

STILLFRONT GROUP

Press Release
21 February 2022 19:40:00 CET

Stillfront announces the terms of its rights issue

On 19 January 2022, Stillfront Group AB (“Stillfront”) announced that the board of directors had resolved, subject to approval by an extraordinary general meeting to be held on 23 February 2022, on a rights issue of approximately SEK 2.0 billion (the “Rights Issue”). Today, Stillfront’s board of directors announces the terms of the Rights Issue.

THE RIGHTS ISSUE IN BRIEF

- Those who are registered as shareholders in Stillfront’s share register maintained by Euroclear Sweden on the record date 1 March 2022 will receive one (1) subscription right for each Stillfront share held. Ten (10) subscription rights entitle to subscription for three (3) new shares in Stillfront.
- The subscription price has been set at SEK 17.0 per share. Provided that the Rights Issue is fully subscribed, Stillfront will consequently raise approximately SEK 2.0 billion before transaction costs.
- The subscription period will run from and including 2 March 2022 up to and including 16 March 2022.
- Stillfront’s largest shareholder, Laureus Capital GmbH (“**Laureus**”), has undertaken to subscribe for its pro rata share of the Rights Issue. Laureus has also committed to guarantee up to a total amount of SEK 300 million (less the amount covered by its subscription undertaking) of the Rights Issue. In addition, a number of larger institutional shareholders in Stillfront have expressed their support for the Rights Issue whereof Swedbank Robur Funds, AMF Pension & Funds and TIN Funds have declared their intention to subscribe for their respective pro rata share of the Rights Issue. Laureus’ commitments, together with the aforementioned declarations of intent, encompass a total of 28.5 percent of the Rights Issue.^[1]
- The Rights Issue is subject to approval by an extraordinary general meeting to be held on 23 February 2022 at 15:00 CET at Stillfront’s office, Kungsgatan 38 in Stockholm (the “**EGM**”).

BACKGROUND AND REASONS

On 19 January 2022, Stillfront announced that it had entered into an agreement to acquire Six Waves Inc. (“**6waves**”). The acquisition was completed on 1 February 2022, whereby Stillfront accessed 100 percent of the shares. The initial purchase price amounted to USD 201 million on a cash and debt free basis, of which approximately 92 percent was paid in cash of USD 185 million and approximately 8 percent was paid through 2,913,857 newly issued shares in Stillfront. The acquisition was financed through Stillfront’s existing credit facilities and existing cash and cash equivalents.

The acquisition of 6waves is another important step in Stillfront's ambition to build the leading free-to-play powerhouse of gaming studios. Stillfront believes that 6waves is one of the leading publishers of mobile free-to-play strategy games in Japan. With the acquisition, Stillfront intends to establish a strong foothold in East Asia and significantly strengthen Stillfront's presence in the attractive Japanese gaming market. 6waves adds several top grossing strategy titles to Stillfront's portfolio and is expected to provide a powerful platform with local expertise for continued growth through add-on acquisitions in East Asia.

The net proceeds from the Rights Issue are intended to be used to repay the temporary increase in debt that the acquisition of 6waves has entailed and to strengthen the balance sheet after the acquisition of 6waves, and thereby increase Stillfront's financial flexibility in order to take advantage of future acquisition opportunities in line with Stillfront's growth strategy.

TERMS OF THE RIGHTS ISSUE

Those who are registered as shareholders in Stillfront's share register maintained by Euroclear Sweden on the record date 1 March 2022 will receive one (1) subscription right for each share held in Stillfront. Ten (10) subscription rights entitle to subscription for three (3) new shares. To the extent that new shares are not subscribed for by exercise of subscription rights, they shall be allotted to shareholders and other investors who have subscribed for shares without exercise of subscription rights. As confirmation of the allotment of new shares subscribed for without subscription rights, a settlement note will be sent to subscribers on or around 21 March 2022. No notice will be sent to subscribers who have not received an allotment.

The Rights Issue will, if fully subscribed, increase Stillfront's share capital by a maximum of SEK 8,191,006.53 from SEK 27,303,355.52 to not more than SEK 35,494,362.05 through the issuance of not more than 117,014,379 new shares. After the Rights Issue, the number of shares in Stillfront will amount to not more than 507,062,315 shares.

