

Full-Year Report 2022

QUOTE FROM THE CEO

“Stillfront outperformed a soft market in the last quarter of 2022. Net revenue grew by 24 percent year-over-year to 1,781 MSEK, driven by acquired studios, a positive FX effect and stable performance from our organic studios, with an organic decline of -0.7 percent in the quarter. Adjusted EBIT amounted to 485 MSEK and adjusted EBITDA to 672 MSEK, resulting in adjusted EBIT and adjusted EBITDA margins of 27 and 38 percent respectively. Stillfront continued to generate strong cash flow in 2022. Cash flow from operations before changes in net working capital grew by 29 percent in 2022 to 2,082 MSEK, while free cash flow grew to 974 MSEK, despite increasing our investments in product development by 375 MSEK during the same period. Following several years of strong growth, the global mobile games market declined by approximately -8 percent in 2022. Stillfront saw an organic decline of -1.4 percent for the full-year, significantly better than the market, thanks to strong performance from a number of our key game franchises, contribution from new game launches, and successful in-game events during the year.”

FINANCIAL HIGHLIGHTS Q4

- Net revenue of 1,781 (1,442) MSEK, an increase of 24 percent
- Organic net revenue declined by -0.7 percent
- EBIT of 70 (249) MSEK, a decline of 72 percent
- Adj EBIT of 485 (460) MSEK, an increase of 5 percent, Adj EBIT margin of 27 (32) percent
- Items affecting comparability impacting EBIT amounted to -192 (-24) MSEK, mainly driven by a one-off amortization of -176 (0) MSEK on developed games with shortened economic lifetime and costs of -10 MSEK for workforce reductions
- Amortization of PPA-items amounted to -222 (-187) MSEK
- EBITDA of 655 (532) MSEK, an increase of 23 percent
- Adj EBITDA of 672 (556) MSEK, an increase of 21 percent, Adj EBITDA margin of 38 (39) percent
- Net result of 203 (169) MSEK, an increase of 20 percent
- Free cash flow last 12 months of 974 (953) MSEK, an increase of 2 percent
- Net debt of 3,826 (3,649) MSEK and adjusted leverage ratio, pro forma of 1.5x (1.6x)
- Cash position of 989 (1,133) MSEK and 2,401 (2,494) MSEK of undrawn credit facilities
- Stillfront’s board of directors proposes no dividend for 2022

KEY FIGURES

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Bookings	1,760	1,446	7,014	5,440
Deferred revenue	21	-3	44	16
Net revenue	1,781	1,442	7,058	5,455
EBIT	70	249	850	1,034
Adjusted EBIT	485	460	2,005	1,802
Adjusted EBIT margin, %	27	32	28	33
EBITDA	655	532	2,545	2,020
Adjusted EBITDA	672	556	2,595	2,124
Adjusted EBITDA margin, %	38	39	37	39
Items affecting comparability	-192	-24	-226	-104
Profit before tax	214	180	753	793
Net result	203	169	547	596
Number of employees	1,589	1,381	1,589	1,381
Adjusted Leverage Ratio, pro forma, x	1.5	1.6	1.5	1.6

Comments by the CEO

Strong cash flow and profitability

Stillfront outperformed a soft market in the last quarter of 2022. Net revenue grew by 24 percent year-over-year to 1,781 MSEK in the quarter, driven by acquired studios, a positive FX effect and stable performance from our organic studios. Adjusted EBIT amounted to 485 MSEK and adjusted EBITDA to 672 MSEK, resulting in adjusted EBIT and adjusted EBITDA margins of 27 and 38 percent respectively in the quarter. For the full-year 2022, Stillfront grew net revenue by 29 percent to 7,058 MSEK and adjusted EBIT by 11 percent to 2,005 MSEK, resulting in an adjusted EBIT margin of 28 percent.

Stillfront continued to generate strong cash flow in 2022. Cash flow from operations before changes in net working capital during the last twelve months grew by 29 percent to 2,082 MSEK. Free cash flow for the last twelve months amounted to 974 MSEK, 2 percent higher compared to the same period last year, despite increasing our investments in product development by 375 MSEK, or 61 percent, during the same period. In 2022, Stillfront generated 2 SEK in free cash flow per share.

Stable organic performance in a weak market

Stillfront's organic net revenue declined by -0.7 percent in the fourth quarter. The organic development was slightly softer than we anticipated when we published our last report in October, mainly driven by a weaker-than-expected global mobile games market.

The FIFA World Cup, which was hosted in Qatar during the fourth quarter, had a negative effect on engagement in our games primarily in the MENA region during November and first half of December. Following the end of the event, engagement picked up again and Jawaker, our largest studio in the region, performed very well during the second half of December. Despite the negative impact from the World Cup, Jawaker contributed with strong organic growth in the fourth quarter and the studio has had an impressive first 15 months as a part of Stillfront.

2022 was a difficult year for mobile gaming. The mobile games market declined by approximately -8 percent¹ following several years of strong growth. Against this backdrop, we are pleased that Stillfront's organic decline was limited to -1.4 percent for full-year 2022. We have been able to perform significantly better than the market during 2022 thanks to strong performance from a number of our key game franchises, contribution from new game launches, and successful in-game events during the year. Several of our key game franchises, including Supremacy, BitLife and Albion Online, showed significant organic growth during 2022. With that said, we are of course not happy with an organic decline on group level, and even though market visibility remains low, we expect both

¹ Stillfront's addressed market is defined as the global mobile games market excluding China, using average market growth numbers from data.ai, Newzoo and Sensor Tower.

Stillfront and the market to return to organic growth during the second half of 2023.

Stillfront's topline and EBITDA in the fourth quarter was negatively impacted by approximately -1 percent and -2 percent respectively by our decision to pause Moonfrog's subsidiary Ulka Games' operations in Bangladesh, which we communicated in a press release on 3 November 2022. The investigation conducted by the Bangladeshi authorities is still pending and no formal charges have yet been filed against Ulka Games or its representatives. We continue to closely monitor the process. Moonfrog generates most of its revenues from the Indian market and a potential decision to close Ulka Games' operations permanently would have very limited impact on Moonfrog's business outside Bangladesh and the financial impact for the group would be non-material.

Efficient capital allocation across our portfolio

In 2021, Stillfront made the strategic decision to increase investments in new game development into 2022. As a result, we increased capitalization of product development to 14.1 percent in relation to net revenue in 2022, compared to 11.4 percent in 2021. The higher investment rate resulted in several successful new game releases and Stillfront has added 8 new own-developed titles to the active portfolio during 2022. We have, however, also seen that certain new game development projects have not met our return-on-investment requirements. As a result, we decided to close down specific development projects in the fourth quarter, resulting in workforce reductions at our studios Kixeye, Simutronics and Coldwood Interactive, as well as one-off amortization costs of -176 MSEK in the quarter.

In the fourth quarter, capitalization of product development decreased to 13.2 percent in relation to net revenue, compared to 14.4 percent in the third quarter. Launches in the fourth quarter have performed somewhat softer than our expectations, with one title added to the active portfolio.

As we enter 2023, we have a clear ambition to become more efficient in how we allocate capital for game development. Going forward, we will impose even tougher requirements on development projects across our studios and allocate a larger share of investments towards our key game franchises. As a result, we will aim to get higher return on our investments in product development and gradually lower the ratio between capitalized development costs and net revenues to around 10 percent over the coming years, with natural fluctuation between specific quarters and years. Portfolio diversification continues to be a key pillar in Stillfront's strategy and our ambition to grow our portfolio with new game titles remains intact, but we

will seek to do so with a strengthened focus on maximizing risk-reward going forward.

