

STILLFRONT GROUP



Acquisition of KIXEYE, Inc.

June 4, 2019

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Stillfront has prepared unaudited preliminary pro forma financials for Q1 2019, from which certain selected pro forma information is presented in this presentation, with the purpose of describing a hypothetical financial result as if the Transaction, after the divestment of Kingdom Maker, had been completed per 1 January 2019. Stillfront has not completed the detailed valuation analyses necessary to arrive at the final estimates of the fair market value of the assets to be acquired and the liabilities to be assumed in connection with the acquisition of KIXEYE, Inc. The preliminary allocation of the purchase price of the acquisition used in this unaudited preliminary pro forma information is based upon Stillfront's preliminary estimates at the date of preparation of this preliminary pro forma information. As a result of the finalisation of this allocation after the acquisition's final completion, Stillfront expects to make adjustments to the acquisition analysis, where some of these adjustments could be material. Differences between the preliminary and the final acquisition analysis could have a material impact on Stillfront's pro forma financial performance.

Stillfront and KIXEYE

The leading group of indie game developers and publishers

- Significantly strengthen Stillfront's market position and game portfolio
- Combined entity set to enhance Stillfront's scale, revenue and EBITDA
- Combined pro forma net revenues of **SEK 547 million** with an adjusted EBITDA of **SEK 219 million** for the first quarter of 2019
- KIXEYE Q1 2019:
 - Net revenues of **SEK 128 million**
 - Adj. EBITDA of **SEK 65 million**
- Very sticky customer base and long game life-cycles
- Upfront value at USD 90 million on a debt and cash free basis
- Certain performance payments (up to USD 30 million) may be made in 2020, subject to certain EBITDA levels in 2019
- Accretive to both EBITDA-margin and EPS already from Q3 2019



