

Stillfront Group

Interim report, Q3 2022

26 October 2022

STILLFRONT
GROUP

Continued growth in the third quarter

36
percent

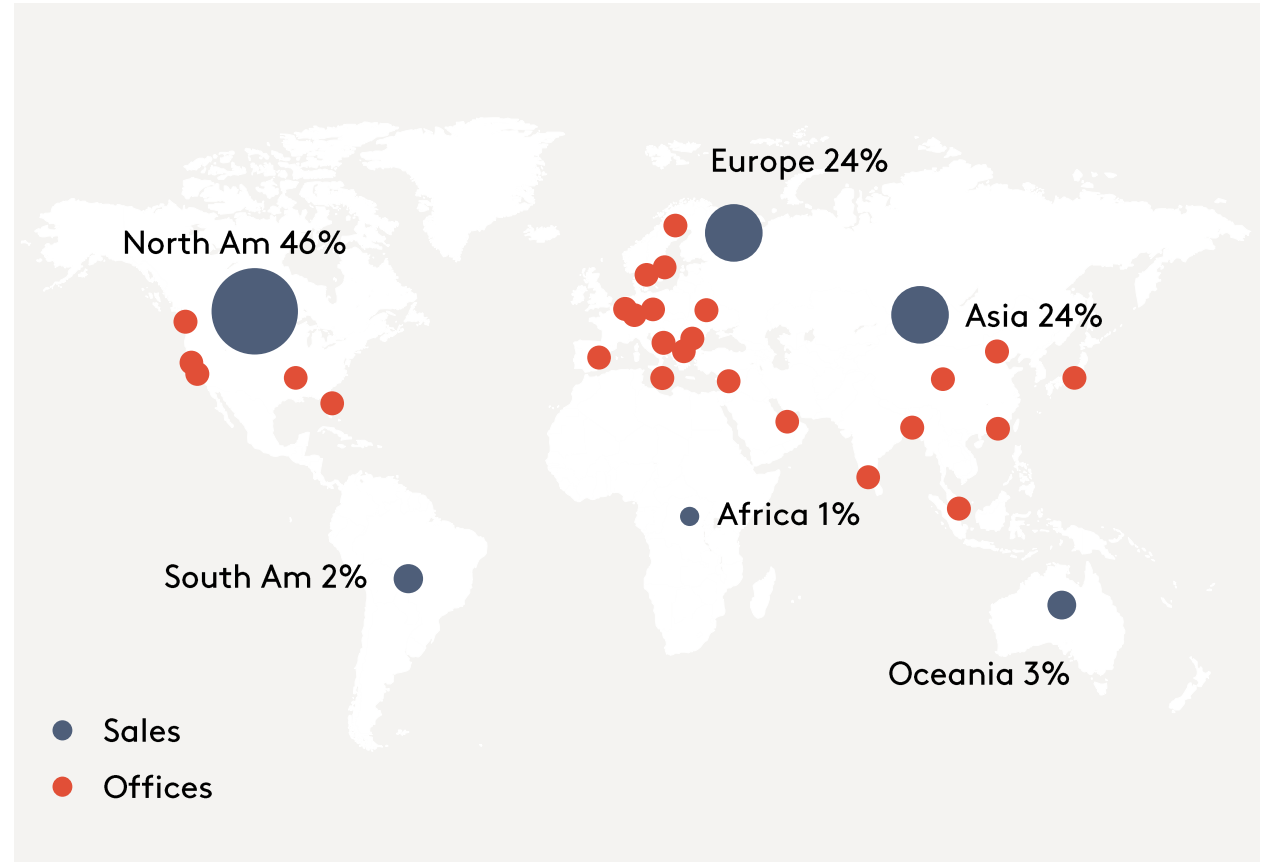
Net revenue growth of 36 percent with above-market positive organic growth



Successful live ops, strong performance from strategy games and positive FX effects



Strong cash generation and further diversified financing platform



Growth driven by successful in-game events and campaigns

PORTFOLIO HIGHLIGHTS

- Strong performance in live ops and marketing enabling Stillfront to outgrow the underlying market
- Exceptional performance from Bytro's grand strategy engine continued in third quarter with five titles from three different studios contributing to significant organic growth
- Super Free added a new game to the active portfolio for the fourth consecutive quarter

