

Full-Year Report 2023

QUOTE FROM THE CEO

"Stillfront's bookings returned to positive organic growth for the months of November and December in the fourth quarter. The recovery in organic performance was driven by significant scaling of new and existing games, in particular the successful launch of Sunshine Island, part of the Big Farm franchise. It is encouraging to see a more normalized market with favorable performance marketing conditions and stronger seasonality than we have experienced during the past years. For the full quarter, Stillfront's organic bookings were down by -2 percent and organic net revenue was down by -3 percent. Record levels of marketing investments resulted in a lower EBITDAC margin in the quarter, while supporting our long-term growth opportunities. With continued high marketing investments during the start of the year, we expect the year-over-year organic growth rate to continue to improve with our addressed market in 2024."

FINANCIAL HIGHLIGHTS Q4

- Net revenue 1,742 (1,781) MSEK, a decline of 2 percent
- Organic net revenue decline of 3 percent, organic bookings decline of 2 percent
- EBIT 130 (70) MSEK, an increase of 84 percent
- EBITDA 531 (655) MSEK, a decline of 19 percent
- Adj EBITDA 569 (672) MSEK, a decline of 15 percent, Adj EBITDA margin of 33 (38) percent
- Items affecting comparability impacting EBITDA of -37 (-17) MSEK, mainly for cost optimizations
- Capitalization of product development amounted to 204 (235) MSEK
- Adjusted EBITDAC of 365 (437) MSEK, a decline of 17 percent, Adj EBITDAC margin of 21 (25) percent
- Net result of 10 (203) MSEK
- Free cash flow last 12 months of 833 (974) MSEK
- Total net debt, including cash earnout for next 12 months, of 4,611 (4,575) MSEK
- Adjusted leverage ratio, pro forma was 1.6x (1.5x)
- Adjusted leverage ratio, including cash earnout for next 12 months, pro forma was 1.8x (1.8x)
- Cash position of 807 (989) MSEK and 2,432 (2,401) MSEK of undrawn credit facilities
- Stillfront's board of directors proposes no dividend for 2023

KEY FIGURES

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Bookings	1,739	1,760	6,958	7,014
Deferred revenue	2	21	24	44
Net revenue	1,742	1,781	6,982	7,058
EBIT	130	70	754	850
EBITDA	531	655	2,413	2,545
Items affecting comparability, EBITDA	-37	-17	-96	-50
Adjusted EBITDA	569	672	2,510	2,595
Adjusted EBITDA margin, %	33	38	36	37
Capitalization of product development	204	235	805	996
Adjusted EBITDAC	365	437	1,705	1,599
Adjusted EBITDAC margin, %	21	25	24	23
Profit before tax	35	214	156	752
Net result	10	203	12	547
Number of employees	1,401	1,589	1,401	1,589
Adjusted leverage ratio, pro forma, x	1.64	1.46	1.64	1.46
Adjusted leverage ratio incl. NTM cash earnout payments, pro forma, x	1.84	1.75	1.84	1.75
Earnings per share undiluted, SEK	0.02	0.42	0.01	1.15
Earnings per share diluted, SEK	0.02	0.42	0.01	1.15

Comments by the CEO

A return to organic growth during November and December

Stillfront's net revenue amounted to 1,742 in the fourth quarter, representing a decline of -2 percent compared to the fourth quarter last year. On an organic basis, Stillfront's bookings were down by -2 percent while net revenues were down by -3 percent for the full quarter. Following a weak October, bookings returned to positive organic growth for November and December, and the sequential quarter-over-quarter organic growth amounted to 7 percent in the fourth quarter. The recovery in organic performance was driven by significant scaling of new and existing games, which drove increased marketing investments in the quarter. It is encouraging to see a more normalized market with favorable performance marketing conditions and stronger seasonality than we have experienced during the past years. With continued high marketing investments during the start of the year, we expect the year-over-year organic growth rate to continue to improve with our addressed market in 2024.

Direct-to-consumer payments drive gross margin improvement

Stillfront's gross profit amounted to 1,365 MSEK in the fourth quarter, representing a gross margin of 78 percent, compared to 1,355 MSEK and 76 percent in the same period last year. For the full-year, Stillfront's gross profit grew by 1 percent to 5,445 MSEK, as the gross profit margin increased by almost 2 percentage points to 78 percent for the full year. The increased gross margin is a direct result of the combined efforts across the group to increase the share of bookings in our games coming from Direct-to-consumer channels (DTC), which consist of bookings generated from Stillfront's own internal proprietary payment platforms. During the year, we have launched the Stillfront Payment hub as part of our Stilpos operating model, and we are pleased to have been able to increase the share of DTC bookings consistently for each quarter during the year. In the fourth quarter, DTC bookings represented 29 percent of bookings in the active portfolio, compared to 21 percent in the same period last year.

Scaling of new games for long-term growth

In the fourth quarter, we continued to scale up new games, which led to a large increase in marketing costs compared to the third quarter. Costs for user acquisition amounted to 539 MSEK in the fourth quarter, representing 31 percent in relation to net revenue. The largest driver of the increased user acquisition was the new title Sunshine Island, part of the Big Farm franchise, which accounted for more than 60 MSEK of user acquisition cost, driving a significant share of the sequential increase in the quarter. Adjusted for scaling of new titles, group return on user acquisition in the quarter was at our 180-day target. Sunshine Island continued to scale successfully in the fourth quarter with strong KPIs and is one of Stillfront's most successful new game launches ever. Sunshine Island's average daily bookings run rate increased by more than 4x from the beginning of the quarter to the last days of the quarter,

with continued good performance in January. Going forward, the game has several exciting updates planned for the coming months.



Stillfront's adjusted EBITDAC amounted to 365 MSEK in the quarter, resulting in a margin of 21 percent, which is 3.6 percentage points lower than the fourth quarter last year. The lower adjusted EBITDAC margin was driven by higher user acquisition costs, which was up by more than 6 percentage points in relation to net revenue compared to last year. The margin was also impacted by slightly higher investments in product development compared to previous quarters, including final development and license payments of 19 MSEK related to new externally developed games from 6waves in the quarter. For full-year 2023, the adjusted EBITDAC margin increased by 1.8 percentage points from 22.7 to 24.4 percent.

The winter season is typically the strongest season for acquiring new users, and we were able to spend at record levels in the fourth quarter this year, which had a positive effect on organic growth during the quarter. We expect the higher level of marketing investments to continue into the first quarter, driven by continued strong marketability from Sunshine Island as well as several other games in the active portfolio.

