

## **NOTICE**

### **of Annual General Meeting in Stillfront Group AB (publ)**

The shareholders of Stillfront Group AB (publ), reg. no. 556721-3078 (the "**Company**" or "**Stillfront**"), are hereby given notice of the annual general meeting to be held on Tuesday, 11 May 2021. In order to prevent the spread of the virus causing covid-19, the board of directors has decided that the annual general meeting will be held without the physical presence of shareholders, proxies or external parties and that the shareholders shall have the opportunity exercise their voting rights only by postal voting prior to the annual general meeting.

Stillfront will carry out a webcast with the chairman of the board of directors, the Chief Executive Officer and the external auditor on 4 May 2021 at 16:00 on <https://tv.streamfabriken.com/stillfront-q-and-a-agm-2021>. In the webcast, the chairman of the board and the Chief Executive Officer will, among other things, give their views on the past year and provide answers to questions received from shareholders.

#### **RIGHT TO PARTICIPATE AND NOTICE OF ATTENDANCE**

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

- be entered as a shareholder in the share register kept by Euroclear Sweden AB on the record date which is Monday, 3 May 2021 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder's own name for voting purposes in such time that the registration is completed by Wednesday, 5 May 2021; and
- notify their intention to participate by having submitting a postal vote in accordance with the instructions set out in the section "Postal voting" by way of mail to Stillfront Group AB (publ), "AGM", Sveavägen 9, SE-111 57 Stockholm or electronically via the web link provided on the Company's website in such time so that the Company receives the postal vote no later than Monday, 10 May 2021. Please note that the notification to the annual general meeting can only be made by postal voting.

#### **POSTAL VOTING**

The board of directors has decided that shareholders shall have the opportunity exercise their voting rights only by postal voting pursuant to sections 20 and 22 of the Swedish Act (2020:198) on Temporary Exemptions of General Meetings in Companies and Associations. A shareholder who wishes to exercise its voting rights shall use a special form for postal voting. The form for postal voting will be made available via a web link on the Company's website <https://www.stillfront.com/en/arsstamma-agm-2021/>. Complete forms must be received by the Company no later than Monday, 10 May 2021. The postal voting form can also be sent by way of mail to Stillfront Group AB (publ), "AGM", Sveavägen 9, SE-111 57 Stockholm. The submission of a postal voting form is considered as a notification of participation at the annual general meeting.

The shareholder cannot give any instructions other than by marking one of the stated alternatives for each item of the form. If the shareholder has added special instructions or conditions in the form, or amended or added to the pre-printed text, the vote will be invalid.

Only one form per shareholder will be taken into consideration. If more than one form is submitted, only the most recently dated form will be taken into consideration. If two or more forms have the same date, only the form received last by Stillfront will be taken into consideration. Incomplete or incorrectly completed forms may be disregarded.

For questions about the annual general meeting or to receive a postal voting form or proxy form by post, please contact: Stillfront Group AB (publ), "AGM", Sveavägen 9, SE-111 57 Stockholm or send an e-mail to [agm@stillfront.com](mailto:agm@stillfront.com).

## **SHAREHOLDERS WITH NOMINEE REGISTERED SHARES**

To be entitled to participate in the annual general meeting by submitting a postal vote, those having their shares registered in the name of a nominee must have their shares registered in their own name so that he or she is registered as a shareholder in the share register kept by Euroclear Sweden AB on Wednesday, 5 May 2021. Such registration may be temporary. Please note that this procedure may also apply with respect to shares held on a bank's shareholder deposit account and certain investment savings accounts.

## **PROXIES AND PROXY FORMS**

Shareholders can vote by post at the annual general meeting through proxies with a written, signed and dated power of attorney. If the shareholder is a legal entity, a registration certificate or equivalent authorisation document shall be attached. The power of attorney shall be attached to the mail voting form.

A proxy form is available at the Company's website, <https://www.stillfront.com/en/arsstamma-agm-2021/>.

## **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.

Requests for such information must be submitted in writing to the Company at its address Stillfront Group AB (publ), "AGM", Sveavägen 9, SE-111 57 Stockholm, or via e-mail to [agm@stillfront.com](mailto:agm@stillfront.com), no later than Saturday, 1 May 2021. The information is provided by the Company by keeping it available at the Company's website <https://www.stillfront.com/en/arsstamma-agm-2021/> and its head office Sveavägen 9, SE-111 57 Stockholm no later than Thursday, 6 May 2021. The information will also be sent to those shareholders who so request and submit their postal address or e-mail address.

