

Goodbye Kansas Group strengthens working capital by renegotiating existing loans and through new bridge loans, adding a total of SEK 25 million

INSIDERINFORMATION: Goodbye Kansas Group AB (publ) ("Goodbye Kansas" or the "Company") has, in an effort to strengthen the Company's working capital, renegotiated existing loans and secured new loans, adding a total of SEK 25 million from a group of existing shareholders, closely-related parties and external creditors. Of these loans, a total of SEK 14 million relate to negotiation of existing loans and SEK 11 million are new loans. The loans have a term of 12 months with an option to prolong the credit term of up to SEK 10 million by another 12 months. The loans correspond to more than half the deficit of working capital that has previously been communicated by the Company in connection to the announcement of the preferential rights issue and enables the Company to finance important growth initiatives. The subscription period in the preferential rights issue will as previously communicated end on 19 October 2021.

"The ongoing preferential rights issue together with the secured bridge loan resolves the vast majority of our working capital need during the coming year. We will continue to seek an appropriate solution to the remaining capital shortage. Dialogues with other creditors and the development regarding business supporting initiatives due to covid gives us a positive outlook on resolving the remaining capital need. In addition we have won important orders and see clear signs that the business is recovering after the pandemic which puts us in a good position to repay the loan with operating cash flow," says Peter Levin, CEO of Goodbye Kansas Group.

The renegotiation of existing loans and utilizing new bridge loans will enable continued acceleration of Goodbye Kansas Studios, focus on the launch of high-profile games within the Games & Apps vertical and the product development of own intellectual property rights and scalable solutions. The studio has through a number of significant orders developed in line with levels seen before covid and with a significantly larger pipeline of profitable VFX-projects compared to the corresponding period in 2020. Within Games & Apps, the mobile game which is based on Hello Kitty, one of the world's most famous IPs, will soft-launch during the second quarter of 2022.

As communicated by the Company on 4 October 2021, the Board of Directors estimates that the Company's working capital need during the coming 12 months amounts to approximately SEK 150 million, of which the preferential rights issue will raise proceeds of approximately SEK 100 million. In order to address the remaining capital need, the Company's Board of Directors has today renegotiated existing loans and secured bridge loans, adding a total of SEK 25 million from a group of existing shareholders, closely-related parties and external creditors, including Modelio Equity, Brofund Equity and the chairman of the Board of Directors, Per Anders Wörn (10 MSEK). Of these loans, a total of SEK 14 million relate to renegotiation of existing loans and SEK 11 million are new loans. Loans corresponding to SEK 15 million have a credit term of 12 months and the remaining SEK 10 million has a credit term of 24 months (if an option to prolong by 12 months is exercised) and an annual interest of 10 percent. Loans corresponding to SEK 9 million have an annual interest of 10 percent and an additional add-on interest of 0.5 percent for each started month, while the remaining SEK 16 million have an annual interest of 10 percent. All loans can be repayed in advance, in whole or in part, at the Company's request. The loan

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from chairman of the Board of Directors, Per Anders Wörn, amounting to SEK 10 million, requires the approval from an extra general meeting since it constitutes a material transaction with a closely-related party.

After securing these loans a deficit of approximately SEK 25 million remains in the Company's estimated working capital need for the coming 12 months. The Board of Directors continues to have a positive outlook on resolving this need through financing from the Company's existing bank relationships and through the use of prolonged tax credits related to the covid-support that has been proposed by the government. The proposal means that tax credits are prolonged by another 15 months and the proposal is expected to become effective on 7 March 2022.

The bridge loan financing that the company now secured means that the Company is not likely to use the agreed share commitment from LDA Capital, which is described in the prospectus of the preferential rights issue.

Supplementary prospectus

Due to the bridge loan financing the Company will prepare a supplement to the prospectus that was approved by the Swedish Financial Supervisory Authority ("SFSA") (Sw. *Finansinspektionen*) and published on 4 October 2021. The supplementary prospectus will be reviewed and approved by SFSA before it is published. Investors who have made a request or in any other way agreed to subscribe for shares in the preferential rights issue prior to the publication of the supplementary prospectus have the right to recall their request within two (2) business days after the publication of the supplementary prospectus. Complete information will be included in the supplementary prospectus.

The subscription period in the preferential rights issue will end on 19 October 2021, in line with what has previously been communicated.

For more 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.

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 2021-10-14 14:53 CEST.

Attachments

[Goodbye Kansas Group strengthens working capital by renegotiating existing loans and through new bridge loans, adding a total of SEK 25 million](#)