Interim Report January–June 2018

STILLFRONT GROUP AB (PUBL)

THE QUARTER APRIL – JUNE 2018

Altigi GmbH has been consolidated into Stillfront Group as of January 1, 2018. Thus the 2018 numbers reflect the new business combination. 2017 numbers pertain to Altigi GmbH, unless stated otherwise. The acquisition is described in Note 3.

- Net revenues amounted to 329.3 MSEK (corresponding period 2017: 224.9 MSEK), an increase of 46.4%. Net revenues of Stillfront Group (excluding Altigi GmbH) the second quarter 2017 amounted to 37.3 MSEK, thus the second quarter of 2018 had a net revenue increase of 783% as compared to net revenues in the second quarter 2017. Net revenues proforma, as if the Altigi/Stillfront acquisition was made January 1, 2017, increased 25.6% as compared to the second quarter 2017.
- EBITDA adjusted for items affecting comparability of net -9.9 MSEK (refer to Note 5) amounted to 103.6 MSEK (95.3), an increase of 8.6%.
- EBIT adjusted for items affecting comparability of net -9.9 MSEK amounted to 73.0 MSEK (74.0).
- Operating result after financial items amounted to 51.8 MSEK (66.1). The net result for the quarter amounted to 30.6 MSEK (44.7).
- Net result per share undiluted amounted to 1.26 SEK (2.66 SEK). Net result per share diluted amounted to 1.25 SEK (2.66 SEK).
- Net debt amounted to 410.9 MSEK and the adjusted leverage ratio was 1.18
- Several of the game launches made in the end of 2017 have performed very well. Big Farm Mobile Harvest, Nida Harb III: Empire of Steel and War and Peace: Civil War have performed well during the interim period, in particular strong growth in Nida Harb III, which now is the third largest title in the group.
- Major product launches during the quarter have been Empire: Millennium Wars (web) and Unravel Two.

THE INTERIM PERIOD JANUARY – JUNE 2018

- Net revenues amounted to 644.1 MSEK (corresponding period 2017: 475.4 MSEK), which is an increase of 35.5%. Net revenues of Stillfront Group (excluding Altigi GmbH) the first half 2017 amounted to 67.3 MSEK, thus the first half year of 2018 had a net revenue increase of 857% as compared to net revenues in the first half year 2017. Net revenues proforma increased 18.7% as compared to the corresponding period 2017,
- EBITDA adjusted for items affecting comparability of -11.6 MSEK (refer to Note 5) amounted to 209.8 MSEK (194.3), which is an increase of 8.0%.
- EBIT adjusted for items affecting comparability of -11.6 MSEK amounted to 148.0 MSEK (151.6).
- Operating result after financial items amounted to 119.5 MSEK (107.1). The net result for the period amounted to 76.4 MSEK (70.9).
- Net result per share undiluted for the interim period amounted to 3.31 SEK (4.22 SEK). Net result per share diluted amounted to 3.29 SEK (4.22 SEK).
- The acquisition of Altigi GmbH was completed in January 2018, whereby 16,868,623 shares were issued and a bond issue of 390 MSEK was performed. From an accounting perspective the acquisition has been reported as a reverse acquisition, where Altigi GmbH is the **accounting** acquirer and Stillfront Group AB is the **legal** acquirer. This means that comparative periods up to December 31, 2017 refer to Altigi GmbH.

EVENTS AFTER THE INTERIM PERIOD

- The games BIG COMPANY: Skytopia, Vietnam War: Platoons and Battle Star Arena were announced in July.

IMPORTANT NOTICE: This Interim Report is a non-official translation from Swedish of the Delårsrapport issued by Stillfront Group AB (publ) Aug 28, 2018. This translation is solely provided as convenience. Should there be any ambiguity between the Swedish and the English text, the Swedish text will prevail.

BUILDING MOMENTUM

"I am very pleased with the development of Stillfront. The acquisition of Goodgame Studios has strengthened our market position and portfolio. Exciting game releases during late 2017 are now delivering results, especially with Big Farm Mobile Harvest, War and Peace: Civil War and Nida Harb III. Nida Harb III has proven to be a great success and is currently the group's third best grossing game.

We continue to release new titles and have a strong pipeline, based on established brands and proven engines which provides us with a favourable risk/reward, and is a balanced and capital efficient way of expanding our portfolio. I am confident that we are on the right path towards becoming the leading group in our niche," says Jörgen Larsson, CEO Stillfront Group.

KEY FIGURES, THE GROUP

KSEK	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Net Revenues	329 277	224 904	644 088	475 385	1 081 384	912 681
Increase in revenues	46.4%	-	35.5%	-	-	-
EBITDA adjusted*	103 569	95 348	209 829	194 292	349 588	312 788
EBITDA margin adjusted*	31.5%	42.4%	32.6%	40.9%	32.3%	34.3%
Increase in EBITDA adjusted*	8.6%	-	8.0%	-	-	-
EBIT adjusted*	72 998	73 998	147 983	151 607	245 196	227 558
Items affecting comparability	-9 871	-7 919	-11 586	-44 501	-78 776	-111 691
EBIT margin adjusted*	22.2%	32.9%	23.0%	31.9%	22.7%	24.9%
Operating result after financial items	51 789	66 079	119 519	107 108	149 312	115 639
Net Result	30 616	44 741	76 418	70 933	102 234	75 487
Net result per share undiluted, SEK	1.26	2.66	3.31	4.22	3.50	4.49
Net result per share diluted, SEK	1.25	2.66	3.29	4.22	3.48	4.49

* excluding items affecting comparability

PROFORMA KEY FIGURES, GROUP

The below table summarises key pro forma financials for the new group as if the Altigi/Stillfront acquisition was made January 1, 2017.

KSEK	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Net Revenues	329 277	262 215	644 088	542 700	1 180 055	1 078 667
Growth in revenues	25.6%	-	18.7%	-	-	-
EBITDA adjusted*	103 569	105 363	209 829	211 969	362 914	365 053
EBITDA margin adjusted*	31.5%	40.2%	32.6%	39.1%	30.8%	33.8%

* excluding items affecting comparability

INVESTOR PRESENTATION

An Investor Presentation is available at Stillfront's website with the address: stillfront.com/site/investor-relations/financial-reports/

A Word from Jörgen Larsson, CEO

Building momentum

The key event so far during 2018 has been the acquisition of Goodgame Studios. The integration with Goodgame Studios and strong organic growth in the interim period, means that we are now operating on a substantially larger scale, enabling us to explore synergies in marketing, monetisation and technology to achieve margin improvements.

