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Pressrelease

Stockholm 2019-06-11

STILLFRONT
GROUP

Stillfront explores the conditions for conducting a directed share issue

Stillfront Group AB (publ) (“Stillfront” or “the Company”) has appointed Carnegie Investment Bank AB (publ) and Swedbank AB (publ) to explore the conditions for conducting a directed share issue of around SEK 500 million (the “Share Issue”) through an accelerated bookbuilding procedure, (the “Bookbuilding”). If conducted, the Share Issue will be directed towards Swedish and international institutional investors, and executed based on the authorisation granted by the annual general meeting held on 9 May 2019.

The Share Issue is, among other things, subject to a resolution by the board of directors of Stillfront to issue new shares, pursuant to the authorisation granted by the annual general meeting held on 9 May 2019, following the close of the Bookbuilding. The Board of Directors can at any time choose to cancel the Bookbuilding, close earlier or later and refrain from executing the Share Issue.

The price per share in the Share Issue will correspond to the volume weighted average price per share in the Company on Nasdaq First North Premier during the last 30 days, in accordance with the authorisation granted by the annual general meeting.

The reasons for the deviation from the shareholders’ preferential rights are mainly to diversify the shareholder base among Swedish and international institutional investors and at the same time raise capital in a time efficient manner. The purpose of the Share Issue is to provide the Company with additional equity capital in a quick and efficient manner in order to further strengthen Stillfront’s future financial flexibility in line with the Company’s communicated financial targets.

In connection with the Share Issue, the Company has undertaken, with customary exceptions (including with respect to new issues to satisfy existing contractual commitments of the Company), not to issue additional shares for a period of 90 calendar days after the settlement date.

Swedbank AB (publ) and Carnegie Investment Bank AB (publ) have been appointed Joint Global Coordinators and Joint Bookrunners (jointly referred to as “Managers”).

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DLA Piper acts as legal counsel to the Company and Baker & McKenzie Advokatbyrå KB acts as legal counsel to the Managers in connection with the Share Issue.

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This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 17.31 CEST on 11 June 2019.

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 600 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

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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 the Company and the Company's shares. Such information has not been independently verified by the Managers. 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. The Managers are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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.

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This press release is not a prospectus for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) 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. 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 Directive.

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.

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.