



# Interim Report January–September 2016

## STILLFRONT GROUP AB (PUBL)

### THE INTERIM PERIOD JANUARY – SEPTEMBER 2016

- Revenues amounted to 70.0 MSEK (corresponding period 2015: 38.0 MSEK), which is an increase of 85% compared to the corresponding period 2015.
- EBITDA excluding expensed investments amounted to 28.1 MSEK (8.6 MSEK), which is an increase of 269%. EBITDA including expensed investments amounted to 5.7 MSEK (2.6 MSEK).
- Profit/loss before tax was -1.3 MSEK (-3.2 MSEK), which is an improvement of 1.9 MSEK. Profit/loss after tax was -3.9 MSEK (-4.0 MSEK), an improvement of 0.1 MSEK.
- Earnings per share before dilution amounted to -0.73 SEK (-1.31 SEK). Earnings per share after dilution amounted to -0.72 SEK (-1.27 SEK).
- As of September 30 cash and cash equivalents amounted to 56.8 MSEK (6.1 MSEK).
- Remaining 49% of Bytro Labs GmbH acquired in June.
- Acquisition of a majority stake in Simutronics Corp was made in June. Simutronics is consolidated as of June 1, 2016.
- Sales of Unravel commenced February 9 and has been very satisfying. Coldwood has entered an agreement with Electronic Arts regarding the development of a sequel to Unravel.
- Bytro launched New World Empires, a free-to-play game in the Grand Strategy Games genre.
- Siege: Titan Wars, a game developed by Simutronics, was Soft Launched in cooperation with Tilting Point after the end of the interim period.

### THE QUARTER JULY – SEPTEMBER 2016

- Net revenues amounted to 21.6 MSEK (corresponding period 2015: 14.3 MSEK), which is an increase of 42% compared to the corresponding period 2015.
- EBITDA excluding expensed investments amounted to 7.8 MSEK (3.6 MSEK), which is an increase of 117%. EBITDA including expensed investments amounted to -3.8 MSEK (1.3 MSEK).
- Profit/loss before tax was -7.5 MSEK (2.5 MSEK). Profit/loss after tax was -6.7 MSEK (-1.1 MSEK).
- Earnings per share before dilution amounted to -1.20 SEK (-0.36 SEK). Earnings per share after dilution amounted to -1.18 SEK (-0.36 SEK).

### STABLE HIGH GROWTH AND MARGINS – WITH LOW RISK

**“I am very happy about the third quarter. We achieve continued strong growth with high margins, even though the third quarter normally is Stillfront’s weakest by seasonality. We have also had good progress in our investments for future growth, profitability and stability.**

**Stillfront’s revenues increased by 85% as compared to the first nine months of 2015. The profitability is still very strong and our prime profitability metric, EBITDA excluding expensed investments, amounted to 28.1 MSEK, corresponding to a profit margin of 41%”. says Jörgen Larsson, CEO.**



## KEY FIGURES, THE GROUP

MSEK	2016 JUL- SEPT	2015 JUL- SEPT	2016 JAN- SEPT	2015 JAN- SEPT	2015 JAN-DEC
<b>Net Revenues</b>	20,9	14,7	69,3	37,4	57.1
<b>Growth in revenues</b>	42%		85%		
<b>EBITDA excl investments</b>	7,8	3,6	28,1	8,6	12.9
<b>EBITDA margin excl investments</b>	37,2%	24,3%	40,6%	23,1%	22.6%
<b>EBITDA incl investments</b>	-3,8	1,3	5,7	2,6	4.0
<b>EBITDA margin incl investments</b>	Neg	9,1%	8,3%	6,9%	7.1%
<b>Profit/loss before tax</b>	-7,5	-0,7	-1,3	-3,2	-4.5

## A Word from Jörgen Larsson, CEO

### STABLE HIGH GROWTH AND MARGINS - WITH LOW RISK

We are very excited over the third quarter, which normally is our seasonally weakest quarter. We achieve continued strong growth with high margins. We have also had good progress in our investments for future growth, profitability and stability.

