

Interim Report, Q2 2021

QUOTE FROM THE CEO

“In Q2’21, Stillfront delivered net revenues of 1,382 MSEK, up 16 percent year-on-year, with a strong margin of 35%, and record-level cash flows from operations. The game portfolio excluding studios acquired over the recent 12 months showed an organic decline in daily and monthly active users, due to an exceptional inflow of new users in Q2 last year, driven by the Covid-19 pandemic, while studios acquired during the recent 12 months continued to perform well in the second quarter, with Candywriter, Sandbox Interactive and Moonfrog Labs all delivering above our expectations. Due to the extraordinary circumstances, with the mobile advertising market going through changes, our new product portfolio mix, and the tough comparison numbers from the pandemic last year, as well as seasonality effects, we have decided to provide an indicative guidance for Q3’21 where we expect total net revenue to amount to between 1,275 and 1,325 MSEK with an adjusted EBIT of between 375 and 415 MSEK.”

Jörgen Larsson, CEO, Stillfront

FINANCIAL HIGHLIGHTS Q2

- Net revenue of 1,382 (1,192) MSEK, an increase of 16 percent compared to the second quarter of 2020, of which -17 (22) percent was organic
- EBIT of 289 (336) MSEK, a decrease of 14 percent
- Adjusted EBIT of 477 (463) MSEK, an increase of 3 percent, Adjusted EBIT margin of 35 (39) percent
- Items affecting comparability impacting EBIT amounted to -25 (-33) MSEK, mainly driven by costs for the listing change and costs related to the acquisition of Game Labs. Amortization of PPA-items amounted to -163 (-94) MSEK
- Financial net of -72 (-85) MSEK
- Net result of 149 (188) MSEK
- Net result per share undiluted of 0.41 (0.57) SEK. Net result per share diluted of 0.41 (0.57) SEK
- Net debt of 3,584 (665) MSEK and adjusted leverage ratio, pro forma of 1.6x (0.4x)
- Cash position of 850 MSEK and 2,605 MSEK of undrawn credit facilities

INDICATIVE GUIDANCE FOR Q3 2021*

- Net revenue 1,275-1,325 MSEK
- Adjusted EBIT 375-415 MSEK

KEY FIGURES

MSEK	2021	2020	2021	2020	Last 12 months	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun		
Bookings	1,377	1,209	2,690	1,894	4,760	3,964
Deferred revenue	5	-17	12	-11	49	27
Net revenue	1,382	1,192	2,702	1,883	4,809	3,991
EBIT	289	336	542	442	1,093	993
Adjusted EBIT	477	463	909	676	1,727	1,493
Adjusted EBIT margin, %	35	39	34	36	36	37
EBITDA	526	477	989	681	1,860	1,553
Adjusted EBITDA	551	510	1,049	765	1,981	1,697
Adjusted EBITDA margin, %	40	43	39	41	41	43
Profit before tax	217	251	426	353	872	799
Net result	149	188	298	264	614	581
Number of Employees	1,230	808	1,230	808	1,230	1,032
Adjusted Leverage Ratio, pro forma, x	1.6	0.4	1.6	0.4	1.6	0.9

*The assumed exchange rates used for Q3 YTD is 8.4378 for USD/SEK and 10.1389 for EUR/SEK, which is the average YTD rate as of July 2021 closing.

Comments by the CEO

Net revenues amounted to 1,382 MSEK in Q2, up by 16 percent to the same period last year. We continue to deliver high profitability and strong cash flows across our studios and our adjusted EBIT amounted to 477 MSEK, resulting in an adjusted EBIT margin of 35% in the quarter, compared to 33% in Q1 and 39% in the same period last year.

In Q2 last year, Stillfront experienced an exceptional inflow of new users driven by the Covid-19 pandemic, and as a result, we are now facing difficult year-over-year comparisons. The organic net revenue growth in the second quarter amounted to -17%, compared to +22% for the same period last year. The comparable proforma organic growth including Kixeye, Storm8 and Candywriter was +30% in Q2'20. Over the past 24 months, Stillfront's comparable organic annual proforma growth rate, excluding Kixeye, has been in line with the growth rate of our addressable market. The positive impact and user inflow during Q2 last year was particularly strong within the fast-moving Casual & Mash-up product area, as Storm8 grew its revenues by 67% YoY in Q2'20.

The organic decrease in net revenues in the second quarter was driven by the portfolio user base going down organically, where the natural churn from the massive Covid-19 user cohorts of Q1 and Q2 last year cannot be met. While daily and monthly active users are down organically, monetization in terms of ARPDau (average revenue per daily active user) has improved over the year, offsetting some of the user base decline. Organically, ARPDau was up 13% compared to the same period last year, with all three product areas growing ARPDau organically year-over-year, showing that our studios' hard work continues to yield great results.

Acquired studios add growth and diversification

Our acquired studios continued to perform very well in the second quarter, with Candywriter, Sandbox Interactive and Moonfrog Labs all performing above our expectations. Super Free Games has performed softer than expected on net revenues but significantly better than expected on profitability, as they have spent less on user acquisition than forecasted during the first five months. This dynamic showcases the strength of our business model and the high underlying profitability of our studios.

In the last ten years we have built a portfolio of twenty game studios that together have built a highly collaborative culture and platform for growth. Looking at the studios that we have acquired during 2020 and 2021, the eight studios have had a combined CAGR of 27% from the first half of 2019 to the first half of 2021. We are very pleased to conclude that we are able to identify and attract top studios to join us and that our Stillops platform enables for further

synergies and growth for the studios as they become parts of the Stillfront family.

We continued to diversify Stillfront's revenue streams during the quarter, and the share of advertising revenues now represent 19% of total bookings, up from 15% in Q1'21 and from 5% in Q2'20. As we have previously communicated, increasing our advertising revenue has been a strategic priority for us as it both strengthens our gross margin and provides us with an attractive hedge against fluctuations in prices for online marketing.

During Q2, we also announced the acquisition of Game Labs, a rapidly growing independent game studio with a strong track record of developing strategy and action games for PC. We also acquired "Crush them all", a mobile idle role-playing game. Asset acquisitions are a valuable component in Stillfront's M&A strategy and enable us to leverage our large experience and knowledge within live ops and user acquisition.



JÖRGEN LARSSON, CEO, STILLFRONT GROUP

A changing marketing landscape

During the second quarter, we started to see effects of the IDFA changes imposed by Apple on iOS devices. We were well-prepared for the changes and the impact has been in line with what we expected, with two main exceptions. First, the adoption of iOS 14.5, and later 14.6, happened at a slower pace than anticipated, and we saw the first real implications from June and onwards. Second, certain marketing partners have been struggling to adapt to the changes, which to a larger extent than expected also has impacted those of our studios that typically do not use targeted user acquisition. Despite the short-term turbulence, we are still confident that this is a transitory issue and that it will have a limited effect on us over the

medium to long term. Stillfront's broad marketing reach and our ability to deploy capital in different channels based on where we see the best returns continues to be a key competitive advantage. Despite the difficult marketing environment in the quarter, we were still able to spend 346 MSEK on user acquisition, corresponding to 25% of net revenues.

The outlook ahead

As we communicated in connection with our Q1 report, we expect to return to organic growth during the latter part of the year. We expect the negative organic growth in Q2 to continue into Q3, as Q3 last year was positively impacted by the large user cohorts acquired during the first half of the year. Due to the extraordinary times, with the mobile advertising market going through changes, our new product portfolio mix, tough comparison numbers from the pandemic last year as well as seasonality effects, we have decided to provide an indicative forecast guidance for

Q3'21 where we expect total net revenue to amount to between 1,275 and 1,325 MSEK with an adjusted EBIT of between 375 and 415 MSEK.

