



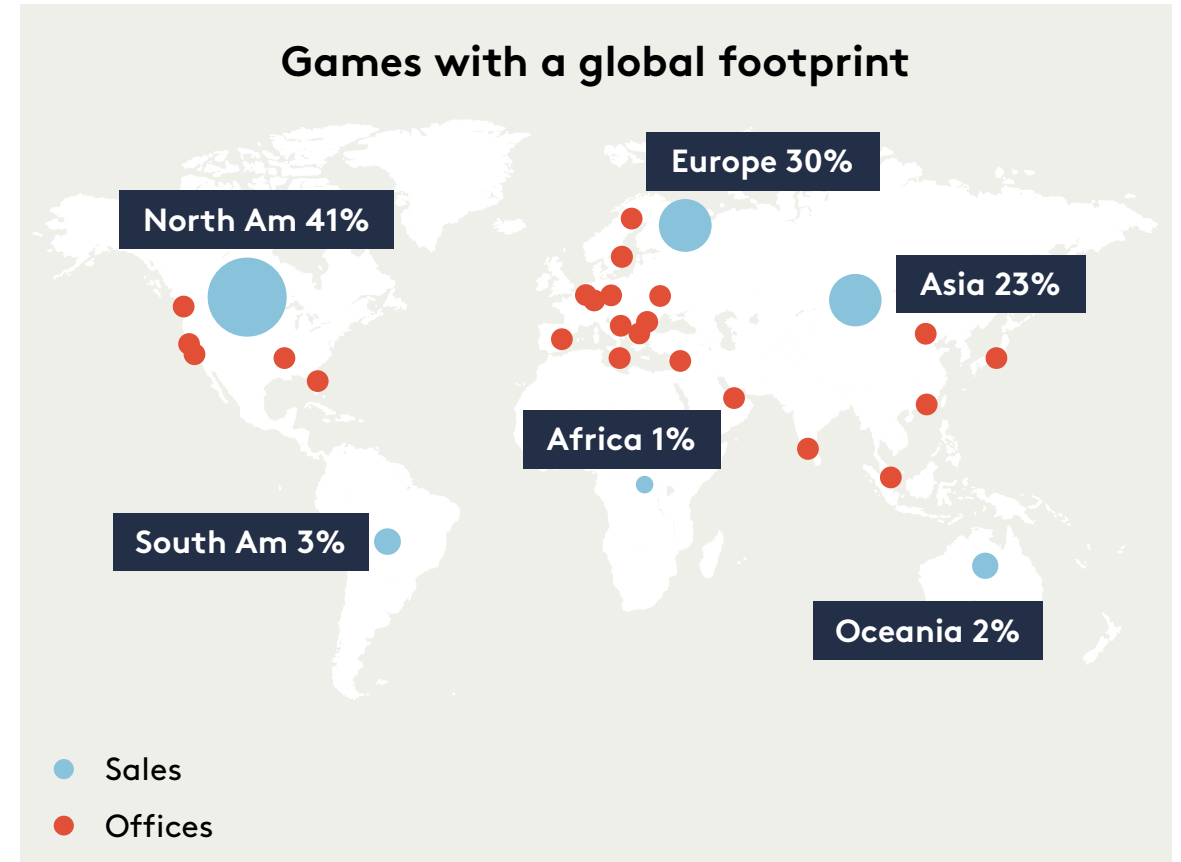
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Full-year report 2023

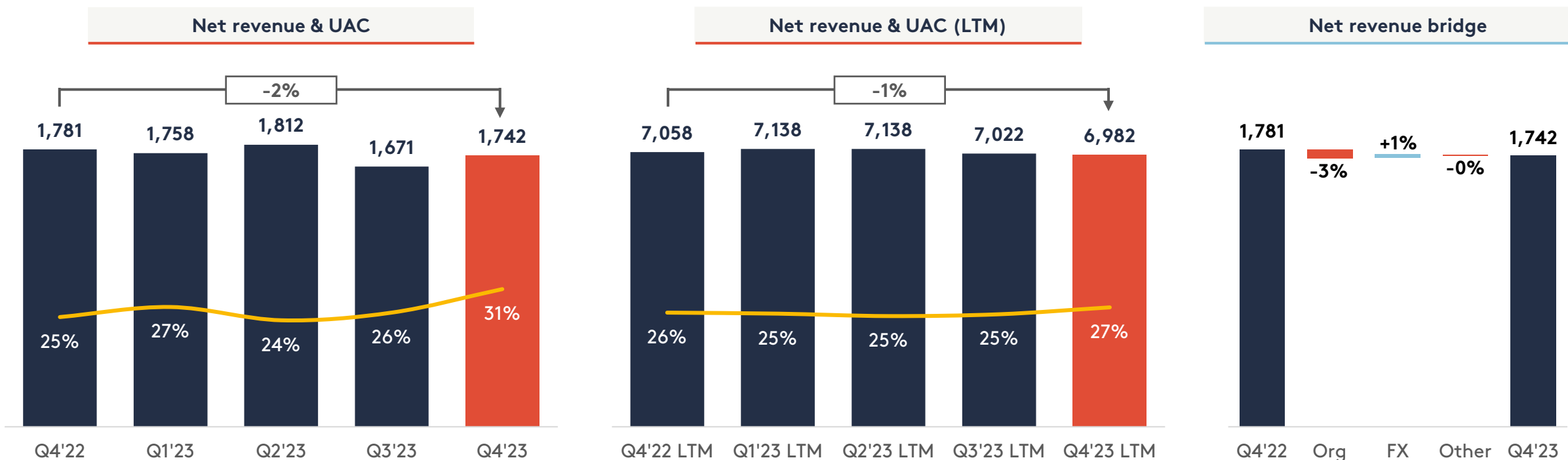
Return to organic bookings growth in November and December