Increased profitability in 2023

At our Capital Markets Day in February 2023, we outlined a plan for how we would reach our financial target of delivering an adjusted EBITDAC margin between 26-29 percent. The plan consisted of three primary areas where we saw opportunities to increase margins: gross margin, staff costs & other operating expenses, and investments in product development. Looking back at the first year, we have made significant progress towards our financial targets. We have lowered direct costs as a percentage of net revenue by 1.7 percentage points, driven by our successful focus on increasing DTC bookings. We have also become more efficient in how we allocate product development investments, and we have been able to lower our total investments in product development as a percentage of net revenue by 2.6 percentage points. Looking at the full-year, staff costs and other operating expenses are up compared

to net revenue. When comparing the run rate in the fourth quarter with the same quarter last year, total staff and other operating expenses were down by 0.4 percentage points, reflecting the progress in cost-base reduction over the year. All in all, for the full year 2023 we increased our adjusted EBITDAC margin from 22.7 percent to 24.4 percent, despite spending 1.2 percentage points more on user acquisition in relation to net revenue compared to 2022 and suffering from a large cyber-attack in one of our games in the third quarter.

Synergies help drive positive margin development

Stillfront's operational model, size and genre diversification create substantial benefits of scale. Our size and genre diversification enable us to maintain a high and profitable user acquisition spend over time. Our ability to allocate user acquisition spend across our existing game portfolio without compromising on our payback requirements is what enables us to have strong margins and cash generation. If Stillfront had been smaller and less diversified, we would not have been able to maintain a stable user acquisition spend without compromising on returns, which would have had clear negative effects on our profit margins and cash generation.

Our Stillops platform also enables synergy creation across our game studios, both on the cost side and on the revenue side. The past year we have made significant progress both in how we create and how we measure synergies across our group. Revenue synergies comprise of revenues created by two studios working together on a specific franchise, such as the Supremacy franchise or the BitLife franchise. In 2023, almost 9 percent of Stillfront's total net revenue came from games that two or more Stillfront studios

collaborated on. Cost synergies mostly comprise of cost savings from utilizing internal group services instead of sourcing the same services externally or managing such a function at the studio level, such as utilizing the Stillfront Marketing hub or negotiating group deals with large service suppliers. The largest cost synergies in 2023 came from the Marketing hub, the Payment hub and group deals.

Strong balance sheet and cash flow generation

Stillfront generated free cash flow of 833 MSEK in 2023, despite significantly higher interest rate levels compared to last year. Thanks to our strong cash generation, we have a good deleveraging capacity in our business. In 2023, we settled cash earnouts of 822 MSEK and bought back shares for 270 MSEK. By the year's end, our leverage ratio including cash earnout for the next twelve months was at 1.84x, well within our financial target to be below 2.0x. Stillfront enters 2024 with a strong balance sheet with a cash position of 807 MSEK and 2,432 MSEK of undrawn credit facilities.

Increasing growth rates going forward

Following a weak 2022 in the global games market, both the industry and Stillfront experienced a return to growth in the latter part of 2023, in line with what we communicated during the year. Going forward, we expect a more normalized games market with better performance marketing conditions. Thanks to the profitability measures taken in 2023 and the ongoing efficiency work across the group, Stillfront is in a strong position to grow with high margins and strong cash generation for years to come.

JÖRGEN LARSSON, CEO, STILLFRONT GROUP

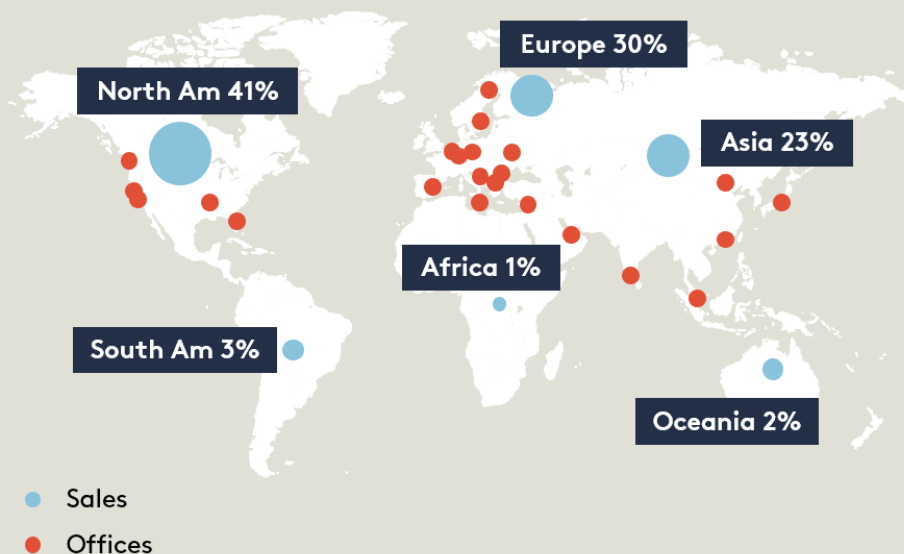
Stillfront at a glance

A global games company

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by more than 50 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,400+ professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm.

Preparing for new sustainability legislation

Stillfront is subject to EU legislation on sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD) effective 2024. In 2023, Stillfront finalized an updated double materiality assessment according to the new requirements. A gap analysis between current reporting and the new requirements according to ESRS has been conducted and a working group and a project plan is in place to fulfill the updated reporting standards.



Percentage figures refer to Bookings in Q4 2023 by assumed location of gamers based on IP address or similar.

73

games in active portfolio in Q4

51%

bookings in active portfolio from top 5 franchises in Q4

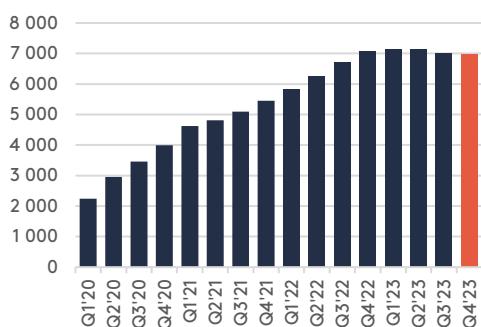
51m

monthly active users in Q4

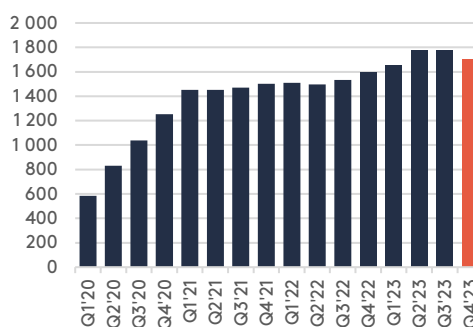
1,401

professionals

NET REVENUE LTM (MSEK)



ADJ. EBITDAC LTM (MSEK)



Portfolio overview



Game performance

Bookings in the fourth quarter amounted to 1,739 MSEK, of which 1,627 in the active portfolio. Bookings in the active portfolio increased by 3 percent quarter-over-quarter, driven by strong performance from Strategy and new game launches during the quarter, slightly offset by softer performance from Casual & Mash-up.

