



JUMP GATE

Jumpgate AB resolves to carry out a rights issue of ca 28.6 MSEK, fully covered by subscription commitments, subscription intents and guarantee commitments

and proposes a directed conversion issue of ca 7.2 MSEK

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9 May 2024, Visby, Sweden

The Board of Directors of Jumpgate AB ("Jumpgate" or the "Company") has today, 9 May 2024, pursuant to an authorization from an extraordinary general meeting on 27 June 2023, resolved to carry out a new issue of shares raising gross proceeds of ca 28.6 MSEK with preferential rights for existing shareholders (the "Rights Issue"). Furthermore, the Board of Directors intends to propose an extraordinary general meeting, planned for the end of May 2024, to resolve to carry out a directed conversion issue of shares of ca 7.2 MSEK (the "Conversion Issue"). Notice of the extraordinary general meeting will be announced through a separate press release. Because of the Rights Issue, the Board of Directors has resolved to change the announcement date for the Company's quarterly report for the first quarter of 2024 to 22 May 2024.

Jumpgate has received a strong interest for participation in the Rights Issue, with subscription commitments and subscription intents comprising 6.5 MSEK in total, equivalent of ca 22.7 percent of the Rights Issue, has been received from current investors with significant industry experience, including Jimmy Jönsson, Susana Meza Graham (through company), F1 Funds AS, F2 Funds AS and Infundo AB (controlled by Viktor Modigh and Marcus Jacobs). Furthermore, a number of current shareholders and external investors, including Jimmy Jönsson, Alexander Ivarsson, F2 Funds AS and Nowo Global Fund, have made guarantee commitments comprising ca 22.1 MSEK, equivalent of ca 77.3 percent of the Rights Issue. The guarantee commitments consist of a bottom guarantee of 16.4 MSEK, equivalent of ca 57.3 percent of the Rights Issue (the "**Bottom Guarantee**"), and a top guarantee of ca 5.7 MSEK, equivalent of ca 20 percent of the Rights Issue ("**Top Guarantee**"). The Rights Issue is thus covered 100 percent by subscription commitments, subscription intents and guarantee commitments.

Summary of the Rights Issue

- A person who on the record date of 20 May 2024 is registered as a shareholder of Jumpgate in the share register kept by Euroclear Sweden AB will receive one (1) subscription right for each share held in the Company. One hundred (100) subscription rights entitle the holder to subscribe for ninety-nine (99) new issued shares.
- The Rights Issue entails an issue of maximum 476 464 626 shares at a subscription price of 0.06 SEK per share.
- Fully subscribed, the Rights Issue will contribute ca 28.6 MSEK to Jumpgate before transaction costs.

- The final day of trading in the Company's shares with the right to receive subscription rights is 16 May 2024, and the first day of trading in the Company's shares without the right to receive subscription rights is 17 May 2024.
- The subscription period for the Rights Issue runs from 22 May 2024 until and including 5 June 2024.
- Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights takes place on NGM Nordic SME during the period 22 May 2024 to 31 May 2024.
- Trading in paid and subscribed shares ("**BTA**") takes place on NGM Nordic SME during the period from 22 May 2024 until the Rights Issue has been registered with Bolagsverket, expected to happen around week 26, 2024.
- The Rights Issue is 100 percent covered by subscription commitments, subscription intents, and guarantee commitments. Subscription commitments and subscription intents comprise ca 6.5 MSEK, equivalent of ca 22.7 percent of the Rights Issue, The Bottom Guarantee comprises ca 16.4 MSEK, equivalent of ca 57.3 percent of the Rights Issue, and the Top Guarantee comprises ca 5.7 MSEK, equivalent of 20 percent of the Rights Issue.
- Full terms and conditions for the Rights Issue as well as other information about the Company will be described in the Information Memorandum, which is expected to be published around 22 May 2024 (the "**Memorandum**").
- Current shareholders in the Company who do not subscribe for shares in the Rights Issue will get their shareholding diluted. Fully subscribed, the Rights Issue provides a dilution equivalent of ca 50 percent, based on the number of shares in the Company after the Rights Issue.

Background and reason for the Rights Issue

Jumpgate is an independent gaming group active on the global market. The Company develops and publishes its own games as well as developing games for external companies (so called work-for-hire). With the goal to create a leading group of developing studios with first class partners, the Company has during the last year continued its strategic shift from mobile games to an increased focus on premium PC and console games with a good return profile. As part of the new strategy, Jumpgate announced on 5 April 2023 the acquisition of the German company Nukklear GmbH. The acquisition of Nukklear has so far contributed a significant annualised increase of revenue of approximately 5 MEUR, expected to increase with additional game projects expected during 2024. As an additional part of the new strategy, Jumpgate announced on 3 May 2024 that the portfolio company Tivola Games divests its free-to-play mobile game portfolio for ca 8.2 MSEK, with proceeds mainly to be used to amortize debt and strengthen the balance sheet of the Company.

