



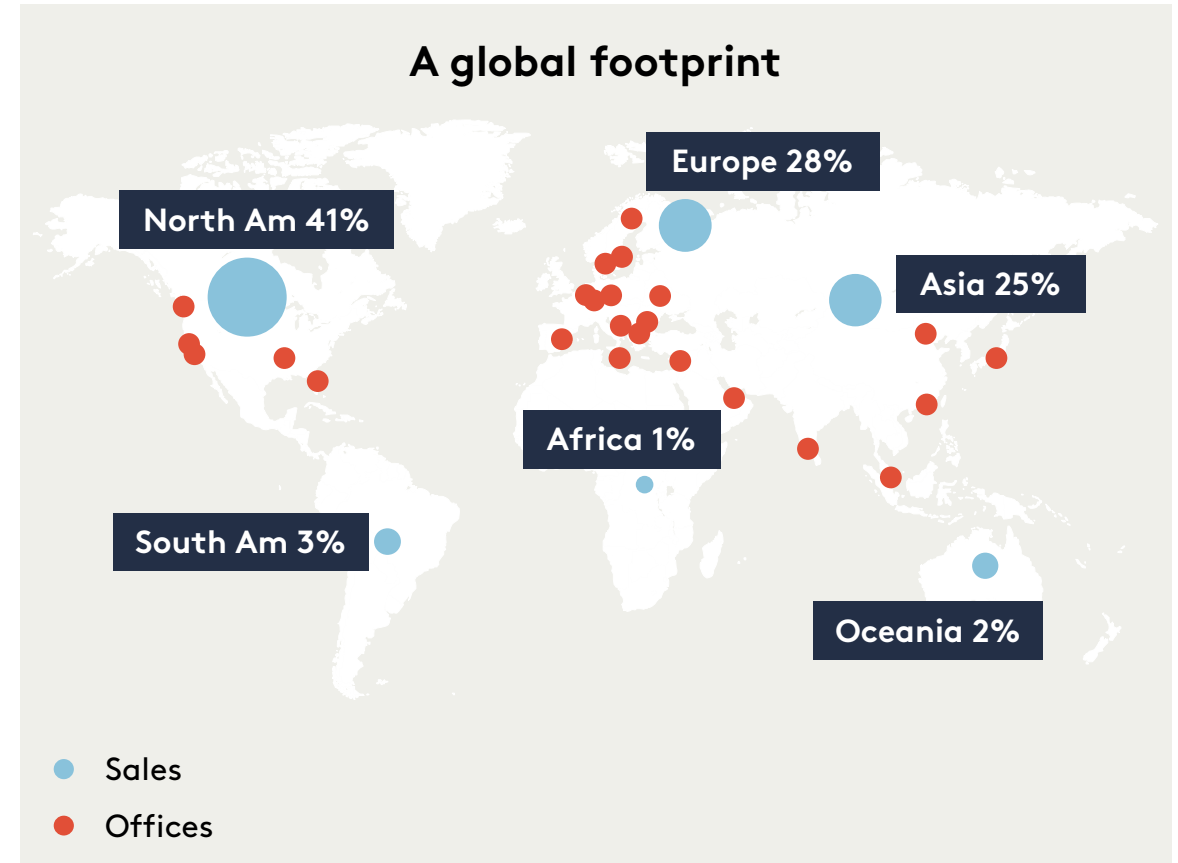
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Interim report Q3 2023