Bookings from other games outside of the active portfolio amounted to 112 MSEK in the fourth quarter. Other games consist of new game releases that have not yet been added to the active portfolio as well as smaller long-tail games and platform deals. The sequential increase of 35 MSEK was mostly driven by increased bookings from Nanobit's platform deals, including its collaboration with Netflix on the successful Too Hot to Handle game.

Stillfront reports group bookings in its active portfolio in three categories: Ad bookings, 3rd party stores, and Direct-to-consumer (DTC).

In the fourth quarter, ad bookings amounted to 13 percent of bookings in the active portfolio, in line with the third quarter and down from 16 percent in the same quarter last year. The year-over-year decline is mostly driven by a different product mix with a larger share of bookings from the Strategy product area, which has lower share of ads.

Bookings from 3rd party stores are defined as bookings from purchases on external platforms such as App Store, Google Play Store, Steam and Microsoft Store. Bookings from 3rd party stores amounted to 58 percent of bookings

in the active portfolio, compared to 59 percent in the third quarter and 63 percent in the same period last year.

DTC primarily consist of bookings generated from Stillfront's own internal proprietary payment platforms. Payment processing fees and other related expenses for in-app purchases are significantly lower in Stillfront's proprietary channels compared to 3rd party stores. The category also includes bookings from reseller networks. Stillfront continued to increase its share of DTC bookings in the fourth quarter to 29 percent, compared to 28 percent in the third quarter and 21 percent in the same period last year.

ARPDau for the active portfolio was up by 16 percent year-over-year and by 7 percent quarter-over-quarter. The increase was driven by improved monetization and larger share of bookings from Strategy games.

User acquisition costs, UAC, in the active portfolio was up by 22 percent year-over-year, driven by successful scaling of Sunshine Island paired with strong performance from the Supremacy franchise.

The decline in user numbers slowed in the quarter. MAU, monthly active users, decreased by 3 percent quarter-over-quarter, while DAU, daily active users, decreased by 4 percent. MAU and DAU numbers bottomed out in October, followed by month-over-month increases in both November and December. MPU, monthly paying users, increased by 2 percent quarter-over-quarter. The year-over-year decline in user numbers is driven by a portfolio shift where many low-monetized users have been replaced by fewer users that spend more in the games.

2023 Q4	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
Bookings (MSEK)	1,627	588	401	638	112
Y-o-Y change, %	-4%	0%	5%	-12%	
Ad bookings, %	13%	1%	6%	28%	
3rd party stores, %	58%	64%	55%	55%	
DTC, %	29%	35%	39%	17%	
UAC (MSEK)	536	191	160	184	3
Y-o-Y change, %	22%	18%	92%	-4%	
DAU ('000)	9,507	779	1,221	7,506	
Y-o-Y change, %	-18%	-1%	-5%	-21%	
MAU ('000)	51,001	4,121	6,695	40,184	
Y-o-Y change, %	-16%	2%	4%	-20%	
MPU ('000)	1,116	186	280	649	
Y-o-Y change, %	-9%	6%	13%	-20%	
ARPDau (SEK)	1.9	8.2	3.6	0.9	
Y-o-Y change, %	16%	2%	10%	11%	

Product areas

The active portfolio

Stillfront has a diversified portfolio of major franchises and smaller niche products, that together make up Stillfront's active portfolio. During the fourth quarter, Stillfront's five largest franchises represented 51 percent of total bookings in the active portfolio.

The active portfolio is divided into three different product areas: Strategy; Simulation, RPG & Action; and Casual & Mash-up. During the fourth quarter, one new game was added to the active portfolio. The active portfolio consisted of 73 games at the end of the fourth quarter.

Strategy

The strategy portfolio consists of 22 classic war and so called 4X strategy games, including Empire, Conflict of Nations, Supremacy 1914 and Shishinogotoku. Strategy games amounted to 36 percent of the bookings in the active portfolio in the fourth quarter. In the fourth quarter, the new game Survival Tactics from our studio 6waves was added to the portfolio. Strategy bookings grew by 9 percent quarter-over-quarter and were flat year-over-year at 588 MSEK. The strong sequential growth was driven by successful scaling of the Supremacy franchise in the quarter, paired with the addition of Survival Tactics.

User acquisition spend in the strategy portfolio amounted to 191 MSEK in the fourth quarter, up by 32 percent quarter-over-quarter. The increase in user acquisition in the fourth quarter was driven by scaling of the Supremacy franchise and stronger seasonality across the product area towards the end of the quarter.

The increased user acquisition spend drove significant user number increases in the quarter, with MAU and DAU increasing by 20 percent and 16 percent respectively quarter-over-quarter. ARPDAU decreased by 6 percent quarter-over-quarter in the product area, as a result of the large intake of new users.

Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 27 games including simulation games such as Big Farm: Mobile Harvest, Sunshine Island and Hollywood Story, action games such as Battle Pirates, and RPGs such as Albion Online and Shakes & Fidget.

Simulation, RPG & Action totalled 25 percent of the bookings in the active portfolio in the fourth quarter. Bookings increased by 3 percent quarter-over-quarter and 4 percent year-over-year and amounted to 401 MSEK.

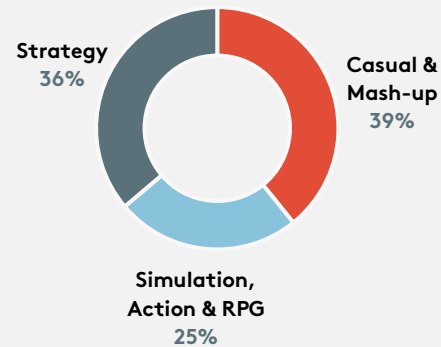
User acquisition spend in Simulation, RPG & Action increased by 67 MSEK quarter-over-quarter to 160 MSEK in the fourth quarter. The large increase in UAC was driven by scaling of the new title Sunshine Island, which was added to the active portfolio in the third quarter. Sunshine Island accounted for more than 60 MSEK of user acquisition cost in the fourth quarter, as the title continues to scale successfully with strong KPIs. Sunshine Island's daily bookings run rate increased by more than 4x from the beginning of the quarter to the last days of the quarter, with continued good performance in January. Sunshine Island is one of the most successful new game launches in Stillfront's history and the game is expected to continue to scale and fuel growth for the Big Farm franchise for the coming years.

Albion Online, which suffered severe issues with in-game bots and DDoS attacks in the third quarter, saw stable performance in the fourth quarter with strong organic growth year-over-year.

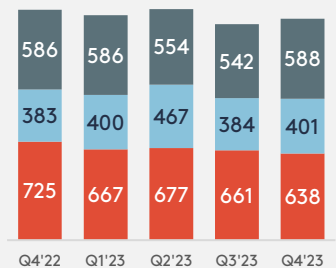
Casual & Mash-up

The Casual & Mash-up portfolio consists of 24 games, including Property Brothers Home Design, BitLife, Trivia Star, Jawaker and Ludo Club. The product area totalled 39 percent of the bookings in the active portfolio and amounted to 638 MSEK in the fourth quarter, representing a quarter-over-quarter decline of 3 percent. User acquisition spend decreased by 2 percent quarter-over-quarter.

