



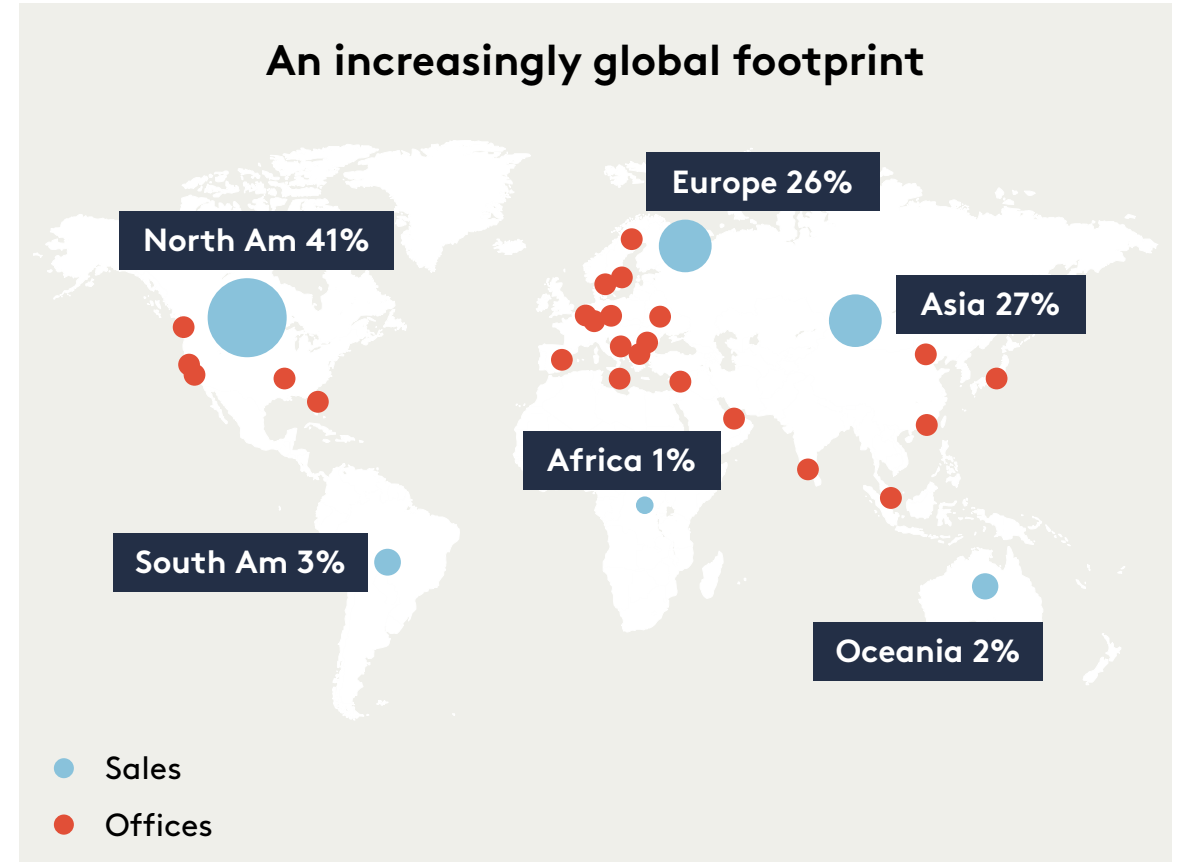
STILLFRONT

GROUP

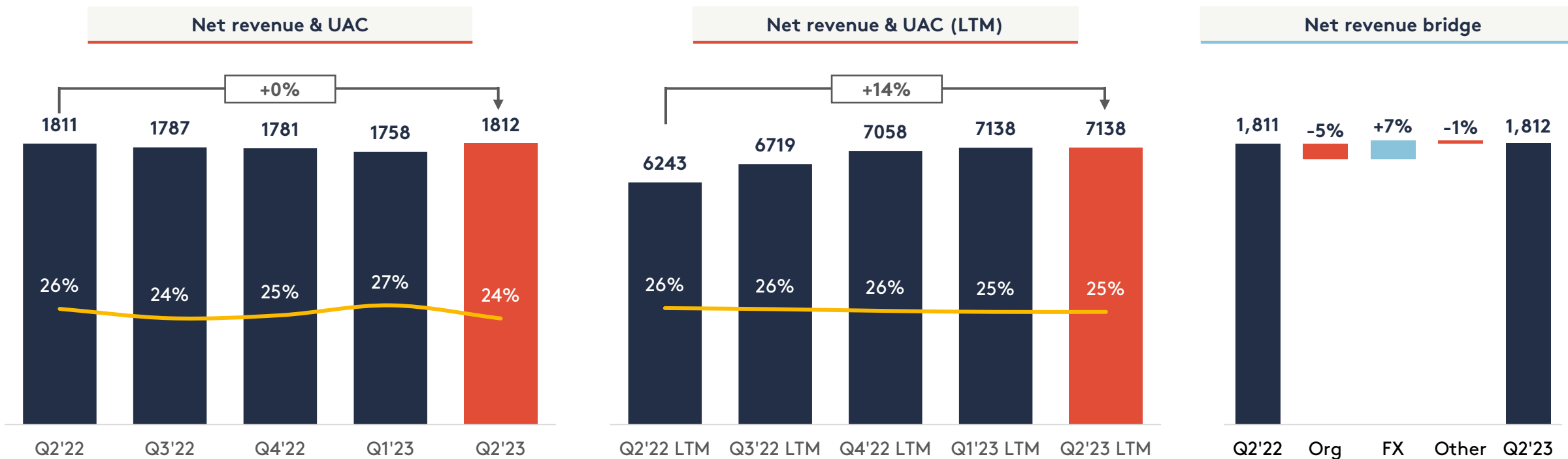
Interim report Q2 2023

Record-high margins and cash flows through higher operational efficiency

- › Net revenue stable year-over-year
- › Solid performance from key franchises while building pipeline of soft-launches for second half of the year
- › All-time high Adj EBITDAC at 516 MSEK and Adj EBITDA at 708 MSEK
- › Adjusted EBITDAC margin up from 22 to 28 percent year-over-year
- › Free cash flow of 363 MSEK in the quarter and approx. 1 billion SEK last 12 months



