

# Interim Report, Q1 2022

## QUOTE FROM THE CEO

“Stillfront had a strong start to 2022. In the first quarter, we grew our net revenues by 27 percent to 1,678 MSEK and our adjusted EBIT by 16 percent to 502 MSEK, resulting in an adjusted EBIT margin of 30 percent. Our free cash flow for the last twelve months amounted to 1,113 MSEK, growing by 37 percent compared to the same 12-month period last year, despite record-high investments in game development during the same period. Looking ahead, Stillfront is in a good position to continue its growth trajectory during the rest of the year and onwards. We have a clear path to return to organic growth and we are focusing all our resources to continue to launch and scale new games and grow our existing portfolio under the coming year. We reiterate our guidance of mid-single digit organic growth for the full-year 2022.”

## FINANCIAL HIGHLIGHTS Q1

- Net revenue of 1,678 (1,319) MSEK, an increase of 27 percent
- Organic bookings declined by -6.4 percent, organic net revenues declined by -6.8 percent
- EBIT of 272 (253) MSEK, an increase of 8 percent
- Adj EBIT of 502 (432) MSEK, an increase of 16 percent. Adj EBIT margin of 30 (33) percent
- Items affecting comparability impacting EBIT amounted to -19 (-35) MSEK, mainly driven by costs related to the acquisition of 6waves. Amortization of PPA-items amounted to -211 (-144) MSEK
- EBITDA of 597 (463) MSEK, an increase of 29 percent
- Adj EBITDA of 616 (498) MSEK, an increase of 24 percent. Adj EBITDA margin of 37 (38) percent
- Net result of 144 (148) MSEK
- Net debt of 3,092 (3,119) MSEK and adjusted leverage ratio, pro forma of 1.2x (1.3x)
- Free cash flow last 12 months of 1,113 MSEK (810 MSEK)
- Cash position of 1,740 (1,225) MSEK and 2,458 (1,211) MSEK of undrawn credit facilities

## KEY FIGURES

MSEK	2022	2021	Last 12	2021
	Jan-Mar	Jan-Mar	months	Jan-Dec
Bookings	1,677	1,313	5,804	5,440
Deferred revenue	1	7	10	16
Net revenue	1,678	1,319	5,814	5,455
EBIT	272	253	1,053	1,034
Adjusted EBIT	502	432	1,872	1,802
Adjusted EBIT margin, %	30	33	32	33
EBITDA	597	463	2,155	2,020
Adjusted EBITDA	616	498	2,242	2,124
Adjusted EBITDA margin, %	37	38	39	39
IAC	-19	-35	-87	-104
Profit before tax	199	208	783	793
Net result	144	148	591	596
Number of Employees	1,560	1,250	1,560	1,381
Adjusted Leverage Ratio, pro forma, x	1.2	1.3	1.2	1.6

# Comments by the CEO

First, it is impossible to sum up the first quarter of 2022 without addressing the situation in Ukraine. I'm deeply saddened by the events that have unfolded over the past months and my thoughts are with the Ukrainian people. From a company perspective, our main priority has been to work closely with our small team at Game Labs to ensure the safety of our employees based in Ukraine. We are working closely together with the team and Stillfront will continue to do everything we can to assist those in need.

Stillfront has had a strong start to 2022. In the first quarter, we grew our net revenues by 27 percent to 1,678 MSEK and our adjusted EBIT by 16 percent to 502 MSEK, resulting in an adjusted EBIT margin of 30 percent. Our free cash flow for the last twelve months amounted to 1,113 MSEK, growing by 37 percent compared to the same 12-month period last year, despite record-high investments in game development during the same period.

## Record-high investments in growth

We continued to invest heavily in growth in the first quarter and our investments in new games generated significant results, with four own-developed new games added to the active portfolio. In total, we included nine new games in the active portfolio during the first quarter, including the asset acquisition of Rise of Firstborn as well as four titles from 6waves, which was consolidated from February 1st. Our active portfolio now consists of 73 games across genres that are enjoyed by almost 69 million users every month. Our high investments in game development are expected to continue in 2022, with approx. 30 titles already in, or planned for, soft launch throughout the year.

User acquisition spend in Q1 amounted to 469 MSEK, representing 28 percent of our revenues, with return on ad spend being well within our 180-day payback target. Our ability to invest record-high amounts in user acquisition spend with consistent high returns shows that our games are scaling and that our Stillops platform works well and sets us up for continued growth during the rest of the year.

A key component in Stillfront's operating model is our marketing capabilities. Our ability to swiftly reallocate advertising spend to the top-performing titles across our broad portfolio creates an important competitive advantage as we can leverage our scale and reach to ensure that we maintain high investment levels without compromising on returns. In both Q4 and Q1, we have seen great example of this as we have been able to drive record spend with high ROI within our strategy games, while allocating less to other titles in the portfolio.

## Organic development in Q1 in line with expectations

Organic bookings totalled approximately -6 percent in Q1, roughly in line with our development in Q4'21. Super Free was included as organic from February 1, which, as expected, had a significant negative effect on organic year-over-year growth in the quarter. As previously communicated, Super Free had a strong start in 2021, but then saw its bookings decline significantly as the studio

was unable to deploy marketing at sufficient scale. As a result, Super Free grew its bookings less than expected in 2021 but delivered strong EBITDA growth. Super Free is now back on a growth trajectory, growing bookings sequentially in Q1'22 from Q4'21 and we are happy with the progress the studio has made during the past months.



## Good performance by acquired studios

Following the acquisition of 6waves, which was consolidated from February 1, we carried out a preferential rights issue during the quarter which raised proceeds of approximately SEK 2.0 billion. The net proceeds from the issue were used to repay the temporary increase in debt and strengthen the balance sheet following the acquisition. Despite difficult market conditions and high volatility, the rights issue was oversubscribed by 80 percent. We are pleased with the strong support shown from our shareholders, but we have also taken several learnings from this process. With the transaction behind us, we now have a solid balance sheet to deliver on our strategic plans and growth opportunities.

Our recently acquired studios continued to do well in the quarter. Both Jawaker and Moonfrog's titles continued their momentum from last year and showed strong growth in Q1, with Moonfrog included as organic from March 1. 6waves has showed stable performance during its first two months as part of Stillfront Group, delivering in line with our expectations, and the studio has a strong pipeline for the later part of 2022. Despite the short time the studio has been part of the group, 6waves is already involved in discussions with several other studios in Stillfront about potential game collaborations and we are very excited about the opportunities the studio will bring Stillfront in the coming years.

## Important step in our sustainability efforts

Our mission to make a positive impact in people's everyday lives through games. We recently released our Sustainability report for 2021 where we, among other things, highlight how we have intensified our focus on sustainability by introducing long-term targets for all three pillars in our sustainability framework. Target setting is important to drive progress, and our work continues in 2022 to make sure we reach them.

