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# Company Presentation

Aktiekväll Aktiespararna, 16 November 2015

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## Today's presenters



Jörgen Larsson

CEO and founder of Stillfront  
Serial Entrepreneur for 20 years  
within Gaming, IT and Software  
Industry, including ESN which was  
sold to EA in 2012.



Sten Wranne

CFO of Stillfront  
25+ years in the industry including as  
CFO in private and public companies

*Founded in 2012 through the merger of a number  
of smaller gaming companies*

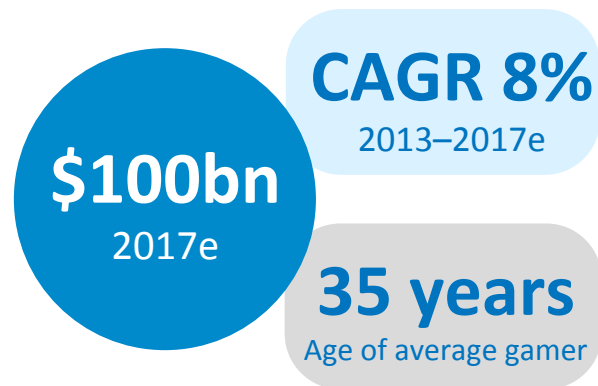
*Headquartered in Sweden with subsidiaries in  
Sweden, Germany, UK and Malta*

*Vision – Become one of Europe's leading indie  
game creators and publishers*

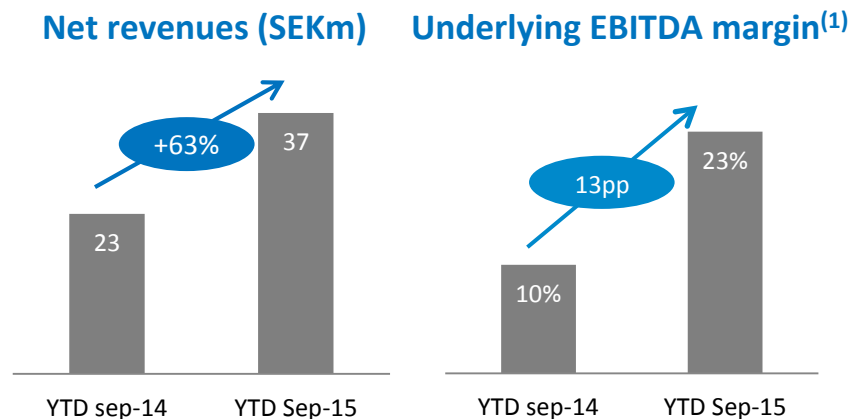


# Selected highlights

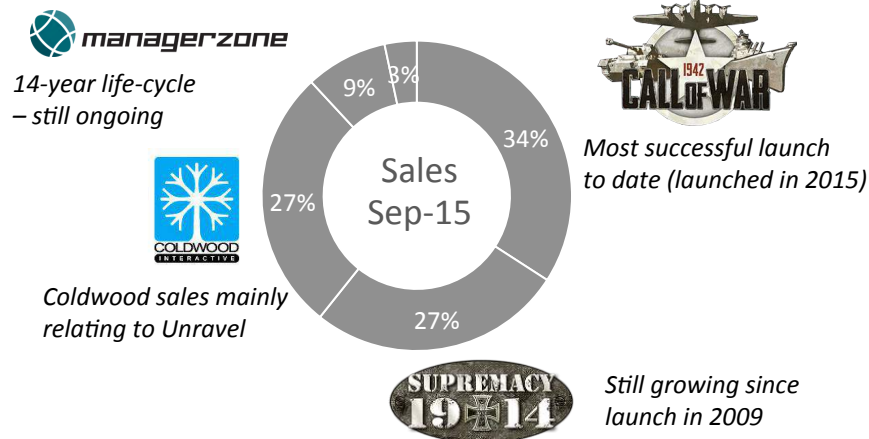
## Attractive market



## Strong current financials



## Well-diversified games portfolio



## Unravel awards



Source: Newzoo's annual "Global Games Market Report" and The Entertainment Software Association (ESA)'s "2015 Essential Facts About the Computer and Video Game Industry". Financial figures derived from Stillfront's Annual report 2014 and unaudited management accounts | (1) Underlying EBITDA excludes expensed investments. See the Financials section for a breakdown of these expensed investments and EBITDA in accordance with Swedish GAAP



