



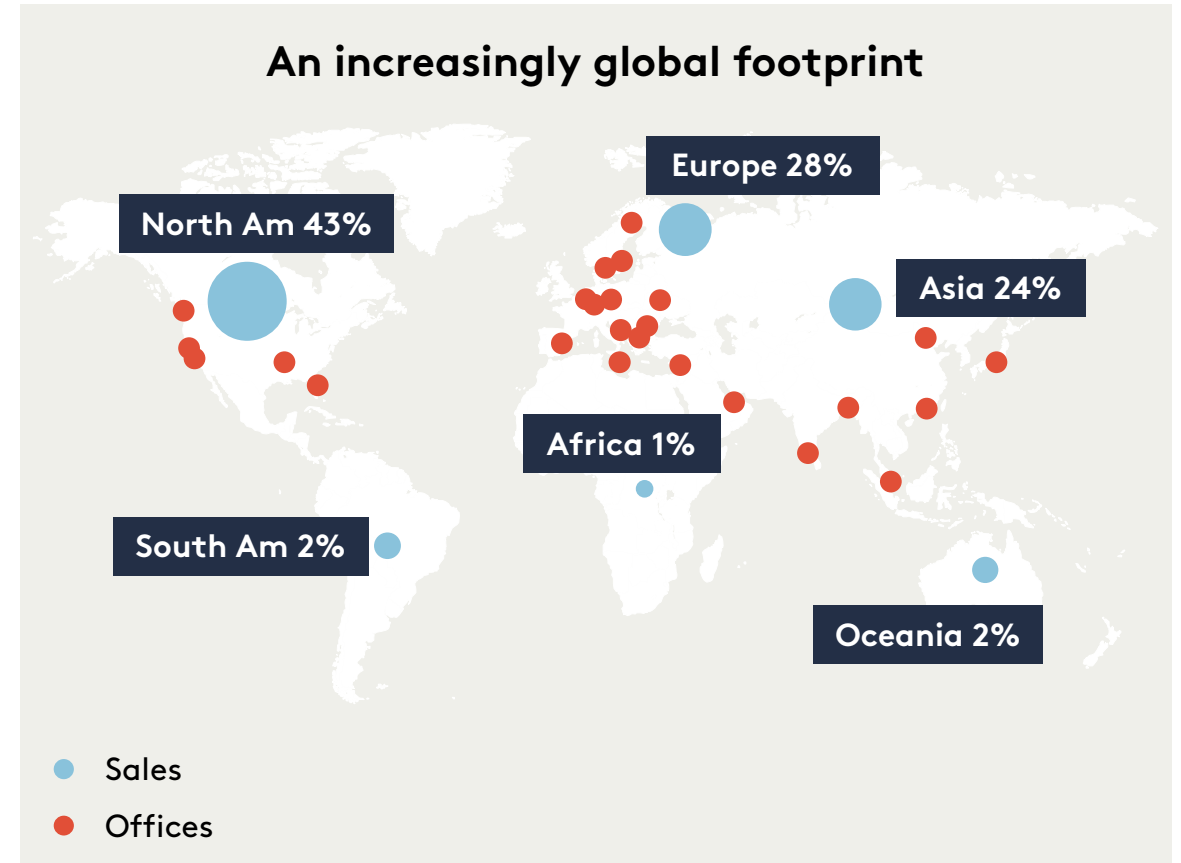
# STILLFRONT

GROUP

Interim report Q1 2023

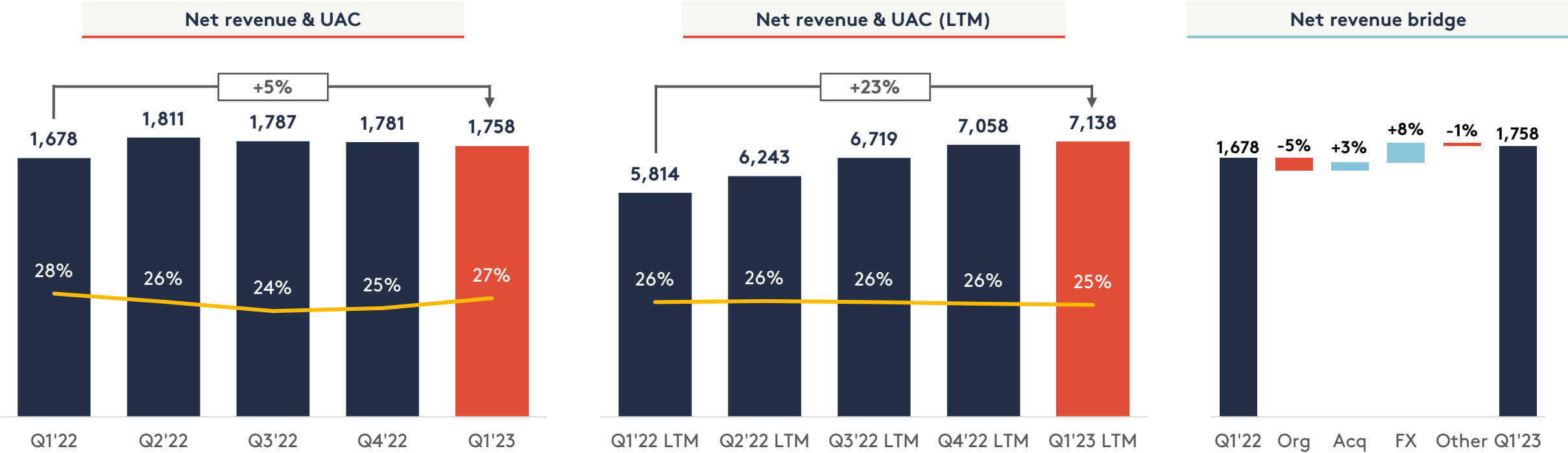
# Stable performance with improving profitability

- › Net revenue growth of 5 percent in first quarter
- › Increased focus drove strong performance from key franchises
- › Adjusted EBITDAC margin expansion to 24 percent, up by 2 percentage points year-over-year
- › Continued strong cash generation and balance sheet, 10.5m own shares acquired in quarter



