

## Press release

Stockholm 2020-04-14

**STILLFRONT**  
GROUP

*Translation of Swedish original*

# Notice of annual general meeting in Stillfront Group AB (publ)

The shareholders of Stillfront Group AB (publ), reg. no. 556721-3078 ("**Company**" or "**Stillfront**"), are hereby convened to the annual general meeting on Thursday 14 May 2020 at 4 pm. The general meeting will be held at the offices of the law firm Advokatfirma DLA Piper Sweden KB at Kungsgatan 9 in Stockholm.

## **The right to participate at the General Meeting etc.**

Shareholders who wish to participate at the general meeting shall

- (a) be registered in the share register kept by Euroclear Sweden AB on the record day which is Friday 8 May 2020; as well as
- (b) notify the Company of their intention to participate at the general meeting no later than by Friday 8 May 2020 by way of mail to Stillfront Group AB (publ), "Annual General Meeting", Sveavägen 9, 111 57 Stockholm or by e-mail to [agm@stillfront.com](mailto:agm@stillfront.com).

**To be entitled to participate at the general meeting, shareholders with nominee-registered shares through a bank or other nominee must register their shares in their own name with Euroclear Sweden AB. Shareholders requesting such registration must notify their nominee well before Friday 8 May 2020, when such registration shall have been executed.**

The notification shall set out name/company name, personal ID number/registration number, number of shares held and, when applicable, number of advisors which may not exceed two. Shareholders who are represented by proxy should submit a power of attorney concurrently with the notice of participation. The power of attorney shall be in writing, dated and signed. The original power of attorney shall be brought to the general meeting. Power of attorney forms are available on the Company's website [www.stillfront.com](http://www.stillfront.com) and sent free of charge to those shareholders who so request and state their postal address or e-mail address. Representatives of legal entities shall also enclose a copy of the registration certificate or equivalent document which indicates the persons authorized to represent the legal entity.

## Safety measures in connection with the AGM due to covid-19

Stillfront cares for the health of our shareholders and employees. Due to the risk of spreading the covid-19 infection, Stillfront is taking certain precautionary measures so that consideration is given to the attendees' health while upholding the opportunity for the shareholders to exercise their rights.



The general meeting will be kept as short as possible, and no food or drinks will be offered. Furthermore, the general meeting will be recommended to pass resolutions to live broadcast of the general meeting via the Company's website and that no guests, or others who are not legally entitled to attend the general meeting, are allowed to be present at the general meeting venue. Stillfront's board of directors, management and other employees will only attend to the extent required.

Shareholders who have symptoms themselves or who have been in an area of contagion, or who have been in contact with someone who has symptoms or has been in an area of contagion, are encouraged to not attend the general meeting in person, but to attend by proxy instead.

Provisional legislation effective as from 15 April 2020 will allow the Company's board of directors to collect proxy forms from shareholders and to arrange postal voting. This means that shareholders who do not wish to attend the meeting in person can either vote by post or issue a power of attorney to a person specified in it to represent their shares at the general meeting in the matters specified in the power of attorney. The board of directors of Stillfront intends to arrange postal voting and to collect proxy forms from shareholders. More information regarding these options is provided on the Company's website.

Stillfront closely monitors developments and, if necessary, additional measures for the general meeting will be published on the Company's website.

### Proposed Agenda

1. Opening of the meeting
2. Appointment of the chairman for the meeting
3. Preparation and approval of the voting register
4. Resolution regarding the live broadcast of the general meeting via the Company's website
5. Approval of the agenda
6. Election of one or two persons to approve the minutes
7. Examination of whether the meeting has been duly convened
8. Presentation of annual report and the auditor's report and consolidated accounts and auditor's report for the group
9. Resolution on
  - (a) adopting the profit and loss statement and the balance sheet and consolidated profit and loss statement and balance sheet
  - (b) allocation of the Company's profit or loss according to the adopted balance sheet and
  - (c) discharge from liability for the directors of the board and the Chief Executive Officer
10. Resolution on the number of directors of the board to be appointed
11. Resolution to establish the remuneration for the directors of the board and the auditors
12. Appointment of the board of directors (re-election)
13. Appointment of chairman of the board of directors (re-election)
14. Appointment of auditor (re-election)
15. Resolution on nomination committee
16. Resolution to adopt the remuneration guidelines for executive management
17. Resolution on a long-term incentive program (LTIP) by way of:

