



Presentation Year-End Report
February 25, 2016

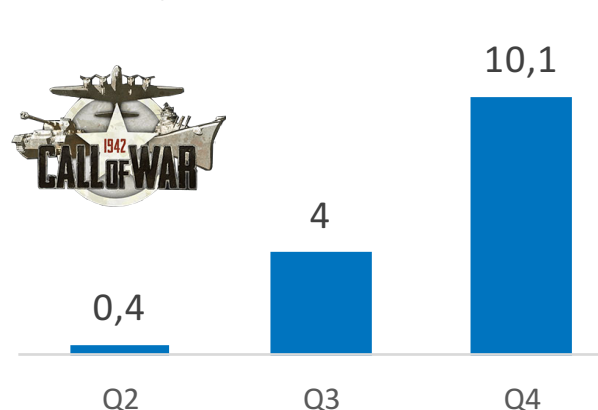
Selected highlights Year-End Report

Successful IPO



Call of War Proving Strong Momentum

Quarterly Sales SEKm



SEK 40m annualized sales in Q4 2015 ...

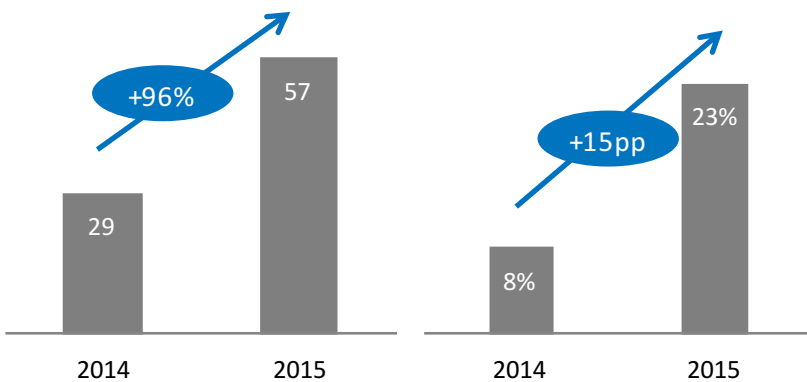
...with estimated peak yet to be reached...

...and life-cycle to be years-long with strong recurring profits as a result.

Accelerated Growth with High Margins

Net Revenue (SEKm)

Underlying EBITDA margin



Unravel Launched February 9, 2016



20+ awards at E3 and winner of best Strategy Game 2015 at gamescom



Further positive media and user reviews following the Launch



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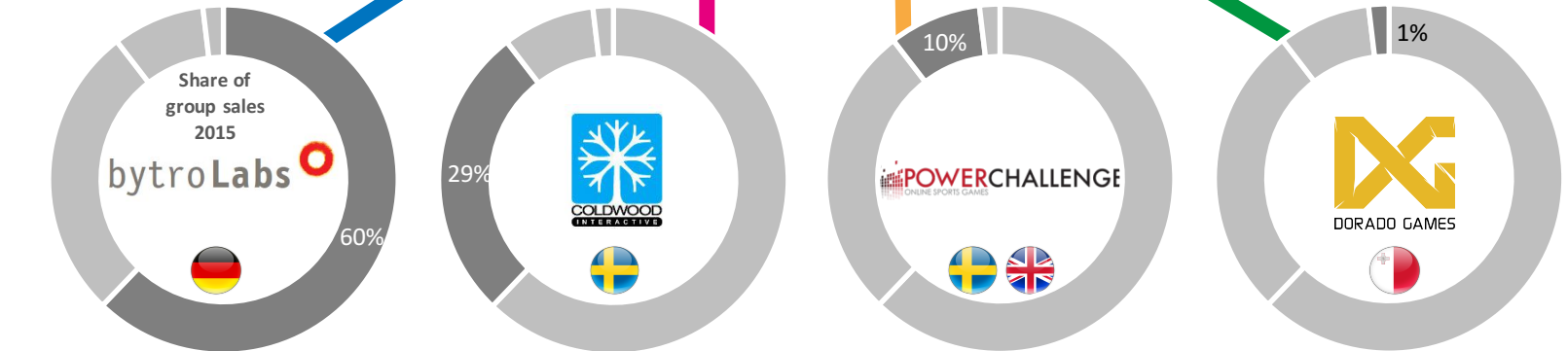
Financials

Group structure

Professional group management



4 near-autonomous subsidiaries



7 games



Across multiple platforms




Attractive and diversified games portfolio


bytroLabs  Launch in: 2009



31% of group revenue

- ▶ Still growing since launch in 2009

bytroLabs  Q3 2014



1% of group revenue

- ▶ Decent launch but marketing spend shifted to Call of War with superior marketing fROI


bytroLabs  Q2 2015



27% of group revenue

- ▶ Most successful launch to date

 COLDWOOD INTERACTIVE Q1 2016



29% of group revenue (Coldwood)

- ▶ Winner of 20+ awards at E3 and gamescom

 DORADO GAMES Q2 2015



1% of group revenue


- ▶ New action management game launched on new engine
- ▶ Released on Steam in Nov 2015