#### Clear path to continued collaboration and growth

In late March, we arranged our first physical Stillcon (our internal conference for studio teams) in almost 2.5 years. During two hectic days at Dorado' offices in Malta, key people from almost all our studios met to discuss potential collaborations and share best practice on how we together can achieve further growth and scale as parts of Stillfront. As a business builder and entrepreneur, it is inspiring to see the amazing pool of talent that we have been able to bring together during the past 11 years and I cannot wait to see what this group can achieve in the years to come.

Looking ahead, Stillfront is in a good position to continue its growth trajectory during the rest of the year and onwards. We have a clear path to return to organic growth and we are focusing all our resources to continue to launch and scale new games and grow our existing portfolio under the coming year. We reiterate our guidance of mid-single digit organic growth for the full-year 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 1,500+ co-workers thrive in an organization that engenders the spirit of entrepreneurship.

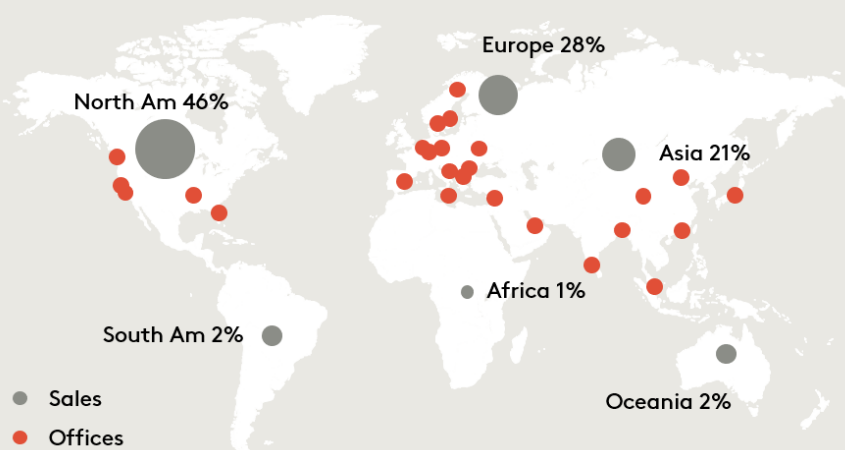
Stillfront is headquartered in Sweden, and the company is listed on Nasdaq Stockholm.

## 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 Q1 2022 by assumed location of gamers based on IP address or similar.

73

games in active portfolio in Q1

78%

mobile share of bookings in Q1

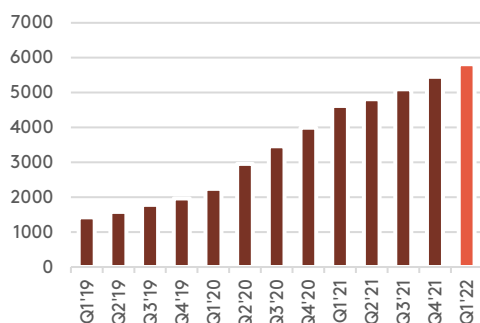
17%

ad share of bookings in Q1

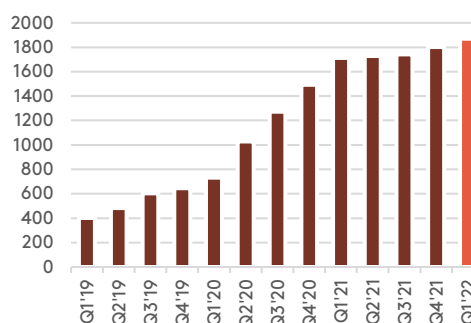
1,560

employees

## NET REVENUE LTM (MSEK)



## ADJ. EBIT LTM (MSEK)



# Portfolio overview

## Game performance

Bookings in the first quarter amounted to 1,677 MSEK, of which 1,597 in the active portfolio. The increase of 27 percent year-over-year in the active portfolio was driven by the addition of games from recently acquired studios as well as strong organic growth contributions from several existing games.

Bookings from other games amounted to 80 MSEK in the first quarter, up from 51 MSEK in the same quarter last year. The increase is mostly attributed 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 17 percent of total bookings in the active portfolio in the first quarter, slightly down from the 19 percent in Q4'21 and up from 15 percent the same period last year. Excluding the recent addition of 6waves' games, which are largely monetized through in-game purchases, advertising bookings was flat quarter-over-quarter, and declined by -2 percent organically compared to the same period last year, driven by a decline in Casual & Mash-up.

Mobile share of bookings increased to 78 percent in the first quarter, up from 75 percent in Q4'21 and from 77 percent in the same period last year. The slight increase was driven by the addition of 6waves' games in the quarter.

ARPDau for the active portfolio increased by 14 percent quarter-over-quarter to 1.4 SEK, driven mainly by the addition of 6waves' titles in quarter. Compared to the same period last year, ARPDau was down from 1.9 SEK. The year-over-year decrease in ARPDau is primarily an effect of the changed game mix in the portfolio and the addition of Moonfrog Labs' titles for the full quarter, as the studio has a large user base with lower monetization.

User acquisition costs, UAC, in the active portfolio amounted to 465 MSEK in the first quarter, up from 376 MSEK in Q4'21 and from 359 MSEK the same period last year. The increase in UAC compared quarter-over-quarter is a result of normal seasonality effects paired with better-performing marketing campaigns.

MAU, monthly active users, grew by 74 percent compared to the same period last year, driven by the new studios acquired over the past 12 months. Organically, MAUs grew by 7 percent quarter-over-quarter and 2 percent year-over-year, driven by increased marketing spending.

MPU, monthly paying users, grew by 29 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.

2022 Q1	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
<b>Bookings (MSEK)</b>	<b>1,597</b>	527	385	684	80
Y-o-Y %	27%	50%	-7%	38%	
Ad bookings, %	17%	1%	7%	34%	
Mobile bookings, %	78%	76%	60%	89%	
<b>UAC (MSEK)</b>	<b>465</b>	166	106	193	4
Y-o-Y %	30%	119%	-12%	19%	
<b>DAU ('000)</b>	<b>13,132</b>	795	1,462	10,875	
Y-o-Y %	76%	53%	-11%	105%	
<b>MAU ('000)</b>	<b>68,657</b>	5,114	8,353	55,190	
Y-o-Y %	74%	89%	-5%	98%	
<b>MPU ('000)</b>	<b>1,499</b>	181	277	1,041	
Y-o-Y %	29%	54%	-19%	49%	
<b>ARPDau (SEK)</b>	<b>1.4</b>	7.4	2.9	0.7	
Y-o-Y %	-28%	-2%	4%	-33%	

## Product areas

### Strategy

The strategy portfolio consists of classic war and so called 4X strategy games. In the first quarter, the strategy portfolio consisted of 21 games, up from 14 games in Q4'21. The new titles include four games from 6waves (Shishinogotoku, 3K SLG, Tenchinogotoku and AOTK JP), The Rise of Firstborn and two additional titles.