Efficient user acquisition

Our spend on user acquisition in the fourth quarter totalled 439 MSEK, equalling 25 percent of net revenue, compared to 378 MSEK or 26 percent of net revenue during the same period last year. The marketing landscape in the fourth quarter was slightly more difficult than we anticipated going into the quarter, and as a result we spent slightly less on user acquisition than forecasted. A key component in Stillfront's strategy is our strict payback requirements on user acquisition spend, where we don't compromise on our payback targets of 180 days return on ad spend. During 2022, the marketing landscape has been challenging, and our strict payback targets have put high demands on our marketing teams across the group. We are proud that we were able to increase marketing spend in full-year 2022 by 29 percent, and it has become even more clear in the past year that our ability to swiftly allocate user acquisition spend across our diversified portfolio of games without compromising on profitability is a key competitive advantage in our industry.

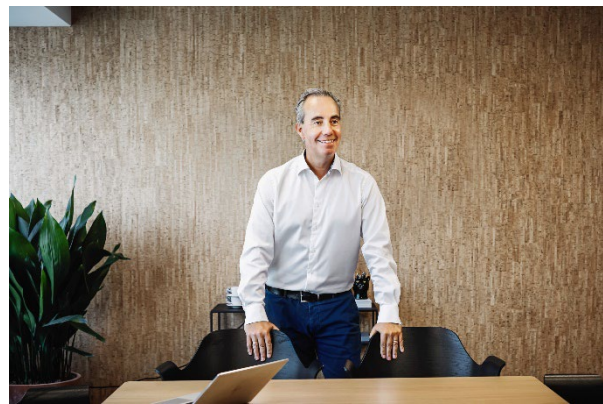
Entering a new phase in 2023

When we held our Capital Markets Day in November 2019, we communicated an ambition to scale Stillfront to become a leading global player within free-to-play games. Since then, Stillfront has grown its revenues by more than 3.5x, while increasing free cash flow by more than 4.5x. During the same period, we have also significantly diversified Stillfront's games portfolio, adding several major game franchises to the group. We have increased our market share within mobile games, as well as further expanded our global footprint in North America, MENA and Asia. We have also built our unique operating model Stillops, which enables collaborations and synergies across our 23 studios.

We have a strong market position in an exciting and constantly evolving industry that will continue to grow for a long time, driven by an increasing demand for digital entertainment.

Going into 2023, Stillfront is entering a new phase, what we call Stillfront IV, or the synergy phase. Our ambition with this phase is to further leverage the scale that we have achieved these past three years to continue to build the best games company in the world. With Stillfront IV, we will be fully focused on optimizing the operations of our business and increasing value for our shareholders, leveraging all the assets our more than 1,500 highly skilled employees across our 23 studios have built during the past years.

I remain confident that Stillfront has never been in a stronger position than we are now. We are entering 2023 with great energy and confidence to continue to build upon the unique position Stillfront has within the mobile games industry and I can't wait for what the future has in store for us.



JÖRGEN LARSSON, CEO, STILLFRONT GROUP

Stillfront at a glance

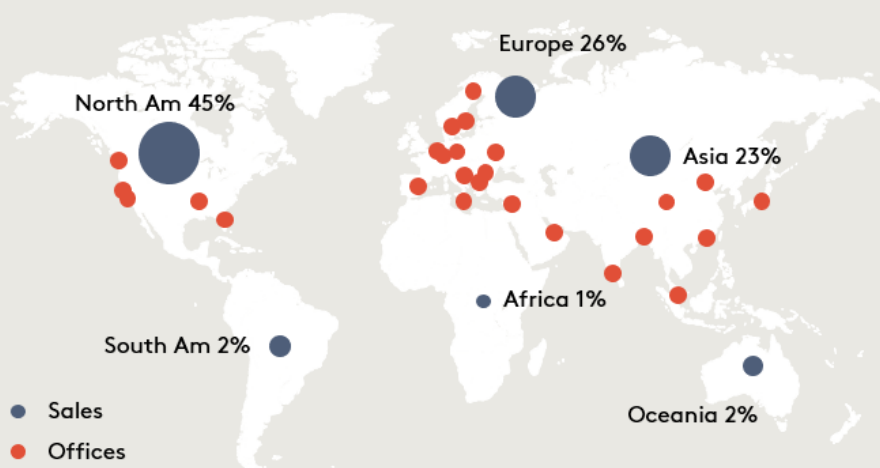
A global games company

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by almost 70 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,500+ professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm Large Cap.

Driving a sustainable gaming business

Stillfront's purpose is to make a positive impact in our gamers' everyday life, by creating a social, affordable, entertaining, and positive gaming experience. Our sustainability framework consists of three areas: Gaming for all – focusing on the value we create through our products; Living our values – internal and cultural perspectives; and Smart resource use – climate impact and reduction plan. To read more about our long-term sustainability targets, please visit www.stillfront.com/en/sustainability.

GLOBAL PRESENCE



Percentage figures refer to Bookings in Q4 2022 by assumed location of gamers based on IP address or similar.

78

games in active portfolio in Q4

76%

mobile share of bookings in Q4

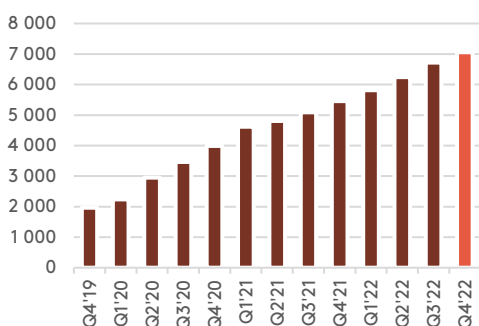
16%

ad share of bookings in Q4

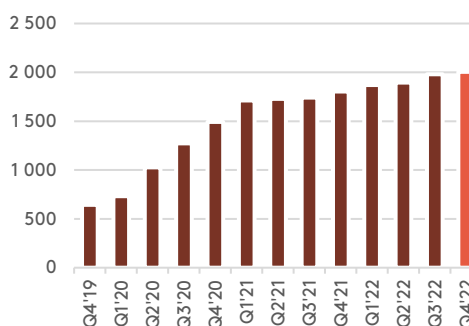
1,589

professionals

NET REVENUE LTM (MSEK)



ADJ. EBIT LTM (MSEK)



Portfolio overview

Game performance

Bookings in the fourth quarter amounted to 1,760 MSEK, of which 1,693 MSEK in the active portfolio. The increase of 24 percent year-over-year in the active portfolio was driven by the addition of games from 6waves and positive FX effects.

Bookings from other games amounted to 67 MSEK in the fourth quarter. Other games consist of new game releases that have not yet been added to the active portfolio and smaller long-tail games.

Advertising bookings in the active portfolio increased by 3 percent compared to the same period last year and accounted for 16 percent of total bookings in the active portfolio in the fourth quarter, up from 14 percent in the third quarter. The share of advertising bookings was 19 percent of total bookings during the same period last year. The lower share of advertising bookings compared to last year was driven mainly by the addition of titles from 6waves and strong performance from Strategy games that are monetized mainly through in-game purchases.

Mobile share of bookings accounted for 76 percent of total bookings in the active portfolio in the fourth quarter, down from 77 percent in the third quarter and up from 75 percent in the same period last year.

ARPDau for the active portfolio was up by 35 percent year-over-year from 1.2 SEK to 1.6 SEK. The sharp increase is mainly driven by positive FX effects, Strategy games accounting for a larger share of total bookings, and improved monetization in Casual & Mash-up.

