

STILLFRONT GROUP

Press Release
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Stillfront completes the acquisition of Six Waves Inc. and issues 2,913,857 new shares

Stillfront Group AB (publ) ("Stillfront") has completed the acquisition of 100 percent of the shares in Six Waves Inc. ("6waves"), which was announced through a press release on 19 January 2022 (the "Transaction").

The upfront purchase price, which has been paid to the sellers of 6waves on 31 January 2022, amounted to USD 201 million on a cash and debt free basis (the "**Upfront Purchase Price**"). Of the Upfront Purchase Price, approx. 8 percent was paid in 2,913,857 newly issued shares in Stillfront through a directed share issue to the sellers, and the remaining approx. 92 percent was paid in cash to the sellers.

The new share issue was resolved on 31 January 2022 by the board of directors of Stillfront by virtue of the authorization granted at the Extraordinary General Meeting held on 4 October 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 6waves. The subscription price per share amounted to SEK 50.501 and corresponds to the volume weighted average price per share in Stillfront traded on Nasdaq Stockholm during the consecutive ten trading days up to and including 17 January 2022.[1]

Through the new issue of the shares, the share capital of Stillfront increases by SEK 203,969.99. The newly issued shares were subscribed and paid for by way of set-off of claims by the sellers on 31 January 2022. The issued shares shall entitle 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. The new issue of the shares results in a dilution for the current shareholders in Stillfront of approx. 0.75 percent on a fully diluted basis (i.e. based on the total number of shares and votes outstanding after the share issue).

Operational founders and key employees in 6waves may in addition to the Upfront Purchase Price receive an earn-out of maximum 1.0x EBITDA of each of the financial years 2022, 2023, 2024 and 2025, based on achieving certain operational targets, capped at a total of USD 100 million. The earn-out is payable 75 percent in cash and 25 percent in newly issued shares in Stillfront. The subscription price for newly issued shares paid as a part of the earn-out consideration (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 consecutive trading days up to and including the day before Stillfront's announcement of financial results for the applicable earn-out period[2].

The new shares in Stillfront that today have been issued as payment of part of the Upfront Purchase Price, as well as any new shares issued as part of any earn-out payment, are and will be subject to customary transfer restrictions.

Operational sellers in 6waves only receiving cash consideration have received 75 percent of their portion of the Upfront Purchase Price, and will also receive 75 percent of any earn-out payment, on the respective due date and the remaining portion as a deferred consideration payable at the end of the transfer restriction period. The deferred portion of the Upfront Purchase Price is approximately USD 1 million. The operational founders and other key employees in 6waves will remain within 6waves and be part of the management of 6waves post-completion of the Transaction and are covered by the earn-out agreement between 2022-2025.

All other conditions for completion have now been fulfilled. 6waves will be consolidated into Stillfront's consolidated financial reporting from 1 February 2022.

Important information

This announcement is not and does not form a part of any offer for sale of securities. Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Hong Kong, Japan, Canada, Switzerland, South Africa or New Zealand or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

This announcement is for information purposes only and does not constitute a prospectus or any offer to sell or the solicitation of an offer to buy any security in the United States or any other jurisdiction. Any securities that may be issued in connection with the transactions referred to in this announcement will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and accordingly will not be offered or sold in the United States.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State).

This press release may contain certain forward-looking statements that reflect Stillfront's current views or expectations of future events and financial and operational performance, including statements relating to the transaction and statements regarding guidance, planning, prospects and strategies. Words such as “intends”, “anticipates”, “expects”, “plans”, “estimates”, “may”, and similar expressions regarding indications or predictions of future developments or trends that are not based on historical facts, constitute forward-looking information. Although Stillfront believes that these statements are based upon reasonable assumptions and expectations, Stillfront cannot give any assurances that any such forward-looking statements will materialize. Because these forward-looking statements involve both known and unknown risks and uncertainties, actual results may differ materially from the information set forth in the forward-looking information. Forward-looking statements in this press release apply only at the time of the press release and are subject to change without notice. Stillfront undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, other than as required by applicable law or stock market regulations.

[1] 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.

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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 1,250+ 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

Attachments

[Stillfront completes the acquisition of Six Waves Inc. and issues 2,913,857 new shares](#)