The strategy games amounted to 33 percent of the bookings in the active portfolio in the first quarter of 2022. Strategy bookings increased by 50 percent year-over-year, driven by the addition of the games from 6waves as well as strong organic growth. Organically, bookings from the strategy portfolio increased by 19 percent quarter-over-quarter to 527 MSEK. The strategy titles built on Bytro Lab's grand strategy game engine, Supremacy 1914, Call of War and Conflict of Nations: WW3, continued their strong performance from 2021 into the new year, with Supremacy 1914 growing its bookings by more than 150 percent compared to the same period last year. Al General, a MENA version of Conflict of Nations: WW3, was successfully launched during the first quarter as a collaboration project between Stillfront's three studios Bytro Labs, Dorado Games and Babil Games.

User acquisition spend continued to increase in Strategy in the first quarter, primarily driven by the strong traction in Supremacy 1914 and Conflict of Nations: WW3. User acquisition spend in Strategy amounted to 166 MSEK, an increase of 119 percent compared to the same period last year and 76 percent compared to last quarter. As a result, daily and monthly active users were up year-over-year by 53 percent and 89 percent respectively. ARPDAU decreased by -2 percent in the quarter compared to the same period last year, where the increased inflow of new users lowered the average revenue per user, while the addition of 6waves' titles had the opposite effect.

### Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 29 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 24 percent of the bookings in the active portfolio in the first quarter, decreasing by -3 percent compared to last quarter and by -7 percent compared to the same period last year. The slight decline in the product area is a result of our strict user acquisition spend allocation, where more UA spend has been deployed within the Strategy portfolio in the first quarter as these titles have been able to show higher returns on ad spend. User acquisition spend in Simulation, RPG & Action was down by -18 percent quarter-over-quarter and -12 percent year-over-year. In March, Albion Online won the award for Best Mobile Game at the German Computer Game Awards, highlighting the impressive cross-platform product that the team at Sandbox has built and its popularity among players.

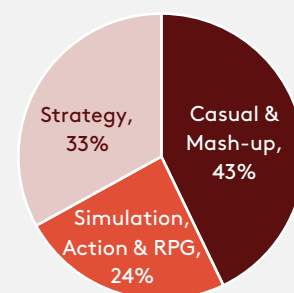
### Casual & Mash-up

The Casual and Mash-up portfolio consists of 23 games, including titles like Property Brothers Home Design, BitLife, Word Collect, Trivia Star and Ludo Club. The product area totalled 43 percent of the bookings in the active portfolio in the first quarter, growing by 38 percent compared to the same period last year, driven primarily by the addition of games from recently acquired studios. The Casual & Mash-up portfolio grew by 7 percent quarter-over-quarter through a combination of FX effects and organic growth in the games.

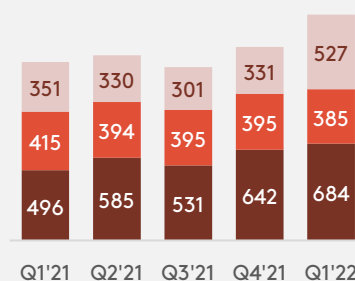
As previously communicated, Super Free had a strong start in 2021, but then saw its bookings growth decline as the studio was unable to deploy marketing at sufficient scale. As a result, Super Free grew bookings less than expected in 2021 but delivered strong EBITDA growth. Super Free's strong start in 2021 had a negative impact on organic growth during the first quarter this year. Super Free is back on a growth trajectory since late October, growing bookings sequentially from Q4'21.

Jawaker and Moonfrog, both continued their strong performance during the first quarter of 2022. Moonfrog was included as organic in Stillfront's reporting from March 1, 2022.

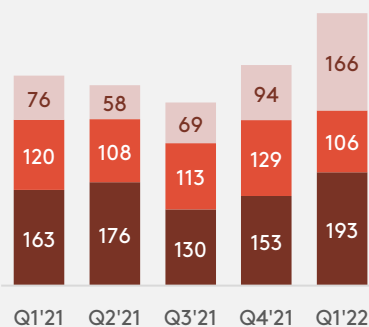
Product areas as share of bookings in Q1 2022 in total active portfolio



Bookings in total active portfolio per product area



UAC in total active portfolio per product area



● Strategy  
● Sim, RPG & Action  
● Casual & Mash-up

## FINANCIAL OVERVIEW OF THE FIRST QUARTER

### Revenue and operating profit

MSEK	2022	2021	Chg%	Last 12	2021
	Jan-Mar	Jan-Mar		months	Jan-Dec
Net Revenue	1,678	1,319	27	5,814	5,455
EBITDA	597	463	29	2,155	2,020
EBITDA margin, %	36	35		37	37
EBIT	272	253	7	1,053	1,034
EBIT margin, %	16	19		18	19
Items affecting comparability	-19	-35	-47	-87	-104
Adjusted EBITDA	616	498	24	2,242	2,124
Adjusted EBITDA margin, %	37	38		39	39
Amortization of PPA items	-211	-144	47	-732	-665
Adjusted EBIT	502	432	16	1,872	1,802
Adjusted EBIT margin, %	30	33		32	33

Net revenue in the first quarter amounted to 1,678 (1,319) MSEK. The increase of 27 percent is driven by acquired studios (+27.3 percent year-on-year) and currency movements (+6.7 percent year-on-year), offset by negative organic growth (-6.8 percent year-on-year).

Stillfront experienced a positive impact from currency movements on net revenues in the first quarter, mainly driven by the strong USD compared to the SEK year-over-year. With the acquisition of 6waves, Stillfront's total currency profile changes somewhat as the studio generates a majority of its revenues in JPY. Currency rates in the quarter are outlined in the currency table on page 18 in this report.

Net revenue growth	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Change through acquisitions, %	27.3	90.4	48.5
Change through currency movements, %	6.7	-8.9	-3.9
Organic growth, %	-6.8	9.5	-7.8
<b>Total net revenue growth, %</b>	<b>27.2</b>	<b>91.0</b>	<b>36.8</b>

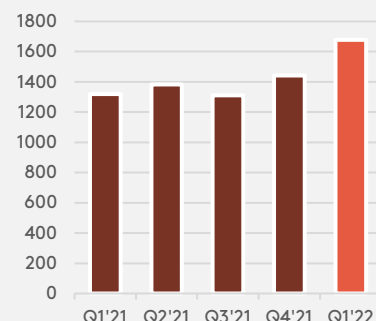
Stillfront had a gross margin of 78 percent in the quarter, compared to 76 percent in the same quarter last year. 6waves will be included for the full second quarter 2022, which is, as communicated in connection with the acquisition, expected to have a slightly negative impact on Stillfront's gross margins as the studio has higher platform fees than other studios in the group offset by a lower cost base for user acquisition.