Going into the second half of the year, I am very excited for what's in store for Stillfront. We have taken huge steps as a company during the past year and we are in much stronger position today than we were a year ago. We have more games under development than ever before. We have a diversified game portfolio with 67 million unique active users that enjoy our games every month. We have a strong M&A pipeline with ongoing dialogues with several potential targets that can further strengthen our portfolio. And we have built a strong business platform that continues to support our studios and create significant synergies across the group. We continue to deliver on our strategy and we are making great progress towards our long-term financial targets and our ambition to create the leading free-to-play powerhouse of gaming studios.

Stillfront at glance

A leading free-to-play powerhouse

Stillfront is a leading free-to-play powerhouse of gaming studios. 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 1,200+ co-workers thrive in an organization that engenders the spirit of entrepreneurship.

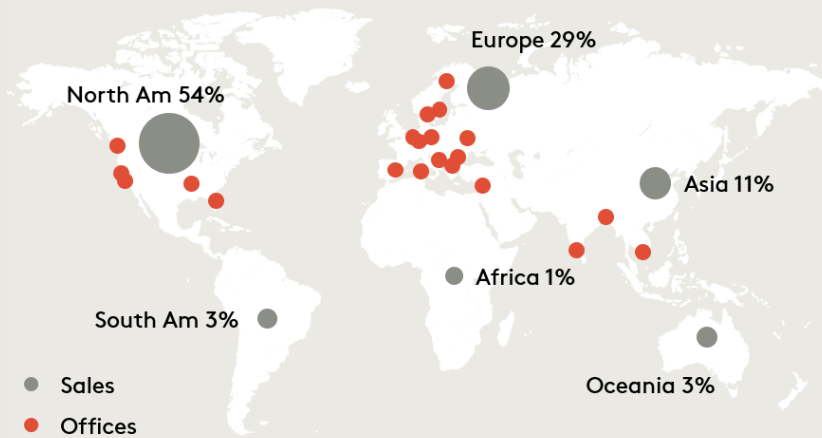
Stillfront is headquartered in Sweden, and the company is listed on Nasdaq Stockholm.

Focus on a digital, sustainable future

Stillfront's purpose is to make a positive impact in our gamers' everyday life, through creating a social, entertaining and positive gaming experience. Our business model is built on our long-term perspective towards our studios, our professionals and our gamers.

Stillfront builds for a digital and carbon-free future, and as of 2020 we are a climate neutral company, fully compensating for the carbon impact in our daily operations and the energy usage of gamers playing our games.

GLOBAL PRESENCE



Percentage figures refer to Bookings in Q2 2021 by assumed location of gamer based on IP address or similar

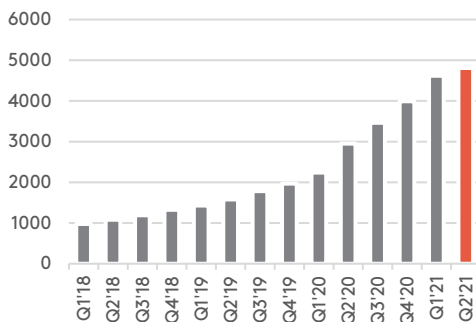
56
games

77%
mobile

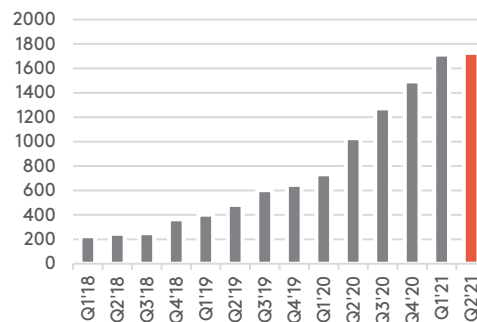
19%
ad bookings

1 230
employees

NET REVENUE LTM (MSEK)



ADJ. EBIT LTM (MSEK)



Portfolio overview

Game performance

Bookings in the second quarter amounted to 1,377 MSEK, of which 1,309 in the active portfolio. The increase of 12 percent in the active portfolio is primarily driven by the addition of recently acquired studios.

Stillfront's advertising bookings increased significantly in the second quarter of 2021, driven mostly by the addition of Super Free Games and Moonfrog Labs. Advertising bookings accounted for 19 percent of total bookings in the active portfolio in the second quarter, up from 15 percent in the first quarter of 2021 and up from 5 percent the same period last year.

Stillfront's share of mobile bookings remained steady quarter-over-quarter at 77 percent, but grew from 75 percent during the same period last year.

ARPDau for the active portfolio amounted to 1.1 SEK, down from 1.9 SEK in the first quarter of 2021 and down from 2.7 SEK in the same period last year. The decrease in ARPDau is primarily driven by the the new game mix in the portfolio and the addition of Moonfrog Labs as the studio has a very large user base with lower monetization.

User acquisition costs, UAC, in the active portfolio amounted to 342 MSEK in the second quarter compared to 359 MSEK in the first quarter of 2021. The decrease in UAC is a result of the challenging marketing environment due to the IDFA changes impacting some of Stillfront's marketing channels.

MAU, monthly active users, grew by 194 percent year over year to 66.9 million, mainly as a result of the new studios Super Free Games and Moonfrog Labs contributing for the full quarter.

MPU, monthly paying users, grew by 67 percent year over driven by the new acquisitions. The discrepancy between the increase in MAU and MPU is mainly a result of Super Free Games and Moonfrog Labs being included for the full quarter, as the two studios monetize their user bases through ad bookings to a larger extent than other studios in the group.

2021 Q2	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
Bookings (MSEK)	1,309	330	394	585	68
Y-o-Y %	12%	-17%	22%	30%	
Ad bookings, %	19%	1%	5%	38%	
Mobile bookings, %	77%	66%	59%	96%	
UAC (MSEK)	342	58	108	176	4
Y-o-Y %	59%	-24%	59%	145%	
DAU ('000)	12,809	494	1,482	10,833	
Y-o-Y %	173%	-18%	16%	283%	
MAU ('000)	66,903	2,899	7,339	56,665	
Y-o-Y %	194%	-13%	37%	302%	
MPU ('000)	1,410	103	312	995	
Y-o-Y %	67%	-11%	58%	87%	
ARPDau (SEK)	1.1	7.3	2.9	0.6	
Y-o-Y %	-59%	1%	5%	-66%	

Bookings: Revenue before changes in deferred revenue, including deposits from paying users, in-game advertising revenue and other game-related revenue.

Product areas

Strategy

The strategy portfolio consists of 13 classic war and so called 4X games, many of which were originally built as browser games to enable for a large map view to simulate complex conflicts. Today, a majority of the titles are available cross-platform and attract a large share of mobile gamers too. In the second quarter, 66 percent of the bookings in the strategy portfolio came from mobile devices. Some of the key titles in the strategy portfolio include, for example, Empire and Conflict of Nations: WW3. During the second quarter, Ultimate Admiral: Age of Sail was added to the Strategy product area following the acquisition of Game Labs.

The strategy games totaled 25 percent of the bookings in the active portfolio in the second quarter of 2021, a year-over-year decrease of -17 percent. Both Conflict of Nations: WW3 and War and Peace continued their strong performance and grew significantly year-over-year in the second quarter of 2021. Compared to Q2'21, user acquisition spend was down by -24 percent and both daily and monthly active users were down -18 percent and -13 percent respectively as a result.

Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 26 game titles including simulation games such as Big Farm: Mobile Harvest and Hollywood Story, action games such as Battle Pirates, and role-playing games such as Albion Online and Shakes & Fidget. During the second quarter, Naval Action and This Land is My Land from Game Labs and Crush Them All were added to the Simulation, RPG & Action product area following the acquisitions.

Simulation, RPG & Action totaled 30 percent of the bookings in the active portfolio in the second quarter, growing by 22 percent compared to the same period last year. The growth was primarily driven by the addition of the titles from Nanobit and Sandbox Interactive. During the end of the second quarter, Sandbox Interactive released the mobile version of Albion Online globally. The successful release generated more than 2 million downloads of the mobile version during the first 30 days, and daily active users in the game grew by more than 50 percent in June.

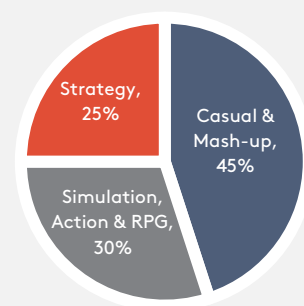
Casual & Mash-up

The Casual and Mash-up portfolio consists of 17 games, including titles like Property Brothers Home Design, BitLife, Word Collect, Trivia Star and Ludo Club. The product area totaled 45 percent of the bookings in the active portfolio in the second quarter of 2021, growing by 30 percent compared to the same period last year. The growth year-over-year was driven by Super Free Games and Moonfrog Labs that were included for the full period, as well as strong organic growth from Candywriter during the quarter. Candywriter's key title BitLife performed very well during the quarter, driven by a successful marketing expansion to Europe as well as new game updates. Candywriter's first half of the year has been above expectations and the group is supporting its efforts to localize BitLife for European markets. In addition, the studio has exciting new products in the pipeline based on its successful BitLife engine.

The strong user inflow driven by effects from the Covid-19 pandemic during Q2 last year was particularly strong within the fast-moving Casual & Mash-up product area, which has resulted in challenging comparison numbers in the second quarter of 2021. Storm8, which grew its revenues by 67% in Q2'20, has had significant negative organic growth during Q2'21.

Moonfrog Labs has so far performed above our expectations, whereas Super Free Games has performed softer than expected on net revenues but significantly better than expected on profitability, as the studio has spent less on user acquisition than forecasted during the first five months.

Product areas as share of bookings in Q2 2021 in total active portfolio



FINANCIAL OVERVIEW OF THE SECOND QUARTER

Revenue and operating profit

MSEK	2021		Chg%	2020		Chg%	Last 12 months	2020
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun			
Net Revenue	1,382	1,192	16	2,702	1,883	43	4,809	3,991
EBITDA	526	477	10	989	681	45	1,860	1,553
EBITDA margin, %	38	40		37	36		39	39
EBIT	289	336	-14	542	442	23	1,093	993
EBIT margin, %	21	28		20	23		23	25
Items affecting comparability	-25	-33	-26	-60	-83	-28	-121	-144
Adjusted EBITDA*	551	510	8	1,049	765	37	1,981	1,697
Adjusted EBITDA margin*, %	40	43		39	41		41	43
Amortization of PPA items	-163	-94	74	-307	-150	104	-513	-357
Adjusted EBIT*	477	463	3	909	676	35	1,727	1,493
Adjusted EBIT margin*, %	35	39		34	36		36	37

*Adjusted EBITDA is defined as EBITDA excluding items affecting comparability. Adjusted EBIT is defined as EBIT excluding items affecting comparability and amortization of PPA-items.

Net revenue in the second quarter amounted to 1,382 (1,192) MSEK. The increase of 16 percent is driven by acquired studios (+41 percent year-on-year), offset by negative organic growth (-17 percent year-on-year), and currency movements (-8 percent).

Net revenue growth	2021		2020		Jan-Dec 2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Change through acquisitions, %	41.0	125.3	59.1	91.1	89.3
Change through currency movements, %	-7.7	1.3	-8.2	2.3	-2.3
Organic growth, %	-17.3	21.7	-7.5	16.3	15.9
Total net revenue growth, %	15.9	148.3	43.5	109.7	102.9

EBITDA amounted to 526 (477) MSEK during the second quarter. Adjusted EBITDA amounted to 551 (510) MSEK, corresponding to an adjusted EBITDA margin of 40 (43) percent during the second quarter.

EBIT amounted to 289 (336) MSEK in the second quarter. Adjusted EBIT amounted to 477 (463) MSEK, corresponding to an adjusted EBIT margin of 35 (39) percent. Items affecting comparability amounted to -25 (-33) MSEK in the second quarter, and consisted mainly of -13 MSEK attributed to transaction costs for the acquisitions of Game Labs and Crush them all, -11 MSEK for the listing transfer to Nasdaq Stockholm, and -4 MSEK for the continued cost optimization project in Kixeye. Items affecting comparability also included a positive impact of +7 MSEK by a post measurement period purchase price adjustment recorded over the income statement.

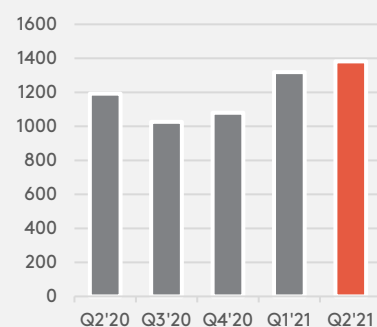
Product development

MSEK	2021		2020		Last 12 months	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun		
Capitalization of product development	149	107	293	207	530	444
Amortization of product development	-59	-36	-112	-70	-204	-162
Amortization of PPA items	-163	-94	-307	-150	-513	-357

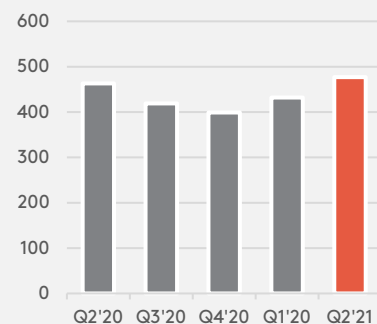
In the second quarter, investments in product development have been capitalized by 149 (107) MSEK. Investments include development of new games such as the mobile version of Albion Online, as well as other not yet announced games. Investments also pertain to other new titles based on existing engines as well as larger extensions and additions to existing games.

Amortization of product development of -59 (-36) MSEK was charged during the second quarter. Amortization of PPA items amounted to -163 (-94) MSEK, where the increase is driven by recent acquisitions.

Net revenue development (MSEK)



Adj EBIT development (MSEK)



Financial net

The financial net was -72 (-85) MSEK in the second quarter, consisting of net interest expenses -37 (-29) MSEK, non-cash interest charge on earnout consideration -26 (-15) MSEK, revaluations of earnout liabilities of 2 (-30) MSEK, and currency effects of -11 (-10) MSEK.

Tax

The group's tax expense amounted to -68 (-64) MSEK for the second quarter, equivalent to a tax rate of 31 (25) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the quarter would have been 29 percent.

Financing

MSEK	2021 30 Jun	2020 30 Jun
Net debt	3,584	665
Cash and cash equivalents	850	936
Adjusted Interest Coverage Ratio, pro forma, x	16.0	24.2
Adjusted Leverage Ratio, pro forma, x	1.6	0.4

Net debt as of June 30, 2021, amounted to 3,584 (665) MSEK.