- › Net revenue declined 2 percent year-over-year in the fourth quarter
- › Organic bookings declined by 2 percent, positive in November and December
- › Gross profit grew by 1 percent in fourth quarter, gross margin increased by 2 percentage points year-over-year to 78 percent
- › For full-year 2023, adjusted EBITDAC margin increased by 1.8 percentage points from 22.7 to 24.4 percent
- › Adjusted EBITDAC margin down by 4 percentage points year-over-year to 21 percent in fourth quarter, UAC in relation to net revenue up by 6 percentage points
- › Increase in UAC driven mainly by successful scaling of new game Sunshine Island
- › Free cash flow of 833 MSEK in the last 12 months, decrease from previous year driven mainly by higher interest rates and one-off costs for cost optimization projects



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

REVENUE DEVELOPMENT

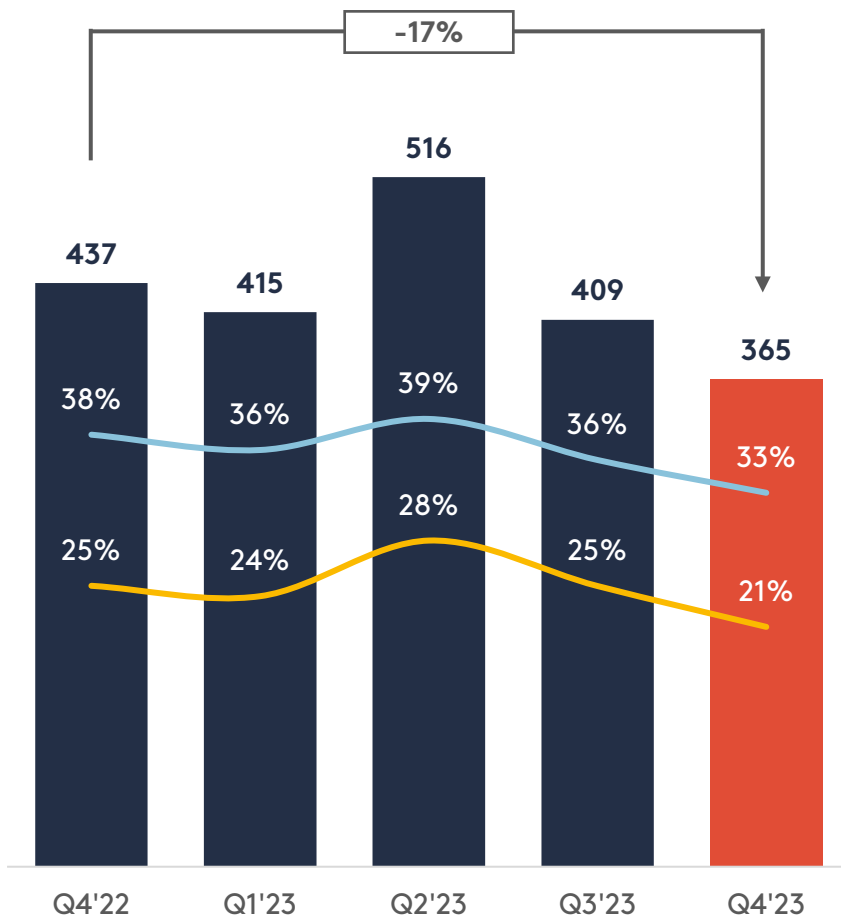


- Net revenue declined -2 percent year-over-year, organic net revenues were down by -3 percent, organic bookings down -2 percent
- Bookings returned to positive organic growth for November and December, and the sequential quarter-over-quarter organic growth amounted to 7 percent in the fourth quarter
- The strong recovery in organic performance was driven by significant scaling of new and existing games, which drove increased user acquisition spend in the quarter
- User acquisition cost in relation to net revenue up by 1 percentage point year-over-year for full-year 2023

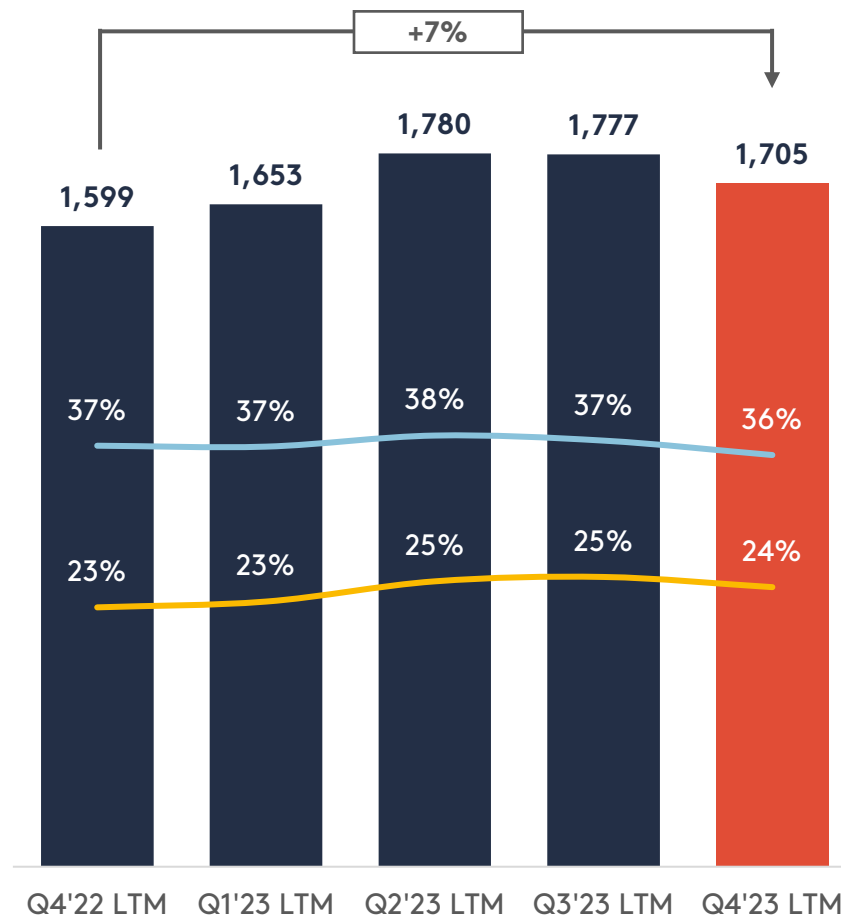
- Adj. EBITDAC, MSEK
- Adj. EBITDAC margin, %
- Adj. EBITDA margin, %