 POWERCHALLENGE Q3 2001



10% of group revenue

- ▶ 14-year life-cycle – still stable revenues

 POWERCHALLENGE Q2 2003

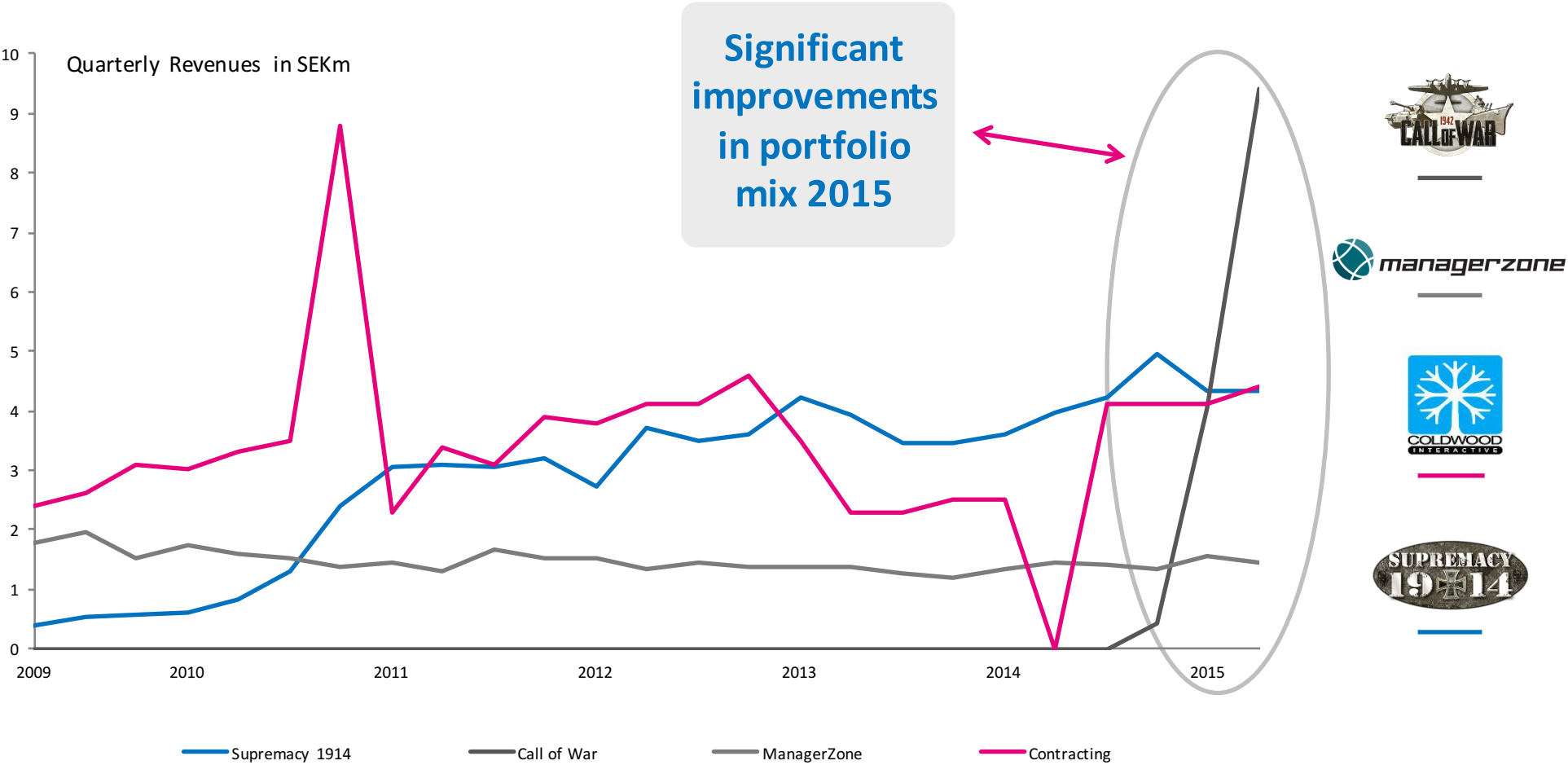


Long tail games



1% of group revenue

Portfolio Revenue Mix





Winner of 20+ awards at E3 and gamescom



SUPREMACY 1914

✈ Player name:

✈ Password:

✈ Email:

Our games are subject to the following: [Terms & Conditions](#) & [Privacy Policy](#)

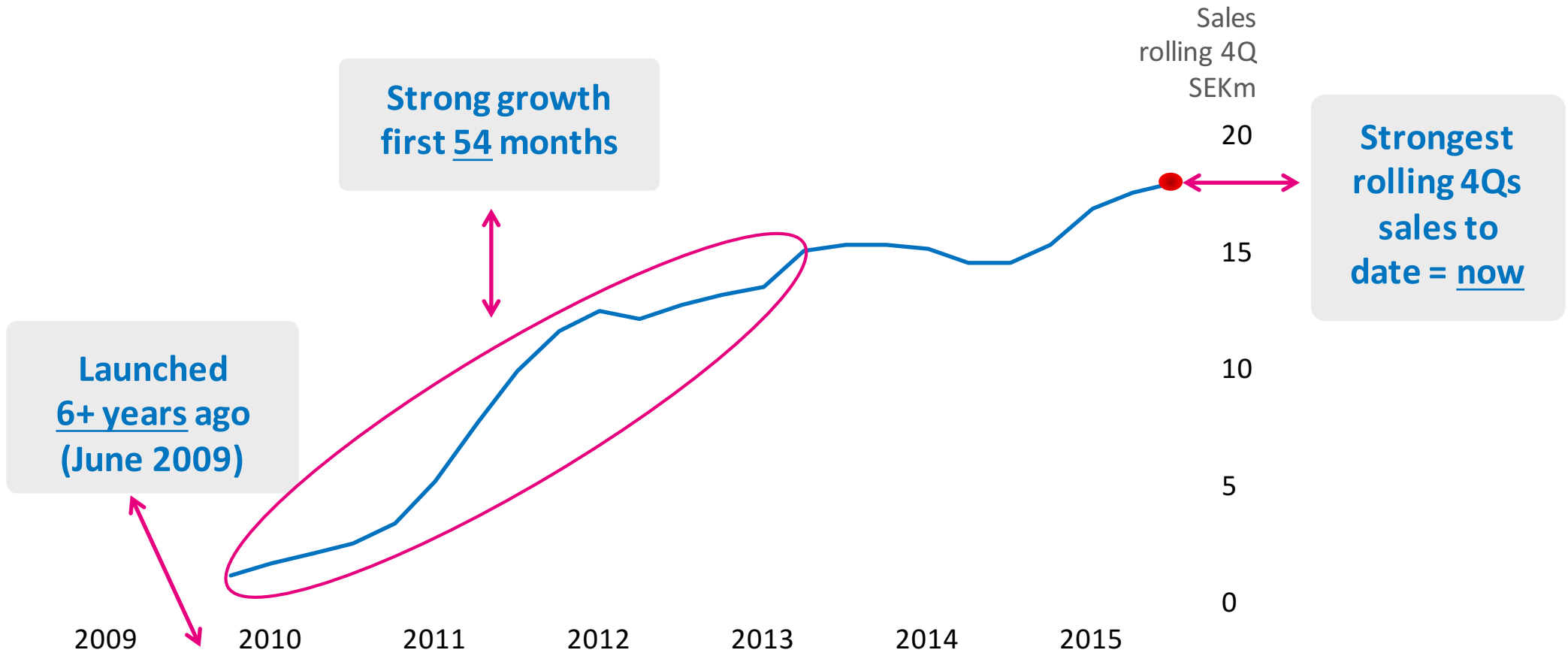
Still growing since launch in 2009

Play for free now!

