

Interim Report Q3 2024

Financial highlights Q3

- Net revenue of 1,595 (1,671) MSEK, declined 5 percent
- Organic net revenue declined 1 percent
- Organic gross profit increased 2 percent
- Adjusted EBITDAC of 385 (409) MSEK, declined 6 percent, Adj EBITDAC margin was 24 (25) percent
- Capitalization of product development amounted to 150 (184) MSEK, 9 (11) percent in relation to net revenue
- EBIT of 139 (135) MSEK, increased 3 percent
- Net result was 18 (-5) MSEK
- Free cash flow for the quarter amounted to 298 (200), and for the last 12 months to 835 (941) MSEK
- Total net debt, including cash earnout for the next 12 months, amounted to 4,745 (4,905) MSEK
- Adjusted leverage ratio, including cash earnout for the next 12 months, pro forma was 2.08x (1.88x)
- Cash position was 857 (1,039) MSEK and 1,783 (2,563) MSEK of undrawn credit facilities

Key figures

MSEK	2024	2023	2024	2023	Last 12	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Bookings	1,592	1,664	5,071	5,219	6,810	6,958
Deferred revenue	2	7	7	22	9	24
Net revenue	1,595	1,671	5,077	5,241	6,819	6,982
EBIT	139	135	509	624	639	754
EBITDA	517	566	1,665	1,882	2,197	2,413
Items affecting comparability, EBITDA	-18	-27	-42	-59	-79	-96
Adjusted EBITDA	535	593	1,707	1,941	2,276	2,510
<i>Adjusted EBITDA margin, %</i>	<i>34</i>	<i>36</i>	<i>34</i>	<i>37</i>	<i>33</i>	<i>36</i>
Capitalization of product development	150	184	460	601	664	805
Adjusted EBITDAC	385	409	1,248	1,341	1,612	1,705
<i>Adjusted EBITDAC margin, %</i>	<i>24</i>	<i>25</i>	<i>25</i>	<i>26</i>	<i>24</i>	<i>24</i>
Profit before tax	32	11	-37	121	-2	156
Net result	18	-5	-99	2	-89	12
Number of employees	1,320	1,437	1,320	1,437	1,320	1,401
Adjusted leverage ratio, pro forma, x	1.87	1.68	1.87	1.68	1.87	1.64
Adjusted leverage ratio incl. NTM cash earnout payments, pro forma, x	2.08	1.88	2.08	1.88	2.08	1.84
Earnings per share undiluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01
Earnings per share diluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01

Quote from the CEO

“On an organic basis, bookings were flat year-over-year, while net revenues decreased by 1 percent. Gross profit, a key earnings metric, increased organically by 2 percent year-over-year and amounted to 1,269 MSEK. This corresponds to a gross margin of 80 percent, which is an increase of 2 percentage points compared to the same period last year.

Stillfront’s strategy is to focus on our largest franchises, where we currently have significant organic growth. The remaining portfolio has a negative effect on growth but continues to contribute with healthy margins and a strong cash flow.

Stillfront continues to generate a strong cash flow and free cash flow for the third quarter amounted to 298 MSEK. Our solid cash flow generation enabled us to buy back shares for 80 MSEK as well as amortize 223 MSEK of our external debt”

Alexis Bonte, Interim CEO, Stillfront

Comments by the CEO

Organic gross profit growth despite longer summer seasonal effect

Stillfront's net revenue amounted to 1,595 MSEK in the third quarter, representing a decline of 5 percent compared to the same quarter last year. On an organic basis, bookings were flat year-over-year, while net revenues decreased by 1 percent. This was impacted by the unusually longer seasonal slowdown of player activity levels, most pronounced in our Strategy portfolio, which was communicated in the report for the second quarter. Additionally, as we also noted in the second quarter, there were limited bookings from Stillfront's Netflix collaboration in the third quarter, impacting sequential growth.

Gross profit, a key earnings metric, increased organically by 2 percent year-over-year and amounted to 1,269 MSEK. This corresponds to a gross margin of 80 percent, which is an increase of 2 percentage points compared to the same quarter last year. The increase was driven by Stillfront's successful efforts to raise the share of bookings from direct-to-consumer (DTC) channels in our games, in line with our ongoing actions to reduce costs.

