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Press release

Stockholm 2020-01-21

STILLFRONT
GROUP

Stillfront explores the conditions for conducting a directed share issue

INSIDE INFORMATION: Stillfront Group AB (publ) ("**Stillfront**" or "**Company**") has appointed Carnegie Investment Bank AB (publ) as Sole Global Coordinator and Joint Bookrunner, and Swedbank AB (publ) and Nordea Bank Abp, filial i Sverige as Joint Bookrunners (jointly, the "**Managers**"), to explore the conditions for conducting directed share issues in the total amount of up to 3,424,129 shares (the "**Share Issues**") through an accelerated bookbuilding procedure, (the "**Bookbuilding**"). The Share Issues are intended to be directed towards Swedish and international institutional investors and be carried out based on the authorisation granted by the extraordinary general meeting of shareholders held on 10 December 2019 and subject to the subsequent approval by the general meeting of shareholders of the Company.

Share Issues

The price of the shares in the Share Issues will be determined through the Bookbuilding procedure, which will begin today on 21 January 2020 following markets close and end before the commencement of trading on Nasdaq First North Premier Growth Market on 22 January 2020. The board of directors can at any time choose to cancel the Bookbuilding, close earlier or later and refrain from executing the Share Issue, in part or in full.

The Share Issues are, among other things, subject to a resolution by the board of directors of Stillfront to issue new shares, in part within the limit of Stillfront's existing authorisation to issue shares from the Extraordinary General Meeting held on 10 December 2019 and in part subject to the approval of the Extraordinary General Meeting and a directed share issue to Laureus Capital GmbH, one of the shareholders of the Company, which is subject to the approval of the Extraordinary General Meeting, following the close of the Bookbuilding.

As previously announced a notice to an extraordinary general meeting will be published to resolve upon a set off share issue being part of the acquisition of Storm8, Inc. Provided that the board of directors resolve upon the Share Issues, such notice to the extraordinary

general meeting will also include a proposal to approve the board of directors' decision regarding the part of the Share Issues not resolved by the board of directors based on the authorization from the extraordinary general meeting dated 10 December 2019. A notice is expected to be published in connection to the announcement of the outcome of the Bookbuilding. The Company's principal owner, Laureus Capital GmbH, which holds approximately 15.9 percent of the shares and votes in the Company, has committed itself to vote at the extraordinary general meeting in favour of the board of directors' decision to issue new shares which requires the extraordinary general meeting's approval.

The reasons for the deviation from the shareholders' preferential rights are mainly to diversify the shareholder base among Swedish and international institutional investors and at the same time raise capital in a time efficient manner. The purpose of the Share Issues is to finance the acquisition of Storm8, Inc and to provide the Company with additional equity capital in a quick and efficient manner in order to further strengthen Stillfront's future financial flexibility in line with the Company's communicated financial targets.

In connection with the Share Issues, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 90 calendar days after the settlement date.

The Share Issues are intended to be carried out both based on the existing authorization granted to the board of directors on 10 December 2019 and subject to a subsequent approval of the extraordinary general meeting since the Company intends to use the proceeds of the Share Issues both to finance the acquisition of Storm8, Inc and to raise additional funds to the Company.

The Company's board of directors and management have entered into customary lock-up undertakings of 90 days from settlement of the Bookbuilding in respect of the board of directors and 180 days from settlement of the Bookbuilding in respect of the management.

Advisers

Carnegie Investment Bank AB (publ) has been appointed Sole Global Coordinator and Joint Bookrunner and Swedbank AB (publ) and Nordea Bank Abp, filial i Sverige have been appointed Joint Bookrunners. DLA Piper acts as legal counsel to the Company and Baker McKenzie acts as legal counsel to the Managers in connection with the Share Issue.

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This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 19:20 CET on 21 January 2020.

About Stillfront

Stillfront is a global group of gaming studios and a market leader in the free-to-play online games genre. Our diverse and exciting games portfolio has two common themes; loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody our growth strategy and our 650 co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, France and UK. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq First North Premier.

For further information, please visit: stillfront.com

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Share Issues must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Managers. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. The Managers are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's option with respect to the Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this press release and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, South Africa, Switzerland, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Stillfront has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Stillfront have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Stillfront may decline and investors could lose all or part of their investment; the shares in Stillfront offer no guaranteed income and no capital protection; and an investment in the shares in Stillfront is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Stillfront.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Stillfront and determining appropriate distribution channels.