



# G5 ENTERTAINMENT AB

## 2013-05-22 PRESS RELEASE

*N.B. The English text is an unofficial translation and in case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

### Notice to Attend the Annual General Meeting of G5 Entertainment AB (publ.)

The shareholders of G5 Entertainment AB (publ.), reg. no 556680-823878, (the "Company") are hereby summoned to attend at the annual general meeting held at 4.30 pm (CET) on Wednesday, 19 June 2013, at Hotell Kung Carl, Birger Jarlsgatan 21, Stockholm, Sweden.

The entire notice is available at the Company's website (<http://g5e.se/corporate>) and at Akitetorget's website (<http://aktietorget.se>)

#### Notification

Shareholders who wish to participate at the annual general meeting must:

- be recorded in the share register maintained by Euroclear Sweden AB on Thursday, 13 June 2013;
- no later than 4 pm (CET) Monday, 17 June 2013, given notice of their participation and potential assistants to G5 Entertainment AB, Box 5339, 102 47 Stockholm, by facsimile +46 8 545 075 49 or by e-mail [agm@g5e.se](mailto:agm@g5e.se) stating full name, personal identification number or registration number, address, day-time phone number and when applicable information regarding any representative, proxy or assistant.

Shareholders whose shares are nominee-registered must, in order to have the right to attend the annual general meeting, request to be temporarily registered in the share register kept by Euroclear Sweden AB. The shareholder must instruct their nominee thereof in ample time prior to Thursday, 13 June 2013, by which date such registration must be executed.

Shareholders represented by proxy shall issue a written and dated power of attorney signed by the shareholder. A power of attorney issued by a legal entity shall have a registration certificate attached, or if such certificate do not exist, equivalent documents. A power of attorney form for shareholders who wish to participate by proxy are available on the Company's website (<http://g5e.se/corporate>). The power of attorney shall be presented in original at the annual shareholders meeting.

Personal data obtained from the share register kept by Euroclear Sweden AB, the notification of participation at the annual general meeting, and information regarding representatives, proxies and assistants will be used for registration, preparation of the voting register for the annual general meeting and, when applicable, for the minutes from the annual general meeting.

#### Agenda

1. Opening of the annual general meeting
2. Preparation and approval of the voting register
3. Election of chairman of the general meeting
4. Presentation and approval of the agenda
5. Election of two persons to together with the chairman to verify the minutes



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6. Determination of whether the meeting has been duly convened
7. Presentation by the CEO
8. Presentation of the annual report and auditor's report, as well as consolidated financial statements and auditor's report for the group.
9. Resolution regarding:
  - a. Adoption of the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet;
  - b. Treatment of the Company's profits or losses in accordance with the adopted balance sheet; and
  - c. Discharge from liability for the directors and the CEO
10. Determination of the number of directors and alternate directors, as well as the number of auditors and alternate auditors
11. Determination of remuneration for the board of directors and auditors
12. Election of the board of directors and potential alternate directors
13. Election of auditors and potential alternate auditors
14. Resolution regarding authorizing the board of directors to resolve to issue shares
15. Resolution regarding incentive plan for the management
16. Resolution regarding the establishment of a nominating committee and how the nominating committee shall be appointed
17. Closure of the meeting

Accounting documents and audit reports (item 8) and the board of directors' complete proposal under item 14 and 15 will be available at the Company's office at Grev Turegatan 14, Stockholm from, and including, Wednesday 29 May 2013 and is mailed upon request in connection therewith to shareholders' stating their address. The documents will also be available at the Company's website <http://g5e.se/corporate> and be presented at the general meeting.

### **Item 3 – Election of chairman of the general meeting**

Mats Dahlberg is proposed as chairman of the general meeting.

### **Item 9b - Resolution regarding the treatment of the Company's profits or losses in accordance with the adopted balance sheet**

The board of directors proposes that retained earnings plus profit for the year is carried forward.