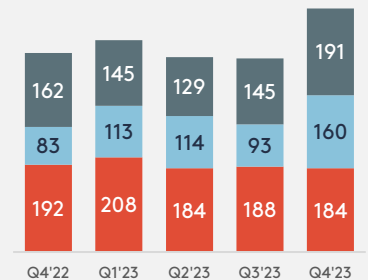
Product areas as share of bookings in total active portfolio in Q4'23



Bookings in total active portfolio per product area



UAC in total active portfolio per product area



Stillfront's two tabletop franchises Ludo Club and Jawaker continued to perform well in the fourth quarter.

Ludo Club continued to grow bookings by successfully improving monetization in the fourth quarter. The franchise has grown steadily year-over-year with strong profitability every single quarter since Stillfront's acquisition of Moonfrog in March 2021. During the three-year period, the franchise has improved monetization and increased ARPDAU significantly, and thereby been able to grow bookings despite a sharp decrease in active users during the same period.

Jawaker had yet another strong quarter, growing bookings by more than 20 percent year-over-year with impressive margins.

FINANCIAL OVERVIEW OF THE FOURTH QUARTER

Revenue and operating profit

MSEK	2023		2022		Chg%	
	Oct-Dec	Oct-Dec	Chg%	Jan-Dec	Jan-Dec	Chg%
Net revenue	1,742	1,781	-2	6,982	7,058	-1
Gross profit	1,365	1,355	1	5,445	5,384	1
Gross profit margin, %	78	76		78	76	
EBIT	130	70	84	754	850	-11
EBITDA	531	655	-19	2,413	2,545	-5
EBITDA margin, %	31	37		35	36	
Items affecting comparability, EBITDA	37	17	122	96	50	92
Adjusted EBITDA	569	672	-15	2,510	2,595	-3
Adjusted EBITDA margin, %	33	38		36	37	
Capitalization of product development	204	235	-13	805	996	-19
Adjusted EBITDAC	365	437	-17	1,705	1,599	7
Adjusted EBITDAC margin, %	21	25		24	23	

Net revenue in the fourth quarter amounted to 1,742 (1,781) MSEK. Revenue development for the quarter includes the impact of currency movements (+1 percent year-over-year) and organic growth (-3 percent year-over-year).

Currency movements on net revenues in the fourth quarter were driven by the stronger EUR and slightly weaker USD compared to the SEK year-over-year. Currency rates in the quarter are outlined in the currency table on page 20 in this report.

The revenue impact of the decision in November 2022 to pause operations in Bangladesh and the divestment in October 2023 of the studio Power Challenge are described as 'Other change' in the table below.

Net revenue growth	2023		2022		Chg%	
	Oct-Dec	Oct-Dec	Chg%	Jan-Dec	Jan-Dec	Chg%
Change through acquisitions, %	0.0	10.9		0.7	20.0	
Change through currency movements, %	1.3	14.4		5.0	11.1	
Organic growth, %	-3.1	-0.7		-5.9	-1.4	
Other change %	-0.5	-1.1		-0.9	-0.3	
Total net revenue growth, %	-2.2	23.5		-1.1	29.4	

Stillfront had a gross margin of 78 (76) percent in the quarter.

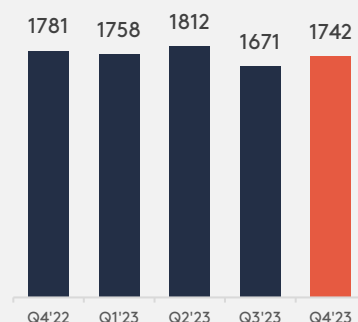
Personnel expenses for the quarter were -290 (-307) MSEK in the group, corresponding to 17 (17) percent of net revenue in the quarter, while other external expenses amounted to 6 (6) percent of net revenue.

EBITDA amounted to 531 (655) MSEK in the fourth quarter. Adjusted EBITDA amounted to 569 (672) MSEK, corresponding to an adjusted EBITDA margin of 33 (38) percent in the quarter. Items affecting comparability amounted to -37 (-192) MSEK in the quarter, comprising mainly costs for staff reductions, costs for long-term incentive programs and costs for legal disputes.

Adjusted EBITDAC amounted to 365 (437) MSEK in the fourth quarter, corresponding to an adjusted EBITDAC margin of 21 (25) percent. The lower EBITDAC margin is primarily driven by high user acquisition costs, which are expected to generate revenues in future quarters.

EBIT amounted to 130 (70) MSEK in the fourth quarter. EBIT in the fourth quarter of the previous year included comparison disturbing amortization of -176 MSEK on developed games with shortened economic lifetime.

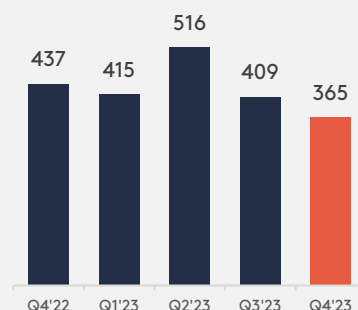
Net revenue development (MSEK)



Capitalization of product development in relation to net revenues in Q4

11.7%

Adj EBITDAC development (MSEK)



Product development

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Capitalization of product development	204	235	805	996
Amortization of product development	-196	-168	-739	-518
Amortization of PPA items	-187	-222	-846	-929

In the fourth quarter, investments in product development amounted to 204 (235) MSEK.

Amortization of product development of -196 (-168) MSEK was recorded during the fourth quarter. Amortization of PPA items amounted to -187 (-222) MSEK.

Financial net

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net interest excluding interest on earnouts	-94	-73	-347	-232
Interest on earnout consideration (non-cash)	-16	-25	-80	-113
Currency exchange differences	1	1	-10	11
Other	-7	-	-12	-
Changes in fair value of contingent consideration	21	241	-150	237
Net financial items	-95	143	-598	-97

The financial net was -95 (143) MSEK in the fourth quarter, consisting of net interest expenses -94 (-73) MSEK, non-cash interest charge on earnout provision -16 (-25) MSEK, revaluations of earnout provisions 21 (241) MSEK, currency exchange differences 1 (1) MSEK and other financial items -7 (0) MSEK. The higher interest expense in the quarter is due to the higher interest rate environment compared to the same period last year. Other financial items consist primarily of one-off costs for the voluntary early redemption of around half of the outstanding bonds 2019/2024.