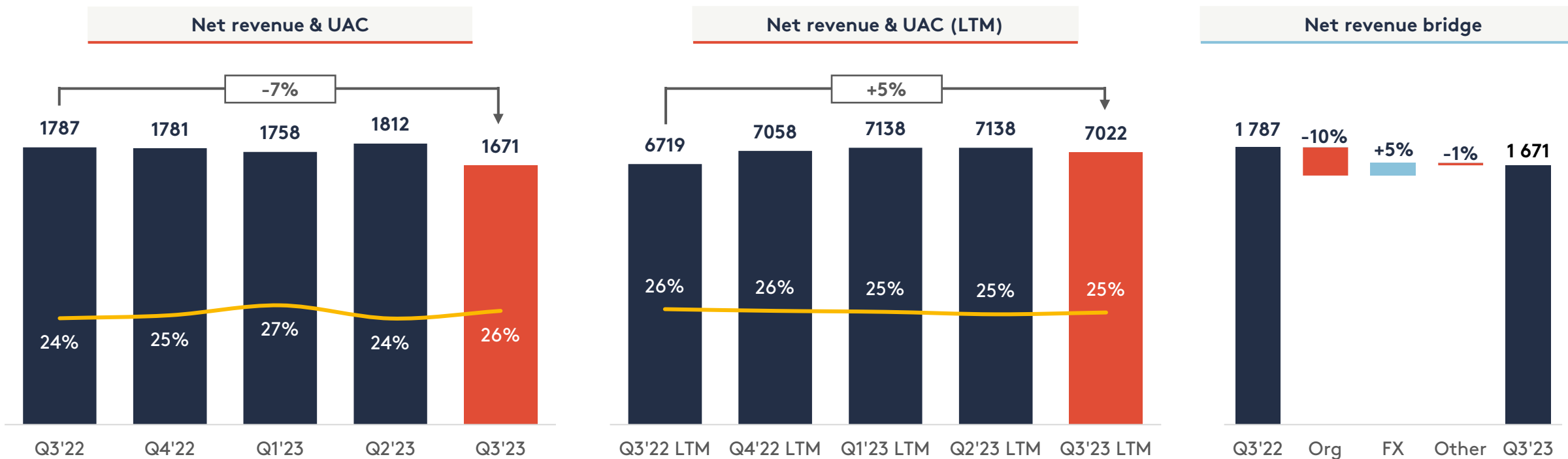
Weak topline development in quarter, maintained high profitability and cash generation

- › Net revenue declined 7 percent year-over-year
- › 80 MSEK net revenue and 50 MSEK adj EBITDAC decline related to a one-off event in Albion Online
- › Adj EBITDAC declined 1 percent year-over-year
- › Adjusted EBITDAC margin up from 23 to 25 percent year-over-year
- › Free cash flow of 941 MSEK in the last 12 months