Stillfront's personnel expenses as a percentage of net revenue amounted to 17 percent in the first quarter, compared to 15 percent in the same quarter last year and 17 percent in the fourth quarter of 2021.

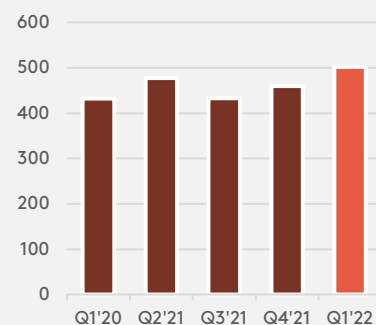
EBITDA amounted to 597 (463) MSEK in the first quarter. Adjusted EBITDA amounted to 616 (498) MSEK, corresponding to an adjusted EBITDA margin of 37 (38) percent in the quarter.

EBIT amounted to 272 (253) MSEK in the first quarter. Adjusted EBIT amounted to 502 (432) MSEK, corresponding to an adjusted EBIT margin of 30 (33) percent. Items affecting comparability amounted to -19 (-35) MSEK in the quarter and consisted mainly of transaction costs for the acquisition of 6waves.

### Net revenue development (MSEK)



### Adj EBIT development (MSEK)



## Product development

MSEK	2022	2021	Last 12	2021
	Jan-Mar	Jan-Mar	months	Jan-Dec
Capitalization of product development	253	144	729	620
Amortization of product development	-98	-53	-308	-263
Amortization of PPA items	-211	-144	-732	-665

In the first quarter, investments in product development have been capitalized by 253 (144) MSEK. Investments include development of new games such as Winked, Trivia Puzzle Fortune and Al General, as well as other not yet announced games. Investments also pertain to other new titles built on existing engines as well as larger extensions and additions to existing games.

Amortization of product development of -98 (-53) MSEK was charged during the first quarter. Amortization of PPA items amounted to -211 (-144) MSEK, where the increase is driven by recent acquisitions.

## Financial net

MSEK	2022	2021	Last 12	2021
	Jan-Mar	Jan-Mar	months	Jan-Dec
Net interest excluding interest on earnouts	-47	-30	-170	-154
Interest on earnout consideration (non-cash)	-29	-23	-92	-87
Currency exchange differences	3	9	-2	4
Other	-0	0	-1	-0
Changes in fair value of contingent consideration	0	0	-5	-5
<b>Net financial items</b>	<b>-73</b>	<b>-45</b>	<b>-270</b>	<b>-242</b>

The financial net was -73 (-45) MSEK in the first quarter, consisting of net interest expenses -47 (-30) MSEK, non-cash interest charge on earnout consideration -29 (-23) MSEK and currency effects of 3 (9).

## Tax

The group's tax expense amounted to -56 (-60) MSEK for the first quarter, equivalent to a tax rate of 28 (29) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the quarter would have been 26 (26) percent.

## Financing

MSEK	2022	2021
	31 Mar	31 Mar
Net debt	3,092	3,119
Cash and cash equivalents	1,740	1,225
Interest Coverage Ratio, x	13.0	14.4
Adjusted Interest Coverage Ratio, pro forma, x	14.8	17.6
Adjusted Leverage Ratio, x	1.4	1.6
Adjusted Leverage Ratio, pro forma, x	1.2	1.3

In the quarter, a directed issue of shares to the sellers of 6waves took place, in the amount of 147 MSEK. Furthermore, a preferential rights issue of 1,989 MSEK was completed, to finance the acquisition of 6waves and to increase financial flexibility. Through the issue, 117,014,379 shares were offered at a price of SEK 17.00 per share. The subscription period ended on March 16, 2022, and the issue was oversubscribed by 80.3 percent.

Net debt as of March 31, 2022, amounted to 3,092 MSEK as compared to 3,649 MSEK on December 31, 2021.

Adjusted interest coverage ratio, pro forma was 14.8 (17.6)x at the end of the quarter.



The adjusted leverage ratio, pro forma, was 1.2 (1.3)x. Stillfront has a financial target of 1.5x for the adjusted leverage ratio pro forma with the ability to exceed this target for shorter periods.

At the end of the quarter, Stillfront had unutilized credit facilities of 2,458 (1,211) MSEK, of which 2,258 (1,103) MSEK were long-term credit facilities. Cash balances amounted to 1,740 (1,225) 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 3,093 (1,602) MSEK, however, have a fair value of 3,117 (1,660) MSEK. FX forwards and currency basis swaps with a carrying amount of -24 (-3) MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 4,028 (3,097) MSEK are measured at fair value through profit and loss.

MSEK	2022	2023	2024	2025	2026	2027	Total
<b>Provisions for earnouts</b>							
Cash	763	779	574	443	198	97	2,854
Equity	298	348	242	163	81	42	1,174
<b>Total provisions for earnout</b>	<b>1,062</b>	<b>1,127</b>	<b>816</b>	<b>606</b>	<b>279</b>	<b>139</b>	<b>4,028</b>

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 the quarter-end, the Group had liabilities of 4,028 (3,097) MSEK for earnout provisions, of which 1,062 (930) MSEK current and 2,967 (2,167) MSEK non-current. The amounts will be settled during 2022 to 2027, where 2,854 MSEK of the current book value corresponds to amounts expected to be paid out in cash and 1,174 MSEK expected to be paid out in newly issued shares.

## Cash flow

MSEK	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	2021 Jan-Dec
Cash flow from operations	523	249	1,893	1,620
Cash flow from investment activities	-1,870	-1,475	-4,570	-4,176
Cash flow from financing activities	1,943	1,400	3,155	2,612
Cash flow for the period	595	174	478	56
Cash and cash equivalents at the end of period	1,740	1,225	1,740	1,133

The Group had cash flows from operations of 523 (249) MSEK in the first quarter. The amount includes taxes paid of -60 (-27) MSEK during the quarter and changes in working capital of 13 (-138) MSEK, primarily driven by timing effects of payments from platform providers offset by increased operating liabilities.

Cash flows from investment activities amounted to -1,870 (-1,475) MSEK, including investments in product development -255 (-144) MSEK, the payment for the 6waves acquisition -1,583 MSEK and acquisition of shares in subsidiaries from non-controlling shareholders of -50 MSEK.

Cash flows from financing activities amounted to 1,943 (1,400) MSEK including net proceeds from share issuance of 1,957 MSEK and lease payments of -14 MSEK.

Free cash flow for the last twelve months amounted to 1,113 (810) MSEK. The 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 (0.45).