Adjusted interest coverage ratio, pro forma was 16.0 (24.2)x as of June 30, 2021. The definition of the interest coverage ratio has been updated since last year in order to align with the financial covenants on the Group's external financing, with comparative figures being restated correspondingly. See 'Definitions' below.

The adjusted leverage ratio, pro forma was 1.6 (0.4)x. Stillfront has a financial target of maximum 1.5x for the adjusted leverage ratio pro forma with the ability to exceed this target for shorter periods.

As of June 30, 2021, unutilized credit facilities amounted to 2,605 MSEK, of which 2,405 MSEK are long-term credit facilities, and a cash balance of 850 (936) MSEK. New senior unsecured bonds of SEK 1,500m were successfully issued in the quarter, with final maturity in 2025.

The Group's financial assets and liabilities are in general measured at amortized cost, which is also a good approximation of their fair value. Bond loans with a carrying value of 3,089 MSEK, however, have a fair value of 3,170 MSEK. FX forwards and currency basis swaps with a carrying amount of -3 MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 2,361 MSEK are measured at fair value through profit and loss.

SEKm	2021	2022	2023	2024	2025	Total
Provisions for earnouts						
Cash	-	509	533	308	101	1,450
Equity	154	253	295	177	33	911
Total provisions for earnout	154	761	828	485	133	2,361

The amounts stated above refer to provisions in the balance sheet, calculated as present values of nominal expected future payments, by year of expected settlement. As of June 30, 2021, the Group had liabilities of 2,361 MSEK for earnout provisions (915 MSEK current and 1,446 MSEK non-current) to be settled during 2021 to 2025 of which about 1,450 MSEK of the book value corresponds to amounts expected to be paid out in cash and 911 MSEK expected to be paid out in newly issued shares.

Cash flow

MSEK	2021	2020	2021	2020	Last 12	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	months	Jan-Dec
Cash flow from operations	443	344	692	507	1,436	1,251
Cash flow from investment activities	-1,004	-469	-2,480	-2,869	-4,347	-4,737
Cash flow from financing activities	211	609	1,612	2,967	2,858	4,214
Cash flow for the period	-350	485	-176	605	-53	728
Cash and cash equivalents at the end of period	850	936	850	936	850	1,005

The Group had a strong cash flow from operations of 443 (344) MSEK in the second quarter. The amount includes taxes paid of -55 (-16) MSEK during the quarter and changes in working capital of 9 (-123) MSEK, primarily from a reversed effect on operating receivables from the first quarter driven by timing effects of payments from platform providers offset by settlements of payables during the quarter.

Cash flow from investment activities amounted to -1,004 (-469) MSEK, of which -617 MSEK related to cash settlements of earnouts, studio acquisitions of -189 MSEK, investments in product development -149 (-107) MSEK and the first payment for the Crush them All asset acquisition -47 MSEK.

Cash flow from financing activities amounted to 211 (609) MSEK mainly driven by increased borrowings and 74 MSEK from payments for shares subscribed for under the 2019/2021 warrants programme that matured in May.

Free cash flow for the last twelve months amounted to 865 (375) MSEK. Cash conversion rate, defined as free cash flow for the last twelve months divided by EBITDA for the last twelve months, amounted to 0.46 (0.34) in the second quarter.

SIGNIFICANT EVENTS IN THE QUARTER

Stillfront acquired Game Labs

May 7, 2021, Stillfront announced the acquisition of 100 percent of the shares and votes in Game Labs Inc, a Delaware corporation. Game Labs is a rapidly growing independent game studio with a strong track record of developing strategy and action games for PC. The upfront consideration amounted to USD 32.5 million on a cash and debt free basis, of which USD 9.75 million was paid in 981,813 issued shares in Stillfront and the remaining amount in cash. The acquisition of Game Labs was completed on May 7 and was consolidated into Stillfront's consolidated financial reporting from May, 2021.

Announcement from the Annual General Meeting

May 11, Stillfront held its Annual General Meeting at which, in addition to customary resolutions, it was resolved to (i) implement a long-term incentive program; (ii) to authorise the board of directors to, subject to certain conditions, resolve to increase Stillfront's share capital by issuing new shares, warrants or convertible debt in Stillfront equivalent to a maximum of ten percent of the shares in the company at the time when the board of directors first utilises the authorisation and (iii) on four directed new share issues to the sellers of four of the companies that Stillfront previously has acquired.

Stillfront issued SEK 1,500m in 4-year senior unsecured bonds

May 11, Stillfront placed SEK 1,500m of senior unsecured bonds under a new bond framework of up to SEK 2,000m with final maturity in 2025. The proceeds from the issue of Bonds were used for general corporate purposes in order to strengthen the Company's flexibility for further growth. The interest rate for the Bonds was set at STIBOR 3m + 275bps. The bond is traded on the corporate bond list of Nasdaq Stockholm.

Stillfront Group was approved for listing on Nasdaq Stockholm

May 26, 2021, Stillfront announced the first day of trading in Stillfront's shares on Nasdaq Stockholm. The shares are traded in the Large Cap segment under the ticker (SF) and ISIN code (SE0015346135). There was no offer or issue of new shares in connection with the list change.

Stillfront acquired mobile idle role-playing game "Crush them all"

June 7, Stillfront acquired the game "Crush Them All", a popular mobile idle role-playing game developed by Godzilab Inc. The acquisition was signed and closed on June 7, 2021, and is structured as an all-cash acquisition of all shares in Godzilab Inc, whose assets and liabilities solely relate to the game "Crush Them All". "Crush them all" is operated by Stillfront's studio Imperia Online.

Announcement from the Extraordinary General Meeting

June 17, Stillfront announced that the Extraordinary General Meeting held, following a request by the shareholder Laureus Capital GmbH, resolved to not approve the board of directors' proposal on an issue of warrants and approval of transfer of warrants as arrangement for ensuring delivery of shares in Stillfront to the participants in the long-term incentive program approved by the Annual General Meeting on 11 May 2021 (LTIP 2021/2025). For clarity, it should be noted that the Annual General Meeting on 11 May 2021 approved the establishment of LTIP 2021/2025 and also approved that Stillfront may enter into hedging arrangements with a third party to ensure Stillfront's obligation to deliver shares in accordance with the terms and conditions applicable to LTIP 2021/2025.

EVENTS AFTER THE REPORTING PERIOD

Stillfront announced the earn-out considerations for 2020 to the sellers of Imperia Online, Playa Games, Candywriter and Storm8

July 1, Stillfront announced the agreed earn-out considerations for the financial year 2020.