■ Net Revenue, MSEK  
● User acquisition cost, % of Net Revenue

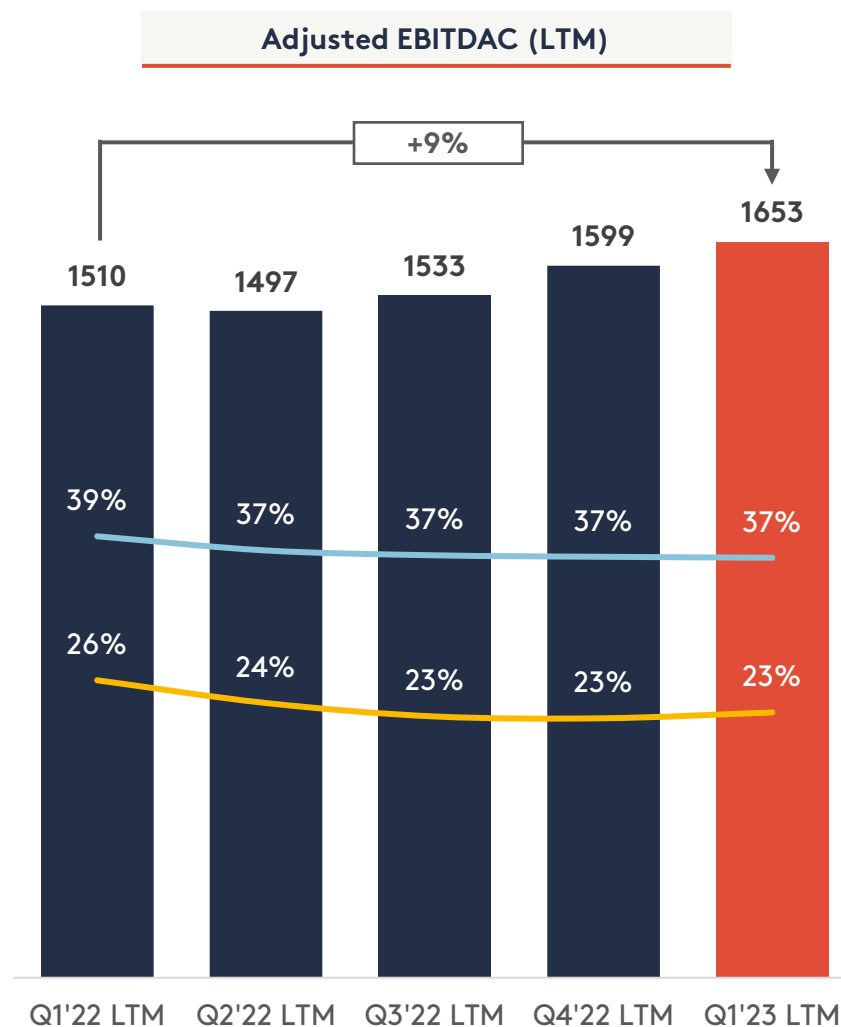
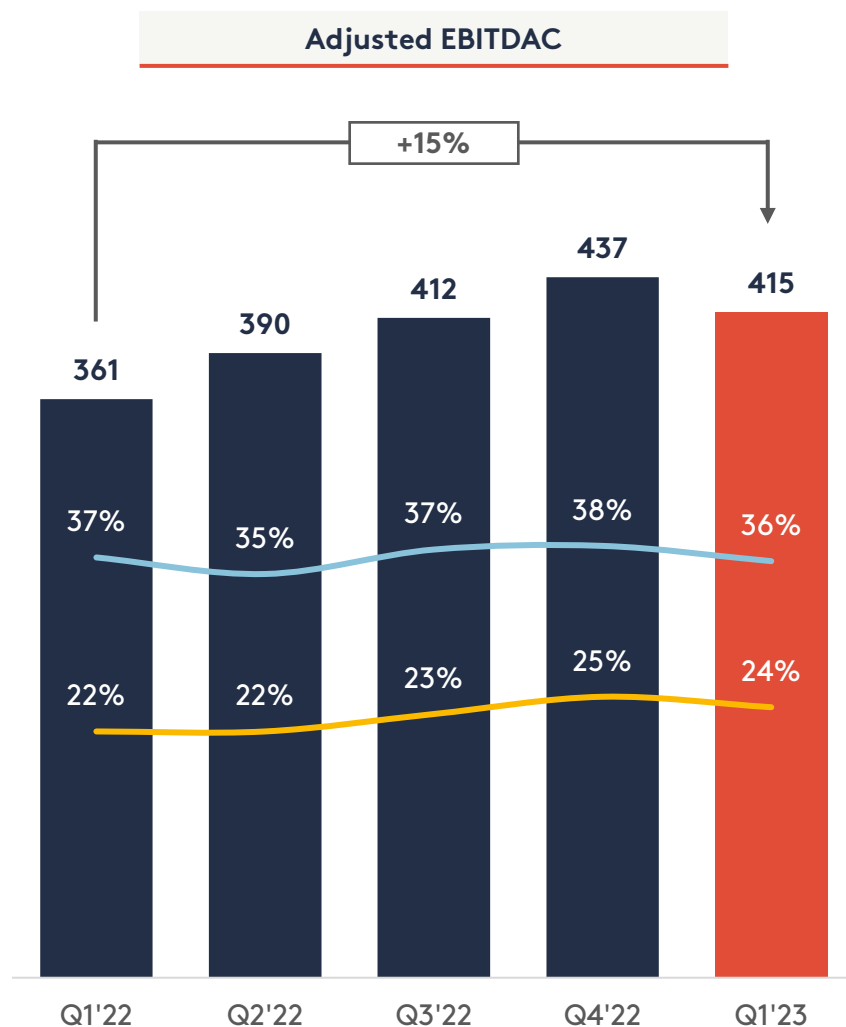
REVENUE DEVELOPMENT



- › Net revenue growth of 5 percent driven by acquired studios and positive FX, offset by negative organic growth
- › Positive organic month-by-month trend during quarter
- › User acquisition up quarter-over-quarter in line with seasonal pattern, continued strong return on ad spend, well within 180-day target

- Adj. EBITDAC, MSEK
- Adj. EBITDAC margin, %
- Adj. EBITDA margin, %

## MARGIN DEVELOPMENT



- › Adjusted EBITDAC margin expansion to 24 percent, up by 2 percentage points year-over-year
- › Focused new product investments driving 2 percentage points lower capitalization
- › Continued good cost-control with maintained high margins despite organic revenue decline in quarter

