

Year-End Report 2021

QUOTE FROM THE CEO

“Stillfront ends the last quarter of 2021 according to plan, with solid financial performance and profitability. Our net revenues grew by 33% to 1,442 MSEK compared to the fourth quarter last year, paired with an adjusted EBIT margin of 32%. Our business continues to generate significant free cash flows, amounting to 953 MSEK for the full year 2021, despite record high investments in game development. In the quarter, we added 8 new titles to our active portfolio, which now consists of 64 games. We are very pleased that we have been able to grow our portfolio of games significantly in 2021 and going into 2022 we look forward to soft launching an additional 15 game titles during the first half of the year. The organic growth improved to -4.9 percent year-over-year, and we had sequential organic growth in the fourth quarter. For the full year 2022, growth will be achieved both organically as well as through acquisitions, and we expect mid-single digit positive organic growth for the group. I am eager to leverage the scale and the platform that we have built to deliver additional growth and value for our shareholders in 2022.”

FINANCIAL HIGHLIGHTS Q4

- Net revenue of 1,442 (1,080) MSEK, an increase of 33 percent compared to the fourth quarter of 2020, of which -5 percent was organic
- EBIT of 249 (245) MSEK, an increase of 2 percent
- Adjusted EBIT of 460 (399) MSEK, an increase of 15 percent. Adjusted EBIT margin of 32 (37) percent
- Items affecting comparability impacting EBIT amounted to -24 (-43) MSEK, mainly driven by costs related to the acquisition of 6waves. Amortization of PPA-items amounted to -187 (-111) MSEK
- EBITDA of 532 (418) MSEK, an increase of 27 percent
- Adjusted EBITDA of 556 (460) MSEK, an increase of 21 percent
- Financial net of -70 (-57) MSEK
- Net result of 169 (163) MSEK
- Net result per share undiluted of 0.44 (0.49) SEK. Net result per share diluted of 0.44 (0.49) SEK
- Net debt of 3,649 (1,814) MSEK and adjusted leverage ratio, pro forma of 1.6x (0.9x)
- Cash position of 1,133 (1,005) MSEK and 2,494 (2,634) MSEK of undrawn credit facilities
- The Stillfront Board of Directors proposes no dividend for 2021

KEY FIGURES

| MSEK | 2021 | 2020 | 2021 | 2020 |
|---------------------------------------|---------|---------|---------|---------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Bookings | 1,446 | 1,084 | 5,440 | 3,964 |
| Deferred revenue | -3 | -4 | 16 | 27 |
| Net revenue | 1,442 | 1,080 | 5,455 | 3,991 |
| EBIT | 249 | 245 | 1,034 | 993 |
| Adjusted EBIT | 460 | 399 | 1,802 | 1,493 |
| Adjusted EBIT margin, % | 32 | 37 | 33 | 37 |
| EBITDA | 532 | 418 | 2,020 | 1,553 |
| Adjusted EBITDA | 556 | 460 | 2,124 | 1,697 |
| Adjusted EBITDA margin, % | 39 | 43 | 39 | 43 |
| Profit before tax | 180 | 188 | 793 | 799 |
| Net result | 169 | 163 | 596 | 581 |
| Number of Employees | 1,381 | 1,032 | 1,381 | 1,032 |
| Adjusted Leverage Ratio, pro forma, x | 1.6 | 0.9 | 1.6 | 0.9 |

Comments by the CEO

Stillfront ends the last quarter of 2021 according to plan, with solid financial performance and profitability. Our net revenues grew by 33% to 1,442 MSEK in the quarter and adjusted EBIT amounted to 460 MSEK, resulting in a 32% adjusted EBIT margin. For the full-year 2021, our net revenue grew by 37% to 5,455 MSEK and adjusted EBIT by 21% to 1,802 MSEK. Our business continues to generate significant free cash flow, which for the full-year 2021 amounted to 953 MSEK, despite record high investments in game development during the year.

The marketing landscape continued to improve in the fourth quarter, and our user acquisition spend reached all-time high at 378 MSEK with sustained high returns. Our studios have adapted well to Apple's IDFA changes and have been successful in their marketing campaigns with increased spend towards the end of the year.

In the fourth quarter, we added 8 new titles to our active portfolio, which now consists of 64 games. We are very pleased that we have been able to grow our portfolio of games significantly in 2021. Our Stillops operating model has made us more efficient in our game development and enabled for game engine share projects across studios, which significantly help bring down cost for new game development while increasing the likelihood of success.

Strong performance towards the end of the year

Jawaker, which was consolidated from 1 October 2021, had a very strong first quarter as part of Stillfront and has outperformed our expectations. Super Free, which, as previously communicated, has underperformed our growth expectations and the guidance communicated for 2021, was able to reverse its negative trend towards the second half of Q4. The studio has seen better traction in its marketing efforts towards the end of the year and we remain positive in the studio's long-term prospects and their ability to return to historical growth levels.

The organic growth improved to -4.9 percent year-over-year, and we had sequential organic growth in Q4. The organic growth trend was positive throughout the quarter, and we experienced year-over-year organic growth for the full group from the last week of November and onwards, with contribution from most of our studios.

Going into Q1 2022, Super Free will be included as organic from 1 February, which we expect will have significant negative effect on reported organic growth in the first quarter, and as a result we expect negative organic growth for the group in Q1 2022 in line with Q4 2021. For the full-year 2022, growth will be achieved both organically as well as through acquisitions, and we expect mid-single digit positive organic growth for the group.

Expanding our geographical reach to East Asia

After the quarter ended, we announced the acquisition of 6waves, a leading publisher of mobile free-to-play strategy games in Japan. 6waves has built a very strong reputation

over several years as one of the leading publishers of strategy games in the Japanese market and we have followed the studio closely for more than two years. Stillfront has a long and proven history of developing and publishing intriguing strategy games, and 6waves's titles fit perfectly into our portfolio. Expanding our presence in Japan has been a strategic priority for Stillfront and the talented 6waves team provides us with a strong market position but also a powerful platform from which we can continue to grow through add-on acquisitions in East Asia.