The development in both revenues and earnings have been satisfying, with net revenues in the quarter reaching 329 MSEK with an adjusted EBITDA of 104 MSEK and an adjusted EBIT of 73 MSEK (excluding items affecting comparability) equalling margins of 31.5% and 22.2%, respectively.

It is strategically important that we have been able to achieve these results with a high degree of stability and predictability, hence with balanced risk.

GROWTH FROM EXISTING PRODUCTS AND SUCCESSFUL LAUNCHES

The acquisition of Goodgame Studios has significantly strengthened Stillfront's market position and game portfolio, focusing mainly on free-to-play strategy games. The Stillfront live portfolio now consists of 26 products, from small niche products like OFM, through mid-sized like Call of War and Nida Harb, to massive brands Empire and Big. The Empire brand is one of the most successful strategy IPs of all time with more than 175 million registered users.

It is very satisfying to conclude that our portfolio can deliver a growth also during the slower months during the summer, especially as this spring and summer has been extraordinary warm in Europe where the majority of our revenues are generated. In parallel the World Cup in football affected online marketing prices in June, which had a minor but measurable negative short-term impact on our return on marketing spend. Other regions and our new products have compensated for those effects in the quarter, which proves the strength of our portfolio strategy PLEX.

The customer loyalty and average revenue per monthly paying user (ARPMPU) are core strengths of our portfolio with strong performance during the quarter. This quarter we reached all-time-high in average revenue, showing impressive 8.4% sequential growth. Our games are played not only in months, they are played for many years or even decades. This creates a stability and predictability.

Most notable of the new products launched in Q4 2017, Big Farm Mobile Harvest, War and Peace and Nida Harb III have all developed very strong in Q1 and Q2:

- Big Farm Mobile Harvest was launched in October through a massive and very successful launch campaign. During the first quarter the product has stabilised on a high level and the user base is being refined. Additional content and features are being and will be added during Q2 and Q3, for further growth over long time. The deposits in the quarter amounted to 34.4 MSEK proving a 25.2% sequential growth.
- Nida Harb III was launched in late November. The product has gained tremendous traction. In Q2 Nida Harb III reached deposits of 34.7 MSEK proving a 173% sequential growth.
- War and Peace quickly became the Group's highest grossing game in December (excluding Goodgame games), recouping the initial 1 MSEK investment in a few weeks. In total it generated deposits of 10.4 MSEK in Q2 which is on par with Q1.

STRONG PIPELINE FOR COMING YEAR

The number of products in recently launched, in soft launch and under development is the highest ever. All of this make the pipeline for coming year very exciting. In parallel to having the strongest pipeline ever, we have also been able to reach our long-term target of organic investments (i.e. excluding acquisitions) at around 10% of net revenues.

In June Unravel Two was launched with our partner Electronic Arts. The agreement with EA gives us contracting fees for development, which is then recouped by EA from sales. After recoup, Stillfront is entitled to a royalty based upon sales. No revenues have been recorded during Q2 from Unravel Two.

At the end of the second quarter Empire: Millennium Wars was launched on browser.

GOOD PROGRESS OF GO-TO-MARKET STRATEGIES

We continue to develop new games with established brands and proven engines which provides us with a favourable risk/reward balance and capital efficient way of expanding our portfolio. During several years we have systematically developed different means of making our go-to-market models increasingly efficient. Seeing how these means are paying off is very pleasing and encourage us to continue our work even harder.

Call of War has developed with continued stability and good growth in Q2. What is especially important is that Call of War and the Bytro team has successfully performed a broad platform extension of the Call of War product, into both Steam and into mobile.

The platform extension has proven to improve KPIs such as player engagement, retention, distribution and monetization. Currently, approximately 35-40% of Call of War's revenues come from mobile. Bytro is sharing their state-of-the-art knowledge and experiences throughout the Group for other studios on how to extend their products to other platforms.

We are also pleased to see that Babil Games has again reached record quarterly revenues of 37.4 MSEK, equal to a 610% growth compared to Q2 2017.

OUR STRATEGY DELIVERS – STRONG MOMENTUM FOR THE FUTURE

Our model of creating shareholder value through M&A works extremely well.

The share of revenues coming from own brands and own publishing amounts to about 99.5% in first quarter, up from pro forma 85% during Q2 2017. The share of mobile revenues in the first quarter was 53%, up from 49% in the first quarter, in line with our plans and targets.

Our work on identifying and evaluating interesting acquisitions continues. The market's awareness of Stillfront Group is increasing, which is reflected in a strong deal pipeline. We have high standards for potential acquisitions, and evaluations are ongoing continuously. Our M&A focus is still strategy games, however we have broadened our criteria slightly to also include other game genres. The key common denominator is still games and brands with long life cycles.

We see that our business model and strategy work and give us strong momentum for years to come, and I am confident that we are on the right path towards becoming the leader in our niche.

Our exciting journey continues!

Jörgen Larsson, CEO

Events during the interim period

On January 9, 2018 the acquisition of Altigi GmbH, known under the brand name Goodgame Studios, was completed when an extra general meeting of the shareholders of Stillfront Group resolved to issue 16,868,623 shares to the sellers of Altigi GmbH. The same general meeting resolved to issue bonds amounting to 390 MSEK and to elect Dr Christian Wawrzinek as board member of Stillfront Group.

Key game launches during the interim period were Empire: Millennium Wars (mobile), Call of War for Android and iOS, Conflict of Nations for Steam, Empire: Millennium Wars (web) and Unravel Two. Empire: Millennium Wars is a mobile strategy game based on the highly successful brand Empire. Call of War is an established game on the browser and the platform extensions for Android and iOS has been received very well among the players, with increasing growth rates on the mobile extensions. Conflict of Nations on Steam, is another example of our successful platform extension strategy. Empire: Millennium Wars is available as two separate games based on the same brand – an example of our brand expansion strategy. Unravel Two – the sequel to the highly acclaimed Unravel – was launched by the publisher EA in June. Unravel and Unravel Two have been developed by Stillfront's studio Coldwood.

EVENTS DURING THE SECOND QUARTER

The growth in users was very strong during the second quarter of 2018. The average number of monthly active users (MAUs) was 4,237,000. The number of daily active users (DAUs) was 1,021,000 on average during the quarter. The corresponding figures for the second quarter of 2017 were 3,354,000 and 902,000 DAUs (including Goodgame Studios). During the second quarter of 2018, the number of MAUs increased by 26%, and the number of DAUs increased by 13%, compared with the second quarter of 2017.

