



Press release

Stockholm April 29 2020

Bublar Group intends to acquire Goodbye Kansas to create a world-leading player in visualization and XR technology

Bublar Group AB (publ) has entered into an agreement with a majority of the shareholders of Goodbye Kansas Holding AB with the aim of acquiring 100 per cent of the shares in the company. The transaction is a part of Bublar's strategy and provides the opportunity to create a world-leading player in XR technology and visualization. Goodbye Kansas has a strong track-record with many leading international customers within film, gaming and streaming. The transaction is planned to be carried-out as a non-cash issue. Goodbye Kansas shareholders and creditors are offered the equivalent of 16,4 million shares in Bublar in fixed purchase price and up to three profit-based deferred consideration in the form of a maximum of 33.9 million shares in 2020. In addition to the rights issue, a directed share issue of approximately SEK 45 million is also planned for working capital for Goodbye Kansas.

The acquisition is well in line with Bublar's strategy; to both organically and through acquisitions, build competence and technology at the absolute forefront of the XR area. The Group is given a unique position to continue developing services and scalable products in entertainment, e-commerce and industry.

The Group has a strong base with many reputable international customers including Disney, Warner, Ubisoft, Electronic Arts, HBO, Netflix, Amazon Studios, Oculus (Facebook), Saab, Electrolux and Scania, as well as cutting-edge expertise in animation, real-time visualization and XR technology. Sales is expected to amount to at least SEK 200 million in 2020, in addition to expected gaming revenues in Bublar Group.

"Goodbye Kansas has a strong brand internationally and works with the largest companies in the gaming, film and streaming industries. The growing demand for XR technology in both entertainment and industrial applications enables us to jointly meet the demand for both first-class visual content and technological excellence in a better way," says Staffan Eklöv, Chairman of the Board of Bublar Group.

Goodbye Kansas is in the middle of a financial turn-around. During January and February 2020 sales are estimated to approx. SEK 50 million, compared to SEK 18 million for the corresponding period last year and EBITDA to approx. SEK 5 million, compared to SEK -19 million for the corresponding period last year.

"Goodbye Kansas' renowned international customer base and creative capabilities, along with our very strong profile in areas such as real-time visualizations, motion capture and "digital humans", will, combined with Bublar's AR and VR expertise, make us one of the world's leading companies with a focus in Entertainment and Enterprise. We already have

ongoing partnerships with Bublar for global customers where our respective excellences create an even stronger offering, says Peter Levin, Chairman and Co-founder of Goodbye Kansas Holding.

Goodbye Kansas has had two financial challenging years as the company has invested to take a front position on the international market. Among other things, one of the world's most modern Motion Capture studios in Stockholm has been built, - a studio that has already become in great demand in the international gaming industry. During the latter part of 2019, the company has reached a strong front position and won several international awards. Work on improvement of processes and project management has also been carried out. However, for 2020, the company has a strong order intake and together with the previously internationally highly prominent customer base and high competence of the employees, the conditions are good for creating a successful unified company.

Transaction

The acquisition of Kansas Group is made through a non-cash issue in which Goodbye Kansas shareholders are offered shares in Bublar Group. The acquisition is carried out with a fixed purchase price of 16.4 million shares (approx. SEK 56 million), based on 30 days volume weighted average price (VWAP) and an additional purchase price of a maximum of 33.9 million shares to be paid in three steps, the number being based on Goodbye Kansas' 2020 earnings at the EBITDA level.

Additional consideration of a maximum of 33.9 million shares based on Goodbye Kansas Holdings EBITDA (operating profit) 2020, distributed mainly on:

- 16.4 million shares at least SEK 5 million based on the first half of the year
- 6.5 million shares at least SEK 9 million for the full year and
- 11.0 million shares at least SEK 18 million for the full year

The outstanding number of shares in Bublar Group before the transaction amounts to 54,913,141. The dilution resulting from the first non-cash issue will be approximately 23 per cent and at the maximum additional consideration approximately 32 per cent.

In connection with the transaction, Bublar has instructed G&W Fondkommission to carry out a directed rights issue of approx. SEK 45 million in Bublar Group. The issue proceeds are intended to be used to strengthen Goodbye Kansas' balance sheet and working capital for continued growth. The directed issue will be conducted through an accelerated *book-building* procedure, where any discount will be determined on market terms.

The issues are resolved by Bublar Group's board of directors and are carried out through authorization from the Annual General Meeting 2020. The reason for the deviation from the shareholders' preferential rights is, among other things, that the Board of Directors has assessed that it is a time- and cost-efficient way to ensure the implementation of this transaction.

Terms of accomplishment

The transaction is conditional on Bublar receiving over 90 per cent of the shares in Goodbye Kansas and at least SEK 45 million of Goodbye Kansas' financial liabilities totaling approximately SEK 65 million prior to being converted into equity in Goodbye Kansas. Furthermore, the transaction is conditional on the directed issue amounting to at least SEK 45 million.

For more information contact

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Important information

This is the type of information that Bublar Group AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out above on April 29, 2020 at 23.00 p.m. CET.

About Goodbye Kansas

Goodbye Kansas Holding includes Goodbye Kansas Studios and Infinite Entertainment, with more than 200 creators in Stockholm, Uppsala, London, Hamburg and Los Angeles. The company offers award winning and unique services for visual effects in movies, TV series, TV commercials, games and game trailers. Goodbye Kansas has through its early position in the increasingly converging market for film, television and gaming become a world-leading provider of real-time visual effects, animations and motion capture.

Bublar Group

Bublar Group AB (publ) is the Nordic region's leading listed XR technology company specializing in Augmented Reality (AR) and Virtual Reality (VR). The company offers XR solutions in E-commerce, Entertainment, Training and Manufacturing. The company includes the subsidiaries Vobling, Sayduck and Virtual Brains. Bublar is headquartered in Stockholm and is listed on Nasdaq First North Growth Market.

In essence, Bublar Group will change the game. We change how we Work, Shop and Play.

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