■ Net Revenue, MSEK
 ● User acquisition cost, % of Net Revenue

REVENUE DEVELOPMENT

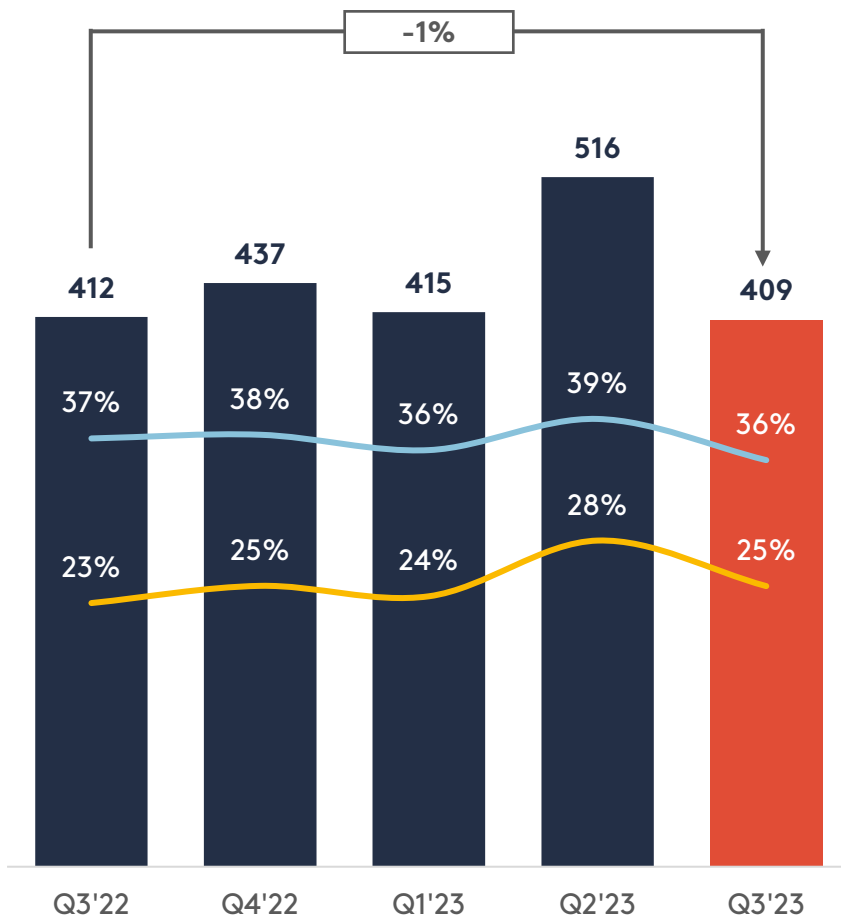


- › Net revenue negatively impacted by one-off event in Albion Online during the quarter
- › Year-over-year organic decline negatively impacted by strong comparison numbers from same period last year, positive FX effect not enough to offset organic decline
- › User acquisition share up sequentially driven by more game launches towards the end of the quarter

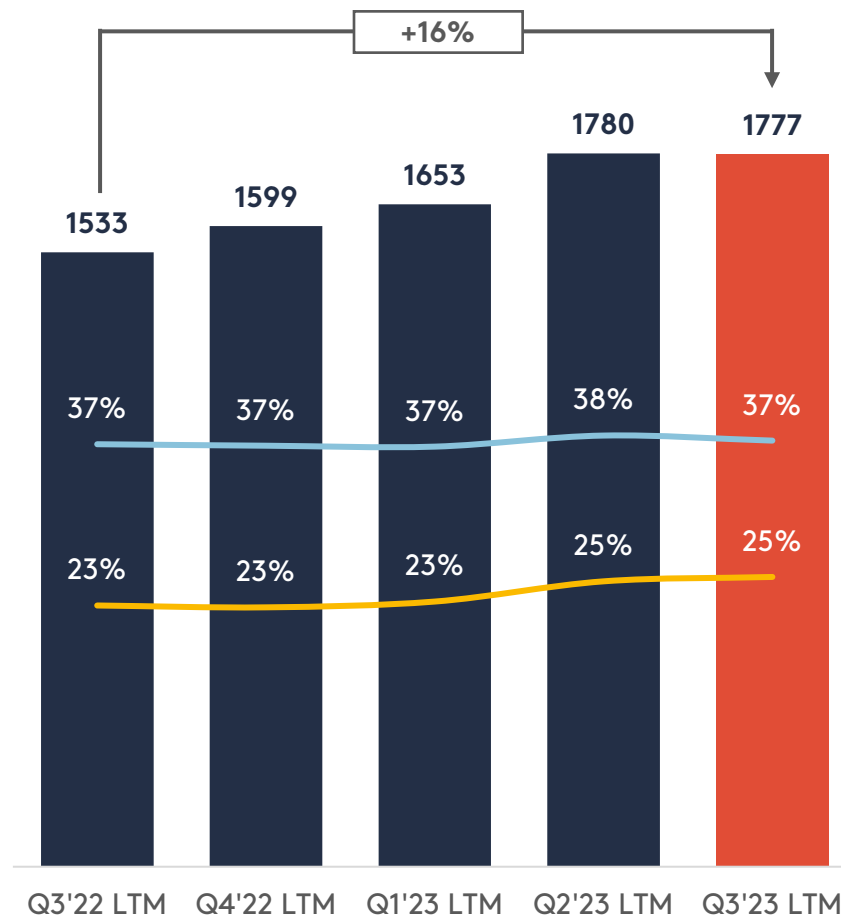
- Adj. EBITDAC, MSEK
- Adj. EBITDAC margin, %
- Adj. EBITDA margin, %

MARGIN DEVELOPMENT

Adjusted EBITDAC



Adjusted EBITDAC (LTM)



- › Adjusted EBITDAC margin 25 percent, up from 23 percent same period last year, despite lower topline
- › YTD EBITDAC margin 26 percent
- › Gross margin improvement of 2 percentage points year-over-year
- › Continued focus product investments driving 3 percentage points lower capitalization with improved ROI
- › Cost optimization projects in quarter led to workforce reduction of approx. 60 FTEs

11.0%

Capitalized product development in relation to net revenue in Q3

One-off event impacting performance in Q3

Portfolio highlights

- › Albion Online declined 80 MSEK sequentially after a very strong launch in H1, impacted by massive DDoS attack with prolonged negative effects throughout quarter
- › Sunshine Island, a new game in the Big Farm franchise, added to active portfolio
- › Super Free's trivia franchise declined in the quarter, actions taken to increase studio profitability going forward
- › Strong performance from BitLife franchise with successful live ops driving continued growth