The growth in both revenues and earnings have been very good. Compared with the first nine months of 2015, sales increased by 85% and EBITDA excluding investments by 269%.

There is a clear and important theme in everything we do - we strive to be a leader in achieving good returns with less risk than comparable peers in the industry. The purpose of our proven and successful PLEX strategy is to systematically build Stillfront Group to achieve the best possible return / risk ratio. In the first nine months of this year, we have established more and more building blocks in line with this. We have increased the number of products and the number of studios, the consumer volume increases and consumers show greater loyalty and consumption over time. We also broaden our operations geographically, in terms of revenue, presence and market knowledge.



#### *The Stillfront strategy – PLEX*

*The PLEX strategy means that Stillfront strives for a portfolio of games and studios (P) through which we can reduce our title and technology risks. The games should be able to be played and remain profitable for a long period (L). Employing a technology structure with game engines (Engines – E) means we can achieve cost efficiencies via scalability. Finally, Stillfront offers games on many different technology platforms (Cross-Platform – X).*

One metric, among others, of the reduced risk, is the rolling twelve months revenues and EBITDA. We now have 22 straight months of rising revenues and EBITDA results. This would not be possible to achieve if the revenues would be volatile, and thereby risks be high – our PLEX strategy is working.

So far during this year we have increased the number of games by 50% and the number of studios by 25%. In parallel, and at a higher pace, we have invested in additional new products. The development of these are on plan, specifically regarding those about to reach the market soon: Simutronics mobile strategy game and Conflict of Nations: Modern War™. Our investment pace is now at an all-time-high, which promises a very interesting 2017. In this context it is important to point out that Stillfront's investments are expensed as they are incurred. As we believe this affects us negatively in comparison with our peers, we have decided to adopt IFRS, which means that we will capitalise investments. Work on the implementation of IFRS is progressing according to plan, and we intend to close the annual accounts for 2016 in accordance with the principles prescribed by IFRS.



The share of our revenues coming from our own brands and our own publishing amounts to about 72%. We believe this share will increase, which is in line with our strategy.

The loyalty of our customer base is yet another one of our strengths. Our games are played not only in a few months, they played for years. Our most established brand Gemstone IV, came to the market 29 years ago - and is still growing!

Furthermore, the monthly average revenue per paying player (ARPPU) is one of our fortes. We have been able to increase the ARPPU during the year by means of our portfolio of self-published titles.

Our largest product, Call of War, decreased its revenues in the third quarter due to seasonal effects and reduced marketing. The game has since its launch in May 2015 had revenues of 40 million SEK. Supremacy 1914 shows stable revenue levels. Market prices for online marketing during the quarter has been high and we have therefore chosen to be frugal with market investments. At the end of the third quarter and the beginning of the fourth quarter, however, prices dropped and thus we again have growth in Call of War and Supremacy. The number of unique consumers on a weekly basis (WAU) has increased by 38% since the beginning of August to the week ended November 13, 2016. In parallel with stabilized prices, it is gratifying that we have been able to increase the effect of the implemented market investments.

In addition to PLEX, Stillfront also has a strategy to grow through acquisitions. During the second quarter, Stillfront acquired a majority stake in Simutronics. Simutronics is an excellent example of the kind of companies we wish to acquire: Entrepreneurial companies with an existing, proven games portfolio and a dedicated management who shares our belief in the PLEX strategy. In Simutronics' case also with a very promising and high quality mobile strategy game, which is to be launched globally in a few months.

Based on our continuous scanning of the market, we can conclude that the number of interesting potential acquisition objects have increased significantly after Stillfront's listing on Nasdaq First North. The efforts of identifying and evaluating new potential acquisitions continue unabatedly.

I look forward to a continued exciting year with Stillfront!

Jörgen Larsson, CEO

## Significant events during the interim period

Stillfront's growth strategy is based on growth in both existing games and studios as well as by working actively acquiring new studios. During the interim period a majority stake in the American studio Simutronics, with approximately twenty employees, was acquired. Simutronics was founded by David Whatley, who is an industry veteran. Simutronics has developed and published the strategy games Gemstone IV and DragonRealms.