 Register with Facebook

✈ [Already registered?](#)

Supremacy 1914 – Sales development



Total cumulative sales since inception is SEKm 73.2

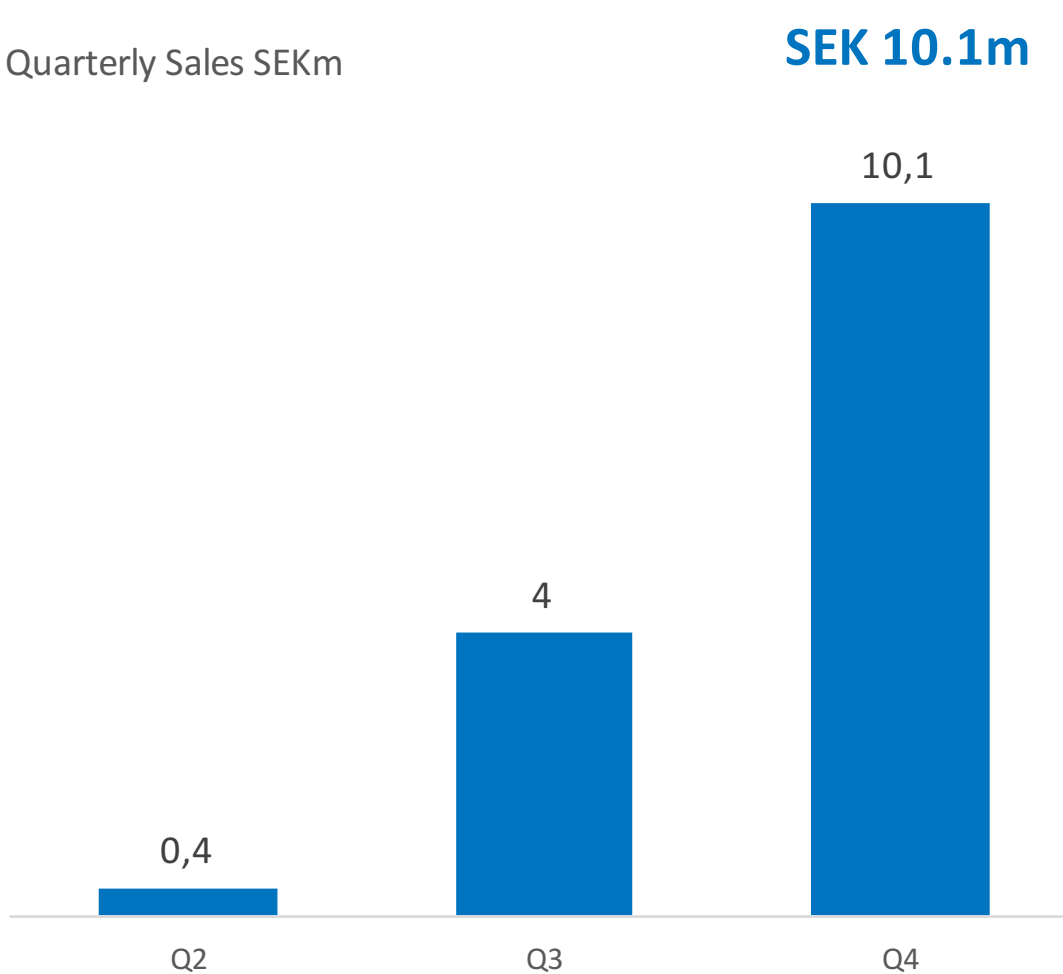


Stillfront's most successful launch to date (2015)



Call of War – WW2 Strategy Game

Quarterly Sales SEKm



SEK 10.1m



SEK 40.4m annualized sales

Already 51% of Stillfront

Call of War accounted for 51% of group revenues in Q4 2015

Revenues yet to peak

Strong growth every quarter so far

Designed for long life-cycle

Call of War is an immersive long-stay strategy game with the potential to sustain a high revenue over a long life-cycle

SEK ~2m in initial development costs recouped in terms of sales after first four months.

The cumulative sales amounts to SEK 14.5m



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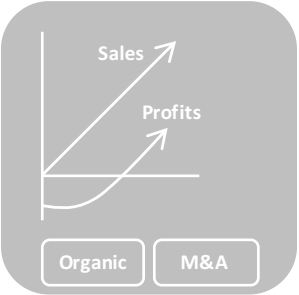
Business strategy – 3 pillars

1

- P** Portfolio of games
- L** Long life cycle games
- E** Engines for scalability
- X** X (cross) platform

Improve risk/reward

2



Grow to higher profitability

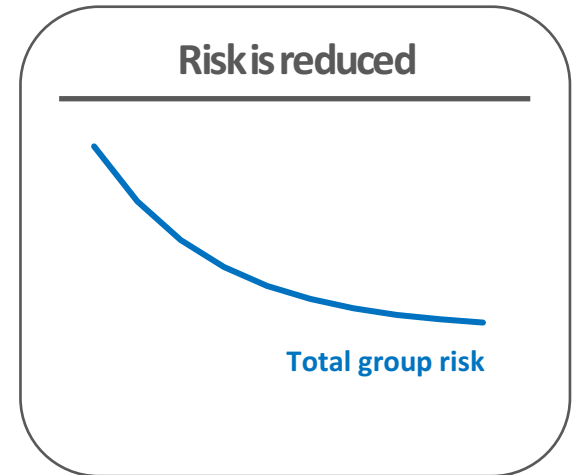
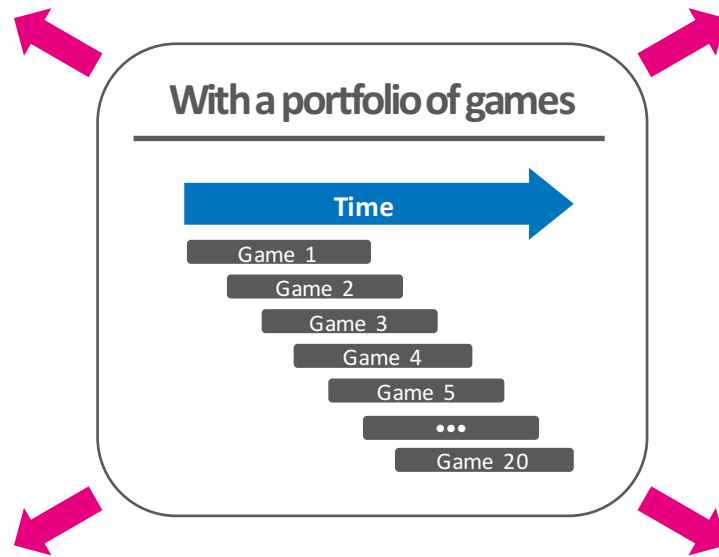
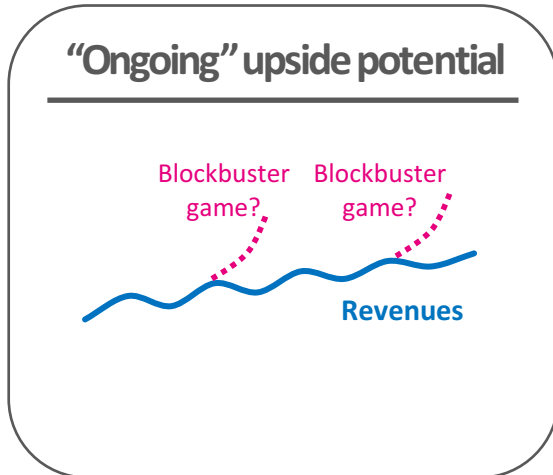
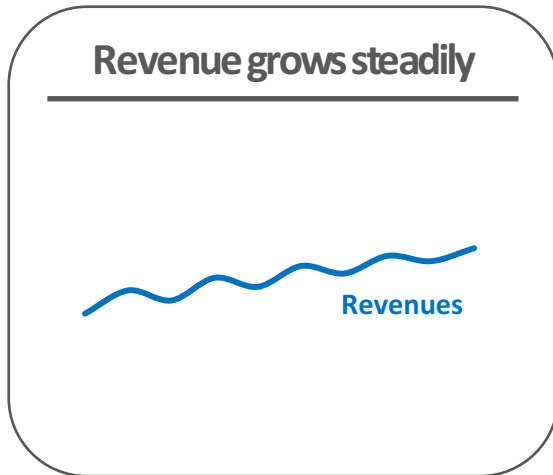
3