**12.8%**

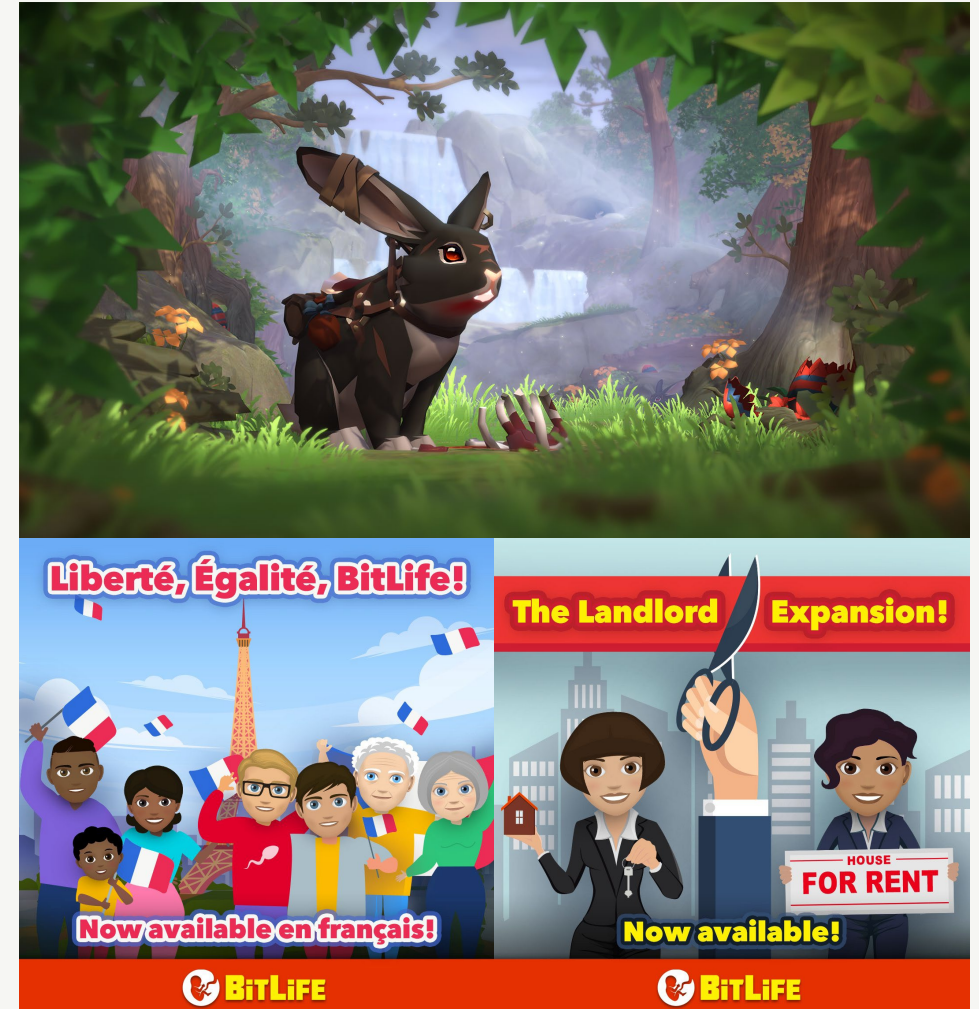
Capitalized product development in relation to net revenue in Q1



# Geographic expansion of key franchises

## Portfolio highlights

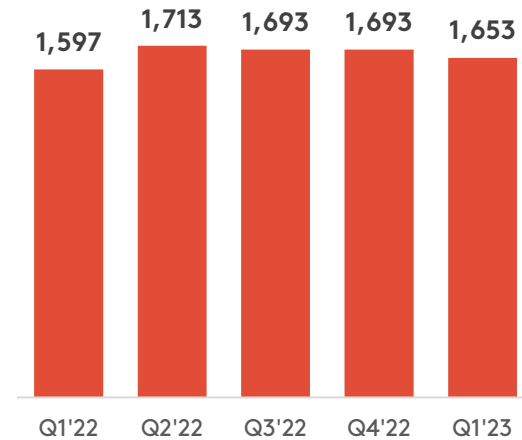
- › Launch of BitLife France paired with strong performance from content update drove significant growth for BitLife franchise in quarter
- › Successful launch of Albion East in late March resulting in all-time-high daily active users, high player activity has continued into April
- › Shakes & Fidget with successful live ops driving strong growth in quarter
- › Continued strong performance from Supremacy franchise, meeting more difficult comps from March and onwards
- › Super Free negatively affected by softer ads market in quarter, refocusing efforts towards key games



