

# FrontOffice Signs 52mSEK Investment Agreement With GEM Global Yield Fund

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STOCKHOLM, Nov. 26, 2018 /PRNewswire/ -- **FrontOffice Nordic AB (publ) ("FrontOffice") and GEM Global Yield Fund LLC SCS ("GEM") have entered into an investment agreement under which GEM, at FrontOffice's request, commits to invest maximum 52mSEK in FrontOffice during a period of 36 months.**

*"While the macro trends in the Swedish economy are trembling and causing an increased rate of bankruptcies, we are able to secure a financing solution through the agreement with GEM that enable us to get engaged in both more and bigger investments and at the same time securing working capital. This is something we have worked hard towards since the establishment of FrontOffice and finally we have the financial muscles necessary to take our company to the next level" says Johan Lund, CEO FrontOffice.*

*"Our previous investments have historically been profitable with a very competitive yield profile. By access to the now secured financing, we are obviously better positioned to do better deals adding further shareholder value. This potential trumps the dilution that naturally comes with utilizing this investment agreement. I trust and hope our shareholders share my view on this and that they also understand that to add significant shareholder value going forward, FrontOffice needs more shares in trade and thus more shareholders", says Johan Lund.*

*"Since the establishment of FrontOffice, we have continuously come across many investment opportunities that we, due to the lack of funding, have been forced to forward to other players on the market, ending up in nice deals with solid yield profile. The GEM agreement allows us to take active part also in such opportunities going forward", says Johan Lund.*

## **About the investment agreement**

The investment agreement grants FrontOffice an unilateral right, but no obligation, to successively request GEM to subscribe for new Class B shares in return for cash in new share issues without preferential rights.

The number of Class B shares to be issued at each requested share issue is based on the trading volume of Frontoffice's Class B shares during 15 trading days preceding each new issue request, however limited to 1000 % of the average daily trading volume during the same period. Furthermore GEM can decide to adjust the number of Class B shares to be issued to not less than 50 % and not more than 200 % of the number shares as requested by FrontOffice. The share price in each new issue shall be set at 90 % of the volume weighted average price (VWAP) of the Class B share during the initial 15 trading days following each new issue request. The number of new share issue requests available for FrontOffice under the investment agreement is unlimited. GEM furthermore commits to not hold an excess of 9.9 % of FrontOffice's total outstanding Class B shares.

Dilution at each new share issue request is contingent on the size of the new share issue, the share price as contemplated by the investment agreement and the number of shares in issue in FrontOffice at each request.

Pursuant to and on even date with the investment agreement, FrontOffice will issue gratuitous warrants to GEM entitling GEM, during 3 years from warrants registration date, to subscribe for 1,000,000 Class B shares at a strike price of SEK 4 per share.\*

The Board of Directors of FrontOffice is currently authorized to decide on new share issues without preferential rights until the Annual General Meeting for 2019.

## **About GEM:**

Global Emerging Markets ([www.gemny.com](http://www.gemny.com)) was founded in 1991. GEM is a USD 3.4 billion investment group having completed 379 transactions in 68 countries. GEM's investment vehicles provide the group and its investors with a diversified portfolio of asset classes that span the global private investing spectrum. Each investment vehicle has a different degree of operational control, risk-adjusted return and liquidity profile. Our family of funds and investment vehicles provide GEM and its partners with exposure to: Small-Mid Cap Management Buyouts, Private Investments in Public Equities (PIPEs) and select venture investments.

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\*If the market price of the Class B share is less than 85 % of the subscription price of SEK 4 on the first 12 month anniversary following the share warrants registration date, the subscription price shall be adjusted to 110 % of the market price at such date.

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