User acquisition costs, UAC, in the active portfolio amounted to 438 MSEK in the fourth quarter, up by 16 percent compared to 376 MSEK during the same period last year. This corresponds to 26 percent of bookings in the active portfolio, compared to 28 percent in the same period last year.

MAU, monthly active users, decreased by 5 percent compared to the same period last year, while MPU, monthly paying users, decreased by 15 percent year-over-year. The decline in MPU is partly driven by Stillfront's decision to pause Moonfrog's operations in Bangladesh during the fourth quarter.

2022 Q4	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
Bookings (MSEK)	1,693	586	383	724	67
Y-o-Y %	24%	77%	-3%	13%	
Ad bookings, %	16%	1%	6%	32%	
Mobile bookings, %	76%	75%	54%	88%	
UAC (MSEK)	438	162	83	192	2
Y-o-Y %	16%	72%	-35%	25%	
DAU ('000)	11,526	791	1,279	9,456	
Y-o-Y %	-8%	45%	-9%	-11%	
MAU ('000)	60,909	4,028	6,429	50,452	
Y-o-Y %	-5%	17%	-19%	-4%	
MPU ('000)	1,231	176	248	806	
Y-o-Y %	-15%	50%	-14%	-22%	
ARPDau (SEK)	1.6	8.1	3.3	0.8	
Y-o-Y %	35%	22%	7%	27%	

Product areas

Strategy

The strategy portfolio consists of 21 classic war and so called 4X strategy games, including titles like Empire, Conflict of Nations, Supremacy 1914 and Shishinogotoku. The strategy games amounted to 35 percent of the bookings in the active portfolio in the fourth quarter. Strategy bookings increased by 77 percent year-over-year to 586 MSEK, driven by the addition of games from recently acquired 6waves as well as strong organic growth.

User acquisition spend in the strategy portfolio amounted to 162 MSEK in the fourth quarter, up by 72 percent compared to the same period last year. User acquisition spend as a percentage of bookings amounted to 28 percent in the quarter. The high level of user acquisition continues to be driven by the strong traction from the Supremacy titles.

As a result of the continued high user acquisition spend in the product area over the last 12 months and the addition of 6waves, daily and monthly active users were up year-over-year by 45 percent and 17 percent respectively. ARPDAU in the product area increased by 22 percent in the quarter compared to the same period last year, primarily driven by 6waves' games and FX effects.

6waves' new titles that were soft launched during the quarter have not met the studio's initial expectations. Going forward, 6waves will launch several collaboration projects with other Stillfront studios, in addition to its pipeline of externally developed games. As communicated in connection with the acquisition, Stillfront sees significant potential to culturize and publish existing Stillfront titles in Japan and across East Asia.

Simulation, RPG & Action

Simulation, RPG & Action is a diversified portfolio of 29 game titles including simulation games such as Big Farm: Mobile Harvest and Hollywood Story, action games such as Battle Pirates, and RPGs such as Albion Online and Shakes & Fidget.

Simulation, RPG & Action totalled 23 percent of the bookings in the active portfolio in the fourth quarter. Bookings decreased by -3 percent compared to the same period last year and amounted to 383 MSEK in the quarter. The slight decline is a result of a significant lower user acquisition spend in the product area compared to the same period last year. User acquisition spend in Simulation, RPG & Action was down by -35 percent compared to the same period last year, and as a result both MAU and DAU were down during the same period.

Sandbox Interactive's hit title Albion Online continued its positive momentum from the third quarter and showed strong organic growth during the fourth quarter, despite low user acquisition investments. Playa Games had a very strong fourth quarter as well, growing its key title Shakes & Fidget significantly compared to the same period last year.

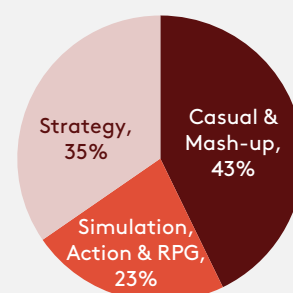
As communicated in the third quarter, Kixeye implemented a cost optimization project in the fourth quarter to ensure that the studio's cost base is better aligned with the performance of its game portfolio.

Casual & Mash-up

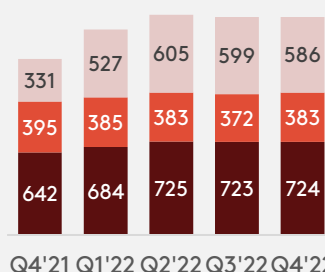
The Casual & Mash-up portfolio consists of 28 games, including key titles like Property Brothers Home Design, BitLife, Trivia Star, Jawaker and Ludo Club. One new title was added to the product area in the fourth quarter. The product area totalled 43 percent of the bookings in the active portfolio in the fourth quarter, growing by 13 percent compared to the same period last year, driven primarily by positive FX effects. User acquisition spend in Casual & Mash-up grew by 25 percent year-over-year.

Jawaker delivered solid growth in the fourth quarter, despite being negatively impacted by the FIFA World Cup in November and December. Jawaker has continued to develop and release new games within the Jawaker app and expanding to new geographic markets.

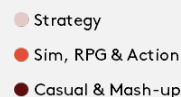
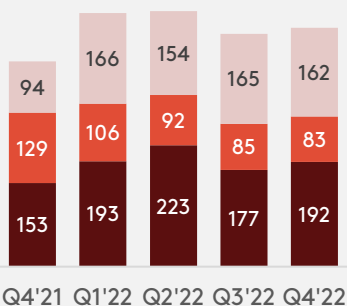
Product areas as share of bookings in Q4 2022 in total active portfolio



Bookings in total active portfolio per product area



UAC in total active portfolio per product area



Candywriter's top franchise BitLife had an impressive fourth quarter with strong organic growth. The studio has continued with its successful strategy with major content updates. Beginning of 2023, BitLife FR was launched in French-speaking markets with promising initial results.

Moonfrog's key title Ludo Club also had a strong quarter, significantly increasing its bookings year-over-year and showing strong growth in German-speaking markets towards the end of the year.

FINANCIAL OVERVIEW OF THE FOURTH QUARTER

Revenue and operating profit

MSEK	2022		2021		Chg%	
	Oct-Dec	Oct-Dec	Chg%	Jan-Dec	Jan-Dec	Chg%
Net Revenue	1,781	1,442	24	7,058	5,455	29
EBITDA	655	532	23	2,545	2,020	26
EBITDA margin, %	37	37		36	37	
EBIT	70	249	-72	850	1,034	-18
EBIT margin, %	4	17		12	19	
Items affecting comparability	-192	-24	715	-226	-104	118
Adjusted EBITDA	672	556	21	2,595	2,124	22
Adjusted EBITDA margin, %	38	39		37	39	
Amortization of PPA items	-222	-187	19	-929	-665	40
Adjusted EBIT	485	460	5	2,005	1,802	11
Adjusted EBIT margin, %	27	32		28	33	

Net revenue in the fourth quarter amounted to 1,781 (1,442) MSEK. The increase of 23.5 percent is driven by acquired studios (+10.9 percent year-over-year) and currency movements (+14.4 percent year-over-year), slightly offset by negative organic growth (-0.7 percent year-over-year).

Stillfront experienced a positive impact from currency movements on net revenues in the fourth quarter, mainly driven by the strong USD compared to the SEK year-over-year. Currency rates in the quarter are outlined in the currency table on page 20 in this report.

The decision to pause operations in Bangladesh negatively impacted Stillfront's net revenue growth by -1.1 percent in the fourth quarter. The negative impact on net revenue growth is described as 'Other change' in the table below.