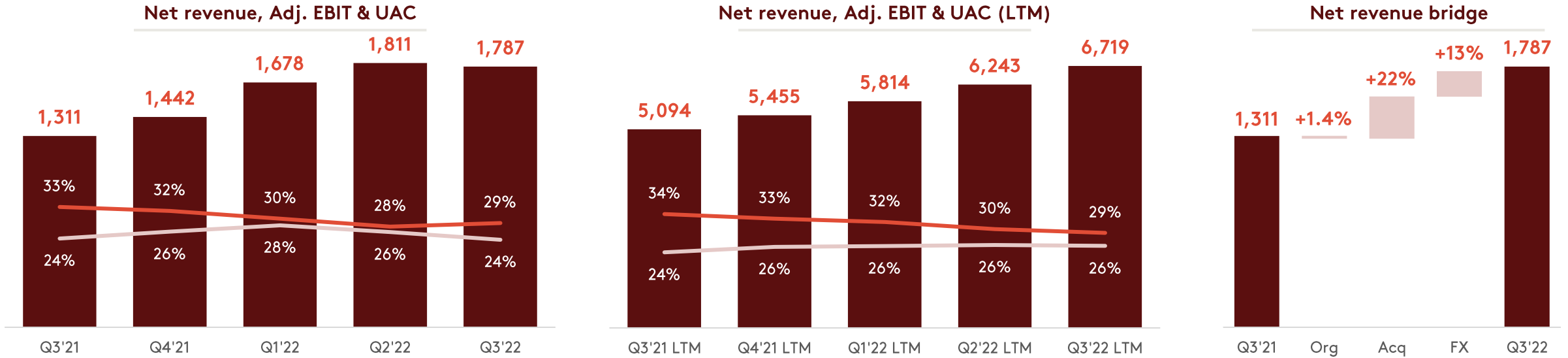
CONTINUED EXPANSION OF ACTIVE PORTFOLIO

- One new game added to active portfolio in the quarter, which is typically a slow quarter for game releases because of summer seasonality
- The active portfolio has grown by 21 games compared to same period last year and now consists of 77 games



- Net Revenue, MSEK
- Adj. EBIT, % of Net Revenue
- UAC, % of Net Revenue

FINANCIAL DEVELOPMENT



- Net revenue growth of 36% year-over-year driven by acquisitions, positive FX effects and organic growth
- Higher margin quarter-over-quarter driven by lower user acquisition spend due to summer seasonality
- Organic growth significantly higher than underlying mobile games market

Q3 Adjusted EBIT margin of

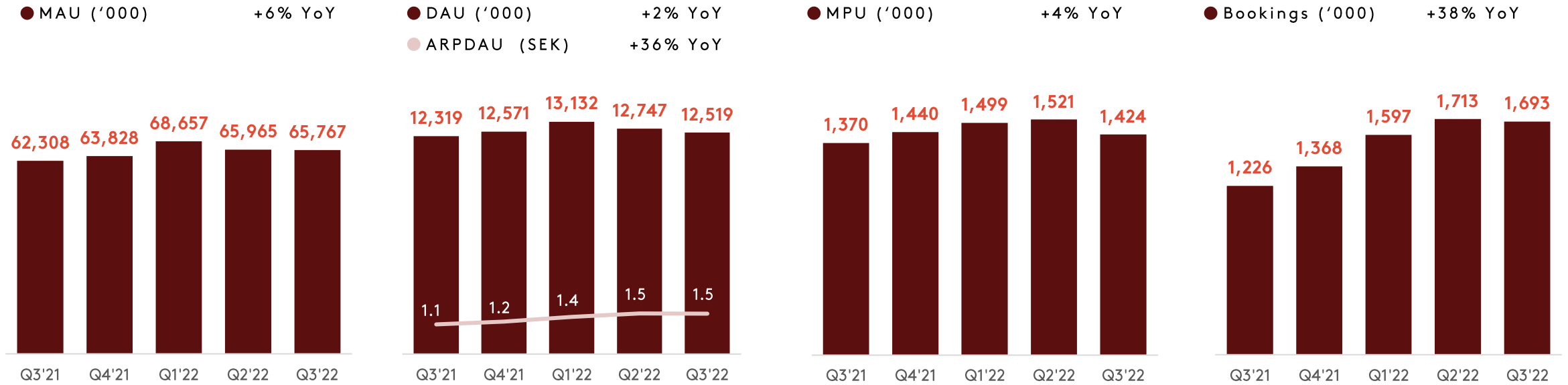
29%

Q3 Net revenue growth of

36%

YoY

ACTIVE PORTFOLIO: TOTAL



- DAU and MAU slightly up year-over-year driven by acquired titles and growth in Strategy
- ARPDau significantly up year-over-year driven by positive FX effects and strategy games having a larger weight in the portfolio
- Ad bookings up by 11 percent, lower share of ad bookings driven by acquired studios and strong performance from Strategy games that are monetized mainly through in-app purchases