## SIGNIFICANT EVENTS IN THE QUARTER

### Stillfront acquires 6waves

January 19, Stillfront announced that it had entered into an agreement to acquire 100 percent of the shares in 6waves. The upfront purchase price amounted to USD 201 million on a cash and debt free basis, of which approximately 8 percent was paid in 2,913,857 newly issued shares in Stillfront through a directed share issue to the sellers, and the remaining approx. 92 percent was paid in cash to the sellers. 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 closing of the transaction was announced on February 1, 2022, and 6waves was consolidated into Stillfront's consolidated financial reporting from that same date.

### 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.

### Stillfront holds an extraordinary general meeting and finalizes a rights issue of approximately SEK 2.0 billion

January 19, Stillfront announced that the board of directors had resolved on a rights issue with preferential rights for existing shareholders. The board of director's resolution was approved by an extraordinary general meeting on 23 February 2022. A maximum of 117,014,379 shares were offered in the rights issue at a subscription price of SEK 17.0 per share. The subscription period ended on 16 March 2022 and the rights issue was oversubscribed by 80.3 percent. The rights issue raised approximately SEK 2.0 billion for Stillfront before deduction of transaction costs. The net proceeds were used to repay the temporary increase in debt that the acquisition of 6waves entailed and to strengthen the balance sheet after the acquisition, and thereby increased Stillfront's financial flexibility in order to take advantage of future acquisition opportunities in line with Stillfront's growth strategy. As a result of the rights issue, Stillfront's total number of shares increased from 390,047,936 to 507,062,315 shares.

### Marcus Jacobs proposed as new board member

February 18, Stillfront's nomination committee proposed that the Annual General Meeting 2022 elects Marcus Jacobs as a new board member, following Kai Wawrzinek having informed the Nomination Committee that he will not be available for re-election at the Annual General Meeting 2022. Marcus Jacobs brings extensive commercial and strategic experience from the gaming industry, in which he has been active for over 25 years. Marcus Jacobs has i.a. been part of the executive management of King for seven years, focusing on mobile games and F2P.

## EVENTS AFTER THE REPORTING PERIOD

### Stillfront publishes Annual & Sustainability Report for 2021

April 19, Stillfront published its Annual & Sustainability Report for the fiscal year 2021. The report summarizes Stillfront's business and strategy, financial performance, and work on sustainability. Stillfront's 2021 Annual and Sustainability Report is available on stillfront.com. The Swedish Annual Report is also available in European Single Electronic Format (ESEF).

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

## MARKET

The gaming industry as a whole is today the largest entertainment industry in the world with close to 3 billion gamers globally. In 2021, the gaming industry was expected to generate revenues of around USD 180.3 billion, a year-on-year increase by 1.4 percent, according to Newzoo. The games market will 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 percent 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 were 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 terms of revenues. The mobile games market was expected to grow by 7.3 percent year-on-year in 2021 and will continue to grow faster than the total games market up to 2024, according to Newzoo. According to Sensor Tower, consumer spending on mobile games fell 7.1 per cent year-over-year to USD 21 billion in Q1 2022. Sensor Tower expects mobile games consumer spending to grow by 14 percent year-over-year in 2022 and reach more than USD 100 billion for the full year.

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

#### Sources for market data:

Newzoo's Global Games Market Report 2021  
Sensor Tower's Q1 2022 Data Digest Report  
Sensor Tower's Mobile App Market Outlook 2022  
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 company during the quarter was 32 (28) MSEK. The profit before tax amounted to -24 (-118) 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	60,702,417	12.0%
2	Swedbank Robur Funds	45,934,564	9.1%
3	SEB Funds	26,663,698	5.3%
4	Columbia Threadneedle	15,736,898	3.1%
5	Vanguard	14,280,797	2.8%
6	First National Pension Fund	13,715,000	2.7%
7	AMF Pension & Funds	12,545,000	2.5%
8	DNB Funds	9,139,013	1.8%
9	Handelsbanken Funds	7,767,569	1.5%
10	Blackrock	7,365,335	1.5%
11	Other Shareholders	293,212,024	57.8%

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

The total number of shares per March 31, 2022, was 507,062,315. This is the number of shares registered at the Companies' Registration Office at that date.

The share is traded on Nasdaq Stockholm. Closing price as of March 31, 2022, was 26.78 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 latest Annual Report.

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 latest Annual Report. 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, 4 May 2022

---

Jörgen Larsson,  
CEO & Founder

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

# Financial reports

## INCOME STATEMENT IN SUMMARY, GROUP

MSEK	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	2021 Jan-Dec
<b>Revenues</b>				
Bookings	1,677	1,313	5,804	5,440
Deferred revenue	1	7	10	16
<b>Net revenue</b>	<b>1,678</b>	<b>1,319</b>	<b>5,814</b>	<b>5,455</b>
Own work capitalized	137	108	491	462
Other revenue	7	5	21	19
<b>Operating expenses</b>				
Platform fees	-370	-320	-1,274	-1,224
User acquisition costs	-469	-363	-1,513	-1,407
Other external expenses	-89	-57	-326	-294
Personnel expenses	-277	-194	-972	-888
Items affecting comparability	-19	-35	-87	-104
Amortization of product development	-98	-53	-308	-263
Amortization of PPA items	-211	-144	-732	-665
Depreciation	-17	-13	-62	-59
<b>Operating result (EBIT)</b>	<b>272</b>	<b>253</b>	<b>1,053</b>	<b>1,034</b>
<b>Result from financial items</b>				
Net financial items	-73	-45	-270	-242
<b>Profit before tax</b>	<b>199</b>	<b>208</b>	<b>783</b>	<b>793</b>
Taxes for the period	-56	-60	-192	-197
<b>Net result for the period</b>	<b>144</b>	<b>148</b>	<b>591</b>	<b>596</b>
<b>Other comprehensive income</b>				
<b>Items that later can be reversed in profit</b>				
Foreign currency translation differences	191	344	536	689
<b>Total comprehensive income for period</b>	<b>334</b>	<b>492</b>	<b>1,127</b>	<b>1,285</b>
<b>Net result for the period attributed to:</b>				
Parent company shareholders	145	146	589	590
Non-controlling interest	-1	3	2	6
<b>Period total comprehensive income attributed to:</b>				
Parent company shareholders	336	489	1,125	1,278
Non-controlling interest	-2	3	2	6
<b>Average number of shares</b>				
Undiluted	401,970,575	354,717,553	378,223,784	366,572,354
Diluted	401,970,575	357,192,553	378,302,212	367,143,219
<b>Net result per share attributable to the parent company's shareholders</b>				
Undiluted, SEK/share	0.36	0.41	1.56	1.61
Diluted, SEK/share	0.36	0.41	1.56	1.61