## **PROPOSED AGENDA**

1. Opening of the meeting
2. Appointment of the chairman for the meeting
3. Election of one or two persons to approve the minutes
4. Preparation and approval of the voting register
5. Approval of the agenda
6. Examination of whether the meeting has been duly convened
7. Presentation of annual report and the auditor's report and consolidated accounts and auditor's report for the group
8. 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
  - c) discharge from liability for the directors of the board and the Chief Executive Officer
9. Presentation of the remuneration report for approval
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
13. Appointment of the chairman of the board of directors
14. Appointment of auditor
15. Resolution on nomination committee
16. Resolution to adopt the remuneration guidelines for executive management
17. Resolution on long-term incentive program (LTIP 2021/2025)
18. Resolution on (a) issue of warrants and (b) approval of transfer of warrants
19. Resolution on authorization for the board of directors to issue shares, warrants and convertible debt
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 on a directed new share issue to the sellers of Storm8, Inc.
23. Resolution on a directed new share issue to the sellers of Candywriter LLC
24. Resolution to amend the Company's articles of association
25. Closing of the meeting

## **PRINCIPAL PROPOSALS FOR RESOLUTIONS**

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

The nomination committee proposes Jan Samuelson as chairman of the meeting, or in the event of his absence, the person appointed by a representative of the nomination committee.

### **Election of one or two persons to approve the minutes (item 3)**

The board of directors proposes Caroline Sjösten (Swedbank Robur) and Jonas Linnell (SEB Fonder), or in the event of absence of one or both of them, the person(s) appointed by the board of directors, to approve the minutes. The assignment to approve the minutes also includes checking the voting list and that the received postal votes are recorded correctly in the minutes of the meeting.

### **Preparation and approval of the voting register (item 4)**

The voting register that is proposed to be approved is the voting register that poströsta.se has prepared on behalf of the Company, based on the shareholders register and received postal votes and which has been verified and approved by the persons approving the minutes.

### **Resolution on allocation of the Company's profit or loss according to the adopted balance sheet (item 8 b)**

The board of directors and the Chief Executive Officer propose, in accordance with the proposal included in the annual report, that the annual general meeting resolves that the residue of this year's result of SEK 8,346,330,821 shall be carried forward.

### **Resolution on discharge from liability for the directors of the board and the Chief Executive Officer (item 8 c)**

The auditor recommends that the annual general meeting grants discharge from liability for the financial year. Decisions on discharge from liability are proposed to be made through separate individual decisions for each board member and the Chief Executive Officer in the following order:

- (i) Jan Samuelson, chairman of the board of directors
- (ii) Erik Forsberg, member of the board of directors
- (iii) Katarina G. Bonde, member of the board of directors
- (iv) Birgitta Henriksson, member of the board of directors
- (v) Ulrika Viklund, member of the board of directors
- (vi) Kai Wawrzinek, member of the board of directors

(vii) Jörgen Larsson, Chief Executive Officer

### **Presentation of the remuneration report for approval (item 9)**

The board of directors proposes that the annual general meeting approves the remuneration report for 2020.

### **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 the total fees to be paid to the board members for the period until the next annual general meeting shall be SEK 2,030,000 (SEK 1,650,000 last year), with SEK 730,000 (SEK 550,000) to the chairman of the board of directors and SEK 260,000 (SEK 220,000) to each of the board members.

The nomination committee proposes that the total fees to be paid to the members of the audit committee for the period until the next annual general meeting shall be SEK 325,000 (SEK 260,000), with SEK 250,000 (SEK 200,000) to the chairman of the audit committee and SEK 75,000 (SEK 60,000) to each of the members of the audit committee.

The nomination committee proposes that the total fees to be paid to the members of the remuneration committee for the period until the next annual general meeting shall be SEK 105,000 (SEK 90,000), with SEK 70,000 (SEK 60,000) to the chairman of the remuneration committee and SEK 35,000 (SEK 30,000) to each of the members of the remuneration 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 the following members of the board of directors until the close of the annual general meeting 2022:

Re-election of:

- (i) Jan Samuelson
- (ii) Erik Forsberg
- (iii) Katarina G. Bonde
- (iv) Birgitta Henriksson
- (v) Ulrika Viklund
- (vi) Kai Wawrzinek

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

The nomination committee proposes to re-elect Jan Samuelson as chairman of the board of directors, for the period until the close of the annual general meeting 2022.

