

## Pressrelease

Stockholm 2019-04-09

**STILLFRONT**  
GROUP

# NOTICE of annual general meeting in Stillfront Group AB (publ)

The shareholders of Stillfront Group AB (publ), reg. no. 556721-3078 ("Company"), are hereby convened to the annual general meeting on Thursday 9 May 2019 at 16.00 pm. The general meeting will be held at the offices of the law firm Advokatfirma DLA Piper Sweden KB at Kungsgatan 9 in Stockholm.

### **The right to participate at the general meeting etc.**

Shareholders who wish to participate at the general meeting shall i) be registered in the share register kept by Euroclear Sweden AB on the record day which is Friday 3 May 2019, as well as ii) notify the Company of their intention to participate at the general meeting no later than by Friday 3 May 2019 by way of mail to Stillfront Group AB (publ), "Annual General Meeting", Sveavägen 9, SE 111 57 Stockholm or by e-mail to [ir@stillfront.com](mailto:ir@stillfront.com).

To be entitled to participate at the general meeting, shareholders with nominee-registered shares through a bank or other nominee must register their shares in their own name with Euroclear Sweden AB. Shareholders requesting such registration must notify their nominee well before Friday 3 May 2019, when such registration shall have been executed.

The notification shall set out name/company name, personal ID number/registration number, number of shares held and, when applicable, number of advisors which may not exceed two.

Shareholders who are represented by proxy should submit a power of attorney concurrently with the notice of participation. The power of attorney shall be in writing, dated and signed. The original power of attorney shall be brought to the general meeting. Power of attorney forms are available on the Company's website [www.stillfront.com](http://www.stillfront.com) and sent free of charge to those shareholders who so request and state their postal address or e-mail address. Representatives of legal entities shall also enclose a copy of the registration certificate or equivalent document which indicates the persons authorised to represent the legal entity.

## **PROPOSED AGENDA**

1. Opening of the meeting
2. Appointment of the chairman for the meeting
3. Preparation and approval of the voting register
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Examination of whether the meeting has been duly convened
7. Presentation of annual report and the auditor's report and consolidated accounts and auditor's report for the group
8. Resolution on
  - a) adopting the profit and loss statement and the balance sheet and consolidated profit and loss statement and balance sheet
  - b) allocation of the Company's result to the adopted balance sheet and
  - c) discharge from liability for the directors of the board and the managing director
9. Resolution on the number of directors of the board to be appointed
10. Resolution to establish the remuneration for the directors of the board and the auditor
11. Appointment of the board of directors
12. Appointment of chairman of the board of directors
13. Appointment of auditor
14. Resolution on nomination committee
15. Resolution on authorisation for the board of directors to issue shares, convertible instruments and warrants
16. Resolution on a directed issue of warrants intended for incentive program
17. Resolution on a directed new share issue to the sellers of Imperia Online JSC
18. Resolution on a directed new share issue to the sellers of eRepublik Labs. Limited
19. Resolution on a directed new share issue to the sellers of Babil Games FZ LLC.
20. Resolution to adopt the remuneration policy for executive management
21. Closing of the meeting

## **Principal proposals for resolutions**

### **Appointment of the chairman for the meeting (item 2)**

The nomination committee has before the meeting consisted of Dr Kai Wawrzinek (chairman), Joachim Spetz, Niklas Johansson and Jan Samuelson. The nomination committee's complete proposal and explanatory statement will be held available at the Company's website, [www.stillfront.com](http://www.stillfront.com).

The nomination committee proposes that Jan Samuelson is appointed chairman of the general meeting.

### **Allocation of the Company's result (item 8b)**

The board of directors and the managing director propose that the general meeting resolves that the year's result shall be carried forward and that no dividend shall be paid.

### **Resolution on the number of directors of the board to be appointed (item 9)**

The nomination committee proposes that the board of directors shall consist of six directors without deputy directors.

### **Remuneration to the board of directors and the auditor (item 10)**

The nomination committee proposes that remuneration of SEK 425,000 shall be paid to the chairman of the board of directors and that remuneration of SEK 200,000 shall be paid to each of the other directors.

For work in the audit committee, remuneration of SEK 100,000 shall, in addition to the board remuneration, be paid to the chairman and SEK 50,000 to each of the members in the committee.