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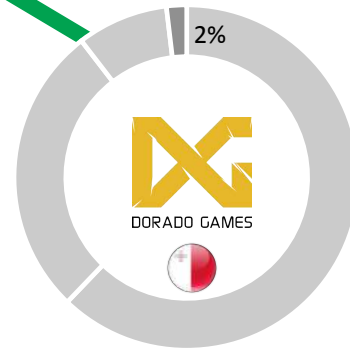
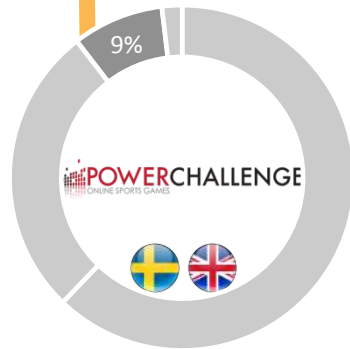
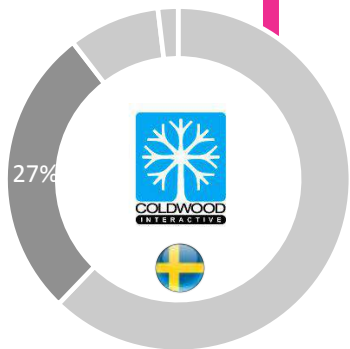
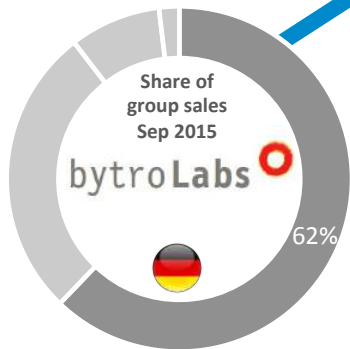
Appendix

# Group structure

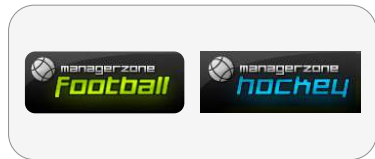
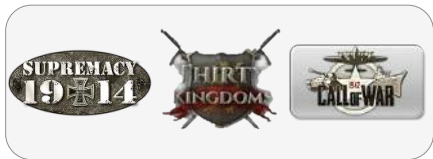
Professional group management



4 near-autonomous subsidiaries



7 games



Across multiple platforms



Browser



Console



PC



Browser



Mobile



Browser



Tablet



PC


# Attractive and diversified games portfolio


bytroLabs  Launch in: 2009



27% of group revenues

- ▶ Still growing since launch in 2009

bytroLabs  Q3 2014



1% of group revenues

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

bytroLabs  Q3 2015



34% of group revenues


- ▶ Most successful launch to date


 COLDWOOD INTERACTIVE H1 2016



27% of group revenues (Coldwood)

- ▶ Winner of 20+ awards at E3 and gamescom

 DORADO GAMES Q2 2015



2% of group revenues


- ▶ New action management game launched on new engine
- ▶ Steam release scheduled Q4 2015


 POWERCHALLENGE Q3 2001




9% of group revenues

- ▶ 14-year life-cycle – still ongoing

 POWERCHALLENGE Q2 2003



## Long tail games



1% of group revenues

Source: Stillfront's unaudited management accounts (share of group revenues in September 2015)