MARGIN DEVELOPMENT

Adjusted EBITDAC



Adjusted EBITDAC (LTM)



- Adjusted EBITDAC margin 21 percent, down from 25 percent same period last year, driven by increased UAC
- YTD EBITDAC margin 24 percent, up 1.8 percentage points year-over-year
- Gross margin improvement of 2 percentage points year-over-year
- Continued focused product investments driving lower capitalization with improved ROI

11.7%

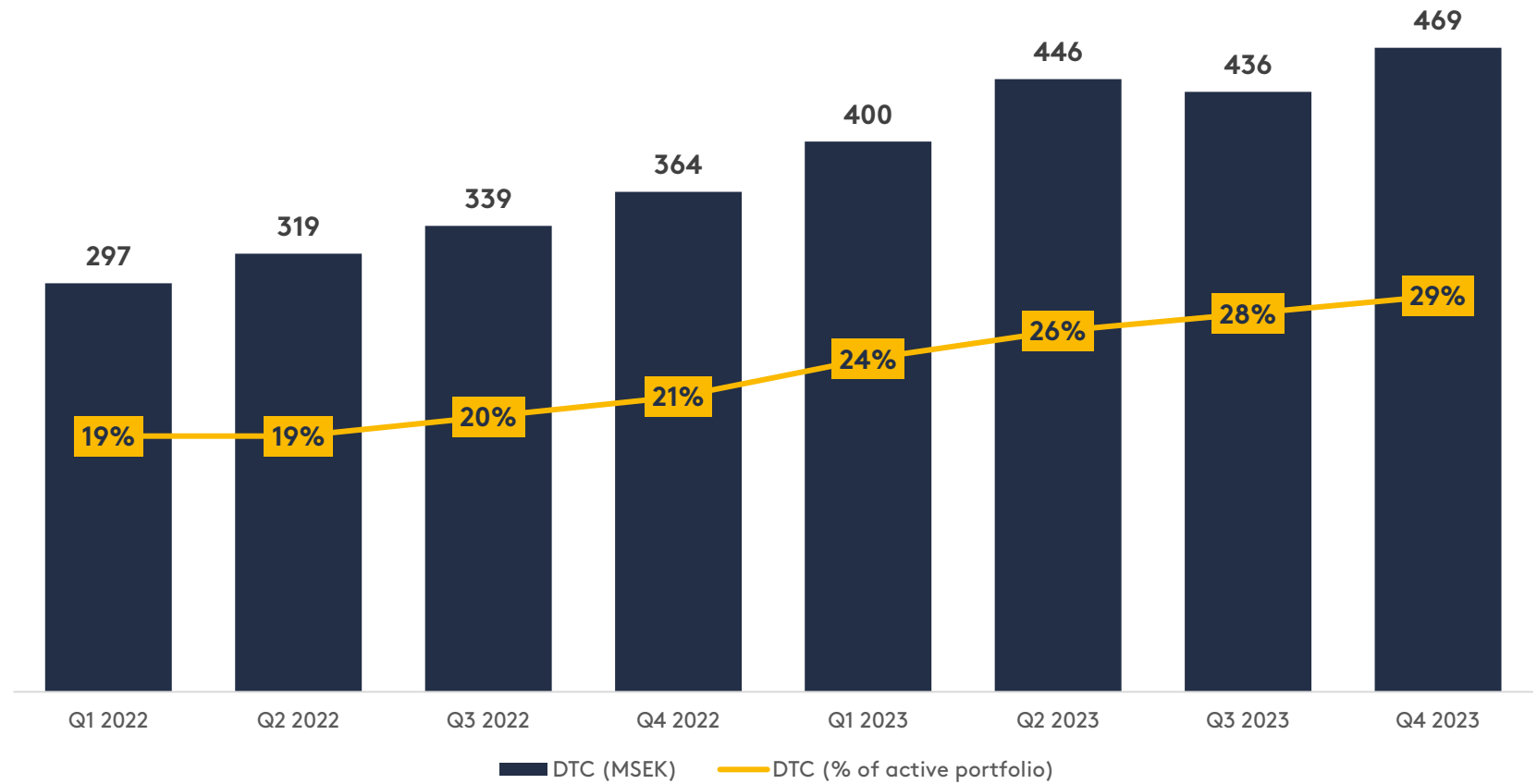
Capitalized product development in relation to net revenue in Q4

DTC platforms continue to gain momentum

- › Direct-to-consumer (DTC) primarily consist of bookings generated from Stillfront's own internal proprietary payment platforms
- › Payment processing fees significantly lower in Stillfront's proprietary channels compared to 3rd party stores
- › Stillfront's DTC bookings grew by 29 percent year-over-year
- › Stillfront's gross margin increased by 2.3 pp year-over-year in Q4'23