Product development has continued during the quarter and there is a solid pipeline of upcoming launches.

At the annual shareholders' meeting May 30, Birgitta Henriksson and Ulrika Viklund were re-elected as board directors. Katarina Bonde, Erik Forsberg, Fabian Ritter and Jan Samuelson were also elected as board directors. Jan Samuelson was elected chairman of the board. Alexander Bricca, Annette Brodin Rampe, Mark Miller, Christian Wawrzinek, and Sture Wikman had declined re-election.

The terms and conditions of the 2017-2020 bond were amended in June. The amendments had the effect that the allowed working capital facility was increased to 100 MSEK.

Events after the interim period

During July, the games BIG COMPANY: Skytopia and Vietnam Wars: Platoons were announced.

Revenues and profit/loss

The acquisition of Altigi GmbH, which was completed in January 2018, has been reported as a reverse acquisition from an accounting point of view, meaning that comparative periods up to December 31, 2017 refer to Altigi GmbH.

Net revenues during the second quarter amounted to 329.3 MSEK (224.9). The increase pertains mainly to the consolidation of the new group, and the strong sales development in Babil's game Nida Harb III.

Net revenues during the interim period amounted to 644.1 MSEK (475.4).

Total revenues, which includes internally accrued and other revenues, during the second quarter amounted to 378.1 MSEK (246.0). Total revenues during the interim period amounted to 729.9 MSEK (514.5).

EBITDA, excluding items affecting comparability amounting to net -9.9 MSEK, amounted to 103.6 MSEK (95.3) during the second quarter, corresponding to an adjusted EBITDA-margin of 31.5% (42.4%). The decrease in adjusted EBITDA-margin was caused by increased marketing spending and a higher share of revenues from mobile games. Revenues from mobile games are subject to fees to the platform owners Apple and Google. Items affecting comparability are mainly related to the revaluation of contingent considerations. The estimated contingent consideration based on Babil's earnings increased, due to the positive development of Babil's Nida Harb III. Further items affecting comparability were mainly restructuring costs and transactions costs related to the acquisition of Altigi GmbH. EBITDA including items affecting comparability was 93.7 MSEK (87.4).

EBIT, excluding items affecting comparability amounting to net -9.9 MSEK, amounted to 73.0 MSEK (74.0) during the second quarter, corresponding to an adjusted EBIT-margin of 22.2% (32.9%). The decrease in adjusted EBIT-margin was caused by increased amortisations, increased marketing spending and a higher share of revenues from mobile games. Increased amortisations in the new consolidated group are an effect of the Altigi acquisition. EBIT including items affecting comparability was 63.1 MSEK (66.1).

EBITDA, excluding items affecting comparability amounting to net -11.6 MSEK, amounted to 209.8 MSEK (194.3) during the interim period. EBITDA including items affecting comparability was 198.2 MSEK (149.8).

EBIT, excluding items affecting comparability amounting to net -11.6 MSEK, amounted to 148,0 MSEK (151.6) during the interim period. EBIT including items affecting comparability was 136.4 MSEK (107.1).

Financial net was -11.3 MSEK during the quarter (0) and -16.9 MSEK (0) during the first half year. Interest on Stillfront's 500 MSEK bond contributes to the negative financial net. Comparable numbers for 2017 refer to Altigi GmbH, which did not have any material borrowings.

Operating result after financial items for the second quarter amounted to 51.8 MSEK (66.1). Net result amounted to 30.6 MSEK (44.7).

Operating result after financial items for the interim period amounted to 119.5 MSEK (107.1). Net result amounted to 76.4 MSEK (70.9).

Cash flow and financial position

Cash flow for the second quarter was -67.4 MSEK (54.8). Cash flow from operations was -21.6 MSEK (73.5). The corresponding numbers for the interim period were -103.6 MSEK (29.2) and 38.8 MSEK (60.8) respectively. Payment of dividends to the sellers of Altigi GmbH, which were resolved upon 2017 but executed 2018 have affected the cash flow negatively. Further, payments of transactions costs related to the Altigi acquisition have affected cash flow from working capital negatively during the second quarter.

Free cash flow (cash flow from operations and cash flow from investment activities) during the second quarter was -58.9 MSEK (54.8) and in the interim period 34.7 MSEK (29.2).

Equity ratio as of June 30, 2018 was 51.6% compared to 15.7% as of December 31, 2017.

Cash and cash equivalents for the Group, including not utilised credit facilities, were at the end of the interim period 181.0 MSEK compared to 376.0 MSEK as of December 31, 2017. Credit lines were restructured as of the end of the interim period. A 100 MSEK overdraft facility for the parent company replaced a 20 MEUR credit line in Altigi GmbH. This restructuring was enabled by the amendment of the terms and conditions of the 500 MSEK bond.

The adjusted interest coverage ratio (defined as adjusted EBITDA divided by net financial items for the past 12 months) was 20 as of June 30, 2018, compared with 1 374 as of December 31, 2017. The change is due to the fact that Altigi, which had no bond liabilities, had relatively low net financial items as of 31 December 2017.

Adjusted interest coverage ratio Pro forma (i.e. including "old" Stillfront Group EBITDA and net financial items) was 12 as of June 30, 2018.

Adjusted leverage ratio (defined as adjusted net debt as of June 30 divided by adjusted EBITDA for the past 12 months) was 1.18 as of June 30, 2018. Adjusted leverage ratio Pro forma (i.e. including "old" Stillfront Group EBITDA 2017 Q3-Q4) was 1.13 as of June 30, 2018. As of December 31, 2017, the leverage ratio was negative, i.e. the company did not have a net debt. In this context, adjusted net debt is defined as interest bearing, non-current liabilities excluding contingent considerations reduced by cash and bank.

Investments, Amortisation and Depreciation

During the interim period investments have been capitalized with 67.4 MSEK (32.5). Investments include new games inter alia Empire: Millennium Wars, a new Simutronics title, Vietnam War: Platoons and other new titles based on existing engines as well as extensions and additions to existing games. During the second quarter, the capitalized investments amounted to 34.5 MSEK (18.7).

Depreciation and amortization of 61.8 MSEK (42.7) was charged during the interim period. Depreciation and amortization primarily pertain to intangible assets acquired by the Group related to the Group's acquisitions of subsidiaries and to capitalization of product development expenses. During the second quarter, the depreciation and amortization amounted to 30.6 MSEK (21.3).

Employees

The number of employees at the end of period was 415.