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

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

### **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, 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.

This instruction for the nomination committee shall apply until further notice.

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

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 what is set out in the next paragraph, 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 2021.

*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 Stillfront’s 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, 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.

*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, as the main rule, correspond to not more than fifty per cent (50%) of the fixed annual cash salary. However, the variable cash remuneration may correspond to up to one hundred per cent (100%) of the fixed annual cash salary of an executive manager if justified by remuneration structures or extraordinary arrangements in the individual case.

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, fulfilled sustainability goals 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 in 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/remuneration/>.

#### 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 thirty per cent (30%) 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.

#### *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 deviation from the remuneration guidelines resolved by the annual general meeting 2020.

### **Resolution on long-term incentive program (LTIP 2021/2025) (item 17)**

The board of directors proposes that the annual general meeting, as set out below, resolves on implementing an employee stock option program for senior executives and key employees on studio level (the "**Program**").

#### **Preparation and administration of the Program**

Stillfront's remuneration committee has prepared the proposal for the Program in consultation with external advisors and major shareholders. The Program has been discussed at board meetings during the first quarter of 2021. The board of directors or the remuneration committee shall be responsible for preparing the detailed terms and conditions of the Program in accordance with the terms and guidelines resolved on by the annual general meeting.

#### **Objectives of the Program**

The main objective of the Program is to, by promoting a common interest between the participants and the Company as well as creating conditions to retain key employees, strengthen Stillfront's financial development. The board of directors believes that the Program will have a positive effect on the Group's long-term growth as well as the participants' long-term commitment to the Company's development through a long-term shareholding in Stillfront, and will thus be beneficial to both the shareholders and the Company. The long-term objective of the Program will be reflected in the agreements that will be entered into with the participants of the Program.

#### **Allocation of employee stock options**

A maximum of 3,500,000 employee stock options ("**Employee Stock Options**") shall be offered to approximately 45 participants, consisting of the CEO, senior executives and key employees at studio level. The Employee Stock Options shall be granted free of charge no later than 11 May 2022. Members of the board of directors shall not be entitled to participate in the Program. At least 40 per cent of the total amount of Employee Stock Options shall be granted to persons who are not participants in the Company's existing share-related incentive programs. No individual participants shall be able to be allocated more than 15 per cent of the total amount of Employee Stock Options (*i.e.* 525,000 Employee Stock Options). The board of directors shall have the right to resolve on allocation to participants in accordance with the following framework.



<b>Category</b>	<b>Maximum allocation per participant</b>
<b>CEO</b>	525,000 Employee Stock Options
<b>Senior executives</b>	350,000 Employee Stock Options
<b>Key employees at studio level</b>	350,000 Employee Stock Options

### **Main terms for the Employee Stock Options**

The Employee Stock Options shall be governed by the following main terms and conditions:

1. Each vested Employee Stock Option entitles the participant to acquire one (1) share in the Company during any of the periods (however, each participant may only acquire shares through Employee Stock Options on one occasion): (i) from and including the day of the Company's Q1 report 2025 up to and including seven days thereafter, (ii) from and including the day of the Company's Q2 report 2025 up to and including seven days thereafter, (iii) from and including the day of the Company's Q3 report 2025 up to and including seven days thereafter. However, participants shall not be entitled to acquire any share prior to the date that falls three years from the allotment to each participant. The period during which the Employee Stock Options may be exercised shall be possible to extend by the board of directors if participants are prevented from exercising their Employee Stock Options due to applicable laws on insider trading or similar.
2. The price for the shares upon exercise (taking into account any recalculation in accordance with the next item) shall correspond to the volume-weighted average price (VWAP) of the Company's shares on Nasdaq First North Premier Growth Market (or any other such stock exchange or trading venue where the Company's shares are listed) during a period of ten trading days before the allotment of the Employee Stock Options to each participants, increased by 8 per cent per year. The price shall be determined on the day of exercise, whereby a proportional increase shall also be made for part of the year (based on actual number of days/365). However, the price shall not be less than the share's quota value (Sw. *kvotvärde*).
3. The number of shares to which the Employee Stock Options entitles and the price for such shares upon exercise may be recalculated in the event of a bonus issue, new issue or in certain other cases. Such recalculation shall be carried out in accordance with the terms and conditions for warrants of series 2021/2025 proposed under item 18 on the proposed agenda.
4. The Employee Stock Options may not be transferred or pledged.
5. Participants in the Program shall enter into agreements with the Company regarding the Program, and the board of directors, or the person appointed by the board of directors, is authorised to execute and enter into such agreements with the participants.
6. The terms and conditions for participants in the Program may differ between the countries in which the participants are domiciled due to national law, however, the terms and conditions should not be more favourable for participants than what follows from this proposal.
7. The board of directors shall have to right to make adjustments to the terms and conditions for the Employee Stock Options if significant changes in the Group or its market results in a situation which means that the terms and conditions for exercising the Employee Stock Options are no longer appropriate. Such adjustments shall only be made in order to fulfil the main objectives of the Program.