Net revenue growth	2022		2021		Chg%	
	Oct-Dec	Oct-Dec	Chg%	Jan-Dec	Jan-Dec	Chg%
Change through acquisitions, %	10.9	37.6	20.0	48.5		
Change through currency movements, %	14.4	0.8	11.1	-3.9		
Organic growth, %	-0.7	-4.9	-1.4	-7.8		
Other change %	-1.1	0.0	-0.3	0.0		
Total net revenue growth, %	23.5	33.5	29.4	36.8		

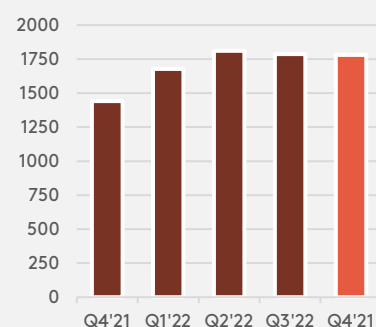
Stillfront had a gross margin of 76 percent in the quarter, compared to 79 percent in the same quarter last year. 6waves is included since February 2022, which, as communicated in connection with the acquisition, has a slightly negative impact on Stillfront's gross margins as the studio has higher direct costs than other studios in the group offset by a lower cost base for user acquisition.

Stillfront's personnel expenses as a percentage of net revenue amounted to 17 (17) percent in the quarter. Other external expenses amounted to 6 (6) percent.

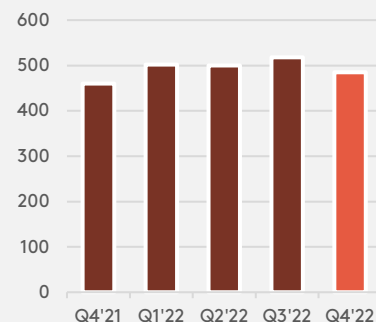
EBITDA amounted to 655 (532) MSEK in the fourth quarter. Adjusted EBITDA amounted to 672 (556) MSEK, corresponding to an adjusted EBITDA margin of 38 (39) percent in the quarter.

EBIT amounted to 70 (249) MSEK in the fourth quarter. Adjusted EBIT amounted to 485 (460) MSEK, corresponding to an adjusted EBIT margin of 27 (32) percent. Items affecting comparability amounted to -192 (-24) MSEK in the quarter, comprising mainly of a comparison disturbing amortization of -176 (0) MSEK on developed games with shortened economic lifetime, and costs of -10 MSEK for workforce reductions in the studios Kixeye and Coldwood Interactive. Further costs for workforce reductions in the studio Simutronics are expected to impact EBIT in the first quarter of 2023 by approximately -10 MSEK. No impairment or other

Net revenue development (MSEK)



Adj EBIT development (MSEK)



significant costs have been recorded in the quarter in connection with pausing the operations in Bangladesh.

Product development

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Capitalization of product development	235	185	996	620
Amortization of product development	-168	-79	-518	-263
Amortization of PPA items	-222	-187	-929	-665

In the fourth quarter, investments in product development have been capitalized by 235 (185) MSEK. Investments include development of new games in soft launch as well as other not yet launched games. Investments also pertain to larger extensions and additions to existing games.

Amortization of product development of -168 (-79) MSEK was charged during the fourth quarter. Additionally, comparison disturbing amortization was recorded in the quarter of -176 (0) MSEK on developed games with shortened economic lifetime. Amortization of PPA items amounted to -222 (-187) MSEK, where the increase year-over-year is driven by recent acquisitions and currency movements and where the decrease against earlier quarters in 2022 result from adjusting the PPA for 6waves.

Financial net

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net interest excluding interest on earnouts	-73	-45	-232	-154
Interest on earnout consideration (non-cash)	-25	-20	-113	-87
Currency exchange differences	1	2	11	4
Other	-	-0	-	-0
Changes in fair value of contingent consideration	241	-7	237	-5
Net financial items	143	-70	-97	-242

The financial net was 143 (-70) MSEK in the fourth quarter, consisting of net interest expenses -73 (-45) MSEK, non-cash interest charge on earnout provision -25 (-20), revaluations of earnout provisions 241 (-7) MSEK and currency exchange differences 1 (2) MSEK.

Tax

The group's tax cost amounted to -11 (-11) MSEK for the fourth quarter, equivalent to a tax rate of 5 (6) percent, including normal annual tax adjustments. For the full year, the group's tax cost amounted to -206 (-197) MSEK, equivalent to a tax rate of 27 (25) percent. Excluding the impact of non-deductible transaction costs, non-cash earnout interest and tax-free earnout revaluations, the tax rate for the year would have been 32 (21) percent. One-off tax adjustments in the year relating to tax costs for previous years have been charged to tax cost for the year in the amount of -26 MSEK. Excluding the impact of tax adjustments for previous years, the tax rate for the year would have been 28 percent.

Financing

MSEK	2022	2021
	31 Dec	31 Dec
Net debt	3,826	3,649
Cash and cash equivalents	989	1,133
Adjusted Interest Coverage Ratio, pro forma, x	11.8	15.5
Adjusted Leverage Ratio, pro forma, x	1.5	1.6

In the first quarter, a directed issue of shares to the sellers of 6waves took place, in the amount of 147 MSEK and a preferential rights issue of 1,989 MSEK was

completed to finance the acquisition of 6waves and to increase financial flexibility. Earnout provisions and other liabilities for business combinations were settled in the second quarter with 523 (617) MSEK in cash and 170 (153) MSEK in new issued shares, in the third quarter with 312 (0) MSEK in cash and 90 (154) MSEK in new issued shares, and additionally in the fourth quarter with 206 (0) MSEK in cash and 2 (0) in new issued shares.

Also in the third quarter, Stillfront signed an agreement for a new term loan of 60 MEUR from AB Svensk Exportkredit with a four-year term. The loan strengthens Stillfront's financial position and further diversifies the company's financing platform. It was applied by Stillfront in the beginning of October for a voluntary early redemption of all of its outstanding senior bonds maturing on 22 November 2022 having an outstanding amount of 600 MSEK. In the fourth quarter, Stillfront's unsecured revolving credit facility of 3,750 MSEK was extended with a new maturity date in December 2025 and at the same terms as the original facility, entailing continued cost-effective financing and financial flexibility, while improving the maturity profile of the debt portfolio.

Net debt as of year-end 2022, amounted to 3,826 (3,649) MSEK.

Adjusted interest coverage ratio, pro forma was 11.8x (15.5x) at the end of the quarter.

The adjusted leverage ratio, pro forma was 1.5x (1.6x). Stillfront has a financial target for the adjusted leverage ratio pro forma to not exceed 1.5x, with the ability to exceed this target for shorter periods.

At the end of the quarter, Stillfront had a total of unutilized credit facilities of 2,401 (2,494) MSEK, of which 2,279 (2,294) MSEK were long-term credit facilities. Cash balances amounted to 989 (1,133) MSEK.

Stillfront's financial assets and liabilities are in general measured at amortized cost, which is also a good approximation of their fair value. Bond loans with a carrying value of 2,496 (3,092) MSEK, however, have a fair value of 2,415 (3,138) MSEK. FX forwards and currency basis swaps with a carrying amount of -83 (-11) MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 3,027 (3,328) MSEK are measured at fair value through profit and loss.