Imperia Online JSC: The earn-out consideration for 2020, paid partly in cash and partly in shares in Stillfront, was determined to a total amount of EUR 1,921,181.1. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 104,465 subscribed shares to the sellers of Imperia Online JSC, entailing an increase of Stillfront's share capital by SEK 7,312.55. Payment for the shares has been made by way of set-off of the sellers' claim of EUR 960,582.1 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Playa Games GmbH: The earn-out consideration for 2020, paid partly in cash and partly in shares in Stillfront, was determined to a total amount of EUR 10,744,531.4. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 584,243 subscribed shares to the sellers of Playa Games GmbH, entailing an increase of Stillfront's share capital by SEK 40,897.01. Payment for the shares has been made by way of set-off of the sellers' claim of EUR 5,372,262.4 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Candywriter LLC: The earn-out consideration for 2020, paid partly in cash and partly in shares in Stillfront, was determined to a total amount of USD 21,222,894.2. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 791,189 subscribed shares to the sellers of Candywriter LLC, entailing an increase of Stillfront's share capital by SEK 55,383.23. Payment for the shares has been made by way of set-off of the sellers' claim of USD 10,611,440.2 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Storm8 Inc.: The earn-out consideration for 2020, paid partly in cash and partly in shares in Stillfront, was determined to a total amount of USD 72,387,929.0. The number of shares in Stillfront to be allotted to the sellers as part of the earn-out consideration is 1,429,537, entailing an increase of Stillfront's share capital by SEK 100,067.59. The subscription for the shares is still pending. Once the subscription has been completed, shares will be allotted to the sellers of Storm8, Inc. Payment for the shares has been made/will be made by way of set-off of the sellers' claim of USD 18,096,971.6 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

For more information, please visit: <https://www.stillfront.com/en/section/media/press-releases/>

MARKET

The gaming industry is today the largest entertainment industry in the world with close to 3 billion gamers globally. In 2021, the gaming industry is expected to generate revenues of around USD 175.8 billion, a year-on-year decrease by -1.1%, according to Newzoo. The games market will swiftly recover from its slight 2021 decline, according to Newzoo, and they expect the global market to grow with a CAGR of +8.7% between 2019 to 2024 and exceed USD 200 billion at the end of 2023.

Mobile gaming is the world's most popular form of gaming. Mobile games are expected to reach 2.6 billion players and generate revenues of USD 90.7 billion in 2021, representing more than half of the global games market in term of revenues. The mobile games market is expected to grow by 4.4% year-on-year in 2021 and will continue to grow faster than the total games market up to 2024, according to Newzoo.

Stillfront's games are predominantly within the Free-to-Play (F2P) segment. The F2P model has successfully been applied to the browser game market for years and it has now taken over the mobile segment as well. In the world's single largest market, Asia, and particularly in China, the model dominates, and it is gaining ground across all platforms globally.

People across all age demographics play online games. The average age of a gamer in the US is 31 years of age, according to the Entertainment Software Association, ESA, and 80% of all gamers are above 18 years old. The number of female gamers has increased during the past years and represents 45% of the total population of gamers in the US.

Sources for market data:

Newzoo's Global Games Market Report 2021

Essential Facts of the Video Game Industry 2021, by ESA.

PARENT COMPANY

Customary group management functions and group wide services are provided via the parent company. The revenue for the parent during the first half-year was 66 (50) MSEK. The profit before tax amounted to -84 (50) MSEK.

RELATED PARTY TRANSACTIONS

Other than customary transactions with related parties such as remuneration to key individuals, there have been no transactions with related parties.

THE SHARE AND SHAREHOLDERS

#	Owners	No of shares	Capital/votes
1	Laureus Capital GmbH	44,530,690	12.4%
2	Swedbank Robur Funds	37,312,358	10.4%
3	SEB Funds	27,207,494	7.6%
4	AMF Pension & Funds	18,898,767	5.3%
5	Handelsbanken Funds	16,363,622	4.5%
6	First National Pension Fund	9,728,360	2.7%
7	Fidelity Investments (FMR)	7,133,853	2.0%
8	Man Hay Tam	5,919,860	1.6%
9	TIN Funds	4,764,610	1.3%
10	Janus Henderson Investors	4,416,120	1.2%
11	Other Shareholders	183,685,549	51.0%

The total number of shares per June 30, 2021, was 359,961,283. This is the number of shares registered at the Companies' Registration Office at that date. There were 1,479,897 additional shares that had been subscribed for but not yet registered as of 30 June.

As from May 26, 2021, the share is traded on Nasdaq Stockholm. Closing price as of June 30, 2021 was 82.25 SEK/share.

Following bonds are traded on Nasdaq Stockholm:

2018/2022 bond: ISIN: SE0011897925

2019/2024 bond: ISIN: SE0012728830

2021/2025 bond: ISIN: SE0015961065

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS34, Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and the relevant references to Chapter 9 of the Swedish Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR2, Accounting for Legal Entities and the Swedish Annual Accounts Act. No material changes in accounting principles have taken place since the Annual Report for 2020.

The financial statements are presented in SEK, which is the functional currency of the Parent Company. All amounts, unless otherwise stated, are rounded to the nearest million (MSEK). Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

RISKS AND UNCERTAINTY FACTORS

As a global group with a wide geographic spread, Stillfront is exposed to several strategic, financial, market and operational risks. Attributable risks include for example risks relating to market conditions, regulatory risks, tax risks and risks attributable to public perception. Other strategic and financial risks are risks attributable to acquisitions, credit risks and funding risks. Operational risks are for example risks attributable to distribution channels, technical developments and intellectual property. The risks are described in more detail in the Annual Report of 2020. No significant risks are considered to have arisen besides those being described in the Annual Report.

FORWARD-LOOKING STATEMENTS

Some statements herein are forward-looking that reflect Stillfront's current views or expectations of future financial and operational performance. Because these forward-looking statements involve both known and unknown risks and uncertainties, actual results may differ materially from the information set forth in the forward-looking information. Such risks and uncertainties include but are not limited to general business, economic, competitive, technological and legal uncertainties and/or risks. Forward-looking statements in this report apply only at the time of announcement of the report and are subject to change without notice. Stillfront undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, other than as required by applicable law or stock market regulations.

DECLARATION

The Board of Directors and the CEO provide their assurance that the six-month report provides an accurate overview of the operations, position and earnings of the Company and the Group, and that it also describes the principal risks and sources of uncertainty faced by the Company and its subsidiaries.

Stockholm, 11 August 2021

Jan Samuelson
Chairman of the Board

Katarina Bonde

Birgitta Henriksson

Erik Forsberg

Kai Wawrzinek

Ulrika Viklund

Jörgen Larsson,
CEO & Founder

The interim report has not been reviewed by the Company's auditors.

Financial reports

INCOME STATEMENT IN SUMMARY, GROUP

MSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	Last 12 months	2020 Jan-Dec
Revenues						
Bookings	1,377	1,209	2,690	1,894	4,760	3,964
Deferred revenue	5	-17	12	-11	49	27
Net revenue	1,382	1,192	2,702	1,883	4,809	3,991
Own work capitalized	115	83	223	154	397	328
Other revenue	7	5	12	8	18	15
Operating expenses						
Platform fees	-314	-343	-634	-532	-1,205	-1,103
User acquisition costs	-346	-216	-709	-364	-1,088	-743
Other external expenses	-72	-47	-129	-100	-224	-195
Personnel expenses	-222	-164	-416	-286	-727	-597
Items affecting comparability	-25	-33	-60	-83	-121	-144
Amortization of product development	-59	-36	-112	-70	-204	-162
Amortization of PPA items	-163	-94	-307	-150	-513	-357
Depreciation	-14	-11	-28	-19	-49	-41
Operating result	289	336	542	442	1,093	993
Result from financial items						
Net financial items	-72	-85	-117	-89	-221	-193
Profit before tax	217	251	426	353	872	799
Taxes for the period	-68	-64	-128	-89	-258	-219
Net result for the period	149	188	298	264	614	581
Other comprehensive income						
<i>Items that later can be reversed in profit</i>						
Foreign currency translation differences	-158	-314	186	-106	-522	-814
Total comprehensive income for period	-8	-126	484	158	92	-233
Net result for the period attributed to:						
Parent company shareholders	146	186	292	262	611	580
Non-controlling interest	3	1	6	2	4	0
Period total comprehensive income						
Parent company shareholders	-11	-128	478	156	90	-233
Non-controlling interest	3	-1	6	2	2	-1
Average number of shares						
Undiluted	358,805,539	323,952,532	356,772,839	308,757,661	350,793,702	324,161,085
Diluted	359,787,885	324,931,301	358,111,369	309,115,352	352,252,086	325,531,355
Net result per share attributable to the parent company shareholders						
Undiluted, SEK/share	0.41	0.57	0.82	0.85	1.74	1.79
Diluted, SEK/share	0.41	0.57	0.82	0.85	1.73	1.78

The number of shares and earnings per share are recalculated for all periods taking into account the 10:1 share split that took place in 2020.