### **Vesting**

In addition to the annual price increase price and the requirement, for each participant, to hold the Employee Stock Options for three years before the date of exercise, the Employee Stock Options shall be vested gradually based on the participants' employment in the Stillfront Group.

Provided that the participant is employed in the Stillfront Group, the Employee Stock Options shall be vested in accordance with the following:

- 25 per cent of the Employee Stock Options shall be vested on the anniversary of the allotment to the participant, and
- 75 per cent of the Employee Stock Options shall be vested on a quarterly basis during the period from the allotment to the participant up to and including April 2025 (*i.e.* as many Employee Stock Options are vested each quarter which corresponds to 75 per cent of the participant's Employee Stock Options divided by the number of quarters during the period).

If the participant ceases to be employed in the Stillfront Group, the right to all unvested Employee Stock Options shall be lost.

### **Information regarding other long-term share or share price related incentive programs in Stillfront**

For information regarding the currently ongoing long-term share or share price related incentive programs in Stillfront, please refer to the Company's website, [www.stillfront.com](http://www.stillfront.com).

The board of directors intends to cancel 125,000 outstanding warrants of series 2020/2024 II once the annual general meeting has resolved on the Program. When these warrants are cancelled, the total potential dilution for share related incentive programs in Stillfront, including the Program, will amount to approximately 2.3 per cent (of which approximately 0.98 per cent relates to the Program).

### **Costs of the Program and effect on certain key ratios**

The Program will be accounted for in accordance with IFRS 2, which stipulates that the Employee Stock Options should be recorded as a personnel expense over the vesting period. Based on a share price upon allocation of the Employee Stock Options of SEK 87.3, a VWAP for the Company's shares for a period of ten trading days before allotment to each participant of SEK 87.3, a preliminary estimated value per Employee Stock Option of SEK 17.11, that all 3,500,000 Employee Stock Options are granted in close connection to the annual general meeting and an annual employee turnover of 5 per cent, the total cost for the Program, excluding social security costs, amount to approximately SEK 55.1 million at full allocation. This cost will be accrued during the vesting period of approximately four years. The cost does not affect cash flow.

In addition, there are social security costs. Based on the assumptions above and a share price increase of 50 per cent from the allotment until the Employee Stock Options are exercised and average social security costs of approximately 12 per cent, the social security costs are estimated to amount to approximately SEK 4.6 million. The final amount of the social security costs depends partly on the tax domicile of the holder and partly on the size of the holder's realised profit from the Employee Stock Options.

The volume weighted average annual cost of the Program, including social security costs, is estimated to amount to approximately SEK 15.1 million, based on these assumptions. This cost corresponds to approximately 2.4 per cent of the Company's total personnel costs, including social security costs, which amounted to approximately SEK 616 million during 2020. Based on the assumptions above and the preliminary annual cost for the Program, the earnings per share before dilution in 2020 would have decreased by approximately SEK 0.04 (pro forma on an annual basis).

### **Delivery of shares**

The board of directors has considered two alternatives for delivering shares in the Company to participants in the Program. Firstly, the board of directors recommends that the Company issue warrants to a subsidiary and that the subsidiary transfer the warrants in accordance with items 18(a) and 18(b) on the proposed agenda (the "**Warrant Hedge Arrangement**").

However, if the annual general meeting does not resolve on the Warrant Hedge Arrangement, the board of directors has also considered another alternative. This alternative entails higher costs for the Company, and is therefore only intended to be exercised if the Warrant Hedge Arrangement is not approved by the annual general meeting. Accordingly, the board of directors proposes that the annual general meeting resolves that Stillfront may enter into agreements on hedging arrangement with a third party in order to ensure the Company's obligation to deliver shares in accordance with the Program. Such arrangement would mean that Stillfront enters into agreement with a third party for such third party to acquire shares in the Company in its own name and thereafter transfer the shares to participants in the Program.