DTC and portfolio structure impact on organic growth

Bookings from DTC channels, which incur significantly lower payment fees compared to bookings from 3rd party stores, have a negative effect on net revenue growth, but that is more than offset by its positive impact on gross profit. This is primarily due to the use of discounts to incentivize players to engage through our DTC channels, rather than via 3rd party stores.

Stillfront's strategy is to focus on our largest franchises, where we currently have significant organic growth. The remaining portfolio has a negative effect on growth but continues to contribute with healthy margins and a strong cash flow.

High third quarter UAC ahead of strong winter season

UAC in the third quarter amounted to 462 MSEK, corresponding to 29 percent of net revenue, which is higher than usual for a third

quarter. The key drivers of the elevated UAC are Superfree's titles Trivia Star and Word Collect, the latter generating strong organic growth during the quarter. Another driver is the continued scaling of Ellen Garden Restoration, which has seen steady growth since its launch in the second quarter. We expect our total user acquisition investments in the fourth quarter to follow the pattern of sequentially increased spend due to higher player activity in the fourth quarter. However, the US elections have historically tended to inflate user acquisition cost in that region, meaning we might slow down user acquisition investments ahead of this period to then increase investments in the latter part of the quarter.

Strong cash flow enabling buy backs and amortizations

Stillfront continues to generate a strong cash flow and free cash flow for the third quarter amounted to 298 MSEK. Our solid cash flow enabled us to buy back shares for 80 MSEK as well as amortize 223 MSEK of our external debt. Stillfront's adjusted leverage ratio including earnouts for the coming twelve months improved to 2.08x compared to 2.15x in the second quarter 2024.

We are accelerating actions to reduce costs

In September, with a clear ambition to enhance transparency, accountability and operational efficiency across the organization, we announced the optimization of Stillfront's operations into three business areas, effective January 1, 2025. The rollout of the optimization efforts is expected to generate annual cost savings of 200-250 MSEK by the fourth quarter of 2025. In the third quarter we executed cost saving actions with an annualized impact of 39 MSEK, which is slightly ahead of plan. These savings will come into effect partially in the fourth quarter, and the full effect will be realized in the first quarter of 2025. Savings are achieved mainly by reducing staff numbers, in particular at Storm8. As more actions are implemented over the coming quarters, we expect the impact to increase, further supporting our cash flow generation.

The new organizational model, communicated in September, will allow for faster decision making and an increased focus of our best

talent on what is core to our business, our key game franchises. This will be combined with strengthened shared services to support the core game teams. We are also accelerating actions such as moving games that are in decline to lower cost locations, as well as addressing low performing games. In addition, we are rolling out our DTC solutions to our larger Casual games as part of the optimization efforts. These combined efforts will ultimately drive organic growth and improve profitability.

Finally, on behalf of the board and the company, I would like to express a sincere thanks to Jörgen Larsson who left as CEO of Stillfront on October 15. Since founding the company 14 years ago, he has been instrumental in building Stillfront to its leading position today. As interim CEO, I am committed to continuing the execution of our strategy. Our focus remains on driving the synergy phase forward, with particular attention to swiftly implementing the new organizational and governance model to ensure growth and success.



Alexis Bonte, Interim CEO, Stillfront

Portfolio overview

Game performance

Bookings in the third quarter amounted to 1,592 MSEK, of which 1,513 MSEK in the active portfolio. Bookings in the active portfolio decreased by 7 percent quarter-over-quarter, mainly impacted by softer performance from Simulation, RPG & Action. Year-over-year, active portfolio bookings decreased by 5 percent, and organically by 1 percent, primarily impacted by the Strategy product area. Gross profit declined by 2 percent, a less pronounced drop than bookings, largely due to an increased share of bookings through DTC channels and product mix effects.

Bookings from other games outside of the active portfolio amounted to 79 MSEK in the third quarter. Other games consist of new game releases that have not yet been added to the active portfolio, as well as smaller long-tail games and platform deals. The sequential decrease of 25 MSEK in other games was mostly a result of lower bookings from the collaboration with Netflix on the successful Too Hot to Handle game.

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

In the third quarter, ad bookings amounted to 14 percent of bookings in the active portfolio, up from 13 percent in both the previous quarter and the third quarter last year.

Bookings from 3rd party stores are defined as bookings from purchases on external platforms such as Apple App Store, Google Play Store, Steam and Microsoft Store. Bookings from 3rd party stores amounted to 53 percent of bookings in the active portfolio, in line with the second quarter and a decrease compared to 59 percent in the same quarter last year.

