

Interim Report, Q3 2021

QUOTE FROM THE CEO

“Stillfront’s net revenues amounted to 1,311 MSEK, up by 28 percent compared to the third quarter last year, paired with an adjusted EBIT margin of 33%. We continue to grow our business with high margins and strong cash flows. In 2021, we have continued to invest in our underlying operations with a special focus on increasing the level of collaboration between our studios, including new game development projects. We continue to strengthen and expand our growing games portfolio and we are working hard in backing all our studios to achieve their full potential. The past six months have been challenging, with our studios facing comparison figures affected by the strong inflow of new users during the pandemic as well as changing marketing conditions due to the IDFA changes imposed by Apple on iOS devices. Both factors are transitory and we remain confident in our strategy and in our ability to benefit from the positive underlying market trends in our industry and to generate strong shareholder value.”

FINANCIAL HIGHLIGHTS Q3

- Net revenue of 1,311 (1,027) MSEK, an increase of 28 percent compared to the third quarter of 2020, of which -11 (19) percent was organic
- EBIT of 243 (306) MSEK, a decrease of 21 percent
- Adjusted EBIT of 433 (419) MSEK, an increase of 3 percent. Adjusted EBIT margin of 33 (41) percent
- Items affecting comparability impacting EBIT amounted to -20 (-18) MSEK, mainly driven by costs related to the acquisition of Jawaker. Amortization of PPA-items amounted to -170 (-95) MSEK
- EBITDA of 499 (454) MSEK, an increase of 10 percent
- Financial net of -55 (-48) MSEK
- Net result of 129 (154) MSEK
- Net result per share undiluted of 0.35 (0.45) SEK. Net result per share diluted of 0.35 (0.45) SEK
- Net debt of 2,645 (1,225) MSEK and adjusted leverage ratio, pro forma of 1.2x (0.7x)
- Cash position of 1,171 MSEK and 3,449 MSEK of undrawn credit facilities

INDICATIVE GUIDANCE FOR Q4 2021*

- Net revenue 1,350-1,500 MSEK
- Adjusted EBIT 425-475 MSEK

KEY FIGURES

MSEK	2021	2020	2021	2020	Last 12	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Bookings	1,304	986	3,994	2,880	5,078	3,964
Deferred revenue	7	41	19	31	15	27
Net revenue	1,311	1,027	4,013	2,910	5,094	3,991
EBIT	243	306	785	748	1,030	993
Adjusted EBIT	433	419	1,342	1,094	1,741	1,493
Adjusted EBIT margin, %	33	41	33	38	34	37
EBITDA	499	454	1,488	1,135	1,906	1,553
Adjusted EBITDA	519	472	1,568	1,236	2,028	1,697
Adjusted EBITDA margin, %	40	46	39	42	40	43
Profit before tax	187	258	613	611	801	799
Net result	129	154	427	418	590	581
Number of Employees	1,256	832	1,256	832	1,256	1,032
Adjusted Leverage Ratio, pro forma, x	1.2	0.7	1.2	0.7	1.2	0.9

*The assumed exchange rates used for Q4 YTD is 8.5075 for USD/SEK and 10.1426 for EUR/SEK, which is the average YTD rate as of October 2021 closing.

Comments by the CEO

During the last twelve months, we have executed on our strategy to build a leading free-to-play powerhouse. We have further diversified our portfolio of studios and games, adding new genres, games and gamers in new geographies to the portfolio. However, it is also important to acknowledge that the past six months have been challenging, with our studios facing comparison figures affected by the strong inflow of new users during the pandemic, as well as changing marketing conditions due to the IDFA changes imposed by Apple on iOS devices. Both factors are transitory and we remain confident in our strategy and in our ability to benefit from the positive underlying market trends in our industry and to generate strong shareholder value.

In 2021, we have continued to invest in our operations with a special focus on increasing collaboration across the group, including new game development projects. Our Stillfronts platform creates tangible synergies by enabling engine-sharing across studios and giving access to a best-in-class performance marketing hub, while our financial hub model frees up valuable time for our studios. We continue to strengthen and expand our growing games portfolio and we are working hard with all our studios to achieve their full potential.

Development in the third quarter

Stillfront's net revenues amounted to 1,311 MSEK, up by 28% compared to the third quarter last year. We continue to grow our business with high margins and strong cash flows. The adjusted EBIT amounted to 433 MSEK, resulting in an adjusted EBIT margin of 33% in the quarter. During the last twelve months, our business has generated 991 MSEK in free cash flow, growing by 86% compared to a year ago.

Year-over-year, we continue to meet difficult comparison numbers in Q3, driven by the exceptional inflow of new users that we saw in Q2'20, which had a positive impact on net revenues and profitability in Q3'20 as well. The organic bookings growth amounted to -8% in Q3, which is a clear improvement from the previous quarter, but still far from our ambitions. The positive monetization trend across our portfolio continued into Q3 and ARPDAU was up 13% organically compared to the same period last year, with all three product areas growing ARPDAU organically year-over-year, showing the strength and quality of our diversified game portfolio.

Our business is stable and sound and several of our studios grew at high organic growth rates in Q3. The studios that have been a part of our group for more than one year, together show solid growth over 24 months and have, excluding Kixeye, grown faster than the annual growth rate of our addressable market.

The strong user inflow driven by the pandemic last year was particularly strong for Storm8, which grew its revenues significantly in both Q2'20 and Q3'20. As a result, the studio has had significant negative organic growth during

Q2'21 and Q3'21, but has stabilized at high levels and is performing in line with management expectations. Excluding the effect from Storm8, Stillfront would have had positive organic bookings growth on a group level in Q3'21.

Super Free Games underperformed on net revenues in Q2, and that development has continued during Q3, as the studio has spent less on user acquisition than forecasted. We are working closely together with the management team of Super Free to address these issues and we remain confident in the studio's long-term prospects.