Market

The gaming industry is one of the largest sectors of the entertainment industry globally. In 2017, the gaming market was estimated to exceed 116 bUSD according to Newzoo, up 10.7% from 2016. Newzoo estimates the global gaming market to reach more than 140 bUSD by 2020 and an average annual growth of 8.2% during 2016 – 2020.

According to Newzoos segmentation, the largest and fastest growing platform is smartphones and tablets. They account for 43% of the market, with 23.3% growth from 2016. The remaining market is shared equally by console games (PlayStation, Xbox, Nintendo) and PC games, including browser games. Console games accounted for 29% of the market in 2017, a growth of 3.7%, while PC games accounted for 28% of the market, with growth of 1.4%.

Asia in general and China in particular is the largest single market for gaming. China generated more revenues in 2017 than the United States. Asia accounted for 47.1% of global revenues with 9.2% growth from 2016, while North America and Europe together accounted for 45.3%, with 4.6% growth. The fastest growing region in the world is the Middle East and Africa, accounting for 3.6% of global revenues. This region grew by 25% from 2016, driven primarily by the countries of the MENA region (Middle East and North Africa), according to Newzoo.

The largest growth areas, based on platform and geography; mobiles/tablets and Asia respectively, are both largely driven by the same global trend: The shift in business model from premium to free-to-play. Traditionally, games have been sold at a predetermined price as a one-time transaction. In free-to-play, the business model is recurring revenue for a long time from some of the players, while other players do not pay. This business model which has long been applied in browser games, has over the last few years taken over the mobile segment, and begins to gain market share also on PC-downloadable and console markets. In Asia and especially China, free-to-play is the ruling business model, and it also wins strong ground in the rest of the world on all platforms.

Stillfront Group is well positioned to grow faster than the market in the coming years. A portfolio of games and game engines across all major platforms, with the fastest growing mobile market and strong brands and marketing skills in the free-to-play model, provide a good platform for growth. Asia's largest growth engine, China, has high barriers to foreign companies and is not a focus for Stillfront Group at the present time. On the other hand, Stillfront Group is very active in the fast-growing MENA region in addition to the main markets Europe and North America.

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 8.5 MSEK (2.2). The profit/loss amounted to -17.5 MSEK (-3.8).

Related Party Transactions

At the annual general meeting May 30, 2018, it was resolved to issue 300,000 warrants, to be used in an incentive program directed at current and future key employees within the Stillfront Group. Each warrant entitles the holder to subscribe for one share during the period May 15, 2021 - June 1, 2021 at the subscription price SEK 472.20. Employees paid a fair value for the warrants, based on Black and Scholes' formula. Further information about the incentive program and the terms of the warrants can be found in documentation from the Meeting, which are found on Stillfront's website.

Further, contingent conditional considerations have been paid to the sellers of acquired subsidiaries in accordance with purchase agreements. Some of the sellers are employees of the company.

Other than customary transactions with related parties such as remuneration to key individuals, there has been no transactions with related parties, with the exception of what is mentioned above.

The Share and Shareholders

Stillfront Group's shares are traded on Nasdaq First North since December 8, 2015. As of June 29, 2017, the share is traded on First North Premier. Closing price as of June 30, 2018 was 220.50 SEK/share.

The largest shareholders as of June 30, 2018 were Laureus Capital GmbH owning 27.0 percent of the shares in the company, Swedbank Robur Fonder owning 9.4 percent, Första AP-fonden owning 9.0 percent, Handelsbanken Fonder owning 7.7 percent and Global Founders Capital GmbH & Co. Beteiligungs KG Nr.1 owning 5.5% of the company. The total number of shares was 23,312,094.

Stillfront's bond with ISIN SE0009973050 is traded on Nasdaq OMX Stockholm.

Accounting and Valuation Principles

This interim report has been prepared in accordance with IFRS. Please see note 1, Accounting principles, for more details.

Risks and Uncertainty Factors

Risks and uncertainties are described in Prospectus Stillfront Group AB (publ) Bond 2017/2020, which is available on the company's web site http://www.stillfront.com/site/the-bond/

Review

This report has not been reviewed by the company's auditors.

Certified Adviser

Avanza Bank is Stillfront's Certified Adviser. Avanza can be reached by phone at +46-8-4094 2120.

Investor contact

The latest information on the company is published on its website www.stillfront.com. The company can be contacted by email ir@stillfront.com, or by phone +46-725-139914.

Financial Calendar

Interim Report January-September 2018	22 November 2018
Year End Report 2018	22 February 2019

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 07.00 CEST on August 28, 2018.

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, August 28, 2018

Jan Samuelson, Chairman

Katarina Bonde

Birgitta Henriksson

Erik Forsberg

Fabian Ritter

Ulrika Viklund

Jörgen Larsson, CEO

Key figures, Group

KSEK	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Deposits, KSEK	329 807	227 091	646 463	477 987	1 088 183	921 642
Deferred revenue	*530*	*2 187*	*2 375*	*2 602*	*6 799*	*8 961*
Net revenues, KSEK	329 277	224 904	644 088	475 385	1 081 384	912 681
EBITDA adjusted*, KSEK	103 569	95 348	209 829	194 292	349 588	312 788
EBIT, adjusted*	72 998	73 998	147 983	151 607	245 196	227 558
Net result, KSEK	30 616	44 741	76 418	70 933	102 234	75 487
EBITDA margin adjusted*, %	31.5%	42.4%	32.6%	40.9%	32.3%	34.3%
EBIT margin adjusted*	22.2%	32.9%	23.0%	31.9%	22.7%	24.9%
Interest Coverage Ratio, x	20	-	20	-	20	1 374
Pro forma Interest Coverage Ratio, x	12	-	12	-	12	22
Equity Ratio, %	51.9%	63.1%	51.9%	63.1%	51.9%	15.7%
Leverage Ratio adjusted*, x	1.18	-	1.18	-	Neg	Neg
Pro forma Leverage Ratio adjusted*, x	1.13	-	1.13	-	Neg	Neg
Shareholders' equity per share undiluted, SEK	38.45	15.19	38.45	15.19	-	3.81
Shareholders' equity per share diluted, SEK	38.16	15.19	38.24	15.19	-	3.81
Earnings per share undiluted, SEK	1.26	2.66	3.31	4.22	3.50	4.49
Earnings per share diluted, SEK	1.25	2.66	3.29	4.22	3.48	4.49
No of shares end of period undiluted	23 272 094	16 828 623	23 272 094	16 828 623	23 272 094	16 828 623
No of shares end of period diluted	23 453 544	16 828 623	23 400 581	16 828 623	23 400 581	16 828 623
Average no of shares period undiluted	23 256 877	16 828 623	22 971 285	16 828 623	18 364 288	16 828 623
Average no of shares period diluted	23 438 327	16 828 623	23 099 772	16 828 623	18 396 410	16 828 623