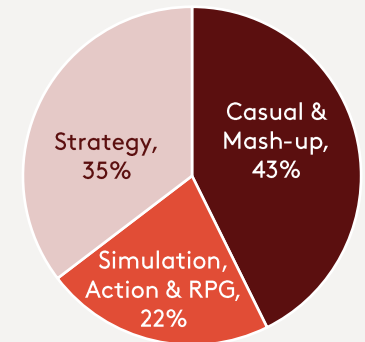
77
games in
active portfolio

77%
mobile share
of bookings

14%
ad bookings

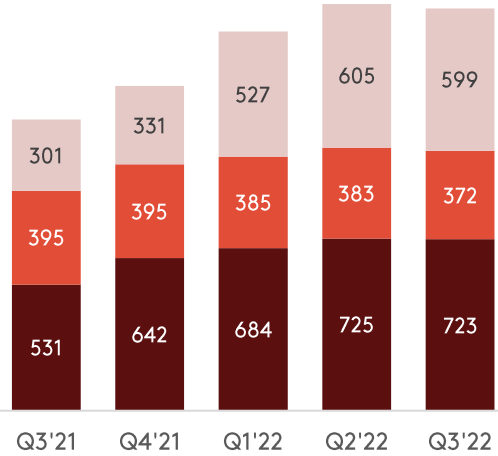
43%
Casual & Mash-up

Diversified portfolio

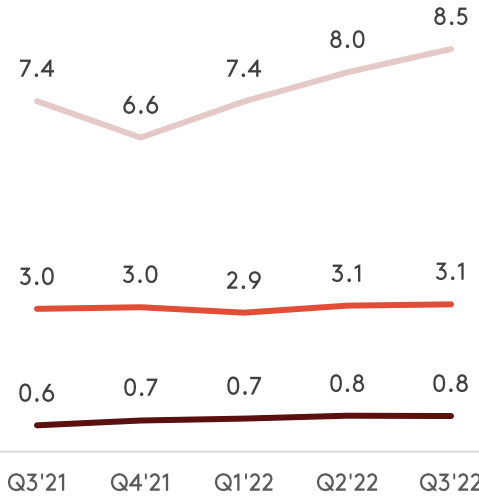


ACTIVE PORTFOLIO: PRODUCT AREAS

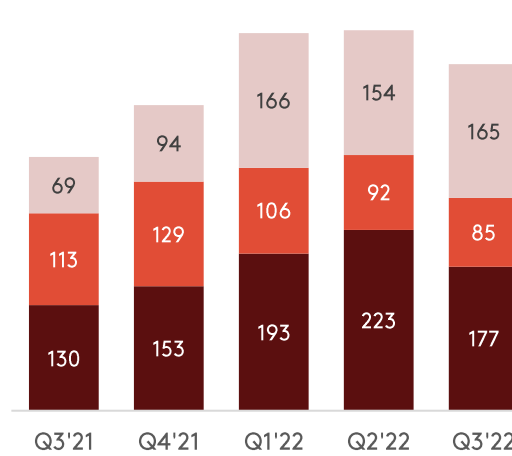
Bookings (MSEK)



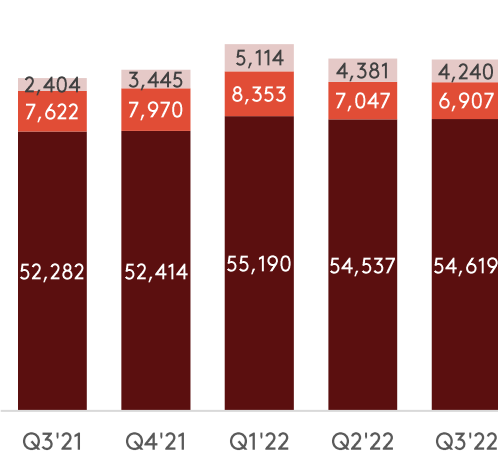
ARPDau (SEK)