In the remuneration committee, remuneration of SEK 60,000 shall, in addition to the board remuneration, be paid to the chairman and SEK 30,000 to each of the members in the committee.

Remuneration to the auditors is proposed to be paid according to current approved account.

### **Appointment of the board of directors (item 11)**

The nomination committee proposes, for the period until the next annual general meeting has been held, re-election of Birgitta Henriksson, Ulrika Viklund, Katarina Bonde, Erik Forsberg, and Jan Samuelson and election of Kai Wawrzinek as new director of the board.

Fabian Ritter has declined re-election.

The proposed directors will be presented on the Company's website, [www.stillfront.com](http://www.stillfront.com).

### **Appointment of chairman of the board of directors (item 12)**

The nomination committee proposes that Jan Samuelson shall be re-elected as chairman of the board of directors.

### **Appointment of auditor (item 13)**

The nomination committee proposes election of the auditing firm Öhrlings PricewaterhouseCoopers AB (PWC). The auditing firm has declared that if the general meeting resolves in accordance with the proposal, Nicklas Kullberg will be appointed as auditor in charge. The nomination committee's proposal corresponds to the recommendation of the audit committee.

**Resolution on nomination committee (item 14)**

The nomination committee proposes that the general meeting resolves that the nomination committee shall be appointed in accordance with the following principles.

The chairman of the board of directors shall, based on the shareholding according to Euroclear Sweden AB as of the last business day in September 2019, contact the three largest shareholders, who shall be entitled to appoint one member each of the nomination committee. If any of the three largest shareholders declines to appoint a member of the nomination committee, the next largest shareholder shall be offered the opportunity to appoint a member of the nomination committee. The nomination committee may also decide that the chairman of the board of directors shall be a member of the nomination committee. The managing director or another member of the Company's executive management shall not be a member of the nomination committee. The chairman of the board of directors shall convene the nomination committee to its first meeting. A representative of a shareholder shall be appointed the chairman of the nomination committee. Neither the chairman of the board of directors nor another director of the board shall serve as chairman of the nomination committee. The term of the nomination committee expires when a new nomination committee has been appointed.

If a shareholder, who is represented in the nomination committee, during the term of the nomination committee ceases to be one of the three largest shareholders, a representative appointed by that shareholder shall offer to vacate his or her office and the shareholder who has become one of the three largest shareholders shall be offered the opportunity to appoint a member of the nomination committee. Minor changes do not have to be considered. A shareholder who has appointed a representative in the nomination committee is entitled to remove such representative and appoint another representative. Changes in the nomination committee's composition shall be published on the Company's website as soon as the composition has changed.

It is proposed that the nomination committee's tasks shall be to prepare and draw up proposals regarding appointment of chairman of the annual general meeting, chairman of the board of directors and other directors of the board, remuneration to the chairman of the board of directors and the other directors of the board, appointment of auditor, remuneration to the auditors and principles for the appointment of nomination committee. No remuneration shall be paid to the nomination committee. If deemed necessary, the nomination committee may engage external consultants to find candidates with relevant experience and the Company shall cover the cost for such consultants. The nomination committee shall, in connection with performing its tasks, forward certain information to the Company so that the Company can comply with applicable obligations to disclose information.

The composition of the nomination committee shall be announced no later than six months before the annual general meeting. In connection therewith, information shall also be provided on how shareholders can submit proposals to the nomination committee.

**Resolution to authorise the board of directors to issue shares, convertible instruments and warrants (item 15)**

The board of directors proposes that the general meeting resolves to authorise the board of directors to, until the next annual general meeting, with or without deviation from the shareholders' preferential rights, on one or several occasions resolve to issue shares, convertible instruments and/or warrants. The increase of the share capital, which entails issuance, conversion or subscription for new shares, may – where it entails a deviation from the shareholders' preferential rights – correspond to a dilution of a maximum of 10 percent of the share capital at the time of the first use of the authorisation. The price per share shall be determined as an average of the market price during 30 days. Payment may be made in cash and/or with a condition to pay in kind or by way of set-off, or other conditions. The authorisation shall primarily be used for the purpose of acquisitions or financing.

A valid resolution by the general meeting requires that shareholders holding not less than two-thirds of both the votes cast and the shares represented at the general meeting vote in favour of the proposal.