BALANCE SHEET IN SUMMARY, GROUP

MSEK	2021-06-30	2020-06-30	2020-12-31
Goodwill	10,370	6,481	7,929
Other non-current intangible assets	4,016	2,416	2,822
Tangible non-current assets	133	125	113
Deferred tax assets	30	136	31
Other non-current assets	6	18	11
Current receivables	674	567	455
Cash and cash equivalents	850	936	1,005
Total assets	16,079	10,679	12,366
Shareholders' equity			
Shareholders' equity attributable to parent company's shareholding	7,580	5,799	6,129
Non-Controlling interest	22	20	17
Total Shareholders' equity	7,602	5,819	6,146
Non-current liabilities			
Deferred tax liabilities	878	629	631
Bond loans	3,089	1,602	1,602
Liabilities to credit institutions	1,345	-	1,216
Other liabilities	61	116	72
Provisions for earnout	1,446	938	1,330
Total non-current liabilities	6,820	3,284	4,852
Current liabilities			
Liabilities to credit institutions	1	-	1
Other liabilities	741	554	595
Provisions for earnout	915	1,021	773
Total current liabilities	1,657	1,575	1,369
Total Liabilities and Shareholders' equity	16,079	10,679	12,366

SHAREHOLDERS' EQUITY, GROUP

MSEK	Share capital	Other Shareholders Contributions	Other Reserves	Other equity incl profit of the year	Equity attributed to parent share holders	Non controlling interest	Total equity
Opening balance							
2020-01-01	18	1,765	4	154	1,942	18	1,959
Net result for the period				262	262	2	264
Foreign currency translation differences			-106		-106	0	-106
Total comprehensive income	-	-	-106	262	156	2	158
Total transactions with shareholders	5	3,696		-	3,702	-	3,702
Closing balance							
2020-06-30	24	5,461	-101	416	5,799	20	5,819
Opening balance							
2021-01-01	24	6,179	-808	734	6,129	17	6,146
Net Result for the period				292	292	6	298
Foreign currency translation differences			186		186	0	186
Total comprehensive income	-	-	186	292	478	6	484
Total transactions with shareholders	1	972	-	-	973	-	973
Closing balance							
2021-06-30	25	7,151	-622	1,026	7,580	22	7,602

CASH FLOW IN SUMMARY, GROUP

MSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	Last 12 months	2020 Jan-Dec
Operations						
Profit before tax	217	251	426	353	872	799
Adj for items not in cash flow etc	272	232	478	292	845	660
Tax paid	-55	-16	-83	-58	-310	-286
Cash flow from operations before changes in working capital	434	467	821	588	1,407	1,174
Changes in working capital						
Increase(-)/Decrease(+) in operating receivables	56	-114	-70	-124	89	35
Increase (+)/Decrease(-) in operating liabilities	-47	-9	-58	43	-59	42
Cash flow from changes in working capital	9	-123	-129	-81	30	77
Cash flow from operations	443	344	692	507	1,436	1,251
Investment activities						
Acquisition of business	-806	-359	-2,133	-2,656	-3,751	-4,273
Acquisition of tangible assets	-3	-3	-7	-6	-20	-19
Acquisition of intangible assets	-149	-107	-293	-207	-530	-444
Acquisition of game assets	-47	-	-47	-	-47	-
Cash flow from investment activities	-1,004	-469	-2,480	-2,869	-4,347	-4,737
Financing activities						
Net change in borrowings	149	-604	1,561	493	2,820	1,752
IFRS 16 lease repayment	-11	-8	-23	-15	-42	-34
Proceeds from share issuance	74	1,244	74	2,548	82	2,556
Issue cost	-1	-20	-1	-56	-2	-57
Payment to shareholders (incl. dividend paid)	-0	-2	-0	-2	-0	-2
Cash flow from financing activities	211	609	1,612	2,967	2,858	4,214
Cash flow for the period	-350	485	-176	605	-53	728
Cash and cash equivalents at start of period	1,225	472	1,005	342	936	342
Translation differences	-25	-20	21	-11	-33	-66
Cash and cash equivalents at end of period	850	936	850	936	850	1,005

PARENT COMPANY INCOME STATEMENT, SUMMARY

MSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	Last 12 months	2020 Jan-Dec
Revenue						
Net revenue	39	34	66	50	135	119
Operating expenses						
Other external expenses	-26	-20	-43	-34	-73	-64
Personnel expenses	-15	-22	-29	-30	-52	-53
Operating result	-2	-7	-5	-14	10	1
Result from financial items						
Net financial items	36	86	-79	29	116	224
Result after financial items	34	79	-84	15	127	225
Appropriations						
Group contribution	-	-	-	-	-75	-75
Profit before tax	34	79	-84	15	52	150
Tax for the period	-9	-0	12	-	-26	-38
Net result for the period	25	79	-72	15	25	113

PARENT COMPANY BALANCE SHEET, SUMMARY

MSEK	6/30/2021	6/30/2020	12/31/2020
Intangible assets	5	5	7
Tangible non-current assets	1	0	1
Financial non-current assets	15,415	10,758	12,583
Deferred tax	12	26	1
Current receivables	77	129	592
Cash and bank	110	318	115
Total assets	15,620	11,237	13,299
Shareholders' equity	9,271	7,563	8,371
Provisions for earnouts	790	1,959	1,404
Non-current liabilities	1	26	24
Bond loans	3,089	1,602	1,602
Liabilities to credit institutions	1,345	-	602
Other current liabilities	1,124	88	1,296
Total liabilities & Shareholders' equity	15,620	11,237	13,299

KEY FIGURES, GROUP

MSEK	2021	2020	2021	2020	Last 12	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	months	Jan-Dec
Bookings	1,377	1,209	2,690	1,894	4,760	3,964
Deferred revenue	5	-17	12	-11	49	27
Net revenue	1,382	1,192	2,702	1,883	4,809	3,991
EBIT	289	336	542	442	1,093	993
EBIT margin, %	21	28	20	23	23	25
Adjusted EBIT*	477	463	909	676	1,727	1,493
Adjusted EBIT margin*, %	35	39	34	36	36	37
EBITDA	526	477	989	681	1,860	1,553
EBITDA margin, %	38	40	37	36	39	39
Adjusted EBITDA*	551	510	1,049	765	1,981	1,697
Adjusted EBITDA margin*, %	40	43	39	41	41	43
Profit before tax	217	251	426	353	872	799
Net result	149	188	298	264	614	581
Number of Employees	1,230	808	1,230	808	1,230	1,032
Adjusted Interest Coverage Ratio, pro forma, x	16.0	24.2	16.0	24.2	16.0	18.4
Adjusted Leverage Ratio, pro forma, x	1.56	0.37	1.56	0.37	1.56	0.88
Shareholders' equity per share undiluted, SEK	21.06	16.99	21.06	16.99	21.06	17.69
Shareholders' equity per share diluted, SEK	20.83	16.94	20.81	16.97	20.81	17.62
Earnings per share undiluted, SEK	0.41	0.57	0.82	0.85	1.74	1.79
Earnings per share diluted, SEK	0.41	0.57	0.82	0.85	1.73	1.78
No of shares end of period undiluted	359,961,283	341,437,080	359,961,283	341,437,080	359,961,283	346,537,200
No of shares end of period diluted	363,853,063	342,415,849	364,209,248	341,794,771	364,329,101	347,907,470
Average no of shares period undiluted	358,805,539	323,952,532	356,772,839	308,757,661	350,793,702	324,161,085
Average no of shares period diluted	359,787,885	324,931,301	358,111,369	309,115,352	352,252,086	325,531,355

* Adjusted EBIT defined as EBIT excluding items affecting comparability and amortization of PPA-items. Adjusted EBITDA defined as EBITDA excluding items affecting comparability.