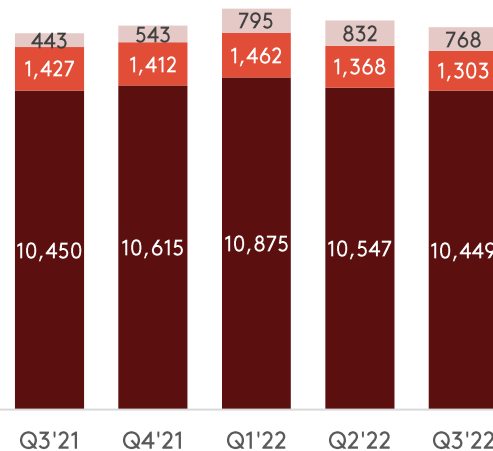
User acquisition cost (MSEK)



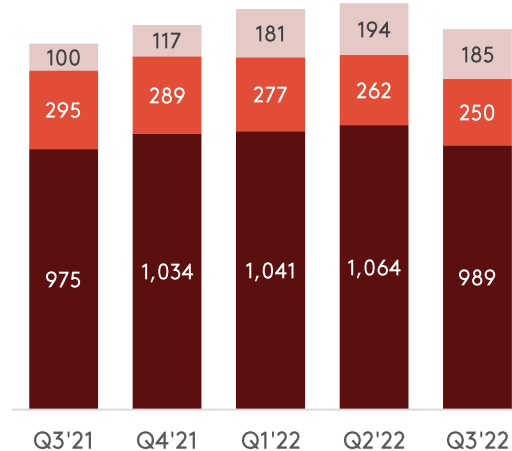
Monthly active users ('000)



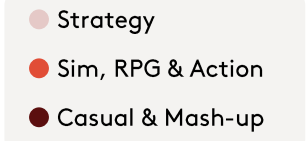
Daily active users ('000)



Monthly paying users ('000)



- Strong growth in bookings year-over-year for both Strategy (+99%) and Casual & Mash-up (+36%)
- Simulation, RPG & Action bookings declined slightly year-over-year (-6%) driven by lower UA allocation
- Improved monetization year-over-year across portfolio driven by positive FX and acquired studios
- Continued high UA spend in Strategy driving stable and long-term growth in product area



Strong cash flow generation

Q3, MSEK	Q3 2022	Q3 2021	Δ
Cash flow from operations (before NWC)	549	389	41%
Change in net working capital	-51	97	-152%
Cash flow from operations (CFFO)	499	486	3%
Cash flow from investment activities	-579	-181	220%
Cash flow from financing activities	-103	-14	628%
Cash flow for the period	-184	291	-163%

