

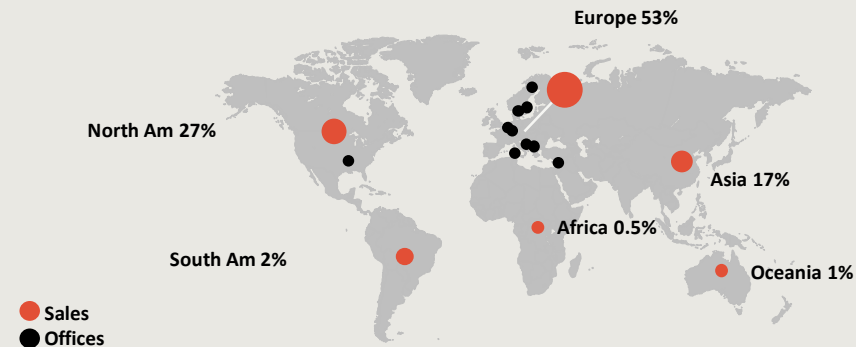
Q1 2019

Stillfront – a market leader in online strategy games

STILLFRONT AT A GLANCE

- A global group of gaming studios in the free-to-play online strategy games genre
- A diverse and evolving game portfolio with two common themes; loyal users and long lifecycle games
- 5.9 million monthly active users, MAUs, and 1.4 million daily active users, DAUs
- Main markets by revenue are US, Germany, MENA, France and Poland
- Headquartered in Stockholm with a group of eleven studios operating in Bulgaria, Germany, Jordan, Malta, Romania, Sweden and United States with a total of 500 professionals

GLOBAL PRESENCE



GAME STUDIOS



MASSIVE TRACK RECORD

Marketing spend

€250m

with high ROI



All time

500m

users to date

€ >1bn

in lifetime deposits

5.9m MAU

avg. # of MAUs

Empire

is one of the biggest
strategy games of all time



FINANCIAL HIGHLIGHTS

- Strong start to 2019
- Revenue growth of 33% YoY
- Solid profitability: EBIT margin of 27%
- UAC amounted to 108 MSEK or 26% in relation to net revenue

OPERATIONAL HIGHLIGHTS

- Highly profitable marketing campaigns
- Strong momentum in Core products: Nida Harb 3 reaches new levels
- Imperia Online and Shakes & Fidget contribute with high margins
- New launches develop according to plan

Portfolio update Q1

Diversified portfolio generating growth and profitability

38%

EMPIRE BRAND



- Four products: Empire, Four Kingdoms, Millennium, World War 3

Q1

- Deposits¹: 161 MSEK (-10% YoY)
- UAC: 17 MSEK (-50% YoY)
- Second quarter of sequential growth; QoQ growth of 3.5%
- Very strong EBIT contribution

19%

BIG BRAND



- Three products: Big Farm, Mobile Harvest and Skytopia

Q1

- Deposits¹: 79 MSEK (+17% YoY)
- UAC: 37 MSEK (+4% YoY)
- Sequential growth; 14% QoQ
- Big Farm: Mobile Harvest continues improving engagement and monetisation YoY

43%

CORE PRODUCTS



- In total 24 products

Q1

- Deposits¹: 183 MSEK (+172% YoY)
- UAC: 53 MSEK (+268% YoY)
- Largest products: Nida Harb 3 (56 MSEK), Shakes & Fidget (28 MSEK), Call of War (17 MSEK)
- UAC for Core products recouped within 90 days

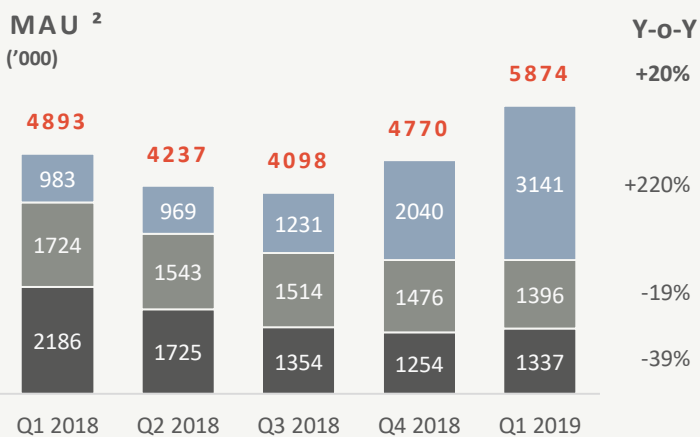
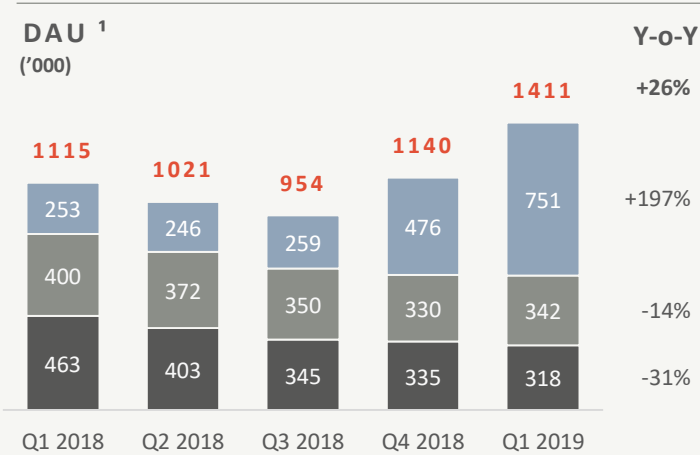
<1%