Additional new game launches planned for fourth quarter and beyond

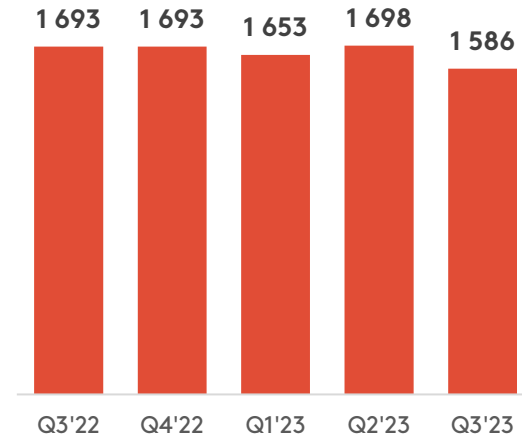
- › Several exciting game launches in fourth quarter, including new games from 6waves, Game Labs and Everguild
- › Large content updates and important live ops events during quarter, including Halloween, Black Friday and Christmas
- › New unannounced games from several studios including Storm8, Bytro Labs and Jawaker for 2024



ACTIVE PORTFOLIO: TOTAL

Bookings ('000 SEK)

-6%

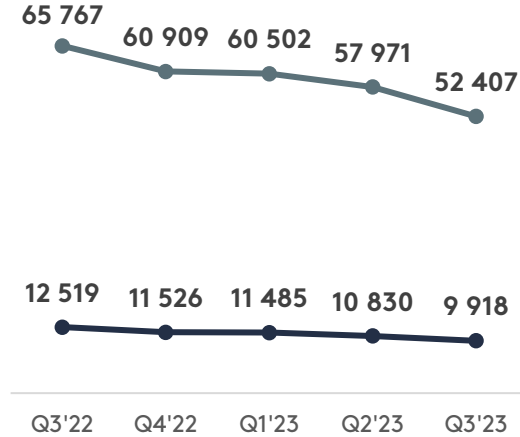


MAU ('000 SEK)

-20%

DAU ('000 SEK)

-21%

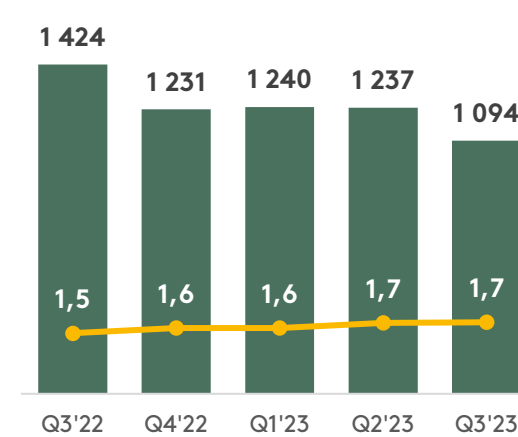


MPU ('000 SEK)

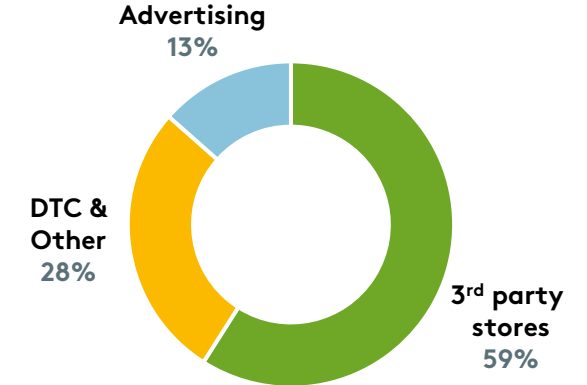
-23%

ARPDau (SEK)

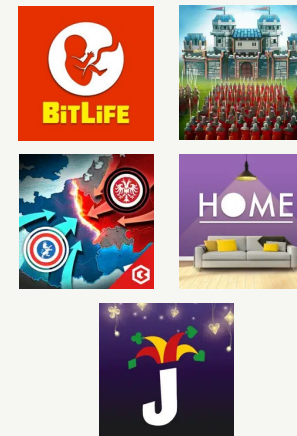
+18%



Bookings by channel



- › Year-over-year user number decline continues to be driven by discontinuation of Snap Games in February and paused operations in Bangladesh
- › Sequential decline in user numbers driven by seasonality effects as well as a decline Moonfrog's user numbers
- › ARPDau significantly up by 18 percent year-over-year driven by positive FX effects and better monetization in active portfolio
- › Direct-to-Consumer (DTC) up by 8 percentage points year-over-year driven by ongoing strategic initiative to increase share of own channels