Stillfront acquired a 51% stake in Bytro Labs GmbH in 2013. In June 2016 Stillfront acquired - in accordance with the acquisition agreement signed in 2013 - the remaining 49% stake.

Efforts to identify and evaluate potential acquisitions continues unabated. There is a larger number of potential acquisition targets identified, and Stillfront has a number of parallel discussions ongoing. When evaluating the potential acquisition targets, great emphasis is placed on the evaluation of the target with regards to its fit into the Stillfront PLEX strategy and that the management and owners of the target share Stillfront values.

Bytro has continued the implementation of its development strategy by launching extensions to Call of War and Supremacy, and by the launch of the New World Empires. Due to increasing prices for online marketing, Stillfront has chosen to limit its marketing investments, which has led to decreased revenues and earnings for Bytro



during the third quarter, which is also the seasonally weakest. The decrease mainly relates to Call of War, which had revenues amounting to 5.3 million SEK. Supremacy continues to demonstrate stable revenue levels, still in its eighth year. We can now observe that prices for online marketing are reduced, which enables us to increase our marketing investments, and should help to improve sales and profits. Furthermore, we increase the rate of production of new games based on Bytro's Supremacy game engine, through extensive cooperation with our studio Dorado, who is in charge of the development of the new game Conflict of Nations: Modern War™. Conflict of Nations will be launched in open beta before the end of the year.

Power Challenge continues its efforts to improve the conversion rate of their traffic. There is focus on improving the gaming experience for gamers who access the game through mobile or tablet.

Coldwood's game Unravel, developed for the publisher Electronic Arts, was launched in February and has been very well received by both consumers as well as gaming industry professionals. Stillfront has received a substantial royalty based on good sales of the game. Coldwood has been chosen to develop a sequel to Unravel.

During the interim period, Simutronics continued its work on developing a mobile strategy game. During the third quarter a co publishing agreement was entered with Tilting Point. Tilting Point has a reputation as a very resourceful marketer. Simutronics retains all rights (so-called IP) to the game, which after the interim period has been test launched in few select markets, in a so-called Soft Launch.

Overall, the investment rate has increased significantly during the second and third quarter, in line with the plans announced in connection with Stillfront's listing on Nasdaq First North in December 2015. It is management's and the board's view that the investments made so far creates excellent platforms for stable and high growth with profitability in the coming years.

## Significant events after the end of the interim period

In accordance with what has been previously announced, Simutronics mobile strategy game has been test launched (called a Soft Launch) on selected minor markets to assess user behaviour and to test and refine the game experience. A Soft Launch is done in several iterations and date of the global launch has not yet been determined.

During the beginning of the fourth quarter, the market prices for online advertising has dropped, whereby – once again – profitable growth in Call of War and Supremacy has been established. The number of unique consumers on a weekly basis (WAU) has increased by 38% since the beginning of August to the week ended November 13, 2016.

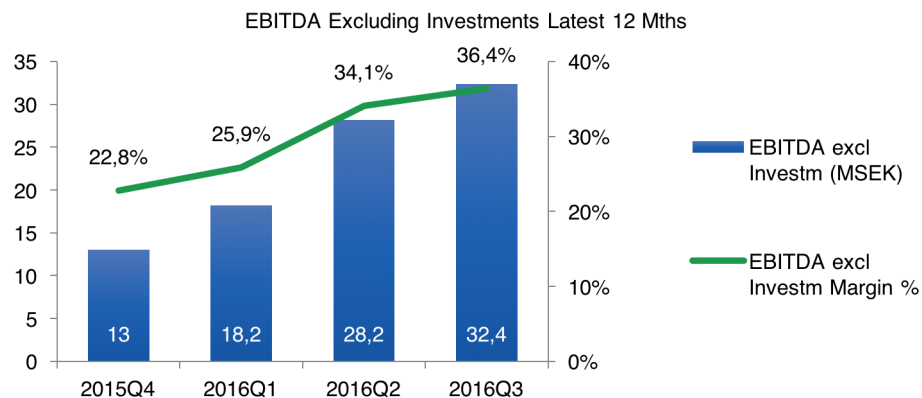
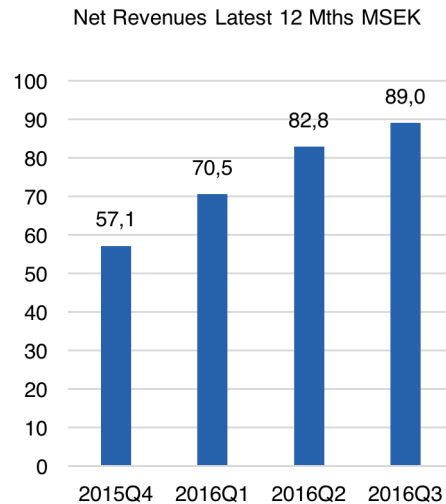
Stillfront has intensified discussions with a number of interesting potential acquisitions.