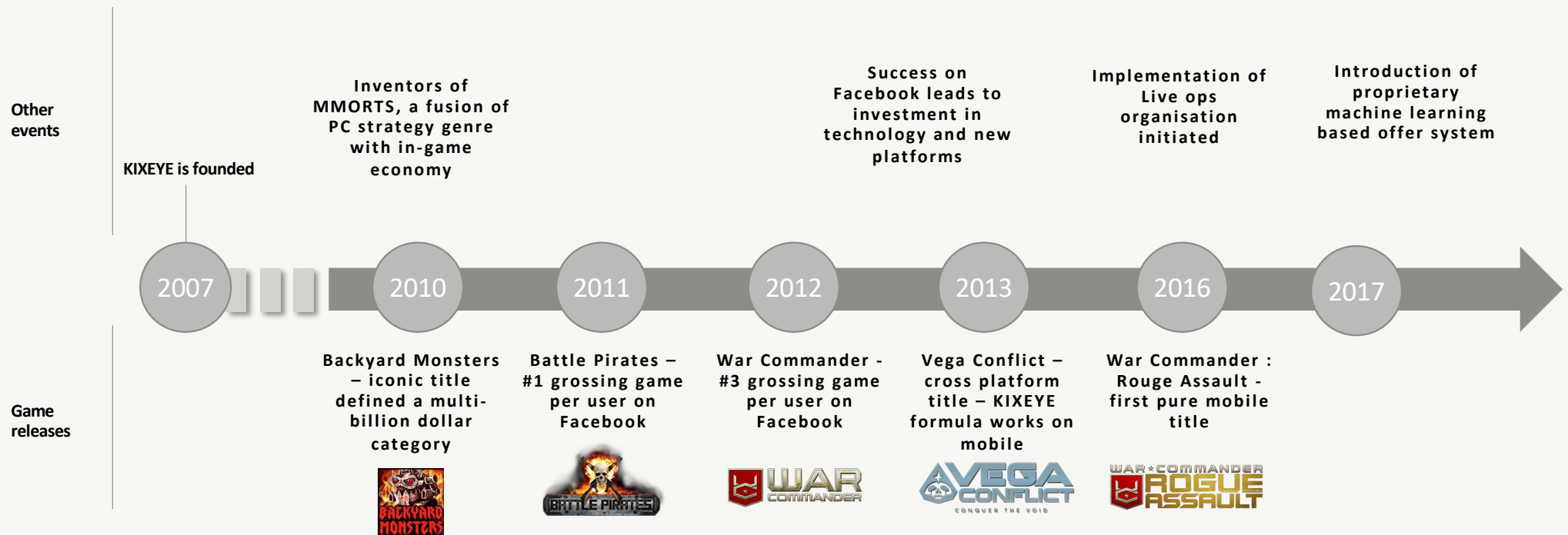
KIXEYE at a glance

Pioneers in Free-to-Play Gaming

- Founded in 2007, around 120 FTEs
- Headquartered in Victoria, Canada
- Nine year track record the forefront of Free-To-Play Gaming
- 4 live blockbuster IP's: Battle Pirates, War Commander, Vega Conflict and War Commander: Rogue Assault
- USD 850 million in lifetime bookings
- Innovators in monetization – the game mechanics created by KIXEYE are used industry-wide

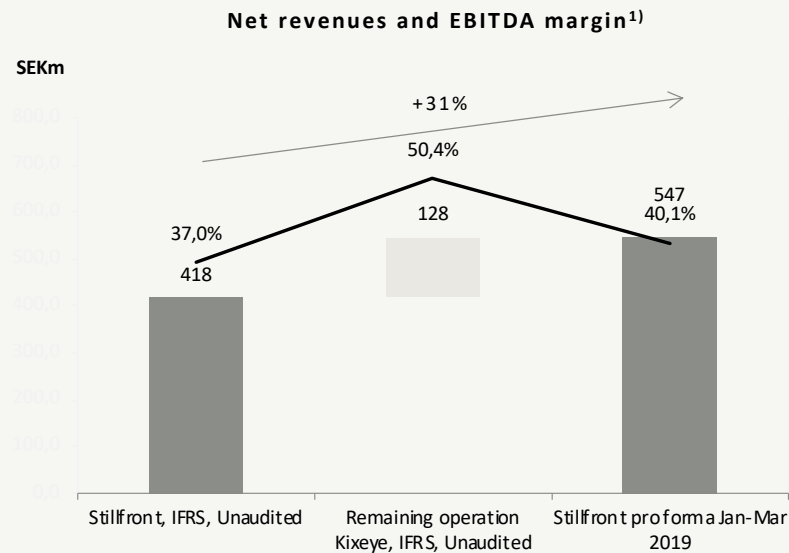


A brief history of KIXEYE



Solid financial boost and potential growth drivers

Q1 pro forma



Several potential growth drivers

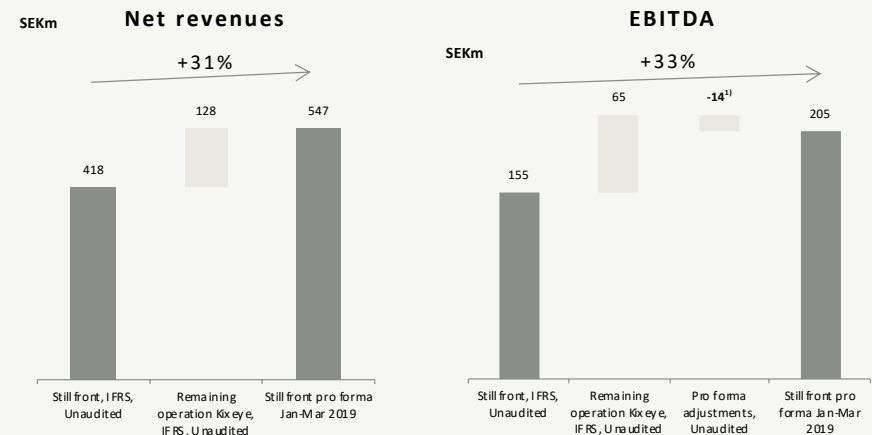
- Product KPIs support growth opportunities
- Complementary geographical presence
- Strong cross platform expertise
- Theme expansion into Sci-Fi
- Strengthened distribution platform, unique Facebook footprint
- War Commander: Rogue Assault is the newest mobile title and a strong growth potential

