

Fractal intends to list its shares on Nasdaq First North Premier Growth Market

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Fractal Gaming Group AB (publ) ("Fractal" or the "Company"), a leading¹ brand within the premium PC gaming products segment, today announces its intention to list its shares (the "IPO" or the "Offering") on Nasdaq First North Premier Growth Market ("First North Premier"). The Offering is expected to consist entirely of existing shares in the Company offered by the Selling Shareholders (as defined below).

The Offering will broaden the Company's shareholder base and give Fractal access to the Swedish and international capital markets, which is considered to support the Company's continued growth and development. The board of directors and Fractal's executive management, together with the Selling Shareholders (as defined below), believe that a listing of the Company's shares is a logical and important step in Fractal's development, which further will increase the awareness of Fractal and its operations among current and potential end customers, distribution partners and suppliers. For the aforementioned reasons, the board of directors has applied for a listing on First North Premier.

Hannes Wallin, CEO and founder of Fractal, comments:

"Fractal has, since we founded the Company in 2010, established a leading market position globally and a well-established brand within the premium PC gaming products segment. We continue to see great opportunities for development for Fractal over the coming years based on the solid growth in the underlying market within performance gaming and esports as well as through the growth initiatives we carry out. I am pleased to be able to offer new shareholders the opportunity to join our continued journey."

Magnus Yngen, Chairman of the board of directors of Fractal, comments:

"Since the start Fractal has demonstrated profitability every year and high sales growth by offering high quality products and by expanding geographically. A listing of Fractal's shares is a logical and important step in the Company's development and we look forward to developing Fractal's product offering, operations and brand with the goal of continuing to deliver profitable growth in a listed environment."

Gustav Thott, Partner at Litorina Capital Advisors AB, comments:

"Fractal has over the last couple of years had an amazing development with strong sales growth and improved margins. The Company has established a leading global position within an attractive niche within the premium segment of PC gaming products and has a large and growing customer base of dedicated gamers. Since 2016, when Litorina became principal shareholder, Fractal has taken big steps in terms of product development, always focusing on quality, performance and design, and has expanded its product offering significantly. Furthermore, we have developed our distribution and marketing model, expanded to new markets and, not least, strengthened the organisation with experienced and competent key persons. The listing of Fractal's shares on Nasdaq First North Premier will support the Company's continued growth and development by broadening the shareholder base, giving access to capital markets and increasing brand recognition."

¹ Leading means that the Company, in its own assessment, is leading in terms of net sales within the premium PC case segment (a niche within premium gaming products).



The Offering in brief

The Offering is expected to consist entirely of existing shares in the Company which are offered by the principal shareholder Litorina IV L.P. ("Litorina") and a lesser amount of shares offered by a few other shareholders (together with Litorina the "Selling Shareholders").

The shares in the Offering will be offered to institutional investors in Sweden and internationally, as well as to the general public in Sweden.

Full terms, conditions and instructions for the Offering will be included in the prospectus that will be prepared by the Company in connection with the IPO. The prospectus will be published on the Company's website, www.fractalgaminggroup.com. More information about the process will be published on an ongoing basis.

About Fractal

Fractal is a leading² brand within the premium PC gaming products segment. The group was founded in 2010 and today Fractal's products are sold in more than 50 markets globally.

Fractal is a market leader within PC cases on several geographical markets, for example in the Nordics and Japan, and has a top three position globally.³ The Company also has a strong market position within power supply units and cooling products for gaming PCs. Fractal has been growing organically and profitably from day one through successfully combining design, performance and quality, as sought for by consumers. This has resulted in an expanded product offering as well as a strong geographical presence. The Company is headquartered in Gothenburg (Sweden) and has offices in Dallas (United States), Dongguan (China) and Taipei (Taiwan).

In 2020, Fractal had net sales of SEK 636m and an adjusted EBITDA of SEK 139m, which corresponds to an adjusted EBITDA margin of 21.8 percent. In 2018–2020, the compound annual growth rate of the Company's net sales amounted to 39.8 percent. During 2020, the average number of full-time employees amounted to 69.

Strengths and competitive advantages

- Operates in the attractive and rapidly growing global gaming market
- Premium brand with distinctive characteristics and leading position within relevant communities⁴
- Founder-led management team with strong track record
- Impressive financial profile with a history of high growth and strong profitability

Financial targets

- *Revenue growth:* Fractal aims to achieve an annual organic growth in net sales⁵ of above 10 percent from 2022 and onwards
- *Profitability:* Fractal aims to achieve an adjusted EBITDA margin of 20 percent
- *Dividend policy:* Fractal's target is to pay out 30 to 50 percent of its net earnings while also taking into account other factors such as financial position, cash flow and growth opportunities

Advisors

Carnegie Investment Bank AB (publ) ("Carnegie") is Sole Global Coordinator and Joint Bookrunner. ABG Sundal Collier AB ("ABGSC") is Joint Bookrunner. Advokatfirman Vinge KB is legal advisor to the Company. Cirio Advokatbyrå AB is legal advisor to Carnegie and ABGSC. Sundling Wärm Partners AB is independent financial advisor to the Company.

For further information, please contact:

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This information was submitted for publication, through the agency of the contact persons set out above, at 8:00 CET on 25 January 2021.

² Leading means that the Company, in its own assessment, is leading in terms of net sales within the premium PC case segment (a niche within premium gaming products).

³ Strong market position means that the Company, in its own assessment, is leading in terms of net sales within the premium PC case segment (a niche within premium gaming products). The Company's assessment is based on market data from, inter alia, NPD Group and the Company's own market surveys.

⁴ Premium brand and the premium brand's leading position means that Fractal reckons that the Company has an attractive product offering and is a well-known brand within the Company's product niches.

⁵ Growth in net sales in USD.



Important information



This announcement is not and does not form a part of any offer for sale or a solicitation of any offer to buy securities in the Company. The contents of this announcement have been prepared by and are the sole responsibility of the Company.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this announcement is for distribution only to and is directed only at persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

In connection with the offer or sale of securities referred to herein, a financial advisor engaged by the company may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the engaged financial advisor in accordance with all applicable laws and rules.