MSEK	2023	2024	2025	2026	2027	Total
Provisions for earnouts						
Cash	748	495	442	293	184	2,163
Equity	323	172	170	120	79	864
Total provisions for earnout	1,071	668	612	413	263	3,027

The amounts stated above refer to provisions in the balance sheet, calculated as present values of nominal expected future payments, by year of expected settlement. As of the quarter-end, the Group had liabilities of 3,027 (3,328) MSEK for earnout provisions, of which 1,071 (1,030) MSEK current and 1,956 (2,298) MSEK non-current. The amounts will be settled during 2023 to 2027, where 2,163 MSEK of the book value corresponds to amounts expected to be paid out in cash and 864 MSEK expected to be paid out in newly issued shares.

Earnout provisions at the end of September 2022 were 3,628 MSEK and decreased during the fourth quarter to 3,027 MSEK, mainly driven by revaluations and discounting effects of -420 MSEK, exchange rate differences of -180 MSEK and a final settlement of the 2022 earnout of -2 MSEK.

Cash flow

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow from operations	484	442	2,028	1,620
Cash flow from investment activities	-480	-1,515	-3,758	-4,176
Cash flow from financing activities	-301	1,014	1,463	2,612
Cash flow for the period	-297	-59	-267	56
Cash and cash equivalents at the end of period	989	1,133	989	1,133

The Group had cash flows from operations of 484 (442) MSEK in the fourth quarter. The amount includes taxes paid of -113 (-85) MSEK during the quarter, including final settlements of tax for previous years, and changes in working capital of 10 (37) MSEK, including timing impacts of settlements received from platform providers and payments to suppliers.

Cash flows from investment activities amounted to -480 (-1,515) MSEK, including -235 (-185) MSEK investments in product development, -206 (-1,192) MSEK business combinations and -30 (-134) settlements of asset acquisitions. Cash flows for business combinations and asset acquisitions in the quarter are final settlements of deferred consideration relating to investments made in earlier periods.

Cash flows from financing activities amounted to -301 (1,014), including -243 (911) MSEK in net settlements of borrowings.

Free cash flow for the last twelve months amounted to 974 (953) MSEK. The cash conversion rate, defined as free cash flow for the last twelve months divided by EBITDA for the last twelve months, amounted to 0.38 (0.47).

SIGNIFICANT EVENTS IN THE QUARTER

Stillfront Group announces extension of its existing unsecured revolving credit facility of SEK 3.75 billion with new maturity in 2025

On 21 November 2022 Stillfront announced it had utilized its two-year extension option of its revolving credit facility of SEK 3.75 billion with a new maturity date in December 2025. The extension was done at the same terms as the original facility signed in December 2020. With the extension, Stillfront ensures continued cost-effective financing and financial flexibility, while improving the maturity profile of its debt portfolio. The facility is supported by DNB Bank ASA, Sweden Branch; Nordea Bank Abp, filial i Sverige; and Swedbank AB (publ). Mannheimer Swartling acted as legal advisor to Stillfront.

Stillfront Group evaluates potential closure of its subsidiary's operations in Bangladesh

Stillfront Group announced on 3 November 2022 that it had decided to evaluate a potential process to close Moonfrog Labs' operations in Bangladesh. Stillfront's subsidiary in India, Moonfrog Labs, which was acquired in February 2021, has had business operations in Bangladesh through a company called Ulka Games. Due to recent measures taken by Bangladeshi authorities including a new interpretation of what constitutes online gaming as opposed to online gambling under the laws of Bangladesh, Stillfront finds it unviable to conduct online gaming business in the country. Stillfront's topline and EBITDA in the fourth quarter was negatively impacted by approximately -1 percent and -2 percent respectively as a result of the decision. Cash and bank balances in the group include 91 MSEK on bank accounts in Bangladesh. Moonfrog Labs has shown solid growth since becoming part of Stillfront. Moonfrog generates most of its revenues from the Indian market and a potential decision to close Ulka Games' operations permanently would have very limited impact on Moonfrog's business outside Bangladesh and the financial impact for the group would be non-material.

Nomination Committee appointed in Stillfront Group

The composition of the nomination committee ahead of the 2023 annual general meeting was announced through a press release on 9 November 2022. As a result of a subsequent change in ownership, the composition of the nomination committee changed, which was announced on 5 December 2022. After the change, the nomination committee ahead of the 2023 annual general meeting consists of the following members: Ossian Ekdahl, Chair of the Nomination Committee, appointed by Första AP-fonden (AP1); Niklas Johansson, appointed by Handelsbanken Fonder; Patrik Jönsson, appointed by SEB Fonder; and Jan Samuelson, Chair of the Board of Directors of Stillfront Group AB (publ) (adjunct).

Stillfront commits to the Science Based Targets initiative (SBTi)

Stillfront announced on 6 December 2022 that it had committed to set near-term company-wide emission reduction targets in line with climate science and with the Science Based Targets initiative (SBTi). Stillfront will now focus on implementing sufficient actions to reduce emissions from its own operations as well as initiating projects related to reducing energy when gamers play its games. The SBTi is a partnership between CDP (Climate Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF).

EVENTS AFTER THE REPORTING PERIOD

Stillfront's chair Jan Samuelson will not be available for re-election

On 3 January 2023 Stillfront announced that Jan Samuelson, Chair of the Board of Directors of Stillfront Group AB (publ), has informed the nomination committee that he is not available for re-election at the 2023 annual general meeting. Jan has been chair of the board of directors of Stillfront since 2018. The nomination committee will be presenting its full proposal of the board of directors, including new chair, well ahead of Stillfront's annual general meeting on 11 May 2023.

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

MARKET

The gaming industry is today the largest entertainment industry in the world with more than 3 billion gamers globally and mobile gaming is the world's most popular form of gaming.

In 2022, the mobile games industry declined following many years of strong growth. Newzoo estimates that the mobile games market declined by -6.4 percent and generated revenues of USD 92.2 billion in 2022, accounting for 50 percent of the total games market globally. According to data.ai's estimates, global player spending in mobile games declined by approximately -5 percent year-over-year in 2022 to USD 109.5 billion, and by more than -10 percent excluding China, as mobile game spending has been impacted by both normalization after the surge during the pandemic as well as economic headwinds worldwide.

Data.ai expects that the mobile games markets will decline by -3 percent in 2023. In the coming years, the mobile games industry is expected to grow with an expected CAGR of approximately 4 percent from 2022 to 2025. Newzoo expects the mobile global games market to exceed USD 103 billion by 2025.

People across all age demographics play games. The average age of a gamer in the US is 33 years of age, according to the Entertainment Software Association, ESA, and 76 percent of gamers are above 18 years old. The number of female gamers has increased during the past years, and today 48 percent of US video game players identify as female, and 52 percent identify as male.

Sources for market data:

Newzoo's Newzoo's Games Market Estimates and Forecasts January 2023

data.ai State of Mobile 2023

data.ai 5 Mobile App Forecasts for 2023

Essential Facts of the Video Game Industry 2022, by ESA

PARENT COMPANY

Customary group management functions and group wide services are provided via the parent company. The revenue for the parent company during the quarter was 36 (35) MSEK. The profit before tax amounted to 538 (-65) MSEK.

RELATED PARTY TRANSACTIONS

Other than customary transactions with related parties such as remuneration to key individuals, there have been no transactions with related parties.

THE SHARE AND SHAREHOLDERS

#	Owners	No of shares	Capital/votes
1	Laureus Capital GmbH	60,702,417	11.8%
2	First National Pension Fund	29,437,545	5.7%
3	DNB Funds	25,675,667	5.5%
4	SEB Funds	18,037,796	4.0%
5	Handelsbanken Funds	17,374,923	3.6%
6	Vanguard	15,575,017	2.9%
7	Columbia Threadneedle	15,085,096	2.9%
8	Nordea Liv & Pension	14,399,358	1.8%
9	Alcur Fonder	9,954,426	1.6%
10	Glenernie Capital Ltd	8,334,623	1.5%
11	Other Shareholders	298,622,586	58.2%

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

The total number of shares per December 31, 2022, was 513,199,454. This is the number of shares registered at the Companies' Registration Office at that date.