More IP ownership in Coldwood

Portfolio strategy (compared to a single-large-bet strategy)

P L E X

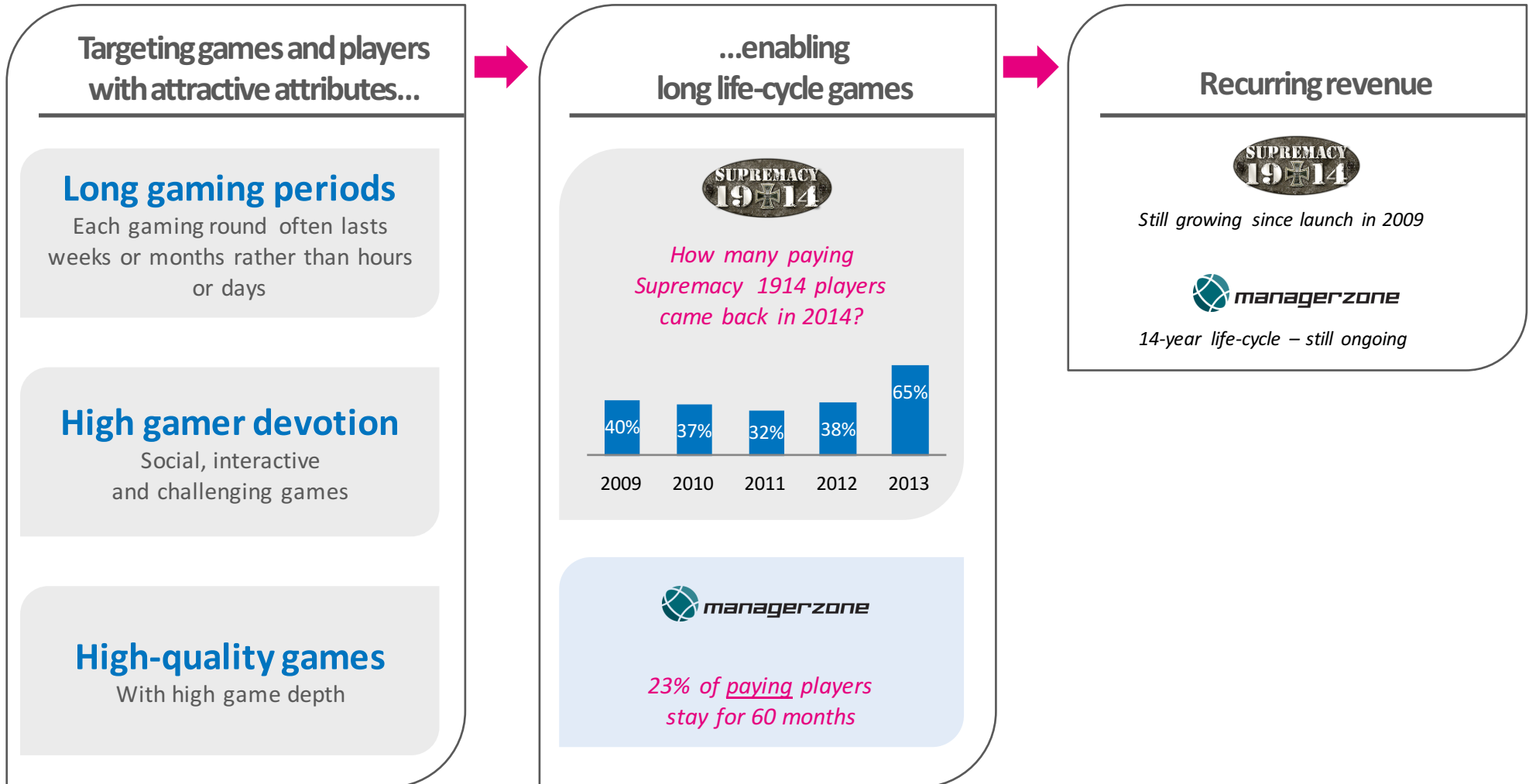


Inter-game synergies

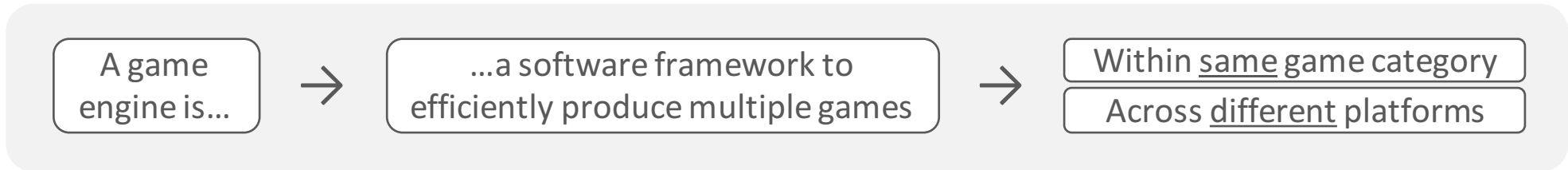
- Cross promotion
- Code recycling

- Given the high margin on games, also modestly successful products are profitable which limits the downside of the strategy
- Easier to kill less profitable "pet projects" with a portfolio of games