**Resolution on a directed issue of warrants intended for incentive program (item 16)**

The board of directors proposes that the general meeting resolves on a directed issue of not more than 175,000 warrants, each warrant entitles to subscription of one share in the Company, entailing an increase of the share capital of not more than SEK 122,500 if all warrants are exercised. The purpose of the directed issue of warrants is to constitute an incentive for the group's current and future key employees.

It is proposed that the warrants are to be issued on the following principal terms:

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to the Company's wholly owned subsidiary Todavia AB, reg. no. 559100-2893 ("**Subsidiary**"), with the right and the obligation to transfer the warrants on market terms to directors and other key individuals in the Stillfront company group.

The number of warrants that each person shall have the right to acquire is stated in the board of directors' complete proposal which will be held available in accordance with below. The board of directors of the Company will make the final decisions regarding allocation of the warrants in accordance with the framework stated in the proposal. The warrants will be acquired against payment of a market value premium which has been established by Optionspartner Sverige AB in accordance with accepted methods of calculation (Black & Scholes).

The board of directors further proposes that the general meeting approve the transfer of warrants from the Subsidiary within the framework of the proposed program.

Each warrant entitles to the subscription of one (1) share in the Company at a subscription price corresponding to 150 per cent of the volume weighted average price of the share from and including 24 April 2019 up to and including 8 May 2019. The subscription price may not be lower than an amount corresponding to the quota value of the shares in the Company.

Subscription of shares in accordance with the terms and conditions of the warrants may take place from and including 15 May 2022 up to and including 1 June 2022.

If all warrants that are proposed to be issued are exercised, the dilution will be less than 0.8 percent of shares and votes based on the Company's share capital at the time of issue of notice to the annual general meeting. As a result of the board's resolution on cancellation of certain warrants issued under the two outstanding incentive programs, total dilution following exercise of all outstanding warrants in the Company with the addition of the warrants that are proposed to be issued, will not increase from current 2.5 percent of the shares and votes based on the Company's share capital at the time of issue of notice to the AGM.

A valid resolution by the general meeting requires that shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the general meeting vote in favour of the proposal.

**Resolution on a directed new share issue to the sellers of Imperia Online JSC (item 17)**

In 2018, the Company acquired all of the outstanding shares in in Imperia Online JSC ("**Imperia**"). Pursuant to the share purchase agreement, the sellers of Imperia are entitled to an earn-out consideration, provided that certain targets are met. The earn-out

consideration shall partly be paid in shares in the Company. The part of this year's earn-out consideration which shall be paid in shares shall not exceed EUR 8,750,000.00.

The board of directors proposes that the general meeting resolves to carry out a directed new share issue on the following principal terms.

1. The Company's share capital shall increase by not more than SEK 84,235.20 through an issue of not more than 120,336 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of Imperia.
3. The subscription price shall be the average price per share in the Company on Nasdaq First North during the 30 days preceding the last day of the fiscal year 2018, however, the subscription price shall not be less than the quota value of the share corresponding to SEK 0.70.
4. The newly-issued shares shall be subscribed for on a subscription list no later than 31 August 2019.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to EUR 8,750,000.00 in aggregate. The claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register kept by Euroclear Sweden AB.
8. The board of directors shall be authorised to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of Imperia.

The resolution shall be valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the general meeting.

The Company's assessment is that the finally determined earn-out consideration will be lower than the maximum earn-out consideration. The Company's board of directors will determine number of shares to be allotted based on the finally determined earn-out consideration. The number of issued shares will be communicated at the day of the allotment.

Documentation according to chapter 13 sections 7 and 8 will be held available at the Company and on the Company's website, [www.stillfront.com](http://www.stillfront.com).

### **Resolution on a directed new share issue to the sellers of eRepublik Labs. Limited (item 18)**

In 2017, the Company acquired all of the outstanding shares in eRepublik Labs. Limited ("eRepublik"). Pursuant to the share purchase agreement, the sellers of eRepublik are entitled to an earn-out consideration, provided that certain targets are met. The earn-out

consideration shall partly be paid in shares in the Company. The part of this year's earn-out consideration which shall be paid in shares shall not exceed EUR 3,594,209.50.