## ACTIVE PORTFOLIO: TOTAL

■ Bookings ('000 SEK)

+3%

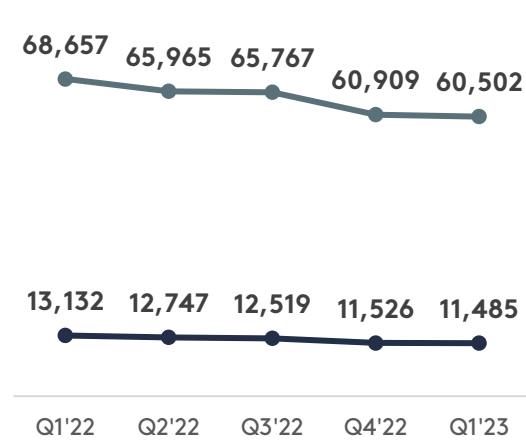


● MAU ('000 SEK)

-12%

● DAU ('000 SEK)

-13%

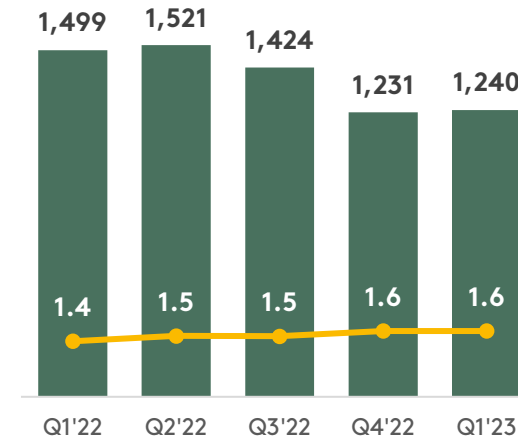


■ MPU ('000 SEK)

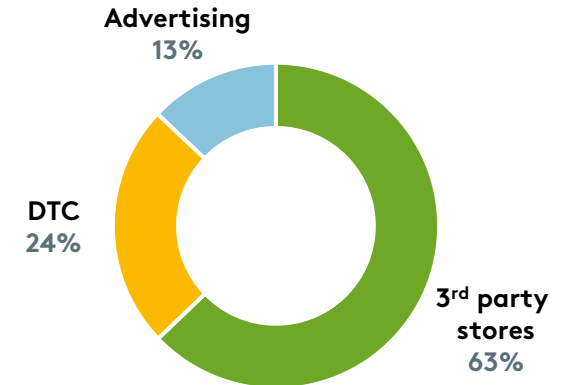
-17%

● ARPDau (SEK)

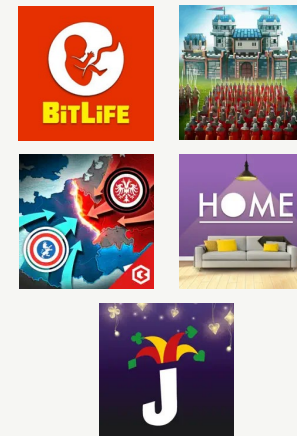
+18%



## Bookings by channel



- DAU, MAU and MPU stable quarter-over-quarter, year-over-year decline driven mainly by paused operations in Bangladesh, lower UA spend in Strategy and lower user intake in Super Free's games
- ARPDau significantly up year-over-year driven by positive FX effects and slightly different portfolio mix
- Direct-to-Consumer (DTC) up by 5 percentage points year-over-year driven by product mix and ongoing strategic initiatives