Tax

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit before tax	35	214	156	752
Total taxes for the period	-25	-11	-143	-206
<i>Tax rate, %</i>	<i>71</i>	<i>5</i>	<i>92</i>	<i>27</i>
Transaction costs	-	-	-0	-14
Earnout interest	-16	-25	-80	-113
Earnout revaluations	21	241	-150	237
Profit before tax, excl. transaction costs and earnout interest & revaluations	30	-2	386	643
Tax on dividends	-20	-13	-29	-26
Adjustment of tax previous quarter	-	-18	-	-
Underlying tax excl. tax on dividends	-5	20	-114	-180
<i>Underlying tax rate, %</i>	<i>16</i>	<i>855</i>	<i>30</i>	<i>28</i>

The group's tax cost amounted to -25 (-11) MSEK for the fourth quarter, equivalent to a non-meaningful tax rate of 71 (5) percent. For the full year, the group's tax cost amounted to -143 (-206) MSEK, equivalent to a tax rate of 92 (27) percent.

Tax costs for each quarter are affected by non-deductible items such as costs for transactions, earnout interest and earnout revaluations, as well as special tax items such as irrecoverable tax on dividends received from studios or adjustments for earlier periods. In particular, Stillfront has paid withholding tax in the year on dividends distributed from foreign studios, which cannot be offset against Swedish tax and therefore effectively implies a double-taxation of profits already taxed in the

local jurisdiction. An underlying tax rate, which better describes tax costs related to Stillfront's ongoing business, can be calculated excluding such special items.

The underlying tax rate for the quarter, excluding non-deductible transaction costs, earnout revaluations, earnout interest and withholding tax on dividends, was 16 percent. The underlying tax rate varies between quarters due to a different mix between taxable profits and losses in different jurisdictions, as well as non-deductible expenses. The underlying tax rate for the full year was 30 (28) percent.

Financing

MSEK	2023	2022
	31 Dec	31 Dec
Total net debt incl. cash earnout NTM	4,611	4,575
Net debt	4,115	3,826
Cash and cash equivalents	807	989
Interest coverage ratio, x	7.0	11.7
Adjusted interest coverage ratio, pro forma, x	7.0	11.8
Adjusted leverage ratio incl. NTM cash earnout, pro forma, x	1.8	1.8

In the year, settlements of earnout liabilities have taken place with 822 (1,041) MSEK in cash and with 336 (262) MSEK in the form of 18,210,536 (6,137,139) Stillfront shares, whereof 4,769,026 (6,137,139) were new issued shares and 13,441,510 (0) were shares that had been repurchased for 270 (0) MSEK.

In the third quarter, new senior unsecured 2023/2027 bonds were issued in an initial amount of 1,000 MSEK. The bonds were issued under a total framework of 2,000 MSEK, carrying a floating interest rate of 3m Stibor+3.95 percent, with maturity in September 2027. The new bonds were used for a repurchase of around half of the outstanding 2019/2024 bonds, and for a voluntary early redemption of the other half of the outstanding 2019/2024 bonds. The repurchase of bonds was settled at the end of the third quarter and the voluntary early redemption was settled in the beginning of the fourth quarter.

Net debt as of the end of the year amounted to 4,115 (3,826) MSEK. Total net debt, including cash earnouts for the next 12 months, amounted to 4,611 (4,575) MSEK.

The adjusted interest coverage ratio, pro forma was 7.0x (11.8x) at the end of the quarter.

The adjusted leverage ratio, pro forma, including cash earnouts for the next 12 months, was 1.8x (1.8x). Stillfront has a financial target for the adjusted leverage ratio pro forma, including cash earnouts for the next 12 months, not to exceed 2.0x.

At the end of the year, Stillfront had total unutilized credit facilities of 2,432 (2,401) MSEK, of which 2,057 (2,279) MSEK were long-term credit facilities. Cash balances amounted to 807 (989) MSEK.

Stillfront'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 2,488 (2,496) MSEK, however, have a fair value of 2,497 (2,415) MSEK. FX forwards and currency basis swaps with a net carrying amount of -29 (-83) MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 2,043 (3,027) MSEK are measured at fair value through profit and loss.

MSEK	2024	2025	2026	2027	Total
Provisions for earnouts					
Cash	496	426	304	258	1,484
Equity	156	165	129	111	560
Total provisions for earnout	651	591	433	369	2,043

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 year-end, the group had liabilities of 2,043 (3,027) MSEK for earnout provisions, of which 651 (1,071) MSEK current and 1,392 (1,956) MSEK non-current. The book value of the amounts that will be settled during 2024 to 2027 comprises 1,484 MSEK expected to be paid out in cash and 560 MSEK expected to be settled in Stillfront shares.

Earnout provisions at the end of September 2023 were 2,193 MSEK and decreased during the fourth quarter to 2,043 MSEK at the end of December, driven by revaluations of -21 MSEK, non-cash discounting interest of +16 MSEK, and currency exchange differences of -145 MSEK.

Cash flow

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow from operations	347	484	1,690	2,028
Cash flow from investment activities	-211	-480	-1,671	-3,758
Cash flow from financing activities	-314	-301	-175	1,463
Cash flow for the period	-177	-297	-156	-267
Cash and cash equivalents at the end of period	807	989	807	989

The Group had cash flows from operations of 347 (484) MSEK in the fourth quarter. The amount includes taxes paid of -80 (-113) MSEK, cash payments related to net financial items of -90 (-45) MSEK, and changes in working capital of -10 (10) MSEK, including timing impacts of settlements received from platform providers and payments to suppliers.

Cash flows from investment activities amounted to -211 (-480) MSEK, including -204 (-235) MSEK in product development investments, -4 (-9) MSEK in acquisitions of tangible fixed assets, 0 (-206) in business combinations and 0 (-30) in settlements of asset acquisitions.

Cash flows from financing activities amounted to -314 (-301) MSEK, including cash outflow for voluntary redemption of old bonds of -506 (0) MSEK, cash outflows for currency derivatives of -7 (-43) MSEK, lease payments of -16 (-15) MSEK and other net movements on credit facilities of 216 (-243) MSEK.

Free cash flow for the last twelve months amounted to 833 (974) 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 0.35 (0.38). The lower free cash flow compared to the comparison period is driven by higher interest paid on external debt, with cash payments related to net financial items being 143 MSEK higher in 2023 than in 2022, and by higher one-off cash costs for cost optimization projects.

SIGNIFICANT EVENTS IN THE QUARTER

No significant events in the quarter.

SIGNIFICANT EVENTS AFTER QUARTER

Stillfront's emission reduction targets approved by SBTi (Science Based Targets initiative)

Stillfront's targets for reducing greenhouse gas (GHG) emissions have been validated by the Science Based Targets initiative (SBTi) as aligned with the latest climate science and consistent with the goals of the Paris Agreement. Stillfront committed to set targets in line with SBTi's criteria in December 2022 and submitted the new targets for validation in June 2023.