Long life-cycle games for recurring revenues

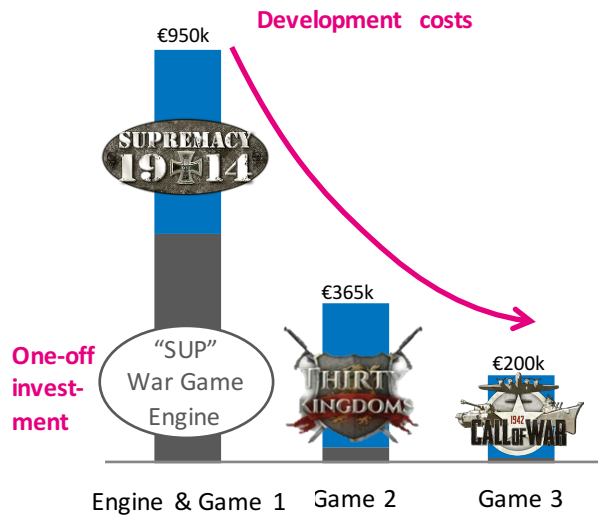


Game engines for scalability and risk reduction

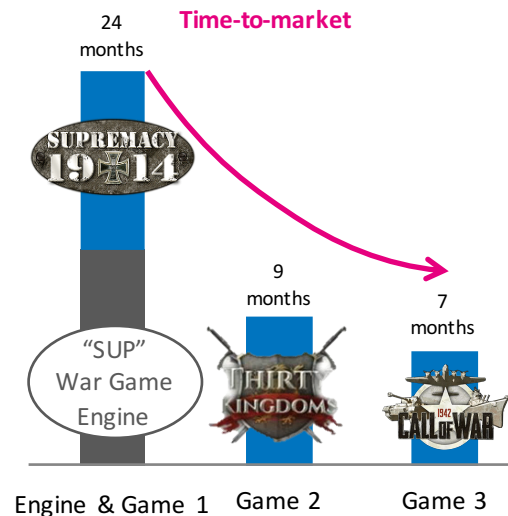


Scalability and risk-reduction benefits

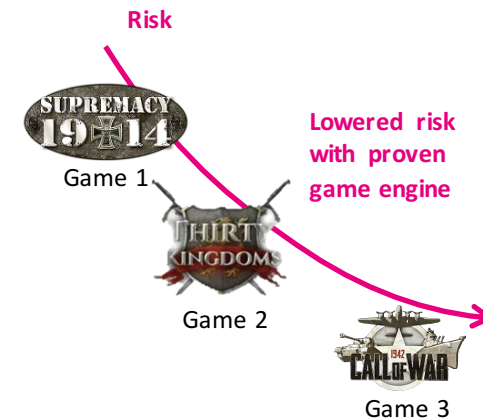
Reduces development costs



Reduces time-to-market

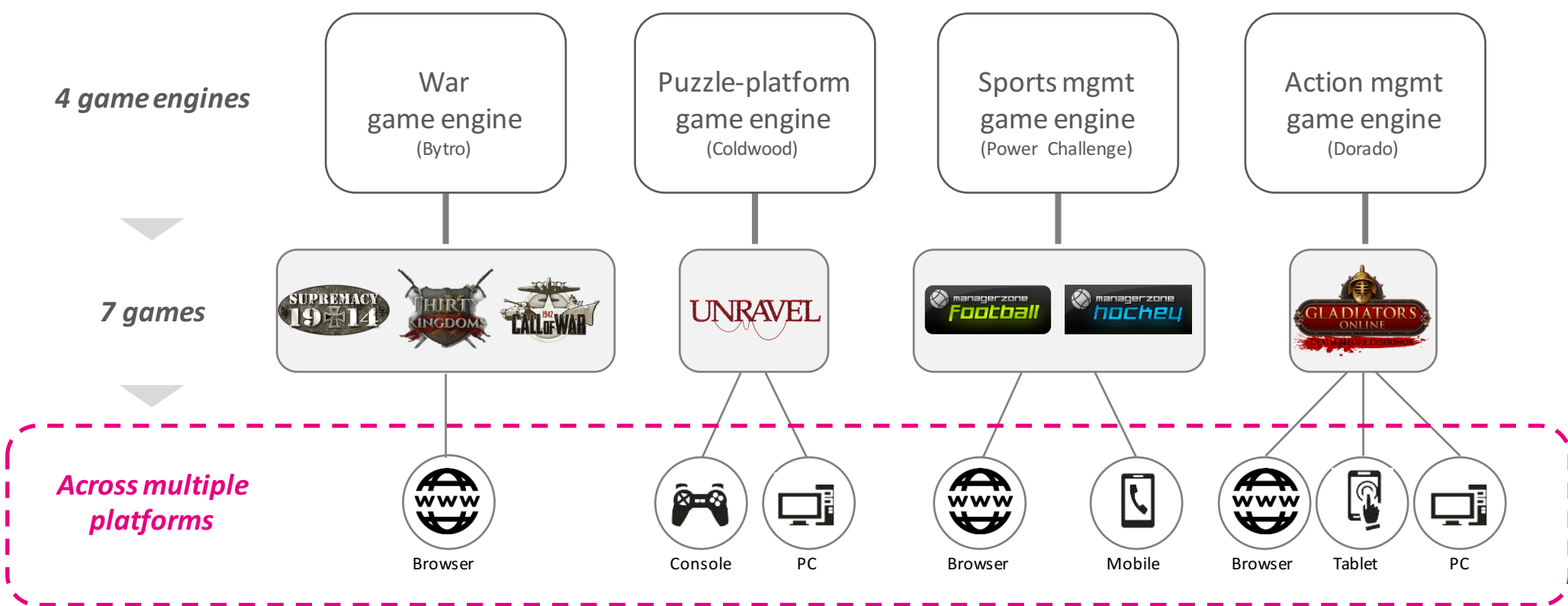


Reduces risk



Cross-platform: No platform bets – focus on creating excellent content

P L E X

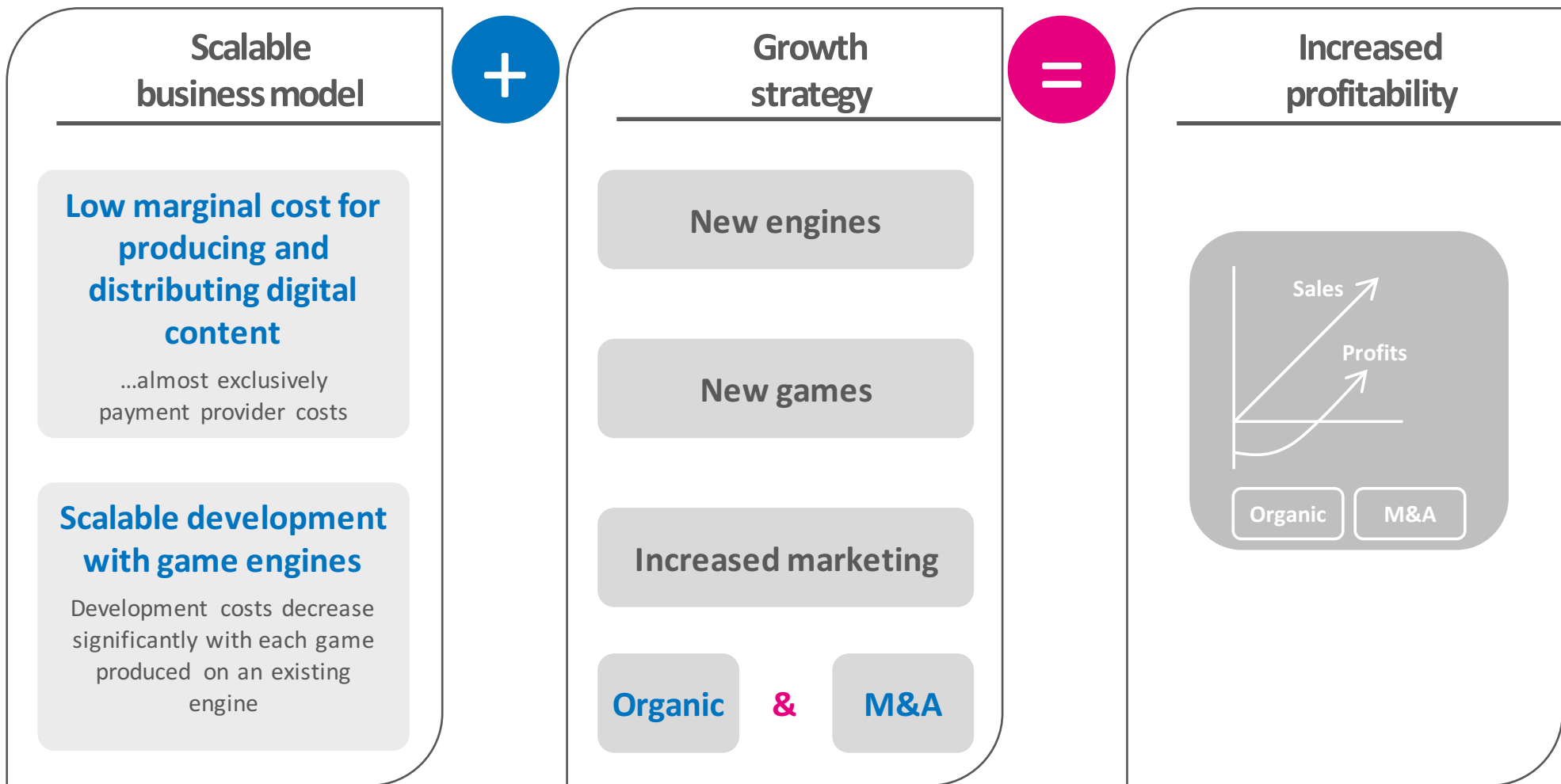


Focus on creating excellent content
 ...not taking platform bets

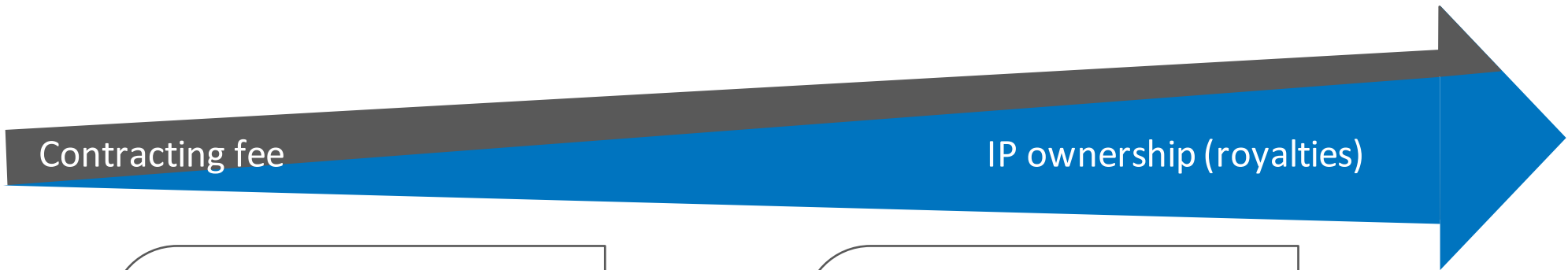
Engine–platform scalability
 Stillfront’s game engines can already make games over several platforms

Knowhow over all platforms
 Cherry-pick platform(s) most suited for each game

Higher profitability by capitalizing on scalable business model with growth strategy



Gradually increasing Intellectual Property (IP) ownership in Coldwood



Today

Develop games for stable contracting fee with considerable royalty participation

Attractive risk/reward strategy given Stillfront's current size

Way forward

Increase IP ownership gradually – initially by building a parallel team

Attractive risk/reward strategy as Stillfront grows

Stillfront's clear aim is to gradually increase its IP ownership in Coldwood's games as it grows and can absorb a higher risk level. This strategy has been proven successful by peers.



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Current Position

**Derisked and scalable
business model...**

Scalable

Low marginal cost on producing and distributing digital content

Scalable development with game engines

Derisked

Portfolio strategy reduces risk and stabilizes revenue growth...

...while capturing inter-game synergies

**...now
well-positioned...**

Proven

Strong current financials

