

Acquisition of Nanobit

September 18, 2020



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("Nanobit" and the "Acquisition" or "Transaction" respectively), and present the group following a potential completion of the Acquisition. "Subsidiaries" means the subsidiaries of Stillfront as per the date of this presentation and "Subsidiary" refers to any of them. "New Group" refers to the group in which Stillfront is the parent following a potential completion of the Acquisition. In this presentation, the terms "we", "our" and "us" all refer to Stillfront.

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Stillfront has prepared preliminary unaudited financials for H1 2020 for Nanobit, with the purpose of describing the financial situation of Stillfront post closing of the Transaction. The financial information included in this presentation is condensed, preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the financial information, opinions or conclusions expressed herein.

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NANOBIT – A CROATIA BASED MOBILE GAMES DEVELOPER

NANOBIT AT A GLANCE

- Founded 2008, Nanobit is a mobile gaming studio based in Zagreb, Croatia
- Focus on narrative lifestyle simulation role playing games (RPGs) targeting 18-34 yrs. female audience
- More than 145m cumulative downloads to date and approx. 5m MAUs in September 2020
- Released 29 titles – 10 apps and 19 games, on iOS and Android platforms, with hits including Tabou Stories, Hollywood Story and My Story, Chef Town, Superstar Life, Tap & Track, Fashion City 2, Fashion Design World and Fashion Studio
- Agile organization of approx. 125 FTEs used to work cross-projects
- Main owners: Founders and Co-CEOs: Alan Sumina and Zoran Vučinić

FOUNDERS

| | |
|---|---|
| Alan Sumina <i>Co-founder and CEO</i> | Zoran Vučinić <i>Co-founder and CEO</i> |
| Special focus: Marketing and Analytics | Special focus: Product development and Production |

GAMES PORTFOLIO



TRACK RECORD

2008
Founding year

145m
Cumulative downloads to date

5m
MAU

500k
DAU

125
Full-time employees

SEK 325m
Net revenue H1 2020

SEK 60m
Adj. EBIT H1 2020

>90%
of revenue from IAP

A HISTORY OF STRONG GROWTH AND SUCCESSFUL GAME RELEASES

2008

Nanobit founded in Zagreb, Croatia, by Alan Sumina and Zoran Vučinić

2011

Nanobit's first iOS game, Fashion City, was created and released



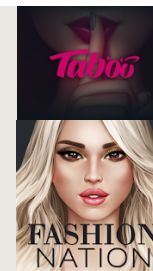
2015

Hollywood Story released on App Store and Google Play, more than 13m downloads to date



2020

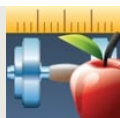
Tabou Stories released on App Store and Google Play, more than 8m downloads to date,



Fashion Nation in soft-launch

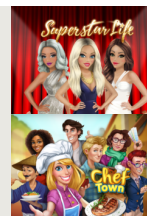
2009

Nanobit released its first iOS app named Tap&Track



2014

Nanobit had two large successes with the release of Superstar Life and Chef Town, the company



2017

My Story: Choose Your Own Path released on App Store and Google Play, more than 37m downloads to date



Adds rapid growth and further diversification to the portfolio

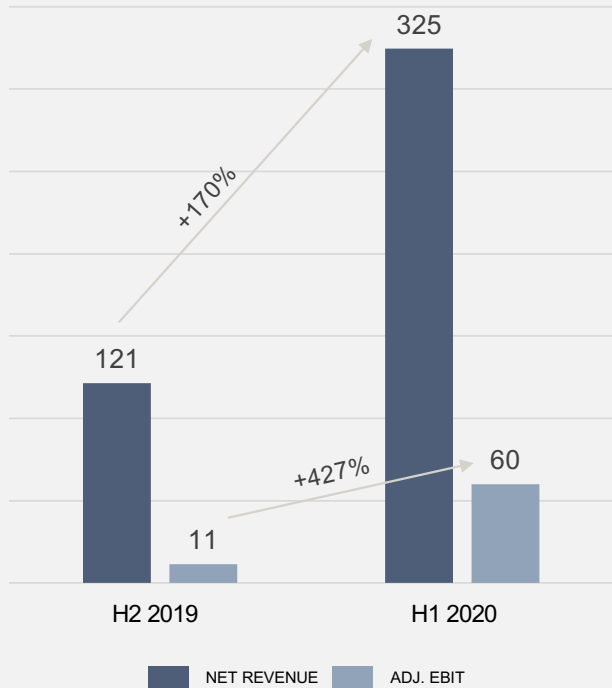
- More than 145m cumulative downloads to date, 5m MAUs, 500k DAUs as per September 2020
- Game portfolio with impressive current growth and further growth potential
- Strong pipeline of new games including Fashion Nation – a new model and design game that is currently in soft-launch
- Adds narrative role-playing games to our portfolio, further strengthening Stillfront's product area *Simulation, RPG and Action*
- Further broadens our female audience and addressable market
 - Data supports that +40% of the global gaming population are female and the demand for female games are much larger than current supply

