the use of terms such as "believes," "expects," "anticipates," "intends," "estimates," "will," "may," "implies," "should," "could" and, in each case, their negative, or comparable terminology. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on further assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there is no guarantee that they will occur or that they are correct. Since these assumptions are based on assumptions or estimates and involve risks and uncertainties, actual results or outcomes, for many different reasons, may differ materially from those what is stated in the forward-looking statements. Due to such risks, uncertainties, eventualities and other significant factors, actual events may differ materially from the expectations that expressly or implicitly are contained in this press release through the forward-looking statements. The Company does not guarantee that the assumptions which serve as a basis for the forward-looking statements in this press release are correct, and each reader of the press release should not rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements that expressly or implicitly are stated herein are provided only as of the date of this press release and may change. Neither the Company nor any other party will review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise with respect to the contents of this press release, beyond what is required by law or Nasdaq First North Growth Market Rulebook.

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 2023-10-25 15:30 CEST.

Attachments

[The Board of Directors of Goodbye Kansas Group resolves on a rights issue of approximately SEK 55 million](#)