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# UNRAVEL



Winner of 20+ awards at E3 and gamescom





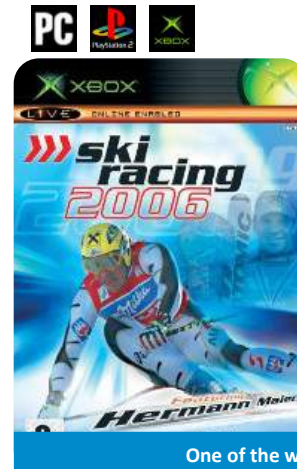
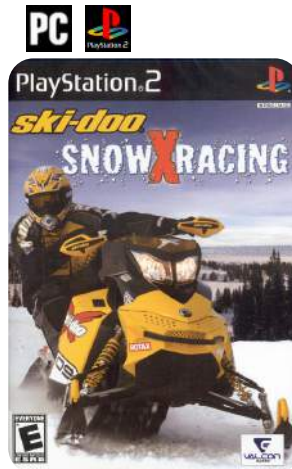
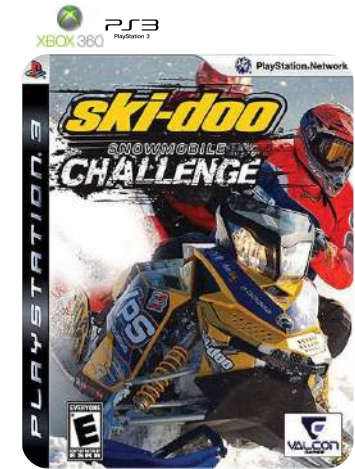
# ...from already strong track record



Part of Sony's "Essential Collection"



Part of Sony's "Essential Collection" and sold "Gold" with 600k+ copies



One of the world's best selling ski games



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bytroLabs 

# SUPREMACY 1914


✦ Player name:

✦ Password:

✦ Email:

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

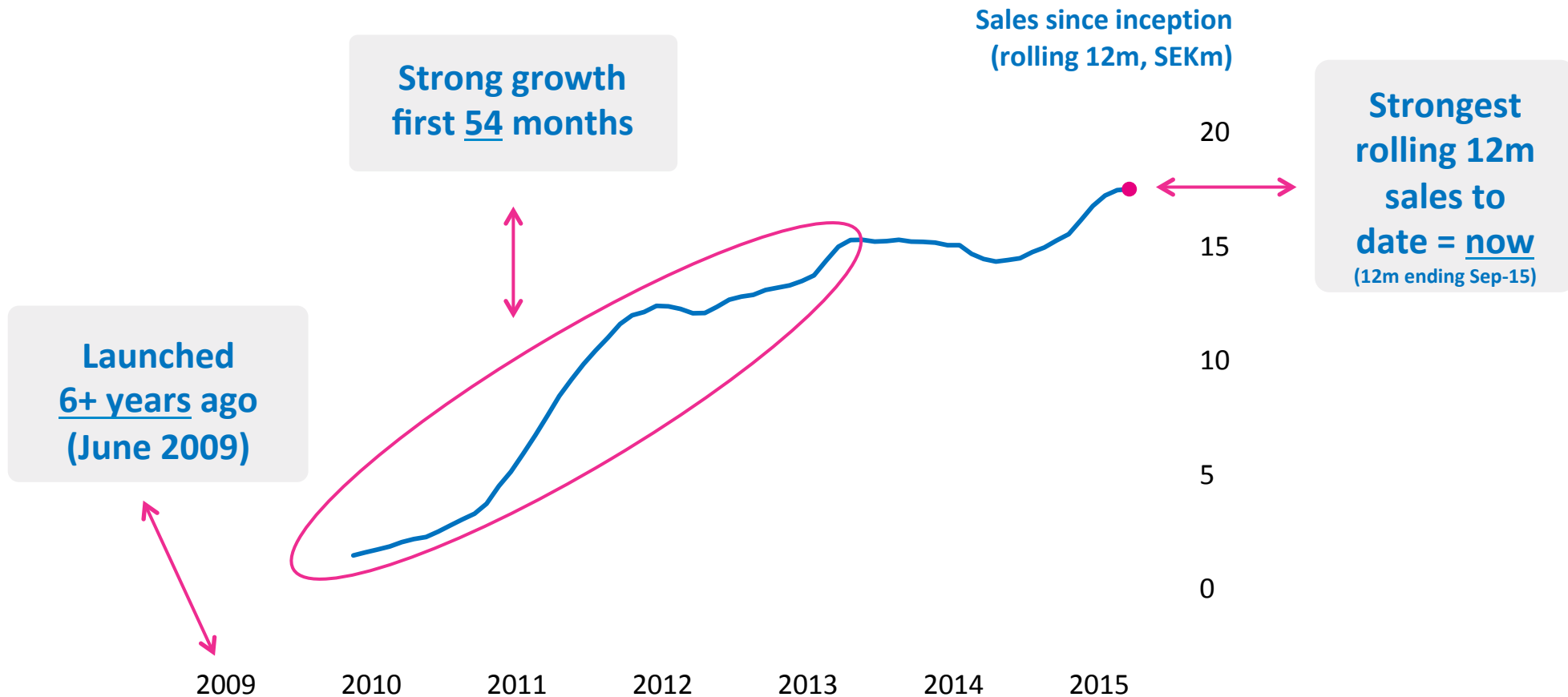
**Play for free now!**

 Register with Facebook

✦ [Already registered?](#)

Still growing since launch in 2009

# Supremacy 1914 – Sales development



Source: Stillfront's unaudited management accounts

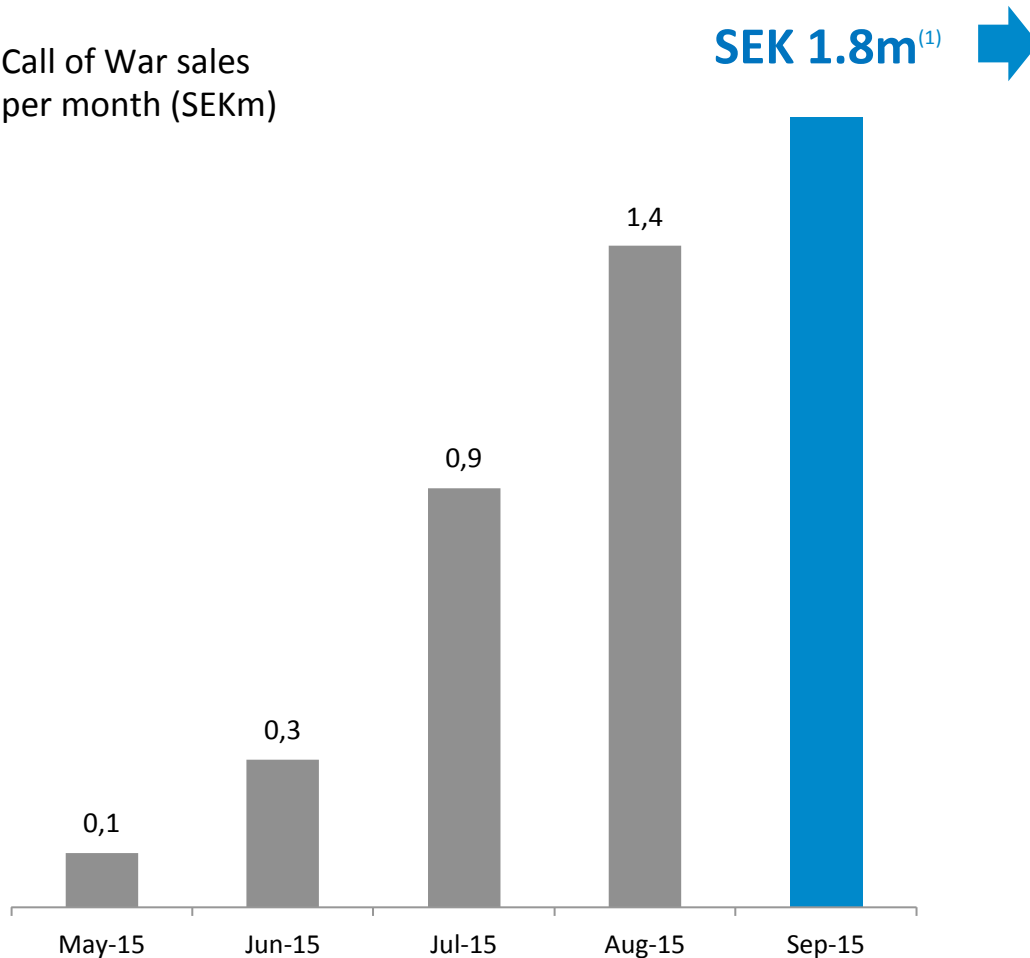


Stillfront's most successful launch to date



# Call of War – WW2 Strategy Game

Call of War sales per month (SEKm)



**SEK 21,6m annualized sales**

**Already 34% of Stillfront**  
 Call of War accounted for 34% of group revenues in Sep 2015

**Revenues yet to peak**  
 Strong growth every month 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 development costs recouped in terms of sales after first four months with SEK 4.5m cumulative sales*

Source: Stillfront's unaudited management accounts | (1) September sales amounted to SEK 1.8m according to its reviewed Q3 report.