- (a) employee stock option program including an issue of warrants and approval of transfers of warrants to key-personnel; or
  - (b) an issue of warrants and approval of transfers of warrants to key-personnel
- 18. Resolution on authorization for the board of directors to issue shares, convertible instruments and warrants
  - 19. Resolution on a directed new share issue to the sellers of Babil Games FZ LLC
  - 20. Resolution on a directed new share issue to the sellers of Imperia Online JSC
  - 21. Resolution on a directed new share issue to the sellers of Playa Games GmbH
  - 22. Resolution to amend the Company's articles of association
  - 23. Closing of the meeting

## **Principal proposals for resolutions**

### **Appointment of the chairman for the meeting (item 2)**

The nomination committee has before the meeting consisted of Niklas Johansson (chairman), Dr Kai Wawrzinek, Ossian Ekdahl and Jan Samuelson. The nomination committee's complete proposal and explanatory statement will be held available at the Company's website, [www.stillfront.com](http://www.stillfront.com).

The nomination committee proposes that Jan Samuelson is appointed chairman of the general meeting.

### **Allocation of the Company's result (item 9(b))**

According to the annual report, non-restricted equity in the Company amounts to SEK 3,831,707,475.

The Company's board of directors proposes that the general meeting resolves to reimburse a conditional shareholder's contribution of SEK 1,100,000 (the "**Principal Amount**") provided by Deseven Capital Aktiefbolag, reg. no 556691-6614 (the "**Contributor**") to the Company in 2011. The Principal Amount carries an annual interest of 12%. The reimbursement of the Principal Amount and accrued interest (the "**Reimbursement**") is proposed to be done according to the following conditions:

1. The Reimbursement shall be made with SEK 2,205,184 to the Contributor.
2. The date for the Reimbursement shall be 15 May 2020 or such other day that the board of directors may determine.
3. The remaining non-restricted equity in the Company, after the Reimbursement has been made, amounts to SEK 3,829,502,291.

As indicated in the most recent income statement and balance sheet, the results and the position of the Company are good. The board of directors considers the proposed Reimbursement to be covered by the non-restricted equity. The capital cover rate and liquidity will, after the proposed Reimbursement, continue to be adequate in relation to the field of business within which the Company operates.

Therefore, the board of directors considers the proposed Reimbursement defensible with references to the requirements regarding the size of the non-restricted equity in relation to the nature, scope and risks in relation to the conducted business, and the consolidation requirements, liquidity and the position in general for the Company.

Part of the Reimbursement (20%) will indirectly be made to adult non-resident children of the Company's Chief Executive Officer, Jörgen Larsson.

The board of directors and the Chief Executive Officer propose that the general meeting resolves that the residue of year's result shall be carried forward.

### **Resolution on the number of directors of the board to be appointed (item 10)**

The nomination committee proposes that the board of directors shall consist of six directors without deputy directors.

### **Resolution to establish the remuneration for the directors of the board and the auditors (item 11)**

The nomination committee proposes that remuneration of SEK 550,000 shall be paid to the chairman of the board of directors and that remuneration of SEK 220,000 shall be paid to each of the other directors.

For work in the audit committee, in addition to the board remuneration, a remuneration of SEK 200,000 shall be paid to the chairman of the audit committee and SEK 60,000 to each of the other members in the committee.

In the remuneration committee, in addition to the board remuneration, a remuneration of SEK 60,000 shall be paid to the chairman of the remuneration committee and SEK 30,000 to each of the other members in the committee.

Remuneration to the auditors is proposed to be paid according to current approved account.