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

MARKET

The games industry is one of the largest entertainment industries globally and is growing as more and more people discover the joys of digital games. According to Newzoo's estimates, the global games market generated revenues of USD 184 billion in 2023 and mobile games make up almost 50 percent of the total global games market. In 2023, almost 3.4 billion people across the world played digital games, of which almost 2.9 billion play on mobile devices.

The mobile games industry declined slightly in 2023. Newzoo estimates that the mobile games market declined by -1.6 percent and generated revenues of USD 90.4 billion in 2023, accounting for 49 percent of the total games market globally. According to data.ai's estimates, global player spending on mobile games declined by -2 percent year-over-year in 2023 to USD 107.3 billion.

In the coming years, the total games industry is expected to grow with an expected CAGR of approximately 4 percent from 2022 to 2026, according to Newzoo. Newzoo expects the global games market to amount to USD 205.7 billion by 2026 and the total number of players to reach almost 3.8 billion. Data.ai expects the mobile games market to rebound and grow by 3.8 percent in 2024.

People across all demographics play games. Nearly two-thirds of US adults play video games regularly and the average age of a gamer in the US is 32 years old, according to the Entertainment Software Association, ESA. The number of female gamers has increased during the past years, and today 46 percent of US video game players identify as female, and 53 percent identify as male.

Sources for market data:

Newzoo's year in review: the 2023 global games market in numbers, December 2023

Data.ai's 5 Mobile App Predictions, December 2023

Data.ai's State of Mobile 2024, January 2024

Essential Facts about the US Video Game Industry 2023, 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 40 (36) MSEK. The result before tax includes dividends from subsidiaries and amounted to 438 (538) 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	11.8%
2	Handelsbanken Funds	33,216,418	5.7%
3	DNB Funds	26,959,473	5.5%
4	First National Pension Fund	26,350,000	4.0%
5	SEB Funds	18,339,232	3.6%
6	Vanguard	16,581,684	2.9%
7	Nordea Liv & Pension	14,924,696	2.9%
8	Utah State Retirement Systems	13,520,680	1.8%
9	DNB Funds	10,130,072	1.6%
10	Alaska Permanent Fund	9,395,936	1.5%
11	Other Shareholders	287,847,872	55.6%

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 outstanding per December 31, 2023, was 517,968,480. This is the number of shares registered at the Companies' Registration Office at that date.

The shares are traded on Nasdaq Stockholm. Closing price as of December 29, 2023, was 12.17 SEK/share.

Following bonds are traded on Nasdaq Stockholm:

2021/2025 bond: ISIN: SE0015961065
2023/2027 bond: ISIN: SE0020846624

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.

DIVIDEND POLICY

Stillfront's board of directors has adopted the following updated dividend policy, which is applicable until further notice:

When cash flow exceeds what Stillfront can invest in profitable expansion over the long-term and funding of potential share repurchase program(s) to cover contingent earn-out liabilities, Stillfront aims to distribute such surplus to shareholders in the form of dividends and/or repurchase of its own shares. Decisions on proposed dividend/share repurchase program(s) will consider Stillfront's financial position and prevailing economic and operational conditions.

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, 7 February 2024

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	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Revenues				
Bookings	1,739	1,760	6,958	7,014
Deferred revenue	2	21	24	44
Net revenue	1,742	1,781	6,982	7,058
Own work capitalized	133	162	575	609
Other revenue	7	7	27	28
Operating expenses				
Direct costs	-376	-426	-1,537	-1,675
User acquisition costs	-539	-439	-1,874	-1,811
Other external expenses	-108	-106	-429	-421
Personnel expenses	-290	-307	-1,234	-1,195
Items affecting comparability	-37	-192	-96	-226
Amortization of product development	-196	-168	-739	-518
Amortization of PPA items	-187	-222	-846	-929
Depreciation	-19	-19	-74	-72
Operating result (EBIT)	130	70	754	850
Result from financial items				
Net financial items	-95	143	-598	-97
Profit before tax	35	214	156	752
Taxes for the period	-25	-11	-143	-206
Net result for the period	10	203	12	547
Other comprehensive income				
Items that later can be reversed in profit				
Foreign currency translation differences	-1,051	867	-488	1,556
Total comprehensive income for period	-1,041	1,070	-475	2,102
Net result for the period attributed to:				
Parent company shareholders	12	213	7	559
Non-controlling interest	-2	-10	6	-12
Period total comprehensive income attributed to:				
Parent company shareholders	-1,039	2,113	-481	2,113
Non-controlling interest	-2	-10	5	-10
Average number of shares				
Undiluted	517,968,480	513,190,931	512,191,294	483,877,769
Diluted	517,968,480	513,190,931	512,191,294	483,877,769
Net result per share attributable to the parent company's shareholders				
Undiluted, SEK/share	0.02	0.42	0.01	1.15
Diluted, SEK/share	0.02	0.42	0.01	1.15

BALANCE SHEET IN SUMMARY, GROUP

MSEK	12/31/2023	12/31/2022
Goodwill	15,595	16,043
Other non-current intangible assets	5,227	6,149
Tangible non-current assets	116	157
Deferred tax assets	21	75
Other non-current assets	16	16
Current receivables	823	697
Cash and cash equivalents	807	989
Total assets	22,605	24,126
Shareholders' equity		
Shareholders' equity attributable to parent company's shareholding	13,838	14,237
Non-Controlling interest	8	6
Total Shareholders' equity	13,846	14,242
Non-current liabilities		
Deferred tax liabilities	929	1,127
Bond loans	2,488	2,496
Liabilities to credit institutions	1,693	1,471
Term loan	666	668
Other liabilities	101	192
Provisions for earnout	1,392	1,956
Total non-current liabilities	7,268	7,909
Current liabilities		
Liabilities to credit institutions	27	79
Bond loans	-	-
Equity swap	19	20
Other liabilities	794	805
Provisions for earnout	651	1,071
Total current liabilities	1,491	1,975
Total Liabilities and Shareholders' equity	22,605	24,126

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
Opening balance 2022-01-01	27	8,541	-120	1,325	9,772	23	9,795
Net result for the period				559	559	-12	547
Foreign currency translation differences			1,554	-	1,554	2	1,556
Total comprehensive income	-	-	1,554	559	2,113	-10	2,102
Total transactions with shareholders	9	2,401	-	-58	2,352	-7	2,345
Closing balance 2022-12-31	36	10,942	1,434	1,825	14,237	6	14,242
Opening balance 2023-01-01	36	10,942	1,434	1,825	14,237	6	14,242
Net Result for the period				7	7	6	12
Foreign currency translation differences			-487	-	-487	-0	-488
Total comprehensive income	-	-	-487	7	-481	5	-475
Repurchase of own shares				-270	-270	-	-270
Other transactions with shareholders	0	87	-	265	352	-3	349
Closing balance 2023-12-31	36	11,029	947	1,826	13,838	8	13,846