# Revenue model

Attract players  
with FREE TO PLAY

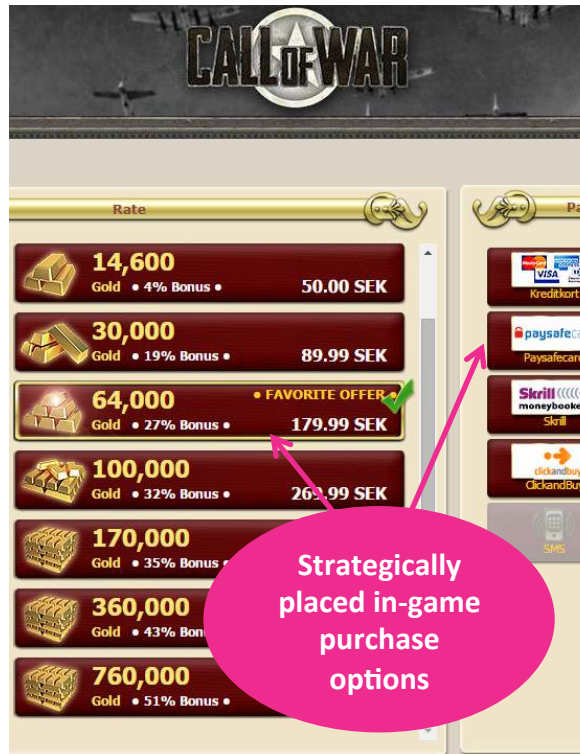
Responsive marketing and free  
to play attract players