The shares are traded on Nasdaq Stockholm. Closing price as of December 30, 2022, was 17.52 SEK/share.

Following bonds are traded on Nasdaq Stockholm:

2019/2024 bond: ISIN: SE0012728830

2021/2025 bond: ISIN: SE0015961065

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS34, Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and the relevant references to Chapter 9 of the Swedish Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR2,

Accounting for Legal Entities and the Swedish Annual Accounts Act. No material changes in accounting principles have taken place since the latest Annual Report.

A deposit made in connection with the annual renewal of the equity swap to the bank that entered into the swap agreement with Stillfront is treated as a partial redemption of the swap liability.

The financial statements are presented in SEK, which is the functional currency of the Parent Company. All amounts, unless otherwise stated, are rounded to the nearest million (MSEK). Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

RISKS AND UNCERTAINTY FACTORS

As a global group with a wide geographic spread, Stillfront is exposed to several strategic, financial, market and operational risks. Attributable risks include for example risks relating to market conditions, regulatory risks, tax risks and risks attributable to public perception. Other strategic and financial risks are risks attributable to acquisitions, credit risks and funding risks. Operational risks are for example risks attributable to distribution channels, technical developments and intellectual property. The risks are described in more detail in the latest Annual Report. No significant risks are considered to have arisen besides those being described in the Annual Report.

FORWARD-LOOKING STATEMENTS

Some statements herein are forward-looking that reflect Stillfront's current views or expectations of future financial and operational performance. Because these forward-looking statements involve both known and unknown risks and uncertainties, actual results may differ materially from the information set forth in the forward-looking information. Such risks and uncertainties include but are not limited to general business, economic, competitive, technological, and legal uncertainties and/or risks. Forward-looking statements in this report apply only at the time of announcement of the report and are subject to change without notice. Stillfront undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, other than as required by applicable law or stock market regulations.

SIGNATURE

Stockholm, 15 February 2023

Jörgen Larsson,
CEO & Founder

The year-end report has not been reviewed by the Company's auditors.

Financial reports

INCOME STATEMENT IN SUMMARY, GROUP

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenues				
Bookings	1,760	1,446	7,014	5,440
Deferred revenue	21	-3	44	16
Net revenue	1,781	1,442	7,058	5,455
Own work capitalized	162	124	609	462
Other revenue	7	5	28	19
Operating expenses				
Direct costs	-426	-306	-1,675	-1,224
User acquisition costs	-439	-378	-1,811	-1,407
Other external expenses	-106	-92	-421	-294
Personnel expenses	-307	-239	-1,195	-888
Items affecting comparability	-192	-24	-226	-104
Amortization of product development	-168	-79	-518	-263
Amortization of PPA items	-222	-187	-929	-665
Depreciation	-19	-17	-72	-59
Operating result (EBIT)	70	249	850	1,034
Result from financial items				
Net financial items	143	-70	-97	-242
Profit before tax	214	180	753	793
Taxes for the period	-11	-11	-206	-197
Net result for the period	203	169	547	596
Other comprehensive income				
Items that later can be reversed in profit				
Foreign currency translation differences	867	260	1,556	689
Total comprehensive income for period	1,070	429	2,102	1,285
Net result for the period attributed to:				
Parent company shareholders	213	170	559	590
Non-controlling interest	-10	-1	-12	6
Period total comprehensive income attributed to:				
Parent company shareholders	2,113	430	2,113	1,278
Non-controlling interest	-10	-1	-10	6
Average number of shares				
Undiluted	513,190,931	386,678,876	483,877,769	366,572,354
Diluted	513,190,931	386,678,876	483,877,769	367,143,219
Net result per share attributable to the parent company's shareholders				
Undiluted, SEK/share	0.42	0.44	1.15	1.61
Diluted, SEK/share	0.42	0.44	1.15	1.61

BALANCE SHEET IN SUMMARY, GROUP

MSEK	12/31/2022	12/31/2021
Goodwill	16,043	12,752
Other non-current intangible assets	6,149	5,244
Tangible non-current assets	157	127
Deferred tax assets	75	39
Other non-current assets	16	7
Current receivables	697	747
Cash and cash equivalents	989	1,133
Total assets	24,126	20,049
Shareholders' equity		
Shareholders' equity attributable to parent company's shareholding	14,237	9,772
Non-Controlling interest	6	23
Total Shareholders' equity	14,242	9,795
Non-current liabilities		
Deferred tax liabilities	1,127	1,053
Bond loans	2,496	2,494
Liabilities to credit institutions	1,471	1,456
Term loan	668	-
Other liabilities	192	67
Provisions for earnout	1,956	2,298
Total non-current liabilities	7,909	7,368
Current liabilities		
Liabilities to credit institutions	79	-
Bond loans	-	597
Equity swap	20	223
Other liabilities	805	1,035
Provisions for earnout	1,071	1,030
Total current liabilities	1,975	2,886
Total Liabilities and Shareholders' equity	24,126	20,049

SHAREHOLDERS' EQUITY, GROUP

MSEK	Share capital	Other shareholders' contributions	Other Reserves	Other equity incl profit of the year	Equity attributed to parent shareholders	Non controlling interest	Total equity
Opening balance 2021-01-01	24	6,179	-808	734	6,129	17	6,146
Net result for the period				590	590	6	596
Foreign currency translation differences			688		688	1	689
Total comprehensive income	-	-	688	590	1,278	6	1,285
Total transactions with shareholders	3	2,362	-	-	2,365	-	2,365
Closing balance 2021-12-31	27	8,541	-120	1,325	9,772	23	9,795
Opening balance 2022-01-01	27	8,541	-120	1,325	9,772	23	9,795
Net Result for the period				559	559	-12	547
Foreign currency translation differences			1,554	-	1,554	2	1,556
Total comprehensive income	-	-	1,554	559	2,113	-10	2,102
Total transactions with shareholders	9	2,401	-	-58	2,352	-7	2,345
Closing balance 2022-12-31	36	10,942	1,434	1,825	14,237	6	14,242

CASH FLOW IN SUMMARY, GROUP

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operations				
Profit before tax	214	180	753	793
Adj for items not in cash flow etc	373	310	1,640	1,043
Tax paid	-113	-85	-310	-221
Cash flow from operations before changes in working capital	474	405	2,082	1,615
Changes in working capital				
Increase(-)/Decrease(+) in operating receivables	29	-52	74	-2
Increase (+)/Decrease(-) in operating liabilities	-18	89	-129	7
Cash flow from changes in working capital	10	37	-54	5
Cash flow from operations	484	442	2,028	1,620
Investment activities				
Acquisition of business	-206	-1,192	-2,724	-3,317
Acquisition of tangible assets	-9	-4	-30	-14
Capitalization of product development	-235	-185	-996	-621
Acquisition of game assets	-30	-134	-31	-223
Net change in financial assets	1	0	22	-0
Cash flow from investment activities	-480	-1,515	-3,758	-4,176
Financing activities				
Net change in borrowings	-243	911	-288	1,604
Realized foreign currency swap	-43	-	-159	-
IFRS 16 lease repayment	-15	-13	-57	-46
Proceeds from share issuance	-	123	2,001	1,074
Issue cost	-0	-6	-35	-20
Cash flow from financing activities	-301	1,014	1,463	2,612
Cash flow for the period	-297	-59	-267	56
Cash and cash equivalents at start of period	1,350	1,171	1,133	1,005
Translation differences	-64	21	123	72
Cash and cash equivalents at end of period	989	1,133	989	1,133