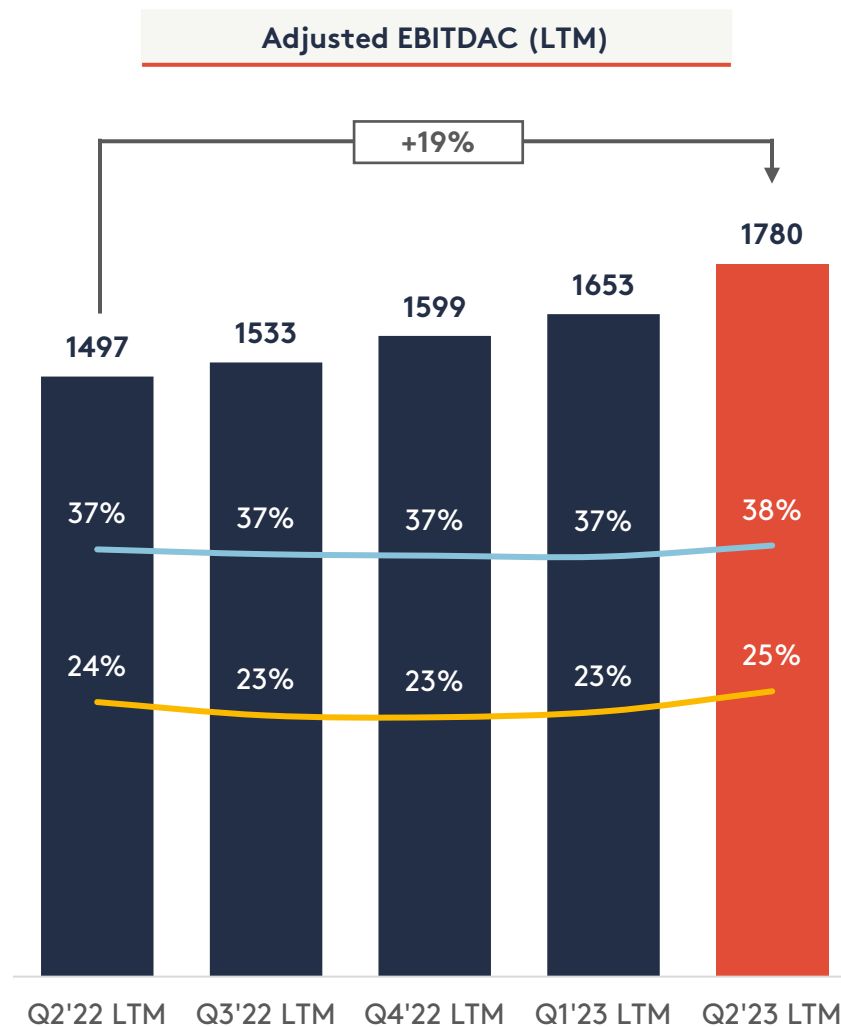
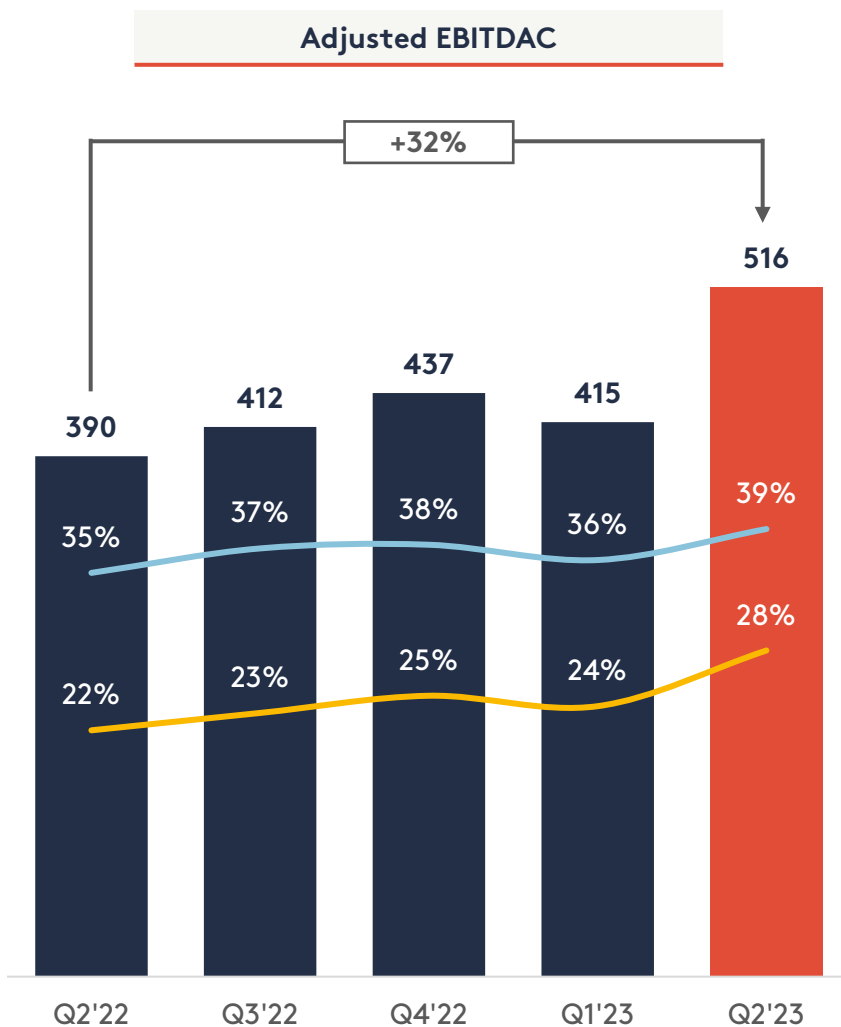
REVENUE DEVELOPMENT