DTC primarily consists of bookings generated from Stillfront's own internal proprietary payment platforms, but also includes bookings from reseller networks. Payment processing fees and other related expenses for in-app purchases are significantly lower in Stillfront's DTC channels compared to 3rd party stores. The shift from 3rd party stores to DTC channels has a negative effect on bookings due to the use of discounts in the web shop, while being accretive on gross profit. Stillfront's DTC bookings in the third quarter amounted to 33 percent of bookings in the active portfolio, significantly higher than the 28 percent reported in the third quarter last year.

User acquisition costs, UAC, in the active portfolio were up by 8 percent year-over-year, driven to a large extent by increased spend in the Casual & Mash up product area. On a sequential basis, UAC increased 1 percent, with a lower share of user acquisition spend in Simulation, RPG & Action.

MAU, monthly active users, decreased by 5 percent quarter over-quarter, while the sequential decrease in DAU, daily active users, was 6 percent. MPU, monthly paying users, decreased by 8 percent quarter-over-quarter. The decline in user numbers is primarily caused by seasonal effects and an ongoing portfolio shift aimed at increasing monetization, replacing low-monetizing users with high-value users.

ARPDau for the active portfolio was up by 14 percent year-over-year, partly driven by improved monetization owing to successful live ops and the shift to higher monetizing users. Compared to the previous quarter, ARPDau was down by 3 percent.

2024 Q3	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
Bookings (MSEK)	1,513	472	375	666	79
<i>Y-o-Y change, %</i>	-5%	-13%	-2%	1%	
<i>Ad bookings, %</i>	14%	1%	6%	26%	
<i>3rd party stores, %</i>	53%	52%	55%	53%	
<i>DTC, %</i>	33%	47%	38%	20%	
UAC (MSEK)	458	94	116	248	4
<i>Y-o-Y change, %</i>	8%	-35%	24%	32%	
DAU ('000)	8,303	591	1,058	6,653	
<i>Y-o-Y change, %</i>	-16%	-12%	-11%	-17%	
MAU ('000)	44,938	2,803	5,217	36,917	
<i>Y-o-Y change, %</i>	-14%	-18%	-17%	-14%	
MPU ('000)	1,035	144	271	620	
<i>Y-o-Y change, %</i>	-5%	-9%	6%	-9%	
ARPDau (SEK)	2.0	8.7	3.9	1.1	
<i>Y-o-Y change, %</i>	14%	-1%	10%	22%	

45m

monthly active users in Q3

8m

daily active users in Q3



Product areas

The active portfolio

Stillfront has a diversified portfolio of major franchises and smaller niche products that together make up Stillfront’s active portfolio. During the third quarter, Stillfront’s five largest franchises represented 50 percent of total bookings in the active portfolio.

Strategy

Strategy games accounted for 31 percent of bookings in the active portfolio during the third quarter. Strategy bookings decreased by 3 percent quarter-over-quarter and were down by 13 percent year-over-year to 472 MSEK, following significantly lower user activity and user acquisition spend. On a gross profit level, the Strategy product area declined by 8 percent year-over-year, a significantly smaller decline than on bookings. This is a result of the further expanded share of DTC bookings in the quarter, with DTC accounting for 47 percent of bookings in the product area, compared to 44 percent in the second quarter and 34 percent during the third quarter last year.

User acquisition cost, UAC, was down by 35 percent year-over-year, amounting to 94 MSEK in the third quarter. However, quarter-over-quarter, UAC increased by 20 percent.

Bookings from key franchise Supremacy declined slightly year-over-year and sequentially as a result of previously very high user acquisition spend significantly decreasing in the last two quarters.

The Empire franchise maintained its stable performance, with bookings remaining almost consistent with last year’s levels and no user acquisition spend, leading to strong profitability. Stillfront’s

studio 6waves negatively impacted the year-over-year bookings growth in the product area, following lower user acquisition spend, which on the other hand, raised the studio’s margins.

Simulation, RPG & Action

Simulation, RPG & Action amounted to 25 percent of the bookings in the active portfolio in the third quarter. Bookings decreased by 21 percent quarter-over-quarter and by 2 percent year-over-year, amounting to 375 MSEK. Gross profit in the Simulation, RPG & Action product area decreased by 2 percent year-over-year.

User acquisition spend in Simulation, RPG & Action decreased by 26 percent quarter-over-quarter to 116 MSEK in the third quarter. Year-over-year, user acquisition spend was up by 24 percent compared to the same quarter last year.