With the purpose of financing the final part of the consideration for the acquisition of Nukklear, to enable the amortization of a part of the Company's interest bearing debt and to strengthen the Company's Working Capital the Board of Directors have resolved to carry out the Rights Issue. The proceeds from the Rights Issue in combination with the sale of the free-to-play mobile game portfolio is partly intended to be used for reducing the Company's debt level significantly and the interest bearing debt is calculated to amount to 11 MSEK following the Rights Issue.

Fully subscribed, the Rights Issue contributes ca 28.6 MSEK in gross proceeds to Jumpgate, before transaction costs estimated at ca 1.2 MSEK. The Company mainly intends to use the expected net proceeds of ca 27.4 MSEK for the following purposes given in order of priority, with an estimated allocation of the proceeds given in percent:

- Additional consideration for the acquisition of Nukklear (52 %)
- Amortization of interest-bearing debt (10 %)
- Working Capital such as development, sales, marketing and production (38 %)

Harald Riegler, CEO for Jumpgate

"We see continued great potential in our strategy to build a stable base of revenue based on co-development and work-for-hire, where we add significant upside at successful launches in a number of game projects. Despite very challenging market conditions during 2023 and the beginning of 2024, we have, in addition to cost effectiveness, also focused on developing the Company and positioning ourselves for a turnaround in the market. Now, we have already signed several important agreements during 2024 and we see positive tendencies signalling a normalization of the gaming market. We are proud and happy over the support from current as well as incoming owners. Through the financing, we are able to fulfil our obligations related to the Nukklear acquisition and strengthen our balance sheet significantly. With reduced financial risk, lowered capital costs and additional working capital, we are in a considerably better position to execute the Company's growth plan. We are hoping that as many as possible of our current shareholders participate in the share issue and look forward to follow up with additional important steps forward in the coming months".

Subscription commitments, subscription intents and guarantee commitments

Jumpgate has received subscription commitments, subscription intents and guarantee commitments comprising ca 28.6 MSEK in total, equivalent of 100 percent of the Rights Issue. Subscription commitments and subscription intents comprising ca 6.5 MSEK have been received from a number of current shareholders. Additionally, a number of current shareholders and external investors have contributed with guarantee commitments comprising ca 22.1 MSEK, equivalent of ca 77.3 percent of the Rights Issue.

The guarantee commitments consist of the Bottom Guarantee comprising ca 16.4 MSEK, equivalent of ca 57.3 percent of the Rights Issue, as well as the Top Guarantee comprising ca 5.7 MSEK, equivalent of 20 percent of the Rights Issue. Through the Bottom Guarantee, provided that subscription takes place for an amount at least corresponding to the subscription commitments and subscription intents, 80 percent of the proceeds of the Rights Issue is secured. Furthermore, a number of current shareholders and external investors have entered into agreements for a Top Guarantee comprising ca 5.7 MSEK, equivalent of 20 percent of the Rights Issue. Through the Top Guarantee, provided that subscription takes place for an amount at least corresponding to the subscription commitments, subscription intents and the Bottom Guarantee, 100 percent of the proceeds of the Rights Issue is secured.

For the Bottom Guarantee, there is a guarantee fee of fourteen (14) percent of the guaranteed amount paid in new issued shares in the Company. For the Top Guarantee, there is a guarantee fee of twenty (20) percent of the guaranteed amount paid in new issued shares in the Company. No fee is attributable to subscription commitments or subscription intents. Neither the subscription commitments, subscription intents or guarantee commitments are secured by bank guarantee, escrow funds, pledging or similar arrangements.

Preliminary time plan for the Rights Issue

16 May 2024	Last trading day including the right to receive subscription rights
17 May 2024	First trading day excluding the right to receive subscription rights
20 May 2024	Record date for participation in the Rights Issue
22 May – 31 May 2024	Trading in subscription rights at NGM Nordic SME
22 May – 5 June 2024	Subscription period
22 May 2024 – until registration at the Swedish Companies Registration Office	Trading with paid and subscribed shares "BTA" will take place at NGM Nordic SME from 22 May until the Rights Issue has been registered at the Swedish Companies Registration Office, expected to take place around week 26 2024.
10 June 2024	Publication of preliminary outcome of the Rights Issue

Background and reason for the Conversion Issue

To secure the Company's need for liquidity and to continue the development of current game projects, Jumpgate has ahead of the Rights Issue, taken up bridge loans with total claims comprising 3.6 MSEK from Infundo AB (controlled by chairman Viktor Modigh and director Marcus Jacobs), director Andras Vajlok and Jimmy Jönsson. Furthermore, Jumpgate has debt amounting to ca 3.6 MSEK including consideration to the sellers of Funatics, due variable remuneration to executives in Jumpgate and due board fees. Because of the above, the board of directors of Jumpgate intends to, with the purpose of additionally strengthening the Company's balance sheet, propose an extraordinary general meeting, planned for the end of May 2024, to resolve on a directed conversion issue of shares equivalent of ca 7.2 MSEK. The Conversion Issue comprises 120 478 888 shares at a subscription price of 0,06 SEK per share, equivalent to the subscription price in the Rights Issue. The subscription price in the Conversion Issue has been negotiated with the subscribers at arms' length terms and the board of directors consider it to be in accordance with market conditions.