- › Stable net revenue year-over-year, positive FX offsetting organic decline
- › Year-over-year organic decline negatively impacted by strong comparison numbers from same period last year
- › Sequential organic net revenue growth of 2 percent quarter-over-quarter
- › User acquisition down by 2 percentage points year-over-year

- Adj. EBITDAC, MSEK
- Adj. EBITDAC margin, %
- Adj. EBITDA margin, %

MARGIN DEVELOPMENT



- Adjusted EBITDAC margin expansion to 28 percent, up from 22 percent same period last year
- Gross margin improvement of 2.5 percentage points
- Focused new product investments in key franchises driving 3 percentage points lower capitalization
- Continued good cost-control with maintained high margins despite organic revenue decline in quarter

10.6%

Capitalized product development in relation to net revenue in Q2

Solid performance from key franchises

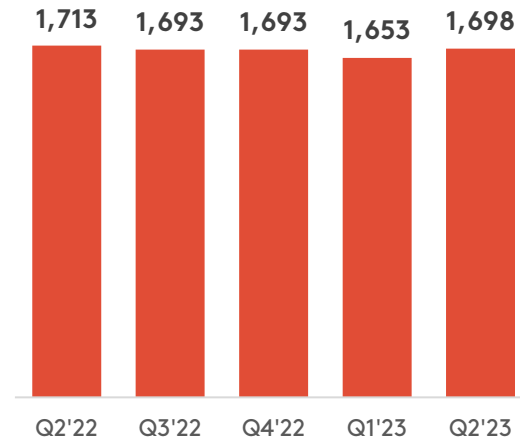
Portfolio highlights

- › Albion Online growing significantly in quarter driven by successful launch of Albion East
- › Strong performance from Moonfrog's Ludo Club franchise with increased marketing push across new markets
- › BitLife continues strong performance from past quarters, increasing both in-app purchases and ad bookings
- › Jawaker franchise performing well, working with other Stillfront studios to further leverage and expand the franchise globally
- › Exciting new games going into soft-launch during the second half of the year