* excluding items affecting comparability

RATIOS NOT DEFINED IN IFRS

Stillfront applies IFRS, see Note 1. IFRS defines only a few key ratios. Stillfront applies ESMA's (European Securities and Markets Authority) guidelines for alternative key performance indicators, Alternative Performance Measures. An alternative performance measure is a financial measurement of historical or future earnings performance, financial position or cash flow that is not defined or specified in IFRS. To facilitate analysis of Stillfront's development, certain performance measures are disclosed, which are not defined in IFRS. This additional information is supplementary information to IFRS and is not to be regarded as substitute for key ratios defined in IFRS. Stillfront's definitions of alternative performance measures are shown below.

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURE, GROUP

Alternative Performance Measure	Definition	Purpose
Unadjusted revenues	Unadjusted revenues represents Net revenue before IFRS adjustments for prepayments from customer	Shows the actual payment, excl VAT, from customer. Unadjusted revenues gives a relevant view of Stillfront's operational performance during a given period.
Growth in Revenues	Growth in Net revenues compared to the corresponding period the previous year.	Indicates the growth rate
EBITDA	Operating profit before depreciation and amortization.	Indicates the profits in the running business
EBIT	Net result for the period before interest and taxes	Indicates the profits after depreciation and amortisation
EBITDA margin	EBITDA as a percentage of Net revenues	Indicates the profitability in relation to the Net revenues.
EBIT margin	EBIT as a percentage of Net revenue	Indicates the profitability after depreciation and amortisation in relation to Net revenues
Interest Coverage Ratio	Adjusted EBITDA divided by net financial items for the past 12 months.	Indicates the ability to pay interest on debts
Equity Ratio	Shareholders' equity as a percentage of total capital	Describes the capital structure
Leverage Ratio adjusted	Adjusted net debt (non-current liabilities excluding contingent considerations reduced by cash and bank) divided by adjusted EBITDA for the past 12 months	Describes the capital structure and financial risk
Shareholders' equity/share	Shareholders' equity attributable to the parent company shareholders divided by the number of shares at the end of the period.	Indicates the value of the equity per share

Consolidated income statement

KSEK	NOTE 3	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Revenues							
Net revenues		329 277	224 904	644 088	475 385	1 081 384	912 681
Internally accrued during the year		34 549	18 700	65 504	32 461	99 605	66 563
Other revenues	4	14 288	2 392	20 295	6 657	23 626	9 988
Operating expenses							
Other operating expenses	5	-204 320	-104 964	-397 544	-219 705	-700 688	-522 849
Personnel expenses		-58 832	-53 604	-112 837	-145 008	-233 115	-265 286
Depreciations, amortisation and write-downs		-30 571	-21 349	-61 846	-42 684	-104 392	-85 230
Other expenses		-21 263	-	-21 263	-	-	-
Operating result		**63 128**	**66 079**	**136 397**	**107 106**	**166 420**	**115 867**
Result from financial items							
Financial Income		415	-	2 386	2	2 387	3
Financial expenses		-11 754	-	-19 265	-	-19 495	-231
Total financial items		-11 339	-	-16 879	2	-17 108	-228
Operating result after financial items		**51 789**	**66 079**	**119 519**	**107 108**	**149 312**	**115 639**
Taxes for the period		-21 173	-21 338	-43 101	-36 175	-47 078	-40 152
Net result for the period		**30 616**	**44 741**	**76 418**	**70 933**	**102 234**	**75 487**
Other comprehensive income							
Items that later can be reversed in profit							
Foreign currency translation differences		-4 266	-	-1 942	3 038	-4 980	-
Total other comprehensive income for the period		**26 349**	**44 741**	**74 475**	**73 971**	**75 991**	**75 487**
Period net result attributed to:							
Parent company shareholders		29 358	44 741	75 944	70 933	80 498	75 487
Minority interests		1 258	-	473	-	473	-
Period total comprehensive income							
Parent company shareholders		25 396	44 741	74 002	73 971	75 518	75 487
Minority interests		2 696	-	2 216	-	2 216	-
Average number of shares							
Undiluted		23 256 877	16 828 623	22 971 285	16 828 623	22 971 285	16 828 623
Diluted		23 438 327	16 828 623	23 099 772	16 828 623	23 099 772	16 828 623
Net result per share attributable to the parent company shareholders							
Undiluted, SEK/share		1.26	2.66	3.31	4.22	3.50	4.49
Diluted, SEK/share		1.25	2.66	3.29	4.22	3.48	4.49

Consolidated balance sheet in summary

KSEK	Note 1,2,3,7	2018-06-30	2017-12-31	2017-06-30
Intangible non current assets	6	1 530 532	150 097	152 690
Tangible non current assets		9 083	9 766	11 742
Deferred tax assets		14 211	-	-
Current receivables		132 870	71 641	61 253
Cash and bank		80 402	176 061	179 221
Total assets		**1 767 098**	**407 564**	**404 906**
Shareholders' equity				
Shareholders' equity attributable to parent company's shareholders		894 896	64 120	255 634
Non-Controlling interest		22 024	-	-
Total Shareholders' equity		**916 921**	**64 120**	**255 634**
Non-current liabilities		188 497	98 875	44 627
Bond		488 780	-	-
Current liabilities		172 900	244 570	104 644
Total Liabilities and Shareholders' equity		**1 767 098**	**407 564**	**404 906**