Network effects  
further attract players

Cross promotion  
(enabled by multi-game portfolio)  
further attract players

Strong player base

Capitalize on player base  
with IN-GAME PURCHASES



...and high  
USER RETENTION

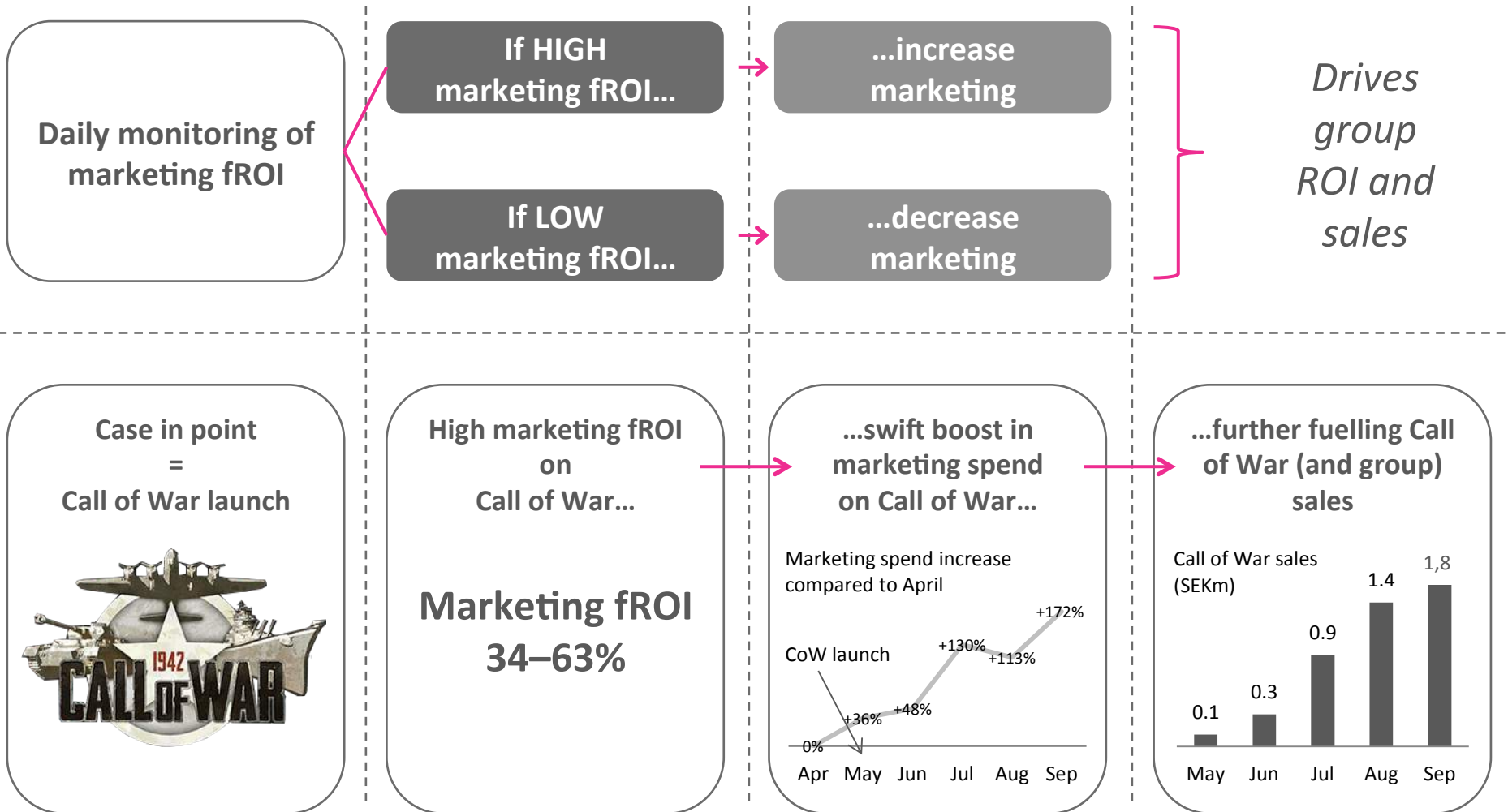
High user retention with  
long-life-cycle games

Long  
gaming  
period

High-quality  
games

High gamer  
devotion

# Daily monitoring of marketing fROI allows for responsive marketing – drives group ROI and sales



Source: Stillfront | Financial figures derived from Stillfront's unaudited management accounts



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# Business strategy – 3 pillars