2.3pp

Q4 2023
year-over-year
increase in gross
profit margin



Improved market conditions and strong game performance in fourth quarter

Portfolio highlights

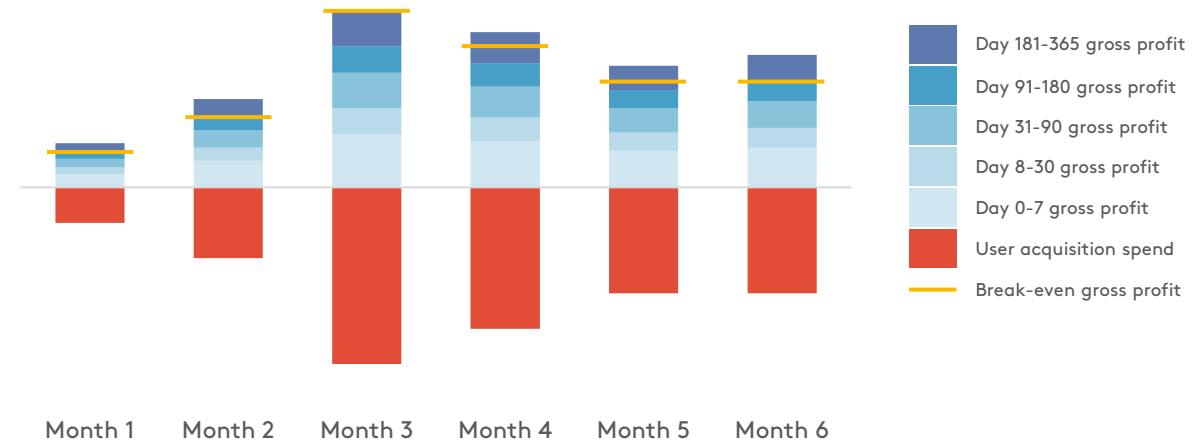
- › Better marketing conditions in line with historical seasonal trends paired with improved game KPIs drove significant scaling of key titles in November and December
- › Supremacy franchise scaled well in quarter, driving sequential uplift in Strategy portfolio
- › Survival Tactics from 6waves added to active portfolio in fourth quarter
- › Continued strong performance from tabletop franchises Ludo Club and Jawaker
- › Sunshine Island saw strong growth trajectory following inclusion in active portfolio in third quarter, accounted for majority of increase in UAC in the fourth quarter



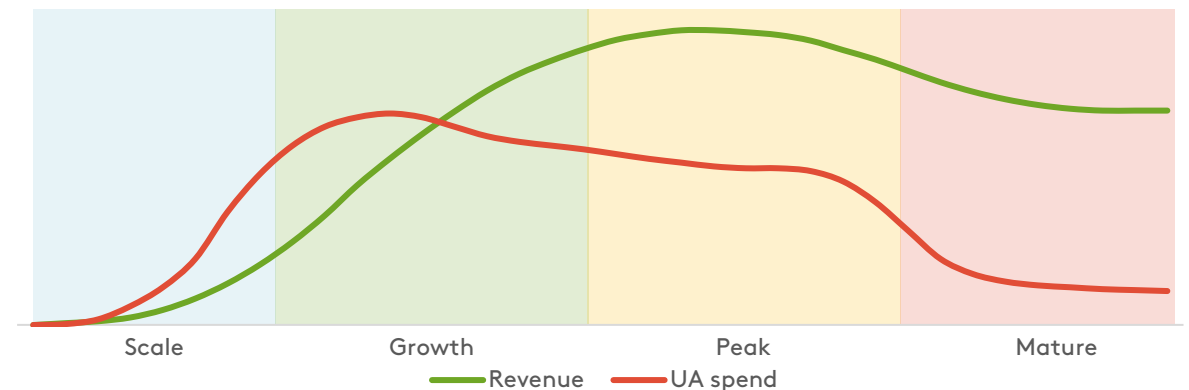
Launching and scaling new games for long-term growth

- › Stillfront spends user acquisition with an average return net of platform fees (gross profit) of 100% in 180 days across its portfolio of existing games
- › When scaling promising new games, Stillfront invests heavily and lengthens the payback period on user acquisition to build up necessary momentum and a critical mass of users
 - › Scaling of promising new games leads to reduced profitability short-term, to drive higher long-term revenues
- › New games are continued to be developed after launch, adding in-game features, payment functionalities and support of new regions, which drives increased lifetime value over time
- › Diligent soft launch ensure that we understand cohort developments and achieve positive return on our user acquisition once marketing scales up
 - › Only a limited number of new game projects make it to the scaling phase