### **Item 10 - Determination of the number of directors and auditors**

The board of directors is proposed, until the closure of the next annual general meeting, to comprise of five (5) directors. It is proposed that one registered auditing firm shall be appointed.

### **Item 11 - Determination of remuneration for the board of directors and auditors**

The remuneration for the upcoming term is proposed to be SEK 240 000 for the chairman of the board of directors and SEK 150 000 to each of the other directors appointed by the annual general meeting not being employed by the Company. As previously, it is proposed that remuneration to the auditor shall be paid according to approved invoices.

### **Item 12 - Election of a board of directors**



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Jeffrey Rose (reelection), Pär Sundberg (reelection), Vladislav Suglobov (reelection, also CEO) and Petter Nylander (new election) are proposed as directors. Petter Nylander (new election) is proposed as chairman of the board of directors. Recruitment of a fifth director is in progress and a proposed director will be presented at the general meeting.

## **Item 13 – Election of auditors**

The registered auditor firm Mazars Set Revisionsbyrå AB is proposed as auditor.

## **Item 14 - Resolution regarding authorizing the board of directors to resolve to issue shares**

The board of directors proposes that the annual general meeting until the next annual general meeting authorizes the board of directors, with or without deviation from the shareholders' preferential right, on one or more occasions, to resolve on issuance of a maximum of 880 000 shares, meaning an increase of the share capital of a maximum of SEK 88 000, corresponding to a dilution of about 10 per cent of the share capital and voting right. The purpose of the authorization is to enable acquisitions and fundraisings. It shall be possible to pay by kind, set-of or otherwise be subject to conditions. Deviation from the shareholders' preferential right shall be allowed to be made in a situation where a directed issue, because of time, business or similar considerations is more beneficial for the Company. The issue price shall at all times be as close to market value as possible with the discount required to achieve full subscription. A valid resolution requires that shareholders at the meeting representing at least 2/3 of the numbers of shares and votes represented votes in favor of the proposal (Chapter 13 of the Companies Act).

## **Item 15 - Resolution regarding incentive plan for the management**

At the extraordinary general meeting held on 31 October 2012 the Company adopted a share-based incentive plan for the period 2012-2014 with an annual allocation (the "Plan").

### *The board of directors' proposal of issuance of warrants and 2013 allocation*

In accordance with the general guidelines set out for the Plan at the extraordinary general meeting on 31 October 2012, the board of directors proposes that the 2013 annual general meeting resolves to issue warrants according to the following principal terms (the "2013 Allocation"):

- The maximum number of issued warrants shall be 176 000.
- Management and senior executives shall, with deviation from the shareholders' preferential rights, have the right to subscribe for the warrants. The subscription to the warrants shall be made from and including 4 July 2013 to and including 4 August 2013. Subscription shall be made on a separate subscription list.
- The price for the warrants shall correspond with the warrants market value determined by a generally accepted valuation model (the Black-Scholes model). The measurement period for the calculation of the price with the Black-Scholes model shall be from and including 20 June 2013 to and including 3 July 2013.
- Subscription for shares, by exercising the warrants, shall be made from and including 4 August 2016 to and including 2 November 2016.
- Each warrant shall entitle to subscription for one (1) share in the Company at an issue price of 250 per cent of the volume weighted average quoted closing price (but not less than the quotation value of



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SEK 0.1) according to Aktietorget's list of rates for the Company's share of the period from and including 20 June 2013 to and including 3 July 2013. Days without quotation shall not be included in the calculation.

