

# STILLFRONT GROUP

Press Release  
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## Stillfront Group has successfully completed a directed issue raising proceeds of SEK 1 billion to finance the acquisition of Jawaker

**INSIDE INFORMATION:** Stillfront Group AB (the "Company" or "Stillfront") has, as announced in its press release on 8 September 2021, carried out a directed share issue of 15,723,270 new shares at subscription price of SEK 63.6 per share, directed to institutional investors (the "Directed Issue"). The Company will receive SEK 1 billion through the Directed Issue before deduction of costs related to the Directed Issue. The subscription price in the Directed Issue has been determined through an accelerated book-building procedure led by Carnegie Investment Bank AB (publ) and Joh. Berenberg, Gossler & Co. KG (jointly referred to as "Managers"). The investors in the Directed Issue consist of a number of Swedish and international institutional investors, including the Company's largest shareholder Laureus Capital GmbH ("Laureus").

"We are very pleased to complete this directed share issue with such strong support from both existing and new shareholders. We continue to deliver on our vision to build the leading free-to-play powerhouse and we are making great progress towards our long-term financial targets," says Jörgen Larsson, CEO, Stillfront.

### The Directed Issue

The subscription price for the new shares in the Directed Issue was set to SEK 63.6 per share and has been determined through an accelerated bookbuilding procedure. Through the Directed Issue, which corresponds to a total of 15,723,270 shares, the Company will receive SEK 1 billion before deduction of costs related to the Directed Issue. The investors in the Directed Issue consist of a number of Swedish and international institutional investors including the Company's largest shareholder, Laureus, in accordance with what was previously communicated and Laureus's commitment. The Board of Directors has resolved on the issue of 13,793,703 shares (equivalent to SEK 877 million) based on the authorization granted by the Annual General Meeting on May 11, 2021 and on the issue of 1,929,567 shares (equivalent to SEK 123 million) to Laureus, which is partially owned by a member of Stillfront's Board of Directors, Dr. Kai Wawrzinek, subject to approval by a general meeting.

The Company intends to use the net proceeds from the Directed Issue to finance the Acquisition, which is expected to be closed in October 2021, and to further strengthen the Company's financial position in line with already announced company targets. The reasons for the deviation from the shareholders' preferential rights are to raise capital in a time- and cost-effective manner on favorable terms and to diversify the shareholder base with qualified and institutional investors. The proceeds improves the Company's key performance indicators while enabling Stillfront to utilise opportunities for continued profitable growth through acquisitions. The Board of Directors deems, in the light of the accelerated book building procedure carried out by the Managers, that the Directed Issue, including the determination of the subscription price, is on market terms.

After the registration of the Directed Issue with the Swedish Companies Registration Office, the total number of shares in the Company will increase with 15,723,270 shares, and amount to 378,585,966. The Directed Issue entails a dilution of approximately 4.2 percent of the number of shares and votes in the Company, based on the total amount of shares in Stillfront after the Directed Issue. The share capital will increase by SEK 1,100,629 from SEK 25,400,389 to SEK 26,501,018.

### **Settlement and lock-up undertakings**

The part of the Directed Issue resolved on based on the authorisation from the annual general meeting will be subscribed for by Carnegie Investment Bank AB (publ) at the quota value to settle the delivery of shares to investors. The part of the Directed Issue subject to subsequent approval by the Extraordinary General Meeting (EGM) will be settled following the EGM.

In connection with the Directed Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 90 calendar days after the settlement date. In addition, certain members of the Company's Board of Directors and management have entered into customary lock-up undertakings of 90 days from settlement of the Directed Issue in respect of the Board of Directors and 180 days from settlement of the Directed Issue in respect of the management.

### **Extraordinary general meeting**

The Company will separately call for an extraordinary general meeting, in order to approve the part of the Directed Share issue directed to Laureus and resolved on by the Board of Directors subject to such approval by the general meeting. The extraordinary general meeting is expected to be held on 4 October 2021.

### **Advisers**

Carnegie Investment Bank AB (publ) and Joh. Berenberg, Gossler & Co. KG are Joint Global Coordinators. Gernandt & Danielsson Advokatbyrå KB acts as legal counsel to the Company and Baker & McKenzie Advokatbyrå KB acts as legal counsel to the Managers in connection with the Directed Issue.

### **Important information**

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Stillfront in any jurisdiction, neither from Stillfront nor from someone else.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release 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 approved any offer to the public of shares or other securities in any of the EEA countries and no prospectus has been or will be prepared in connection with the Directed Issue. In all EEA Member States, this notice is addressed and is addressed only to 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.

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 Company's shares. Any investment decision to acquire or subscribe for shares in connection with the Directed 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 Managers is acting for the Company in connection with the Directed Issue 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 Directed Issue or any other matter referred to herein.

This press release does not constitute a recommendation for any investors' decisions regarding the Directed Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

## Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq main market rule book for issuers.

## 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 Directed 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 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)

*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 2021-09-09 01:25 CEST.*

**Attachments**

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[Stillfront Group has successfully completed a directed issue raising proceeds of SEK 1 billion to finance the acquisition of Jawaker](#)