Albion Online’s bookings decreased significantly quarter-over-quarter due to normalizing user numbers following the initially strong European server launch in the second quarter, reaching all-time high daily active users. Bookings in the third quarter remained at higher levels than compared to before the Europe server launch and the same quarter last year. Bookings in Shakes & Fidgets decreased both sequentially and year-over-year, following an in-game update of the user experience that is being corrected.

Sunshine Island is now out of its initial ramp up phase, maintaining high bookings levels but with trimmed down UAC. During the third quarter, the Sunshine Island team focused on new content development and game optimization, and we allocated further product resources from the group product team. As a result, bookings amounted to 42 MSEK, and user acquisition spend

decreased by 41 percent to 28 MSEK. With content updates and the introduction of the web shop now implemented we are preparing Sunshine Island for its next phase which we believe will be a growth engine over a longer period of time.

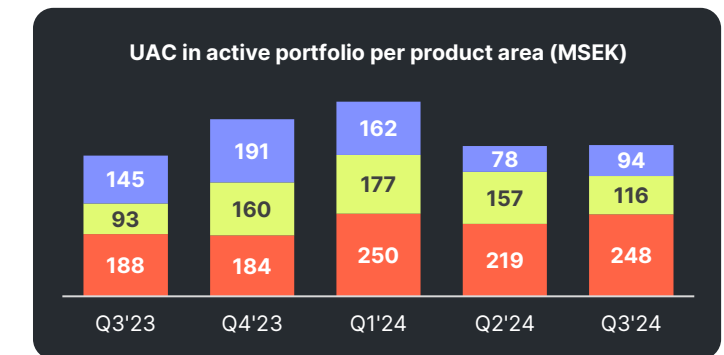
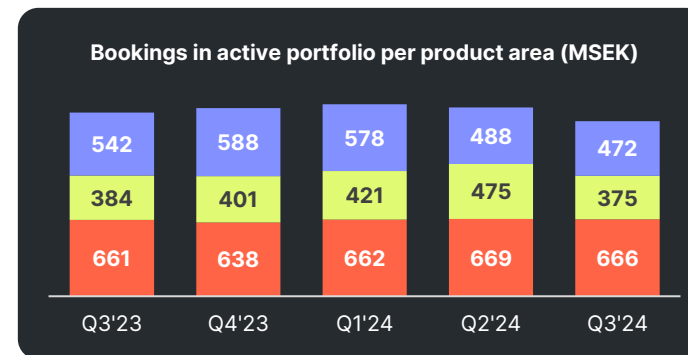
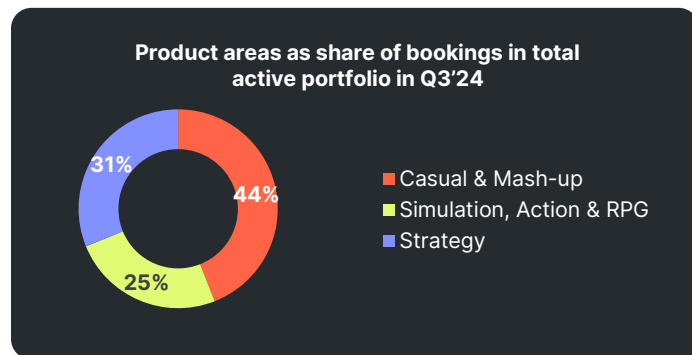
Casual & Mash-up

The Casual & Mash-up business area amounted to 44 percent of the bookings in the active portfolio and 666 MSEK in the third quarter. Bookings were flat quarter-over-quarter and increased by 1 percent year-over-year. Gross profit also grew 1 percent compared to the same quarter last year.

User acquisition spend increased by 32 percent compared to the same quarter last year and by 13 percent quarter-over-quarter to 248 MSEK, driven mostly by Super Free’s Word franchise that continued to scale well in the third quarter. Bookings for the franchise increased 41 percent on a year-over-year basis. The studio continues to make progress in improving monetization in the Word franchise, driven by strong performance from its key title Word Collect.

Storm8’s Home Design franchise negatively impacted the bookings growth in the product area. The new title “Ellen’s Garden Restoration” was launched in the beginning of the second quarter and is growing steadily, however, not compensating for the decline seen in the rest of the Home Design franchise.

Jawaker continued its impressive performance in the quarter despite heightened tension in the Middle East, growing bookings by 35 percent compared to the same quarter last year with low user acquisition spend and very strong margins.