Increasing MAU with high retention

Traction with new and long-lived cash cow games

Promising near-term pipeline

Call of War recently released

New Dorado game engine and game

ManagerZone engine improvements and new monetizing features

Coldwood position

Well-renowned studio with good momentum, receiving great response on Unravel

Solid track record – collaboration with both Sony and EA

**...for accelerating
growth strategy**

Organic growth

New engines

New games

Increased marketing

Acquisition strategy

Target smaller gaming companies – add value by guiding creativity through professional structure

IP at Coldwood

Increased IP ownership gradually – initially by building a new title with a parallel team

Use of proceeds for accelerating business strategy implementation

Flexible use of proceeds strategy as investment opportunities ahead may depend on, among other things, attractiveness of marketing fROI, speed of recruitment of top talent and finding perfect-fit acquisition targets

Use of proceeds

IPO benefits

SEK 15–35m **New games and marketing spending**
Indicatively, 2–4 new games on Bytro's SUP engine, 1–2 new games on ManagerZone engine and 1–2 new games on Dorado engine. Marketing of new games and increased marketing of existing games. Investments dependent on attractiveness of marketing fROI and performance of launched games.

SEK 15–35m **1–3 acquisitions**
Cash component of 1–3 acquisitions with sales of SEK 5–15m each over the next few years. Contingent on speed of finding perfect-fit targets with willing sellers at attractive price.

SEK 10–20m **Increased IP ownership in Coldwood**
Gradually increase IP ownership in Coldwood. Initially by building a parallel team to allow for developing two titles in parallel. Timing dependent on speed of recruitment of top talent and scope of first parallel title.