CASH FLOW IN SUMMARY, GROUP

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operations				
Profit before tax	35	214	156	752
Adj for items not in cash flow etc	403	373	1,940	1,640
Tax paid	-80	-113	-322	-310
Cash flow from operations before changes in working capital	357	474	1,774	2,082
Changes in working capital				
Increase(-)/Decrease(+) in operating receivables	-36	29	-94	74
Increase (+)/Decrease(-) in operating liabilities	27	-18	10	-129
Cash flow from changes in working capital	-10	10	-84	-54
Cash flow from operations	347	484	1,690	2,028
Investment activities				
Acquisition and divestment of business	-0	-206	-837	-2,724
Acquisition of tangible assets	-4	-9	-28	-30
Capitalization of product development	-204	-235	-805	-996
Acquisition of game assets	-	-30	-	-31
Net change in financial assets	-2	1	-2	22
Cash flow from investment activities	-211	-480	-1,671	-3,758
Financing activities				
Net change in borrowings	-290	-243	202	-288
Realized foreign currency swap	-7	-43	-54	-159
IFRS 16 lease repayment	-16	-15	-52	-57
Proceeds from share issuance	-	-	-	2,001
Issue cost	0	-0	-0	-35
Repurchase of own shares	-	-	-270	-
Cash flow from financing activities	-314	-301	-175	1,463
Cash flow for the period	-177	-297	-156	-267
Cash and cash equivalents at start of period	1,039	1,350	989	1,133
Translation differences	-55	-64	-27	123
Cash and cash equivalents at end of period	807	989	807	989

PARENT COMPANY INCOME STATEMENT, SUMMARY

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue				
Net revenue	40	36	164	144
Own work capitalized	3	5	14	14
Operating expenses				
Other external expenses	-18	-15	-65	-72
Personnel expenses	-33	-32	-132	-116
Operating result	-8	-7	-19	-30
Result from financial items				
Net financial items	537	290	937	-453
Result after financial items	530	284	918	-484
Appropriations				
Group contribution	-92	254	-92	254
Profit before tax	438	538	826	-230
Tax for the period	-76	-167	-83	60
Net result for the period	362	371	743	-170

PARENT COMPANY BALANCE SHEET, SUMMARY

MSEK	12/31/2023	12/31/2022
Intangible assets	26	16
Tangible non-current assets	1	1
Financial non-current assets	21,903	21,451
Deferred tax	21	75
Current receivables	66	390
Cash and bank	0	0
Total assets	22,017	21,932
Shareholders' equity	13,513	12,682
Provisions for earnouts	1,687	2,384
Non-current liabilities	52	212
Bond loans	2,488	2,496
Liabilities to credit institutions	1,720	1,549
Term loan	666	668
Equity swap	19	20
Other current liabilities	1,873	1,921
Total liabilities & Shareholders' equity	22,017	21,932

KEY FIGURES, GROUP

MSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Bookings	1,739	1,760	6,958	7,014
Deferred revenue	2	21	24	44
Net revenue	1,742	1,781	6,982	7,058
Gross profit	1,365	1,355	5,445	5,384
<i>Gross profit margin, %</i>	78	76	78	76
EBIT	130	70	754	850
EBITDA	531	655	2,413	2,545
<i>EBITDA margin, %</i>	31	37	35	36
Items affecting comparability, EBITDA	37	17	96	50
Adjusted EBITDA	569	672	2,510	2,595
<i>Adjusted EBITDA margin, %</i>	33	38	36	37
Capitalization of product development	204	235	805	996
Adjusted EBITDAC	365	437	1,705	1,599
<i>Adjusted EBITDAC margin, %</i>	21	25	24	23
Profit before tax	35	214	156	752
Net result	10	203	12	547
Number of Employees	1,401	1,589	1,401	1,589
Adjusted interest coverage ratio, pro forma, x	7.0	11.8	7.0	11.8
Adjusted leverage ratio incl. NTM cash earnout payments, pro forma, x	1.84	1.75	1.84	1.75
Shareholders' equity per share undiluted, SEK	26.72	27.74	26.72	27.74
Shareholders' equity per share diluted, SEK	26.72	27.74	26.72	27.74
Earnings per share undiluted, SEK	0.02	0.42	0.01	1.15
Earnings per share diluted, SEK	0.02	0.42	0.01	1.15
No of shares end of period undiluted	517,968,480	513,199,454	517,968,480	513,199,454
No of shares end of period diluted	517,968,480	513,199,454	517,968,480	513,199,454

CURRENCY TABLE (MAIN CURRENCIES)

MSEK	Average	Average	Average	Average	Closing	Closing
	2023	2022	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
1 EUR=SEK	11.4788	10.9343	11.4765	10.6317	11.0960	11.1283
1 USD=SEK	10.6850	10.7245	10.6128	10.1245	10.0416	10.4371
100 JPY=SEK*	7.2160	7.5834	7.5590	7.6860	7.0980	7.9167

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 average 2022 Jan-Dec rate for 100 JPY=SEK refers to the average rate during February-December 2022, as 6waves was consolidated from 1 February 2022.

ACQUISITIONS

MSEK

Purchase price	6waves
Cash and cash equivalents	1,740
New shares issued	147
Contingent consideration (earnout)	389
Total purchase consideration	2,277
The fair value of acquired assets and assumed liabilities (SEKm):	
Intangible non-current assets	789
Property, plant and equipment	1
Current receivables excl cash and bank	107
Cash and cash equivalents	37
Non-current liabilities	
Deferred tax liabilities	-104
Current liabilities	-134
Total net assets acquired excluding goodwill	696
Goodwill	1,581
Total net assets acquired	2,277
Less	
Cash and cash equivalents	-37
Ordinary shares issued	-147
Provision for earnout	-389
Net cash outflow on acquisition of business	1,703
Percentage of shares and votes acquired (%)	100
Transaction costs	29
Consolidated since	1 Feb 2022
Net revenues for the year, before being consolidated	67
Adjusted EBITDA for the year, before being consolidated	18

No business combinations have taken place during 2023.

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 final purchase price allocation analysis of 6waves is provided above.

DEFINITIONS

Key figures and alternative performance measures

ARPDUA

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.

Operating profit (EBIT)

Profit before financial items and tax.

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.

Adjusted EBITDAC

EBITDA less capitalized product development, adjusted for items affecting comparability.

Adjusted EBITDAC margin

Adjusted EBITDAC as a percentage of Net revenue.

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 Direct costs.

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.

Adjusted interest coverage ratio, pro forma

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 debt in relation to the last twelve months' Adjusted EBITDA. Adjusted leverage ratio, pro forma is calculated as Net debt in relation to the last twelve month's Adjusted EBITDA pro forma.