Shareholders' equity, Group

KSEK	SHARE CAPITAL	NOT REGISTERED SHARE CAPITAL	OTHER CONTRIBUTION	OTHER EQUITY INCL PROFIT OF THE YEAR	EQUITY PERTAIN TO PARENT SHARE HOLDERS	NON-CONTROLLING INTEREST	TOTAL EQUITY
Opening balance 2017-01-01	**675**	**31 804**	**0**	**149 184**	**181 663**	**0**	**181 663**
Profit/Loss for the period	-	-	-	70 933	**70 933**	-	**70 933**
Other comprehensive income	-	-	-	-	**0**	-	**0**
*** Foreign currency translation differences	-	-	-	3 038	**3 038**	-	**3 038**
Total other comprehensive income	**0**	**0**	**0**	**73 971**	**73 971**	**0**	**73 971**
New share issue	-	-	-	-	**0**	-	**0**
Issue costs	-	-	-	-	**0**	-	**0**
Total transactions booked against share capital	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Closing balance 2017-06-30	**675**	**31 804**	**0**	**223 155**	**255 634**	**0**	**255 634**
Opening balance 2018-01-01	**736**	**0**	**0**	**63 029**	**63 764**	**0**	**63 764**
Profit/Loss for the period	-	-	-	75 944	**75 944**	473	**76 418**
*** Foreign currency translation differences	-	-	-1 942	-	**-1 942**	1 743	**-200**
Total other comprehensive income	**0**	**0**	**-1 942**	**75 944**	**74 002**	**2 216**	**76 218**
Issue	41	10 552	-	-	**10 593**	-	**10 593**
Issue costs	-	-52 442	-	-	**-52 442**	-	**-52 442**
Issue for non-cash consideration	-	1 186 064	-	-	**1 186 064**	-	**1 186 064**
Warrants	-	788	-	-	**788**	-	**788**
Dividens	-	-	-	-387 873	**-387 873**	-	**-387 873**
Re-classification to share capital	15 570	-	-	-15 570	**0**	19 809	**19 809**
Total transactions booked against share capital	**15 611**	**1 144 962**	**0**	**-403 443**	**757 130**	**19 809**	**776 939**
Closing balance 2018-06-30	**16 347**	**1 144 962**	**-1 942**	**-264 470**	**894 896**	**22 024**	**916 921**

Cash flow in summary, Group

KSEK NOTE 3	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Operations						
Result after financial items	52 619	66 813	121 353	108 014	131 707	118 368
Adj for items not in cash flow etc	42 206	20 167	69 172	34 369	171 323	136 520
Tax paid	-34 427	-19 388	-35 751	-34 528	-49 905	-48 682
Cash flow from operations before changes in working capital	**60 399**	**67 592**	**154 773**	**107 855**	**253 124**	**206 206**
Changes in working capital						
Increase(-)/Decrease (+) operating receivables	-3 741	11 568	-28 206	10 233	-30 650	7 789
Increase (+)/Decrease (-) in operating liabilities	-78 262	-5 615	-87 722	-57 241	-33 215	-2 734
Cash flow from changes in working capital	**-82 002**	**5 953**	**-115 928**	**-47 008**	**-63 864**	**5 056**
Cash flow from operations	**-21 604**	**73 546**	**38 845**	**60 847**	**189 260**	**211 262**
Investment activities						
Acquisition of business	-	-	65 931	-	65 931	-
Acquisition of tangible assets	-263	214	-253	1 072	-730	595
Acquisition of intangible assets	-37 040	-18 917	-69 819	-32 736	-105 146	-68 063
Cash flow from investment activities	**-37 303**	**-18 703**	**-4 140**	**-31 663**	**-39 945**	**-67 468**
Financing activities						
New debt	-8 236	-6	385 851	3	385 860	11
Issue cost	45	-	-52 442	-	-52 442	-
Warrants	787	-	787	-	787	-
Payment to shareholders (incl. dividend paid)	-1 066	-	-84 607	-	-205 098	-120 491
Dividend reverse aquisition	-	-	-387 873	-	-387 873	-
Cash flow from financing activities	**-8 470**	**-6**	**-138 283**	**3**	**-258 766**	**-120 480**
Cash flow for the period	**-67 377**	**54 837**	**-103 579**	**29 186**	**-109 451**	**23 314**
Cash and cash equivalents at start of period	**144 588**	**1 969**	**176 061**	**150 013**	**178 795**	**152 747**
Translation differences	**3 180**	**0**	**7 908**	**0**	**7 908**	**0**
Cash and cash equivalents at end of period	**80 390**	**56 806**	**80 390**	**179 199**	**77 252**	**176 061**

Parent company income statement

KSEK	NOTE 3	2018 APR-JUN	2017 APR-JUN	2018 JAN-JUN	2017 JAN-JUN	LATEST 12 MONTHS	2017 JAN-DEC
Revenues							
Net revenues		4 833	2 128	8 461	2 172	11 409	5 120
Other revenues		-	-	-	-	2 785	2 785
Operating expenses							
Other external expenses		-1 988	-1 286	-4 461	-2 850	-9 561	-7 950
Personnel expenses		-4 192	-1 611	-6 084	-2 832	-10 160	-6 908
Operating result		**-1 348**	**-769**	**-2 084**	**-3 510**	**-5 527**	**-6 953**
Financial items							
Financial income		610	-7	2 729	-	3 388	659
Financial expenses		-10 968	-256	-18 092	-256	-30 016	-12 181
Total financial items		**-10 358**	**-263**	**-15 363**	**-256**	**-26 628**	**-11 521**
Result after financial items		**-11 706**	**-1 032**	**-17 446**	**-3 766**	**-32 154**	**-18 474**
Appropriations							
Group contribution		-	-	-	-	6 615	6 615
Total appropriations		**0**	**0**	**0**	**0**	**6 615**	**6 615**
Profit before tax		**-11 706**	**-1 032**	**-17 446**	**-3 766**	**-25 539**	**-11 859**
Tax for the period		911	-	2 999	-	6 284	3 285
Net result for the period/ Comprehensive income for the period		**-10 795**	**-1 032**	**-14 448**	**-3 766**	**-19 256**	**-8 574**

Parent company balance sheet in summary

KSEK	NOTE 3,7	2018-06-30	2017-12-31	2017-06-30
Financial non current assets		3 907 632	338 276	284 763
Current receivables		22 482	11 746	2 898
Cash and bank		1 394	20 324	64 136
Total assets		**3 931 508**	**370 346**	**351 797**
Shareholders' equity		3 292 453	234 014	239 890
Appropriations		71 804	25 229	-
Non current liabilities		73 250	-	2 321
Bond		488 780	102 929	103 100
Current liabilities		5 220	8 174	6 486
Total liabilities & Shareholders' equity		**3 931 508**	**370 346**	**351 797**

NOTES

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

Stillfront's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with IFRS such 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 RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act.

Changes in significant accounting policies

IFRS 9 and IFRS 15 are applied by the company from January 1, 2018. Further, the accounting principles applied are consistent with the publication of the 2017 annual report. New standards adopted since 2018 have not had material impact on the financial position.

