

STILLFRONT GROUP

Press Release
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Stillfront Group completes the acquisition of Super Free Games

Stillfront Group AB (publ) ("Stillfront") has completed the acquisition of 100 percent of the shares in Super Free Games, Inc. ("Super Free"), which was announced through a press release on 18 December 2020. The sellers are the joint founders and main owners of Super Free as well as certain key employees and other investors.

The total upfront purchase consideration, which has been paid to the sellers of Super Free on the date hereof, amounted to approx. USD 150 million, on a cash and debt free basis. Of the upfront purchase consideration, approximately USD 79 million was paid by set-off by transfer of 7,503,240 newly issued shares in Stillfront (the number of shares have been adjusted as a result of the share split of Stillfront's shares resolved by the Extraordinary General Meeting on 17 December 2020, whereby each existing share was divided into ten shares (10:1) (the "**Share Split**") through a directed share issue to the sellers of Super Free, and the remaining part of the upfront purchase consideration, equivalent of approximately USD 71 million, was paid in cash to the sellers.

The new share issue was resolved on the date hereof by the board of directors of Stillfront based on the mandate granted at the Extraordinary General Meeting held on 17 December 2020. The reason for the deviation from the shareholders' pre-emption right is to allow that Stillfront will be able to fulfill its commitments made in connection with the acquisition of Super Free. The subscription price per share related to the upfront purchase consideration amounts to SEK 88.569 (determined through negotiations between Stillfront and the sellers and adjusted as a result of the Share Split) and corresponds to the volume weighted average price per share in Stillfront traded on Nasdaq First North Premier Growth Market during the ten trading days up to and including 16 December 2020 converted into a USD/SEK exchange rate of 8.4388 corresponding to the average exchange rate between SEK and USD of the Swedish Central Bank (Sw. Riksbanken) published at <https://www.riksbank.se/en-gb/> during the same period. Through the new issue of the shares, the share capital of Stillfront will increase by SEK 525,226.8. The newly issued shares were subscribed and paid for by set-off by the sellers on the date hereof. The 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 new issue of the shares in connection with the completion of the transaction, the dilution for the current shareholders in Stillfront is 2.10 percent on a fully diluted basis (i.e. based on the total number of shares and votes registered in Stillfront after completion of the share issue in relation to the transaction).

In addition, the sellers may receive an earn-out purchase consideration which is a payment of 0-2x EBITDA for each of the financial years 2021, 2022 and 2023. The earn-out purchase consideration shall be satisfied as to approximately 47.5 percent of such sum in cash and, as to approximately 52.5 percent in the form of newly issued shares in Stillfront to the sellers. The subscription price for the issued shares related to the earn-out purchase consideration (if any) will be based upon the volume weighted average price of the shares in Stillfront traded on Nasdaq First North Premier Growth Market for a period of ten trading days up to and including the day before Stillfront's announcement of financial results for the applicable earn-out period.

All other conditions for closing have now been fulfilled. Super Free will be consolidated into Stillfront's consolidated financial reporting from 1 February 2021.

IMPORTANT INFORMATION

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the share issue must be made on the basis of all publicly available information relating to Stillfront and Stillfront's shares. Such information has not been independently verified by Stillfront. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness.

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

Information to distributors

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

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.

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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 approx. 1,000 co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, France and Canada. 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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Attachments

[Stillfront Group completes the acquisition of Super Free Games](#)