Illustrative example of scaling of a new game*



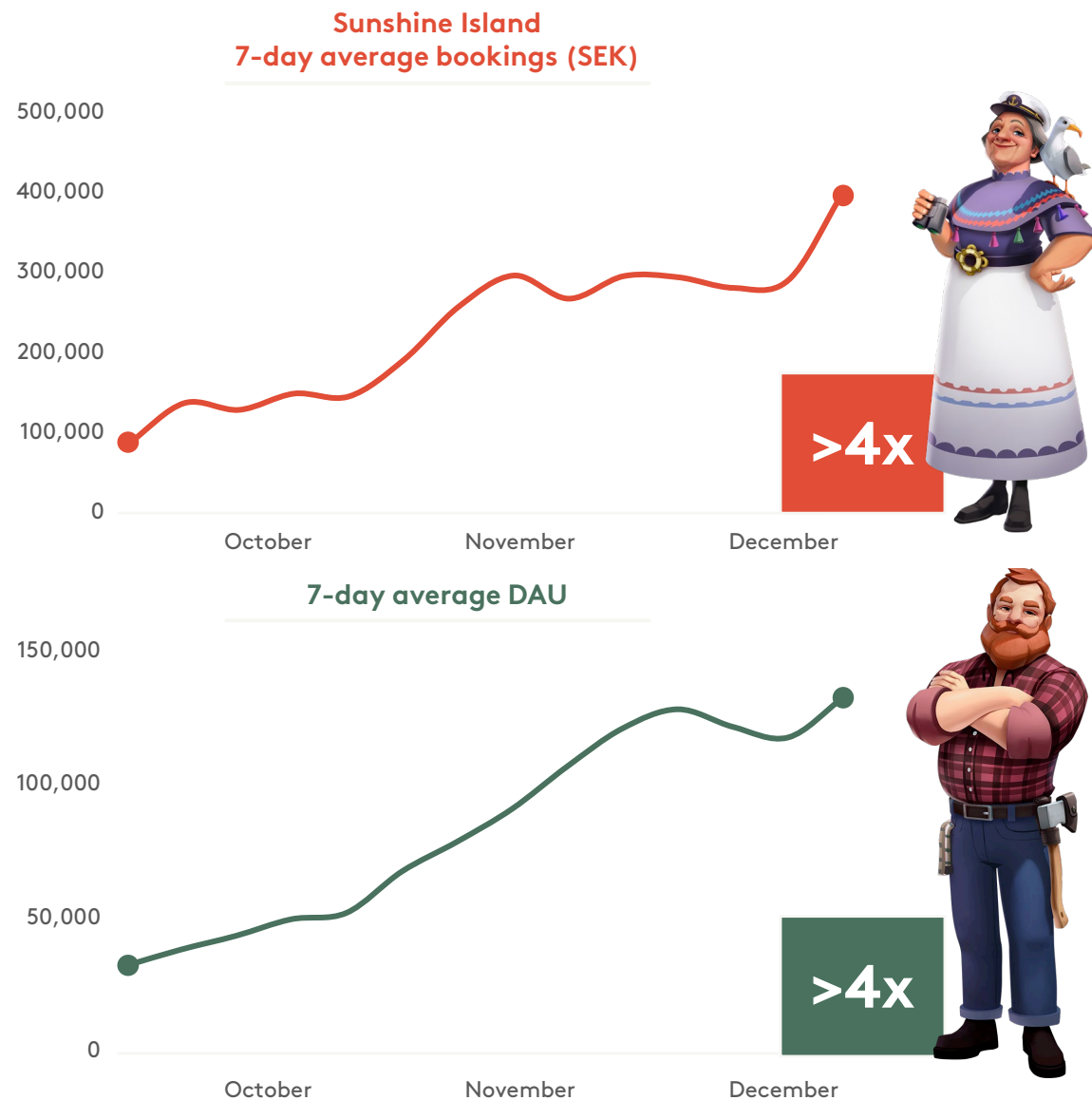
Illustrative example a game's lifecycle*



*The example is illustrative and does not represent an actual game title. Actual ROAS and lifetime value differ widely between titles and genres. Games can also have more than one cycle during a lifetime.

Scaling Sunshine Island in the fourth quarter

- › Sunshine Island is one of Stillfront's most successful new game launches
- › Sunshine Island accounted for more than 60 MSEK of user acquisition cost in quarter, driving a significant share of the sequential increase
- › Game scaled rapidly in quarter, on track to outgrow Big Farm: Mobile Harvest and become the new flagship game in Stillfront's Big Farm franchise
- › Strong game performance behind large user acquisition push in fourth quarter, Sunshine Island's early KPIs ahead of Big Farm: Mobile Harvest on key metrics including day 0 to day 90 retention and marketing cost (CPPU)
- › Daily bookings and user run-rate increased more than 4x from first to last week of the fourth quarter, with performance in January stabilizing at high levels
 - › Certain seasons, like the weeks following Christmas, are especially attractive to spend user acquisition to grow games, which drove boost towards the end of the quarter
- › Short-term roadmap includes releasing in new languages, launching webshop functionality, continued roll-out of additional game content and live ops events



ACTIVE PORTFOLIO: TOTAL

Bookings (MSEK)

-4% YoY

MAU ('000)

-16% YoY

DAU ('000)

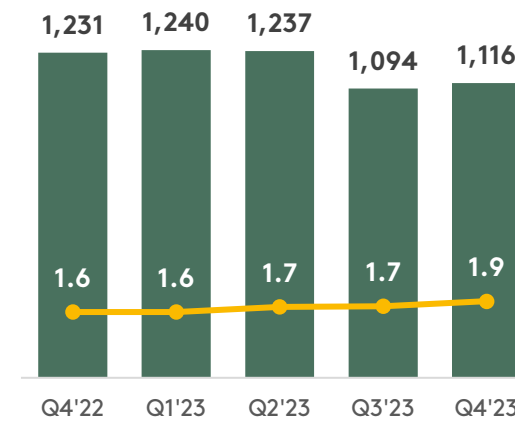
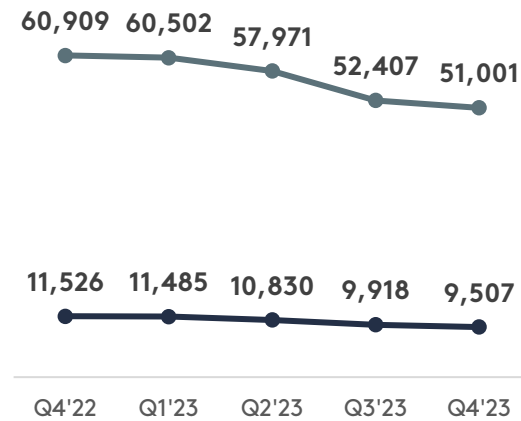
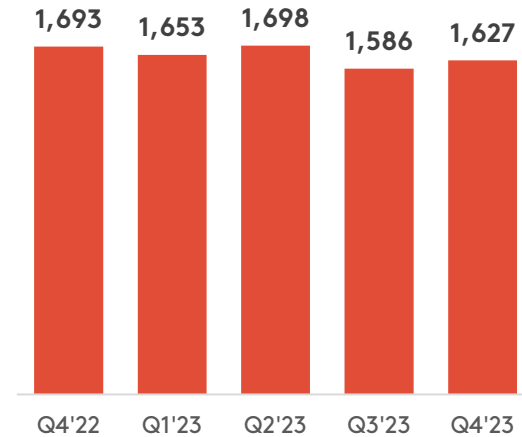
-18% YoY

MPU ('000)