1

**P**

Portfolio of games

**L**

Long life cycle games

**E**

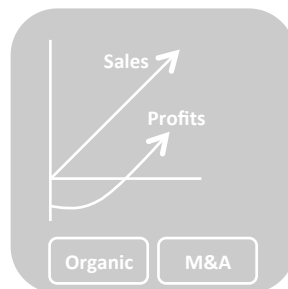
Engines for scalability

**X**

X (cross) platform

Improve risk/reward

2



Grow to higher profitability

3



More IP ownership in Coldwood



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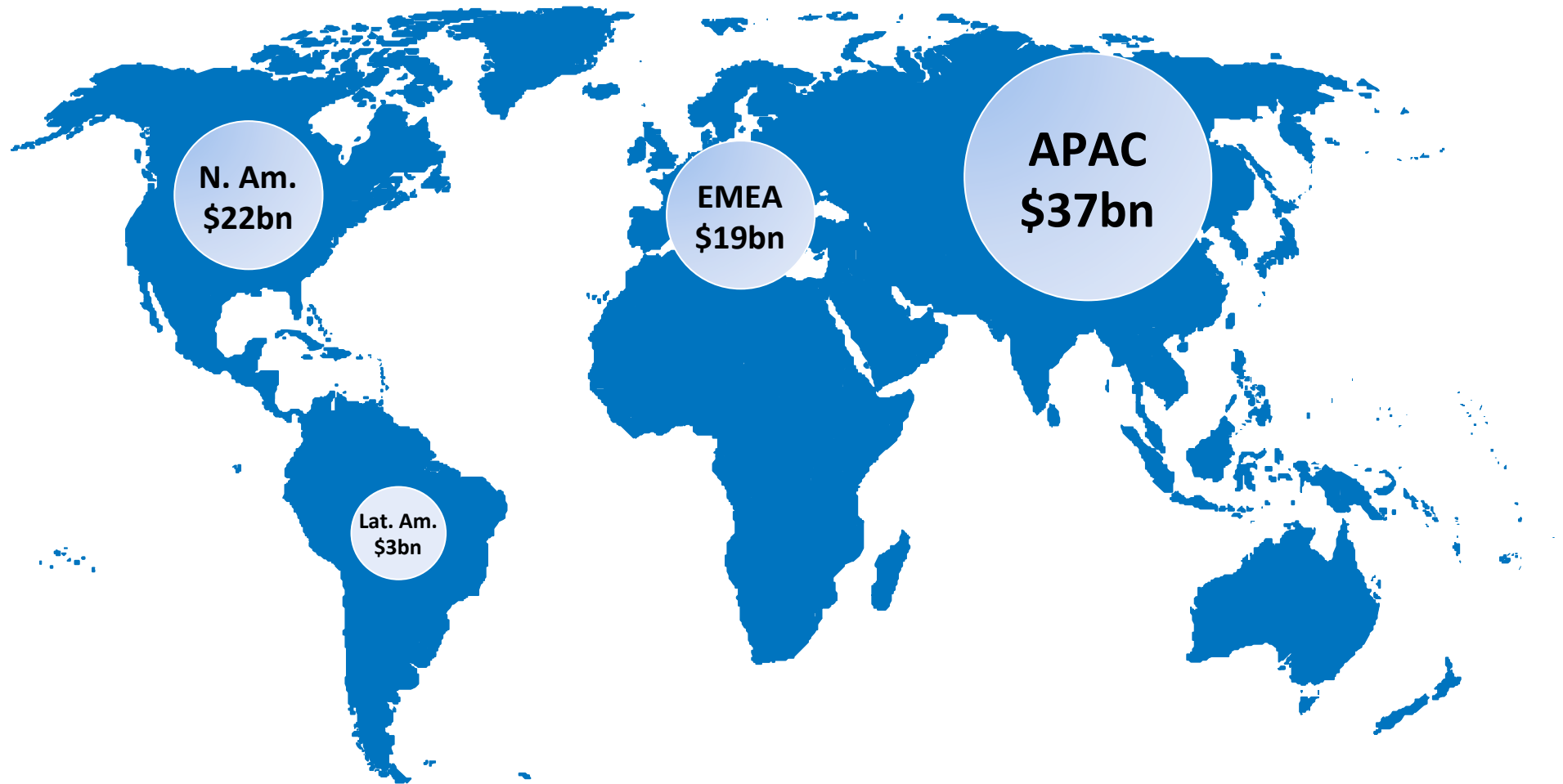
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# Global games market is huge



Stillfront's games are distributed globally, main markets include Sweden, Germany, the United States and South America



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# Key people, Board of Directors and Ownership structure

## Key people

	Jörgen Larsson	CEO & Director
	Sten Wranne	CFO
<hr/>		
	Christopher Holmberg	CEO
	Jakob Marklund	Lead Programmer / CTO
	Leif Holm	Senior developer
	Håkan Dalsfelt	Senior developer
	Martin Sahlin	Creative director
	Dick Adolfsson	Senior developer
<hr/>		
	Felix Faber	MD Operations and Publishing
	Tobias Kringe	MD Product
	Christopher Lörken	MD Technology
<hr/>		
	Patrick Armstrong	CEO
	Andreas Spante	CTO
	Andreas Karlsson	Senior developer
<hr/>		
	Nick Porsche	MD Malta / Game Director
	Simon Dotschuweit	MD / Tech Director

## Board of Directors

	Per Skyttvall	Chairman of the Board. Acacia Board member.
	Max Bautin	Managing partner and co-founder of IQ Capital.
	Alexander Bricca	CFO at Viaplay. Independent board member.
	Fredrik Åhlberg	Independent board member.
	Jörgen Larsson	CEO and founder of Stillfront.