## Revenues and profit/loss

Net revenues during the interim period January to September were 69.3 MSEK (corresponding period 2015: 37.4 MSEK). The increase pertains mainly to Bytro's Call of War and strong revenues in Coldwood. The revenue in Coldwood pertains to contracting work as well as royalties. Furthermore, Simutronics, which was consolidated into the Group as of June 2016, contributed to the sales increase. Net revenues for the third quarter amounted to 20.9 MSEK.

The EBITDA excluding expensed investments amounted to 28.1 MSEK (8.6 MSEK) during the interim period, corresponding to an EBITDA-margin of 40.6% (23.1%). Corresponding numbers for the third quarter were 7.8 MSEK and 37.2% respectively. EBITDA including expensed investments for the interim period amounted to 5.7 MSEK (2.6 MSEK), corresponding to a EBITDA-margin of 8.3% (6.9%). Corresponding numbers for the third quarter 2016 were -3.8 MSEK and -18.4% respectively.

The profit before tax for the interim period amounted to -1.3 MSEK (-3.2 MSEK). The profit after tax for the interim period amounted to -3.9 MSEK (-4.0 MSEK).



## Cash flow and financial position

Cash flow for the interim period was -16,9 MSEK (1,8 MSEK). Cash flow from operations was 4.8 MSEK (2.2 MSEK). Corresponding numbers for the third quarter 2016 are -20.0 MSEK and -19,6 MSEK, respectively. Equity ratio as of September 30, 2016 amounted to 70 percent compared to 86 percent as of December 31, 2015. Cash and cash equivalents for the Group, including not utilised credit facilities, were at the end of the interim period 58.4 MSEK compared to 75.1 MSEK as of December 31, 2015.



## Investments and Depreciation

Stillfront Group expenses investments made in new games at cost. During the interim period 22.4 MSEK (6.0 MSEK) has been invested. Investments have been made in, among other titles, New World Empires, which has been developed by Bytro based on the Supremacy engine. Conflict of Nations: Modern War is also developed based on the Supremacy engine, but development is made by Stillfront's studio Dorado. The newly acquired company Simutronics is investing heavily in a future mobile game. Additional investments have been made in a number of other titles and some other current titles. Investments during the third quarter amounted to 11.6 MSEK (2.3)

Depreciation and amortization of 5.7 MSEK (5.6 MSEK) was charged during the interim period. During the third quarter depreciation and amortization was charged with 3.5 MSEK (1.9). Depreciation and amortization primarily pertains to goodwill and other intangible assets acquired by the Group related to the Group's acquisitions of subsidiaries.

During the interim period, the Group increased intangible assets (goodwill and game rights) by 43.5 MSEK and the Group's provisions (deferred tax liabilities and estimated additional purchase price) increased by 21.5 MSEK. The increases are essentially attributable to the Group's acquisition of Simutronics.

## Employees

The number of employees at the end of period was 103.

## Market

According to the Newzoo Annual Global Games Market Report, the global games market will reach 100 billion USD in 2017. The same report forecasts annual growth of eight percent for the period 2013-2017.