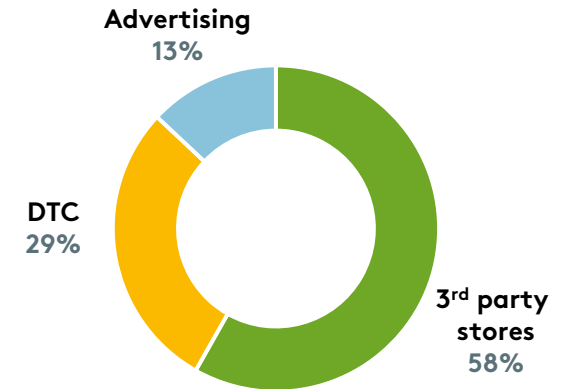
-9% YoY

ARPDau (SEK)

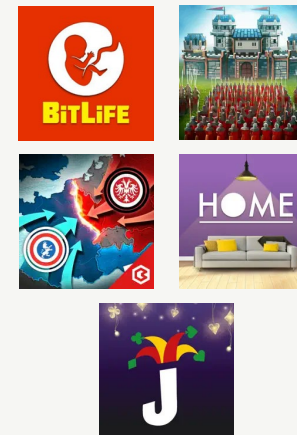
+16% YoY



Bookings by channel



- Year-over-year user number decline slowed in the quarter, MPUs up by 2 percent sequentially compared to third quarter
- MAU and DAU bottomed out in October, followed by month-over-month increases in both November and December
- ARPDau up significantly quarter-over-quarter and year-over-year driven by strong monetization across product areas and larger share of bookings from Strategy
- Direct-to-Consumer (DTC) up by 7 percentage points year-over-year due to ongoing strategic initiative to increase share of own channels, driving gross margin improvement



51%

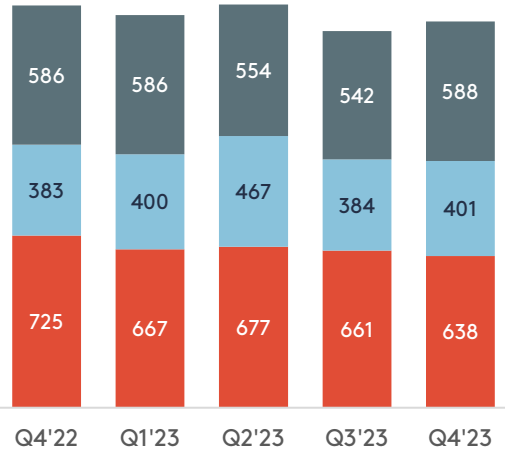
share of bookings in active portfolio generated by Stillfront's top 5 franchises in Q4

29%

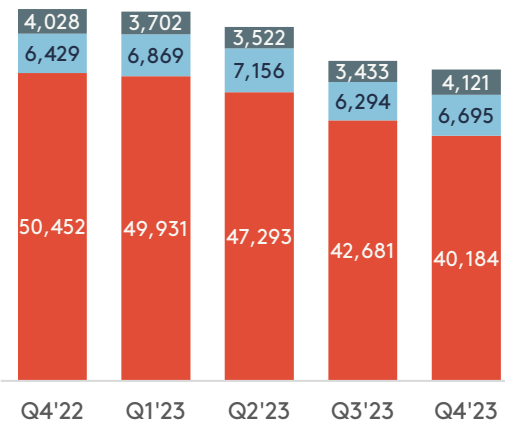
share of bookings in active portfolio from DTC channels in Q4

ACTIVE PORTFOLIO: TOTAL

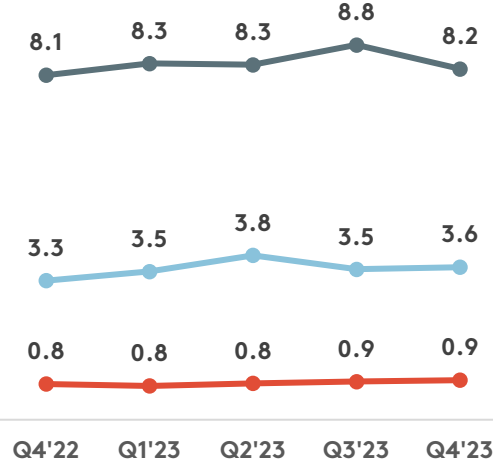
Bookings (MSEK)



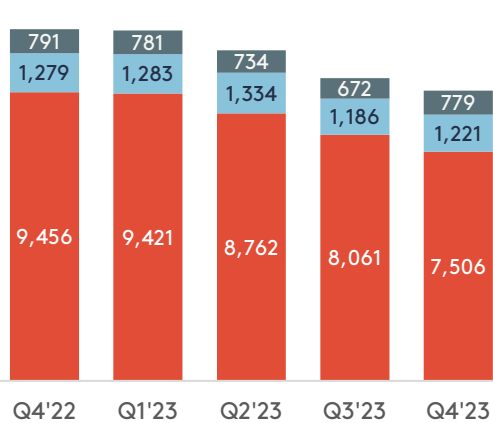
Monthly active users ('000)



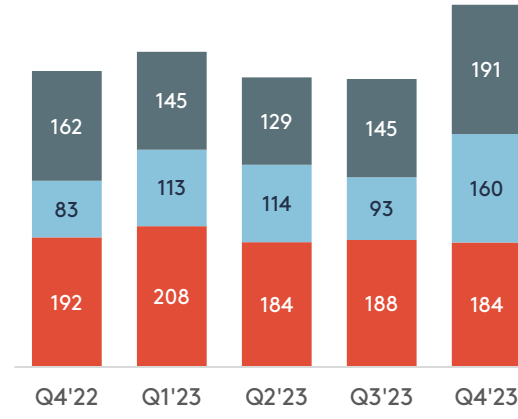
ARPPDAU (SEK)