## BALANCE SHEET IN SUMMARY, GROUP

MSEK	3/31/2022	3/31/2021	12/31/2021
Goodwill	14,510	10,365	12,752
Other non-current intangible assets	6,348	3,883	5,244
Tangible non-current assets	131	132	127
Deferred tax assets	55	42	39
Other non-current assets	16	7	7
Current receivables	828	777	747
Cash and cash equivalents	1,740	1,225	1,133
<b>Total assets</b>	<b>23,628</b>	<b>16,432</b>	<b>20,049</b>
<b>Shareholders' equity</b>			
Shareholders' equity attributable to parent company's shareholding	12,185	7,282	9,772
Non-Controlling interest	12	20	23
<b>Total Shareholders' equity</b>	<b>12,197</b>	<b>7,302</b>	<b>9,795</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	1,208	868	1,053
Bond loans	2,496	1,602	2,494
Liabilities to credit institutions	1,492	2,647	1,456
Other liabilities	117	71	67
Provisions for earnout	2,967	2,167	2,298
<b>Total non-current liabilities</b>	<b>8,278</b>	<b>7,355</b>	<b>7,368</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	-	92	-
Bond loans	597	-	597
Equity swap	223	-	223
Other liabilities	1,271	752	1,035
Provisions for earnout	1,062	930	1,030
<b>Total current liabilities</b>	<b>3,153</b>	<b>1,775</b>	<b>2,886</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>23,628</b>	<b>16,432</b>	<b>20,049</b>

## SHAREHOLDERS' EQUITY, GROUP

MSEK	Share capital	Other shareholders' contributions	Other Reserves	Other equity incl profit of the year	Equity attributed to parent shareholders	Non controlling interest	Total equity
<b>Opening balance 2021-01-01</b>	24	6,179	-808	734	6,129	17	6,146
Net result for the period				146	146	3	148
Foreign currency translation differences			344		344	1	344
<b>Total comprehensive income</b>	-	-	344	146	489	3	492
<b>Total transactions with shareholders</b>	1	663	-	-	664	-	664
<b>Closing balance 2021-03-31</b>	25	6,842	-465	880	7,282	20	7,302
<b>Opening balance 2022-01-01</b>	27	8,541	-120	1,325	9,772	23	9,795
Net Result for the period				145	145	-1	144
Foreign currency translation differences			191	-	191	-0	191
<b>Total comprehensive income</b>	-	-	191	145	336	-2	334
<b>Total transactions with shareholders</b>	8	2,121	-	-53	2,077	-10	2,067
<b>Closing balance 2022-03-31</b>	35	10,662	71	1,417	12,185	12	12,197

## CASH FLOW IN SUMMARY, GROUP

MSEK	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	2021 Jan-Dec
<b>Operations</b>				
Profit before tax	199	208	783	793
Adj for items not in cash flow etc	370	206	1,208	1,043
Tax paid	-60	-27	-254	-221
<b>Cash flow from operations before changes in working capital</b>	<b>510</b>	<b>387</b>	<b>1,738</b>	<b>1,615</b>
<b>Changes in working capital</b>				
Increase(-)/Decrease(+) in operating receivables	-15	-126	108	-2
Increase (+)/Decrease(-) in operating liabilities	28	-12	47	7
<b>Cash flow from changes in working capital</b>	<b>13</b>	<b>-138</b>	<b>156</b>	<b>5</b>
<b>Cash flow from operations</b>	<b>523</b>	<b>249</b>	<b>1,893</b>	<b>1,620</b>
<b>Investment activities</b>				
Acquisition of business	-1,633	-1,328	-3,623	-3,317
Acquisition of tangible assets	-5	-3	-17	-14
Capitalization of product development	-255	-144	-732	-621
Acquisition of game assets	-1	-	-224	-223
Net change in financial assets	24	-1	25	-0
<b>Cash flow from investment activities</b>	<b>-1,870</b>	<b>-1,475</b>	<b>-4,570</b>	<b>-4,176</b>
<b>Financing activities</b>				
Net change in borrowings	-0	1,412	192	1,604
IFRS 16 lease repayment	-14	-12	-48	-46
Proceeds from share issuance	1,989	-	3,063	1,074
Issue cost	-32	-	-52	-20
<b>Cash flow from financing activities</b>	<b>1,943</b>	<b>1,400</b>	<b>3,155</b>	<b>2,612</b>
<b>Cash flow for the period</b>	<b>595</b>	<b>174</b>	<b>478</b>	<b>56</b>
Cash and cash equivalents at start of period	1,133	1,005	1,225	1,005
Translation differences	11	46	37	72
<b>Cash and cash equivalents at end of period</b>	<b>1,740</b>	<b>1,225</b>	<b>1,740</b>	<b>1,133</b>



## PARENT COMPANY INCOME STATEMENT, SUMMARY

MSEK	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	2021 Jan-Dec
<b>Revenue</b>				
Net revenue	32	28	141	136
<b>Operating expenses</b>				
Other external expenses	-17	-17	-68	-68
Personnel expenses	-26	-14	-93	-80
<b>Operating result</b>	<b>-12</b>	<b>-3</b>	<b>-20</b>	<b>-11</b>
<b>Result from financial items</b>				
Net financial items	-12	-115	-268	-371
<b>Result after financial items</b>	<b>-24</b>	<b>-118</b>	<b>-288</b>	<b>-382</b>
<b>Appropriations</b>				
Group contribution	-	-	95	95
<b>Profit before tax</b>	<b>-24</b>	<b>-118</b>	<b>-193</b>	<b>-287</b>
Tax for the period	26	21	-1	-7
<b>Net result for the period</b>	<b>2</b>	<b>-97</b>	<b>-194</b>	<b>-294</b>

## PARENT COMPANY BALANCE SHEET, SUMMARY

MSEK	3/31/2022	3/31/2021	12/31/2021
Intangible assets	3	6	4
Tangible non-current assets	1	1	1
Financial non-current assets	21,519	15,229	19,018
Deferred tax	32	21	5
Current receivables	157	116	190
Cash and bank	363	39	77
<b>Total assets</b>	<b>22,076</b>	<b>15,412</b>	<b>19,294</b>
Shareholders' equity	12,567	8,938	10,442
Provisions for earnouts	3,171	1,504	2,491
Non-current liabilities	6	142	3
Bond loans	3,093	1,602	3,092
Liabilities to credit institutions	1,492	2,739	1,456
Equity swap	223	-	223
Other current liabilities	1,524	487	1,588
<b>Total liabilities &amp; Shareholders' equity</b>	<b>22,076</b>	<b>15,412</b>	<b>19,294</b>