PARENT COMPANY INCOME STATEMENT, SUMMARY

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue				
Net revenue	36	35	144	136
Own work capitalized	5	-	14	-
Operating expenses				
Other external expenses	-15	-15	-72	-68
Personnel expenses	-32	-22	-116	-80
Operating result	-7	-2	-30	-11
Result from financial items				
Net financial items	290	-158	-453	-371
Result after financial items	284	-160	-484	-382
Appropriations				
Group contribution	254	95	254	95
Profit before tax	538	-65	-230	-287
Tax for the period	-160	-45	67	-7
Net result for the period	378	-110	-163	-294

PARENT COMPANY BALANCE SHEET, SUMMARY

MSEK	12/31/2022	12/31/2021
Intangible assets	16	4
Tangible non-current assets	1	1
Financial non-current assets	21,451	19,018
Deferred tax	75	5
Current receivables	390	190
Cash and bank	0	77
Total assets	21,932	19,294
Shareholders' equity	12,682	10,442
Provisions for earnouts	2,384	2,491
Non-current liabilities	212	3
Bond loans	2,496	3,092
Liabilities to credit institutions	1,549	1,456
Term loan	668	-
Equity swap	20	223
Other current liabilities	1,921	1,588
Total liabilities & Shareholders' equity	21,932	19,294

KEY FIGURES, GROUP

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Bookings	1,760	1,446	7,014	5,440
Deferred revenue	21	-3	44	16
Net revenue	1,781	1,442	7,058	5,455
EBIT	70	249	850	1,034
EBIT margin, %	4	17	12	19
Adjusted EBIT	485	460	2,005	1,802
Adjusted EBIT margin, %	27	32	28	33
EBITDA	655	532	2,545	2,020
EBITDA margin, %	37	37	36	37
Adjusted EBITDA	672	556	2,595	2,124
Adjusted EBITDA margin, %	38	39	37	39
Profit before tax	214	180	753	793
Net result	203	169	547	596
Number of Employees	1,589	1,381	1,589	1,381
Adjusted Interest Coverage Ratio, pro forma, x	11.8	15.5	11.8	15.5
Adjusted Leverage Ratio, pro forma, x	1.46	1.56	1.46	1.56
Shareholders' equity per share undiluted, SEK	27.74	25.24	27.74	25.24
Shareholders' equity per share diluted, SEK	27.74	25.24	27.74	25.24
Earnings per share undiluted, SEK	0.42	0.44	1.15	1.61
Earnings per share diluted, SEK	0.42	0.44	1.15	1.61
No of shares end of period undiluted	513,199,454	387,134,079	513,199,454	387,134,079
No of shares end of period diluted	513,199,454	387,134,079	513,199,454	387,134,079
Average no of shares period undiluted	513,190,931	386,678,876	483,877,769	366,572,354
Average no of shares period diluted	513,190,931	386,678,876	483,877,769	367,143,219

CURRENCY TABLE (MAIN CURRENCIES)

MSEK	Average	Average	Average	Average	Closing	Closing
	2022	2021	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
1 EUR=SEK	10.9343	10.1253	10.6317	10.1449	11.1283	10.2269
1 USD=SEK	10.7245	8.6481	10.1245	8.5815	10.4371	9.0437
100 JPY=SEK*	7.5834	7.7892	7.6860	7.7985	7.9167	7.8521

The average rates are used for converting profit and loss items in foreign currency during each respective period to Swedish currency, SEK. The closing rates are used for converting assets and liabilities in foreign currency at the end of each period to Swedish currency, SEK.

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

ACQUISITIONS

MSEK

Purchase price	Super Free	Moonfrog	Game Labs	Jawaker	6waves
Cash and cash equivalents	657	756	204	1,365	1,729
New shares issued	665	-	82	462	147
Contingent consideration (earnout)	383	207	77	1,183	389
Total purchase consideration	1,704	963	363	3,010	2,265
The fair value of acquired assets and assumed liabilities (SEKm):					
Intangible non-current assets	665	231	190	1,048	789
Property, plant and equipment	1	2	-	1	1
Current receivables excl cash and bank	105	29	4	11	107
Cash and cash equivalents	82	65	15	56	42
Non-current liabilities		-0	-		
Deferred tax liabilities	-170	-62	-40	-216	-108
Current liabilities	-140	-59	-6	-15	-134
Total net assets acquired excluding goodwill	544	205	163	886	696
Goodwill	1,160	758	200	2,125	1,569
Total net assets acquired	1,704	963	363	3,010	2,265
Less					
Cash and cash equivalents	-82	-65	-15	-56	-42
Ordinary shares issued	-665	-	-82	-462	-147
Provision for earnout	-383	-207	-77	-1,183	-389
Net cash outflow on acquisition of business	575	691	189	1,309	1,687
Percentage of shares and votes acquired (%)	100	100	100	100	100
Transaction costs	22	23	13	16	29
Consolidated since	1 Feb 2021	1 Mar 2021	1 May 2021	3 Oct 2021	1 Feb 2022
Net revenues for the year, before being consolidated	91	41	15	199	67
Adjusted EBITDA for the year, before being consolidated	-3	15	6	148	18

The acquisitions in 2021 of Super Free Games, Moonfrog Labs, Game Labs and Jawaker, and their preliminary purchase price allocations are described in the Annual Report 2021. The purchase price allocation for Super Free Games, Moonfrog Labs, Game Labs and Jawaker have been finalized.

On January 19, 2022, Stillfront announced it had entered into an agreement to acquire up to 100 percent of the shares and votes in Six Waves Inc., a leading publisher of mobile free-to-play strategy games in Japan, for a total upfront consideration of USD 201 million on a cash and debt free basis. The sellers of 6waves were the founders, employees, and investors. Of the upfront consideration, approx. 92 percent was payable in cash, and approx. 8 percent was payable in a total of 2,913,857 newly issued shares in Stillfront. 6waves was consolidated into Stillfront's consolidated financial reporting from February 1, 2022.

The preliminary purchase price allocation analysis of 6waves is provided above. It has been updated during the fourth quarter for measurement period adjustments. The purchase price allocation is based on assumptions regarding fair values of intangible assets and earnouts among other things, which may be adjusted during the twelve-months period following the acquisition. Goodwill recognized in the acquisition pertains to the value of the skills within the company in terms of its capability to develop and publish new games and new versions of existing games.

DEFINITIONS

Key figures and alternative performance measures

ARPDau

Average revenue per daily active user. Calculated as Bookings in the quarter divided by days in the quarter divided by average daily active users in the quarter.

Bookings

Revenue before changes in deferred revenue, including deposits from paying users, in-game advertising revenue and other game-related revenue.

Cash conversion ratio

Free cash flow for the last twelve months divided by EBITDA for the last twelve months.

DAU

Average daily active users. Calculated as the average daily active users each month of the quarter, divided by months in the quarter.

EBITDA

Operating profit before depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for items affecting comparability.

EBITDA margin

EBITDA as a percentage of Net revenue. Adjusted EBITDA margin is EBITDA margin adjusted for items affecting comparability.

Operating profit (EBIT)

Profit before financial items and tax. Adjusted Operating profit (EBIT) is EBIT excluding items affecting comparability and amortization of intangible assets acquired through business combinations and identified in purchase price analyses.