In connection with the acquisition, we announced that Stillfront's board of directors has resolved on a preferential rights issue of approximately SEK 2.0 billion, which is subject to approval by an EGM. The proceeds will be used to repay the temporary increase in debt following the acquisition and strengthen our financial flexibility to enable us to take advantage of future acquisition opportunities and deliver on our growth agenda.

Leaving 2021 behind and looking towards 2022

In 2021, we continued to strengthen our business for the long term. We have grown our active games portfolio from 42 to 64 games, we have increased our advertising revenues from 8 percent to 19 percent, and we have expanded our geographic reach with talented studios in regions like MENA, East Asia, and the Indian Subcontinent. During the year, we have developed the Stillops platform further which enables us to realize more synergies between our studios.

Entering 2022, Stillfront is a further diversified and stronger gaming powerhouse than ever before. We have had a positive start to the new year, and we have a continued strong pipeline with an additional 15 upcoming soft launches planned for the first half of the year. Looking into the full-year 2022, I am convinced we will report a solid organic growth and I am eager to leverage the scale and the platform that we have built to deliver additional growth and value for our shareholders in 2022.



JÖRGEN LARSSON, CEO, STILLFRONT GROUP

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 1,350+ co-workers thrive in an organization that engenders the spirit of entrepreneurship.

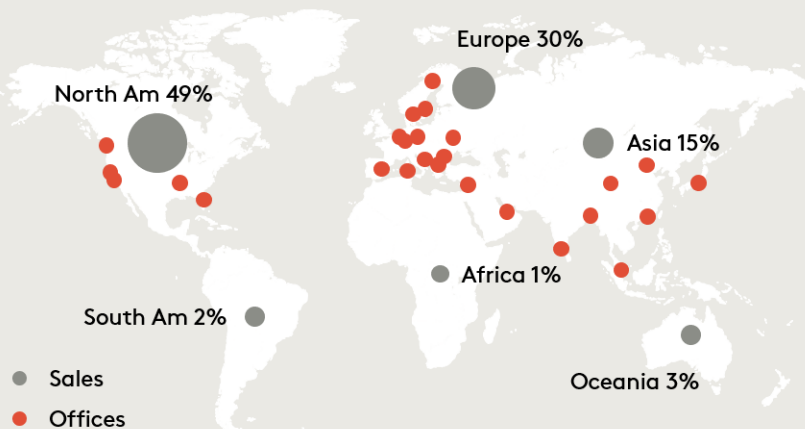
Stillfront is headquartered in Sweden, and the company is listed on Nasdaq Stockholm.

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 since 2019, 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 Q4 2021 by assumed location of gamer based on IP address or similar. 6waves' sales is not included in the picture.

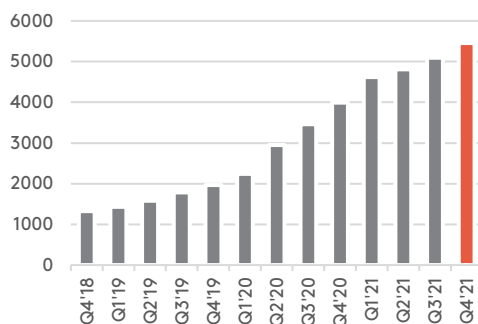
64
games

75%
mobile

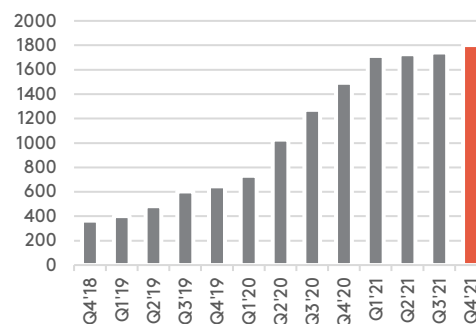
19%
ad bookings

1,381
employees

NET REVENUE LTM (MSEK)



ADJ. EBIT LTM (MSEK)



Portfolio overview

Game performance

Bookings in the fourth quarter amounted to 1,446 MSEK, of which 1,368 in the active portfolio. The increase of 31 percent year-over year in the active portfolio is driven by the addition of recently acquired studios as well as strong organic growth from a number of studios.

Bookings from Other games amounted to 77 MSEK in the fourth quarter, up from 38 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, as well as long-tail games from newly acquired studios.

Advertising bookings accounted for 19 percent of total bookings in the active portfolio in the fourth quarter, slightly up from 18 percent in the third quarter and up from 8 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 quarter-over-quarter and by two percentage points year-over-year to 75 percent in the fourth quarter.

ARPDau for the active portfolio increased by 9 percent quarter-over-quarter to 1.2 SEK, driven by better

monetization in the Casual & Mash-up product area.

ARPDau for the active portfolio was down from 2.7 SEK in the same period last year. The decrease in ARPDau is primarily driven by the new game mix in the portfolio and the addition of Moonfrog Labs as the studio has a large user base with lower monetization.

User acquisition costs, UAC, in the active portfolio amounted to 376 MSEK in the fourth quarter, up from 312 MSEK in the third quarter and from 215 MSEK the same period last year. The increase in UAC is a result of seasonality effects paired with better marketing conditions.

MAU, monthly active users, grew by 195 percent year over year to 63.8 million, driven by the new studios acquired over the past 12 months.

MPU, monthly paying users, grew by 64 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 Q4 | Active Portfolio | Strategy | Sim / RPG / Action | Mashup / Casual | Other games |
|------------------------|------------------|----------|--------------------|-----------------|-------------|
| Bookings (MSEK) | 1,368 | 331 | 395 | 642 | 77 |
| Y-o-Y % | 31% | -2% | 6% | 92% | |
| Ad bookings, % | 19% | 1% | 7% | 34% | |
| Mobile bookings, % | 75% | 65% | 59% | 90% | |
| UAC (MSEK) | 376 | 94 | 129 | 153 | 2 |
| Y-o-Y % | 75% | 63% | 25% | 185% | |
| DAU ('000) | 12,571 | 543 | 1,412 | 10,615 | |
| Y-o-Y % | 196% | 6% | -2% | 362% | |
| MAU ('000) | 63,828 | 3,445 | 7,970 | 52,414 | |
| Y-o-Y % | 195% | 26% | 4% | 366% | |
| MPU ('000) | 1,440 | 117 | 289 | 1,034 | |
| Y-o-Y % | 64% | 5% | 0% | 116% | |
| ARPDau (SEK) | 1.2 | 6.6 | 3.0 | 0.7 | |
| Y-o-Y % | -56% | -8% | 8% | -58% | |

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 14 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 fourth 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 24 percent of the bookings in the active portfolio in the fourth quarter of 2021. Strategy bookings decreased by -2 percent year-over-year. War and Peace, Supremacy 1914 and Conflict of Nations: WW3 performed particularly well in the quarter and grew significantly compared to the same period last year.