50%

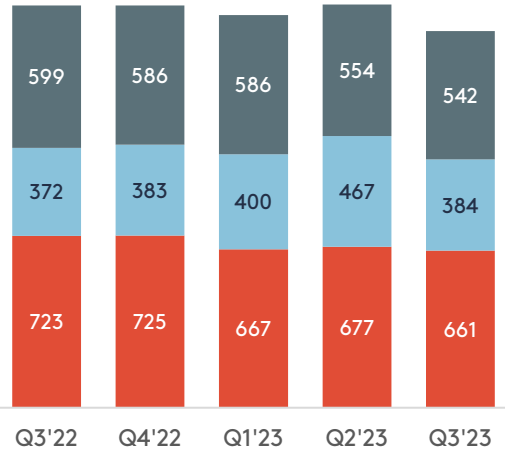
share of bookings in active portfolio generated by Stillfront's top 5 franchises in Q3

13%

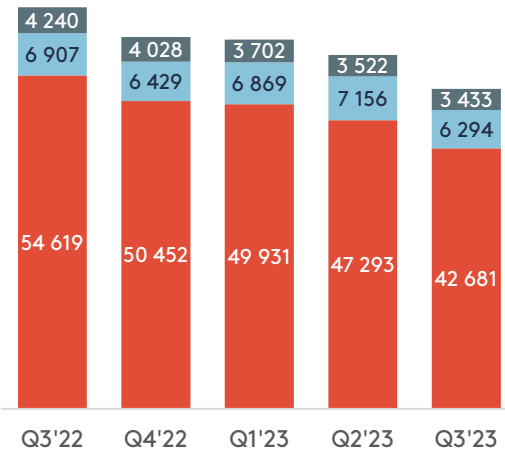
share of ad bookings of total bookings in active portfolio in Q3

ACTIVE PORTFOLIO: TOTAL

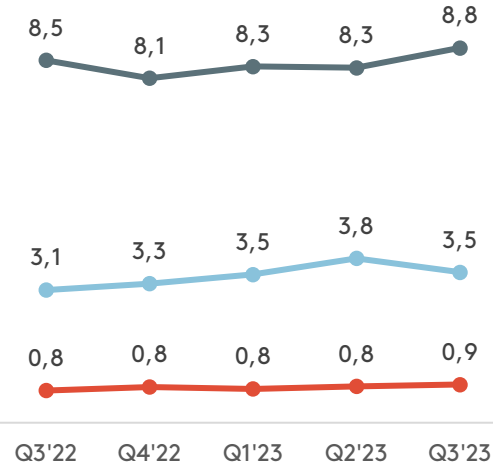
Bookings (MSEK)



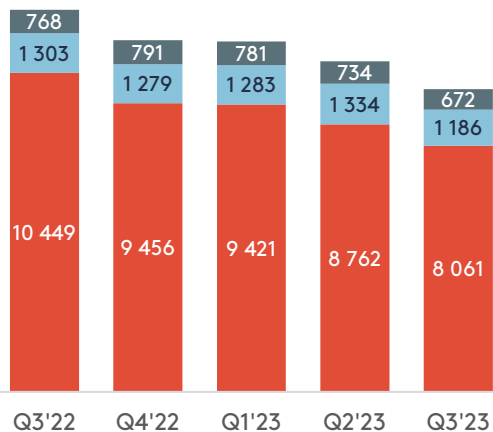
Monthly active users ('000)



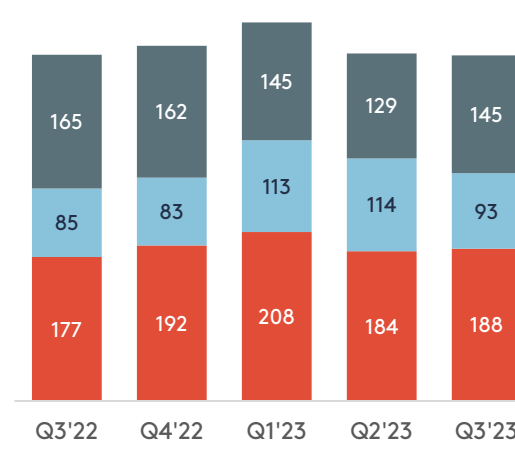
ARPDau (SEK)