49%

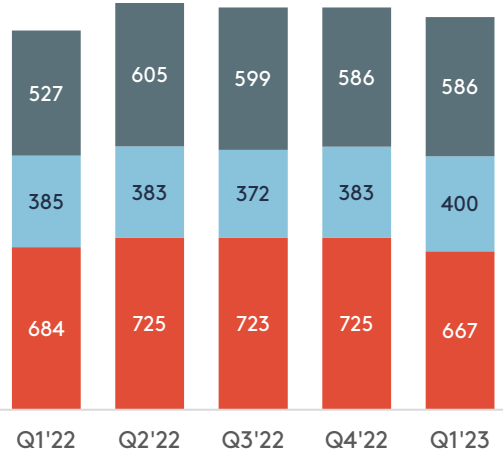
share of bookings in active portfolio generated by Stillfront's top 5 franchises in Q1

13%

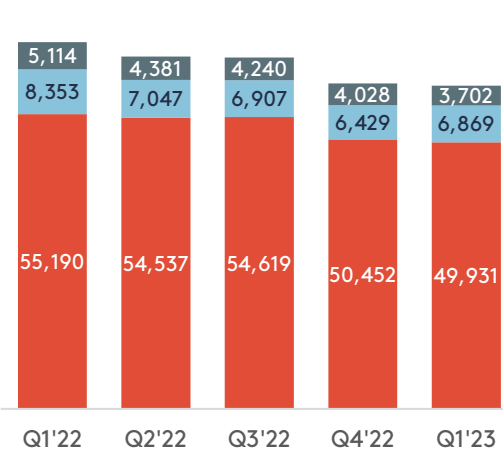
share of ad bookings of total bookings in active portfolio in Q1

## ACTIVE PORTFOLIO: TOTAL

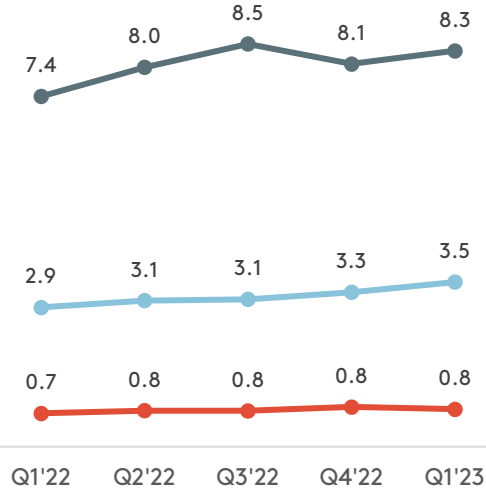
Bookings (MSEK)



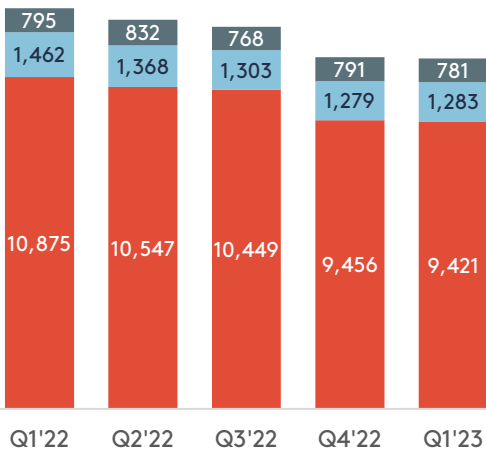
Monthly active users ('000)



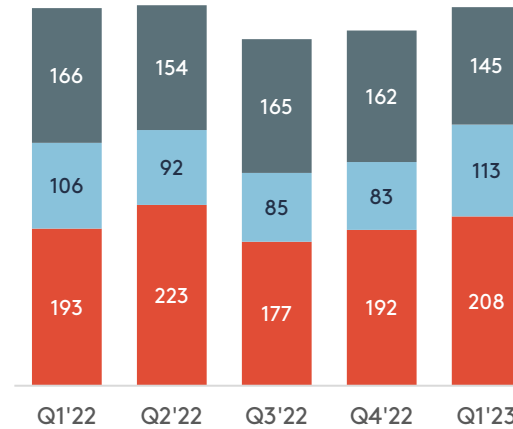
ARPDau (SEK)