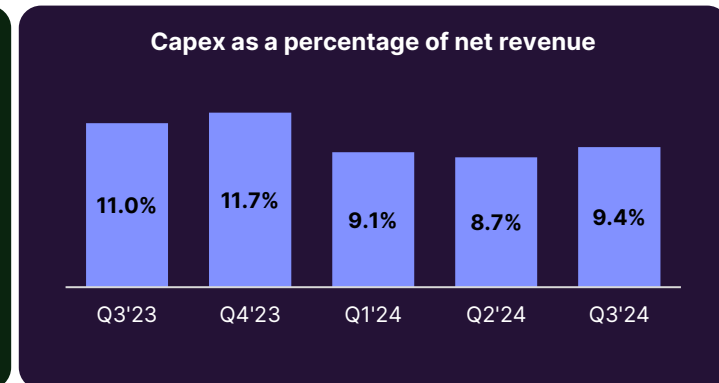
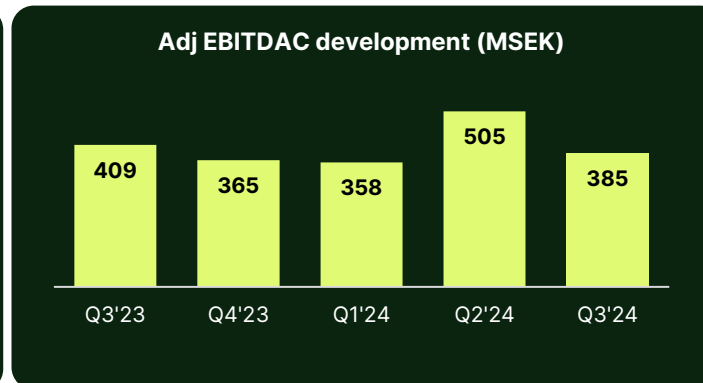
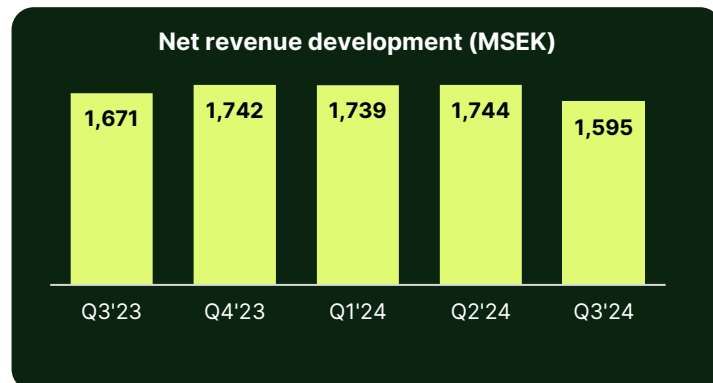
Financial overview of the third quarter

Revenue and operating profit

MSEK	2024		Chg%	2023		Last 12 months	2023
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		
Net revenue	1,595	1,671	-5	5,077	5,241	6,819	6,982
Gross profit	1,269	1,296	-2	4,052	4,080	5,417	5,445
<i>Gross profit margin, %</i>	<i>80</i>	<i>78</i>		<i>80</i>	<i>78</i>	<i>79</i>	<i>78</i>
EBIT	139	135	3	509	624	639	754
EBITDA	517	566	-9	1,665	1,882	2,197	2,413
<i>EBITDA margin, %</i>	<i>32</i>	<i>34</i>		<i>33</i>	<i>36</i>	<i>32</i>	<i>35</i>
Items affecting comparability, EBITDA	18	27	-35	42	59	79	96
Adjusted EBITDA	535	593	-10	1,707	1,941	2,276	2,510
<i>Adjusted EBITDA margin, %</i>	<i>34</i>	<i>36</i>		<i>34</i>	<i>37</i>	<i>33</i>	<i>36</i>
Capitalization of product development	150	184	-19	460	601	664	805
Adjusted EBITDAC	385	409	-6	1,248	1,341	1,612	1,705
<i>Adjusted EBITDAC margin, %</i>	<i>24</i>	<i>25</i>		<i>25</i>	<i>26</i>	<i>24</i>	<i>24</i>

Net revenue in the third quarter amounted to 1,595 (1,671) MSEK, which corresponds to an organic growth of -0,8 percent. Currency movements on net revenues in the third quarter were driven by the weaker EUR, USD and JPY compared to the SEK year-over-year. Currency rates in the quarter are outlined in the currency table on page 23 in this report.