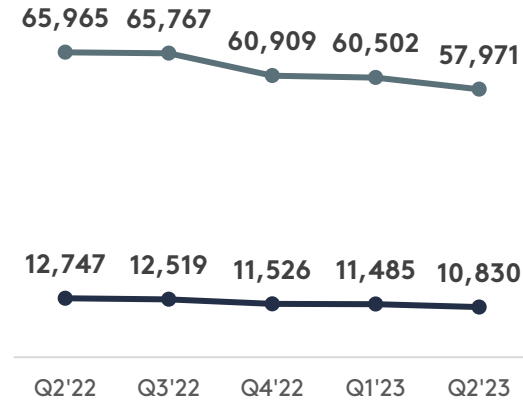
ACTIVE PORTFOLIO: TOTAL

Bookings ('000 SEK) -1%



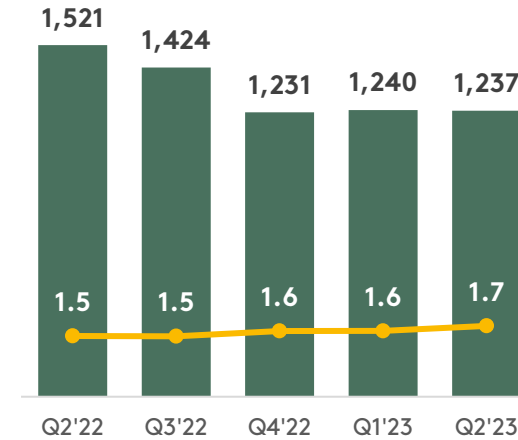
MAU ('000 SEK) -12%

DAU ('000 SEK) -15%

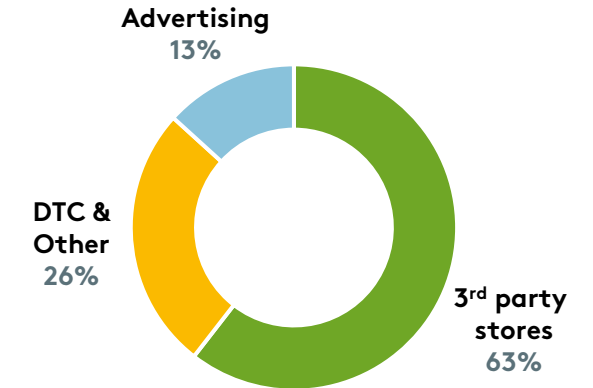


MPU ('000 SEK) -19%

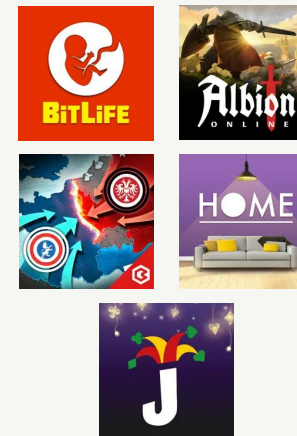
ARPDau (SEK) +17%



Bookings by channel



- › MPU stable quarter-over-quarter, year-over-year decline driven by paused operations in Bangladesh
- › Decline in user numbers driven by lower UA spend, discontinuation of Snap Games in February and paused operations in Bangladesh
- › ARPDau significantly up year-over-year driven by positive FX effects and better monetization in active portfolio
- › Direct-to-Consumer (DTC) up by 7 percentage points year-over-year driven by ongoing strategic initiatives and product mix



51%

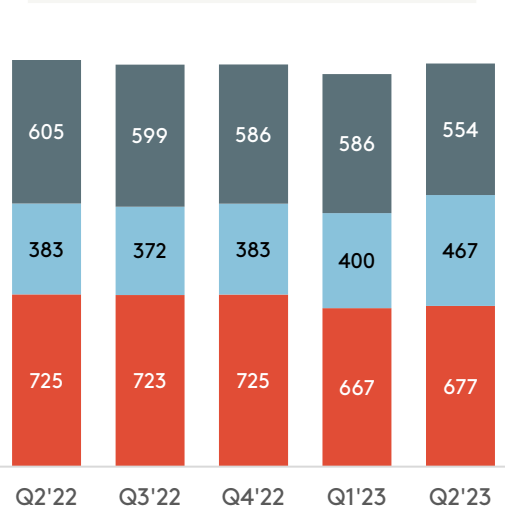
share of bookings in active portfolio generated by Stillfront's top 5 franchises in Q2

13%

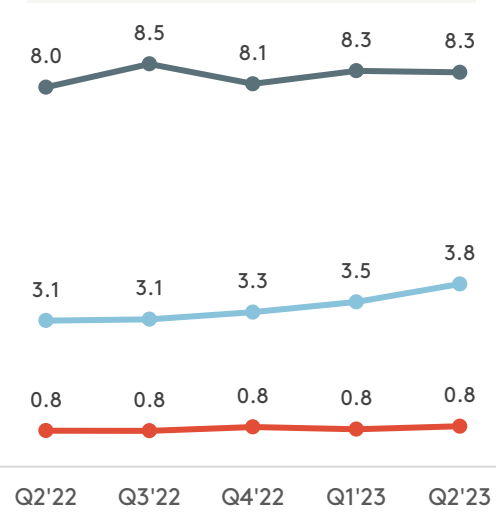
share of ad bookings of total bookings in active portfolio in Q2