ACQUISITIONS

SEKm

Purchase price	Candywriter	Nanobit	Everguild	Sandbox	Super Free	Moonfrog	Game Labs	Total
Cash and cash equivalents	381	695	8	1,045	663	740	203	6,026
New shares issued	414	263	6	337	665	-	82	2,572
Contingent consideration (earnout)	469	220	57	497	616	207	77	3,044
Total purchase consideration	1,264	1,178	71	1,880	1,944	947	362	11,642
The fair value of acquired assets and assumed liabilities (SEKm):								
Intangible non-current assets	334	359	21	460	665	230	190	3,253
Property, plant and equipment	-	6	-	2	1	2	-	33
Current receivables excl cash and bank	39	53	1	9	108	33	7	421
Cash and cash equivalents	30	62	3	110	82	65	15	643
Non-current liabilities	-	-	-	-	-	-	-	-27
Deferred tax liabilities	-90	-62	-4	-139	-180	-58	-40	-785
Current liabilities	-37	-32	-1	-86	-139	-32	-18	-711
Total net assets acquired excluding goodwill	276	386	20	356	538	241	154	2,827
Goodwill	987	791	52	1,523	1,406	706	209	8,762
Total net assets acquired	1,263	1,177	72	1,880	1,944	947	362	11,589
Less								
Cash and cash equivalents	-30	-62	-3	-110	-82	-65	-15	-643
Ordinary shares issued	-414	-263	-6	-337	-665	-	-82	-2,572
Provision for earnout	-469	-220	-57	-497	-616	-207	-77	-3,044
Net cash outflow on acquisition of business	350	632	6	935	581	675	189	5,330
Percentage of shares and votes acquired	100	100	100	100	100	100	100	-
Transaction costs	17	12	3	11	22	22	13	142
Consolidated since	1 May 2020	1 Oct 2020	1 Nov 2020	31 Dec 2020	1 Feb 2021	1 Mar 2021	1 May 2021	-
Net revenues for the year, before being consolidated by Stillfront	109	451	12	150	91	41	15	-
Adjusted EBITDA for the year, before being consolidated by Stillfront	56	96	3	82	-3	15	6	-

The acquisitions in 2020 of Candywriter, Nanobit, Everguild and Sandbox, and their preliminary purchase price allocations are described in the Annual Report 2020. Candywriter's purchase price allocation has since been finalized with no adjustments made.

On January 29, 2021, Stillfront announced the completion of the acquisition of 100 percent of the shares and votes in Super Free Games, Inc. for an upfront consideration of USD 150 million on a cash and debt free basis. Super Free is a rapidly growing and profitable US-headquartered gaming company focusing on market-leading Casual games including successful titles such as Word Collect, Word Nut and Trivia Star. The sellers were the joint founders and main owners of Super Free as well as certain key employees and other investors. The upfront consideration was partly paid by a set-off by a transfer of 7,503,240 newly issued shares in Stillfront to the sellers, equivalent of approximately USD 79 million, and approximately USD 71 million was paid in cash to the sellers. Super Free was consolidated into Stillfront's financial reporting from February 1, 2021.

On February 1, 2021, Stillfront announced the acquisition of 100 percent in four tranches of the shares and votes in Moonfrog Labs, a rapidly growing independent game studio based in Bangalore, India, focusing on Board and Social Card Games, for an initial consideration of approximately USD 90 million on a cash and debt free basis. On February 26, 2021, Stillfront announced it had completed the acquisition of 91 percent of the shares and votes in Moonfrog Labs and Moonfrog Labs was consolidated into Stillfront's consolidated financial reporting from March 1, 2021.

On May 7, 2021, Stillfront announced the acquisition of 100 percent of the shares in Game Labs Inc. Game Labs is a rapidly growing independent game studio with a strong track record of developing strategy and action games for PC. The sellers are the joint founders and management of Game Labs. The upfront consideration amounted to USD 32.5 million on a cash and debt free basis, of which USD 9.75 million was payable in 981,813 newly issued shares in Stillfront and the remaining amount was payable in cash. Game Labs was consolidated into Stillfront's consolidated financial reporting from May 2021.

The preliminary purchase price allocation analyses of Super Free Games, Moonfrog Labs and Game Labs are provided above. The purchase price allocations are based on assumptions regarding fair values of intangible assets and earnouts among other things, that may be adjusted during the twelve-months period following the acquisition. Goodwill recognized in the acquisitions pertains to the value of the skills within the companies in terms of their capability to develop and publish new games and new versions of existing games.

DEFINITIONS

Key figures and alternative performance measures

ARPDau

Average revenue per daily active user. Calculated as Bookings in the quarter divided by days in the quarter divided by average daily active users in the quarter.

Bookings

Revenue before changes in deferred revenue, including deposits from paying users, in-game advertising revenue and other game-related revenue.

Cash conversion ratio

Free cash flow for the last twelve months divided by EBITDA for the last twelve months.

DAU

Average daily active users. Calculated as the average daily active users each month of the quarter, divided by months in the quarter.

EBITDA

Operating profit before depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for items affecting comparability.

EBITDA margin

EBITDA as a percentage of Net revenue. Adjusted EBITDA margin is EBITDA margin adjusted for items affecting comparability.

EBIT

Profit before financial items and tax. Adjusted EBIT is EBIT excluding items affecting comparability and amortization of PPA, purchase price allocation-items

EBIT margin

EBIT as a percentage of Net revenue. Adjusted EBIT margin is EBIT margin excluding items affecting comparability and amortization of PPA, purchase price allocation-items.

Free cash flow

Cash flow from operations minus acquisitions of intangible assets and repayment of lease liabilities.

Gross profit margin

Gross profit as a percentage of Net revenue, where Gross profit is defined as Net revenue minus Platform fees.

IAC, Items affecting comparability

Significant income statement items that are not included in the Group's normal recurring operations and which distort the comparison between the periods.

Interest Coverage Ratio

Adjusted EBITDA Pro forma divided by net financial items excluding revaluation of provision for earnouts and interest on earnout consideration for the past twelve months.

Adjusted Leverage ratio

Net interest-bearing debt excluding earnout payments in relation to the last twelve months Adjusted EBITDA Pro forma.

MAU

Average monthly active users. Calculated as monthly active users each month of the quarter, divided by months in the quarter.

MPU

Average monthly paying users. Calculated as monthly paying users each month of the quarter, divided by months in the quarter.

Net Debt

Interest bearing liabilities minus cash and cash equivalents. Provisions for earnouts is not considered interest bearing in this context.

Organic growth

Change in consolidated net revenues, excluding the translation impact of changed currency exchange rates and acquisitions. Net revenues in acquired operations are considered as acquired growth during twelve months from the acquisition date.

Shareholders' equity/share

Shareholders' equity attributable to the parent company shareholders divided by the number of shares at the end of the period.