Marketing development in the quarter

In the third quarter of the year, which is seasonally the weakest quarter for user acquisition, we were able to spend 319 MSEK on user acquisition which was very encouraging. This corresponds to 24% of net revenues, up from 164 MSEK during the same quarter last year with continuous high return on ad spend. The marketing landscape was impacted by the IDFA changes imposed by Apple on iOS devices, but we have seen gradual improvements in our user acquisition during Q3 and after the quarter. It is our firm view that the IDFA changes will have limited impact on Stillfront in Q4 and onwards.



JÖRGEN LARSSON, CEO, STILLFRONT GROUP

During Q3, we announced the acquisition of Jawaker, a leading mobile gaming studio in the MENA region with one of the largest classic PvP gaming apps in the world. We see large scaling potential for Jawaker as a part of Stillfront, with opportunities to fuel user acquisition both in the MENA region and among the Arabic population worldwide, leveraging Stillfront's successful experience from marketing Babil's games. During 2021, we have expanded to the Indian subcontinent and further expanded in the

MENA region, enabling significant growth potential in the years to come.

The outlook ahead

Going into the last quarter of the year, our indicative forecast guidance for Q4'21 amounts to a total net revenue of between 1,350 and 1,500 MSEK with an adjusted EBIT of between 425 and 475 MSEK. The guidance indicates an annual growth of between 25% and 39% on net revenues compared to the same period last year. We expect to return to organic growth during the latter part of the quarter.

Summarizing the first nine months of 2021, we are well positioned to execute on our planned activities and targets for 2022 and onwards. Several promising new titles have entered soft launch lately, and there are more to come in Q4 and next year. We remain focused on supporting our studios and we are fully devoted to deliver on our strategy and build a great company for the long-term. We stay committed to our long-term financial targets and our vision to build 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 1,250+ co-workers thrive in an organization that engenders the spirit of entrepreneurship.

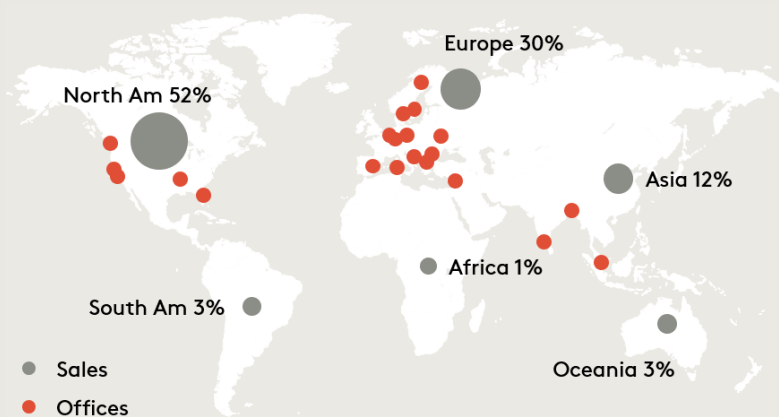
Stillfront is headquartered in Sweden, and the company is listed on Nasdaq Stockholm.

Focus on a digital and 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 Q3 2021 by assumed location of gamer based on IP address or similar. Jawaker not included on map or in numbers.

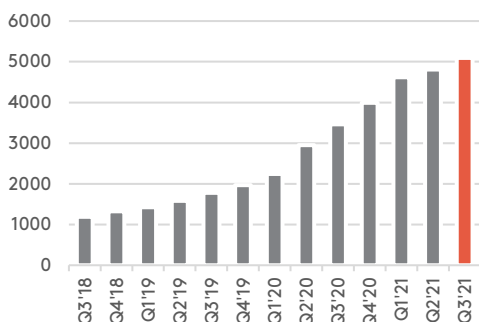
56
games

76%
mobile

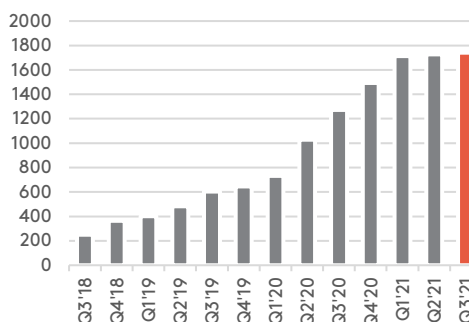
18%
ad bookings

1,256
employees

NET REVENUE LTM (MSEK)



ADJ. EBIT LTM (MSEK)



Portfolio overview

Game performance

Bookings in the third quarter amounted to 1,304 MSEK, of which 1,226 in the active portfolio. The increase of 29 percent in the active portfolio is primarily driven by the addition of recently acquired studios.

Bookings from Other games amounted to 78 MSEK in the third quarter, up from 68 MSEK in the second quarter and from 36 MSEK in the same quarter last year. The increase is mostly attributable to new game releases that have not yet been added to the Active portfolio.

Advertising bookings accounted for 18 percent of total bookings in the active portfolio in the third quarter, slightly down from 19 percent in the second quarter and up from 7 percent the same period last year. Organically, advertising bookings grew by 47 percent in the quarter, driven by increased ad monetization in all three product areas.

Stillfront's share of mobile declined by one percentage point both quarter-over-quarter and year-over-year to 76 percent.

ARPDau for the active portfolio remained steady quarter-over-quarter at 1.1 SEK, down from 2.5 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 312 MSEK in the third quarter, slightly down compared to 342 MSEK in the second quarter of 2021 and up from 164 MSEK the same period last year. The decrease in UAC is a mostly a result of normal seasonality effects, as UAC spend goes down over the summer holidays. The marketing conditions were still impacted by the IDFA changes imposed by Apple on iOS devices, but there has been a gradual normalization in user acquisition during the third quarter as well as after the quarter.

MAU, monthly active users, grew by 218 percent year over year to 62.3 million, driven by the new studios acquired over the past 12 months.

MPU, monthly paying users, grew by 69 percent year-over-year, also driven by new acquisitions. The discrepancy between the increase in MAU and MPU is mainly a result of the acquisitions of Super Free Games and Moonfrog Labs, as the two studios monetize their user bases through ad bookings to a larger extent than other studios in the group.