Operating profit (EBIT) margin

EBIT as a percentage of Net revenue. Adjusted Operating profit (EBIT) margin is EBIT margin excluding items affecting comparability and amortization of intangible assets acquired through business combinations and identified in purchase price analyses.

Free cash flow

Cash flow from operations minus acquisitions of intangible assets and repayment of lease liabilities.

Gross profit margin

Gross profit as a percentage of Net revenue, where Gross profit is defined as Net revenue minus Direct costs.

IAC, Items affecting comparability

Significant income statement items that are not included in the Group's normal recurring operations and which distort the comparison between the periods.

Interest Coverage Ratio

Adjusted EBITDA Pro forma divided by net financial items excluding revaluation of provision for earnouts and interest on earnout consideration for the past twelve months.

Adjusted Leverage ratio

Net interest-bearing debt excluding earnout payments in relation to the last twelve months Adjusted EBITDA Pro forma.

MAU

Average monthly active users. Calculated as monthly active users each month of the quarter, divided by months in the quarter.

MPU

Average monthly paying users. Calculated as monthly paying users each month of the quarter, divided by months in the quarter.

Net Debt

Interest bearing liabilities, including the book value of equity swaps and currency derivatives, minus cash and cash equivalents. Provisions for earnouts are not considered interest bearing in this context.

Organic growth

Change in consolidated net revenues, excluding the translation impact of changed currency exchange rates and acquisitions. Net revenues in acquired operations are considered as acquired growth during twelve months from the acquisition date. The impact of pausing operations in Bangladesh is excluded from the measure.

Shareholders' equity/share

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

UAC

User acquisition cost.

The purpose of each key figure and alternative performance measure is described in the latest Annual Report.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Items Affecting Comparability, IAC

MSEK	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Items affecting comparability, IAC				
Revenue				
Other	-	-	-	7
Total IAC Revenues affecting EBIT	-	-	-	7
Costs				
Transaction costs	-	-20	-14	-74
Long term incentive programs	-7	-4	-26	-10
Other costs	-10	-0	-10	-26
Amortization of product development	-176	-	-176	-
Total IAC in operating profit (EBIT)	-192	-24	-226	-104
Financial income				
Revaluation of earnouts	241	-	237	-
Other	-	-	-	-
Total IAC financial income	241	-	237	-
Financial costs				
Revaluation of earnouts	-	-7	-	-5
Total IAC financial costs	-	-7	-	-5
Total IAC in net financial items	241	-7	237	-5

APM

	2022	2021	2022	2021
MSEK	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	1,781	1,442	7,058	5,455
Direct costs	-426	-306	-1,675	-1,224
Gross profit	1,355	1,136	5,384	4,232
Gross profit margin, %	76	79	76	78
EBITDA and EBIT				
Operating profit (EBIT)	70	249	850	1,034
Amortization of PPA items	222	187	929	665
Other amortization and depreciation	187	96	590	321
Comparison disturbing amortizations	176	-	176	-
EBITDA	655	532	2,545	2,020
Adjusted EBITDA and EBIT				
Operating profit (EBIT)	70	249	850	1,034
Items affecting comparability	192	24	226	104
Amortization of PPA items	222	187	929	665
Adjusted Operating profit (EBIT)	485	460	2,005	1,802
Other amortization and depreciation	187	96	590	321
Adjusted EBITDA	672	556	2,595	2,124
In relation to net revenue				
EBITDA margin, %	37	37	36	37
Adjusted EBITDA margin, %	38	39	37	39
Operating profit (EBIT) margin, %	4	17	12	19
Adjusted operating profit (EBIT) margin, %	27	32	28	33
MSEK				
	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Adjusted interest coverage ratio				
Adjusted EBITDA last 12 months	2,595	2,124	2,595	2,124
<i>Divided by</i>				
Net financial items last 12 months	97	242	97	242
Total IAC affecting financial items last 12 months	237	-5	237	-5
Interest on earn-out consideration affecting financial items last 12m	-113	-87	-113	-87
Adjusted interest coverage ratio, x	11.7	14.1	11.7	14.1
Adjusted leverage ratio				
Bond loans	2,496	3,092	2,496	3,092
Liabilities to credit institutions	1,549	1,456	1,549	1,456
Term loan	668	-	668	-
Equity swap	20	223	20	223
Currency derivatives	83	11	83	11
Cash and cash equivalents	-989	-1,133	-989	-1,133
Total net debt	3,826	3,649	3,826	3,649
<i>Divided by</i>				
Adjusted EBITDA last 12 months	2,595	2,124	2,595	2,124
Adjusted leverage ratio, x	1.47	1.72	1.47	1.72
Cash conversion last 12 months				
Cash flow from operations last 12 months	2,028	1,620	2,028	1,620
IFRS 16 lease repayment last 12 months	-57	-46	-57	-46
Acquisition of intangible assets last 12 months	-996	-621	-996	-621
Free cash flow last 12 months	974	953	974	953
<i>Divided by</i>				
EBITDA last 12 months	2,545	2,020	2,545	2,020
Cash conversion rate	0.38	0.47	0.38	0.47

APM Pro Forma

	2022	2021
MSEK	Jan-Dec	Jan-Dec
Adjusted EBITDA, pro forma		
Adjusted EBITDA last 12 months	2,595	2,124
<i>Including</i>		
EBITDA, Acquired companies	18	212
Adjusted EBITDA, pro forma	2,612	2,336
Adjusted interest coverage ratio, pro forma		
Adjusted EBITDA last 12 months, pro forma	2,612	2,336
<i>Divided by</i>		
Net financial items last 12 months	97	242
Total IAC affecting financial items last 12 months	237	-5
Interest on earn-out consideration affecting financial items	-113	-87
Adjusted interest coverage ratio, x, pro forma	11.8	15.5
Adjusted Leverage Ratio, pro forma		
Bond loans	2,496	3,092
Liabilities to credit institutions	1,549	1,456
Term loan	668	-
Equity swap	20	223
Currency derivatives	83	11
Cash and cash equivalents	-989	-1,133
Net debt	3,826	3,649
<i>Divided by</i>		
Adjusted EBITDA, pro forma	2,612	2,336
Adjusted Leverage Ratio, pro forma, x	1.46	1.56

Share data

	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Equity per share				
Shareholders' equity attributable to parent co's shareholders, MSEK	14,237	9,772	14,237	9,772
<i>Divided by</i>				
No of shares end of period undiluted	513,199,454	387,134,079	513,199,454	387,134,079
Shareholders' equity per share undiluted, SEK	27.74	25.24	27.74	25.24
No of shares end of period diluted	513,199,454	387,134,079	513,199,454	387,134,079
Shareholders' equity per share diluted, SEK	27.74	25.24	27.74	25.24
Earnings per share				
Net result for the period attributed to parent co's shareholders, MSEK	213	170	559	590
<i>Divided by</i>				
Average no of shares period undiluted	513,190,931	386,678,876	483,877,769	366,572,354
Earnings per share undiluted, SEK	0.42	0.44	1.15	1.61
Average no of shares period diluted	513,190,931	386,678,876	483,877,769	367,143,219
Earnings per share diluted, SEK	0.42	0.44	1.15	1.61

Financial calendar

Annual & Sustainability report 2022	20 April 2023
Interim report January-March 2023	3 May 2023
Annual general meeting 2023	11 May 2023
Interim report January-June 2023	21 July 2023
Interim report January-September 2023	25 October 2023

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About Stillfront

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by almost 70 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,500+ professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm Large Cap. For further information, please visit: www.stillfront.com

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