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Press release

Stockholm 20200429



Stillfront Group completes the acquisition of Candywriter, LLC

Stillfront Group AB (publ), a leading free-to-play powerhouse of gaming studios, has completed the acquisition of Candywriter, LLC, which was announced through a press release on 23 April 2020.

The upfront consideration which was paid to the sellers of Candywriter amounted to approx. USD 74.4 million, on a cash and debt free basis.

Of the upfront consideration, USD 37.5 million was paid by way of set-off against transfer of 708,463 newly issued shares in Stillfront through a directed share issue to the sellers of Candywriter and the remaining approx. USD 36.9 million was paid in cash. The new share issue was resolved by the board of directors of Stillfront based on the mandate granted at the extraordinary general meeting held on 7 February 2020. Through the new share issue, Stillfront's share capital will increase by SEK 495,924.10. The reason for the deviation from the shareholders' pre-emption rights was to allow Stillfront to fulfill its commitments made in connection with the acquisition of Candywriter. The subscription price per share was SEK 530.49, determined through negotiations with the subscribers and corresponding to the volume weighted average price of Stillfront's shares for a period of seven (7) trading days up to and including 22 April 2020 and a USD/SEK exchange rate of 10.02 corresponding to the average exchange rate between SEK and US Dollars of the Swedish Central Bank (Sw. Riksbanken) published at <https://www.riksbank.se/en-gb/> during the same period. The newly issued shares were subscribed and paid for on 29 April 2020. Payment was made by way of set-off. The newly issued shares shall be entitled to dividend as from the first record day for dividend after such shares have been registered with the Swedish Companies Registration Office and in the share register kept by Euroclear Sweden AB. Through the issue of the consideration shares, the founders of Candywriter collectively hold approximately 2.19 percent of the outstanding shares and votes in Stillfront.

All other conditions for closing have now been fulfilled.

Candywriter will be consolidated into Stillfront's consolidated financial reporting from 1 May 2020.

For additional information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above, at 18.50 CEST on 29 April 2020.

About Stillfront

Stillfront is 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

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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.