## KEY FIGURES, GROUP

MSEK	2022	2021	Last 12	2021
	Jan-Mar	Jan-Mar	months	Jan-Dec
Bookings	1,677	1,313	5,804	5,440
Deferred revenue	1	7	10	16
Net revenue	1,678	1,319	5,814	5,455
EBIT	272	253	1,053	1,034
EBIT margin, %	16	19	18	19
Adjusted EBIT	502	432	1,872	1,802
Adjusted EBIT margin, %	30	33	32	33
EBITDA	597	463	2,155	2,020
EBITDA margin, %	36	35	37	37
Adjusted EBITDA	616	498	2,242	2,124
Adjusted EBITDA margin, %	37	38	39	39
Profit before tax	199	208	783	793
Net result	144	148	591	596
Number of Employees	1,560	1,250	1,560	1,381
Adjusted Interest Coverage Ratio, pro forma, x	14.8	17.6	14.8	15.5
Adjusted Leverage Ratio, pro forma, x	1.21	1.31	1.21	1.56
Shareholders' equity per share undiluted, SEK	24.03	20.38	24.03	25.24
Shareholders' equity per share diluted, SEK	24.03	20.23	24.03	25.24
Earnings per share undiluted, SEK	0.36	0.41	1.56	1.61
Earnings per share diluted, SEK	0.36	0.41	1.56	1.61
No of shares end of period undiluted	507,062,315	357,414,470	507,062,315	387,134,079
No of shares end of period diluted	507,062,315	359,889,470	507,062,315	387,134,079
Average no of shares period undiluted	401,970,575	354,717,553	378,223,784	366,572,354
Average no of shares period diluted	401,970,575	357,192,553	378,302,212	367,143,219

## CURRENCY TABLE (MAIN CURRENCIES)

MSEK	Average	Average	Closing	Closing
	2022	2021	2022	2021
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
1 EUR=SEK	10.4834	10.1176	10.3384	10.2376
1 USD=SEK	9.3450	8.3995	9.2641	8.7239
100 JPY=SEK*	8.0747	7.8835	7.6265	7.8821

The average rates are used for converting profit and loss items in foreign currency during each respective period to Swedish currency, SEK. The closing rates are used for converting assets and liabilities in foreign currency at the end of each period to Swedish currency, SEK.

\* The rate for 100 JPY=SEK refers to the average rate during February-March, as 6waves was consolidated from 1 February 2022.

## ACQUISITIONS

MSEK					
Purchase price	Super Free	Moonfrog	Game Labs	Jawaker	6waves
Cash and cash equivalents	657	756	204	1,365	1,706
New shares issued	665	-	82	462	147
Contingent consideration (earnout)	383	207	77	1,183	593
<b>Total purchase consideration</b>	<b>1,704</b>	<b>963</b>	<b>363</b>	<b>3,010</b>	<b>2,446</b>
<b>The fair value of acquired assets and assumed liabilities (SEKm):</b>					
Intangible non-current assets	665	231	190	1,048	1,066
Property, plant and equipment	1	2	-	1	1
Current receivables excl cash and bank	105	29	4	11	108
Cash and cash equivalents	82	65	15	56	306
Non-current liabilities		-0	-		
Deferred tax liabilities	-170	-62	-40	-216	-148
Current liabilities	-140	-59	-6	-15	-396
<b>Total net assets acquired excluding goodwill</b>	<b>544</b>	<b>205</b>	<b>163</b>	<b>886</b>	<b>937</b>
Goodwill	1,160	758	200	2,125	1,510
<b>Total net assets acquired</b>	<b>1,704</b>	<b>963</b>	<b>363</b>	<b>3,010</b>	<b>2,446</b>
Less					
Cash and cash equivalents	-82	-65	-15	-56	-306
Ordinary shares issued	-665	-	-82	-462	-147
<b>Provision for earnout</b>	<b>-383</b>	<b>-207</b>	<b>-77</b>	<b>-1,183</b>	<b>-593</b>
<b>Net cash outflow on acquisition of business</b>	<b>575</b>	<b>691</b>	<b>189</b>	<b>1,309</b>	<b>1,400</b>
Percentage of shares and votes acquired (%)					
Transaction costs	22	23	13	16	29
Consolidated since	1 Feb 2021	1 Mar 2021	1 May 2021	3 Oct 2021	1 Feb 2022
Net revenues for the year, before being consolidated	91	41	15	199	67
Adjusted EBITDA for the year, before being consolidated	-3	15	6	148	18

The acquisitions in 2021 of Super Free Games, Moonfrog Labs, Game Labs and Jawaker, and their preliminary purchase price allocations are described in the Annual Report 2021. The purchase price allocation for Super Free Games and Moonfrog Labs have been finalized.

On January 19, 2022, Stillfront announced it had entered into an agreement to acquire up to 100 percent of the shares and votes in Six Waves Inc., a leading publisher of mobile free-to-play strategy games in Japan, for a total upfront consideration of USD 201 million on a cash and debt free basis. The sellers of 6waves were the founders, employees, and investors. Of the upfront consideration, approx. 92 percent was payable in cash, and approx. 8 percent was payable in a total of 2,913,857 newly issued shares in Stillfront. 6waves was consolidated into Stillfront's consolidated financial reporting from February 1, 2022. The acquired company had tax liabilities of 101 MSEK referring to previous years, expected to be settled in 2022, which are fully reflected in the purchase price.

The preliminary purchase price allocation analyses of Game Labs, Jawaker and 6waves 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 Moonfrog Labs 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 latest Annual Report.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

### Items Affecting Comparability, IAC

MSEK	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	2021 Jan-Dec
<b>Items affecting comparability, IAC</b>				
<b>Revenue</b>				
Other	-	-	7	7
<b>Total IAC Revenues affecting EBIT</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>
<b>Costs</b>				
Transaction costs	-13	-23	-63	-74
Long term incentive programs	-6	-1	-16	-10
Other costs	-	-11	-15	-26
<b>Total IAC in operating profit (EBIT)</b>	<b>-19</b>	<b>-35</b>	<b>-87</b>	<b>-104</b>
<b>Financial income</b>				
Revaluation of earnouts	-	-	-	-
<b>Total IAC financial income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial costs</b>				
Revaluation of earnouts	-	0	-5	-5
<b>Total IAC financial costs</b>	<b>-</b>	<b>0</b>	<b>-5</b>	<b>-5</b>
<b>Total IAC in net financial items</b>	<b>-</b>	<b>0</b>	<b>-5</b>	<b>-5</b>