### **Appointment of the board of directors (item 12)**

The nomination committee proposes, for the period until the close of the next annual general meeting, re-election of Jan Samuelson, Katarina G. Bonde, Erik Forsberg, Birgitta Henriksson, Ulrika Viklund and Dr Kai Wawrzinek.

The proposed directors will be presented on the Company's website, [www.stillfront.com](http://www.stillfront.com).

### **Appointment of chairman of the board of directors (item 13)**

The nomination committee proposes, for the period until the close of the next annual general meeting, re-election of Jan Samuelson as chairman of the board of directors.

### **Appointment of auditor (item 14)**

The nomination committee proposes re-election of Öhrlings PricewaterhouseCoopers AB as the Company's auditor. The auditing firm has declared that if the general meeting resolves in accordance with the proposal, Nicklas Kullberg will be appointed to continue as auditor in charge. The nomination committee's proposal corresponds to the recommendation of the audit committee.

### **Resolution on nomination committee (item 15)**

The nomination committee proposes that the annual general meeting resolves that the nomination committee shall be appointed in accordance with the following principles.

The chairman of the board of directors shall, based on the shareholding according to Euroclear Sweden AB as of the last business day in September 2020, contact the three largest shareholders, who shall be entitled to appoint one member each of the nomination committee. If any of the three largest shareholders declines to appoint a member of the nomination committee, the next largest shareholder shall be offered the opportunity to appoint a member of the nomination committee. The nomination committee may also decide that the chairman of the board of directors shall be a member of the nomination committee. The chief executive officer or another member of the Company's executive management shall not be a member of the nomination committee. The chairman of the board of directors shall convene the nomination committee to its first meeting. A representative of a shareholder shall be appointed the chairman of the nomination committee. Neither the chairman of the board of directors nor another director of the board shall serve as chairman of the nomination committee. The term of the nomination committee expires when a new nomination committee has been appointed.

If a shareholder, who is represented in the nomination committee, during the term of the nomination committee ceases to be one of the three largest shareholders, a representative appointed by that shareholder shall offer to vacate his or her office and the shareholder who has become one of the three largest shareholders shall be offered the opportunity to appoint a member of the nomination committee. No changes will be made to the composition of the nomination committee if only minor changes to the shareholding have taken place or if a change occurs later than three months prior to the annual general meeting. A shareholder who has appointed a representative in the nomination committee is entitled to remove such representative and appoint another representative. Changes in the nomination committee's composition shall be published on the Company's website as soon as the composition has changed.

It is proposed that the nomination committee's tasks shall be to prepare and draw up proposals regarding appointment of chairman of the annual general meeting, chairman of the board of directors and other directors of the board, remuneration to the chairman of the board of directors and the other directors of the board, appointment of auditor, remuneration to the auditors and principles for the appointment of nomination committee. No remuneration shall be paid to the nomination committee. If deemed necessary, the nomination committee may engage external consultants to find candidates with relevant experience and the Company shall cover the cost for such consultants. The nomination committee shall, in connection with performing its tasks, forward certain information to the Company so that the Company can comply with applicable obligations to disclose information.

The composition of the nomination committee shall be announced no later than six months before the annual general meeting. In connection therewith, information shall also be provided on how shareholders can submit proposals to the nomination committee.

### **Resolution to adopt the remuneration guidelines for executive management (item 16)**

The Board of Directors proposes that the annual general meeting approves guidelines for remuneration and other terms of employment for the Company's executive management on the following terms which shall be in force until new guidelines are adopted by the general meeting:

These guidelines apply to remuneration and other terms of employment of the Chief Executive Officer (the "CEO") and other individuals of the executive management of Stillfront Group AB (publ), reg. no. 556721-3078 ("Stillfront" or the "Company").

Subject to the paragraph immediately following, these guidelines shall also apply in relation to a member of the board of directors of Stillfront who receives any remuneration from the Company and any reference herein to the "executive management" and/or an "executive" shall for such purposes be deemed to also include such board member.

These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020.

