

Fractal publishes prospectus for its initial public offering 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, on 25 January 2021 announced its intention to list its shares (the "IPO" or the "Offering") on Nasdaq First North Premier Growth Market ("First North Premier"). Today, the Company publishes the prospectus for the IPO. First day of trading on First North Premier is expected to be 11 February 2021.

The Offering in brief

- The price per share in the Offering is SEK 41, corresponding to a total value of the total amount of outstanding shares in the Company of approximately SEK 1,194 million.
- The Offering comprises 11,667,920 existing shares, corresponding to approximately 40.1 percent of the total number of outstanding shares in the Company and a total value of approximately SEK 478 million, which are being offered by the principal shareholder Litorina IV L.P. ("Litorina") and a lesser amount of shares offered by a few other shareholders (together the "Selling Shareholders").
- In order to cover any over-allotment in connection with the Offering, Litorina has committed to sell up to 1,750,188 additional existing shares, corresponding to 15.0 percent of the total number of shares in the Offering (the "Over-Allotment Option").
- If the Over-Allotment Option is exercised in full, the Offering will comprise a total of 13,418,108 shares, corresponding to approximately 46.1 percent of the total number of shares in the Company and a total value of approximately SEK 550 million.
- TIN Fonder AB², Ernström Finans AB, Handelsbanken Fonder AB on behalf of Microcap Sverige, Enter Småbolagsfond and LMK Venture Partners AB have, subject to certain conditions, undertaken to acquire shares in the Offering corresponding to an aggregate value of SEK 270 million. The undertakings represent, in aggregate, 22.6 percent of the total number of outstanding shares in the Company and 56.3 percent of the number of shares in the Offering (49.0 percent of the number of shares in the Offering assuming the Over-Allotment Option is exercised in full).
- Members of the executive management team have agreed on customary lock-up undertakings for a period of 720 days, board members for a period of 360 days, and Litorina and another Selling Shareholder who also is not member of the executive management team nor board member for a period of 180 days after the first day of trading on First North Premier.
- The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden.
- The application period is expected to take place 3–10 February 2021.
- First day of trading on First North Premier is expected to be 11 February 2021 under the ticker "FRACTL". Settlement is expected to take place on 15 February 2021.
- Full terms, conditions and instructions for the Offering are included in the prospectus that the Company has prepared in connection with the IPO and that today has been approved by the Swedish Financial Supervisory Authority, and that now is available on the Company's website, www.fractalgaminggroup.com.

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).

² Teknik Innovation Norden Fonder AB.



Hannes Wallin, CEO and founder of Fractal, comments:

“With the IPO of Fractal on Nasdaq First North Premier, we are taking the next step in our development. We have received great interest and positive feedback from investors who are acknowledging the possibilities with our globally leading market position and brand within an attractive niche within the premium segment of PC gaming products. Fractal has a clear strategy and plan for continued profitable growth based on the solid underlying market growth within performance gaming and esports. The listing is going to assist us in broadening the shareholder base, giving us access to capital markets and increasing our brand recognition. I am pleased to be able to offer new shareholders the opportunity to join our continued journey.”

Background and reasons for the Offering

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, 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 these reasons, the board of directors has applied for a listing on First North Premier.

About Fractal

Fractal is a leading³ 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.⁴ 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.

Prospectus and application

The prospectus, which contains full terms and instructions for the Offering, is available on Fractal’s website (www.fractalgaminggroup.com). The prospectus will also be available on Carnegie’s website (www.carnegie.se) and Avanza’s website (www.avanza.se) during the application period. Applications from the general public can be made through Carnegie or Avanza in accordance with the terms set out in the prospectus.

Preliminary timetable

Application period for the general public in Sweden:	3–10 February 2021
Application period for institutional investors:	3–10 February 2021
First day of trading on First North Premier:	11 February 2021
Settlement date:	15 February 2021

Stabilisation measures

In Connection with the Offering, Carnegie Investment Bank AB (publ) (“Carnegie”) will act as stabilisation manager (“Stabilisation Manager”) and may conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilisation transactions may be carried out on First North Premier, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on First North Premier and ending not later than 30 calendar days thereafter.

The Stabilisation Manager has no obligation to undertake any stabilisation measures and there is no assurance that stabilisation measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering. The Stabilisation Manager may use the Over-Allotment Option to over-allot shares in order to facilitate any stabilisation transaction.

³ 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).

⁴ 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.



The stabilisation transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The Stabilisation Manager must, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilisation measures have been undertaken. Within one week of the end of the stabilisation period, the Stabilisation Manager will disclose whether or not stabilisation measures were undertaken, the date on which stabilisation started, the date on which stabilisation was last carried out as well as the price range within which stabilisation was carried out for each of the dates when stabilisation measures were conducted.

Advisors

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 person set out above, at 15:00 CET on 2 February 2021.

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.