The market is therefore very big, but the competition is substantial as well, and in certain segments, tough. Stillfront Group strategy is to meet this competition by offering qualitatively excellent games that deliver an extremely compelling gaming experience for consumers.

There is a low threshold for online games when it comes to attracting new players and offering free to play, but that offers clear advantages for players willing to pay for extra functions and features. This means good player liquidity can be achieved, in parallel with a large paying player base with high average revenues per user.

## Parent Company

Standard group management functions and group wide services are provided via the parent company. The revenues for the parent was during the interim period were 0.0 MSEK (0.0 MSEK). The interim period's profit/loss after tax amounted to -1.9 MSEK (-2.5 MSEK).

## Related Party Transactions

There have been customary transactions with closely related parties such as remuneration to key individuals. Other than that, there has been no related party transactions.



## The Share and Shareholders

Stillfront Group's shares are traded on Nasdaq First North since December 8, 2015. Closing price as of September 30 was 53.25 SEK/share.

The largest shareholders are FKL Holding GmbH with 17.2 percent of the shares in Stillfront Group AB, Acacia Asset Management with 10.8 percent of the shares and Swedbank Robur Ny Teknik BTI with 8.1 percent of the shares in the company as per September 30, 2016. The total number of shares as of September 30 is 5,586,158.

## Accounting and Valuation Principles

This interim report has been produced in accordance with the Swedish Annual Accounts Act. The accounting and valuation principles applied are in accordance with the K3 regulations and remain unchanged compared with the most recent annual accounts published.

## Risks and Uncertainty Factors

Risks and uncertainty factors are described on the company website [www.stillfront.com](http://www.stillfront.com).

## Review

This report has been reviewed by the company's auditors.

## Certified Adviser

Avanza Bank is Stillfront's Certified Adviser.

## Investor contact

The latest information on the company is published on its website [www.stillfront.com](http://www.stillfront.com). The company can be contacted by email [ir@stillfront.com](mailto:ir@stillfront.com), or by phone +46-725-139914.

## Financial Calendar

Year end report 2016:

February 23, 2017

## Note

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.45 CEST on November 22, 2016.

### FOR FURTHER INFORMATION, PLEASE CONTACT:

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## Board Declaration

The Board of Directors and the Chief Executive Officer hereby certify that this Interim Report gives a true and fair view of the company's and the group's operations, financial position and results of operations, and describes significant risks and uncertainties faced by the company and the companies in the group.

Stockholm, Nov 22, 2016

Per Skyttvall, Chairman

Mark Miller

Alexander Bricca

Fredrik Åhlberg

Annette Brodin Rampe

Jörgen Larsson, CEO



## Review report

### INTRODUCTION

We have reviewed the interim report for Stillfront Group AB (publ) for the period January 1 - September 30, 2016. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with the Annual Accounts Act and BFNAR 2007:1. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared in accordance with the Annual Accounts Act and BFNAR 2007:1.