Compared to Q4'20, user acquisition spend was up by 63 percent in Strategy, primarily driven by the strong traction from Supremacy 1914 and Conflict of Nations. Daily and monthly active users were up by 6 percent and 26 percent respectively, while monthly paying users was up by 5 percent year-over-year. ARPDAU decreased by -8 percent in the quarter, driven by the increased inflow of new users.

Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 28 game titles including 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 totalled 29 percent of the bookings in the active portfolio in the fourth quarter, growing by 25 percent compared to the same period last year. The growth was primarily driven by the addition of the acquired titles from Sandbox Interactive and Game Labs. Game Labs, which was acquired in May, had a strong Q4 but came in below the communicated guidance for the full-year 2021. The studio has several exciting projects in the pipeline for 2022, including a free-to-play title in the first half of the year.

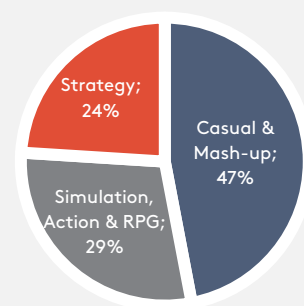
Casual & Mash-up

The Casual and Mash-up portfolio consists of 22 games, including titles like Property Brothers Home Design, BitLife, Word Collect, Trivia Star and Ludo Club. The product area totalled 47 percent of the bookings in the active portfolio in the fourth quarter of 2021, growing by 92 percent compared to the same period last year. The growth year-over-year was driven by acquired studios Super Free Games, Moonfrog Labs and Jawaker, as well as continued strong organic growth from Candywriter during the quarter. Candywriter's key title BitLife continued its strong performance into the last quarter of the year, growing by more than 30 percent organically year-over-year for the second quarter in a row. In Q4, Candywriter successfully launched both the BitLife spin-off DogLife and the German-speaking version of BitLife, BitLife International. BitLife International is published together with Goodgame Studios and additional language versions will be released during 2022.

Super Free Games underperformed on net revenues in 2021 compared to the communicated guidance, as the studio has spent less on user acquisition than forecasted. Stillfront has worked closely together with the management team of Super Free and the studio's games have seen better traction during the fourth quarter. Stillfront's remain confident in the studio's long-term prospects.

Jawaker, which was included for the first time in Stillfront's financial reporting in the fourth quarter, had a positive start as a part of the group and has performed above expectations.

Product areas as share of bookings in Q4 2021 in total active portfolio



FINANCIAL OVERVIEW OF THE FOURTH QUARTER

Revenue and operating profit

| MSEK | 2021 | | | 2020 | | |
|-------------------------------|---------|---------|------|---------|---------|------|
| | Oct-Dec | Oct-Dec | Chg% | Jan-Dec | Jan-Dec | Chg% |
| Net Revenue | 1,442 | 1,080 | 33 | 5,455 | 3,991 | 37 |
| EBITDA | 532 | 418 | 27 | 2,020 | 1,553 | 30 |
| EBITDA margin, % | 37 | 39 | | 37 | 39 | |
| EBIT | 249 | 245 | 2 | 1,034 | 993 | 4 |
| EBIT margin, % | 17 | 23 | | 19 | 25 | |
| Items affecting comparability | -24 | -43 | -45 | -104 | -144 | -28 |
| Adjusted EBITDA* | 556 | 460 | 21 | 2,124 | 1,697 | 25 |
| Adjusted EBITDA margin*, % | 39 | 43 | | 39 | 43 | |
| Amortization of PPA items | -187 | -111 | 68 | -665 | -357 | 86 |
| Adjusted EBIT* | 460 | 399 | 15 | 1,802 | 1,493 | 21 |
| Adjusted EBIT margin*, % | 32 | 37 | | 33 | 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 fourth quarter amounted to 1,442 (1,080) MSEK. The increase of 33 percent is driven by acquired studios (+38 percent year-on-year) and currency movements (+1 percent year-on-year), offset by negative organic growth (-5 percent year-on-year).

| Net revenue growth | 2021 | | 2020 | |
|--------------------------------------|-------------|-------------|-------------|--------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Change through acquisitions, % | 37.6 | 90.3 | 48.5 | 89.3 |
| Change through currency movements, % | 0.8 | -6.4 | -3.9 | -2.3 |
| Organic growth, % | -4.9 | 12.1 | -7.8 | 15.9 |
| Total net revenue growth, % | 33.5 | 96.0 | 36.8 | 102.9 |

EBITDA amounted to 532 (418) MSEK during the fourth quarter. Adjusted EBITDA amounted to 556 (460) MSEK, corresponding to an adjusted EBITDA margin of 39 (43) percent during the fourth quarter.

EBIT amounted to 249 (245) MSEK in the fourth quarter. Adjusted EBIT amounted to 460 (399) MSEK, corresponding to an adjusted EBIT margin of 32 (37) percent. Items affecting comparability amounted to -24 (-43) MSEK in the fourth quarter and consisted in the quarter mainly of transaction costs for the acquisition of 6waves.

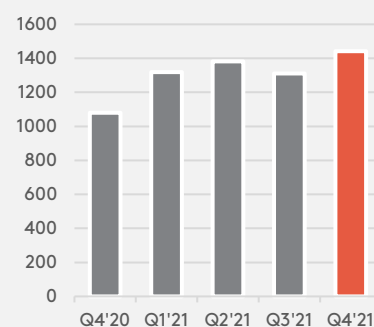
Product development

| MSEK | 2021 | | 2020 | |
|---------------------------------------|---------|---------|---------|---------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Capitalization of product development | 185 | 122 | 621 | 444 |
| Amortization of product development | -79 | -50 | -263 | -162 |
| Amortization of PPA items | -187 | -111 | -665 | -357 |

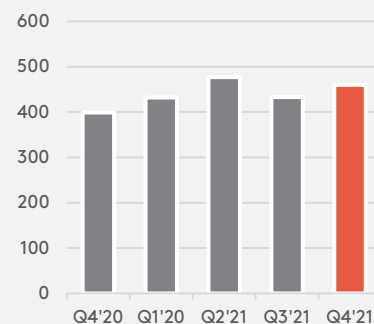
In the fourth quarter, investments in product development have been capitalized by 185 (122) MSEK. Investments include development of new games such as DogLife, BitLife International, Dream Garden, Iron Order 1919, as well as other not yet announced games. Investments also pertain to other new titles based on existing engines as well as larger extensions and additions to existing games.