2021 Q3	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
Bookings (MSEK)	1,226	301	395	531	78
Y-o-Y %	29%	-3%	53%	39%	
Ad bookings, %	18%	1%	7%	35%	
Mobile bookings, %	76%	65%	57%	96%	
UAC (MSEK)	312	69	113	130	7
Y-o-Y %	91%	34%	137%	104%	
DAU ('000)	12,319	443	1,427	10,450	
Y-o-Y %	197%	-7%	39%	295%	
MAU ('000)	62,308	2,404	7,622	52,282	
Y-o-Y %	218%	-13%	121%	290%	
MPU ('000)	1,370	100	295	975	
Y-o-Y %	69%	0%	79%	78%	
ARPDau (SEK)	1.1	7.4	3.0	0.6	
Y-o-Y %	-57%	4%	10%	-65%	

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, several of which were originally built as browser games to enable a large map view. Today, a majority of the titles are available cross-platform and attract a large share of mobile gamers too. In the third quarter, 65 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.

The strategy games amounted to 25 percent of the bookings in the active portfolio in the third quarter of 2021. Strategy bookings decreased by -3 percent year-over-year. Both Conflict of Nations: WW3 and War and Peace continued their strong performance and grew significantly year-over-year in the third quarter. Conflict of Nations, which grew by almost 200 percent in the third quarter, has now become one of the largest titles in the Strategy portfolio. The game was released on mobile in September last year following a successful collaboration between Stillfront's two studios Dorado Games and Bytro Labs.

Compared to Q3'20, user acquisition spend was up by 34 percent in Strategy. Daily and monthly active users were down by -7 percent and -13 percent respectively, while monthly paying users remained flat and ARPDAU increased by 4 percent.

Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 26 game titles including games simulation games such as Big Farm: Mobile Harvest and Hollywood Story, action games such as Battle Pirates, and RPGs such as Albion Online and Shakes & Fidget.

Simulation, RPG & Action totaled 32 percent of the bookings in the active portfolio in the third quarter, growing by 53 percent compared to the same period last year. The growth was driven by organic growth from several titles, as well as the addition of the acquired titles from Nanobit and Sandbox Interactive. Albion Online grew somewhat slower than anticipated in Q3 following its successful mobile launch in Q2, but Stillfront expects the game to show strong performance in coming quarters, driven by the mobile launch and upcoming content releases. Playa Games' successful title Shakes & Fidget had a strong quarter and grew by more than 30 percent organically year-over-year in its twelfth year of existence.

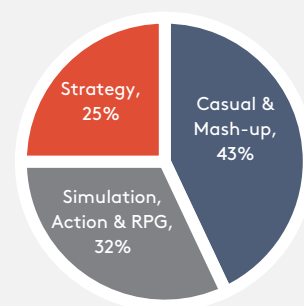
Casual & Mash-up

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 43 percent of the bookings in the active portfolio in the third quarter of 2021, growing by 39 percent compared to the same period last year. The growth year-over-year was driven by acquired studios Super Free Games and Moonfrog Labs, as well as continued strong organic growth from Candywriter during the quarter. Candywriter's key title BitLife continued its strong performance from the second quarter into the third quarter, growing by more than 30 percent organically year-over-year and grabbing the spot as the second largest title in Stillfront's active portfolio. Going into Q4 and next year, Candywriter has exciting new products in the pipeline based on its successful BitLife engine, including newly announced DogLife, which was released globally early November.

The strong user inflow driven by effects from the Covid-19 pandemic last year was particularly strong for Storm8, which grew its revenues significantly in both Q2'20 and Q3'20. As a result, the studio has had significant negative organic growth during Q2'21 and Q3'21, but has now stabilized at high levels and is performing in line with management expectations. Excluding the negative comps effect from Storm8, Stillfront would have had positive organic bookings growth on a group level in Q3'21.

Moonfrog Labs continued to perform well in Q3, growing both of its key titles quarter-over-quarter, whereas Super Free Games has developed weaker than expected on net revenues, as the studio has spent less on user acquisition than forecasted.

Product areas as share of bookings in Q3 2021 in total active portfolio



FINANCIAL OVERVIEW OF THE THIRD QUARTER

Revenue and operating profit

MSEK	2021			2020			Last 12 months	2020 Jan-Dec
	Jul-Sep	Jul-Sep	Chg%	Jan-Sep	Jan-Sep	Chg%		
Net Revenue	1,311	1,027	28	4,013	2,910	38	5,094	3,991
EBITDA	499	454	10	1,488	1,135	31	1,906	1,553
EBITDA margin, %	38	44		37	39		37	39
EBIT	243	306	-21	785	748	5	1,030	993
EBIT margin, %	18	30		20	26		20	25
Items affecting comparability	-20	-18	11	-80	-101	-21	-123	-144
Adjusted EBITDA*	519	472	10	1,568	1,236	27	2,028	1,697
Adjusted EBITDA margin*, %	40	46		39	42		40	43
Amortization of PPA items	-170	-95	80	-477	-245	95	-589	-357
Adjusted EBIT*	433	419	3	1,342	1,094	23	1,741	1,493
Adjusted EBIT margin*, %	33	41		33	38		34	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 third quarter amounted to 1,311 (1,027) MSEK. The increase of 28 percent is driven by acquired studios (+40 percent year-on-year), offset by negative organic growth (-11 percent year-on-year), and currency movements (-1 percent). Organic growth in terms of bookings was -8 percent year-over-year.

Net revenue growth	2021		2020		Jan-Dec 2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Change through acquisitions, %	40.3	85.1	52.5	88.9	89.3
Change through currency movements, %	-1.3	-5.5	-5.7	-0.5	-2.3
Organic growth, %	-11.4	19.0	-8.9	17.2	15.9
Total net revenue growth, %	27.7	98.5	37.9	105.6	102.9

EBITDA amounted to 499 (454) MSEK during the third quarter. Adjusted EBITDA amounted to 519 (472) MSEK, corresponding to an adjusted EBITDA margin of 40 (46) percent during the third quarter.