KIXEYE

Enhanced scale, revenue and profitability

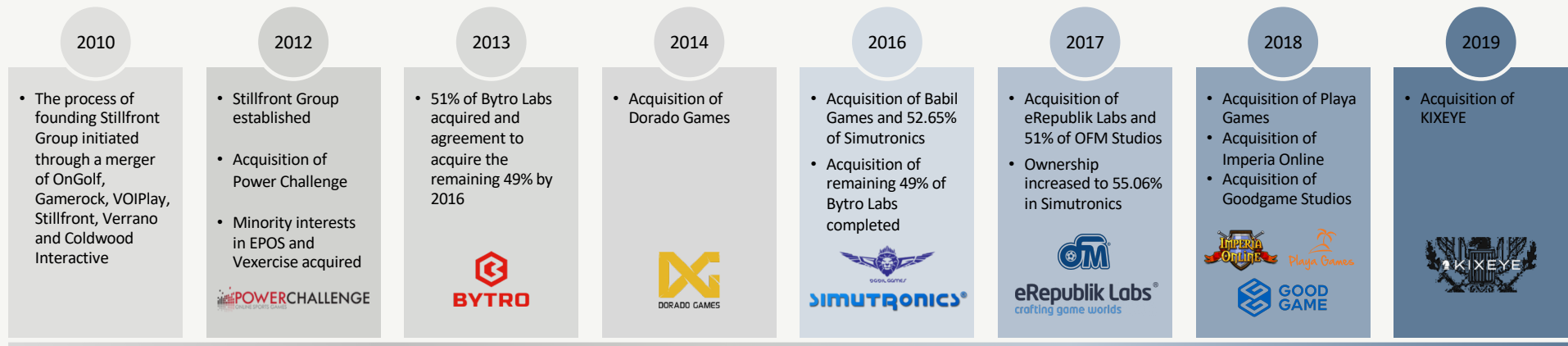
- The acquisition will significantly strengthen Stillfront's market position and game portfolio
- The combined group will be well-positioned to optimize and further develop its well-diversified portfolio
- Stillfront expects the acquisition to result in a number of potential synergies and increased growth opportunities
- Identified synergies are within performance marketing, live ops and multi-platform experience

- KIXEYE has net revenues of SEK 128 million and EBITDA of SEK 65 million which represents an increase of 31% on Stillfront's total Q1 2019 revenues and 33% on Stillfront's Q1 2019 total EBITDA