The board of directors proposes that the general meeting resolves to carry out a directed new share issue on the following principal terms.

1. The Company's share capital shall increase by not more than SEK 48,090.00 through an issue of not more than 68,700 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of eRepublik.
3. The subscription price shall be the average price per share in the Company on Nasdaq First North during the 30 days preceding the last day of the fiscal year 2018, however, the subscription price shall not be less than the quota value of the share corresponding to SEK 0.70.
4. The newly-issued shares shall be subscribed for on a subscription list no later than 31 August 2019.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to EUR 3,594,209.50 in aggregate. The claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register kept by Euroclear Sweden AB.
8. The board of directors shall be authorised to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of eRepublik.

The resolution shall be valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the general meeting.

The Company's assessment is that the finally determined earn-out consideration will be lower than the maximum earn-out consideration. The Company's board of directors will determine number of shares to be allotted based on the finally determined earn-out consideration. The number of issued shares will be communicated at the day of the allotment.

Documentation according to chapter 13 sections 7 and 8 will be held available at the Company and on the Company's website, [www.stillfront.com](http://www.stillfront.com).

**Resolution on a directed new share issue to the sellers of Babil Games FZ LLC. (item 19)**

In 2016, the Company acquired all of the outstanding shares in Babil Games FZ LLC. ("Babil"). Pursuant to the share purchase agreement, the seller of Babil is entitled to an earn-out consideration, provided that certain targets are met. The earn-out consideration

shall partly be paid in shares in the Company. The earn-out consideration to be paid in shares shall not exceed 850,000.00 USD.

The board of directors proposes that the general meeting resolves to carry out a directed new share issue on the following principal terms:

1. The Company's share capital shall increase by not more than SEK 38,031.00 through an issue of not more than 54,330 shares.
2. The right to subscribe for the new shares shall, with deviation from the shareholders' pre-emption rights, only be offered to the sellers of Babil.
3. The subscription price shall be the average price per share in the Company on Nasdaq First North during the 30 days preceding the last day of the fiscal year 2018, however, the subscription price shall not be less than the quota value of the share corresponding to SEK 0.70.
4. The newly-issued shares shall be subscribed for on a subscription list no later than 31 August 2018.
5. Payment for subscribed shares shall be made by way of set-off, whereby set-off of the subscription price can be made at a maximum amount corresponding to the subscribers' claims, which in total amount to USD 850,000.00 in aggregate. The claims may be reduced. Over-subscription is not possible. Set-off is completed through subscription.
6. The board of directors shall be entitled to extend the subscription period and the time for payment.
7. The new shares shall be entitled to dividend as from the first record day for dividend after the newly issued shares have been recorded with the Swedish Companies Registration Office and the shares have been registered in the share register kept by Euroclear Sweden AB.
8. The board of directors shall be authorised to make any formal adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' pre-emption rights is to fulfil the share purchase agreement which the Company has entered into with the sellers of Babil.

The resolution shall be valid only where supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the general meeting.

The Company's assessment is that the finally determined earn-out consideration may be lower than the maximum earn-out consideration. The Company's board of directors will determine number of shares to be allotted based on the finally determined earn-out consideration. The number of issued shares will be communicated at the day of the allotment.

Documentation according to chapter 13 sections 7 and 8 will be held available at the Company and on the Company's website, [www.stillfront.com](http://www.stillfront.com).

#### **Resolution to adopt the remuneration policy for executive management (item 20)**

The board of directors proposes that the general meeting decides to adopt the following remuneration policy for the CEO and other persons in the Company's executive management for the period until the next annual general meeting.



The Company's executive management members which are subject to the board of directors' guidelines are currently the CEOs of the Company and of the Company's subsidiaries, the CFO of the Company, and other members of the Company's executive management who report directly to the CEO of the Company. The overall guidelines for remuneration to executive management shall be based on the position, the individual performance, the Company's earnings and that the remuneration shall be competitive in the country of employment. The total remuneration to executive management shall consist of fixed salary, variable salary in the form of short-term incentive based on annual performance targets (bonus), long-term incentives based on multiannual performance (long-term incentives) and pensions and other benefits. Additionally, there are conditions for termination and, where applicable, severance pay. The total remuneration shall be reviewed annually to ensure that it is marketable and competitive. The Company's size, salary and the person's experience shall be taken into consideration.