EBIT amounted to 243 (306) MSEK in the third quarter. Adjusted EBIT amounted to 433 (419) MSEK, corresponding to an adjusted EBIT margin of 33 (41) percent. Items affecting comparability amounted to -20 (-18) MSEK in the third quarter and consisted in the quarter mainly of transaction costs for the acquisition of Jawaker.

Product development

MSEK	2021		2020		Last 12 months	2020 Jan-Dec
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep		
Capitalization of product development	143	115	436	322	558	444
Amortization of product development	-72	-43	-184	-112	-233	-162
Amortization of PPA items	-170	-95	-477	-245	-589	-357

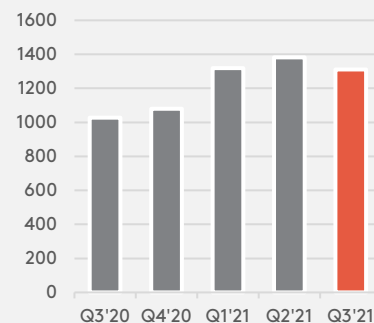
In the third quarter, investments in product development have been capitalized by 143 (115) MSEK. Investments include development of new games such as DogLife as well as other not yet announced games. Investments also pertain to other new titles based on existing engines as well as larger extensions and additions to existing games.

Amortization of product development of -72 (-43) MSEK was charged during the third quarter. Amortization of PPA items amounted to -170 (-95) MSEK, where the increase is driven by recent acquisitions.

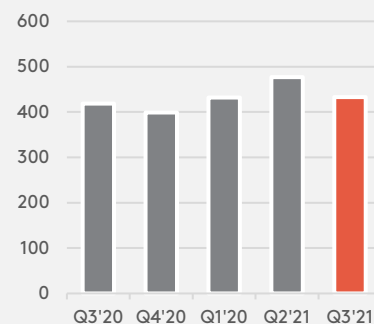
Financial net

The financial net was -55 (-48) MSEK in the third quarter, consisting of net interest expenses -41 (-26) MSEK, non-cash interest charge on earnout consideration -17 (-19) MSEK, and currency effects of 3 (-2) MSEK. The non-cash interest charge on earnout consideration is lower in the third quarter than in the second quarter as a result of earnouts having been settled at the end of the second quarter.

Net revenue development (MSEK)



Adj EBIT development (MSEK)



Tax

The group's tax expense amounted to -58 (-104) MSEK for the third quarter, equivalent to a tax rate of 31 (40) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the quarter would have been 28 percent.

Financing

MSEK	2021	2020
	30 Sep	30 Sep
Net debt	2,645	1,225
Cash and cash equivalents	1,171	1,052
Adjusted Interest Coverage Ratio, pro forma, x	14.5	14.2
Adjusted Leverage Ratio, pro forma, x	1.2	0.7

In the quarter, a directed issue of shares in the amount of 877 MSEK was completed, mainly to finance the acquisition of Jawaker in October. An additional directed share issue of 123 MSEK was completed after the end of the quarter. New senior unsecured bonds of SEK 1,500m were issued earlier in the year.

In order to meet its commitments under the long-term incentive program established at the Annual General Meeting in May 2021 (LTIP 2021/2025), Stillfront has in the third quarter entered into an equity swap agreement with a bank. Under the agreement, the bank undertakes to distribute Stillfront shares to participants in the program when the date for allotment occurs in accordance with the terms and conditions of the program. The fair value of the underlying Stillfront shares when the swap agreement was signed amounted to 224 MSEK. It is recorded as a liability and as a reduction of equity, as if the shares would have been repurchased by the company.

Net debt as of September 30, 2021, amounted to 2,645 (1,225) MSEK, including equity swaps.

Adjusted interest coverage ratio, pro forma was 14.5 (14.2)x as of September 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 1.2 (0.7)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. Including the cash settlement for the Jawaker acquisition in the beginning of October, the leverage ratio would have been around Stillfront's communicated financial targets of 1.5x.

As of September 30, 2021, Stillfront had unutilized credit facilities of 3,449 (1,026) MSEK, of which 3,249 (926) MSEK were long-term credit facilities, and a cash balance of 1,171 (1,052) MSEK.

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 3,091 MSEK, however, have a fair value of 3,159 MSEK. FX forwards and currency basis swaps with a carrying amount of -8 MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 2,282 MSEK are measured at fair value through profit and loss.

MSEK	2021	2022	2023	2024	2025	Total
Provisions for earnouts						
Cash	-	528	552	317	102	1,498
Equity	-	263	306	182	33	784
Total provisions for earnout	-	790	858	499	135	2,282

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 September 30, 2021, the Group had liabilities of 2,282 (1,784) MSEK for earnout provisions, of which 790 (872) MSEK current and 1,492 (912) MSEK non-current. The amounts will be settled during 2022 to 2025, where 1,498 MSEK of the current book value corresponds to amounts expected to be paid out in cash and 784 MSEK expected to be paid out in newly issued shares.

Cash flow

MSEK	2021	2020	2021	2020	Last 12	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Cash flow from operations	486	332	1,178	838	1,591	1,251
Cash flow from investment activities	-181	-858	-2,661	-3,727	-3,671	-4,737
Cash flow from financing activities	-14	648	1,597	3,615	2,196	4,214
Cash flow for the period	291	122	115	727	117	728
Cash and cash equivalents at the end of period	1,171	1,052	1,171	1,052	1,171	1,005

The Group had a strong cash flow from operations of 486 (332) MSEK in the third quarter. The amount includes taxes paid of -53 (-120) MSEK during the quarter and changes in working capital of 97 (38) MSEK, primarily driven by timing effects of payments from platform providers.

Cash flow from investment activities amounted to -181 (-858) MSEK, including investments in product development -143 (-115) MSEK and the final payment for the Crush Them All asset acquisition -42 MSEK.

Cash flow from financing activities amounted to -14 (648) MSEK including proceeds from share issuance of 877 MSEK and net repayment of borrowings -868 MSEK.