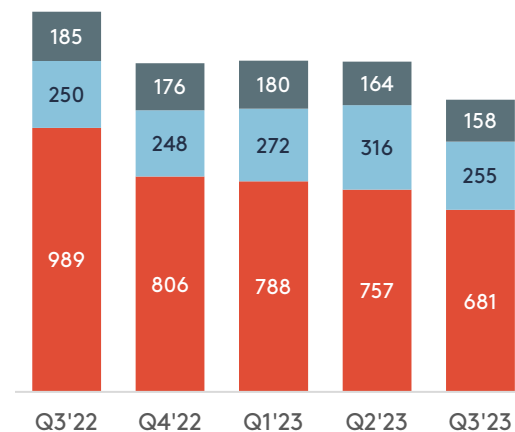
Daily active users ('000)



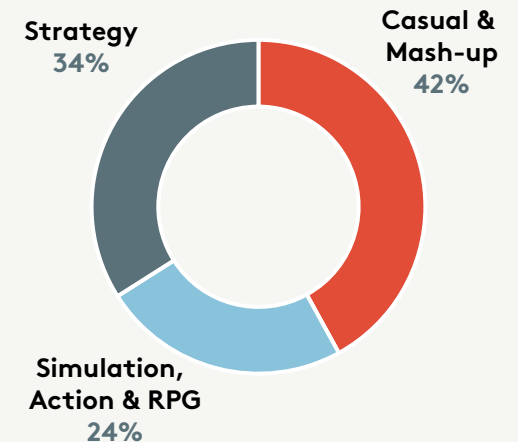
User acquisition cost (MSEK)



Monthly paying users ('000)



- › Sequential bookings and user number decline in Simulation, RPG & Action driven by one-off event in Albion Online
- › Sequential decline in Strategy and Casual & Mash-up in line with normal seasonality
- › Lower UAC drives lower bookings and user numbers in Strategy year-over-year
- › Group ROAS within 180-day target
- › Successful live ops and positive FX drives improved monetization year-over-year in all product areas



