

Tangiamo decides on a rights issue of approximately 27,4 MSEK and enters into a letter of intent to acquire TrustPlay.

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The Board of Directors of Tangiamo Touch Technology AB (publ) (the "Company" or "Tangiamo") today announces that it decides to carry out a new issue of units of approximately 27.4 MSEK with preferential rights for existing shareholders (the "Rights Issue"). The Rights Issue is underwritten to approximately 91.7 % through subscription undertakings and underwriting commitments. Each unit in the Rights Issue consists of seventy (70) newly issued shares in the Company, twenty (20) warrants of series TO 2 and twenty (20) warrants of series TO 3 (together, a "Unit"). The subscription price per Unit amounts to SEK 0.28, corresponding to SEK 0.004 per share.

The Company has also entered into a letter of intent to acquire TrustPlay Technology AB ("TrustPlay"). TrustPlay is an incorporation of an extensive IP portfolio containing rights to software systems within iGaming infrastructure that has been in commercial operation since 2016. The purchase price for TrustPlay amounts to SEK 17 million and is intended to be paid through a directed issue of shares at the same subscription price as in the Rights Issue. The Acquisition and the Rights Issue are conditional upon Tangiamo and TrustPlay's due diligence processes being completed without any information coming to light that could jeopardise the completion of the acquisition or the subsequent consolidation process.

In light of the Rights Issue, the Company has also decided to no longer utilise the financing agreement with Nordic Growth Opportunities 3.

The Board of Directors' decision on the Rights Issue is subject to approval by an Extraordinary General Meeting to be held on 26 September 2024.

"The acquisition of TrustPlay marks a crucial turning point for Tangiamo. By expanding into iGaming, we are broadening our product portfolio and positioning ourselves at the forefront of a rapidly evolving industry. TrustPlay's proven iGaming technology has been live in regulated markets since 2016, and potential customers and partners have expressed interest for it. This means that we will be in a commercial environment immediately after the acquisition. With Tangiamo's expertise in land-based casino technology, we create unique synergies to capitalise on. Our focus is on generating recurring revenue through multiple channels, and we expect this to start already before year-end. This transaction is a natural progression for Tangiamo and lays the foundation for significant growth and value creation for all our stakeholders." - Chris Steele, CEO Tangiamo

Executive summary

- One (1) existing share in the Company entitles to one (1) unit right. Five (5) unit rights entitle to subscription of one (1) Unit consisting of seventy (70) shares, twenty (20) warrants of series TO2 and twenty (20) warrants of series TO3. This means that a total of a maximum of 6,840,282,820 new shares and a maximum of 1,954,366,520 of each series of warrants can be issued. The warrants are intended to be admitted to trading on Nasdaq First North Growth Market.

- The subscription price has been set at SEK 0.28 per unit, corresponding to SEK 0.004 per share. The warrants are issued free of charge.
- Through the Rights Issue, Tangiamo can initially raise a maximum of approximately 27.4 MSEK before deduction of costs attributable to the Rights Issue, which are estimated to amount to approximately 4.3 MSEK, of which approximately 1.6 MSEK consists of underwriting compensation, assuming that all underwriters choose cash compensation.
- The subscription period runs from 2 October 2024 until 16 October 2024.
- Unit rights that are not sold or exercised during the subscription period become invalid and lose their value. Trading in unit rights is planned to take place on Nasdaq First North Growth Market from 2 October 2024 until 11 October 2024. Trading in BTUs (paid subscription units) is planned to take place on Nasdaq First North Growth Market during the period from 2 October 2024 to 8 November 2024.
- The rights issue together with the acquisition of TrustPlay implies an initial maximum dilution of approximately 96 per cent.
- One (1) warrant of series TO2 entitles to subscription of one (1) new share.
- One (1) warrant of series TO3 entitles to subscription of one (1) new share.
- If the Rights Issue is fully subscribed and all Warrants of series TO2 are exercised for subscription of shares, there will be an additional dilution effect, corresponding to approximately 21 per cent in relation to the new number of shares after a fully subscribed Rights Issue.
- If the Rights Issue is fully subscribed and all Warrants of series TO3 are exercised for subscription of shares, there will be an additional dilution effect, corresponding to approximately 17 per cent in relation to the new number of shares after a fully subscribed Rights Issue and full exercise of Warrants of series TO2.
- The exercise period for warrants of series TO2 is from 13 January 2025 to 27 January 2025. The exercise price upon exercise of the warrants of series TO2 is 70 per cent of the volume-weighted average price (VWAP) of the Company's share during a determination period of 10 trading days during the period 19 December 2024 up to and including 9 January 2025, however, not less than the quota value of the share.
- The exercise period for warrants of series TO3 is from 18 August 2025 to 1 September 2025. The exercise price upon exercise of the warrants of series TO3 is 70 per cent of the volume-weighted average price (VWAP) of the Company's share during a determination period of 10 trading days during the period 1 August 2025 up to and including 14 August 2025, however, not less than the quota value of the share.
- The Board of Directors' decision on the Rights Issue is subject to the approval of an extraordinary general meeting to be held on 26 September 2024. Notice of the extraordinary general meeting will be published in a separate press release.
- The record date in the Rights Issue is 30 September 2024. The last day of trading in Tangiamo's shares including the right to receive unit rights is 26 September 2024. The shares are traded without the right to unit rights from 27 September 2024.
- The completion of the Rights Issue is conditional upon Tangiamo completing the acquisition of TrustPlay. The Board of Directors will, no later than the day of the extraordinary general meeting, which is intended to be held on 26 September 2024, announce whether Tangiamo completes the acquisition of TrustPlay and whether the Rights Issue can thereby be completed.