### **Resolution on (a) issue of warrants and (b) approval of transfer of warrants (item 18)**

The board of directors proposes that the annual general meeting, as set out below, resolves on (a) an issue of warrants of series 2021/2025 and (b) approval of transfer of warrants in order to ensure delivery of shares in accordance with the employee stock options granted under the long-term incentive program proposed under item 17 on the proposed agenda (the "**Program**").

#### **(a) Issue of warrants**

The board of directors proposes that the annual general meeting resolves on an issue of warrants governed by the following main terms and conditions:

1. The Company shall issue a maximum of 3,500,000 warrants of series 2021/2025 (the "Warrants").
2. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, accrue to a wholly-owned subsidiary of the Company.
3. Over-subscription shall not be permitted.
4. The warrants shall be subscribed for on a separate subscription list no later than 31 August 2021. The board of directors shall have the right to extend the subscription period. The warrants shall be allotted to the subsidiary free of charge.
5. Each warrant shall entitle the participant to acquire one (1) new share in the Company during the period commencing on and including 1 April 2025 up to and including 31 December 2025. Subscription may only be carried out in accordance with the terms and conditions for the Program and in order to ensure delivery to the participants in the Program.
6. The subscription price upon exercising the warrant shall correspond to the share's quota value.
7. The newly subscribed shares shall entitle dividend for the first time on the record day that falls immediately following the execution of the subscription.
8. The full terms and conditions for the Warrants are presented in the board of director's complete proposal for the resolution. As set out therein, the subscription price, as well as the number of shares that a Warrant entitles subscription for, may be recalculated in the event of a bonus issue, new issue and in certain other cases.
9. The increase in the Company's share capital will, upon exercising the Warrants, amount to no more than SEK 245,000, subject to the increase that may be caused by recalculation of the subscription price and the number of shares that each Warrant entitles subscription for may occur as a result of issues etcetera.
10. The board of directors are authorised to make such minor adjustments as may be necessary in connection with the registration of the Warrants with the Swedish Companies Registration Office.
11. The reason for deviation of the shareholders' preferential rights is to ensure delivery of shares within the Program.

## **(b) Approval of transfer of warrants**

The board of directors proposes that the annual general meeting approves:

- that the subsidiary transfers the Warrants to participants in the Program upon payment of the price under the terms and conditions of the Program (after deduction of the subscription price of the Warrants),
- that the subsidiary transfers the Warrants to a third party with whom the Company has entered into an agreement regarding exercising the Warrants and delivery of shares to participants in the Program in accordance with the terms and conditions for the Program, and/or,
- that the subsidiary otherwise disposes of the Warrants in order to ensure the Company's obligation in connection with the Program.

## **Resolution on authorisation for the board of directors to issue shares, warrants and convertible debt (item 19)**

The board of directors proposes that the annual general meeting authorise the board of directors to, within the scope of the articles of association, with or without deviation from the shareholders' preferential rights, on one or several occasions during the period until the next annual general meeting, resolve to increase the company's share capital by issuing new shares, warrants or convertible debt in the company. The authorisation shall be limited whereby the board of directors may not resolve to issue shares, warrants or convertible debt that involve the issue of, or conversion into shares corresponding to, more than ten (10) per cent of the shares in the company at the time when the board of directors first utilises the authorisation. The issues shall be made on market terms and payment may, apart from payment in cash, be made in kind or by set-off or otherwise with conditions. The purpose of the authorisation and the reasons for any deviation from the shareholders' preferential rights is to be able to carry out and finance acquisitions of businesses and assets.

## **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 9,140.81 through an issue of not more than 130,583 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 93.676, which corresponds to the volume weighted average price per share in the Company on Nasdaq First North Premier Growth Market during the 30 days preceding the last day of the Company's fiscal year 2020.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2021.
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 of not more than EUR 1,200,739 in aggregate. The amount of the claims may be lower. 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 Company's obligations under 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 1,921,181, of which 50% of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent the outcome of the audit of the financial statements for 2020 and 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 shares can be lower, but not higher, than the maximum number of shares proposed under item 1 above). 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 104,466 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 (and the maximum amount of claim possible to set off has been increased correspondingly).

#### **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 51,121.42 through an issue of not more than 730,306 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 93.676, which corresponds to the volume weighted average price per share in the Company on Nasdaq First North Premier Growth Market during the 30 days preceding the last day of the Company's fiscal year 2020.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2021.
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 of not more than EUR 6,715,351 in aggregate. The amount of the claims may be lower. 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 Company's obligations under 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 10,744,531, of which 50% of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent the outcome of the audit of the financial statements for 2020 and 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 shares can be lower, but not higher, than the maximum number of shares proposed under item 1 above). 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 584,243 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 (and the maximum amount of claim possible to set off has been increased correspondingly).

