

# STILLFRONT GROUP

Press Release  
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## Stillfront Group completes the acquisition of Game Labs Inc.

Stillfront Group AB (publ) ("Stillfront") has completed the acquisition of 100% of the shares in Game Labs Inc., a Delaware corporation, ("Game Labs"). The acquisition was announced earlier today on 7 May 2021 and the sellers are the joint founders and management of Game Labs.

The total upfront consideration, which has been paid to the sellers as of the date hereof, amounted to USD 32.5 million on a cash and debt free basis. Of the upfront consideration USD 9.75 million was paid by set-off by transfer of 981,813 newly issued shares in Stillfront through a directed share issue to the sellers of Game Labs, and the remaining part of the upfront consideration was paid in cash. The consideration for the cash payment was financed by cash at hand and available credit facilities.

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 Game Labs. The subscription price per share related to the upfront consideration amounts to SEK 83.586 (determined through negotiations between the sellers and Stillfront) 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 6 May 2021 converted into USD at 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 share issue, Stillfront's share capital will increase by SEK 68,726.91. 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 approx. 0.27 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 payment for each of the financial years 2021, 2022 and 2023 depending on the EBIT development of Game Labs during each of those financial years, however not exceeding USD 30 million in aggregate. The earn-out consideration will be payable 70 percent in cash and 30 percent in newly issued shares in Stillfront to the sellers during the subsequent year of the respective earn-out period. The subscription price for newly issued shares related to the earn-out payments (if any) will be based upon the volume weighted average price of the shares in Stillfront traded on Nasdaq First North Premier Growth Market or such other market place on which Stillfront's shares are listed for a period of ten trading days prior to the date of Stillfront's announcement of financial results for the applicable earn-out period converted into U.S. Dollars at the average exchange rate between SEK and US Dollars of the Swedish Central Bank published at <https://www.riksbank.se/en-gb/> during the ten day period set forth above.

All conditions for closing have now been fulfilled. Game Labs will be consolidated into Stillfront's consolidated financial reporting from May 2021.

## **IMPORTANT INFORMATION**

### **Distribution of this press release**

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in such jurisdictions, in which this press release has been released, announced or distributed, should inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Stillfront in any jurisdiction, neither from Stillfront nor from someone else.

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.

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

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

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

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

### **Information to distributors**

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

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.

### **For additional information, please contact:**

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## About Stillfront

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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 1,250+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, UK and France. 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](https://stillfront.com)

## Certified Adviser:

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## Attachments

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