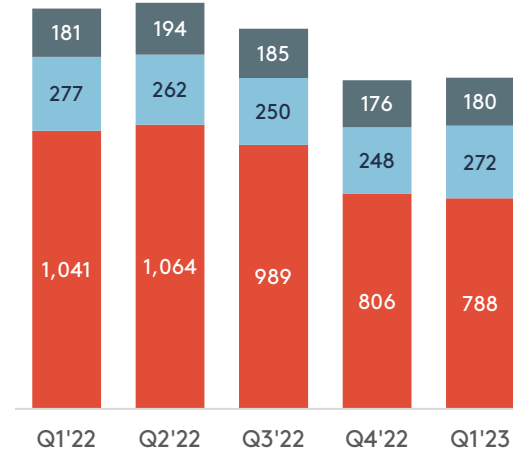
Daily active users ('000)



User acquisition cost (MSEK)

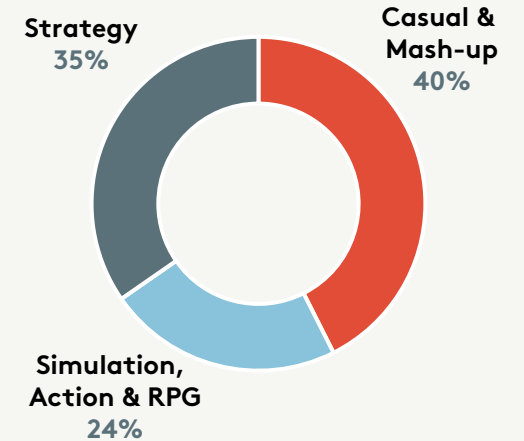


Monthly paying users ('000)



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- Stable growth in bookings year-over-year for Strategy (+11%)
- Simulation, RPG & Action bookings returned to growth driven by Albion East launch late in quarter, also driving UAC increase in product area
- Lower ROAS in Casual & Mash-up and removed games drives quarter-over-quarter decline
- Group ROAS improved quarter-over-quarter, well within 180-day target
- Improved monetization year-over-year across all product areas



# Continued strong cash generation

Q1, MSEK	Q1 2023	Q1 2022	Δ
Cash flow from operations (before NWC)	517	529	-2%
Change in net working capital	-136	13	-
Cash flow from operations (CFFO)	381	542	-30%
Cash flow from investment activities	-248	-1,870	-
Cash flow from financing activities	-344	1,924	-
Cash flow for the period	-211	595	-

Continued strong underlying cash flow from operations before changes in net working capital

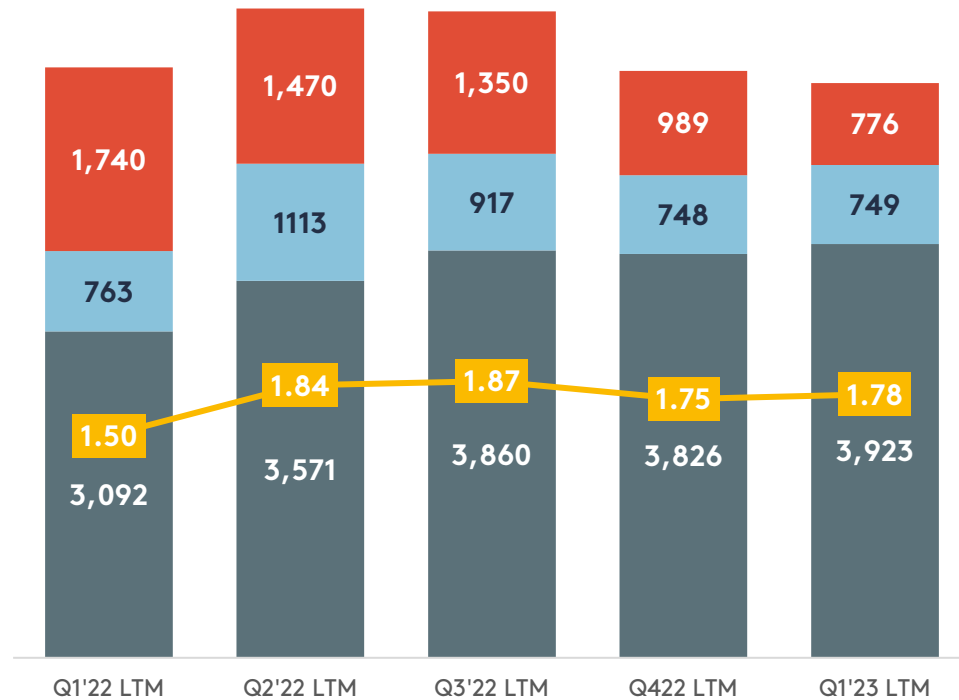
Last 12 months, MSEK	Q1 2023	Q1 2022	Δ
Cash flow from operations (before NWC)	2,070	1,757	18%
Change in net working capital	-203	156	-231%
IFRS 16 lease repayment	-56	-48	16%
CFFO (- IFRS 16 lease repayment)	1,811	1,864	-3%
Capitalization of product development	-965	-732	32%
- in relation to CFFO (- IFRS 16 lease repayment)	-53%	-39%	-14 pp
Free cash flow	846	1,132	-25%
EBITDA last 12 months	2,567	2,155	19%
Cash conversion rate	0.33	0.53	-37%