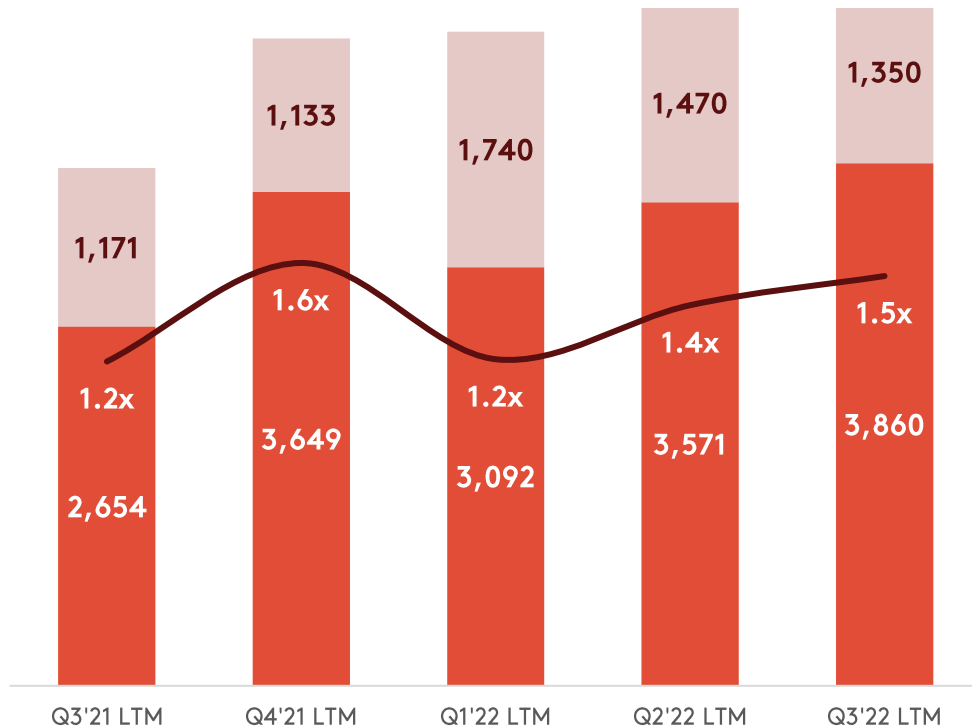


Last 12 months, MSEK	Q3 2022	Q3 2021	Δ
Cash flow from operations (before NWC)	2,013	1,503	34%
Change in net working capital	-28	88	-132%
IFRS 16 lease repayment	-56	-43	31%
CFFO (- IFRS 16 lease repayment)	1,929	1,549	25%
Capitalization of product development	-946	-558	70%
- in relation to CFFO (- IFRS 16 lease repayment)	-49%	-36%	-13 pp
Free Cash Flow	983	991	-1%
EBITDA last 12 months	2,422	1,906	27%
Cash Conversion rate	0.41	0.52	-22%

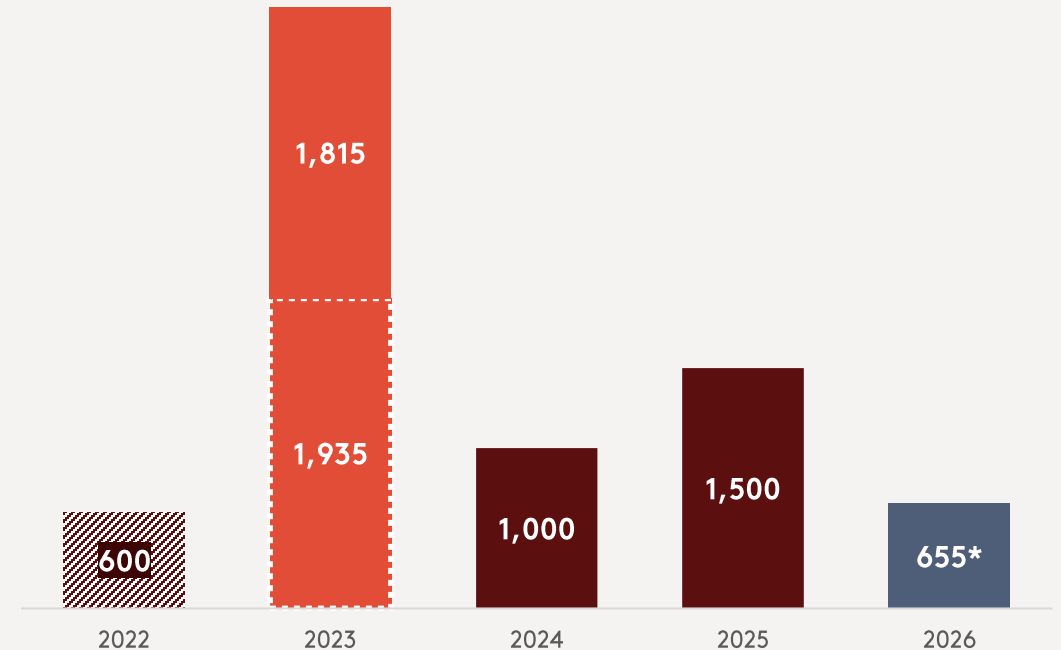
Strong cash flow from operations (before NWC) of >2 billion SEK LTM

Strong financial position, leverage in line with target

Further diversified financing platform and maturity profile

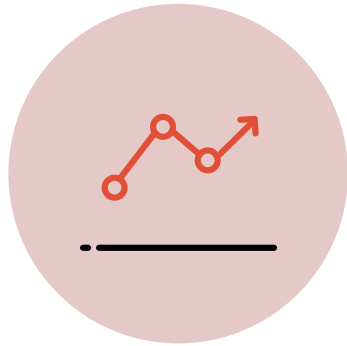


- Net debt, MSEK
- Cash and cash equivalents
- Leverage ratio proforma

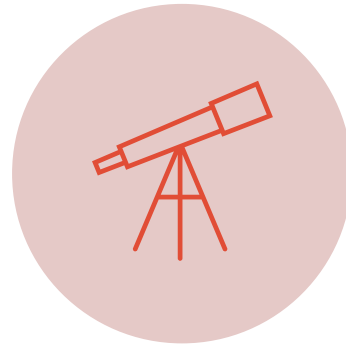


- RCF Maturity, MSEK
- - of which utilized
- Bond maturity, MSEK
- ▨ 2018/2022 bond, redeemed after Q3
- Term loan facility, MSEK*, utilized after Q3

Continued organic growth acceleration expected for fourth quarter



Organic growth above market in Q3



Soft mobile games market and low visibility ahead



Stillfront's positive trend expected to continue into Q4