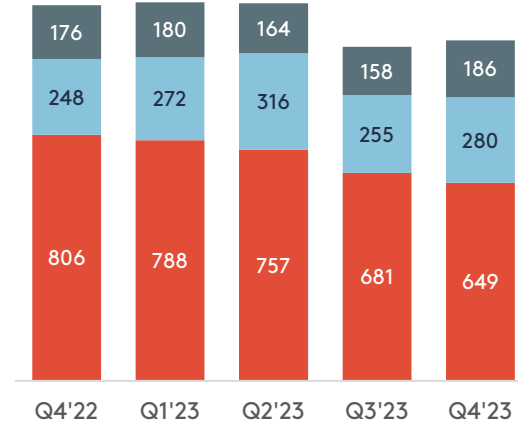
Daily active users ('000)



User acquisition cost (MSEK)

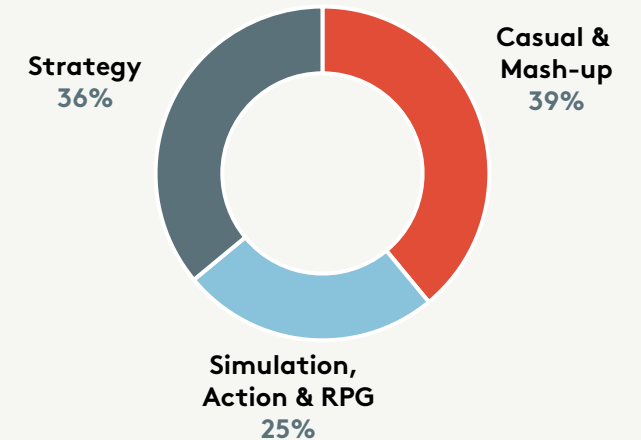


Monthly paying users ('000)

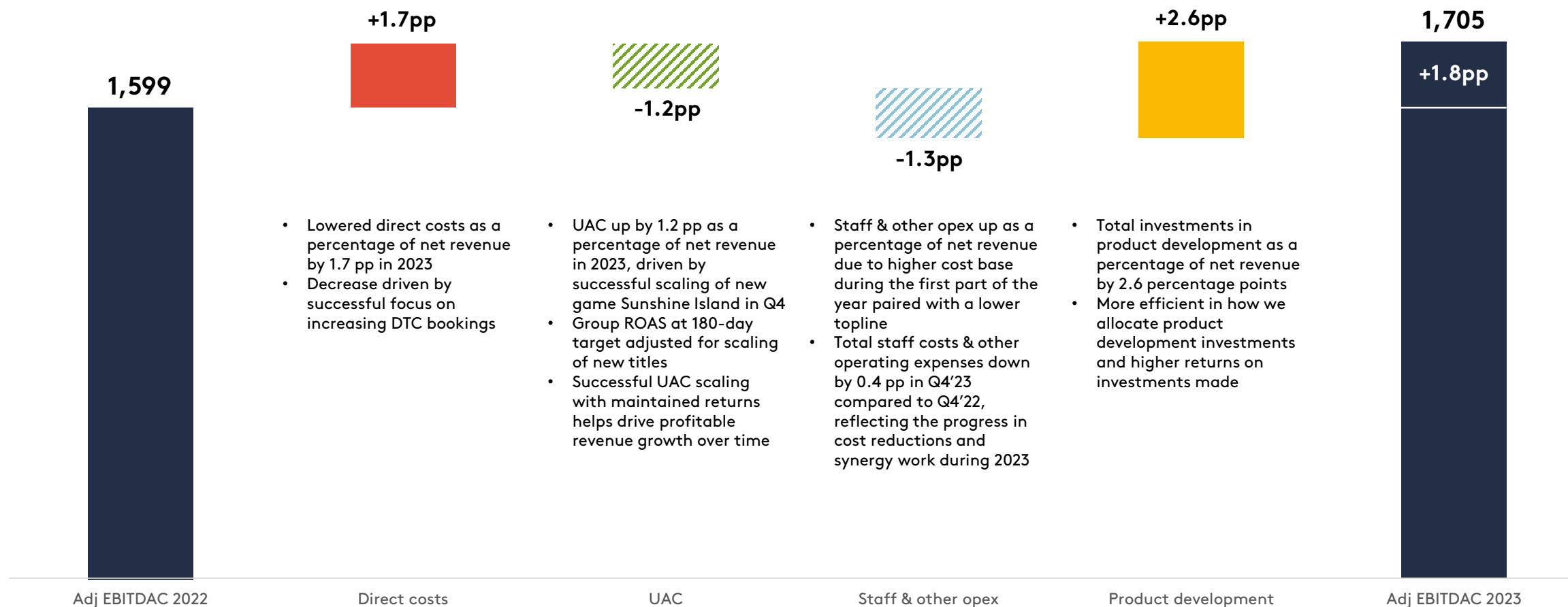


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- › Strong sequential increase in bookings and users in Strategy driven by successful scaling of Supremacy franchise
- › Scaling of Sunshine Island drives significant UAC increase in Simulation, Action & RPG
- › Lower UAC levels drives lower bookings and user numbers in Casual & Mash-up
- › Group ROAS at 180-day target adjusted for scaling of new titles
- › Successful live ops drives improved monetization year-over-year in all product areas



