

STILLFRONT GROUP

Press Release
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Stillfront Group completes the acquisition of Moonfrog Labs

Stillfront Group AB (publ) ("Stillfront") has completed the acquisition of the initial tranche of the shares in Moonfrog Labs Private Limited ("Moonfrog"), representing 91% of the shares in Moonfrog. The acquisition of 100% of the shares in Moonfrog based on four tranches, was announced through a press release on 1 February 2021 and the sellers are Moonfrog's joint founders and institutional investors.

The consideration for the initial tranche, which has been paid in cash to the sellers of Moonfrog on the date hereof, amounted to approx. USD 90 million, on a cash and debt free basis. The consideration for the initial tranche has been financed by cash at hand and available credit facilities.

The remaining 9% of the shares in Moonfrog are to be acquired through up to three additional tranches. The second tranche consideration shall be an amount equal to 1.00x EBITDA for the period 1 January – 31 December 2021, payable in cash upon closing of the second tranche which is expected to occur in 2022. The third tranche consideration shall be an amount equal to 1.00x EBITDA if EBITDA is up to USD 20 million, and 1.25x EBITDA if EBITDA exceeds USD 20 million for the period 1 January – 31 December 2022, payable in cash upon closing of the third tranche which is expected to occur in 2023. The fourth tranche consideration shall be an amount equal to 0.50x EBITDA for the period 1 January – 31 December 2023, payable in cash upon closing of the fourth tranche which is expected to occur in 2024.

Due to that Stillfront will acquire the remaining 9% of the shares in up to three additional tranches, Stillfront and the sellers of Moonfrog have entered into a shareholders' agreement that come into effect as of today. The shareholders' agreement has been entered into in order to regulate the internal relationship between Stillfront and the sellers with respect to ownership of shares in and governance of Moonfrog. The shareholders' agreement will be terminated when Stillfront is the owner of 100% of the shares in Moonfrog.

Moonfrog will be consolidated into Stillfront's consolidated financial reporting from 1 March 2021.

Important information

This announcement is not and does not form a part of any offer for sale of securities. Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Hong Kong, Japan, Canada, Switzerland, South Africa or New Zealand or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

This announcement is for information purposes only and does not constitute a prospectus or any offer to sell or the solicitation of an offer to buy any security in the United States or any other jurisdiction. Any securities that may be issued in connection with the transactions referred to in this announcement will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and accordingly will not be offered or sold in the United States.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State).

This press release may contain certain forward-looking statements that reflect Stillfront’s current views or expectations of future events and financial and operational performance, including statements relating to the transaction and statements regarding guidance, planning, prospects and strategies. Words such as “intends”, “anticipates”, “expects”, “plans”, “estimates”, “may”, and similar expressions regarding indications or predictions of future developments or trends that are not based on historical facts, constitute forward-looking information. Although Stillfront believes that these statements are based upon reasonable assumptions and expectations, Stillfront cannot give any assurances that any such forward-looking statements will materialize. Because these forward-looking statements involve both known and unknown risks and uncertainties, actual results may differ materially from the information set forth in the forward-looking information. Forward-looking statements in this press release apply only at the time of the press release and are subject to change without notice. Stillfront undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, other than as required by applicable law or stock market regulations.

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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 1,000+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, UK and France. We are headquartered in Stockholm, Sweden, and the company is listed on Nasdaq First North Premier Growth Market. For further information, please visit: stillfront.com

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Attachments

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