#### *The guidelines' promotion of the Company's business strategy, long-term interests and sustainability*

Stillfront's business strategy is to be a leading free-to-play powerhouse, offering long term first class digital entertainment through its global group of gaming studios. Organic growth and carefully selected and executed acquisitions embody our growth strategy. For more information regarding the Company's business strategy, please see <https://www.stillfront.com/en/about-the-company/>.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, through these guidelines is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The overall guidelines

for remuneration to executive management shall be based on the position, the individual performance, the Company's earnings and that the remuneration shall be competitive in the country of employment.

*Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration based on annual performance targets (bonus), pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Fixed salary

The fixed salary shall be based on the individual's experience, field of responsibility and related to the relevant market. Fixed salary shall be revised annually.

Variable cash remuneration

The satisfaction of criteria for awarding variable cash remuneration shall be measured annually. The variable cash remuneration for an executive manager may correspond to not more than fifty per cent (50%) of the fixed annual cash salary. If an employee stock option program is not resolved to be established at the annual general meeting 2020, the variable cash remuneration may correspond to up to one hundred per cent (100%) of the fixed annual cash salary.

The variable cash remuneration shall be linked to predetermined and measurable criteria such as earnings, achievements in relation to the budget, the development of the Company's share price and personal performance.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

Variable long-term incentive program (LTIP)

Long-term incentive programs have been implemented in the Company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The LTIPs include the executive management and other key individuals of the Company and its subsidiaries. The programs are conditional upon certain holding periods of several years. For more information regarding these LTIPs, including the criteria which the outcome depends on, please see <https://www.stillfront.com/en/incentive-programs/>.

Pension benefits and other benefits

Pension benefits, including health insurance (*Sw: sjukförsäkring*), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than twenty-five per cent (25%) of the fixed annual cash salary.

Other benefits may include, for example, medical insurance (*Sw: sjukvårdsförsäkring*) and company cars. Such benefits shall be limited and not exceed five per cent (5%) of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### *Termination of employment*

Members of the executive management shall be offered employment terms in accordance with the laws and practices applicable to the country in which the employee is employed. Upon termination of an employment, the notice period may not exceed twelve (12) months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for one (1) year for any executive. When termination is made by the executive, the notice period may not exceed six (6) months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than six (6) months following termination of employment.

### *Salary and employment conditions for executive management*

When evaluating whether these guidelines and the limitations set out herein are reasonable, the board of directors (including the remuneration committee) has considered the total income of all employees of the Company, including the various components of their remuneration as well as the increase and growth rate over time.

### *The decision-making process to determine, review and implement the guidelines*

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the remuneration committee are independent of the Company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### *Information on remuneration resolved but not yet due*

There is no resolved remuneration that is not yet due.

### *Derogation from the guidelines*

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

There has been no derogation from the remuneration guidelines resolved by the annual general meeting 2019.

## **Resolution on a long-term incentive program (LTIP) (item 17)**

### *Background and reasons for the proposal*

A prerequisite for the successful implementation of the group's business strategy and safeguarding of its long-term interests is that the group is able to retain the best competencies and their loyalty, and that the Company's executive management and other key-personnel of the group (the "**Key-Personnel**") continue to deliver results and performance at a very high level. The board of directors finds it important and in all shareholders' interest that Key-Personnel have a long-term interest in a positive development of the share price of the Company.

In light of the above, the board of directors proposes to the annual general meeting a long-term incentive program (“**LTIP**”) for the Key-Personnel of the group in order to stimulate them to continued long-term commitment and continued good performance as well as to increase the group’s attractiveness as an employer.

The LTIP is proposed to comprise a maximum of 350,000 stock options and/or warrants that each entitles the holder an option right to acquire one (1) share in the Company. Entitlement to participate in the LTIP will be assessed on an individual basis for the Key-Personnel, taking into consideration such Key-Personnel’s positions within the group and their respective total remuneration. No participant in the LTIP will be offered to subscribe for more than 100,000 stock options and/or warrants under the current LTIP.