The revenue impact of the divestment in October 2023 of the studio Power Challenge is described as 'Other change' in the table.



Net revenue growth	2024	2023	2024	2023	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Change through acquisitions, %	0.0	0.0	0.0	1.0	0.7
Change through currency movements, %	-3.7	4.6	-1.3	6.2	5.0
Organic growth, %	-0.8	-10.2	-1.7	-6.9	-5.9
Other change %	-0.1	-0.9	-0.1	-1.0	-0.9
Total net revenue growth, %	-4.6	-6.5	-3.1	-0.7	-1.1

Stillfront's gross profit for the quarter amounted to 1,269 (1,296) MSEK, representing a gross margin of 80 (78) percent. Personnel expenses for the quarter were -273 (-309) MSEK in the group, corresponding to 17 (18) percent of net revenue in the quarter, while other external expenses amounted to 7 (6) percent of net revenue. User acquisition costs amounted to -462 (-429) MSEK, representing 29 (26) percent of net revenue.

EBITDA amounted to 517 (566) MSEK in the third quarter. Adjusted EBITDA amounted to 535 (593) MSEK, corresponding to an adjusted EBITDA margin of 34 (36) percent in the quarter. Items affecting comparability affecting EBIT amounted to -18 (-27) MSEK in the quarter, comprising mainly restructuring costs and costs for long-term incentive programs.

Adjusted EBITDAC amounted to 385 (409) MSEK in the third quarter, corresponding to an adjusted EBITDAC margin of 24 (25) percent.

EBIT amounted to 139 (135) MSEK in the third quarter.

Product development

MSEK	2024	2023	2024	2023	Last 12	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Capitalization of product development	150	184	460	601	664	805
Amortization of product development	-198	-192	-601	-543	-797	-739
Amortization of PPA items	-166	-218	-512	-660	-699	-846

In the third quarter, investments in product development amounted to 150 (184) MSEK. The lower investments in product development are a result of Stillfront's efforts to become more focused on how we allocate investments for product development across the group and the investments in the last 12 months amounted to 9.7 percent of net revenues. Capitalized development fluctuates between quarters and depends on the number of new launches.

Amortization of product development of -198 (-192) MSEK was recorded during the third quarter. Amortization of PPA items amounted to -166 (-218) MSEK, where the reduction is primarily an effect of PPA assets having been fully amortized.

Financial net

MSEK	2024	2023	2024	2023	Last 12	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Net interest excluding interest on earnouts	-94	-98	-295	-253	-389	-347
Interest on earnout consideration (non-cash)	-12	-16	-43	-64	-60	-80
Currency exchange differences	-2	-5	-18	-11	-17	-10
De-consolidation of subsidiaries	0	-	-66	-	-66	-
Other	-	-5	-14	-5	-21	-12
Changes in fair value of contingent consideration	-	-	-109	-171	-89	-150
Net financial items	-108	-124	-546	-503	-641	-598

The financial net was -108 (-124) MSEK in the third quarter, consisting of net interest expenses -94 (-98) MSEK, non-cash interest charge on earnout provision -12 (-16) MSEK, currency exchange differences -2 (-5) MSEK, and other financial items - (-5) MSEK.

Tax

MSEK	2024	2023	2024	2023	Last 12	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Profit before tax	32	11	-37	121	-2	156
Total taxes for the period	-14	-16	-62	-119	-87	-143
<i>Tax rate, %</i>	<i>43</i>	<i>145</i>	<i>-170</i>	<i>98</i>	<i>-4,220</i>	<i>92</i>
Transaction costs	-0	-	-0	-0	-0	-0
Earnout interest	-12	-16	-43	-64	-60	-80
Earnout revaluations	-	-	-109	-171	-89	-150
De-consolidation of subsidiaries	-	-	-66	-	-66	-
Profit before tax, excl. transaction costs and earnout interest & revaluations	44	27	183	355	213	386
Tax on dividends	-1	-2	-8	-10	-27	-29
Underlying tax excl. tax on dividends	-13	-13	-55	-109	-60	-114
<i>Underlying tax rate, %</i>	<i>30</i>	<i>50</i>	<i>30</i>	<i>31</i>	<i>28</i>	<i>30</i>

The group's tax cost amounted to -14 (-16) MSEK for the third quarter, with a non-meaningful tax rate.