ACTIVE PORTFOLIO: TOTAL

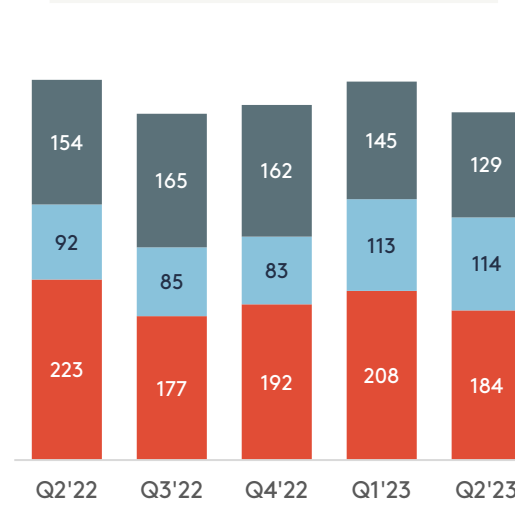
Bookings (MSEK)



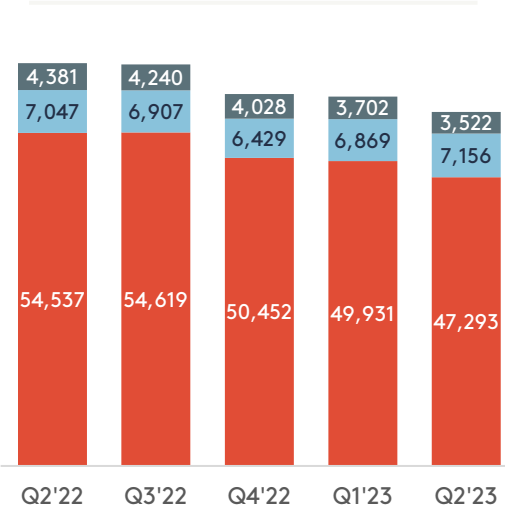
ARPDau (SEK)



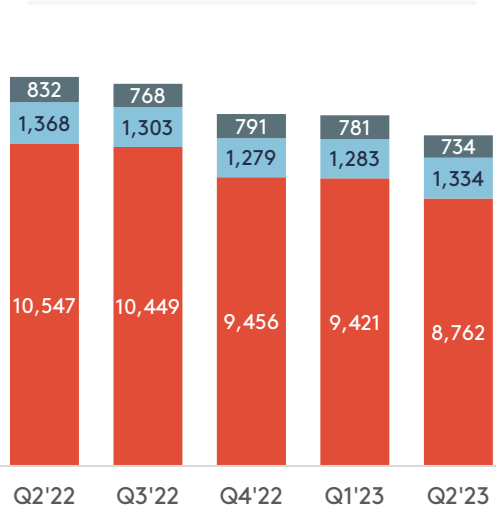
User acquisition cost (MSEK)



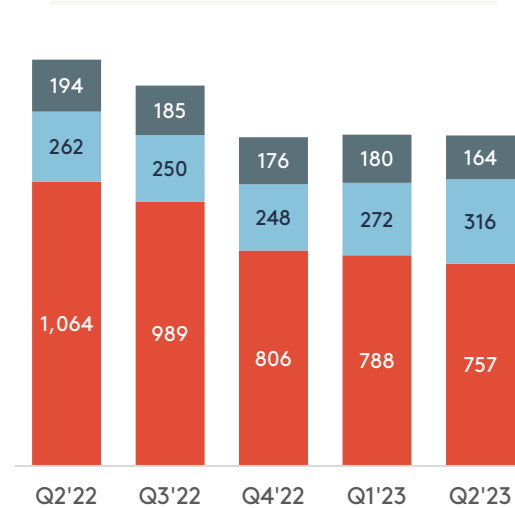
Monthly active users ('000)



