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Acquisitions of The Pirate Bay and new file - sharing technology, p2p 2.0

- Pave the way for compensation model

The listed software company, Global Gaming Factory X AB (publ) (GGF) acquires The Pirate Bay website, <http://www.thepiratebay.org>, one of the 100 most visited websites in the world and the technology company Peerialism, that has developed next generation file-sharing technology. Following the completion of the acquisitions, GGF intends to launch new business models that allow compensation to the content providers and copyright owners. The responsibility for, and operation of the site will be taken over by GGF in connection with closing of the transaction, which is scheduled for August 2009.

"We would like to introduce models which entail that content providers and copyright owners get paid for content that is downloaded via the site, " said Hans Pandeya, CEO GGF.

"The Pirate Bay is a site that is among the top 100 most visited Internet sites in the world. However, in order to live on, The Pirate Bay requires a new business model, which satisfies the requirements and needs of all parties, content providers, broadband operators, end users, and the judiciary. Content creators and providers need to control their content and get paid for it. File sharers need faster downloads and better quality, " continues Hans Pandeya.

GGF acquires domain names and related web sites, including <http://www.thepiratebay.org>. The consideration for the purchase amounts to MSEK 60 consisting of at least MSEK 30 in cash and up to the equivalent of MSEK 30 in the form of newly issued shares in GGF (according to valuation in connection with the completion of the acquisition). The stock share of the purchase price is expected to be equivalent to a maximum of three per cent of the total number of outstanding shares of GGF after the acquisition. In the case that three per cent of the shares is not equivalent to 30 MSEK, the major shareholder of GGF has declared that he will contribute the equivalent in cash.

GGF has entered into an agreement to acquire the shares in Peerialism AB. Peerialism AB is a software technology company with its origin in KTH Royal Institute of Technology and SICS, Swedish Institute of Computer Science and which presently is owned by the employees. The owners as well as the employees will continue to work for the company. Peerialism develops solutions for data

distribution and distributed storage based on new p2p- technology. The access to the technology is secured by the acquisition. The consideration amounts to in aggregate MSEK 100 consisting of at least MSEK 50 in cash and up to the equivalent of MSEK 50 in newly issued shares in GGF (according to valuation during a period of ten days after the announcement). The share part of the purchase price should not exceed five percent of the total number of shares in GGF after the transaction. In addition GGF has undertaken to make initial investments of MSEK 25 in the acquired business.

“Peerialism has developed a new data distribution technology which now can be introduced on the best known file - sharing site, The Pirate Bay. Since the technology is compatible with the existing it will quickly allow for new values to be created for all key stakeholders and facilitate new business opportunities”, says Johan Ljungberg, CEO Peerialism.

Completion of the acquisitions are primarily subject to GGF obtaining financing for the acquisition, that any necessary resolutions are adopted by a General Meeting of GGF, and that GGF and the Board of Directors consider that the acquired assets can be used in a legally and appropriate way. GGF intends to issue new shares in order to obtain the necessary financing for the acquisition. The acquisition is deemed to be completed in August 2009. In connection therewith, the ownership of, and responsibility for, the acquired assets will be transferred to GGF.

“As a result of the acquisitions of The Pirate Bay and Peerialism, GGF will have a strategic position in the international digital distribution market. File sharing traffic is estimated to account for more than half of today's global Internet traffic. The Pirate Bay has a global brand and holds a key position with over 20 million visitors and over one billion page views per month,” says Hans Pandeya.

For further information, pls contact:

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A Press briefing will be held on June 30th 2009 at 11.00 at Spårvägshallarna, Birger Jarlsgatan 57 A, Stockholm.

Global Gaming Factory X AB (publ) has been listed on Aktietorget since 2006 GGF has the largest network of Internet cafés and game centers and provides software. GGF thus has access to the largest group of games players on the Internet. The company's principal shareholders are Magnus Bergman (Chairman),

Hans Pandeya, (CEO) and Johan Sellström, (CTO) (for more details see attached CV and <http://www.globalgamingfactory.com>).