SEK 12m⁽¹⁾ **Acquiring remaining 49% of Bytro Labs**
The cash-component for the remaining 49% of Bytro Labs to be acquired during 2016. Already-set contract with earnout so final price will depend on Bytro's sales and EBITDA in 2015. The contract also includes an equity component of SEK 8–12m where Stillfront's share is valued at SEK 28/share

SEK 10–15m **General corporate purposes**
General corporate purposes including SEK 8–9m estimated transaction costs and SEK 3.3m repayment of shareholder loan to Acacia

SEK 75m

In addition to accelerating its growth strategy through the use of proceeds, additional IPO benefits are:

Diversified and strengthen ownership structure

Nasdaq-listed equity should:
– help attract and retain top talent

– Raise brand awareness

– Quality stamp of approval benefiting i.a. trading conditions

– Facilitate selective acquisition strategy (more valuable equity currency)

(1) €1.3m

Acquisition Strategy – structural search but also opportunistic

Target companies

- Focused gaming company that fits well within Stillfront Group
- Devoted founder(s) and/or entrepreneurs eager to continue to develop the business
- Successful launches of games with sales of SEK 5–15m, could increase along with Stillfronts growth

Acquisition rationale

- Value add to target companies
- Brings professional structure, guided creativity and synergies

Structure

- Attracting companies with founders who want to continue to develop the company rather than exiting
- Create strong incentives for founders to continue creating equity value through payment with a substantial part of Stillfront equity

Targets ahead

- 1–3 acquisitions over the next few years



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Financial & operational targets

Target net revenue by 2020:

>SEK 300m

Target mid-term Underlying EBITDA margin:

25–30%

Target game releases:

2016: 2-4

2017–2018: 4-6 per year

2019–2020: 5-7 per year

2016 outlook

This industry is very appealing, but also containing challenges

- High growth, fast moving and dynamic market
- Already reasonably successful products brings very strong profitability due to high gross margin
- The industry contains a significant degree of title risks
- The market is highly fragmented and fast-changing, which is both a challenge and an opportunity

Overall focus in all we do is to improve Risk/Reward ratio

- Our vision of being leading means for us to have the best Risk/Reward balance
- Our PLEX Strategy is a strong tool for us in this work
- PLEX has proven to work so far in building Stillfront Group

Strong growth focus in 2016

- 2016 is focused on strong growth and also providing platform for further growth
- Subsequently, we do not optimize on uEBTIDA nor EBITDA 2016

Offensive high Investments

- Total budgeted investments are significantly increased
- Significant investments will pay off next fiscal year
- The investments are stage gated by Group Mgmt, for derisking, assessment and potential new decisions

We must be fast, fluid and flexible as things happen

- Solid PLEX-strategy to base decision on
- Decentralized decision making
- Pragmatic, opportunistic and fast adoptable modus operandi throughout the Group

Risks

- Recruiting may take longer time than planned and delay growth
- IT Operations and Security issues may significantly impact online revenues
- User Acquisition Costs are continuously rising which is a potential risk for lower fROI on campaigns and growth
- The Group is still dependent on a handful of key individuals



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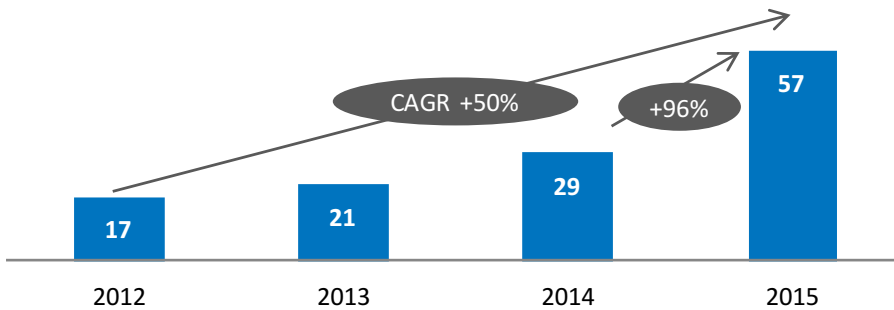
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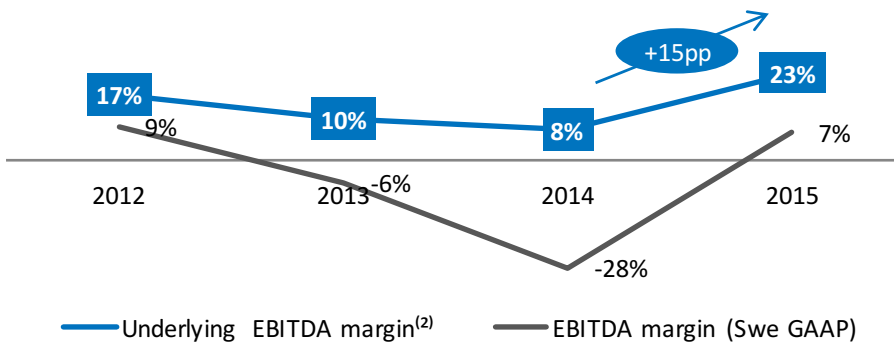
Strong current financials

Net revenue (SEKm)



- 96% organic net revenue growth in 2015 compared to 2014, mainly derived from:
 - Successful launch of Call of War
 - Strong growth in Coldwood
- 50% CAGR from 2012 to 2015 attributable to both organic and acquisition growth

EBITDA margins



- 15 percentage point increase in Underlying EBITDA margin in 2015
- ...mainly attributable to the strong sales growth...
- ...as sales growth positively affects Underlying EBITDA margin due to low marginal costs

(1) Underlying EBITDA excludes expenses considered by management as "expensed investments".