Free cash flow for the last twelve months amounted to 991 (533) MSEK. Cash conversion rate, defined as free cash flow for the last twelve months divided by EBITDA for the last twelve months, amounted to 0.52 (0.40) in the third quarter.

SIGNIFICANT EVENTS IN THE QUARTER

Stillfront announced the earn-out considerations for the financial year 2020

July 1, Stillfront announced the agreed earn-out considerations for the financial year 2020 with the sellers of Imperia Online, Playa Games, Candywriter and Storm8, respectively.

Stillfront announced the acquisition of Jawaker

September 8, Stillfront announced the acquisition of 100% of the shares and votes in Jawaker FZ-LLC. Jawaker is a leading mobile gaming studio in the MENA region and was founded in 2009. The studio holds one of the largest classic PvP (Player versus Player) gaming apps in the world, with a focus on board & card games and other popular games specific to the region. Jawaker is headquartered in Abu Dhabi, the UAE, with a team of approximately 50 people. Of the USD 205 million in upfront consideration, 74 percent was paid in cash and 26 percent in 8,540,092 issued shares in Stillfront. The acquisition of Jawaker was completed on October 4, and was consolidated into Stillfront's consolidated financial reporting from October 1, 2021. The purchase price allocation for the acquisition has not yet been completed.

Stillfront completed a directed share issue, raised proceeds of SEK 1 billion

September 9, Stillfront carried out a directed share issue of 15,723,270 new shares at subscription price of SEK 63.60 per share, directed to institutional investors. Stillfront received SEK 1 billion through the directed share issue before deduction of costs. The subscription price was determined through an accelerated book-building procedure led by Carnegie Investment Bank AB (publ) and Joh. Berenberg, Gossler & Co. KG. The investors in the directed share issue consisted of a number of Swedish and international institutional investors, including Stillfront's largest shareholder Laureus Capital GmbH. The reason for the new share issue and the deviation from the shareholders' pre-emption rights was to raise capital in a time efficient manner in order to finance the acquisition of Jawaker and to further strengthen the company's financial flexibility in line with the company's announced financial targets. Proceeds from the issue were received in the amount of 877 MSEK before the end of the quarter and 123 MSEK after the end of the quarter.

EVENTS AFTER THE REPORTING PERIOD

Announcement from the extraordinary general meeting

October 4, Stillfront held an extraordinary general meeting on 4 October 2021 where the general meeting approved the board of directors' resolution dated September 9, on a directed share issue through an issue of not more than 1,929,567 shares (as described above). It was resolved that Laureus Capital GmbH should have the right to subscribe for the new shares. The meeting also resolved, in accordance with the proposal of the board of directors, to authorise the board of directors to, within the scope of the articles of association, with or without deviation from the shareholders' preferential rights, on one or several occasions during the period until the next annual general meeting, resolve to increase the company's share capital by issuing new shares, warrants or convertible debt in the company. The authorisation shall be limited whereby the board of directors may not resolve to issue shares, warrants or convertible debt that involve the issue of, or conversion into shares corresponding to, more than ten (10) percent of the shares in the company at the time when the board of directors first utilises the authorisation. The authorisation replaced the authorisation adopted at the annual general meeting on 11 May 2021.

Lawsuit relating to earnout to the sellers of Kixeye

Fortis Advisors LLC, representing the founders and sellers of Kixeye, has filed a complaint against Stillfront Midco AB in the Court of Chancery of the state of Delaware. The founders are no longer active in Kixeye. Fortis claims that Stillfront Midco AB has breached the merger agreement in bad faith and owes the sellers the maximum MUSD 30 earnout amount payable under the merger agreement for the financial year 2019. Furthermore, Fortis claims that Stillfront Midco AB must pay interest on the claimed earnout amount, compensation for alleged consequential damages, and attorney fees. Stillfront has previously communicated that no earnout amount is due or owing under the merger agreement for the financial year 2019 and that Kixeye continued to underperform also during 2020, which resulted in a cost optimization project of Kixeye that was initiated in the beginning of 2021. Stillfront has made no provision with regard to this dispute as it deems that Fortis's claims lack any factual or legal basis and as the potential impact on consolidated earnings, if any, is currently expected to be non-material.

For more information on events, 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 nine months was 101 (77) MSEK. The profit before tax amounted to -227 (39) 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	11.8%
2	Swedbank Robur Funds	38,240,311	10.2%
3	SEB Funds	24,709,988	6.6%
4	Handelsbanken Funds	21,156,255	5.6%
5	AMF Pension & Funds	20,726,834	5.5%
6	First National Pension Fund	11,891,411	3.2%
7	Fidelity Investments (FMR)	9,131,352	2.4%
8	Man Hay Tam	5,941,538	1.6%
9	Janus Henderson Investors	5,585,360	1.5%
10	TIN Funds	5,089,610	1.4%
11	Other Shareholders	189,661,071	50.4%

The total number of shares per September 30, 2021, was 376,664,420. This is the number of shares registered at the Companies' Registration Office at that date.

As from May 26, 2021, the share is traded on Nasdaq Stockholm. Closing price as of September 30, 2021 was 55.50 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.

Equity swap agreements entered into with a bank in order to meet Stillfront's commitments under long-term incentive programs are accounted for as a financial liability at amortised cost and as a reduction of shareholders' equity. Consequently, the fair value of the underlying shares when the agreement was signed is accounted for as a liability and the fees to the bank are recognized over time as financial costs.

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.