Background and motive for the Rights Issue

Tangiamo has taken a strategic decision to broaden its product and service offering to include online-based casino and betting activities, so-called iGaming. The reason for this is to gain a foothold in new markets and reach new revenue categories that are more predictable and of a recurring nature. To accelerate this effort, Tangiamo has identified a software portfolio ("TrustPlay") consisting of a wide range of well-developed software services with an extensive commercial history. The portfolio, which has been transferred to a newly formed company (Startplattan 990504 AB under name change to TrustPlay Technology AB) has been tailored to what the Company believes is compatible with Tangiamo's business and organisation.

TrustPlay has a portfolio of proven technology solutions in digital gaming, including PAM systems (Player Account Management), RGS (Remote Gaming Server), streaming platforms and sports betting solutions. The main owner of TrustPlay is Magnus Lindberg, a serial entrepreneur in the iGaming sector who has been the founder of companies that have been sold for a total value of over 400 MSEK and where older variations of this type of iGaming infrastructure have been in focus. With his experience and network of contacts, Magnus will have a central role in ensuring an efficient and rapid product roll-out in the new company structure.

Tangiamo complements TrustPlay's portfolio with its advances in land-based casino technology, particularly in AI-based dice recognition and electronic table games (ETGs). Together with TrustPlay, Tangiamo can provide a seamless, integrated gaming experience across all platforms on both online and land-based gaming operators.

The acquisition of TrustPlay provides Tangiamo with valuable expertise in iGaming technologies and a unique opportunity to build a forward-looking gaming and betting technology company ready to deliver games and technology solutions to both online and land-based gaming operators. For example, the Company will be able to develop and launch a whole new range of hybrid games, where players can switch seamlessly between physical and digital gaming experiences on our MultiPLAY platforms. TrustPlay's technology and experience in online gaming will enable the Company to quickly roll out its own game content, which for example utilises the Company's AI-powered dice recognition. The combined business is poised to capitalise on the expected growth in both the electronic table games and online gaming markets and deliver significant value to shareholders.

The merger is a natural step in Tangiamo's development and represents an expansion of the Company's already established online vertical. Tangiamo's broadened business model will focus on generating recurring revenue through multiple channels such as licensing and profit sharing from iGaming platform services, hardware sales, and revenue from own online games. The model will be designed to be scalable, enabling rapid expansion into new markets and verticals with minimal additional investment.

The purchase price for the acquisition of TrustPlay has been set at SEK 17 million. In the event of a decision to acquire, the consideration shall consist of newly issued shares through a directed share issue at the same issue price as the subscription price for the shares in the Rights Issue. The Board has determined that the subscription price is set in accordance with current market conditions. In connection with this, Magnus Lindberg will enter into a lock-up agreement for a period of twelve months.

Tangiamo intends to publish an in-depth description of TrustPlay in the form of a separate press release before the planned Extraordinary General Meeting.

Motives for the Rights Issue

The purpose of the Rights Issue is to fulfil the Company's need for working capital to implement the Company's business plan over the next twelve months. The Company intends to primarily use the net proceeds from the Rights Issue to expand sales and marketing activities, integrate the software portfolio from TrustPlay, further develop the existing product portfolio, strengthen the Company's financial position and general activities.

Use of the proceeds of the issue

Upon full subscription, the Company will receive net proceeds of approximately SEK 27, 4 million, before deduction of issue costs, which amount to approximately SEK 4.3 million, of which SEK 1.6 million relates to compensation for underwriting commitments, assuming that all underwriters choose cash compensation. The net proceeds are intended to be approximately allocated to the following uses, in order of priority:

- Customer acquisition, sales and marketing activities: 50%
- Working capital: 30%
- Development costs: 20%

The above uses are included in the underwritten level of the Rights Issue. In the event that the Rights Issue is fully subscribed, the additional net proceeds will be allocated proportionally between the uses listed above.

