

# STILLFRONT GROUP

Press Release  
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## Stillfront Group completes the acquisition of Jawaker FZ LLC

Stillfront Group AB (publ) ("Stillfront") has completed the acquisition of 100 percent of the shares in Jawaker FZ LLC ("Jawaker"), which was announced through a press release on September 8, 2021 (the "Transaction"). The sellers of Jawaker are the founders and main owners, the investment company Media Zone Investments FZ LLC ("twofour54") and certain employees.

The total upfront purchase price, which has been paid to the sellers of Jawaker on the date hereof, amounted to USD 205 million, on a cash and debt free basis (the "**Upfront Purchase Price**"). Of the Upfront Purchase Price, 26 percent was paid in 8,540,092 newly issued shares in Stillfront through a directed share issue to the sellers (except for Media Zone Investments FZ LLC that received cash consideration only), and the remaining 74 percent of the Upfront Purchase Price 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 by the Annual General Meeting held on 11 May 2021. The reason for the deviation from the shareholders' pre-emption right is to enable Stillfront to fulfill its commitments made in connection with the acquisition of Jawaker. The subscription price per share related to the Upfront Purchase Price amounts to 54.140 SEK and corresponds to the volume weighted average price per share in Stillfront traded on Nasdaq Stockholm during the twenty trading days up to and including September 6, 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 issue of the shares, the share capital of Stillfront will increase by SEK 597,806.44. The newly issued shares were subscribed and paid for by way of set-off of claims 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 approx. 2.2 percent on a fully diluted basis (i.e. based on the total number of registered shares and votes in Stillfront as per the date hereof (including new shares which have been registered in the period since the acquisition was announced on September 8, 2021) and the shares that have been issued in relation to the Transaction).

Certain sellers may receive an earn-out payment of up to USD 20 million payable in cash, if Jawaker reaches certain EBIT targets for 2021. The earn-out payment for 2021 will be zero for the midpoint of the expected EBIT range for 2021. In addition, certain sellers may receive additional earn-out payments of 1.0x EBIT of Jawaker for each of the financial years 2022, 2023, 2024, 2025 and 2026. The earn-out consideration for 2022-2026 is payable 70 percent in cash and 30 percent in newly issued shares in Stillfront. The subscription price for newly issued shares related to the earn-out purchase price (if any)

will be based upon the volume weighted average price of the shares in Stillfront traded on Nasdaq Stockholm 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 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.

All other conditions for completion have now been fulfilled. Jawaker will be consolidated into Stillfront's consolidated financial reporting from October 1, 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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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 share issue to the sellers of Jawaker. 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**" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, 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 Jawaker.

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 UK MiFIR; 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 1,200+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, UK and Canada. We are headquartered in Stockholm, Sweden, and the company is listed on Nasdaq Stockholm. For further information, please visit: [stillfront.com](http://stillfront.com)

## **Attachments**

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