### **Resolution on a directed new share issue to the sellers of Storm8, Inc. (item 22)**

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 125,084.68 through an issue of not more than 1,786,924 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 Storm8, Inc.
3. The subscription price shall be SEK 105.578, which corresponds to the volume weighted average price per share in the Company on Nasdaq First North Premier Growth Market during ten (10) trading days prior to and the ten (10) trading days following the announcement of the year-end report for the Company for 2020.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2021.
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 of not more than USD 22,621,246 in aggregate. The amount of the claims may be lower. 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 Company's obligations under the share purchase agreement which the Company has entered into with the sellers of Storm8, Inc.

The Company's assessment is that the earn-out consideration will amount to in total approximately USD 72,387,926, of which 25% of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent the outcome of the audit of the financial statements for 2020 and 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 shares can be lower, but not higher, than the maximum number of shares proposed under item 1 above). 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 1,429,538 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 (and the maximum amount of claim possible to set off has been increased correspondingly).

### **Resolution on a directed new share issue to the sellers of Candywriter LLC (item 23)**

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 69,132.56 through an issue of not more than 987,608 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 Candywriter LLC.
3. The subscription price shall be SEK 112.046, which corresponds to the volume weighted average price per share in the Company on Nasdaq First North Premier Growth Market during ten (10) trading days prior to the announcement of the year-end report for the Company for 2020.
4. The newly issued shares shall be subscribed for on a subscription list no later than 31 August 2021.
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 of not more than USD 13,245,808 in aggregate. The amount of the claims may be lower. 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 Company's obligations under the share purchase agreement which the Company has entered into with the sellers of Candywriter LLC.

The Company's assessment is that the earn-out consideration will amount to in total approximately USD 21,193,338, of which 50% of the amount shall be paid in new issued shares in the Company. The final amount is, however, dependent the outcome of the audit of the financial statements for 2020 and 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 shares can be lower, but not higher, than the maximum number of shares proposed under item 1 above). 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 790,088 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 (and the maximum amount of claim possible to set off has been increased correspondingly).

### **Resolution to amend the Company's articles of association (item 24)**

The board of directors proposes that the annual general meeting shall resolve to amend the Company's articles of association in order to (i) make certain limited linguistic amendments, (ii) widen the Company's

business purpose to include mobile games, and (iii) to enable the board of directors to decide that the shareholders shall have the right to exercise their voting rights by post in accordance with the procedure described in Chapter 7, section 4 a of the Swedish Companies Act even after the Swedish Act (2020:198) on Temporary Exemptions of General Meetings in Companies and Associations has ceased to apply.

In the board's proposal below, **underlined bold text** indicates additions to the now registered articles of association and ~~crossed-out text~~ indicates text to be deleted.

The below only reflects paragraphs §1, §3 and §13, in which amendments are proposed.

§ 1:

The company's ~~name~~ **business name** is Stillfront Group AB (publ).

§ 3:

The company shall, directly and through subsidiaries or through affiliated companies, joint ventures and other forms of cooperation, develop, provide and market (1) computer, **mobile** and video games and (2) online, community and entertainment services on the Internet and pursue activities related therewith.

§ 13:

**The board of directors may, before a general meeting, decide that the shareholders shall have the right to exercise their voting rights by post in accordance with the procedure described in Chapter 7, section 4 a of the Swedish Companies Act.**

## **DETAILS ON 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 357,414,470. All shares carry equal voting rights. The Company does not hold any own shares.

## **MAJORITY REQUIREMENTS**

A resolution in accordance with items 18 and 20-23 on the agenda is valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the annual general meeting. A resolution in accordance with items 19 and 24 on the agenda is valid only where supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the annual general meeting.

## **DOCUMENTS**

The complete proposals and other documents that shall be made available prior to the annual general meeting pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code will be made available at the Company (address above) and on the Company's website, <https://www.stillfront.com/en/arsstamma-agm-2021/>, 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.

## **PROCESSING OF PERSONAL DATA**

For information on how personal data is processed in connection with the annual general meeting, see the privacy policy available on Euroclear Sweden AB's website at [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).



\* \* \*

Stockholm in April 2021  
The board of directors in Stillfront Group AB (publ)