#### *Alternative proposals*

As the recommended alternative, the board of directors proposes that the annual general meeting resolves to adopt an employee stock option program for senior executives of Stillfront (the “**ESO Program**”) and issue warrants of series 2020/2024 and to approve transfers of warrants to ensure delivery of shares under the employee stock options issued under the ESO Program. The detailed terms and conditions for the board of directors’ recommended alternative are presented under item 17a below.

The board of directors proposes the ESO Program as the recommended alternative as it has experienced that warrant programs are, by their nature, not internationally competitive. As an international group, Stillfront must be able to offer a competitive remuneration package attractive for top personnel in the global market. The board of directors’ opinion is that the ESO Program should be part of the Company’s remuneration offer to retain Key-Personnel and attract new candidates. The ESO Program also drives long-term retention as the participants must be employed by the group up until exercise of the stock options.

In the event that the required majority under item 17a is not reached, the board of directors proposes, as a secondary alternative, that the annual general meeting resolves on a directed issue of warrants intended for the LTIP, in accordance with item 17b below. This secondary alternative also includes the board of directors’ proposal under item 16 above, that the remuneration guidelines for executive management include a mandate for an increased variable remuneration to the executive, in order to mitigate the loss of LTIP competitiveness. All in all, it is the board of directors’ assessment that this secondary alternative is suboptimal in terms of competitiveness, retention, cost and cashflow in comparison with the recommended ESO Program.

#### *Preparation of the proposals*

The LTIP has been prepared by the remuneration committee and in consultation with the board of directors. The proposals have been adopted by the board of directors.

#### *The Board of Directors’ proposals*

The board of directors’ proposals for the resolutions below entail that the annual general meeting resolves (a) to (i) adopt the ESO Program and (ii) issue warrants of series 2020/2024 and to approve transfers of warrants to ensure delivery of shares under the employee stock options issued under the ESO Program; or, in the event that the required majority under (a) is not reached, (b) on a directed issue of warrants and to approve transfers of warrants to personnel participating in the LTIP.

#### *Precondition for the proposal*

The annual general meeting’s resolution on a directed issue of warrants intended for incentive program in accordance with item 17b below is subject to that the required majority for a valid resolution under item 17a is not reached.

### **Employee stock option program including an issue of warrants and approval of transfers of warrants to key-personnel (item 17a)**

- i) Proposal to resolve to adopt the ESO Program



The board of directors proposes that the annual general meeting resolves to issue employee stock options on the following terms:

- Not more than 350,000 employee stock options shall be issued (the "**Stock Options**").
- The Stock Options shall be offered to Key-Personnel.
- The board of directors resolves on the final allotment of the Stock Options. The allotment will be assessed on an individual basis for the Key-Personnel, taking into consideration such Key-Personnel's positions within the group and their respective total remuneration. No participant in the current LTIP will be offered to subscribe for more than 100,000 Stock-Options under the current LTIP.
- The Stock Options shall be allotted free of charge.
- Provided that the participant is still employed by the group at the exercise of the Stock Options, each Stock Option entitles the Key-Personnel an option right to acquire one (1) share in the Company at one occasion that occurs on the last banking day in any month during the period 1 June 2023 – 31 May 2024. Acquisition is carried out through the exercise of warrants issued in accordance with item (ii) below.
- The price for the shares at exercise shall be equal to the amount to be paid upon exercise of the warrants that are allotted to the holder upon exercise of the Stock Options.
- The amount of shares each Stock Option entitles subscription to and the price for the shares at exercise can be recalculated in the event of a bonus issue, new issue and in certain other cases entailing a recalculation in accordance with the terms and conditions of the proposed warrants of series 2020/2024 as set forth in item (ii) below.
- The Stock Options may not be transferred or pledged.
- The board of directors is authorized to implement the ESO Program and to draft and enter into agreements with the subscribers in accordance with the above terms.
- The board of directors shall be entitled to make adjustments to the terms and conditions of the Stock Options if significant changes in the group, or its markets, result in a situation where the decided terms and conditions for exercising the Stock Options are no longer appropriate.