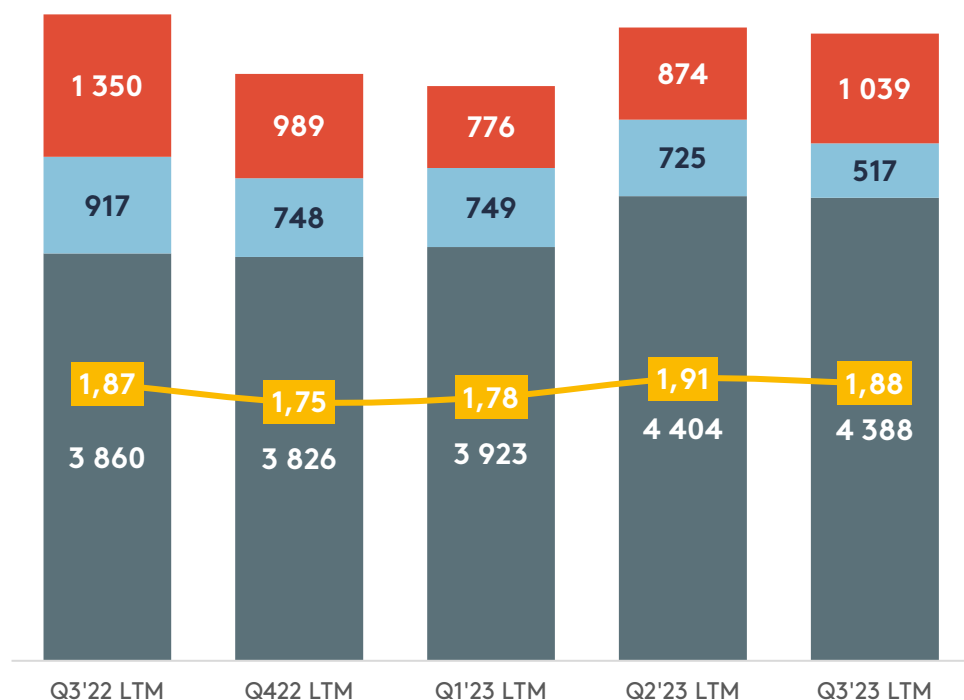
Continued strong free cash flow

Q3, MSEK	Q3 2023	Q3 2022
Cash flow from operations (before NWC)	399	549
Change in net working capital	-4	-51
Cash flow from operations (CFFO)	395	499
Cash flow from investment activities	-387	-579
Cash flow from financing activities	164	-103
Cash flow for the period	172	-184

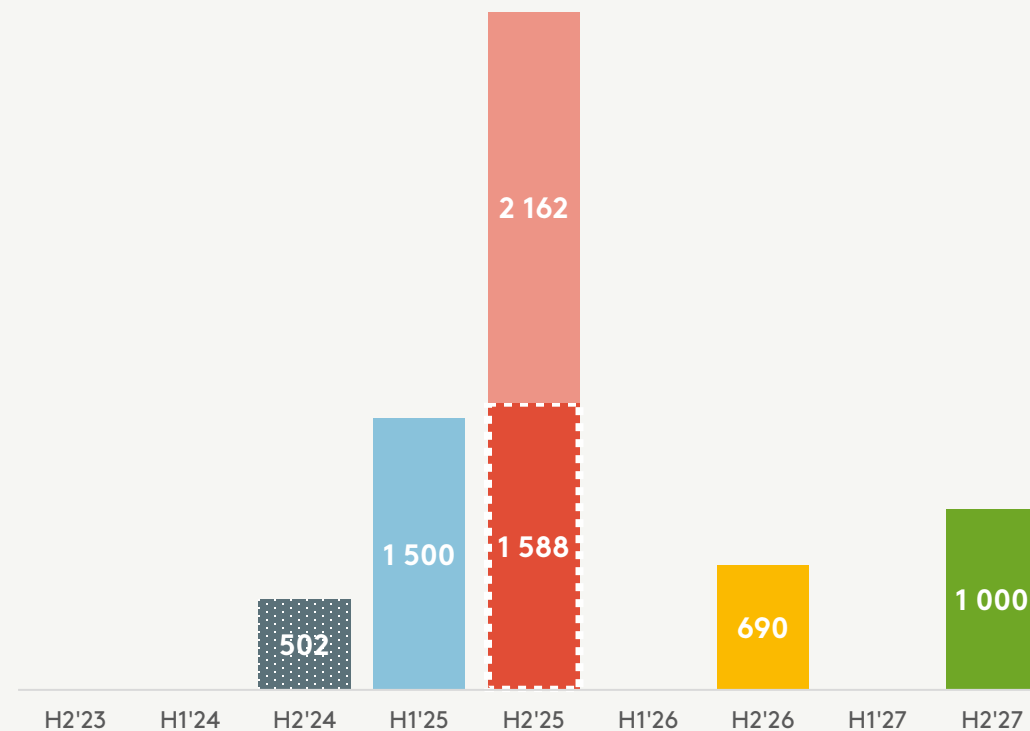
Last 12 months, MSEK	Q3 2023	Q3 2022	Δ %
Cash flow from operations (before NWC)	1,891	2,013	-6%
Change in net working capital	-64	-28	-
IFRS 16 lease repayment	-50	-56	-10%
CFFO (- IFRS 16 lease repayment)	1,777	1,929	-8%
Capitalization of product development	-836	-946	-12%
- in relation to CFFO (- IFRS 16 lease repayment)	-47%	-49%	2 pp
Free cash flow	941	983	-4%
EBITDA last 12 months	2,537	2,422	5%
Cash conversion rate	0.37	0.41	-9%

Strict cost control and
focused investments
ensures continued
strong free cash flow