#### *Fixed salary*

Fixed salary shall be the basis for the total remuneration. The fixed salary shall be related to the relevant market and reflect the extent of the responsibility that the work entails.

#### *Variable salary ("Bonus")*

In addition to the fixed salary executive management shall receive bonuses for results exceeding one or more predetermined performance levels during one fiscal year. The eligibility criteria shall be related to achievements in relation to the budget and based on e.g. net revenues, EBITDA and personal performance. The remuneration from the bonus program can amount to a maximum of six (6) fixed monthly salaries per person.

#### *Long-term incentives*

There is two outstanding incentive programs. The general meeting has in 2017 resolved to issue a maximum of 299,189 warrants, series 2017/2020 and in 2018 resolved to issue a maximum of 300,000 warrants, series 2018/2021. All warrants, series 2017/2020 and 2018/2021 have been subscribed by the Company's subsidiary in 2017 and 2018 respectively, in order to be transferred to executive management and certain other key persons in the Company. Of these warrants, 242,000 of the warrants series 2017/2020 and 177,500 of the warrants series 2018/2021 have been transferred under the incentive programs. The incentive programs are described in the annual report. The board of directors has proposed that the annual general meeting resolves to establish an additional incentive program based on warrants. As a result of the board's resolution on cancellation of certain warrants issued under the two outstanding incentive programs, total dilution following exercise of all outstanding warrants in the Company with the addition of the warrants that are proposed to be issued, will not increase from current 2.5 percent of the shares and votes based on the Company's share capital at the time of issue of notice to the AGM.

#### *Pension*

Pension agreements shall, if possible, be premium-based and designed according to the levels and practices in the country in which the members of executive management are employed.

#### *Other benefits*

Other benefits may occur in accordance with the terms of the country in which the members of executive management are employed. However, such benefits should be as small as possible and shall not constitute a greater proportion of the total remuneration.

#### *Termination and severance pay*

Members of executive management shall be offered conditions in accordance with the laws and practices applicable to the country in which the employee is employed. During the period of notice, members of executive management shall be prevented from acting in competing activities. In some cases, a prohibition of continued compensation may be applied no more than six months after the termination of the notice period. At present, the longest term of notice in the Company is six months and the members of executive management are not entitled to severance pay.

*Remuneration that has not expired*

The board of directors shall to the proposal of remuneration policy to the general meeting submit information about previously decided remuneration that has not expired. There are no decided payments that have not yet expired.

The board of directors shall have the right to waive the above policy if the board of directors considers it to be special reasons for doing so in a particular case.

**Details of number of shares, votes and holding of own shares**

The total amount of shares and votes in the Company at the time of issue of this notice was 24,048,240 shares. All shares carry equal voting rights. The Company does not hold any own shares.

**Documents**

The annual report, auditor's report and complete proposals in accordance with above will be available at the Company (address as above) and on the Company's webpage, [www.stillfront.com](http://www.stillfront.com). The aforementioned documents will be sent to those shareholders who so request and submit their postal address or e-mail address.

**Shareholders' right to request information**

Shareholders are reminded of their right pursuant to chapter 7, section 32 of the Swedish Companies Act to request that the board of directors and managing director provide information at the general meeting in respect of any circumstances which may affect the assessment of a matter on the agenda or any circumstances which may affect the assessment of the Company's or a group company's financial position. The obligation to provide information also applies to the Company's relationship to other group companies. Information must be provided if it can take place without significant harm to the Company.

**Processing of personal data**

For information on how the Company processes your personal data, please see the integrity policy which is available on Euroclear Sweden AB's website:  
[www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf](http://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf)

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Stockholm in April 2019

The board of directors of Stillfront Group AB (publ)

**About Stillfront**

Stillfront is a global group of gaming studios and a market leader in the free-to-play online strategy games genre. 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 500 co-workers thrive in an organisation that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, France and UK. We are headquartered in Stockholm, Sweden and the company is listed on Nasdaq First North Premier.

For further information, please visit: [stillfront.com](http://stillfront.com)

**Certified Adviser:**

FNCA, Phone: +46 8 528 00 399 E-mail: [info@fnca.se](mailto:info@fnca.se)