Adjusted leverage ratio, including NTM cash earnout

Net debt, including cash earnout payments for the next twelve months, in relation to the last twelve months' Adjusted EBITDA. Adjusted leverage ratio, including NTM cash earnout, pro forma is calculated as Net debt, including cash earnout payments for the next twelve months, 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, acquisitions and divestments. Net revenues in acquired operations are considered as acquired growth during twelve months from the acquisition date. The impact of pausing operations in Bangladesh is excluded from the measure.

Shareholders' equity/share

Shareholders' equity attributable to the parent company shareholders divided by the number of shares at the end of the period.

Tax rate

Tax rate is calculated as total tax for the period divided by profit before tax. Underlying tax rate is calculated as underlying tax divided by profit before tax excl. transaction costs, earnout interest and earnout revaluations.

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	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Items affecting comparability, IAC				
Revenue				
Other	-	-	-	-
Total IAC Revenues affecting EBIT	-	-	-	-
Costs				
Restructuring costs	-17	-9	-44	-9
Transaction costs	-	-	-0	-14
Long term incentive programs	-7	-7	-24	-26
Other costs	-13	-0	-28	-0
Amortization of product development	-	-176	-	-176
Total IAC Costs affecting EBIT	-37	-192	-96	-226
Total IAC in operating profit (EBIT)	-37	-192	-96	-226
Financial income				
Revaluation of earnouts	21	241	-	237
Other	-	-	-	-
Total IAC financial income	21	241	-	237
Financial costs				
Revaluation of earnouts	-	-	-150	-
Other	-5	-	-10	-
Total IAC financial costs	-5	-	-160	-
Total IAC in net financial items	16	241	-160	237

APM

	2023	2022	2023	2022
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	1,742	1,781	6,982	7,058
Direct costs	-376	-426	-1,537	-1,675
Gross profit	1,365	1,355	5,445	5,384
EBITDA				
Operating profit (EBIT)	130	70	754	850
Amortization of PPA items	187	222	846	929
Other amortization and depreciation	215	187	813	590
Comparison disturbing amortizations	-	176	-	176
EBITDA	531	655	2,413	2,545
Adjusted EBITDA and EBITDAC				
EBITDA	531	655	2,413	2,545
Items affecting comparability	37	17	96	50
Adjusted EBITDA	569	672	2,510	2,595
Capitalization of product development	-204	-235	-805	-996
Adjusted EBITDAC	365	437	1,705	1,599
In relation to net revenue				
<i>Gross profit margin, %</i>	78	76	78	76
<i>EBITDA margin, %</i>	31	37	35	36
<i>Adjusted EBITDA margin, %</i>	33	38	36	37
<i>Adjusted EBITDAC margin, %</i>	21	25	24	23
Cash conversion last 12 months				
Cash flow from operations last 12 months	1,690	2,028	1,690	2,028
IFRS 16 lease repayment last 12 months	-52	-57	-52	-57
Acquisition of intangible assets last 12 months	-805	-996	-805	-996
Free cash flow last 12 months	833	974	833	974
Divided by				
EBITDA last 12 months	2,413	2,545	2,413	2,545
Cash conversion rate	0.35	0.38	0.35	0.38
MSEK				
	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Adjusted interest coverage ratio				
Adjusted EBITDA last 12 months	2,510	2,595	2,510	2,595
Divided by				
Net financial items last 12 months	598	97	598	97
Total IAC affecting financial items last 12 months	-160	237	-160	237
Interest on earnout consideration affecting financial items last 12m	-80	-113	-80	-113
Adjusted interest coverage ratio, x	7.0	11.7	7.0	11.7
Adjusted leverage ratio				
Bond loans	2,488	2,496	2,488	2,496
Liabilities to credit institutions	1,720	1,549	1,720	1,549
Term loan	666	668	666	668
Equity swap	19	20	19	20
Currency derivatives	29	83	29	83
Cash and cash equivalents	-807	-989	-807	-989
Net debt	4,115	3,826	4,115	3,826
Cash earnout next 12 months	496	748	496	748
Total net debt incl. cash earnout NTM	4,611	4,575	4,611	4,575
Divided by				
Adjusted EBITDA last 12 months	2,510	2,595	2,510	2,595
Adjusted leverage ratio, x	1.64	1.47	1.64	1.47
Adjusted leverage ratio incl. NTM cash earnout, x	1.84	1.76	1.84	1.76

APM pro forma

	2023	2022
MSEK	Jan-Dec	Jan-Dec
Adjusted EBITDA, pro forma		
Adjusted EBITDA last 12 months	2,510	2,595
<i>Including</i>		
EBITDA, acquired companies	-	18
Adjusted EBITDA, pro forma	2,510	2,612
Adjusted interest coverage ratio, pro forma		
Adjusted EBITDA last 12 months, pro forma	2,510	2,612
<i>Divided by</i>		
Net financial items last 12 months	598	97
Total IAC affecting financial items last 12 months	-160	237
Interest on earnout consideration affecting financial items	-80	-113
Adjusted interest coverage ratio, x, pro forma	7.0	11.8
Adjusted leverage ratio, pro forma, x		
Net debt	4,115	3,826
Cash earnout next 12 months	496	748
Total net debt incl. cash earnout NTM	4,611	4,575
<i>Divided by</i>		
Adjusted EBITDA, pro forma	2,510	2,612
Adjusted leverage ratio, pro forma, x	1.64	1.46
Adjusted leverage ratio incl. NTM cash earnout, pro forma, x	1.84	1.75

Share data

	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Equity per share				
Shareholders' equity attributable to parent co's shareholders, MSEK	13,838	14,237	13,838	14,237
<i>Divided by</i>				
No of shares end of period undiluted	517,968,480	513,199,454	517,968,480	513,199,454
Shareholders' equity per share undiluted, SEK	26.72	27.74	26.72	27.74
No of shares end of period diluted	517,968,480	513,199,454	517,968,480	513,199,454
Shareholders' equity per share diluted, SEK	26.72	27.74	26.72	27.74
Earnings per share				
Net result for the period attributed to parent co's shareholders, MSEK	12	213	7	559
<i>Divided by</i>				
Average no of shares period undiluted	517,968,480	513,190,931	512,191,294	483,877,769
Earnings per share undiluted, SEK	0.02	0.42	0.01	1.15
Average no of shares period diluted	517,968,480	513,190,931	512,191,294	483,877,769
Earnings per share diluted, SEK	0.02	0.42	0.01	1.15

Financial calendar

Annual & sustainability report 2023	22 April 2024
Interim report January-March 2024	25 April 2024
Annual General Meeting 2024	14 May 2024
Interim report January-June 2024	22 July 2024
Interim report January-September 2024	23 October 2024

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For further information, please contact:

Jörgen Larsson, CEO

Andreas Uddman, CFO

Tel: +46 70 3211800, jorgen@stillfront.com

Tel: +46 70 0807846, andreas@stillfront.com

About Stillfront

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by more than 50 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,400 professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm. For further information, please visit: www.stillfront.com

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