KPI Highlights

Bytro

2015FY

All Games

- Revenues, MSEK 34.3
- uEBITDA margin % 31.0%
- UAC, MSEK 14.5
- PPC, MSEK 2.2

2015q4

Supremacy 1914

- MAU 83,942
- DAU 25,335

Call of War

- MAU 157,641
- DAU 31,005

Coldwood

2015FY

- Revenues, MSEK 16.6
- uEBITDA margin % 34.2%
- UAC, MSEK N/A
- PPC, MSEK N/A

Power Challenge

2015FY

- Revenues, MSEK 5.7
- uEBITDA margin % 1.5%
- UAC, MSEK 0.2
- PPC, MSEK 0.5

2015q4

ManagerZone

- MAU 36,123
- DAU 17,821

Profit and Loss

SEKm	2012	2013	2014	2015
Net revenue	17,1	20,7	29,1	57,1
Other revenue	0,7	0,1	1,9	0,3
Total revenue	17,7	20,8	31,0	57,3
Personnel	-8,0	-12,5	-17,0	-19,5
Other external expenses	-8,1	-9,3	-22,1	-33,8
Other operating expenses	-0,1	-0,2	—	—
Reported EBITDA⁽¹⁾	1,5	-1,2	-8,2	4,0
<i>Add back expensed investments⁽¹⁾</i>	<i>1,4</i>	<i>3,4</i>	<i>10,4</i>	<i>8,9</i>
Underlying EBITDA⁽¹⁾	2,9	2,2	2,3	12,9
Depreciation & amortization	-52,1	-17,3	-15,0	-8,3
EBIT	-50,6	-18,6	-23,1	-4,2
Net income from fin. fixed assets	—	—	-0,6	0,1
Interest income	0,0	0,2	0,1	0,0
Interest expenses	-0,6	-0,1	-0,1	-0,3
EBT	-51,1	-18,5	-23,8	-4,5
Tax	0,0	-0,1	—	-1,8
NI	-51,1	-18,6	-23,8	-6,3
Net revenue growth, YoY	n.a.	21,4%	40,4%	96,3%
Underlying EBITDA margin	17,1%	10,5%	7,8%	22,6%
Reported EBITDA margin	8,7%	neg.	neg.	7,1%

- The increase in net revenue 2015 is attributable to increased contracting fees in Coldwood and the successful launch of Bytro's Call of War
- The increase in net revenue and Expenses in 2014 is mainly attributable to the consolidation of Bytro (December 2013)
- Underlying EBITDA excludes expensed development investments. It is the Management's opinion that this better portrays the business' underlying operations

Underlying EBITDA excludes expenses considered by management as "expensed investments".

Cash flow

SEKm	2012	2013	2014	2015
EBT	-51,1	-18,5	-23,8	-4,5
Adjustments for non-cash items	52,2	17,3	13,6	8,1
Paid tax	-0,3	-0,6	-0,2	-1,0
Cash flow from operations before adjustments of NWC	0,8	-1,7	-10,3	2,6
Increase(-)/Decrease(+) of accounts receivable	1,7	1,4	1,6	-5,9
payable	-0,7	-2,4	0,5	7,1
Cash flow from operations	1,7	-2,7	-8,2	3,8
Investments in subsidiaries	0,7	-5,4	—	—
Investments in tangible fixed assets	—	-0,1	-0,1	-0,3
Investments in financial fixed assets	-1,8	-2,1	—	2,1
Cash flow from investing activities	-1,1	-7,6	-0,1	1,8
New issue	0,5	14,5	5,3	64,2
Other equity contributions	—	—	—	—
New loans	—	—	—	—
Repayments of loans	-0,1	-1,5	-0,4	-0,6
Cash flow from financing activities	0,4	12,9	4,8	63,6
Net increase(+)/decrease(-) in cash & cash equivalents	1,0	2,7	-3,5	69,2
Cash & cash equivalents at beginning of period	4,1	5,1	7,8	4,3
Cash & cash equivalents end of period	5,1	7,8	4,3	73,5

- 2015 New issue strengthened cash position
- Investments in subsidiaries in 2013 (SEK 5.4m) mainly relates to the acquisition of Bytro
- The proceeds from New issue in 2014 (SEK 5.3m) were mainly used for investments in Gladiators Online and ManagerZone
- The proceeds from New issue in 2013 (SEK 14.5m) were mainly used for the acquisition of Bytro and investments in Stillfront Online Games, ManagerZone. SEK 1.5m was used for repaying debt and the remaining SEK 1.1m used for corporate improvements.

Financial position (Assets)

SEKm	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015
Capitalized development expenses	13,9	4,4	2,0	—
Concessions, patents, licenses & trademarks	1,7	—	—	0,3
Goodwill	14,4	28,0	16,3	10,0
Total intangible fixed assets	30,1	32,4	18,3	10,3
Inventory, equipment & installations	0,3	0,3	0,2	0,2
Total tangible fixed assets	0,3	0,3	0,2	0,2
Receivables from group companies	0,2	—	—	—
Shares in associated companies	3,9	—	—	—
Other non-current securities	0,0	5,9	5,3	—
Other non-current receivables	—	0,3	—	—
Total financial fixed assets	4,1	6,2	5,3	—
Total fixed assets	34,4	38,9	23,8	10,5
Prepaid expenses to suppliers	0,0	—	—	—
Accounts receivable	0,7	1,0	0,8	3,3
Receivables from group companies	—	—	—	—
Tax receivables	0,1	0,1	0,1	0,5
Other receivables	0,3	1,0	0,9	1,9
Prepaid expenses & accrued income	2,2	1,8	0,7	3,1
Cash & cash equivalents	5,1	7,8	4,3	73,5
Total current assets	8,6	11,7	6,8	82,3
Total assets	43,0	50,5	30,6	92,8

- Goodwill amounted to SEK 28.0m as of 31 December 2013, an increase of SEK 13.6m, attributable to the acquisition of Bytro net of the period's Goodwill amortization
- Shares in associated companies amounted to SEK 3.9m as of 31 December 2012 and relate to holdings in Entertainment Products of Sweden AB and Vexercise AB. These were reclassified to Other non-current securities as of 31 December 2013. The holdings in Entertainment Products of Sweden AB have been divested during 2015

Financial position (Equity & Liabilities)

SEKm	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015
Equity	1,3	1,7	2,2	3,5
Equity issue under registration	—	—	—	—
Free reserves	83,2	—	—	—
Other equity contributions	—	126,7	131,5	191,8
Other equity incl. net income	-51,1	-87,3	-111,7	-119,1
Total equity attributable to parent company	33,4	41,2	22,1	76,2
Minority interests	—	2,9	2,2	3,3
Total equity	33,4	44,1	24,3	79,5
Deferred tax	0,5	0,4	0,4	0,3
Total provisions	0,5	0,4	0,4	0,3
Other non-current debt	2,9	1,3	0,9	0,3
Total non-current liabilities	2,9	1,3	0,9	0,3
Accounts payable	2,2	0,5	1,1	5,2
Tax liabilities	0,4	0,6	0,5	1,7
Other current debt	1,4	0,6	1,3	2,2
Accrued expenses and deferred income	2,2	2,9	2,2	3,4
Total current liabilities	6,2	4,7	5,0	12,6
Total equity & liabilities	43,0	50,5	30,6	92,8
Book solidity	0,78	0,87	0,79	0,86

- As of 31 December 2013, Free reserves were reclassified and split into Other equity contributions and Other equity incl. net income in connection with the transition to the “K3” accounting framework, recommended by the Swedish Accounting Standards Board.

Other equity contributions are in all material aspects made up of the share premium account.

Other equity incl. net income is in all material aspects made up of accumulated losses.

- New issue in 2015 strengthened the equity



Thank you