Source: Company information
Note: 1) Adjustment for transaction costs

Continuing the proven M&A track record

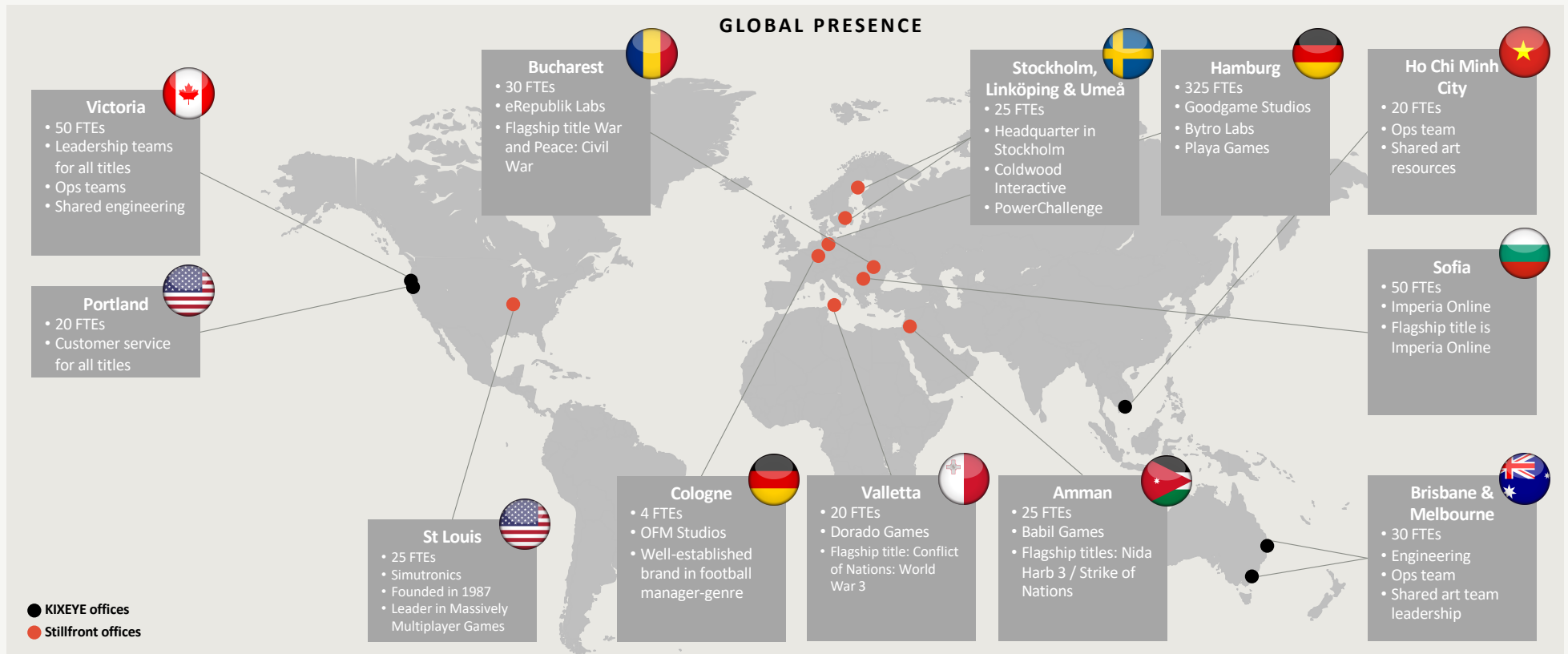


- Enabling acquired studios to accelerate growth through shared best practice within the Company
- Develop a strong and strategic platform by retaining the key people to continue to be operationally active in the studio and the Company
- In conjunction with an acquisition, a plan is established for how the acquired studio can be further developed. The actions primarily targets areas such as: performance marketing and distribution, engine leverage, platform extension, theme selection and funding

Stillfront continues to see strong opportunities for profitable growth through acquisitions

Stillfront – A truly global group of gaming studios

Solid platform of gaming studios worldwide



KIXEYE

Transaction terms

- The transaction involves the acquisition of 100% of the shares in KIXEYE for an upfront consideration payable in cash to the sellers of USD 90 million on a cash and debt free basis
- The upfront consideration will be subject to a two-way net working capital, net debt and net cash adjustment. The adjustment amount is payable by the sellers or Stillfront in cash
- Completion of the Transaction is envisaged to occur no later than 1 July 2019
- The sellers will be entitled to an earn-out consideration payable by Stillfront in an aggregate maximum total amount of USD 30 million which would be payable in cash
- The earn-out consideration is payable in 2020 following the approval of the audited annual reports for the financial years ending 31 December 2019
 - The ultimate size of the earn-out component will depend on the EBITDA development of the Company
 - Total consideration including the potential earn-out, if payable, result in very attractive earnings multiple for Stillfront
- In order to finance the Transaction, Stillfront has obtained a bridge loan facility from Swedbank AB (publ). During the coming twelve months, Stillfront aims to repay the bridge and further strengthen the group's future financial flexibility in line with Stillfront's communicated financial targets. This will be done through a combination of raising new equity, through a directed issue and/or a rights issue and through raising new debt. The planned financing from new equity will be in area of SEK 500 million. In the event of a rights issue, 70% has been secured through guarantees provided by Swedbank. The planned financing from new debt will be a combination of bond and bank financing.





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