OTHER



- Long tail products
- In total more than 10 products
- Low potential but still contributing
- No investments or live ops
- Assets can be reused

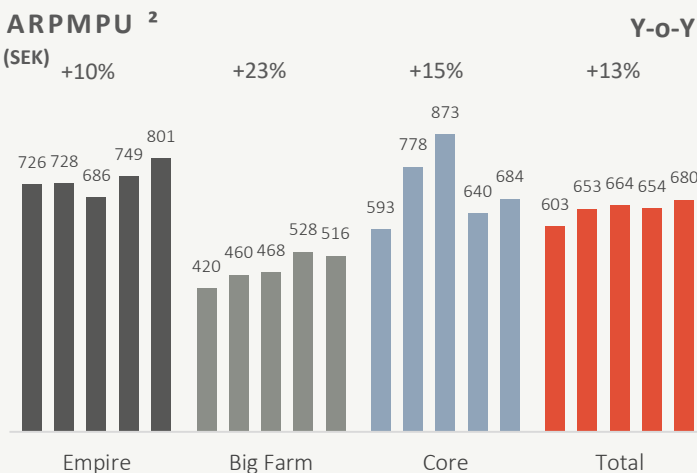
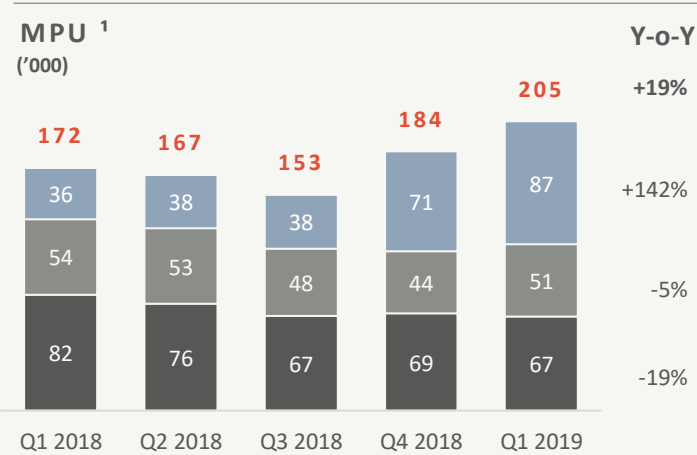
Active User Base



COMMENTS Q1 2019

- Total MAU and DAU both at all time high
- Strong growth in Core products coming both from full consolidation of Playa Games and recently launched titles Strike of Nations, SIEGE: WWII
- Stickiness growing overall, driven by Big and Empire games – Core slightly decreasing as expected with strong growth

Paying User Base



COMMENTS Q1 2019

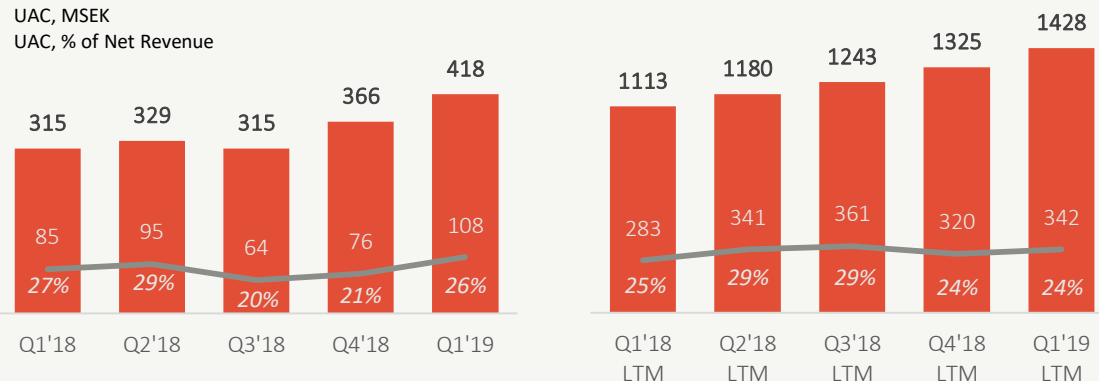
- Total MPU and ARPMU both at all time high
- Strong MPU growth in Core products coming both from full consolidation of Playa Games and recently launched titles Strike of Nations, SIEGE: WWII
- QoQ deposit growth in Empire driven by improved monetisation of paying users while deposit growth in Big driven by more paying users

Note 1: Average unique monthly paying users over the quarter – pertains to online games only
Note 2: Average deposits per monthly paying user over the quarter – pertains to online games only