Underwriting and subscription undertakings

The Rights Issue is covered to approximately 91.7 per cent by subscription undertakings and underwriting commitments, of which bottom underwriting commitments amount to approximately 36.55 per cent of the Rights Issue and top underwriting commitments amount to approximately 36.55 per cent of the Rights Issue. The bottom underwriting relates to the issue amount interval 0 - 10 MSEK. The top underwriting relates to the amount interval 10 - 20 MSEK. Subscription commitments are excluded from these ranges. For top underwriters, compensation of 25 per cent of the underwritten amount is paid, to be paid in the form of Units in the Company. For bottom underwriters, compensation of 16 per cent of the underwritten amount is payable in cash or 20 per cent of the underwritten amount in Units in the Company. Any issue of underwriting compensation in the form of Units will be made on existing authorisation. Neither the subscription commitments nor the bottom underwriting commitments are secured by bank guarantee, blocked funds, pledge or similar arrangements. The top underwriting commitment is partially secured by blocked funds of SEK 2 million.

The top underwriting commitment

Tangiamo has received a top underwriting commitment from International Gaming Systems AB ("IGS"), a service provider and investor in gaming and eSports. With a history that includes the originators of BingoLotto in Sweden, IGS has expanded its investments in amateur eSports competitions, content streaming and more. IGS' expertise in gaming and eSports opens exciting opportunities for Tangiamo to explore innovative product combinations and new market segments.

Subscription undertakings

The Company has received subscription commitments amounting to approximately SEK 5 million, corresponding to approximately 18.57 per cent of the Rights Issue. Certain parties have entered into subscription commitments exceeding their pro rata share. These subscription commitments will be honoured through subscription of shares without preferential rights and/or through acquisition of subscription rights. The subscription commitments do not entitle to any remuneration.

Agreement with Nordic Growth Opportunities 3

Tangiamo has fulfilled all contractual obligations under the financing agreement with Nordic Growth Opportunities 3 ("NGO3") entered into on 16 August 2023, which means that the Company has decided to no longer draw on this credit line.

Extraordinary General Meeting

The Board of Directors of Tangiamo intends to convene an extraordinary general meeting planned to be held on 26 September 2024. The meeting shall resolve on a) an increase of the limits of the share capital and the number of shares in the articles of association, b) a reduction of the share capital and other resolutions to implement the Rights Issue and the acquisition of TrustPlay.

Furthermore, the Board of Directors intends to propose that the General Meeting resolves on a reverse share split (ratio 1:1000). In such case, this will be implemented after the Rights Issue.

Information memorandum

An Information Memorandum is expected to be available on the Company's website no later than the day before the start of the subscription period. The Information Memorandum will only be published in Swedish.

Change in share capital and number of shares

According to the previous decision to reduce the share capital at the Annual General Meeting on 20 June 2024, Tangiamo's share capital currently amounts to SEK 2,052,084.8544 divided into 488,591,632 shares. If the Rights Issue is fully subscribed and the issue of shares following the acquisition of TrustPlay is completed, Tangiamo's share capital will increase by SEK 44,361,131.28, from SEK 2,052,084.8544 to SEK 46,413,216.1344. The number of shares will increase from 488,591,632 to 11,578,874,452. The share capital increase attributable to the Rights Issue is SEK 27,361,131.28 (corresponding to 6,840,282,820.00 shares).

The Company's share capital may be increased by a maximum of SEK 7,817,466.08 upon full exercise of the warrants of series TO 2 and may be increased by a maximum of SEK 7,817,466.08 upon full exercise of the warrants of series TO3.

Preliminary timetable

26 September	Extraordinary General Meeting
26 September	Last day of trading in the share with the right to receive unit rights
27 September	First day of trading in the share without the right to receive unit rights
30 September	Record date for participation in the Rights Issue
30 September	Estimated date of publication of the Information Memorandum
2 October-11 October	Trading in unit rights
2 October-16 October	Subscription period
2 October-8 November	Trading in BTU (paid subscribed unit)
21 October	Estimated date for announcement of final outcome of the Rights Issue
Week 44	Registration of new share issues with the Swedish Companies Registration Office

Advisors

In connection with the Rights Issue, the Company has engaged Göteborg Corporate Finance AB as financial advisor, Advokatfirman Lindahl KB as legal advisor and Aqurat Fondkommission AB as issuing agent.

For more information, please contact:

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This disclosure contains information that Tangiamo Touch Technology AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 27-08-2024 08:30 CET.

Tangiamo in brief

Tangiamo Touch Technology AB (publ) is a Swedish company based in Gothenburg. The company was listed in 2017 on Nasdaq First North Growth Market and works primarily with applications of sensor technology in gaming. The company holds patents in a number of areas in both touch technology and visual identification. The company's products are installed in casinos, gaming centres and cruise ships in more than 30 countries. More information about the business is available at www.tangiamo.se. The Company's shares (TANGI) are traded on Nasdaq First North Growth Market. The company's Certified Adviser is G&W Fondkommission.

Important information

This press release has been translated from the original Swedish version. In the event of any discrepancies or differences in interpretation between the Swedish and English versions, the Swedish version shall prevail.

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in units, shares, warrants or other securities in Tangiamo. Any invitation to the persons concerned to subscribe for Units in Tangiamo will only be made through the Information Memorandum that Tangiamo will publish prior to the Rights Issue. No action has been or will be taken by Tangiamo to authorise a public offering in jurisdictions other than Sweden.

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