Amortization of product development of -79 (-50) MSEK was charged during the fourth quarter. Amortization of PPA items amounted to -187 (-111) MSEK, where the increase is driven by recent acquisitions.

Net revenue development (MSEK)



Adj EBIT development (MSEK)



Financial net

The financial net was -70 (-57) MSEK in the fourth quarter, consisting of net interest expenses -45 (-26) MSEK, non-cash interest charge on earnout consideration -20 (-12) MSEK, earnout revaluations of -7 (0) MSEK, currency effects of 2 (-7) MSEK and other non-recurring financial items of 0 (-12) MSEK.

Tax

The group's tax expense amounted to -11 (-25) MSEK for the fourth quarter, equivalent to a tax rate of 6 (13) percent. The lower tax rate for the fourth quarter was a result of reassessment of tax items made in the fourth quarter. The tax expense for the full year 2021 was -197 (-219) MSEK, equivalent to a tax rate of 25 (27) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the full-year would have been 23 (24) percent.

Financing

| MSEK | 2021 | 2020 |
|--|--------|--------|
| | 31 Dec | 31 Dec |
| Net debt | 3,649 | 1,814 |
| Cash and cash equivalents | 1,133 | 1,005 |
| Adjusted Interest Coverage Ratio, pro forma, x | 15.5 | 18.4 |
| Adjusted Leverage Ratio, pro forma, x | 1.6 | 0.9 |

In the quarter, a directed issue of shares in the amount of 123 MSEK was completed, and new shares were issued to the sellers of Jawaker in the amount of 470 MSEK. New senior unsecured bonds of SEK 1,500m were issued earlier in the year.

As part of the financing of the 6waves acquisition, and in order to increase financial flexibility, Stillfront will, subject to approval by an extraordinary general meeting on 23 February 2022, issue new shares for approximately SEK 2 billion with preferential rights for existing shareholders. The final terms for the issue, including subscription price and number of new shares, are expected to be made public on or around 21 February 2022.

In order to meet its commitments under the long-term incentive program LTIP 2021/2025, Stillfront has in the third quarter entered into an equity swap agreement with a bank. The fair value of the underlying Stillfront shares when the swap agreement was signed amounted to 223 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 December 31, 2021, amounted to 3,649 (1,814) MSEK, including equity swaps.

Adjusted interest coverage ratio, pro forma was 15.5 (18.4)x as of December 31, 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 (0.9)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 December 31, 2021, Stillfront had unutilized credit facilities of 2,494 (2,634) MSEK, of which 2,294 (2,534) MSEK were long-term credit facilities, and a cash balance of 1,133 (1,005) 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 3,092 (1,602) MSEK, however, have a fair value of 3,138 (1,661) MSEK. FX forwards and currency basis swaps with a carrying amount of -11 (0) MSEK are measured at fair value through other comprehensive income. Contingent

purchase considerations (earnout provisions) with a carrying amount of 3,328 MSEK are measured at fair value through profit and loss.

Stillfront's 2018/2022 bond loan matures in November 2022 and is therefore reported as a current liability as of 31 December 2021 in the amount of 597 MSEK.

| MSEK | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|-------------------------------------|--------------|------------|------------|------------|------------|------------|--------------|
| Provisions for earnouts | | | | | | | |
| Cash | 691 | 629 | 419 | 298 | 150 | 94 | 2,281 |
| Equity | 339 | 297 | 190 | 115 | 64 | 40 | 1,046 |
| Total provisions for earnout | 1,030 | 926 | 609 | 414 | 215 | 134 | 3,328 |

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 December 31, 2021, the Group had liabilities of 3,328 (2,103) MSEK for earnout provisions, of which 1,030 (773) MSEK current and 2,298 (1,330) MSEK non-current. The amounts will be settled during 2022 to 2027, where 2,281 MSEK of the current book value corresponds to amounts expected to be paid out in cash and 1,046 MSEK expected to be paid out in newly issued shares.

Cash flow

| MSEK | 2021 | 2020 | 2021 | 2020 |
|--|---------|---------|---------|---------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Cash flow from operations | 442 | 413 | 1,620 | 1,251 |
| Cash flow from investment activities | -1,515 | -1,010 | -4,176 | -4,737 |
| Cash flow from financing activities | 1,014 | 599 | 2,612 | 4,214 |
| Cash flow for the period | -59 | 2 | 56 | 728 |
| Cash and cash equivalents at the end of period | 1,133 | 1,005 | 1,133 | 1,005 |

The Group had a cash flow from operations of 442 (413) MSEK in the fourth quarter. The amount includes taxes paid of -85 (-108) MSEK during the quarter and changes in working capital of 37 (120) MSEK, primarily driven by timing effects of payments from platform providers offset by increased operating liabilities.

Cash flow from investment activities amounted to -1,515 (-1,010) MSEK, including investments in product development -185 (-122) MSEK, the payment for the Jawaker acquisition -1,192 MSEK and the payment for the The Firstborn asset acquisition -134 MSEK.

Cash flow from financing activities amounted to 1,014 (599) MSEK including proceeds from share issuance of 123 MSEK and net borrowings 911 MSEK.

Free cash flow for the last twelve months amounted to 953 (773) MSEK. Cash conversion rate, defined as free cash flow for the last twelve months divided by EBITDA for the last twelve months, amounted to 0.47 (0.50).

SIGNIFICANT EVENTS IN THE QUARTER

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 authorize 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 authorization 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 utilizes the authorization. The authorization replaced the authorization adopted at the annual general meeting on 11 May 2021.