Tax costs for the quarter are affected by non-deductible items such as earnout interest -12 (-16) MSEK, and irrecoverable tax on dividends received from studios -1 (-2) MSEK. Withholding tax on dividends distributed from foreign studios cannot be offset against Swedish tax and therefore effectively implies a double-taxation of profits already taxed in the local jurisdiction. An underlying tax rate, which better describes tax costs related to Stillfront's ongoing business, can be calculated excluding such special items.

Stillfront applies IAS 34.30 (c) in the quarterly reports whereby the expected effective tax rate for the year is applied on profit before tax for each quarter, excluding transaction costs, earnout interest, earnout revaluations and deconsolidation of subsidiary. The underlying tax rate for the third quarter is thereby 30 (50) percent.

Financing

MSEK	2024	2023
	30 Sep	30 Sep
Total net debt incl. cash earnout NTM	4,745	4,905
Net debt	4,247	4,388
Cash and cash equivalents	857	1,039
Adjusted interest coverage ratio, pro forma, x	5.59	7.76
Adjusted leverage ratio, pro forma, x	1.87	1.68
Adjusted leverage ratio incl. NTM cash earnout, pro forma, x	2.08	1.88

In the first quarter, new senior unsecured 2024/2028 bonds with an initial nominal amount of 1,000 MSEK were issued. The receipts for the new bonds were primarily used to repurchase nominally 954 MSEK of the outstanding 2021/2025 bonds in March. Furthermore, a voluntary early redemption of the remaining outstanding 2021/2025 bonds, with a nominal outstanding amount of 546 MSEK, was made, with settlement in April 2024.

In the second quarter, 15,100,126 (2,956,510) shares were repurchased for a total of 182 (67) MSEK. Shares repurchased in the first six months, in total 15,100,126 (13,441,510) shares, and 0 (4,769,026) newly issued shares, were at the end of the second quarter used to settle earnout liabilities of 163 (336) MSEK. Additionally in the second quarter, 432 (621) MSEK of earnout liabilities were settled in cash.

In the third quarter, 10,245,000 (0) shares were repurchased for a total of 80 (0) MSEK, and are currently held by Stillfront to be used in the future to settle earnout liabilities.

Net debt as of the end of the third quarter amounted to 4,247 (4,388) MSEK. Total net debt, including cash earnouts for the next 12 months, amounted to 4,745 (4,905) MSEK. The adjusted interest coverage ratio, pro forma, was 5.59x (7.76x) at the end of the quarter.

The adjusted leverage ratio, pro forma, including cash earnouts for the next 12 months, was 2.08x (1.88x), which is a reduction from the previous quarter where the ratio was 2.15x. Stillfront has a financial target for the adjusted leverage ratio pro forma, including cash earnouts for the next 12 months, not to exceed 2.0x.

At the end of the quarter, Stillfront had total unutilized credit facilities of 1,783 (2,563) MSEK, of which 1,381 (2,162) MSEK were long-term credit facilities. Cash balances amounted to 857 (1,039) 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 1,986 (2,988) MSEK, however, have a fair value of 2,041 (3,002) MSEK. Fx forwards and currency basis swaps with a net carrying amount of -49 (-142) MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 1,625 (2,193) MSEK are measured at fair value through profit and loss.

Provisions for earnouts

MSEK	2024	2025	2026	2027	Total
Cash	41	457	358	309	1,164
Equity	-	178	151	132	461
Total provisions for earnout	41	635	509	441	1,625

The amounts stated in the table 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 1,625 (2,193) MSEK for earnout provisions, of which 675 (682) MSEK current and 950 (1,511) MSEK non-current. The book value of the amounts that will be settled during 2024 to 2027 comprises 1,164 MSEK expected to be paid out in cash and 461 MSEK expected to be settled in

Stillfront shares. Stillfront may choose to buy back from the company's own shares to settle earnout payments. As noted above, the company has already repurchased shares for a total amount of 80 MSEK in the third quarter.

Earnout provisions at the end of the second quarter 2024 were 1,690 MSEK and decreased to 1,625 MSEK at the end of the third quarter 2024, driven by currency exchange differences of -77 MSEK, offset by non-cash discounting interest of 12 MSEK.