SIGNATURE

Stockholm, 10 November 2021

Jörgen Larsson,
CEO & Founder

AUDITOR'S REPORT (UNOFFICIAL TRANSLATION)

Stillfront Group AB (publ) corp. reg. no. 556721-3078

Introduction

We have reviewed the condensed interim financial information (interim report) of Stillfront Group AB (publ) ("the Parent Company") and its subsidiaries (together "the Group") as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the condensed interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 10 November, 2021

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Financial reports

INCOME STATEMENT IN SUMMARY, GROUP

MSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Last 12 months	2020 Jan-Dec
Revenues						
Bookings	1,304	986	3,994	2,880	5,078	3,964
Deferred revenue	7	41	19	31	15	27
Net revenue	1,311	1,027	4,013	2,910	5,094	3,991
Own work capitalized	116	87	338	241	425	328
Other revenue	2	2	14	11	18	15
Operating expenses						
Platform fees	-284	-280	-918	-811	-1,209	-1,103
User acquisition costs	-319	-164	-1,028	-528	-1,243	-743
Other external expenses	-72	-52	-202	-152	-245	-195
Personnel expenses	-234	-150	-649	-435	-811	-597
Items affecting comparability	-20	-18	-80	-101	-123	-144
Amortization of product development	-72	-43	-184	-112	-233	-162
Amortization of PPA items	-170	-95	-477	-245	-589	-357
Depreciation	-14	-10	-42	-30	-54	-41
Operating result	243	306	785	748	1,030	993
Result from financial items						
Net financial items	-55	-48	-172	-137	-229	-193
Profit before tax	187	258	613	611	801	799
Taxes for the period	-58	-104	-186	-193	-211	-219
Net result for the period	129	154	427	418	590	581
Other comprehensive income						
<i>Items that later can be reversed in profit</i>						
Foreign currency translation differences	242	-183	429	-294	-92	-814
Total comprehensive income for period	371	-29	856	124	498	-233
Net result for the period attributed to:						
Parent company shareholders	128	153	420	414	586	580
Non-controlling interest	1	1	7	3	4	0
Period total comprehensive income						
Parent company shareholders	370	-35	848	121	494	-233
Non-controlling interest	2	1	7	3	4	-1
Average number of shares						
Undiluted	365,745,314	339,397,080	359,796,530	319,045,349	356,449,217	324,161,085
Diluted	366,152,848	341,220,700	360,606,890	320,144,491	357,470,645	325,531,355
Net result per share attributable to the parent company shareholders						
Undiluted, SEK/share	0.35	0.45	1.17	1.30	1.64	1.79
Diluted, SEK/share	0.35	0.45	1.16	1.29	1.64	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	9/30/2021	9/30/2020	12/31/2020
Goodwill	10,591	6,281	7,929
Other non-current intangible assets	4,008	2,327	2,822
Tangible non-current assets	127	110	113
Deferred tax assets	49	52	31
Other non-current assets	7	11	11
Current receivables	565	1,210	455
Cash and cash equivalents	1,171	1,052	1,005
Total assets	16,518	11,043	12,366
Shareholders' equity			
Shareholders' equity attributable to parent company's shareholding	8,749	5,846	6,129
Non-Controlling interest	24	21	17
Total Shareholders' equity	8,773	5,866	6,146
Non-current liabilities			
Deferred tax liabilities	881	547	631
Bond loans	3,091	1,602	1,602
Liabilities to credit institutions	501	674	1,216
Other liabilities	54	122	72
Provisions for earnout	1,492	912	1,330
Total non-current liabilities	6,019	3,858	4,852
Current liabilities			
Liabilities to credit institutions	1	1	1
Equity swap	224	-	-
Other liabilities	711	446	595
Provisions for earnout	790	872	773
Total current liabilities	1,726	1,319	1,369
Total Liabilities and Shareholders' equity	16,518	11,043	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				414	414	3	418
Foreign currency translation differences			-293		-293	-0	-294
Total comprehensive income	-	-	-293	414	121	3	124
Transactions with shareholders	-	-	-	-	-	-	-
Total transactions with shareholders	6	3,777		-	3,783	-	3,783
Closing balance							
2020-09-30	24	5,542	-289	569	5,846	21	5,866
Opening balance							
2021-01-01	24	6,179	-808	734	6,129	17	6,146
Net Result for the period				420	420	7	427
Foreign currency translation differences			428		428	1	429
Total comprehensive income	-	-	428	420	848	7	856
Total transactions with shareholders	2	1,769	-	-	1,772	-	1,772
Closing balance							
2021-09-30	26	7,948	-380	1,155	8,749	24	8,773

CASH FLOW IN SUMMARY, GROUP

MSEK	2021	2020	2021	2020	Last 12	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Operations						
Profit before tax	187	258	613	611	801	799
Adj for items not in cash flow etc	256	156	733	448	945	660
Tax paid	-53	-120	-136	-178	-244	-286
Cash flow from operations before changes in working capital	389	293	1,210	881	1,503	1,174
Changes in working capital						
Increase(-)/Decrease(+) in operating receivables	120	51	49	-72	157	35
Increase (+)/Decrease(-) in operating liabilities	-23	-13	-81	30	-69	42
Cash flow from changes in working capital	97	38	-32	-43	88	77
Cash flow from operations	486	332	1,178	838	1,591	1,251
Investment activities						
Acquisition of business	8	-738	-2,125	-3,394	-3,004	-4,273
Acquisition of tangible assets	-4	-4	-11	-10	-19	-19
Acquisition of intangible assets	-143	-115	-436	-322	-558	-444
Acquisition of game assets	-42	-	-89	-	-89	-
Cash flow from investment activities	-181	-858	-2,661	-3,727	-3,671	-4,737
Financing activities						
Net change in borrowings	-868	650	693	1,143	1,302	1,752
IFRS 16 lease repayment	-10	-9	-33	-25	-43	-34
Proceeds from share issuance	877	8	951	2,556	951	2,556
Issue cost	-14	-1	-14	-57	-15	-57
Payment to shareholders (incl. dividend paid)	0	-	0	-2	0	-2
Cash flow from financing activities	-14	648	1,597	3,615	2,196	4,214
Cash flow for the period	291	122	115	727	117	728
Cash and cash equivalents at start of period	850	936	1,005	342	1,052	342
Translation differences	29	-6	50	-17	2	-66
Cash and cash equivalents at end of period	1,171	1,052	1,171	1,052	1,171	1,005