Amy Lee joins Stillfront Group as Senior Vice President Synergies & Operations

November 15, Stillfront announced that Amy Lee joined Stillfront as Senior Vice President Synergies & Operations and member of Stillfront's Group business management team. Amy joined Stillfront from Blizzard Entertainment where she was Head of Product Management Mobile. As SVP Synergies & Operations, Amy Lee will focus on maximizing the value of Stillfront's eco-system of growing game studios, working closely together with the other members of the group business management team.

Stillfront's Capital Markets Day 2021

November 17, Stillfront held its Capital Markets Day 2021. The presentations covered several topics including how Stillfront works with its studios after being acquired, a deep dive on the financial model, and further details on recent and upcoming game launches. Speakers included Jörgen Larsson, CEO; Alexis Bonte, COO; Andreas Uddman, CFO; Marina Andersson, Head of M&A; Phillip Knust, CPO; as well as representatives from Stillfront's studios Goodgame Studios, Moonfrog Labs, Candywriter and Sandbox Interactive.

Stillfront acquires mobile strategy game Iron Throne: The Firstborn

December 22, Stillfront announced the agreement to acquire the game "Iron Throne: The Firstborn", under name change to "Rise of Firstborn", a popular mobile strategy game developed and published by Netmarble Corporation. The acquisition was structured as an asset acquisition and the game will be operated by Stillfront's studio Kixeye.

EVENTS AFTER THE REPORTING PERIOD

Stillfront acquires Six Waves Inc. and resolves on a rights issue of approximately SEK 2.0 billion

January 19, Stillfront announced that it had entered into an agreement to acquire 100 percent of the shares in 6waves. The initial purchase price amounts to USD 201 million on a cash and debt free basis. The acquisition of 6waves is another important step in Stillfront's ambition to build the leading free-to-play powerhouse of gaming studios. Stillfront believes that 6waves is one of the leading publishers of mobile free-to-play strategy games in Japan. With the acquisition, Stillfront intends to establish a strong foothold in East Asia and significantly strengthen Stillfront's presence in the attractive Japanese gaming market. The rights issue is subject to approval on the Extra General Meeting to be held on 23 February 2022. The rights issue will, if fully subscribed, raise approximately SEK 2.0 billion for Stillfront before deduction of transaction costs. The net proceeds are intended to be used to repay the temporary increase in debt that the acquisition of 6waves has entailed and to strengthen the balance sheet after the acquisition, and thereby increase Stillfront's financial flexibility in order to take advantage of future acquisition opportunities in line with Stillfront's growth strategy. The closing of the transaction was announced on February 1, 2022, and 6waves will be consolidated into Stillfront's consolidated financial reporting from that same date.

The preliminary purchase price allocation for 6waves appears below:

MSEK

| Purchase price | 6waves |
|-------------------------------------|---------------|
| Cash and cash equivalents | 1,701 |
| New shares issued | 148 |
| Contingent consideration (earnout) | 585 |
| Total purchase consideration | 2,434 |

The fair value of acquired assets and assumed

liabilities (SEKm):

| | |
|---|--------------|
| Intangible non-current assets | 1,024 |
| Deferred tax liabilities | -169 |
| Net assets | -50 |
| Total net assets acquired excluding goodwill | 805 |
| Goodwill | 1,629 |
| Total net assets acquired | 2,434 |

Percentage of shares and votes acquired (%) 100

Transaction costs 27

Consolidated since 1 Feb 2021

Stillfront releases trading update for Q4 2021

January 19, Stillfront announced an update regarding its business performance for the fourth quarter 2021. The purpose of the announcement was to provide the market and the shareholders with updated financial information in connection with Stillfront's acquisition of 6waves and the resolution on the rights issue of approximately SEK 2.0 billion, which was announced earlier the same day.

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 180.3 billion, a year-on-year increase by 1.4%, according to Newzoo. The games market will swiftly recover from the slower growth rate in 2021, 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 93.2 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 7.3% 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 year was 136 (119) MSEK. The profit before tax amounted to -287 (150) 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 | 46,460,257 | 12.0% |
| 2 | Swedbank Robur Funds | 37,562,032 | 9.7% |
| 3 | SEB Funds | 24,381,641 | 6.3% |
| 4 | Handelsbanken Funds | 17,595,432 | 4.5% |
| 5 | Fidelity Investments (FMR) | 14,073,119 | 3.6% |
| 6 | Columbia Threadneedle | 13,589,050 | 3.5% |
| 7 | First National Pension Fund | 11,891,411 | 3.1% |
| 8 | AMF Pension & Funds | 9,650,000 | 2.5% |
| 9 | TIN Funds | 5,089,610 | 1.3% |
| 10 | Man Hay Tam | 5,030,474 | 1.3% |
| 11 | Other Shareholders | 201,811,053 | 52.1% |

The total number of shares per December 31, 2021, was 387,134,079. 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 December 31, 2021, was 48.30 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 amortized 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.

DIVIDEND

The Stillfront Board of Directors proposes no dividend for 2021. Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions.

SIGNATURE

Stockholm, 16 February 2022

Jörgen Larsson,
CEO & Founder

The year-end report has not been reviewed by the Company's auditors.