The subscription price has been set at SEK 17.0 per share. Provided that the Rights Issue is fully subscribed, Stillfront will consequently raise approximately SEK 2.0 billion before transaction costs.

The record date for participation in the Rights Issue is 1 March 2022. This means that the share will be traded including right to receive subscription rights up to and including 25 February 2022. The subscription period will run from and including 2 March 2022 up to and including 16 March 2022. Trading in subscription rights will take place on Nasdaq Stockholm during the period from and including 2 March 2022, up to and including 11 March 2022.

Shareholders who choose not to participate in the Rights Issue will have their holdings diluted by a total of 117,014,379 new shares, corresponding to approximately 23.1 percent of the total number of shares in Stillfront after the Rights Issue. These shareholders can financially compensate for the dilution effect by selling their subscription rights.

The Rights Issue is subject to approval by the EGM. The notice to the EGM is available on Stillfront's website, www.stillfront.com.

SUBSCRIPTION UNDERTAKINGS AND SHAREHOLDER SUPPORT

The largest shareholder in Stillfront, Laureus (holding 11.9 percent of the shares and votes in Stillfront) has undertaken to subscribe for its pro rata share of the Rights Issue. In addition, Laureus has committed to guarantee up to a total amount of SEK 300 million (less the amount covered by its subscription undertaking) of the Rights Issue.

In addition, a number of larger institutional shareholders in Stillfront have expressed their support for the Rights Issue whereof Swedbank Robur Funds, AMF Pension & Funds and TIN Funds (together holding 13.4 percent of the shares and votes in Stillfront) have declared their intention to subscribe for their respective pro rata share of the Rights Issue.[2]

Laureus' commitments, together with the aforementioned, encompass a total of 28.5 percent of the Rights Issue.[3]

INDICATIVE TIMETABLE FOR THE RIGHTS ISSUE

23 February 2022	Extraordinary general meeting to approve the Rights Issue
25 February 2022	Last trading day including right to receive subscription rights
25 February 2022	Publication of prospectus
1 March 2022	Record date for participation in the Rights Issue
2 March 2022–11 March 2022	Trading in subscription rights
2 March 2022–16 March 2022	Subscription period
17 March 2022	Press release of preliminary outcome of the Rights Issue
18 March 2022	Press release of final outcome of the Rights Issue
21 March 2022	Settlement note regarding allotment of shares subscribed for without subscription rights distributed

FINANCIAL AND LEGAL ADVISORS

Stillfront has appointed DNB Markets, a part of DNB Bank ASA, Sweden Branch, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) as Joint Global Coordinators and Mannheimer Swartling and DLA Piper as legal advisors as to Swedish law and U.S. law, respectively, in connection with the Rights Issue. White & Case has been appointed as legal advisor to the Joint Global Coordinators in connection with the Rights Issue.

IMPORTANT INFORMATION

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in such jurisdictions, in which this press release has been released, announced, or distributed, should inform themselves of and follow such 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 Group AB (publ) (the “Stillfront”) in any jurisdiction, either from Stillfront or from someone else.

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 rights issue must be made on the basis of all publicly available information relating to Stillfront and Stillfront's shares including the information to be contained in the prospectus. Such information has not been independently verified by DNB Markets, a part of DNB Bank ASA, Sweden Branch, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) ("**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 Stillfront in connection with the transaction and no one else and will not be responsible to anyone other than Stillfront 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 rights 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.

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 (the "**Securities Act**"), as amended, 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, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, South Africa, the United States 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 announcement 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 authorized any offer to the public of shares or rights in any member state of the EEA other than in Sweden, Denmark and Finland.

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.

[1] Based on shareholdings as of 31 January 2022.

[2] Based on shareholdings as of 31 January 2022.

[3] Based on shareholdings as of 31 January 2022.

For additional information, please contact:

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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 1,350+ 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

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 2022-02-21 19:40 CET.

Attachments

[Stillfront announces the terms of its rights issue](#)