PARENT COMPANY INCOME STATEMENT, SUMMARY

MSEK	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Last 12 months	2020 Jan-Dec
Revenue						
Net revenue	35	28	101	77	143	119
Operating expenses						
Other external expenses	-14	-14	-57	-48	-73	-64
Personnel expenses	-29	-12	-58	-42	-70	-53
Operating result	-8	2	-14	-12	0	1
Result from financial items						
Net financial items	-134	22	-213	51	-40	224
Result after financial items	-143	24	-227	39	-40	225
Appropriations						
Group contribution	-	-	-	-	-75	-75
Profit before tax	-143	24	-227	39	-115	150
Tax for the period	27	-26	38	-26	27	-38
Net result for the period	-116	-2	-189	12	-88	113

PARENT COMPANY BALANCE SHEET, SUMMARY

MSEK	9/30/2021	9/30/2020	12/31/2020
Intangible assets	4	6	7
Tangible non-current assets	1	1	1
Financial non-current assets	16,076	10,786	12,583
Deferred tax	39	12	1
Current receivables	65	783	592
Cash and bank	177	634	115
Total assets	16,361	12,222	13,299
Shareholders' equity	9,956	7,651	8,371
Provisions for earnouts	1,360	1,784	1,404
Non-current liabilities	1	25	24
Bond loans	3,091	1,602	1,602
Liabilities to credit institutions	501	-	602
Equity swap	224	-	-
Other current liabilities	1,229	1,159	1,296
Total liabilities & Shareholders' equity	16,361	12,222	13,299

KEY FIGURES, GROUP

MSEK	2021	2020	2021	2020	Last 12	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Bookings	1,304	986	3,994	2,880	5,078	3,964
Deferred revenue	7	41	19	31	15	27
Net revenue	1,311	1,027	4,013	2,910	5,094	3,991
EBIT	243	306	785	748	1,030	993
EBIT margin, %	18	30	20	26	20	25
Adjusted EBIT*	433	419	1,342	1,094	1,741	1,493
Adjusted EBIT margin*, %	33	41	33	38	34	37
EBITDA	499	454	1,488	1,135	1,906	1,553
EBITDA margin, %	38	44	37	39	37	39
Adjusted EBITDA*	519	472	1,568	1,236	2,028	1,697
Adjusted EBITDA margin*, %	40	46	39	42	40	43
Profit before tax	187	258	613	611	801	799
Net result	129	154	427	418	590	581
Number of Employees	1,256	832	1,256	832	1,256	1,032
Adjusted Interest Coverage Ratio, pro forma, x	14.5	14.2	14.5	14.2	14.5	18.4
Adjusted Leverage Ratio, pro forma, x	1.19	0.67	1.19	0.67	1.19	0.88
Shareholders' equity per share undiluted, SEK	23.23	17.01	23.23	17.01	23.23	17.69
Shareholders' equity per share diluted, SEK	23.20	16.92	23.18	16.95	23.16	17.62
Earnings per share undiluted, SEK	0.35	0.45	1.17	1.30	1.64	1.79
Earnings per share diluted, SEK	0.35	0.45	1.16	1.29	1.64	1.78
No of shares end of period undiluted	376,664,420	343,672,070	376,664,420	343,672,070	376,664,420	346,537,200
No of shares end of period diluted	377,071,955	345,495,690	377,474,780	344,771,211	377,685,848	347,907,470
Average no of shares period undiluted	365,745,314	339,397,080	359,796,530	319,045,349	356,449,217	324,161,085
Average no of shares period diluted	366,152,848	341,220,700	360,606,890	320,144,491	357,470,645	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

MSEK

Purchase price	Storm8	Candywriter	Nanobit	Everguild	Sandbox	Super Free	Moonfrog	Game Labs	Total
Cash and cash equivalents	2,290	381	695	8	1,045	656	740	203	6,018
New shares issued	805	414	263	6	337	665	-	82	2,572
Contingent consideration (earnout)	901	469	220	57	497	616	207	77	3,044
Total purchase consideration	3,996	1,264	1,178	71	1,880	1,936	947	362	11,634
The fair value of acquired assets and assumed liabilities (SEKm):									
Intangible non-current assets	993	334	359	21	460	665	230	190	3,253
Property, plant and equipment	22	-	6	-	2	1	2	-	33
Current receivables excl cash and bank	222	39	53	1	9	108	33	4	469
Cash and cash equivalents	277	30	62	3	110	82	65	15	643
Non-current liabilities	-27	-	-	-	-	-	-	-	-27
Deferred tax liabilities	-213	-90	-62	-4	-139	-180	-58	-40	-785
Current liabilities	-367	-37	-32	-1	-86	-139	-36	-6	-704
Total net assets acquired excluding goodwill	907	276	386	20	356	538	237	162	2,882
Goodwill	3,089	987	791	52	1,523	1,398	710	200	8,751
Total net assets acquired	3,996	1,263	1,177	72	1,880	1,936	947	362	11,633
<i>Less</i>									
Cash and cash equivalents	-277	-30	-62	-3	-110	-82	-65	-15	-643
Ordinary shares issued	-805	-414	-263	-6	-337	-665	-	-82	-2,572
Provision for earnout	-901	-469	-220	-57	-497	-616	-207	-77	-3,044
Net cash outflow on acquisition of business	2,013	350	632	6	935	574	675	189	5,374
Percentage of shares and votes acquired	100	100	100	100	100	100	100	100	-
Transaction costs	42	17	12	3	11	22	23	13	143
Consolidated since	1 Mar 2020	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	202	109	451	12	150	91	41	15	-
Adjusted EBITDA for the year, before being consolidated by Stillfront	113	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. The purchase price allocations for Candywriter and Nanobit have 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, including the book value of equity swaps, minus cash and cash equivalents. Provisions for earnouts are 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 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Last 12 months	2020 Jan-Dec
Items affecting comparability, IAC						
Revenue						
Other	-	-	7	-	7	-
Total IAC Revenues affecting EBIT	-	-	7	-	7	-
Costs						
Transaction costs	-18	-12	-54	-72	-97	-114
Long term incentive programs	-2	-3	-7	-17	-9	-19
Other costs	0	-3	-26	-12	-24	-10
Total IAC in operating profit (EBIT)	-20	-18	-80	-101	-123	-144
Financial income						
Revaluation of earnouts	-	-	-	-	-	-
Total IAC financial income	-	-	-	-	-	-
Financial costs						
Revaluation of earnouts	0	-	2	-30	2	-30
Total IAC financial costs	0	-	2	-30	2	-30
Total IAC in net financial items	0	-	2	-30	2	-30