ii) Proposal to resolve to issue warrants and approval of transfers of warrants to personnel

The board of directors proposes that the annual general meeting resolves to issue warrants on the following terms:

- The Company shall issue not more than 350,000 warrants of series 2020/2024 (the "**ESO Warrants**").
- The right to subscribe for ESO Warrants shall, with deviation from the shareholders' preferential rights, belong to a wholly owned subsidiary to the Company.
- Over-subscription is not allowed.
- Subscription of the ESO Warrants shall take place on a separate subscription list no later than 18 May 2020. The board of directors is entitled to prolong the subscription period. The ESO Warrants shall be allotted to the subsidiary free of charge.
- Each ESO Warrant entitles the holder to subscribe for one (1) new share in the Company during the period from and including 1 June 2023 up to and including 30 June 2024.
- The price for the shares at exercise shall be equal to the average volume weighted share price for the Company's share on Nasdaq First North Premier Growth Market during the period from and including 29 April 2020 until and including 13 May 2020, adjusted upwards with 8 percent annual interest. The price shall however not be lower than the quotient value of the share.
- Shares issued as a result of subscription will carry rights to dividends as of the first record date for dividends after the subscription is executed.
- The complete terms and conditions for the ESO Warrants are set forth in the board of directors' complete proposal that will be held available in accordance with what is set out below. As set forth therein, the subscription price, as well as the

number of shares which an ESO Warrant entitles subscription for, can be recalculated in the event of a bonus issue, new issue and in certain other cases.

- The increase of the Company's share capital will, upon exercise of the ESO Warrants, amount to not more than SEK 245,000, subject to such increase that may occur due to recalculation of the subscription price and the number of shares which each ESO Warrant entitles subscription for in the event of issues etcetera.
- The board of directors is authorized to make such minor adjustments in the annual general meeting's resolutions as may be required in connection with the registration of the ESO Warrants with the Swedish Companies Registration Office and Euroclear Sweden AB.

The board of directors proposes that the annual general meeting resolves to approve the subsidiary's transfer of the ESO Warrants, free of charge, to participants in the ESO Program, in accordance with item i) above, and that the subsidiary shall be entitled, in any other ways necessary, to distribute the ESO Warrants to ensure delivery of shares under the Stock Options issued under the ESO Program.

The reason for deviating from the shareholders' preferential rights is to achieve optimum alignment of interests between the participants in the ESO Program and the shareholders and to promote long-term ownership of shares.

### **Resolution on an issue of warrants and approval of transfers of warrants to key-personnel (item 17b)**

The board of directors proposes that the annual general meeting resolves to issue warrants on the following terms:

- The Company shall issue not more than 350,000 warrants of series 2020/2024 (the "**Warrants**").
- The right to subscribe for Warrants shall, with deviation from the shareholders' preferential rights, belong to a wholly owned subsidiary to the Company.
- Over-subscription is not allowed.
- Subscription of the Warrants shall take place on a separate subscription list no later than 18 May 2020. The board of directors is entitled to prolong the subscription period. The Warrants shall be allotted to the subsidiary free of charge.
- Each Warrant entitles the holder to subscribe for one (1) new share in the Company on the last banking day each month during the period 1 June 2023 to 31 May 2024.
- The price for the shares at exercise shall be equal to the average volume weighted share price for the Company's share on Nasdaq First North Premier Growth Market during the period from and including 29 April 2020 until and including 13 May 2020, adjusted upwards with 8 percent annual interest. The price shall however not be lower than the quotient value of the share.
- Shares issued as a result of subscription will carry rights to dividends as of the first record date for dividends after the subscription is executed.
- The complete terms and conditions for the Warrants are set forth in the board of directors' complete proposal that will be held available in accordance with what is set out below. As set forth therein, the subscription price, as well as the number of shares which a Warrant entitles subscription for, can be recalculated in the event of a bonus issue, new issue and in certain other cases.
- The increase of the Company's share capital will, upon exercise of the Warrants, amount to not more than SEK 245,000, subject to such increase that may occur due to recalculation of the subscription price and the number of shares which each Warrant entitles subscription for in the event of issues etcetera.
- The board of directors is authorized to make such minor adjustments in the annual general meeting's resolutions as may be required in connection with the registration of the Warrants with the Swedish Companies Registration Office and Euroclear Sweden AB.
- The subsidiary shall be entitled to transfer the Warrants on market terms to the Key Personnel within the framework of the LTIP. The board of directors resolves on the final allotment of the Warrants. The allotment will be assessed on an individual basis for the Key-Personnel, taking into consideration such Key-Personnel's positions within the group and their respective total remuneration. No participant in the LTIP will be offered to subscribe for more than 100,000 Warrants under the current LTIP.