Stockholm, November 22, 2016

Mazars SET Revisionsbyrå AB

Michael Olsson  
Authorized Public Accountant

## Key figures, Group

	2016 JUL -SEPT	2015 JUL -SEPT	2016 JAN -SEPT	2015 JAN -SEPT	2015 JAN -DEC	LATEST 12 MTHS
<b>Net revenues, KSEK</b>	20 850	14 704	69 294	37 393	57 052	88 953
<b>EBITDA excl expensed investments, KSEK</b>	7 762	3 574	28 100	8 631	12 918	32 388
<b>EBITDA incl expensed investments, KSEK</b>	-3 827	1 331	5 719	2 569	4 029	7 180
<b>Profit before tax, KSEK</b>	-7 479	-656	-1 267	-3 186	-4 469	-5 736
<b>Profit after tax, KSEK</b>	-6 728	-1 125	-3 882	-4 037	-6 253	-9 284
<b>EBITDA margin excl expensed investments, %</b>	37,2%	24,3%	40,6%	23,1%	22,6%	36,4%
<b>EBITDA margin incl expensed investments, %</b>	-18,4%	9,1%	8,3%	6,9%	7,1%	8,1%
<b>Equity ratio, %</b>	70%	66%	70%	66%	86%	70%
<b>Shareholders' equity per share undiluted, SEK</b>	15,10	6,73	15,10	6,40	15,88	15,10
<b>Shareholders' equity per share diluted, SEK</b>	14,85	6,49	14,85	6,23	15,62	14,85
<b>Earnings per share undiluted, SEK</b>	-1,20	-0,38	-0,73	-1,36	-1,56	-2,17
<b>Earnings per share diluted, SEK</b>	-1,18	-0,36	-0,72	-1,31	-1,52	-2,12
<b>No of shares end of period undiluted</b>	5 586 158	2 955 011	5 586 158	2 955 011	5 006 583	5 586 158
<b>No of shares end of period diluted</b>	5 681 950	3 068 087	5 681 950	3 068 087	5 090 231	5 681 950
<b>Average no of shares period undiluted</b>	5 586 158	2 976 760	5 296 371	2 976 760	4 002 547	4 270 584
<b>Average no of shares period diluted</b>	5 681 950	3 089 837	5 386 092	3 089 836	4 100 909	4 357 519

### DEFINITIONS KEY FIGURES, GROUP

#### EBITDA

Operating profit before depreciation and amortization.

#### EBITDA margin

EBITDA as percentage of net revenues.

#### Equity ratio

Shareholders' equity as a percentage of total capital.

#### Shareholders' equity per share

Shareholders' equity divided by the number of shares at the end of the period.

#### Earnings per share

Earnings after tax divided by the average number of shares during the period.

## Consolidated income statement

KSEK	2016 JUL -SEPT	2015 JUL -SEPT	2016 JAN -SEPT	2015 JAN -SEPT	2015 JAN -DEC	LATEST 12 MONTHS
Net revenues	20 850	14 704	69 294	37 393	57 052	88 953
Other operating income	708	0	750	595	268	423
<b>Total operating income</b>	<b>21 558</b>	<b>14 704</b>	<b>70 044</b>	<b>37 988</b>	<b>57 320</b>	<b>89 376</b>
Other external costs	-12 317	-8 909	-33 431	-21 763	-33 761	-45 429
Personnel costs	-13 068	-4 109	-30 894	-13 657	-19 530	-36 767
Depreciations and write-downs	-3 447	-1 883	-5 653	-5 565	-8 267	-8 355
Other operating costs	-	-355	-	-	-	-
<b>Total operating costs</b>	<b>-28 832</b>	<b>-15 256</b>	<b>-69 978</b>	<b>-40 985</b>	<b>-61 558</b>	<b>-90 551</b>
Profit/Loss Securities	0	0	0		51	51
Interest income	354	4	594	53	21	562
Interest cost and similar costs	-559	-108	-1 927	-242	-303	-1 988
<b>Financial Profit/Loss</b>	<b>-205</b>	<b>-104</b>	<b>-1 333</b>	<b>-189</b>	<b>-231</b>	<b>-1 375</b>
<b>Tax for the period</b>	<b>751</b>	<b>-469</b>	<b>-2 615</b>	<b>-851</b>	<b>-1 784</b>	<b>-3 548</b>
<b>Profit/loss for the period</b>	<b>-6 728</b>	<b>-1 125</b>	<b>-3 882</b>	<b>-4 037</b>	<b>-6 253</b>	<b>-9 284</b>
<i>Attributable to:</i>						
Parent company shareholders	-5 664	-1 521	-5 835	-4 811	-7 414	-8 437
Minority interests	-1 064	396	1 953	774	1 161	2 339

Minority interests include Bytro Labs until 2016-06-30 and Simutronics from 2016-06-01.