The Pirate Bay is one of the 100 most visited Internet sites in the world and one of the leading search engines for file sharing. The site has more than 20 million visitors and over one billion searches per month.

Peerialism AB develops solutions to transport and store data over Internet based on new p2p technologies. The solutions are capable of large scale media distribution with clear advantages over existing solutions; it makes better use of networks resources whilst reducing ISP traffic and significantly lowering the cost of media distribution. The technology has its origin from research projects within SICS (Swedish Institute for Computer Science) and KTH (Kungliga Tekniska Högskolan). The head of research at SICS, Seif Haridi who also is a professor at KTH will continue to be advisor to Peerialism. The company was founded in 2007 and has 14 employees and is based in Stockholm (more information <http://www.peerialism.com>, <http://www.sics.com>, <http://www.kth.se>).

Background

The market for the consumption and distribution of digital media is characterised by a complex landscape of both national and international legislation with difficult conflicts between different areas of law – not least in balancing copyright law and rights of privacy. This has led to a widespread global debate among opinion-makers, politicians, academics, the general public and business people.

In addition to the responsibilities of the individual Internet user, the responsibility for user-generated material is diversely allocated between different market participants and may also vary from country to country. However, both U.S. and European law place certain obligations on Internet Service Providers (ISP) and on Information Society Service Providers (ISSP) to prevent the distribution of unauthorised or illegal material. Time consuming legislative work and costly litigation are taking place in all parts of the world as a result of the demands posed by the technological evolution on the rules that are to apply.

All market participants, e.g. technology and broadband providers, various service providers, search engines and rights' holders would all benefit from a clearer legal landscape that enables safe investments and the continued evolution of the information society. GGF wants to accept the challenge to position itself as a respectable participant in the market and contribute to Internet's infrastructure, with the goal to establish working models for co-operation and a clear allocation of responsibilities on market terms, respecting both intellectual property rights and the rights of privacy.

Below you can find a selection of links related to the discussion;

<http://hbswk.hbs.edu/item/4206.html>

<http://www.downloadsquad.com/2009/04/18/is-google-the-next-pirate-bay-in-a-word-no/>

<http://cci.mit.edu/research/prediction.html>

CV – Global Gaming Factory X AB

Hans Chandra Pandeya, CEO

St. Columba's School, New Delhi, MSc Engineering Physics, Royal Institute of Technology, KTH, Sweden and MBA Harvard Business School.

Co-founder of Bargain Pages, an advertising paper for free ads in Birmingham, UK. Sold to one of the biggest classifieds publishers in Europe.

Co-founder of Ad-Mag, advertising papers for free ads in India.

Co-founder of advertising papers for free ads in Australia. Sold to John MacBain's Trader Classified Media, the biggest classifieds publisher in the world.

CEO of Interline Networks, an Internet telephony network in Sydney, Australia. Launched a web phone for free phone calls in 2000.

Founder and owner of Unika Bostäder AB, a property developer in Stockholm, Sweden.

Worked with advertising papers, IT companies, and property development for 17 years.

Johan Sellström, Technical Director

MSc Engineering Physics, Royal Institute of Technology, (KTH) Sweden.

Co-founder and Chief Technology Officer, Icon Medialab, one of the biggest IT consultancy firms in Europe.

Analytical methods and implementation, Aeronautical Institute of Sweden, SAAB Military Aircraft, Volvo.

Magnus Bergman, Chairman

MSc in Aeronautics, Royal Institute of Technology, (KTH) Sweden, PhD in Physics, Institute National Polytechnique, Toulouse, France.

Co-founder and CEO of Parallel Consulting Group AB that was sold to Icon Medialab in 1999.

Former Director of Icon Medialab.

Co-founder and CEO of Cross Connect Network Group AB.

Chairman of Mobispine AB, Efield AB, CrossVenture Capital AB.

More than 20 years of experience in development of IT companies in the areas of parallel computing, advanced computer technology, IT security, application interfaces, communication and methodology.