

# STILLFRONT GROUP

Press Release  
16 November 2020 19:08:00 CET

## Notice of Extraordinary General Meeting in Stillfront Group AB (publ)

The shareholders of Stillfront Group AB (publ), reg. no. 556721-3078 ("Company" or "Stillfront"), are hereby convened to an Extraordinary General Meeting on Thursday 17 December 2020 at 4.00 pm. The Extraordinary General Meeting will be held only by postal voting. Proposed agenda for the meeting includes resolutions on a share split, a long-term incentive program and an authorization for the board of directors to issue shares, convertible instruments and warrants.

### The right to participate at the Extraordinary General Meeting etc.

Shareholders who wish to participate at the Extraordinary General Meeting shall

- a. be registered in the share register kept by Euroclear Sweden AB on the record day which is Wednesday 9 December 2020; as well as
- b. notify the Company of their intention to participate at the Extraordinary General Meeting by sending a complete postal voting form, and where applicable, proxy forms, registration certificates and other authorisation documents, no later than by Wednesday 16 December 2020 by way of mail to Stillfront Group AB (publ), "Extraordinary General Meeting", Sveavägen 9, 111 57 Stockholm, or electronically via the web link provided on the Company's website.

To be entitled to participate at the Extraordinary General Meeting, shareholders with nominee-registered shares through a bank or other nominee must temporarily register their shares in their own name with Euroclear Sweden AB (so called voting-rights registration). Shareholders requesting such registration must notify their nominee well before 9 December 2020. Registration of voting rights that has been requested by shareholders at such a time that the registration has been made by the relevant nominee no later than on 11 December 2020 will be taken into account in the presentation of the share register.

### Information on postal voting

In light of the outbreak of the corona virus that causes COVID-19 and for the safety of all shareholders, Stillfront has decided that the Extraordinary General Meeting will be held only by postal voting in accordance with the Temporary Exceptions Act (2020:198) to facilitate the implementation of general meetings of corporations and associations (Sw. *Lag om tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor*). This means that the Extraordinary General Meeting will be held without the presence of shareholders, representatives and third parties, i.e. no meeting with the possibility to attend in person will take place.

A digital form for postal voting is available via the web link provided on the Company's website [www.stillfront.com](http://www.stillfront.com) under the heading "General Meetings". The postal voting form must be received by the Company no later than on 16 December 2020. The form may be submitted electronically via the before mentioned link or by post to Stillfront Group AB (publ), "Extraordinary General Meeting", Sveavägen 9, 111 57 Stockholm. The submission of a postal voting form is considered as a notification of participation at the Extraordinary General Meeting.

A postal vote can be withdrawn up to and including 16 December 2020 by emailing such request to [support@postrosta.se](mailto:support@postrosta.se). If two or more forms have the same date, only the form most recently received will be considered.

The shareholder cannot give other instructions than to select one of the response options by each item listed in the form. If the shareholder has provided the form with special instructions or conditions, or changed or made additions to the printed text, the postal vote is invalid. Further instructions can be found in the postal voting form.

Shareholders voting through proxy shall issue a dated proxy form. If the proxy form is issued by a legal entity, it must be accompanied by a certified copy of the registration certificate or equivalent document which indicates the persons authorized to represent the legal entity. The proxy form is valid for one year after issuance, but may be valid for up to five years after issuance if so specified. The registration certificate may not be older than one year. The original proxy form and any registration certificate must be uploaded and attached to the digital postal voting form and sent to the Company in accordance with the above mentioned instructions (see information on postal voting). Proxy forms are available on the Company's website, [www.stillfront.com](http://www.stillfront.com).

For questions about the Extraordinary General Meeting or to receive a postal voting form or proxy form by post, please contact: Stillfront Group AB (publ), "Extraordinary General Meeting", Sveavägen 9, 111 57 Stockholm or send an e-mail to [egm@stillfront.com](mailto:egm@stillfront.com).

## 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. Resolution on a long-term incentive program (LTIP) by way of an issue of warrants and approval of transfers of warrants to key-personnel
8. Resolution on share split and amendment of the Company's articles of association
9. Resolution on authorization for the board of directors to issue shares, convertible instruments and warrants
10. Closing of the meeting

## Principal proposals for resolutions

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

It is proposed that Jan Samuelson is elected chairman of the Extraordinary General Meeting.