APM

	2021	2020	2021	2020	Last 12	Jan-Dec
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	2020
Net revenue	1,311	1,027	4,013	2,910	5,094	3,991
Platform fees	-284	-280	-918	-811	-1,209	-1,103
Gross profit	1,027	748	3,095	2,099	3,884	2,888
Gross profit margin, %	78	73	77	72	76	72
EBITDA and EBIT						
Operating profit (EBIT)	243	306	785	748	1,030	993
Amortization of PPA items	170	95	477	245	589	357
Other amortization and depreciation	86	53	226	142	287	203
EBITDA	499	454	1,488	1,135	1,906	1,553
Adjusted EBITDA and EBIT						
Operating profit (EBIT)	243	306	785	748	1,030	993
Items affecting comparability	20	18	80	101	123	144
Amortization of PPA items	170	95	477	245	589	357
Adjusted Operating profit (EBIT)	433	419	1,342	1,094	1,741	1,493
Other amortization and depreciation	86	53	226	142	287	203
Adjusted EBITDA	519	472	1,568	1,236	2,028	1,697
In relation to net revenue						
EBITDA margin, %	38	44	37	39	37	39
Adjusted EBITDA margin, %	40	46	39	42	40	43
Operating profit (EBIT) margin, %	18	30	20	26	20	25
Adjusted operating profit (EBIT) margin, %	33	41	33	38	34	37
MSEK						
	2021	2020	2021	2020	Last 12	Jan-Dec
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	2020
Adjusted interest coverage ratio						
Adjusted EBITDA last 12 months	2,028	1,445	2,028	1,445	2,028	1,697
<i>Divided by</i>						
Net financial items last 12 months	229	113	229	113	229	193
Total IAC affecting financial items last 12 months	2	-28	2	-28	2	-30
Interest on earn-out consideration affecting financial items	-79	43	-79	43	-79	-52
Adjusted interest coverage ratio, x	13.3	11.3	13.3	11.3	13.3	15.2
Adjusted leverage ratio						
Bond loans	3,091	1,602	3,091	1,602	3,091	1,602
Liabilities to credit institutions	502	675	502	675	502	1,217
Equity swap	224	-	224	-	-	-
Cash and cash equivalents	-1,171	-1,052	-1,171	-1,052	-1,171	-1,005
Total net debt	2,645	1,225	2,645	1,225	2,422	1,814
<i>Divided by</i>						
Adjusted EBITDA last 12 months	2,028	1,445	2,028	1,445	2,028	1,697
Adjusted leverage ratio	1.30	0.85	1.30	0.85	1.19	1.07
Cash conversion last 12 months						
Cash flow from operations last 12 months	1,591	969	1,591	969	1,591	1,251
IFRS 16 lease repayment last 12 months	-43	-30	-43	-30	-43	-34
Acquisition of intangible assets last 12 months	-558	-406	-558	-406	-558	-444
Free cash flow last 12 months	991	533	991	533	991	773
<i>Divided by</i>						
EBITDA last 12 months	1,906	1,339	1,906	1,339	1,906	1,553
Cash conversion rate	0.52	0.40	0.52	0.40	0.52	0.50

APM Pro Forma

MSEK	2021	2020
	Jan-Sep	Jan-Sep
Adjusted EBITDA, pro forma		
Adjusted EBITDA last 12 months	2,028	1,445
<i>Including</i>		
EBITDA, Acquired companies	189	383
Adjusted EBITDA, pro forma	2,217	1,828
Adjusted interest coverage ratio, pro forma		
Adjusted EBITDA last 12 months, pro forma	2,217	1,828
<i>Divided by</i>		
Net financial items last 12 months	229	113
Total IAC affecting financial items last 12 months	2	-28
Interest on earn-out consideration affecting financial items	-79	43
Adjusted interest coverage ratio, x, pro forma	14.5	14.2
Adjusted leverage ratio, pro forma		
Bond loans	3,091	1,602
Liabilities to credit institutions	502	675
Equity swap	224	-
Cash and cash equivalents	-1,171	-1,052
Net debt	2,645	1,225
<i>Divided by</i>		
Adjusted EBITDA, pro forma	2,217	1,828
Adjusted leverage ratio, pro forma	1.19	0.67

Share data

	2021	2020	2021	2020	Last 12	Jan-Dec
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	2020
Equity per share						
Shareholders' equity attributable to parent company's shareholders, MSEK	8,749	5,845	8,749	5,845	8,749	6,129
<i>Divided by</i>						
No of shares end of period undiluted	376,664,420	343,672,070	376,664,420	343,672,070	376,664,420	346,537,200
Shareholders' equity per share undiluted, SEK	23.23	17.01	23.23	17.01	23.23	17.69
No of shares end of period diluted	377,071,955	345,495,690	377,474,780	344,771,211	377,685,848	347,907,470
Shareholders' equity per share diluted, SEK	23.20	16.92	23.18	16.95	23.16	17.62
Earnings per share						
Net result for the period attributed to parent company's shareholders, MSEK	128	153	420	414	586	580
<i>Divided by</i>						
Average no of shares period undiluted	365,745,314	339,397,080	359,796,530	319,045,349	356,449,217	324,161,085
Earnings per share undiluted, SEK	0.35	0.45	1.17	1.30	1.64	1.79
Average no of shares period diluted	366,152,848	341,220,700	360,606,890	320,144,491	357,470,645	325,531,355
Earnings per share diluted, SEK	0.35	0.45	1.16	1.29	1.64	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 October – December 2021	16 February 2022
Interim report January – March 2022	4 May 2022
Interim report April - June 2022	10 August 2022
Interim report July - September 2022	26 October 2022

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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 1,250+ 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

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