IFRS 9 "Financial Instruments" addresses the classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting. The final version of IFRS 9 was published in July 2014. It replaces those parts of IAS 39 that deal with the classification and measurement of financial instruments, hedge accounting and adds a new expected loss impairment model. The revenues of Stillfront mainly arise from prepaid revenues and the group has historically had very few credit losses. Therefore, this new model did not result in any changes of historically figures and is not assessed to have any material effect of future outcome. Stillfront will continue to hedge net investment in foreign operations without any changes. The new classification of financial instrument will not affect the valuation of financial instruments; All financial assets within the group is still classified and measured as amortised costs and all liabilities, excluding contingent consideration, is still classified and measured as amortised costs. The contingent consideration will still be classified and measured as liabilities measured as financial liabilities a fair value through profit and losses.

IFRS 15 "Revenue from Contracts with Customers" is the new standard for revenue recognition. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 is based on the principle that revenue is recognised when the customer gains control over the good or service sold – a principle which replaces the principle that revenue is recognised when the risks and benefits have been transferred to the purchaser.

To determine when revenue is to be reported, Stillfront has conducted a detailed analysis of standard contracts, against the various types of sales channels that exist, to assess how revenue from these will be reported.

The games within Stillfront are essentially so called "Free to play games". This means that the base platform can be used by a player without paying an entry fee. The player can play the games without paying a license fee. The revenue is generated when a player makes in game purchases to access additional content, functions, features or advantages in the games. When a player makes a deposit in the game, he/she obtains various types of virtual means of payment. These means of payment can be used to get different types of "virtual goods" ie. different types of tools to use in the games or services in-game. Some "virtual goods" can be used either immediately or unlimited over the playing time (the playing time can be either unlimited or limited in time).

Access to the game platform

The license to use the game in its base platform means that the player has access to all updates that occur in the game. Stillfront's assessment is that this license should be treated as a right to gain access to the gaming platform in its existing state throughout the license period, which would mean accrual over the useful life. The price is however 0 SEK for this right, thus no revenue accounting principle needs to be established.

Virtual goods

The right to use virtual goods is considered to be a "license in the license" and the acquisition does not include any future updates of this specific acquisition or this specific license. Stillfronts assessment is therefore that this license meets the definition of "To use" and that revenue should therefore be recognized directly upon acquisition, i.e. when the means of payment is used as payment for the goods.

Premium subscriptions

The assessment is that premium subscriptions also shall be treated as "to use", based on the same notes as for virtual goods, i.e. the revenue is generated when the means of payment is used.

In summary, revenue recognition will occur at the same time as before i.e. when the means of payment is used for the purchase of "virtual goods" or "premium subscription".

NOTE 2 FAIR VALUES

All liabilities, excluding contingent consideration, are recognized at amortized cost. Financial assets and liabilities recognized at amortized cost have variable interest rates. The fair value of these are in all material aspects consistent with book value. No financial assets or liabilities have been transferred between valuation categories. Stillfront reports additional consideration in connection with the acquisition of operations. These additional contingent considerations are valued at fair value in accordance with the IFRS 3.

NOTE 3 ACQUISITIONS

The acquisition of Altigi GmbH was completed in January 2018. The operations are conducted under the name Goodgame Studios. The purpose of the acquisition is to increase the scope of Stillfront's operations and to benefit from the strong marketing skills within Goodgame Studios.

Purchase price of the acquisition are as follows:

KSEK

Purchase price

Cash and cash equivalents	387 873
Ordinary shares issued	3 113 948
Total purchase consideration	**3 501 821**

In connection with the acquisition of Altigi GmbH, 16,868,623 shares were issued at the price of SEK 184.60 per share. The cash component of the purchase price was financed with a tap issue of Stillfront's corporate bond by SEK 390 million. The acquisition was carried out on a debt- and cash-free basis.

Reverse acquisition

The Board of Directors of Stillfront Group has deemed, according to IFRS 3 Business Combinations, Altigi GmbH to be the accounting acquirer and Stillfront Group AB to be the legal acquirer i.e. a reverse acquisition.

Upon a reverse acquisition, the purchase price analysis will be established with the legal subsidiary as the acquirer and the legal parent company as the acquired company. The purchase price analysis is based on the Stillfront Group Financial Statements by 2017-12-31.

The consolidated financial statement after the reverse acquisition is issued in the name of the legal parent company, Stillfront Group AB, but is described in the notes as a continuation of the legal subsidiary Altigi GmbH's financial statements. The comparative figures in Stillfront Group's financial reporting is consequently attributable to the legal subsidiary Altigi GmbH.

Equity

The purchase price in the reverse acquisition is calculated on the basis of the number of shares that had been required to be issued to the legal subsidiary for the acquisition of Stillfront Group, and the value is estimated to be 1 186 MSEK. The compensation that Stillfront has paid in cash for its acquisition of the legal subsidiary, 388 MSEK, is considered in the reverse acquisition as a dividend to Altigi i.e. the accounting parent company. The equity pertained is in its entirety from comparative figures from the legal subsidiary with the addition of the Stillfront Group. The reported outgoing share capital, however, should reflect the share capital of the legal parent company, which means 15.6 MSEK have been reclassified from capital to equity capital.

Purchase price analysis

A preliminary purchase price analysis of Stillfront Group AB is provided below. As there are multiple forms of intangible assets distributed over several countries, the purchase price analysis is to be considered preliminary. Finalization is expected to be completed in conjunction with the reporting of the third quarter. Hence, the consideration as described below differs from the purchase consideration stated above, due to the fact this is a reverse acquisition from an accounting point of view.

The fair value of acquired assets and assumed liabilities (MSEK):

Intangible non-current assets	222.4
Property, plant and equipment	1.3
Deferred tax assets	11.6
Current receivables excl cash and bank	32.1
Cash and bank	65.9
Non-current liabilities	-163.7
Deferred tax liabilities	-52.1
Current liabilities	-50.9
Total net assets acquired excluding goodwill (MSEK)	**66.7**
Minority	-19.8
Total net assets attributable to parent company's shareholders excl goodwill (MSEK)	**46.8**
Recognized goodwill	1 139.2
Total consideration	**1 186.1**

The previous consolidated group Stillfront Group is from an accounting point of view the acquired business and is included in the new Stillfront Group consolidated net sales with 153.1 MSEK and in the period's net result with -12.4 MSEK.