Strong revenue growth and solid profitability

NET REVENUE, UAC DEVELOPMENT

Net Revenue, MSEK
UAC, MSEK
UAC, % of Net Revenue

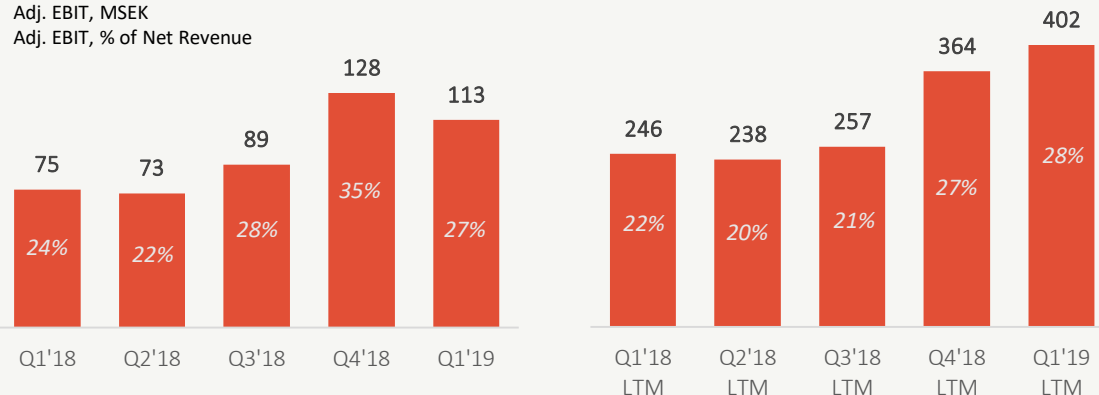


COMMENTS

- **Strong revenue growth of 33% YoY**
- **Solid profitability: EBIT margin 27%:**
 - UAC of 108 MSEK or 26% in relation to net revenue
 - Imperia Online and Shakes & Fidget are contributing with high margins
 - Higher share of mobile revenues 55% (51%) as a result of continued strong revenue growth in Nida Harb 3 and Big Farm: Mobile Harvest
- **Highly efficient and profitable marketing campaigns**
 - Around 50% of UAC was spent in the fast growing 'Core' product area
 - UAC for Core products recouped within 90 days
- **The Group strongly benefits from having a diversified portfolio:**
 - Empire: strong EBIT contribution
 - Core: strong growth
 - Caters for stability and predictability

ADJ. EBIT DEVELOPMENT

Adj. EBIT, MSEK
Adj. EBIT, % of Net Revenue



Income statement Q1 2019

MSEK	Jan-Mar 2019
Net revenue	418
OWC	38
Other revenues	2
Total	458
Other operating expenses	-234
Personnel expenses	-69
EBITDA	154
Depreciation, amortization and write-downs	-42
EBIT	113
Financial items	-13
EBT	100
Taxes for the period	-31
Net result for the period	69

COMMENTS

Gross margin	75%
Major cost items:	
Payment providers, platforms fees, royalties	105 MSEK
UAC	108 MSEK
Staff	69 MSEK
Capitalised Product Development	51 MSEK
Net financial items	-13 MSEK
EBT	100 MSEK
Taxes for the period	-31 MSEK

Net result **69 MSEK**



Balance sheet 2019-03-31

MSEK	Jan-Mar 2019
Intangible non-current assets	2 228
Tangible non-current assets	59
Deferred tax assets	5
Current receivables	200
Cash and cash equivalents	278
Total assets	2 771
Shareholders' equity	
Shareholders' equity attributable to parent company's shareholders	1 165
Non-Controlling interest	15
Total Shareholders' equity	1 180
Deferred tax liabilities	100
Bond	587
Non-current liabilities	496
Current liabilities	408
Total Liabilities and Shareholders' equity	2 771

COMMENTS

Intangible assets mainly consist of:

Capitalized product development and acquired products	545 MSEK
Goodwill	1683 MSEK

Non-current liabilities mainly attributable to:

Expected earn-outs and utilized RCF	431 MSEK
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Deferred tax liabilities pertain to acquired products

100 MSEK

Current liabilities including earn-outs to be settled in 2019

408 MSEK

Net result excluding one-offs

69 MSEK

Cash flow statement Q1 2019

CASH FLOW FROM OPERATIONS

MSEK	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec	Last 12 months
Cash flow from operations	98	60	210	247
Cash flow from investment activities	-65	33	-288	-386
Cash flow from financing activities	-4	-130	140	266
Cash flow for the period	29	-37	62	127
Cash and cash equivalents at the end of the period	278	144	247	278

COMMENTS

- **Cash flow from operations for Q1 2019 amounted to 98 MSEK (60)**
 - Negatively impacted by cash flow from changes in working capital partially driven by strong development in sales
- **Cash flow from investment activities amounted to -65 (33)**
 - Primarily due to the acquisitions of Playa Games and Imperia Online and investments in product development

Looking forward

OUR AIM:

To be the leading group of indie game developers and publishers

- Offering long term first class digital entertainment
- with high quality cross platform games
- Operational excellence combining Entrepreneurship, Scale and Structure
- Providing predictable high profitable growth



STILLFRONT

GROUP