The reason for deviating from the shareholders' preferential rights is to achieve optimum alignment of interests between the participants in the LTIP and the shareholders and to promote long-term ownership of shares.

### **Resolution on authorization for the board of directors to issue shares, convertible instruments and warrants (item 18)**

The board of directors proposes that the annual general meeting resolves to authorize the board of directors to, until the next annual general meeting, with or without deviation from the shareholders' preferential rights, on one or several occasions resolve to issue shares, convertible instruments and/or warrants. The increase of the share capital, which entails issuance, conversion or subscription for new shares, may – where it entails a deviation from the shareholders' preferential rights – correspond to a dilution of a maximum of 10 percent of the share capital at the time of the first use of the authorization to issue shares, convertible instruments and/or warrants. Payment may be made in cash and/or with a condition to pay in kind or by way of set-off, or other conditions. The authorization shall primarily be used for the purpose of acquisitions or financing.

### **Resolution on a directed new share issue to the sellers of Babil Games FZ LLC (item 19)**

The board of directors proposes that the annual general meeting resolves to carry out a directed new share issue on the following terms.

1. The Company's share capital shall increase by not more than SEK 125,451.9 through an issue of not more than 179,217 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of Babil Games FZ LLC.
3. The subscription price shall be SEK 356, which corresponds to the average price per share in the Company on Nasdaq First North Premier Growth Market during the 30 days preceding the last day of the fiscal year 2019.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2020.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to USD 6,750, 000 in aggregate. The claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register kept by Euroclear Sweden AB.
8. The board of directors shall be authorized to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of Babil Games FZ LLC.

The Company's assessment is that the earn-out consideration will amount to in total approximately USD 10,800,000, of which half of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent on that the sellers accept the Company's calculation of the earn-out consideration. The board of directors of the Company will thereafter determine the number of shares to be allotted. The number of issued shares will be communicated at the day of the allotment. Based on the Company's calculation of the earn-out consideration, the number of shares which will be allotted is expected to amount to approximately 143,374 shares. In order to give the Company's board of directors some flexibility in connection with the determination of the final earn-out consideration, an issue of a maximum number of shares has been proposed.

**Resolution on a directed new share issue to the sellers of Imperia Online JSC (item 20)**

The board of directors proposes that the annual general meeting resolves to carry out a directed new share issue on the following terms.

1. The Company's share capital shall increase by not more than SEK 12,727.4 through an issue of not more than 18,182 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of Imperia Online JSC.
3. The subscription price shall be SEK 356, which corresponds to the average price per share in the Company on Nasdaq First North Premier Growth Market during the 30 days preceding the last day of the fiscal year 2019.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2020.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to EUR 616,367.5 in aggregate. The claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register kept by Euroclear Sweden AB.
8. The board of directors shall be authorized to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of Imperia Online JSC.

The Company's assessment is that the earn-out consideration will amount to in total approximately EUR 986,188, of which half of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent on that the sellers accept the Company's calculation of the earn-out consideration. The board of directors of the Company will thereafter determine the number of shares to be allotted. The number of issued shares will be communicated at the day of the allotment. Based on the Company's calculation of the earn-out consideration, the number of shares which will be allotted is expected to amount to approximately 14,545 shares. In order to give the Company's board of directors some flexibility in connection with the determination of the final earn-out consideration, an issue of a maximum number of shares has been proposed.