### **Preparation and approval of the voting register (item 3)**

The board of directors proposes that the Extraordinary General Meeting approves the voting register drawn up on the basis of the postal votes received in due order.

### **Approval of the agenda (item 4)**

The board of directors proposes that the Extraordinary General Meeting approves the proposed agenda.

### **Election of one or two persons to approve the minutes (item 5)**

The board of directors proposes that the Extraordinary General Meeting elect a person who attends the meeting and who is proposed by the chairman to approve the minutes. If possible, a person who is not a board director or employee in the Company is appointed. In the assignment of the person verifying the minutes includes checking the voting list and that received postal votes are correctly reproduced in the minutes of the meeting.

### **Examination of whether the meeting has been duly convened (item 6)**

The board of directors proposes that the Extraordinary General Meeting approves that it has been duly convened.

### **Resolution on a long-term incentive program (LTIP) by way of an issue of warrants and approval of transfers of warrants to key-personnel (item 7)**

#### *Background and reasons for the proposal*

A prerequisite for the successful implementation of the group's business strategy and safeguarding of its long-term interests is that the group is able to retain the best competencies and their loyalty, and that the Company's executive management and other key-personnel of the group (the "Key-Personnel") continue to deliver results and performance at a high level. The board of directors finds it important and in all shareholders' interest that Key-Personnel have a long-term interest in a positive development of the share price of the Company.

At the Annual General Meeting on 14 May 2020, it was resolved to establish a long-term incentive program and issue up to 350,000 warrants ("LTIP 2020/2024 I") to be offered to Stillfront's executive management and other key-personnel of the group. 277,000 of these warrants were acquired by the relevant key-personnel in June 2020, while the remaining 73,000 warrants are held by Stillfront for future allotment.

Due to the strong development of the Stillfront share price since May 2020, the exercise price for the warrants of series LTIP 2020/2024 I is well below current share price and the remaining pool of warrants of series LTIP 2020/2024 I has consequently lost its LTIP characteristics. Therefore, the board of directors intends to cancel the remaining 73,000 outstanding warrants of series LTIP 2020/2024 I and proposes that the Extraordinary General Meeting resolves on a new long-term incentive program (the "LTIP 2020/2024 II"), with the same terms and conditions as LTIP 2020/2024 I, except for the exercise price and maximum number of warrants, see below under "terms and conditions for the issue of warrants". The maximum number of warrants proposed to be issued under LTIP 2020/2024 II is 125,000, resulting in a total dilution upon full exercise of all outstanding warrants in the Company adjusted in accordance with the cancellation mentioned above, including the issue in accordance with the proposal, of approx. 2.20 percent of the total number of shares and votes in the Company at the date of this notice.

### *The Board of Directors' proposal*

In light of the above, the board of directors proposes that the Extraordinary General Meeting resolves on (i) a long-term incentive program (**LTIP 2020/2024 II**) for certain Key-Personnel; (ii) a directed issue of not more than 125,000 warrants and (iii) approving that the wholly-owned subsidiary that subscribes for the warrants transfers them to the participants in the LTIP 2020/2024 II.

### *Preparation of the proposals*

The LTIP 2020/2024 II has been prepared by the remuneration committee and in consultation with the board of directors. The proposals have been adopted by the board of directors.

### *Terms and conditions for the issue of warrants*

The board of directors proposes that the Extraordinary General Meeting resolves to issue warrants on the following terms:

- The Company shall issue not more than 125,000 warrants of series 2020/2024 II (the "**Warrants**").
- The right to subscribe for Warrants shall, with deviation from the shareholders' preferential right, belong to the wholly owned subsidiary to the Company, Todavia AB, (the "**Subsidiary**").
- Over-subscription is not allowed.
- No participant in the LTIP 2020/2024 II will be offered to subscribe for more than 100,000 Warrants under the proposed LTIP 2020/2024 II.
- Subscription of the Warrants shall take place on a separate subscription list no later than 28 February 2021. The board of directors is entitled to prolong the subscription period. The Warrants shall be allotted to the Subsidiary free of charge.
- Each Warrant entitles the holder to subscribe for one (1) new share, with the current quotient value of SEK 0.7, in the Company on the last banking day each month during the period 1 June 2023 up to and including 30 June 2024.
- The price for the shares at exercise shall be equal to the average volume weighted share price for the Company's share on Nasdaq First North Premier Growth Market, or such other market place in Sweden on which the Company's shares are admitted to trading, during the period from and including 3 December 2020 until and including 16 December 2020, adjusted upwards with 8 percent annual interest. The price shall however not be lower than the quotient value of the share.
- Shares issued as a result of subscription will carry rights to dividends as of the first record date for dividends that occur after registration of the share issue with the Swedish Companies Registration Office and the shares have been registered in the share register kept with Euroclear Sweden AB.
- The complete terms and conditions for the Warrants are set forth in the board of directors' complete proposal that will be held available in accordance with what is set out below. As set forth therein, the subscription price, as well as the number of shares which a Warrant entitles subscription for, may be recalculated in the event of a share split, bonus issue, new issue and in certain other cases.
- The increase of the Company's share capital will, upon exercise of the Warrants, amount to not more than SEK 87,500, subject to such increase that may occur due to recalculation of the subscription price and the number of shares which each Warrant entitles subscription for in the event of issues etcetera.

The board of directors proposes that the Extraordinary General Meeting resolves to approve transfer of the warrants on the following terms:

- In accordance with above, the right to subscribe for Warrants shall, with deviation from the shareholders' preferential right, belong to the Subsidiary. The Subsidiary shall in turn be entitled to offer and transfer the Warrants to Key-Personnel within the framework of the LTIP 2020/2024 II.
- The board of directors shall be entitled to resolve on the final allotment of the Warrants. The allotment will be assessed on an individual basis for the Key-Personnel, taking into consideration such Key-Personnel's positions within the group and their respective total remuneration.
- Transfer of the Warrants from the Subsidiary to the Key-Personnel shall be to a price corresponding to market value of the Warrants at the time for the transfer calculated in accordance with Black&Scholes of an independent appraiser.
- Warrants that are not transferred as above or that are repurchased by the Subsidiary under any warrant agreements, entered into by the Subsidiary and the respective Key-Personnel, shall be retained by the Subsidiary, so that according to instructions from the Company's board of directors are offered and transferred to other Key-Personnel or canceled if the Company's board of directors so requires.
- The Warrants shall otherwise be covered by customary terms, which i.a. means the Warrants shall be subject to an obligation for Key-Employees who wish to transfer or otherwise sell the Warrants to third parties to first offer the Subsidiary to acquire the Warrants. The Warrants shall also be covered by a right for the Subsidiary to repurchase of the Warrants if a Key-Employee's employment in the Company ceases, or if the Key-Employee resigns or has been dismissed, during the program term.

The reason for deviating from the shareholders' preferential right is to achieve optimum alignment of interests between the participants in the LTIP 2020/2024 II and the shareholders and to promote long-term ownership of shares.

The board of directors are authorized to implement the resolution in accordance with items (i) and (ii) above and to ensure that the board of directors of the Subsidiary carries out the transfer of Warrants according to item (iii) above. In addition, the board of directors is authorized to make such minor adjustments in the Extraordinary General Meeting's resolutions as may be required in connection with the registration of the Warrants with the Swedish Companies Registration Office and Euroclear Sweden AB.

Upon the Extraordinary General Meeting's resolution in accordance with the proposals above, the board of directors intends to cancel the remaining 73,000 outstanding warrants of Series 2020/2024 I issued at the Annual General Meeting on 14 May 2020.

The total dilution upon full exercise of all outstanding warrants in the Company adjusted in accordance with the cancellation mentioned above, including the issue in accordance with the proposal, will amount to approx. 2.20 percent of the total number of shares and votes in the Company at the date of this notice.