- Upon full exercise of the warrants, up to 176 000 shares (subject to any recalculation), equivalent to about two per cent of the total number of outstanding shares and votes, will be issued. If fully subscribed, the Company's share capital will increase with SEK 17 600, resulting in a dilution of two per cent. The calculation is based on the number of shares and votes that may be issued divided by the total number of shares and votes after such issuance.
- The 2013 Allocation shall include a maximum of 16 persons. The number of warrants that each employee is offered to subscribe for shall vary depending on the employee's responsibility and position. The CEO and managing director of the group shall be offered a maximum of 20 000 warrants and other management personal are divided into categories which will be offered a maximum of 15 000 warrants and at least 5 000 warrants. The board of directors shall decide on who shall be included in each category, and who shall receive warrants. Directors are not entitled to subscribe for warrants, with the exception of the Company's CEO.
- Issuance of warrants to employees outside Sweden is dependent on tax effects, that no legal impediment exists and that the board of directors determines that such allocation can be made at reasonable administrative and/or financial cost.
- In order to be allotted warrants the employee has to sign a special pre-emption agreement with the Company. Pre-emption shall be made at the market value if a third party makes an offer for all shares in the Company and in case the warrants shall be transferred to a third party. Otherwise, the warrants are freely transferable.
- The cost for the 2013 Allocation is estimated to be about SEK 100 000. The 2013 Allocation is not expected to materially impact the Company's earnings per share.

The reason for the deviation from the shareholders' preferential right is to increase motivation and create involvement in the Company's development and in the opportunity and risk of the Company by management and senior executives. The proposed warrants plan has been prepared by the Company's board of directors. The CEO did not participate in the preparation of this proposal. A valid resolution requires that shareholders at the meeting representing at least 9/10 of the numbers of shares and votes represented votes in favor of the proposal (Chapter 16 of the Companies Act).

160 000 warrants were issued within the Plan to 15 employees in 2012 (the 2012 allocation). These warrants entitle the holder to subscribe for shares from and including 15 December 2015 to and including 14 March 2016 and the terms and conditions are mainly conform with the terms and conditions for the above proposed warrants.

The board of directors or whom the board of directors authorizes shall be authorized to make such minor adjustments of the resolution that may be required in connection with the registration of the issuance at the Companies Registration Office.



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## **Item 17 - Resolution regarding the establishment of a nominating committee and how the nominating committee shall be appointed**

It is proposed that a nomination committee shall be appointed and that the following principles shall apply to the nomination committee.

It is proposed that the nominating committee shall consist of representatives of the five (5) largest shareholders as of 30 September 2013. The representative of the largest shareholder of 30 September 2013 is responsible to convene the nomination committee to their first meeting. The nominating committee shall appoint a chairman of the committee. The nominating committee shall be disclosed no later than six months before the annual general meeting.

The nomination committee's term will run until a new committee is appointed. The Company is responsible for costs associated with the nomination committee's work. Members of the nomination committee receive no compensation from the Company.

The nomination committee's task shall include evaluating the composition and work of the board of directors and to the annual general meeting present a proposal for:

- chairman of the annual general meeting
- directors and chairman of the board of directors
- fees for the directors not employed by the Company
- when applicable appointment of register auditor firm and fee for the auditor, and
- potential amendment of the principles for how members of the nomination committee shall be appointed

If a member of the nomination committee resigns before the nomination committee's work is complete and if the nomination committee deems it as necessary, a substitute member shall be appointed by the same shareholder who appointed the resigning member.

In addition to what is stated above the Swedish Corporate Governance Code, from time to time in force, shall be applicable to the nomination committee.

*Stockholm May 2013*

*The Board of Directors*

More information about the company can be found at: [www.g5e.se/corporate](http://www.g5e.se/corporate)

For additional information please contact: [investor@g5e.se](mailto:investor@g5e.se)

*About G5 Entertainment AB (publ)*

*G5 Entertainment AB is a developer and publisher of high quality downloadable games for iPhone, iPad, Android, Mac, Kindle Fire, and Nook tablets. G5 develops and publishes games that are family-friendly, easy to learn, and targeted at the widest audience of experienced and novice players. G5 owns a number of popular game franchises like Virtual City, Special Enquiry Detail, Supermarket Mania, Stand O' Food, and Mahjongg Artifacts, and invests in creating new games and bringing established franchises to new gaming platforms.*