Leverage within target and improved maturity profile



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



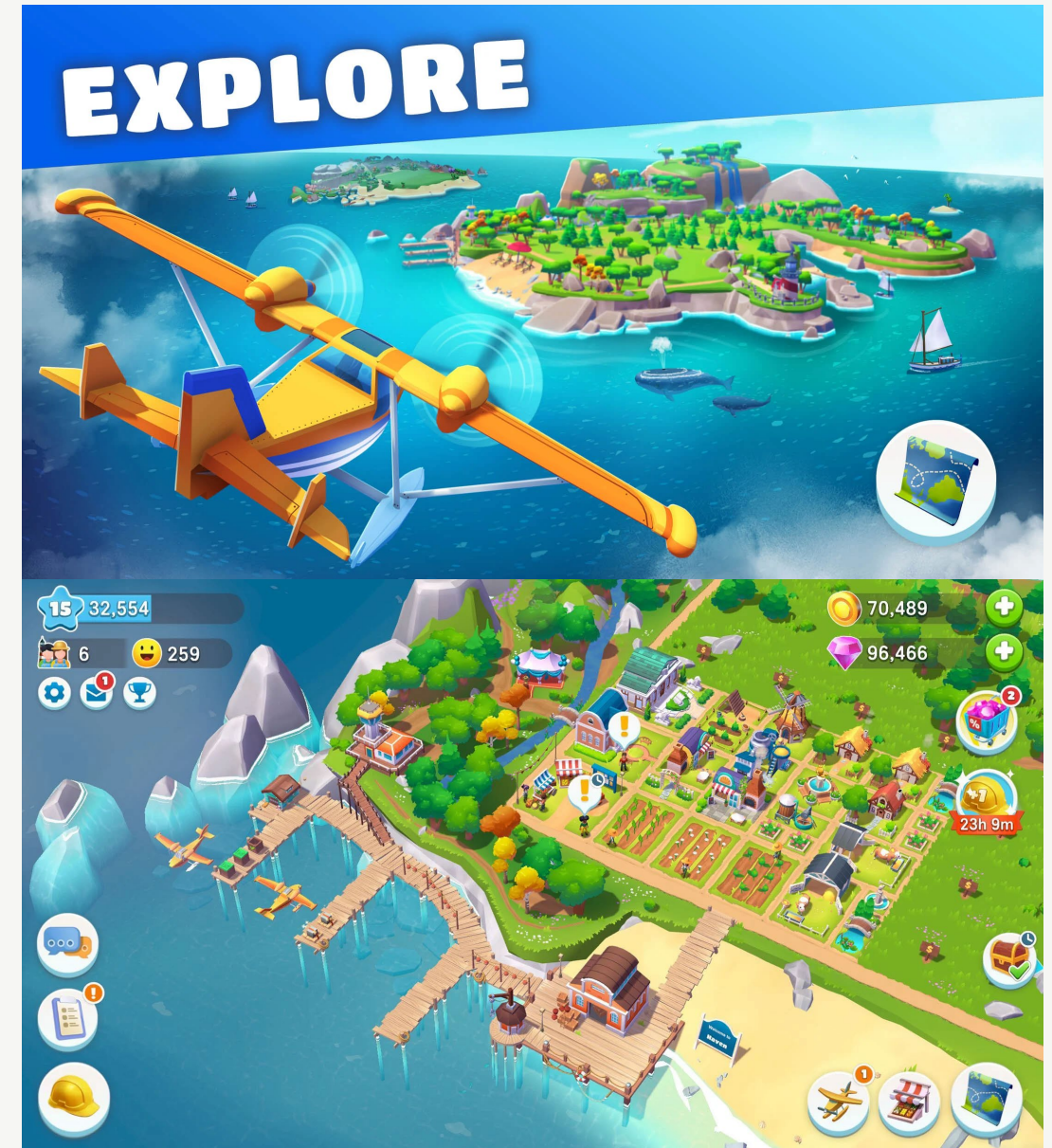
- RCF Maturity, MSEK
- Bond 2024*, MSEK
- Term loan facility, MSEK
- of which utilized
- Bond 2025, MSEK
- Bond 2027, MSEK

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*The early redemption of the remaining 502 MSEK of the 2024 bond was settled after the end of the third quarter on 3 October 2023

Significant sequential organic improvement expected for fourth quarter

- › Weak topline development in quarter, but maintained high profitability and cash generation
- › Cost optimization work and realized synergies continues to ensure high margins going forward
- › Strong balance sheet and cash flows, total net debt down by 225 MSEK quarter-over-quarter
- › Improved market conditions and promising game launches expected to drive significant sequential improvement in fourth quarter



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