#### **Resolution on share split and related amendment of the Company's articles of association (item 8)**

With the purpose to facilitate the trade in the Company's shares on Nasdaq First North Premier Growth Market, the board of directors proposes that the Extraordinary General Meeting resolves that

- a. the number of shares in the Company is increased by division of each existing share into ten shares (10:1) (share split). Subject to any shares issued after the date of this notice, the number of shares in the Company will through the share split increase to 346,537,200 shares, each with a quota value of SEK 0.07,
- b. § 5 of the articles of association of the Company is amended so that the minimum number of shares permitted is 270,000,000 and the maximum number of shares permitted is 1,080,000,000 with the proposed wording

**“§ 5**

Antal aktier ska vara lägst 270 000 000 och högst 1 080 000 000.

*The number of shares shall be not less than 270,000,000 and not more than 1,080,000,000.”,*

- c. § 4 of the articles of association in the Company is amended so that the minimum amount of share capital permitted is SEK 18,900,000 and the maximum amount of share capital permitted is SEK 75,600,000 with the proposed wording

**”§ 4**

Aktiekapitalet ska vara lägst 18 900 000 kronor och högst 75 600 000 kronor.

*The share capital shall not be less than SEK 18,900,000 and not more than SEK 75,600,000”,*

and

- d. that the board of directors is authorized to determine the record day for the share split and to take any other measures or amendments of this resolution required to carry out or register the share split.

The reasons for the proposals are that the board of directors wishes to increase the liquidity of the Company's shares, as a larger number of shares and a lower price per share facilitates the trade of the Company's shares on Nasdaq First North Premier Growth Market.

**Resolution on authorization for the board of directors to issue shares, convertible instruments and warrants (item 9)**

The board of directors proposes that the Extraordinary General Meeting resolves to authorize the board of directors to, until the next 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 authorization to issue shares, convertible instruments and/or warrants. 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 authorization shall primarily be used for the purpose of acquisitions or financing.

Upon the Extraordinary General Meeting's resolution in accordance with the proposals above, the board of directors intends to cancel the outstanding volume of the registered authorization for the board of directors to issue shares convertible instruments and warrants resolved at the Annual General Meeting on 14 May 2020.

## 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 34 653 720 shares. All shares carry equal voting rights. The Company does not hold any own shares.

## Majority requirements

The resolution set out under agenda item 7 requires for validity that shareholders holding not less than nine-tenths of both the votes cast as well as the shares represented at the Extraordinary General Meeting vote in favour of the proposal.

The resolution set out under agenda items 8 and 9 requires for validity that shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Extraordinary General Meeting vote in favour of the proposal.

## Documents

Documents that shall be made available prior to the Extraordinary General Meeting pursuant to the Swedish Companies Act will be made available at the Company (address as above) and on the Company's webpage, [www.stillfront.com](http://www.stillfront.com), not less than three weeks before the Extraordinary General Meeting. 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 to request information pursuant to Chapter 7, Section 32 of the Swedish Companies Act. A request for information must be submitted in writing to the Company by email to [egm@stillfront.com](mailto:egm@stillfront.com) or by mail to Stillfront Group AB (publ), "Extraordinary General Meeting", Sveavägen 9, III 57 Stockholm, no later than ten days before the Extraordinary General Meeting. The board of directors and the CEO shall, if any shareholder so requests and the board of directors considers that this can be done without material harm to the Company, provide information on circumstances that may affect the assessment of a matter on the agenda, by keeping them available in writing at the Company no later than five days prior to the Extraordinary General Meeting. The information shall also be sent within the same time to the shareholder who has requested it and stated their postal address, and also be made available to the shareholders on the website. The obligation to provide information also applies to the Company's relationship to other group companies.

## Process of personal data

For information on how the Company processes your personal data, please refer to the privacy policy available on Euroclear Sweden AB's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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Stockholm in November 2020

The board of directors of Stillfront Group AB (publ)

**For additional information, please contact:**

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Sofia Wretman, Head of IR & Communication, Stillfront Group

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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 approx. 1,000 co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, France and Canada. 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](http://stillfront.com)

## **Certified Adviser:**

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

## **Attachments**

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[Notice of Extraordinary General Meeting in Stillfront Group AB \(publ\)](#)