Financial reports

INCOME STATEMENT IN SUMMARY, GROUP

| MSEK | 2021 Oct-Dec | 2020 Oct-Dec | 2021 Jan-Dec | 2020 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|
| Revenues | | | | |
| Bookings | 1,446 | 1,084 | 5,440 | 3,964 |
| Deferred revenue | -3 | -4 | 16 | 27 |
| Net revenue | 1,442 | 1,080 | 5,455 | 3,991 |
| Own work capitalized | 124 | 87 | 462 | 328 |
| Other revenue | 5 | 4 | 19 | 15 |
| Operating expenses | | | | |
| Platform fees | -306 | -291 | -1,224 | -1,103 |
| User acquisition costs | -378 | -215 | -1,407 | -743 |
| Other external expenses | -92 | -43 | -294 | -195 |
| Personnel expenses | -239 | -162 | -888 | -597 |
| Items affecting comparability | -24 | -43 | -104 | -144 |
| Amortization of product development | -79 | -50 | -263 | -162 |
| Amortization of PPA items | -187 | -111 | -665 | -357 |
| Depreciation | -17 | -11 | -59 | -41 |
| Operating result (EBIT) | 249 | 245 | 1,034 | 993 |
| Result from financial items | | | | |
| Net financial items | -70 | -57 | -242 | -193 |
| Profit before tax | 180 | 188 | 793 | 799 |
| Taxes for the period | -11 | -25 | -197 | -219 |
| Net result for the period | 169 | 163 | 596 | 581 |
| Other comprehensive income | | | | |
| Items that later can be reversed in profit | | | | |
| Foreign currency translation differences | 260 | -520 | 689 | -814 |
| Total comprehensive income for period | 429 | -358 | 1,285 | -233 |
| Net result for the period attributed to: | | | | |
| Parent company shareholders | 170 | 166 | 590 | 580 |
| Non-controlling interest | -1 | -3 | 6 | 0 |
| Period total comprehensive income | | | | |
| Parent company shareholders | 430 | -354 | 1,278 | -233 |
| Non-controlling interest | -1 | -4 | 6 | -1 |
| Average number of shares | | | | |
| Undiluted | 386,678,876 | 339,397,080 | 366,572,354 | 324,161,085 |
| Diluted | 386,678,876 | 341,285,868 | 367,143,219 | 325,531,355 |
| Net result per share attributable to the parent company shareholders | | | | |
| Undiluted, SEK/share | 0.44 | 0.49 | 1.61 | 1.79 |
| Diluted, SEK/share | 0.44 | 0.49 | 1.61 | 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 | 12/31/2021 | 12/31/2020 |
|--|---------------|---------------|
| Goodwill | 12,752 | 7,929 |
| Other non-current intangible assets | 5,244 | 2,822 |
| Tangible non-current assets | 127 | 113 |
| Deferred tax assets | 39 | 31 |
| Other non-current assets | 7 | 11 |
| Current receivables | 747 | 455 |
| Cash and cash equivalents | 1,133 | 1,005 |
| Total assets | 20,049 | 12,366 |
| Shareholders' equity | | |
| Shareholders' equity attributable to parent company's shareholding | 9,772 | 6,129 |
| Non-Controlling interest | 23 | 17 |
| Total Shareholders' equity | 9,795 | 6,146 |
| Non-current liabilities | | |
| Deferred tax liabilities | 1,053 | 631 |
| Bond loans | 2,494 | 1,602 |
| Liabilities to credit institutions | 1,456 | 1,216 |
| Other liabilities | 67 | 72 |
| Provisions for earnout | 2,298 | 1,330 |
| Total non-current liabilities | 7,368 | 4,852 |
| Current liabilities | | |
| Liabilities to credit institutions | - | 1 |
| Bond loans | 597 | - |
| Equity swap | 223 | - |
| Other liabilities | 1,035 | 595 |
| Provisions for earnout | 1,030 | 773 |
| Total current liabilities | 2,886 | 1,369 |
| Total Liabilities and Shareholders' equity | 20,049 | 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 | | | | 580 | 580 | 0 | 581 |
| Foreign currency translation differences | | | -813 | | -813 | -1 | -814 |
| Total comprehensive income | - | - | -813 | 580 | -233 | -1 | -233 |
| Transactions with shareholders | - | - | - | - | - | - | - |
| Total transactions with shareholders | 6 | 4,414 | | - | 4,420 | - | 4,420 |
| Closing balance | | | | | | | |
| 2020-12-31 | 24 | 6,179 | -808 | 734 | 6,129 | 17 | 6,146 |
| Opening balance | | | | | | | |
| 2021-01-01 | 24 | 6,179 | -808 | 734 | 6,129 | 17 | 6,146 |
| Net Result for the period | | | | 590 | 590 | 6 | 596 |
| Foreign currency translation differences | | | 688 | | 688 | 1 | 689 |
| Total comprehensive income | - | - | 688 | 590 | 1,278 | 6 | 1,285 |
| Total transactions with shareholders | 3 | 2,362 | - | - | 2,365 | - | 2,365 |
| Closing balance | | | | | | | |
| 2021-12-31 | 27 | 8,541 | -120 | 1,325 | 9,772 | 23 | 9,795 |

CASH FLOW IN SUMMARY, GROUP

| MSEK | 2021 | 2020 | 2021 | 2020 |
|--|---------------|---------------|---------------|---------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Operations | | | | |
| Profit before tax | 180 | 188 | 793 | 799 |
| Adj for items not in cash flow etc | 310 | 212 | 1,043 | 660 |
| Tax paid | -85 | -108 | -221 | -286 |
| Cash flow from operations before changes in working capital | 405 | 293 | 1,615 | 1,174 |
| Changes in working capital | | | | |
| Increase(-)/Decrease(+) in operating receivables | -52 | 108 | -2 | 35 |
| Increase (+)/Decrease(-) in operating liabilities | 89 | 13 | 7 | 42 |
| Cash flow from changes in working capital | 37 | 120 | 5 | 77 |
| Cash flow from operations | 442 | 413 | 1,620 | 1,251 |
| Investment activities | | | | |
| Acquisition of business | -1,192 | -879 | -3,317 | -4,273 |
| Acquisition of tangible assets | -4 | -8 | -15 | -19 |
| Acquisition of intangible assets | -185 | -122 | -621 | -444 |
| Acquisition of game assets | -134 | - | -223 | - |
| Cash flow from investment activities | -1,515 | -1,010 | -4,176 | -4,737 |
| Financing activities | | | | |
| Net change in borrowings | 911 | 609 | 1,604 | 1,752 |
| IFRS 16 lease repayment | -13 | -10 | -46 | -34 |
| Proceeds from share issuance | 123 | -0 | 1,074 | 2,556 |
| Issue cost | -6 | -0 | -20 | -57 |
| Payment to shareholders (incl. dividend paid) | -0 | - | -0 | -2 |
| Cash flow from financing activities | 1,014 | 599 | 2,612 | 4,214 |
| Cash flow for the period | -59 | 2 | 56 | 728 |
| Cash and cash equivalents at start of period | 1,171 | 1,052 | 1,005 | 342 |
| Translation differences | 21 | -49 | 72 | -66 |
| Cash and cash equivalents at end of period | 1,133 | 1,005 | 1,133 | 1,005 |