The Board of Directors reason for deviating from the shareholders' preferential rights

Ahead of the Conversion Issue, the Company's board of directors have done an analysis of different financing options and as part of this have contemplated carefully the possibility to raise additional capital through the Rights Issue. The conclusion of this analysis is that the Conversion Issue, objectively, is the most advantageous alternative for the Company and its shareholders. The reasons for this, and why the deviation from the shareholders' preferential rights, is the following:

- i. A Rights Issue for an amount over 2.5 MEUR had required a prospectus to be issued, adding additional complexity, demanded more time from the Company and provided increased costs. Furthermore, such a rights issue would not have been possible to carry out until after the summer, providing a risk that a negative share price development during the

- process, especially given the current volatile and challenging market conditions.
- ii. Repaying the debt with the liquidity from the Rights Issue would have hindered the Company from executing the activities fully that the proceeds are allocated to.
 - iii. The main part of the Conversion Issue is subscribed for by directors, executives, larger shareholders and persons engaged with Jumpgate. A conversion of the debt will further strengthen their long-term engagement with the Company and increase their incentive while strengthening the shareholder base further.

Based on the above, the board of directors is of the opinion that, after weighing the alternatives, the Conversion Issue is the most advantageous option for further strengthening the Company's balance sheet while retaining the most value in Jumpgate and being the most beneficial for the Company's shareholders.

Extraordinary general meeting

Some of the person eligible for subscribing in the Conversion Issue are subject to chapter 16 of the Swedish Companies Act (the so called Leo-legislation) meaning that the Conversion Issue is subject to approval by a general meeting with a majority of at least nine tenths of the given votes as well as the shares represented at the general meeting. Notice to the extraordinary general meeting will be announced through a separate press release.

Change of share capital, number of shares and dilution

The Rights Issue entails that the number of shares in Jumpgate will increase by a maximum of 476 464 626 shares, from the current 481 277 445 to 957 742 071 and the share capital increases by a maximum of SEK 13 121 726,0632033 from the current SEK 13 254 269,99 to SEK 26 375 996,0532033. For current shareholders who don't participate in the Rights Issue, this means that, provided that the Rights Issue is fully subscribed, there is a dilution effect of ca 49.7 percent of the votes and share capital in the Company.

Provided that the Rights Issue is fully subscribed and the Conversion Issue is carried out, the number of shares in Jumpgate will increase with 120 478 888 shares, from 957 742 071 shares to 1 078 220 959 shares and the share capital will increase with 3 317 960,82745363 SEK, from 26 375 996,0532033 to 29 693 956,8806569 SEK. The Conversion Issue entails, provided that the Rights Issue is fully subscribed, an additional dilution effect of ca 12.6 percent of the votes and share capital in the Company.

Changed announcement date for the Company's quarterly report for the first quarter of 2024

Because of the coming Rights Issue, the Board of Directors of Jumpgate have resolved to announce the quarterly report for the first quarter of 2024 on 22 May 2024 instead of 23 May 2024 as previously communicated.

Advisors

Nordicap Corporate Finance AB (www.nordicap.se) is a financial advisor to Jumpgate in connection with the Rights Issue and the Conversion Issue. Aqurat Fondkommission AB (www.aqurat.se) is issue institute.

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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 NGM Nordic SME's rules for issuers.

Potential investors should not put undue faith in the forward looking information herein, and potential investors are strongly encouraged to read the parts of the information memorandum including a more detailed description of factors that may impact the Company's activities and the market where the Company operates.

For additional information

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About the Company

Jumpgate AB is an independent group of game development companies founded in 2011, comprising five game studios: Nukklear (Hannover), Tivola Games (Hamburg), gameXcite (Hamburg), Funatics (Düsseldorf) and Tableflip Entertainment (Visby). The group develops and publishes its own games as well as developing games and other digital products for external companies. The companies in the group have established collaborations with strong industry partners and exciting product portfolios with large potential. The group is engaged in the global market, distributing games on a worldwide basis and has a large international network. For more information: www.jumpgategames.se

This information is such information Jumpgate AB (publ) is obliged to make public in accordance with the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-09 19:30 CEST.