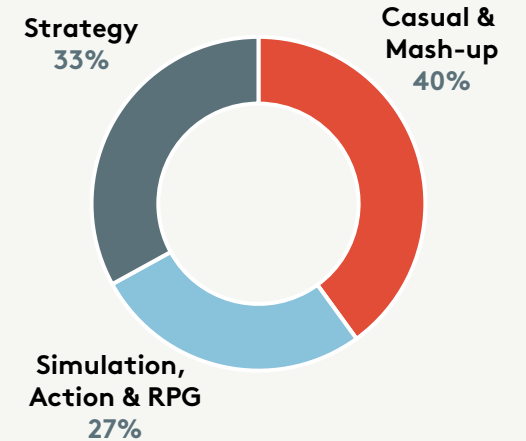
Daily active users ('000)



Monthly paying users ('000)



- › Strong growth in bookings year-over-year for Simulation, RPG & Action driven by Albion East launch
- › Lower UAC drives lower bookings in Strategy and Casual & Mash-up year-over-year
- › Group ROAS continues to be within 180-day target
- › Successful live ops and positive FX drives improved monetization year-over-year across all product areas



Continued strong cash generation

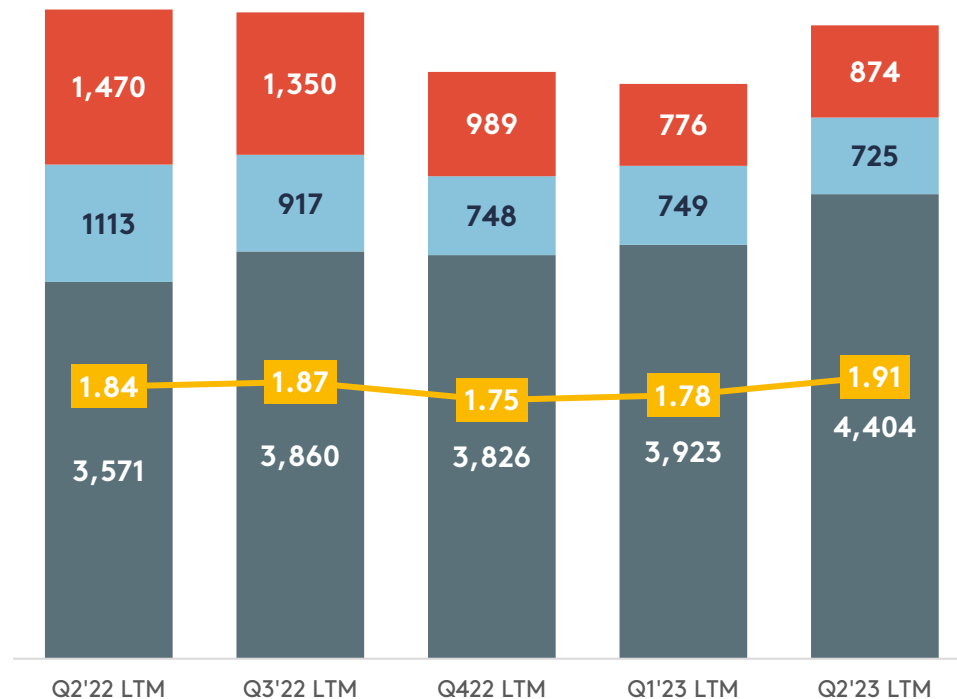
Q2, MSEK	Q2 2023	Q2 2022	Δ
Cash flow from operations (before NWC)	501	531	-5%
Change in net working capital	66	-27	-
Cash flow from operations (CFFO)	567	503	13%
Cash flow from investment activities	-825	-829	0%
Cash flow from financing activities	319	-57	-
Cash flow for the period	61	-382	-

