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25 November 2015

Stillfront publishes its information memorandum and announces the price for its private placement of shares in connection with its planned listing on Nasdaq First North, Stockholm

Following the announcement of its intention to float on 18 November 2015, Stillfront Group AB ("Stillfront" or the "Group") today publishes its information memorandum and announces the terms and conditions, including the price for, its private placement of shares in connection with its planned listing on Nasdaq First North, Stockholm (the "Offering").

The Offering in brief:

- The Offering consists of an offering to a number of identified investors at a minimum investment per investor equivalent to €100,000 (the "Institutional Offering"); and one offering in which the aggregate sum the investors will pay will not exceed the equivalent of €2.5m (the "Retail Offering").
- The price of the Offering is SEK 39 per share (the "Offering Price"), implying a fully diluted pre-money market capitalization of SEK 123m based on Stillfront's 3,083,583 shares outstanding and 60,791 warrants outstanding.
- The Offering comprises up to 1,923,000 newly issued shares and up to 100,000 existing shares.
- The newly issued shares would comprise 38% of the outstanding shares after the Offering if the Offering is fully subscribed.
- The new issue is expected to raise proceeds of approximately SEK 75m before transaction costs, if the Offering is fully subscribed.
- Stillfront intends to use the expected SEK 75m in gross proceeds from the Offering for accelerating its business strategy mainly by developing and releasing new games, increasing marketing spend, making selective acquisitions, increasing ownership of intellectual property in subsidiary Coldwood, acquiring the remaining 49% of its subsidiary Bytro Labs and for general corporate purposes.
- Swedbank Robur Fonder has agreed to acquire shares in the Offering to such extent that their ownership in Stillfront, following completion of the Offering, will amount to 9% of the shares and votes in Stillfront. The Niclas Eriksson family and the Lundström family (through RCL Holding AB) have agreed to acquire, at the Offering Price, a number of shares in the Offering equivalent to SEK 13m and SEK 7.5m, respectively. The existing owner Acacia Asset Management has agreed to subscribe for, at the Offering Price, a number of shares in the Offering equivalent to 10% of the shares in the Offering, equal to SEK 7.5m if the Offering is fully subscribed.
- In total, existing shareholders which, before the completion of the Offering, hold approximately 90% of the shares in the Company, have entered into lock-up undertakings, varying between 90 and 360 days.
- Trading on Nasdaq First North is expected to commence on 8 December 2015 with the ticker "SF".

- An information memorandum including full terms and instructions is published today, 25 November 2015, on the Company's website (www.stillfront.com).

Jörgen Larsson, CEO and founder comments:

"2015 has been Stillfront's most successful year to date with an incredible global response to the pre-launch marketing of Unravel – a puzzle-platform game developed by our Swedish subsidiary Coldwood in collaboration with Electronic Arts – and the successful launch of Call of War, developed by our German subsidiary Bytro Labs. These recent successes provide further support that our business model is working, and we are now exploring ways to continue to expand. I am particularly pleased with the strong support we have received from the cornerstone investors and our principal owner."

Per Skyttvall, Chairman of Stillfront comments:

"I am delighted with Stillfront's development over the last few years and believe we are in an excellent position for capitalizing on our scalable business model by accelerating our growth strategy – towards our vision to become one of Europe's leading indie game developers and publishers. Therefore, as a natural next step, the board of directors and management have decided to prepare the Company for a listing on Nasdaq First North."

Background and reasons for the Offering

Stillfront is an independent creator, publisher and distributor of digital games – with a vision to become one of Europe's leading indie game creators and publishers.

The Group was founded in 2010 through the merger of a number of smaller gaming companies. Currently, Stillfront operates through four near-autonomous subsidiaries: Bytro Labs in Germany, Coldwood Interactive in Sweden, Power Challenge in the UK and Sweden, and DOG Productions Limited in Malta. The Group's games are distributed globally, however main markets include Sweden, the United Kingdom, Germany, the United States and South America.