## Consolidated balance sheet in summary

KSEK	2016-09-30	2015-09-30	2015-12-31
Intangible non current assets	53 802	12 827	10 251
Tangible non current assets	737	267	241
Financial non current assets	-	5 309	-
Current receivables	9 822	5 652	8 807
Cash and bank	56 835	6 053	73 454
<b>Total assets</b>	<b>121 196</b>	<b>30 108</b>	<b>92 754</b>
Shareholders' equity	84 372	19 899	79 516
Appropriations	21 809	443	301
Non current liabilities	-	1 864	298
Current liabilities	15 015	7 902	12 638
<b>Total liabilities &amp; Shareholders' equity</b>	<b>121 196</b>	<b>30 108</b>	<b>92 754</b>

## Shareholders' equity, Group

KSEK	SHARE CAPITAL	OTHER CONTRIBUTIONS	OTHER EQUITY INCL PROFIT OF PERIOD	EQUITY PERTAIN TO PARENT SHARE HOLDERS	MINORITY	TOTAL EQUITY
<b>Opening balance 2016-01-01</b>	<b>3 505</b>	<b>191 841</b>	<b>-119 108</b>	<b>76 237</b>	<b>3 279</b>	<b>79 516</b>
Acquisition Minority Shares		-40 847		-40 847	-6 629	-47 476
Current NSI Minority	393	33 531		33 924		33 924
Acquisition Subsidiary					17 148	17 148
Current NSI Subsidiary	13	1 326		1 339		1 339
Issue Costs		-169		-169		-169
Translation Differences			3 986	3 986	-13	3 973
Profit/Loss for the period			-5 836	-5 836	1 953	-3 883
<b>Closing balance 2016-09-30</b>	<b>3 910</b>	<b>185 682</b>	<b>-120 959</b>	<b>68 634</b>	<b>15 739</b>	<b>84 372</b>

## Cash flow in summary, Group

KSEK	2016 JUL -SEPT	2015 JUL -SEPT	2016 JAN -SEPT	2015 JAN -SEPT	2015 JAN -DEC
Cash flow from operating activities before changes in working capital	-5 782	1 616	3 450	1 027	2 619
Changes in working capital	-13 789	-1 555	1 349	1 187	1 182
<b>Cash flow from operating activities</b>	<b>-19 571</b>	<b>61</b>	<b>4 798</b>	<b>2 214</b>	<b>3 801</b>
<b>Cash flow from investment activities</b>	<b>-394</b>	<b>-94</b>	<b>-21 555</b>	<b>-114</b>	<b>1 774</b>
<b>Cash flow from financing activities</b>	<b>-6</b>	<b>-111</b>	<b>-169</b>	<b>-333</b>	<b>63 593</b>
<b>Cash flow for the period</b>	<b>-19 971</b>	<b>-143</b>	<b>-16 926</b>	<b>1 767</b>	<b>69 168</b>
Cash and cash equivalents at start of period	76 500	6 197	73 454	4 286	4 286
Exchange rate difference	306		306		
Cash and cash equivalents at end of period	56 835	6 053	56 835	6 053	73 454

## Parent company income statement

KSEK	2016 JUL -SEPT	2015 JUL -SEPT	2016 JAN -SEPT	2015 JAN -SEPT	2015 JAN -DEC	LATEST 12 MONTHS
Operating income	-	-	-	-	1 020	1 020
Other income	-	-	-	-	-	-
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 020</b>	<b>1 020</b>
Other external costs	-881	-730	-2 560	-2 400	-2 808	-2 968
Personnel costs	-1 211	-	-3 247	-	-545	-3 792
<b>Total Operating Costs</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-2 085</b>	<b>-730</b>	<b>-5 807</b>	<b>-2 400</b>	<b>-3 353</b>	<b>-6 760</b>
Profit/loss securities						
Interest income and similar	-	-	-	-	51	51
Interest cost and similar	153	-94	59	-132	-265	-74
<b>Financial Profit/Loss</b>	<b>153</b>	<b>-94</b>	<b>59</b>	<b>-132</b>	<b>-214</b>	<b>-23</b>
Group Contributions	-	-	-	-	6 164	6 164
<b>Profit/Loss before tax</b>	<b>-1 932</b>	<b>-824</b>	<b>- 5 748</b>	<b>-2 532</b>	<b>3 617</b>	<b>401</b>
Tax	-	-	-	-	-	-
<b>Profit/Loss</b>	<b>-1 932</b>	<b>-824</b>	<b>-5 748</b>	<b>-2 532</b>	<b>3 617</b>	<b>401</b>