Continued strong underlying cash flow from operations

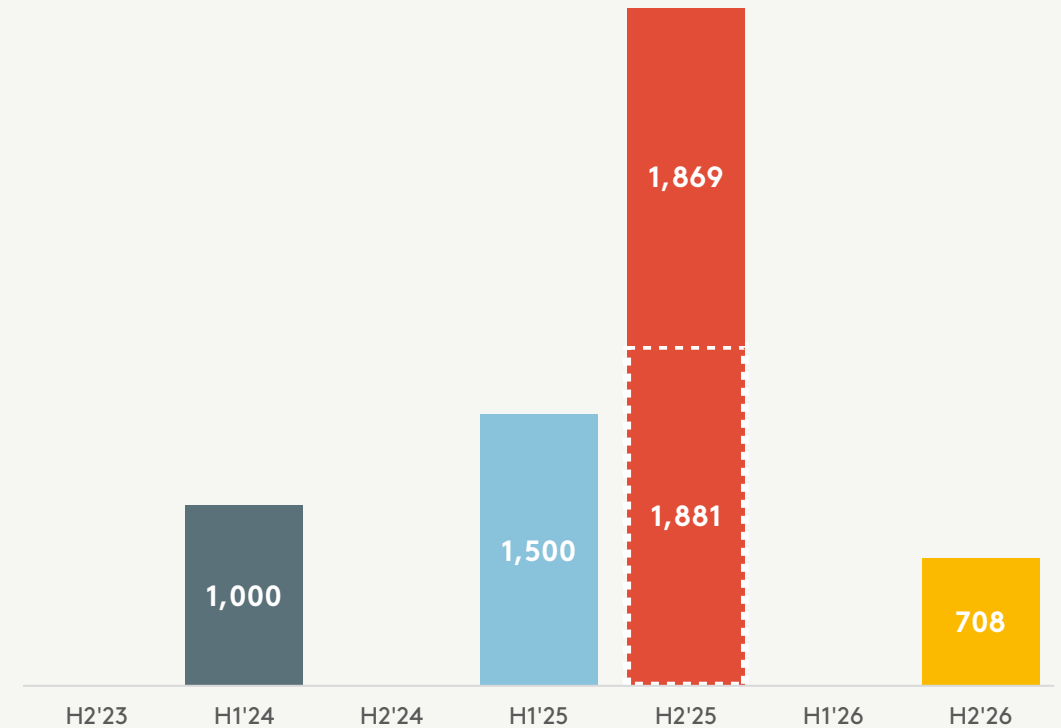
Last 12 months, MSEK	Q2 2023	Q2 2022	Δ
Cash flow from operations (before NWC)	2,041	1,853	10%
Change in net working capital	-110	119	-
IFRS 16 lease repayment	-53	-52	3%
CFFO (- IFRS 16 lease repayment)	1,878	1,921	-2%
Capitalization of product development	-908	-832	9%
- in relation to CFFO (- IFRS 16 lease repayment)	-48%	-43%	-5 pp
Free cash flow	969	1,089	-11%
EBITDA last 12 months	2,631	2,261	16%
Cash conversion rate	0.37	0.48	-23%

Strong free cash flow in second quarter, LTM FCF negatively impacted by net working capital effects

Leverage within targets and well-balanced maturity profile



- Net debt, MSEK
- Short-term cash earnouts, MSEK
- Cash and cash equivalents, MSEK
- Leverage ratio proforma, including short-term cash earnouts



- RCF Maturity, MSEK
- Bond 2024, MSEK
- Term loan facility, MSEK
- of which utilized
- Bond 2025, MSEK

Executing on plan with record-high profits and cash flows

- › Focused investments in new products and higher gross margin enabling all-time-high adj EBITDAC and EBITDA
- › Solid performance from key franchises
- › Important progress in driving synergies across the group
- › Strong cash generation and balance sheet
- › Usual seasonality expected for third quarter
- › Well positioned to benefit from stronger underlying market in the second half of the year paired with more products entering soft-launch



STILLFRONT

GROUP