UAC

User acquisition cost.

The purpose of each key figure and alternative performance measure is described in the Annual Report 2020.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Items Affecting Comparability, IAC

MSEK	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	Last 12 months	2020 Jan-Dec
Items affecting comparability, IAC						
Revenue						
Other	7	-	7	-	7	-
Total IAC Revenues affecting EBIT	7	-	7	-	7	-
Costs						
Transaction costs	-13	-16	-36	-60	-91	-114
Long term incentive programs	-4	-13	-4	-14	-10	-19
Other costs	-15	-4	-26	-10	-27	-10
Total IAC in operating profit (EBIT)	-25	-33	-60	-83	-121	-144
Financial income						
Revaluation of earnouts	-	-	-	-	-	-
Total IAC financial income	-	-	-	-	-	-
Financial costs						
Revaluation of earnouts	2	-30	2	-30	2	-30
Total IAC financial costs	2	-30	2	-30	2	-30
Total IAC in net financial items	2	-30	2	-30	2	-30

APM

	2021	2020	2021	2020	Last 12	Jan-Dec
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	months	2020
Net revenue	1,382	1,192	2,702	1,883	4,809	3,991
Platform fees	-314	-343	-634	-532	-1,205	-1,103
Gross profit	1,069	849	2,068	1,352	3,604	2,888
<i>Gross profit margin, %</i>	<i>77</i>	<i>71</i>	<i>77</i>	<i>72</i>	<i>75</i>	<i>72</i>
EBITDA and EBIT						
Operating profit (EBIT)	289	336	542	442	1,093	993
Amortization of PPA items	163	94	307	150	513	357
Other amortization and depreciation	73	47	139	89	254	203
EBITDA	526	477	989	681	1,860	1,553
Adjusted EBITDA and EBIT						
Operating profit (EBIT)	289	336	542	442	1,093	993
Items affecting comparability	25	33	60	83	121	144
Amortization of PPA items	163	94	307	150	513	357
Adjusted Operating profit (EBIT)	477	463	909	676	1,727	1,493
Other amortization and depreciation	73	47	139	89	254	203
Adjusted EBITDA	551	510	1,049	765	1,981	1,697
In relation to net revenue						
<i>EBITDA margin, %</i>	<i>38</i>	<i>40</i>	<i>37</i>	<i>36</i>	<i>39</i>	<i>39</i>
<i>Adjusted EBITDA margin, %</i>	<i>40</i>	<i>43</i>	<i>39</i>	<i>41</i>	<i>41</i>	<i>43</i>
<i>Operating profit (EBIT) margin, %</i>	<i>21</i>	<i>28</i>	<i>20</i>	<i>23</i>	<i>23</i>	<i>25</i>
<i>Adjusted operating profit (EBIT) margin, %</i>	<i>35</i>	<i>39</i>	<i>34</i>	<i>36</i>	<i>36</i>	<i>37</i>

	2021	2020	2021	2020	Last 12	Jan-Dec
MSEK	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	months	2020
Adjusted interest coverage ratio						
Adjusted EBITDA last 12 months	1,981	1,182	1,981	1,182	1,981	1,697
<i>Divided by</i>						
Net financial items last 12 months	221	111	221	111	221	193
Total IAC affecting financial items last 12 months	2	-11	2	-11	2	-30
Interest on earn-out consideration affecting financial items	-80	-26	-80	-26	-80	-52
Adjusted interest coverage ratio, x	13.8	16.1	13.8	16.1	13.8	15.2
Adjusted leverage ratio						
Bond loans	3,089	1,602	3,089	1,602	3,089	1,602
Liabilities to credit institutions	1,345	-	1,345	-	1,345	1,217
Cash and cash equivalents	-850	-936	-850	-936	-850	-1,005
Total net debt	3,584	665	3,584	665	3,584	1,814
<i>Divided by</i>						
Adjusted EBITDA last 12 months	1,981	1,182	1,981	1,182	1,981	1,697
Adjusted leverage ratio	1.81	0.56	1.81	0.56	1.81	1.07
Cash conversion last 12 months						
Cash flow from operations last 12 months	1,436	752	1,436	752	1,436	1,251
IFRS 16 lease repayment last 12 months	-42	-27	-42	-27	-42	-34
Acquisition of intangible assets last 12 months	-530	-351	-530	-351	-530	-444
Free cash flow last 12 months	865	375	865	375	865	773
<i>Divided by</i>						
EBITDA last 12 months	1,860	1,091	1,860	1,091	1,860	1,553
Cash conversion rate	0.46	0.34	0.46	0.34	0.46	0.50

APM Pro Forma

MSEK	2021 Jan-Jun	2020 Jan-Jun
Adjusted EBITDA, pro forma		
Adjusted EBITDA last 12 months	1,981	1,182
<i>Including</i>		
EBITDA, Acquired companies	316	597
Adjusted EBITDA, pro forma	2,297	1,779
Adjusted interest coverage ratio, pro forma		
Adjusted EBITDA last 12 months, pro forma	2,297	1,779
<i>Divided by</i>		
Net financial items last 12 months	221	111
Total IAC affecting financial items last 12 months	2	-11
Interest on earn-out consideration affecting financial items	-80	-26
Adjusted interest coverage ratio, x, pro forma	16.0	24.2
Adjusted leverage ratio, pro forma		
Bond loans	3,089	1,602
Liabilities to credit institutions	1,345	-
Cash and cash equivalents	-850	-936
Net debt	3,584	665
<i>Divided by</i>		
Adjusted EBITDA, pro forma	2,297	1,779
Adjusted leverage ratio, pro forma	1.56	0.37

Share data

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	Last 12 months	Jan-Dec 2020
Equity per share						
Shareholders' equity attributable to parent company's shareholders, MSEK	7,580	5,799	7,580	5,799	7,580	6,129
<i>Divided by</i>						
No of shares end of period undiluted	359,961,283	341,437,080	359,961,283	341,437,080	359,961,283	346,537,200
Shareholders' equity per share undiluted, SEK	21.06	16.99	21.06	16.99	21.06	17.69
No of shares end of period diluted	363,853,063	342,415,849	364,209,248	341,794,771	364,329,101	347,907,470
Shareholders' equity per share diluted, SEK	20.83	16.94	20.81	16.97	20.81	17.62
Earnings per share						
Net result for the period attributed to parent company's shareholders, MSEK	146	186	292	262	611	580
<i>Divided by</i>						
Average no of shares period undiluted	358,805,539	323,952,532	356,772,839	308,757,661	350,793,702	324,161,085
Earnings per share undiluted, SEK	0.41	0.57	0.82	0.85	1.74	1.79
Average no of shares period diluted	359,787,885	324,931,301	358,111,369	309,115,352	352,252,086	325,531,355
Earnings per share diluted, SEK	0.41	0.57	0.82	0.85	1.73	1.78

The number of shares and earnings per share are recalculated for all periods taking into account the 10:1 share split that took place in December 2020.

Financial calendar

Interim report July – September 2021 10 November 2021

Interim report October – December 2021 16 February 2022

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on August 11, 2021 at 07.00 CEST.

For further information, please contact:

Jörgen Larsson, CEO

Andreas Uddman, CFO

Tel: +46 70 3211800, jorgen@stillfront.com

Tel: +46 70 0807846, andreas@stillfront.com

About Stillfront

Stillfront is a free-to-play powerhouse of gaming studios. 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 1,200+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, UK, and Canada. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq Stockholm. For further information, please visit: www.stillfront.com

STILLFRONT
GROUP