High development and synergy potential

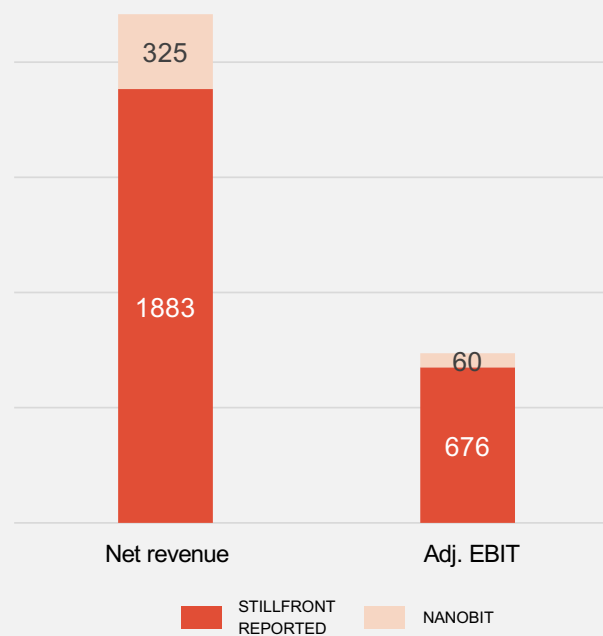
- Deep know-how and long experience of targeting female players
- Opportunity to improve and increase efficiency of analytics, UA and performance marketing
- Opportunity to increase ad monetization (currently <10% of revenue) leveraging knowledge within Stillfront's studios
- Localization and growth opportunities in new geographies
- Extend the portfolio building additional products on proven engines
- Present in attractive region with access to young and well-educated talent
- Cross selling potential with Stillfront Group's existing audiences

FINANCIAL HIGHLIGHTS NANOBIT

NANOBIT IFRS NET REVENUE & ADJ. EBIT*



COMBINED STILLFRONT REPORTED AND NANOBIT IFRS NET REVENUE & ADJ. EBIT H1 2020



COMMENTARY

- Nanobit reported approx. SEK 325m in net revenue and approx. SEK 60m Adj. EBIT in H1 2020
 - Adds approx. 17.2% of Stillfront's reported H1 2020 net revenue and approx. 8.9% of adjusted EBIT
 - Represents a dilution upon transaction of 0.81%
 - Implied Q2 leverage ratio of ~0.7x
 - All figures are preliminary and unaudited
- UA of 44% fueling the very high organic growth

*HRK/SEK exchange rate used for H1 2020 is 1.3724

FORECAST & IMPLIED VALUATION

NANOBIT FY 2020 FORECAST RANGE NET REVENUE & ADJ. EBIT MARGIN¹



IMPLIED VALUATION^{1,2}

- Adj. EBITDA multiple of 6.4x
- Attractive deal-terms in line with previous acquisitions
- Valuation should be seen in the context of Nanobit's rapid growth

1. Above figures reflect both historical and assumed exchange rates. The assumed USD/SEK exchange rate used for H2 2020 and purchase consideration is 8.71, which is the average rate in August 2020.

2. The adj. EBITDA multiple is calculated based on the Tranche 1 consideration, for consistency with previous transactions where control was gained on closing. The implied EV/Adj EBIT multiple is 7.2x

TRANSACTION STRUCTURE

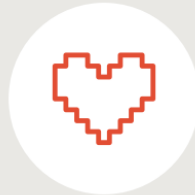
DEAL SUMMARY

The transaction will be executed in two tranches:

- **Tranche 1:** 78% of the shares in Nanobit will be purchased for:
 - Approx. USD 100 million on a cash and debt free basis of which:
 - 70% in cash
 - 30% in newly issued Stillfront shares at approx. USD 30m
 - Completion expected on September 30, 2020
 - Consolidated into Stillfront's consolidated reporting from October 1, 2020
- **Tranche 2:** The remaining 22% of the shares in Nanobit will be purchased for:
 - An amount depending on the EBITDA development of Nanobit for the financial years 2021 and 2022
 - Capped at USD 48 million on a cash and debt free basis
 - 70% in cash
 - 30% in newly issued shares in Stillfront
 - The Second Tranche Consideration will be payable in 2023
- Upfront consideration is financed from the existing cash at hand and available credit facilities
- Does not limit our capacity for further M&A near and long term.

OUR AMBITION

Building the leading free-to-play powerhouse



Building a platform for creating long life-cycle digital entertainment



High-quality X-platform games for a broad audience



Operational excellence combining Entrepreneurship, Scale and Structure



Providing predictable high profitable growth

STILLFRONT GROUP