PARENT COMPANY INCOME STATEMENT, SUMMARY

| MSEK | 2021 | 2020 | 2021 | 2020 |
|-------------------------------------|-------------|------------|-------------|------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Revenue | | | | |
| Net revenue | 35 | 41 | 136 | 119 |
| Operating expenses | | | | |
| Other external expenses | -35 | -16 | -87 | -64 |
| Personnel expenses | -22 | -11 | -80 | -53 |
| Operating result | -22 | 14 | -31 | 1 |
| Result from financial items | | | | |
| Net financial items | -158 | 173 | -371 | 224 |
| Result after financial items | -180 | 187 | -402 | 225 |
| Appropriations | | | | |
| Group contribution | 115 | -75 | 115 | -75 |
| Profit before tax | -65 | 111 | -287 | 150 |
| Tax for the period | -41 | -11 | -3 | -38 |
| Net result for the period | -106 | 100 | -290 | 113 |

PARENT COMPANY BALANCE SHEET, SUMMARY

| MSEK | 12/31/2021 | 12/31/2020 |
|---|---------------|---------------|
| Intangible assets | 4 | 7 |
| Tangible non-current assets | 1 | 1 |
| Financial non-current assets | 19,018 | 12,583 |
| Deferred tax | 5 | 1 |
| Current receivables | 190 | 592 |
| Cash and bank | 77 | 115 |
| Total assets | 19,294 | 13,299 |
| Shareholders' equity | 10,442 | 8,371 |
| Provisions for earnouts | 2,491 | 1,404 |
| Non-current liabilities | 3 | 24 |
| Bond loans | 3,092 | 1,602 |
| Liabilities to credit institutions | 1,456 | 602 |
| Equity swap | 223 | - |
| Other current liabilities | 1,588 | 1,296 |
| Total liabilities & Shareholders' equity | 19,294 | 13,299 |

KEY FIGURES, GROUP

| MSEK | 2021 | 2020 | 2021 | 2020 |
|--|-------------|-------------|-------------|-------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Bookings | 1,446 | 1,084 | 5,440 | 3,964 |
| Deferred revenue | -3 | -4 | 16 | 27 |
| Net revenue | 1,442 | 1,080 | 5,455 | 3,991 |
| EBIT | 249 | 245 | 1,034 | 993 |
| <i>EBIT margin, %</i> | 17 | 23 | 19 | 25 |
| Adjusted EBIT* | 460 | 399 | 1,802 | 1,493 |
| <i>Adjusted EBIT margin*, %</i> | 32 | 37 | 33 | 37 |
| EBITDA | 532 | 418 | 2,020 | 1,553 |
| <i>EBITDA margin, %</i> | 37 | 39 | 37 | 39 |
| Adjusted EBITDA* | 556 | 460 | 2,124 | 1,697 |
| <i>Adjusted EBITDA margin*, %</i> | 39 | 43 | 39 | 43 |
| Profit before tax | 180 | 188 | 793 | 799 |
| Net result | 169 | 163 | 596 | 581 |
| Number of Employees | 1,381 | 1,032 | 1,381 | 1,032 |
| Adjusted Interest Coverage Ratio, pro forma, x | 15.5 | 18.4 | 15.5 | 18.4 |
| Adjusted Leverage Ratio, pro forma, x | 1.56 | 0.88 | 1.56 | 0.88 |
| Shareholders' equity per share undiluted, SEK | 25.24 | 17.69 | 25.24 | 17.69 |
| Shareholders' equity per share diluted, SEK | 25.24 | 17.59 | 25.24 | 17.62 |
| Earnings per share undiluted, SEK | 0.44 | 0.49 | 1.61 | 1.79 |
| Earnings per share diluted, SEK | 0.44 | 0.49 | 1.61 | 1.78 |
| No of shares end of period undiluted | 387,134,079 | 346,537,200 | 387,134,079 | 346,537,200 |
| No of shares end of period diluted | 387,134,079 | 348,425,988 | 387,134,079 | 347,907,470 |
| Average no of shares period undiluted | 386,678,876 | 339,397,080 | 366,572,354 | 324,161,085 |
| Average no of shares period diluted | 386,678,876 | 341,285,868 | 367,143,219 | 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 | Jawaker |
|-------------------------------------|--------------|--------------|--------------|-----------|--------------|--------------|------------|------------|--------------|
| Cash and cash equivalents | 2,290 | 381 | 695 | 8 | 1,045 | 657 | 756 | 204 | 1,365 |
| New shares issued | 805 | 414 | 263 | 6 | 337 | 665 | - | 82 | 462 |
| Contingent consideration (earnout) | 901 | 469 | 220 | 57 | 497 | 383 | 207 | 77 | 1,183 |
| Total purchase consideration | 3,996 | 1,264 | 1,178 | 71 | 1,880 | 1,704 | 963 | 363 | 3,010 |

The fair value of acquired assets and assumed liabilities (SEKm):

| | | | | | | | | | |
|---|--------------|--------------|--------------|-----------|--------------|--------------|------------|------------|--------------|
| Intangible non-current assets | 993 | 334 | 359 | 21 | 460 | 665 | 231 | 190 | 1,048 |
| Property, plant and equipment | 22 | - | 6 | - | 2 | 1 | 2 | - | 1 |
| Current receivables excl cash and bank | 222 | 39 | 53 | 1 | 9 | 105 | 29 | 4 | 11 |
| Cash and cash equivalents | 277 | 30 | 62 | 3 | 110 | 82 | 65 | 15 | 56 |
| Non-current liabilities | -27 | - | - | - | - | - | -0 | - | - |
| Deferred tax liabilities | -213 | -90 | -62 | -4 | -139 | -170 | -58 | -40 | -216 |
| Current liabilities | -367 | -37 | -32 | -1 | -86 | -140 | -29 | -6 | -15 |
| Total net assets acquired excluding goodwill | 907 | 276 | 386 | 20 | 356 | 544 | 240 | 163 | 886 |
| Goodwill | 3,089 | 987 | 791 | 52 | 1,523 | 1,160 | 723 | 200 | 2,125 |
| Total net assets acquired | 3,996 | 1,263 | 1,177 | 72 | 1,880 | 1,704 | 963 | 363 | 3,010 |
| <i>Less</i> | | | | | | | | | |
| Cash and cash equivalents | -277 | -30 | -62 | -3 | -110 | -82 | -65 | -15 | -56 |
| Ordinary shares issued | -805 | -414 | -263 | -6 | -337 | -665 | - | -82 | -462 |
| Provision for earnout | -901 | -469 | -220 | -57 | -497 | -383 | -207 | -77 | -1,183 |
| Net cash outflow on acquisition of business | 2,013 | 350 | 632 | 6 | 935 | 575 | 691 | 189 | 1,309 |