## Specialist investors and key people jointly own >50%

ACACIA

Represented by:  
Per Skyttvall, board chairman

Stockholm-based active investor in innovative, fast growing and scalable Swedish companies

IQ CAPITAL  
PARTNERS

Represented by:  
Max Bautin, board member

IQ Capital is a UK based specialist investor providing early growth capital to innovative, fast-growing TMT companies



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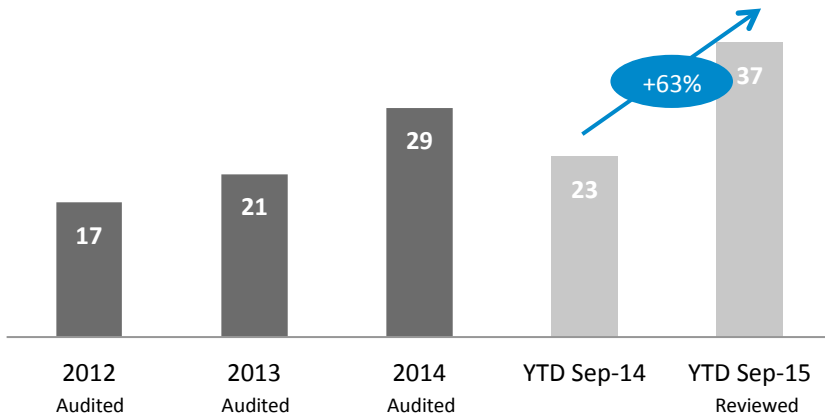
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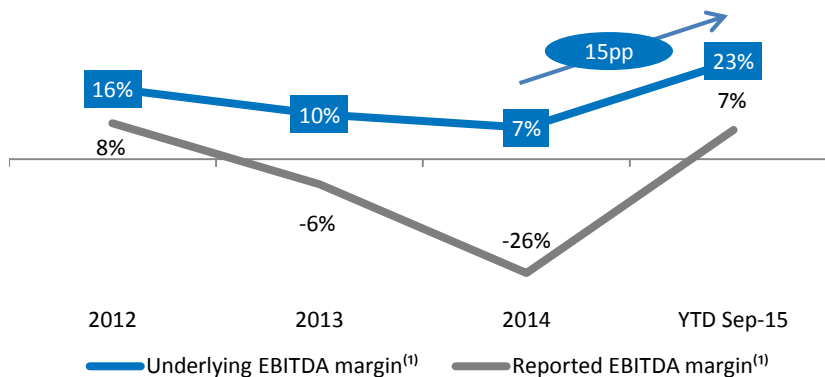
# Strong current financials

## Net revenues (SEKm)



- 63% organic growth for YTD Sep-15, mainly derived from:
  - Strong growth in Coldwood
  - Successful launch of Call of War

## EBITDA margins



- 15 percentage point increase in Underlying EBITDA margin in YTD Sep-15 compared to 2014...
- ...mainly attributable to the strong sales growth...
- ...as sales growth positively affects Underlying EBITDA margin due to low marginal costs

Source: Stillfront's audited annual reports and reviewed quarterly report | (1) Reported EBITDA and Underlying EBITDA occur as memo lines in Stillfront's audited annual report for 2014 and reviewed interim report for Q3 2015. Underlying EBITDA excludes expensed investments

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Stillfront Group's vision is to become one of Europe's leading indie game creators and publishers

# Q&A

**Jörgen Larsson, CEO**

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**Sten Wranne, CFO**

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## Q3: Continued Strong Growth for the Stillfront Group

### Key figures, the Group

MSEK	Jan – Sept 2015	Jan – Sept 2014	Q3 2015	Q3 2014
<b>Turnover</b>	37.4	22.9	14.7	7.8
Growth in turnover	63%		88%	
<b>Underlying EBITDA</b>	8.6	2.3	3.6	0.7
Underlying EBITDA margin	22.7%	10.2%	24.9%	8.8%
<b>EBITDA</b>	2.6	-4.9	1.3	-0.9
EBITDA margin	6.8%	neg	9.3%	neg
<b>Profit/loss before tax</b>	-3.2	-11.2	-0.7	-3.0

- Continued strong Sales Growth. Successful launch of Call of War by Bytro
- Coldwood unveiled the game Unravel @ E3, LA. Unravel was named Best Strategy Game at gamescom. Plan to launch Unravel with EA in H1 2016

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