Significant profitability improvements during 2023



Strong cash generation enables growth initiatives

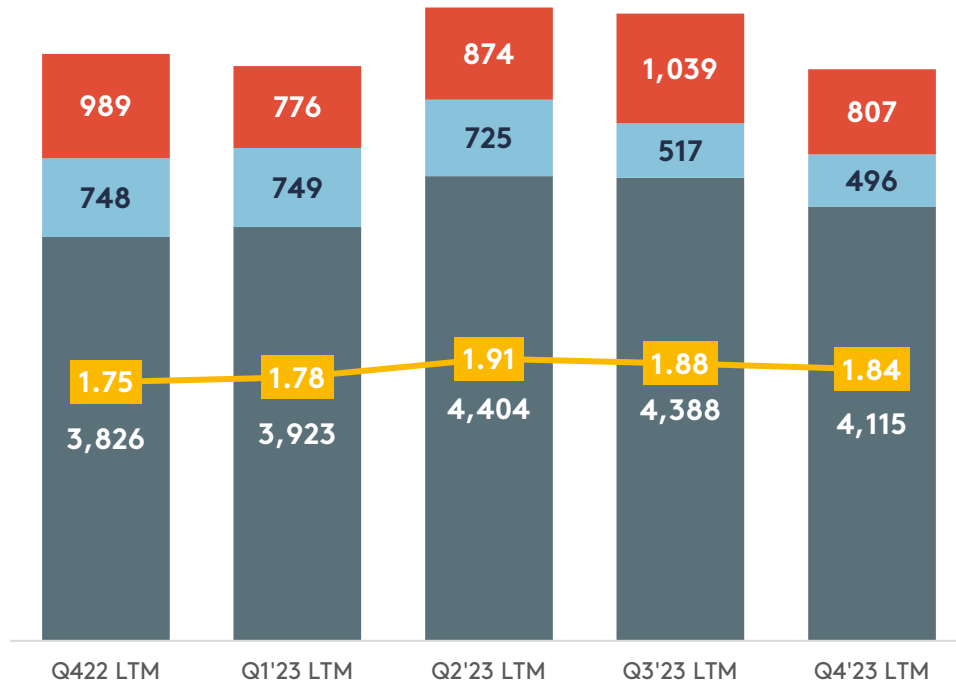
Q4, MSEK	Q4 2023	Q4 2022
Cash flow from operations (before NWC)	357	474
Change in net working capital	-10	10
Cash flow from operations (CFFO)	347	484
Cash flow from investment activities	-211	-480
Cash flow from financing activities	-314	-301
Cash flow for the period	-177	-297

Strong scaling of games towards end of quarter drove slightly negative NWC

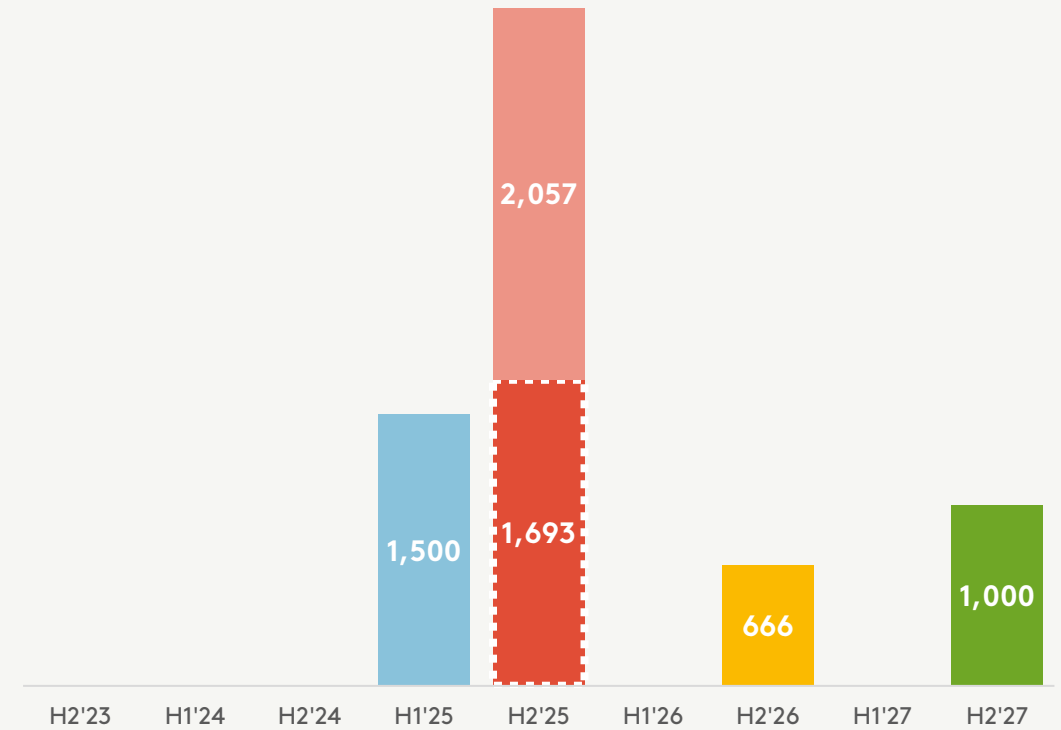
Last 12 months, MSEK	Q4 2023	Q4 2022	Δ %
Cash flow from operations (before NWC)	1,774	2,082	-15%
Change in net working capital	-84	-54	55%
IFRS 16 lease repayment	-52	-57	-9%
CFFO (- IFRS 16 lease repayment)	1,638	1,971	-17%
Capitalization of product development	-805	-996	-19%
- in relation to CFFO (- IFRS 16 lease repayment)	-49%	-51%	1 pp
Free cash flow	833	974	-14%
EBITDA last 12 months	2,413	2,545	-5%
Cash conversion rate	0.35	0.38	-10%

Continued healthy cash flow that enables high UA investments, FCF impacted by higher interest rates and cost optimization projects

Leverage within target and continued attractive 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 2025, MSEK
- Term loan facility, MSEK
- of which utilized
- Bond 2027, MSEK

Significant sequential organic improvement in fourth quarter

- › Improved market conditions and promising game launches drove improvement in fourth quarter
- › Record levels of user acquisition spend resulted in a lower EBITDAC margin, while supporting our long-term growth opportunities
- › Higher user acquisition expected to continue into first quarter, driven by continued strong marketability from Sunshine Island and other games in the active portfolio
- › Year-over-year organic growth rate expected to continue to improve with addressed market in 2024



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