

Pressrelease

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STILLFRONT
GROUP

Stillfront Capital Markets Day 2019

At Stillfront Capital Markets Day in Stockholm today, CEO Jörgen Larsson and other members of Stillfront's Group Management will provide an update on the Group's strategy and goals and the road map towards a company three times larger within five years, including a more in-depth presentation of the organization, M&A agenda and updated financial targets.

“Stillfront is today a free-to-play powerhouse, present in close to 200 markets and has established a solid position to capture growth opportunities and capitalize on consolidation trends in the global gaming industry. Now is the time to take Stillfront to a completely new level. We are committed to tripling Stillfront's revenue within five years by growing organically and by acquisitions, while maintaining high profitability.

I am confident that we have all the components needed to succeed with this mission. I am very excited about Stillfront's business model for profitable growth, we have strong franchises generating stable cash flows and our agile organization is ready to take the next step. Stillfront will continue to drive growth in its current portfolio, scale existing games, as well as expand the portfolio by developing, acquiring and marketing new games, generating significant value for our consumers and shareholders”, says Jörgen Larsson, CEO, Stillfront.

Updated financial targets, 2020-2022

At the Capital Markets Day today, on November 27, 2019, Stillfront presents updated financial targets.

Growth

Stillfront's target is to reach a net revenue of 4,000 MSEK by the end of 2022. Growth will be achieved organically as well as through acquisitions.

In 2018, net revenue amounted to 1,325 MSEK.

Profitability

Stillfront's target is to reach an Adjusted EBIT margin in the region of 35 percent. The Adjusted EBIT margin is defined as EBIT excluding amortization of PPA-items and items affecting comparability, in relation to net revenue. The Adjusted EBIT margin may vary quarter to quarter depending on mainly the level of user acquisition and product development.

In 2018, the Adjusted EBIT margin amounted to 30 percent.

Leverage

The net debt/Adjusted EBITDA ratio should not exceed 1.5x. Adjusted EBITDA pro forma is defined as adjusted EBITDA including acquisitions and excluding items affecting comparability

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for the last twelve months. Stillfront may however, under certain circumstances, choose to exceed this level during short time periods.
At the end of 2018 the net debt/EBITDA ratio amounted to 0.9x.

Dividend policy

In light of the new financial targets, the dividend policy has been revised. To support value creation, Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions and therefore, does not expect to pay dividends or buy back shares during 2020-2022.

In 2018, The Board of Directors decided not to distribute a dividend in order to maintain a high degree of financial flexibility for future potential acquisitions.

Stillfront Capital Markets Day

Speakers at Stillfront's Capital Markets Day include Jörgen Larsson, CEO, Alexis Bonte, COO, Marina Andersson Head of M&A, Phillip Knust, CPO, Clayton Stark, Kixeye, AJ Fahmi, Babil Games and Andreas Uddman, CFO.

The presentations will be held in English and will be available at cmd.stillfront.com after the event.

To participate via webcast, please visit:

<http://tv.streamfabriken.com/stillfront-cmd-2019>

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About Stillfront

Stillfront is a global group of gaming studios and a market leader in the free-to-play games genre. Our diverse and exciting games portfolio has two common themes; loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody our growth strategy and our 650 co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, France and UK. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq First North Premier Growth Market.

For further information, please visit: stillfront.com

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