The Group's portfolio includes games across multiple platforms. Unravel, developed by Coldwood in collaboration with Electronic Arts, won 20+ awards at E3 and gamescom and is expected to be released in the first six months of 2016. Supremacy 1914 and Call of War are high-immersion war strategy games developed by Bytro Labs. Call of War was launched in May 2015 and is Stillfront's most successful launch to date. ManagerZone is a sports management strategy game launched in 2001. Gladiators Online is an action management strategy game launched on Steam in Q4 2015.

The Company has performed strongly financially in 2015 with organic sales growth of 63% in YTD Sep-15 compared to YTD Sep-14 and an Underlying EBITDA margin in YTD Sep-15 of 23%, 13 percentage points up from YTD Sep-14. The strong financial development is mainly attributable to increased revenue in Coldwood and the successful launch of Call of War, on the back of Stillfront's scalable business model.

The board of directors believes Stillfront has established an excellent position for capitalizing on its scalable business model by accelerating its growth strategy and sees the Offering as the logical next step to further support its strategy and development of its business. Additional capital and the listing of its shares would, among other things, benefit Stillfront in its efforts to recruit and retain top talent, execute on its growth strategy and contribute to increased recognition and brand awareness of Stillfront Group.

Undertakings to acquire shares by the Cornerstone Investors and Principal Owners

Swedbank Robur Fonder, The Niclas Eriksson family and the Lundström family (the "Cornerstone Investors") have agreed to, directly or indirectly through subsidiaries, acquire at the Offering Price a number of shares in the Offering equal to:

- Swedbank Robur Fonder: 9% of Stillfront's shares following completion of the Offering
- The Niclas Eriksson family: SEK 13m
- The Lundström family: SEK 7.5m

The existing owner Acacia Asset Management (the “Principal Owner”) has agreed to, directly or indirectly through subsidiaries, subscribe for at the Offering Price a number of shares in the Offering equivalent to 10% of the shares in the Offering, equal to SEK 7.5m if the Offering is fully subscribed.

Information memorandum and application form

The information memorandum and application form is available on Stillfront's website (www.stillfront.com).

Preliminary time table:

Application period for the Institutional Offering	25 November–3 December 2015
Application period for the Retail Offering	25 November–2 December 2015
Announcement of the outcome of the Offering	4 December 2015
First day of trading on Nasdaq First North	8 December 2015
Settlement date	8 December 2015

Advisors

In connection with the Offering, Pareto Securities is Sole Manager and Bookrunner and DLA Nordic is legal advisor to Stillfront.

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About Stillfront

Stillfront is an independent creator, publisher and distributor of digital games – with a vision to become one of Europe's leading indie game creators and publishers. Stillfront operates through four near-autonomous subsidiaries: Bytro Labs in Germany, Coldwood Interactive in Sweden, Power Challenge in the UK and Sweden, and Dorado Online Games in Malta. Stillfront's games are distributed globally, however main markets include Sweden, Germany, the United States and South America.

Selected games

Stillfront's portfolio includes games across multiple platforms. *Unravel*, developed by Coldwood in collaboration with Electronic Arts, won 20+ awards at E3 and gamescom and is expected to be released in the first six months of 2016. *Supremacy 1914* and *Call of War* are high-immersion war strategy games developed by Bytro Labs. *ManagerZone* is a sports management strategy game launched in 2001. *Gladiators Online* is an action management strategy game, launched on Steam in Q4 2015.

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Any offering of securities will be made pursuant to applicable exemptions in the Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and the Directive 2003/71/EC (such Directive, together with any amendments thereto and any applicable implementing measures in

the relevant home Member State under such Directive, the “**Prospectus Directive**”). Any such offering will be made by way of a private placement and by means of an information memorandum to be prepared by Stillfront. Such information memorandum will contain detailed information about Stillfront and its management, as well as financial statements. The information memorandum when available will not constitute a prospectus for the purposes of the Prospectus Directive. No prospectus has been or will be prepared by Stillfront in relation to the Offering pursuant to the Prospectus Directive and approved by the Financial Supervisory Authority of Sweden (Sw. *Finansinspektionen*). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned information memorandum which is not yet available.

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