**Resolution on a directed new share issue to the sellers of Playa Games GmbH (item 21)**

The board of directors proposes that the annual general meeting resolves to carry out a directed new share issue on the following terms.

1. The Company's share capital shall increase by not more than SEK 57,590.4 through an issue of not more than 82,272 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of Playa Games GmbH.
3. The subscription price shall be SEK 356, which corresponds to the average price per share in the Company on Nasdaq First North Premier Growth Market during the 30 days preceding the last day of the fiscal year 2019.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2020.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to EUR 2,793,202.5 in aggregate. The

- claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
  7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register kept by Euroclear Sweden AB.
  8. The board of directors shall be authorized to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of Playa Games GmbH.

The Company's assessment is that the earn-out consideration will amount to in total approximately EUR 4,469,124, of which half of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent on that the sellers accept the Company's calculation of the earn-out consideration. The board of directors of the Company will thereafter determine the number of shares to be allotted. The number of issued shares will be communicated at the day of the allotment. Based on the Company's calculation of the earn-out consideration, the number of shares which will be allotted is expected to amount to approximately 65,817 shares. In order to give the Company's board of directors some flexibility in connection with the determination of the final earn-out consideration, an issue of a maximum number of shares has been proposed.

### **Resolution to amend the Company's articles of association (item 22)**

The board of directors proposes that the annual general meeting resolves to change § 10 of the Company's articles of association to read as follows:

“§ 10

To be entitled to participate in a general meeting, shareholders shall, firstly, be registered in the transcript or other list reflecting the entire share register regarding the shareholdings the number of days prior to the meeting as set out in the Swedish Companies Act and, secondly, notify the company of their intention to attend the meeting not later than on the day stipulated in the notice convening the general meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the number of days before the meeting as set out in the Swedish Companies Act.”

### **Details of number of shares, votes and holding of own shares**

The total amount of shares and votes in the Company at the time of issue of this notice was 31,672,804 shares. All shares carry equal voting rights. The Company does not hold any own shares.

### **Majority requirements**

Each of the resolutions set out under agenda items 18 and 22 requires for validity that shareholders holding not less than two-thirds of both the votes cast and the shares represented at the annual general meeting vote in favour of the proposal.

Each of the resolutions set out under agenda items 17, 19, 20 and 21 requires for validity that shareholders holding not less than nine-tenths of both the votes cast as well as the shares represented at the annual general meeting vote in favour of the proposal.

### **Documents**

The annual report, auditor's report and complete proposals in accordance with above and reports and statements prepared in connection therewith will be available at the Company (address as above) and on the Company's webpage, [www.stillfront.com](http://www.stillfront.com), not less than three weeks before the annual general meeting. The aforementioned documents will be sent to those shareholders who so request and submit their postal address or e-mail address.

## Shareholders' right to request information

Shareholders are reminded of their right pursuant to Chapter 7, Section 32 of the Swedish Companies Act to request that the board of directors and Chief Executive Officer provide information at the annual general meeting in respect of any circumstances which may affect the assessment of a matter on the agenda or any circumstances which may affect the assessment of the Company's or a group Company's financial position. The obligation to provide information also applies to the Company's relationship to other group companies. Information must be provided if it can take place without significant harm to the Company.

## Process of personal data

For information on how the Company processes your personal data, please refer to the privacy policy available on Euroclear Sweden AB's website:

[www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf](http://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf)

\* \* \* \* \*

Stockholm in April 2020

The board of directors of Stillfront Group AB (publ)

### About Stillfront

Stillfront is a leading free-to-play powerhouse of gaming studios. 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 750 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 Growth Market. For further information, please visit: [stillfront.com](http://stillfront.com)

### Certified Adviser:

FNCA,

Phone: +46 8 528 00 399

E-mail: [info@fnca.se](mailto:info@fnca.se)