| | | | | | | | | | |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| Percentage of shares and votes acquire | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Transaction costs | 42 | 17 | 12 | 3 | 11 | 22 | 23 | 13 | 16 |
| 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 | 3 Oct 2021 |
| Net revenues for the year, before being consolidated by Stillfront | 202 | 109 | 451 | 12 | 150 | 91 | 41 | 15 | 199 |
| Adjusted EBITDA for the year, before being consolidated by Stillfront | 113 | 56 | 96 | 3 | 82 | -3 | 15 | 6 | 148 |

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 them have since been finalized with no adjustments made. The purchase price allocation for Super Free Games, acquired in 2021, has been finalized.

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 and votes 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.

On September 8, 2021, Stillfront announced the acquisition of 100 percent of the shares and votes in Jawaker FZ LLC. Jawaker is a leading and highly profitable mobile gaming studio in the MENA region, with one of the largest classic PvP gaming apps in the world. The total upfront consideration for the acquisition amounts to USD 205 million on a cash and debt free basis, of which 74 percent payable in cash, and 26 percent in 8,540,092 newly issued shares in Stillfront. Jawaker was consolidated into Stillfront's consolidated financial reporting from October 2021.

The preliminary purchase price allocation analyses of Moonfrog Labs, Game Labs and Jawaker are provided above. The purchase price allocations are based on assumptions regarding fair values of intangible assets and earnouts among other things, which 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. The preliminary purchase price allocation analysis of Super Free Games has been finalized since the last published quarterly report.

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 and currency derivatives, 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 | 2020 | 2021 | 2020 |
|---|------------|------------|-------------|-------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Items affecting comparability, IAC | | | | |
| Revenue | | | | |
| Other | - | - | 7 | - |
| Total IAC Revenues affecting EBIT | - | - | 7 | - |
| Costs | | | | |
| Transaction costs | -20 | -43 | -74 | -114 |
| Long term incentive programs | -4 | -2 | -10 | -19 |
| Other costs | -0 | 2 | -26 | -10 |
| Total IAC in operating profit (EBIT) | -24 | -43 | -104 | -144 |
| Financial income | | | | |
| Revaluation of earnouts | - | - | - | - |
| Total IAC financial income | - | - | - | - |
| Financial costs | | | | |
| Revaluation of earnouts | -7 | -0 | -5 | -30 |
| Total IAC financial costs | -7 | -0 | -5 | -30 |
| Total IAC in net financial items | -7 | -0 | -5 | -30 |

APM Pro Forma

| MSEK | 2021 | 2020 |
|--|--------------|--------------|
| | Jan-Dec | Jan-Dec |
| Adjusted EBITDA, pro forma | | |
| Adjusted EBITDA last 12 months | 2,124 | 1,697 |
| <i>Including</i> | | |
| EBITDA, Acquired companies | 212 | 355 |
| Adjusted EBITDA, pro forma | 2,336 | 2,052 |
| Adjusted interest coverage ratio, pro forma | | |
| Adjusted EBITDA last 12 months, pro forma | 2,336 | 2,052 |
| <i>Divided by</i> | | |
| Net financial items last 12 months | 242 | 193 |
| Total IAC affecting financial items last 12 months | -5 | -30 |
| Interest on earn-out consideration affecting financial items | -87 | -52 |
| Adjusted interest coverage ratio, x, pro forma | 15.5 | 18.4 |
| Adjusted leverage ratio, pro forma | | |
| Bond loans | 3,092 | 1,602 |
| Liabilities to credit institutions | 1,456 | 1,217 |
| Equity swap | 223 | - |
| Currency derivatives | 11 | - |
| Cash and cash equivalents | -1,133 | -1,005 |
| Net debt | 3,649 | 1,814 |
| <i>Divided by</i> | | |
| Adjusted EBITDA, pro forma | 2,336 | 2,052 |
| Adjusted leverage ratio, pro forma | 1.56 | 0.88 |

Share data

| | 2021 | 2020 | 2021 | 2020 |
|---|--------------|--------------|--------------|--------------|
| | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
| Equity per share | | | | |
| Shareholders' equity attributable to parent company's shareholders, MSEK | 9,772 | 6,129 | 9,772 | 6,129 |
| <i>Divided by</i> | | | | |
| No of shares end of period undiluted | 387,134,079 | 346,537,200 | 387,134,079 | 346,537,200 |
| Shareholders' equity per share undiluted, SEK | 25.24 | 17.69 | 25.24 | 17.69 |
| No of shares end of period diluted | 387,134,079 | 348,425,988 | 387,134,079 | 347,907,470 |
| Shareholders' equity per share diluted, SEK | 25.24 | 17.59 | 25.24 | 17.62 |
| Earnings per share | | | | |
| Net result for the period attributed to parent company's shareholders, MSEK | 170 | 166 | 590 | 580 |
| <i>Divided by</i> | | | | |
| Average no of shares period undiluted | 386,678,876 | 339,397,080 | 366,572,354 | 324,161,085 |
| Earnings per share undiluted, SEK | 0.44 | 0.49 | 1.61 | 1.79 |
| Average no of shares period diluted | 386,678,876 | 341,285,868 | 367,143,219 | 325,531,355 |
| Earnings per share diluted, SEK | 0.44 | 0.49 | 1.61 | 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

| | |
|---|-------------------------|
| Extra General Meeting | 23 February 2022 |
| Publication of the Annual & Sustainability Report | 21 April 2022 |
| Interim report January – March 2022 | 4 May 2022 |
| Annual General Meeting | 12 May 2022 |
| Interim report April - June 2022 | 21 July 2022 (new date) |
| Interim report July - September 2022 | 26 October 2022 |

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on February 16, 2022, at 07.00 CET.

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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 1,350+ 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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