NOTE 4 OTHER REVENUE

KSEK	2018 APR-JUN	2018 JAN-JUN
Revaluation of contingent considerations	12 454	16 238
Currency exchange gains	959	2 630
Publishing revenue	1 157	1 157
Other revenue	-281	271
Total Other revenue	**14 288**	**20 295**

NOTE 5 ITEMS AFFECTING COMPARABILITY

2018 January to March

Transaction-related costs associated to the reverse acquisition are charged to the operational result amounting to 5.5 MSEK. Further, an item relating to a revaluation of contingent conditional consideration been recognised as revenue (see note 7). The effect of the revaluation is an increase of Group revenues amounting to 3.8 MSEK.

2018 April to June

Transaction-related costs associated to the reverse acquisition are charged to the operational result amounting to 0.8 MSEK. Further, revaluations of contingent conditional considerations have affected both revenue and cost (see note 7). The effect of the revaluation is an increase of Group revenues amounting to 12.5 MSEK and increase in other external expenses amounting to 21.5 MSEK.

2017

During 2017 Altigi GmbH performed a restructuring of the company which meant a substantial part of the employees had to leave the company. The non-recurring item is mainly related to compensation to employees and suppliers.

NOTE 6 INTANGIBLE ASSETS

The preliminary purchase analysis indicates that out of the equity value identified of Stillfront (pre acquistion) (i.e. 1 303.6 MSEK), the goodwill amounts to 1 139.2 MSEK and intangible assets to 222.4 MSEK. The intangible assets identified are in-house developed technologies, engines, in-house technologies in development, games, studio titles and customer relationships.

	Intangible assets validated in the preliminary purchase analysis							Intangible assets going concern		
MSEK	Developed Technolgy	Engines	Technolgy in development	Games	Studio titles	Customer relationship	Goodwill	Licenses and similar rights	Capitalized expenditure on development	2018-06-30
Opening cost	**69.6**	**48.6**	**12.3**	**37.4**	**13.5**	**41.0**	**1 139.2**	**31.9**	**414.5**	**1 807.9**
Acquisitions in operations	-	-	-	-	-	-	-	0.2	67.2	67.4
Internal development	-	-	-	-	-	-	-	-	-	-
Translations differences	-	-	-	-	-	-	-	1.8	26.1	27.9
Closing accumulated cost	**69.6**	**48.6**	**12.3**	**37.4**	**13.5**	**41.0**	**1 139.2**	**33.9**	**507.8**	**1 903.2**
Opening accumulated depreciation	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-25.1**	**-271.2**	**-296.3**
This year's depreciations	-7.0	-2.4	-1.2	-2.8	-0.7	-2.6	-	-1.1	-41.3	-59.0
Translations differences	-	-	-	-	-	-	-	-1.5	-15.9	-17.4
Closing accumulated depreciation	**-7.0**	**-2.4**	**-1.2**	**-2.8**	**-0.7**	**-2.6**	**0.0**	**-27.6**	**-328.4**	**-372.7**
Closing carrying amount	**62.6**	**46.2**	**11.1**	**34.6**	**12.8**	**38.5**	**1 139.2**	**6.3**	**179.3**	**1 530.5**

Amortization principles

Intangible assets going concern	**Years**
Licenses and similar rights	
Purchased licenses	2-5
Purchased software licenses	3-7
Capitalized expenditure on development costs	4

For capitalised expenditure on development costs, a layered approach is applied, meaning that product development regarding add-ons on existing titles are amortised over 4 years from the release of the add-on.

The amortization periods for the intangible assets in the acquired business Stillfront Group AB, defined in the preliminary purchase analysis, are described in the table below.

Intangible assets according to preliminary purchase price analysis	Years
Developed Technology	5
Engines	10
In -Developed Technology	5
Pure mobile games	5
Pure browser games/cross plattform	8
Evergreen games	10
Studio titles	10

NOTE 7 FINANCIAL ASSETS AND LIABILITIES

Financial assets

The Group classifies its financial assets in the following categories: loan receivables and trade receivables. The classification depends on the purpose for which the financial asset was acquired. The classification of financial assets is determined by management upon initial recognition. Loan receivables and trade receivables are financial assets that do not constitute a derivative, that have fixed payments or payments that can be determined and that are not listed on an active market. They are included in current assets, with the exception of items maturing later than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loan receivables and trade receivables principally comprise trade receivables, other receivables, accrued income, and cash and cash equivalents.

Loan receivables and trade receivables are recognised after the time of acquisition at amortised cost by applying the effective interest method. The application of the effective interest method means that receivables that are interest-free or that are subject to interest that deviates from the market rate of interest and have a duration exceeding 12 months, are recognised at a net present value and change in value over time is recognised as interest income in the income statement. The discounting effect is considered to be insignificant for receivables due within 12 months.

Financial liabilities

Stillfront has contingent conditional considerations in relation to acquisitions. The contingent conditional considerations are settled both in cash and as shares in Stillfront, where the number of shares transferred on settlement of the contingent conditional consideration is based on an amount in Swedish kronor, which is specified in the conditions that apply to the calculation of the contingent conditional consideration. The contingent conditional considerations are classified as a financial liability, which is classified as current if settlement is to be made within 12 months of the balance sheet date. The liability is measured at fair value and changes in value are recognised through operating profit and loss in the income statement. At the parent company the contingent conditional considerations are classified as appropriations.

Other financial liabilities are valued at amortized cost.

Financial instruments

All financial assets and liabilities are subject to floating interest, therefore the carrying amount is estimated to correspond to fair value. Transfer of financial assets and liabilities between value categories has not taken place during the period

ABOUT STILLFRONT

Stillfront is a group of independent creators, publishers and distributors of digital games - with a vision t become the leading group of indie game creators and publishers. Stillfront operates through nine near- autonomous subsidiaries: Bytro Labs in Germany, Coldwood Interactive in Sweden, Power Challenge in the UK and Sweden, Dorado Online Games in Malta, Simutronics in the United States, Babil Games in UAE and Jordan, eRepublik in Ireland and Romania, OFM Studios in Germany and Goodgame Studios in Germany. Stillfront's games are distributed globally. The main markets are Germany, the United States, France, UK and MENA. For further information, please visit www.stillfront.com.

SELECTED GAMES

Stillfront's portfolio includes games across multiple platforms. Unravel is a widely acclaimed console game developed by Coldwood in collaboration with Electronic Arts. 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. Siege: Titan Wars(TM) is a popular mobile game developed by Simutronics. Nida Harb 3 and Admiral are mobile strategy games with very strong player bases, which are published by Babil Games. World at War: WW2 and War and Peace: Civil War are a successful mobile strategy games developed and published by eRepublik Labs. Online Fussball Manager is a leading sports management game. Empire and BigFarm are major IPs operated by Goodgame Studios.

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