## Parent company balance sheet in summary

KSEK	2016-09-30	2015-09-30	2015-12-31
Intangible non current assets	-	0	-
Tangible non current assets	-	0	-
Financial non current assets	156 258	81 521	80 041
Current receivables	585	326	1 435
Cash and bank	43 787	7	63 513
<b>Total assets</b>	<b>200 630</b>	<b>81 854</b>	<b>144 989</b>
Shareholders' equity	169 887	72 976	140 749
Provisions	9 679	0	-
Non current liabilities	19 412	6 566	-
Current liabilities	1 652	2 312	4 240
<b>Total liabilities &amp; Shareholders' equity</b>	<b>200 630</b>	<b>81 854</b>	<b>144 989</b>

## Shareholders' equity, Parent

KSEK	SHARE CAPITAL	OTHER CONTRIBUTIONS	OTHER EQUITY INCL PROFIT OF PERIOD	PARENT EQUITY
<b>Opening balance 2016-01-01</b>	<b>3 505</b>	<b>191 841</b>	<b>-54 596</b>	<b>140 750</b>
NSI Minority	392	33 531		33 923
NSI Subsidiary	13	1 118		1 131
Issue costs		-169		-169
Profit/loss for period			-5 748	-5 748
<b>Closing balance 2016-06-30</b>	<b>3 910</b>	<b>226 321</b>	<b>-60 344</b>	<b>169 887</b>



## Cash flow in Summary, Parent company

KSEK	2016 JUL -SEPT	2015 JUL -SEPT	2016 JAN -SEPT	2015 JAN -SEPT	2015 JAN -DEC
Cash flow from operating activities before changes in working capital	-1 932	-824	-5 748	-2 532	-2 598
Changes in working capital	-5 973	-1 974	8 000	2 675	-5 734
<b>Cash flow from operating activities</b>	<b>-7 905</b>	<b>-2 798</b>	<b>2 252</b>	<b>143</b>	<b>-8 332</b>
<b>Cash flow from investment activities</b>	<b>-109</b>	<b>-</b>	<b>-21 809</b>	<b>-</b>	<b>2 051</b>
<b>Cash flow from financing activities</b>	<b>-6</b>	<b>-248</b>	<b>-169</b>	<b>-470</b>	<b>69 459</b>
<b>Cash flow for the period</b>	<b>-8 019</b>	<b>-3 046</b>	<b>-19 726</b>	<b>-327</b>	<b>63 178</b>
Cash and cash equivalents at start of period	51 806	3 054	63 513	335	335
Cash and cash equivalents at end of period	43 787	7	43 787	7	63 513

# CONFLICT OF NATIONS

## МОДЕРН ШЛАДЯ

### ABOUT STILLFRONT

Stillfront is an independent creator, publisher and distributor of digital games – with a vision to become one of Europe’s leading indie game creators and publishers. Stillfront operates through five near-autonomous subsidiaries: Bytro Labs in Germany, Coldwood Interactive in Sweden, Power Challenge in the UK and Sweden, Dorado Online Games in Malta, and Simutronics in St Louis, Missouri. Stillfront’s games are distributed globally. The main markets are Sweden, Germany, the United States and South America. Shares of the Company are traded on Nasdaq First North Stockholm with ticker SF. Avanza Bank is the Company’s Certified Adviser. For further information, please visit [www.stillfront.com](http://www.stillfront.com).

### SELECTED GAMES

Stillfront’s portfolio includes games across multiple platforms. *Unravel*, developed by Coldwood in collaboration with Electronic Arts, won 20+ awards at E3 and gamescom and was released in February 2016. *Supremacy 1914* and *Call of War* are high-immersion war strategy games developed by Bytro Labs. *ManagerZone* is a sports management strategy game launched in 2001. *DragonRealms* and *GemStone IV* are MUD style games with a very loyal player base. *Lara Croft Relic Run™* is a popular mobile game, developed by Simutronics.