Free cash flow negatively impacted by changes in working capital due to timing of payments

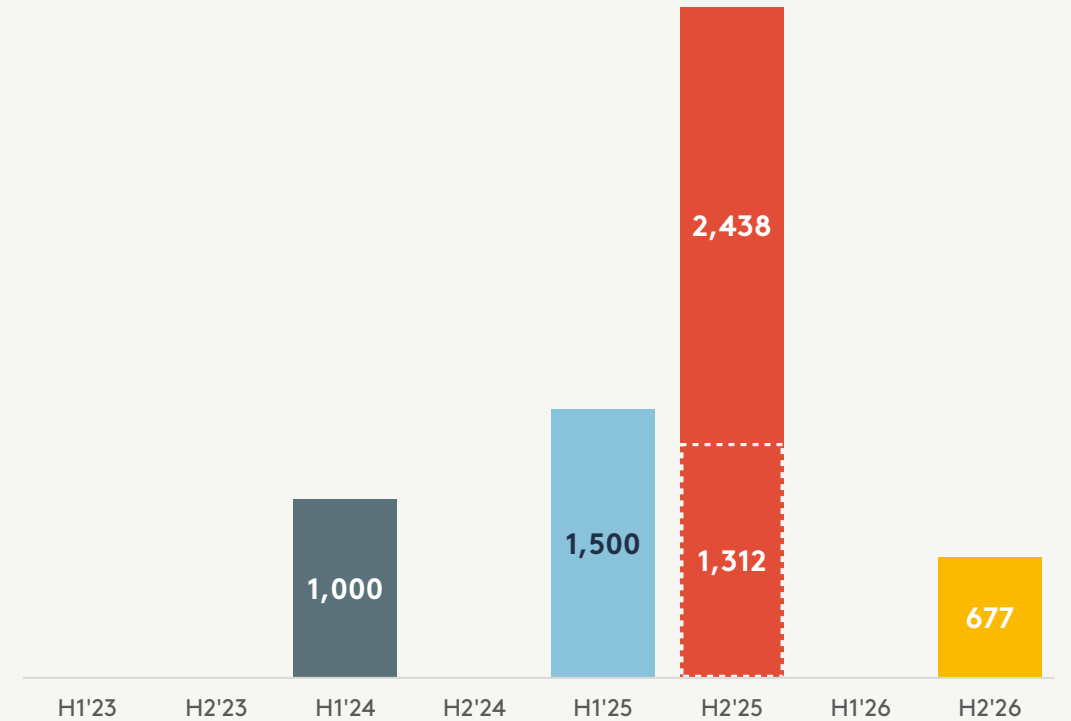
Excess cash used to repurchase 10.5 million own shares for 204 MSEK during quarter



# Conservative leverage and well-balanced maturity profile



- Net debt, MSEK
- Short-term cash earnouts, MSEK
- Cash and cash equivalents, MSEK
- Leverage ratio proforma, including short-term cash earnouts



- RCF Maturity, MSEK
- Bond 2024, MSEK
- Term loan facility, MSEK
- of which utilized
- Bond 2025, MSEK

# On course towards reaching our financial targets

- › Successful expansion of key franchises during first quarter driving above-market growth
- › Focused new product investments enabling higher profitability
- › Important progress in driving and measuring synergies across the group
- › Continued strong cash generation and balance sheet
- › Well positioned for continued growth journey ahead and on path towards long-term financial targets



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## GROUP