## APM

	2022	2021	Last 12	Jan-Dec
MSEK	Jan-Mar	Jan-Mar	months	2021
<b>Net revenue</b>	1,678	1,319	5,814	5,455
Platform fees	-370	-320	-1,274	-1,224
<b>Gross profit</b>	<b>1,308</b>	<b>999</b>	<b>4,540</b>	<b>4,232</b>
<b>Gross profit margin, %</b>	<b>78</b>	<b>76</b>	<b>78</b>	<b>78</b>
<b>EBITDA and EBIT</b>				
Operating profit (EBIT)	272	253	1,053	1,034
Amortization of PPA items	211	144	732	665
Other amortization and depreciation	114	66	370	321
<b>EBITDA</b>	<b>597</b>	<b>463</b>	<b>2,155</b>	<b>2,020</b>
<b>Adjusted EBITDA and EBIT</b>				
Operating profit (EBIT)	272	253	1,053	1,034
Items affecting comparability	19	35	87	104
Amortization of PPA items	211	144	732	665
<b>Adjusted Operating profit (EBIT)</b>	<b>502</b>	<b>432</b>	<b>1,872</b>	<b>1,802</b>
Other amortization and depreciation	114	66	370	321
<b>Adjusted EBITDA</b>	<b>616</b>	<b>498</b>	<b>2,242</b>	<b>2,124</b>
<b>In relation to net revenue</b>				
<i>EBITDA margin, %</i>	36	35	37	37
<i>Adjusted EBITDA margin, %</i>	37	38	39	39
<i>Operating profit (EBIT) margin, %</i>	16	19	18	19
<i>Adjusted operating profit (EBIT) margin, %</i>	30	33	32	33
<b>MSEK</b>				
	2022	2021	Last 12	Jan-Dec
	Jan-Mar	Jan-Mar	months	2021
<b>Adjusted interest coverage ratio</b>				
Adjusted EBITDA last 12 months	2,242	1,941	2,242	2,124
<i>Divided by</i>				
Net financial items last 12 months	270	234	270	242
Total IAC affecting financial items last 12 months	-5	-30	-5	-5
Interest on earn-out consideration affecting financial items	-92	-69	-92	-87
<b>Adjusted interest coverage ratio, x</b>	<b>13.0</b>	<b>14.4</b>	<b>13.0</b>	<b>14.1</b>
<b>Adjusted leverage ratio</b>				
Bond loans	3,093	1,602	3,093	3,092
Liabilities to credit institutions	1,492	2,739	1,492	1,456
Equity swap	223	-	223	223
Currency derivatives	24	3	24	11
Cash and cash equivalents	-1,740	-1,225	-1,740	-1,133
<b>Total net debt</b>	<b>3,092</b>	<b>3,119</b>	<b>3,092</b>	<b>3,649</b>
<i>Divided by</i>				
Adjusted EBITDA last 12 months	2,242	1,941	2,242	2,124
<b>Adjusted leverage ratio</b>	<b>1.38</b>	<b>1.61</b>	<b>1.38</b>	<b>1.72</b>
<b>Cash conversion last 12 months</b>				
Cash flow from operations last 12 months	1,893	1,338	1,893	1,620
IFRS 16 lease repayment last 12 months	-48	-39	-48	-46
Acquisition of intangible assets last 12 months	-732	-489	-732	-621
<b>Free cash flow last 12 months</b>	<b>1,113</b>	<b>810</b>	<b>1,113</b>	<b>953</b>
<i>Divided by</i>				
EBITDA last 12 months	2,155	1,811	2,155	2,020
<b>Cash conversion rate</b>	<b>0.52</b>	<b>0.45</b>	<b>0.52</b>	<b>0.47</b>

## APM Pro Forma

MSEK	2022 Jan-Mar	2021 Jan-Mar
<b>Adjusted EBITDA, pro forma</b>		
Adjusted EBITDA last 12 months	2,242	1,941
<i>Including</i>		
EBITDA, Acquired companies	323	434
<b>Adjusted EBITDA, pro forma</b>	<b>2,564</b>	<b>2,375</b>
<b>Adjusted interest coverage ratio, pro forma</b>		
Adjusted EBITDA last 12 months, pro forma	2,564	2,375
<i>Divided by</i>		
Net financial items last 12 months	270	234
Total IAC affecting financial items last 12 months	-5	-30
Interest on earn-out consideration affecting financial items	-92	-69
<b>Adjusted interest coverage ratio, x, pro forma</b>	<b>14.8</b>	<b>17.6</b>
<b>Adjusted leverage ratio, pro forma</b>		
Bond loans	3,093	1,602
Liabilities to credit institutions	1,492	2,739
Equity swap	223	-
Currency derivatives	24	3
Cash and cash equivalents	-1,740	-1,225
<b>Net debt</b>	<b>3,092</b>	<b>3,119</b>
<i>Divided by</i>		
Adjusted EBITDA, pro forma	2,564	2,375
<b>Adjusted leverage ratio, pro forma</b>	<b>1.21</b>	<b>1.31</b>

## Share data

	2022 Jan-Mar	2021 Jan-Mar	Last 12 months	Jan-Dec 2021
<b>Equity per share</b>				
Shareholders' equity attributable to parent co's shareholders, MSEK	12,185	7,282	12,185	9,772
<i>Divided by</i>				
No of shares end of period undiluted	507,062,315	357,414,470	507,062,315	387,134,079
<b>Shareholders' equity per share undiluted, SEK</b>	<b>24.03</b>	<b>20.38</b>	<b>24.03</b>	<b>25.24</b>
No of shares end of period diluted	507,062,315	359,889,470	507,062,315	387,134,079
<b>Shareholders' equity per share diluted, SEK</b>	<b>24.03</b>	<b>20.23</b>	<b>24.03</b>	<b>25.24</b>
<b>Earnings per share</b>				
Net result for the period attributed to parent co's shareholders, MSEK	145	146	589	590
<i>Divided by</i>				
Average no of shares period undiluted	401,970,575	354,717,553	378,223,784	366,572,354
<b>Earnings per share undiluted, SEK</b>	<b>0.36</b>	<b>0.41</b>	<b>1.56</b>	<b>1.61</b>
Average no of shares period diluted	401,970,575	357,192,553	378,302,212	367,143,219
<b>Earnings per share diluted, SEK</b>	<b>0.36</b>	<b>0.41</b>	<b>1.56</b>	<b>1.61</b>

# Financial calendar

Annual General Meeting	12 May 2022
Interim report April - June 2022	21 July 2022
Interim report July - September 2022	26 October 2022
Year-end report 2022	15 February 2023

*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 May 4, 2022, at 07.00 CEST.*

---

For further information, please contact:

Jörgen Larsson, CEO

Andreas Uddman, CFO

Tel: +46 70 3211800, [jorgen@stillfront.com](mailto:jorgen@stillfront.com)

Tel: +46 70 0807846, [andreas@stillfront.com](mailto:andreas@stillfront.com)

## About Stillfront

Stillfront is a free-to-play powerhouse of gaming studios. Our diverse and exciting games portfolio has two common themes; loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody our growth strategy and our 1,500+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Japan, MENA, Germany and UK. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq Stockholm. For further information, please visit: [www.stillfront.com](http://www.stillfront.com)

**STILLFRONT**  
GROUP