Cash flow

MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Cash flow from operations	457	395	1,196	1,343	1,544	1,690
Cash flow from investment activities	-161	-387	-989	-1,460	-1,200	-1,671
Cash flow from financing activities	-307	164	-164	139	-477	-175
Cash flow for the period	-11	172	43	21	-134	-156
Cash and cash equivalents at the end of period	857	1,039	857	1,039	857	807

The Group had cash flows from operations of 457 (395) MSEK in the third quarter. The amount includes taxes paid of -42 (-69) MSEK, cash disbursements related to net financial items of -102 (-101) MSEK, and changes in working capital of 74 (-4) MSEK, including timing impacts of settlements received from platform providers and payments to suppliers.

Cash flows from investment activities amounted to -161 (-387) MSEK, including capitalization of product development expenses -150 (-184), investments in tangible fixed assets -12 (-5) MSEK and cash settlements of earnouts -0 (-200) MSEK.

Cash flows from financing activities amounted to -307 (164) MSEK, including net change in borrowings -223 (198) MSEK, repurchasing of own shares -80 (-) MSEK, lease repayments -9 (-11) MSEK and payments related to foreign exchange derivatives 5 (-22) MSEK.

Free cash flow for the last twelve months amounted to 835 (941) MSEK. The cash conversion rate, defined as free cash flow for the last twelve months divided by EBITDA for the last twelve months, was 0.38 (0.37). The lower free cash flow for the last twelve months compared to the last twelve months one year ago is partly driven by higher interest paid on external debt, with cash disbursements related to net financial items in the last twelve months being 87 MSEK higher compared to the same period last year.

Significant events in the quarter

Stillfront's board resolved to exercise its authorization to acquire own shares

On 22 July, Stillfront communicated that its Board of Directors resolved to acquire its own shares on Nasdaq Stockholm. The purpose of the repurchase was to enable payment with the company's own shares of certain earnout payments relating to previous acquisitions. The repurchases were administered by Carnegie Investment Bank AB (publ), in accordance with instructions from Stillfront.

Stillfront announced its intention to divide operations into three business areas, concentrate its game portfolio and realize estimated cost savings of 200–250 MSEK

On September 10, Stillfront communicated several optimization activities expected to generate 200–250 million annualized cost savings by end of the fourth quarter of 2025. Stillfront's operations will be divided into three business areas, to be operated and reported as separate segments in Stillfront's financial reporting effective as of January 1, 2025. The division will allow for business acceleration through an increased focus on the core business, in combination with strengthened shared services to support the core. The optimization activities also include an even more profound focus on key franchises while addressing low performing games.

Stillfront announces extension of its unsecured EUR 60 million term loan facility agreement with Swedish Export Credit Corporation (SEK)

On September 16, Stillfront announced it had extended its unsecured term loan facility agreement of EUR 60 million with Swedish Export Credit Corporation (SEK) as lender, by an additional year. The extension is made at the same terms and conditions as the original term loan facility agreement, which was signed in September 2022. The original four years term was extended by one additional year until September 2027.

Significant events after the quarter

Stillfront expects lower EBITDAC in the third quarter 2024 mainly due to higher user acquisition costs

On October 15, Stillfront published an earnings update with preliminary figures for the third quarter 2024. The reported earnings are in line with the earnings update.

Jörgen Larsson leaves as CEO for Stillfront, Alexis Bonte appointed interim CEO

On October 15, Stillfront announced that the Board of Directors of Stillfront has initiated the recruitment process for a new CEO for Stillfront and appointed Alexis Bonte as interim CEO with immediate effect. The decision was made in light of Stillfront's announcement in September 2024, which presented a new group management structure with operations divided into three business areas, aimed at enhancing organic growth, profitability, and transparency.

Market

The games industry is one of the largest entertainment industries globally and is growing as more and more people discover the joys of digital games. According to Newzoo's estimates, the global games market is expected to generate revenues of USD 188 billion in 2024 and mobile games make up almost 50 percent of the total global games market. In 2024, almost 3.4 billion people across the world will play digital games, of which almost 2.9 billion people play on mobile devices.

In the coming years, the total games industry is expected to grow with an expected CAGR of approximately 3.1 percent from 2022 to 2027, according to Newzoo. Newzoo expects the global games market to amount to USD 213.3 billion by 2027 and the total number of players to reach almost 3.8 billion. Data.ai expects the mobile games market to rebound and grow by 3.8 percent in 2024.

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

Sources for market data:

Newzoo: 2024 Global Games Market Report, August 2024

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

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

Essential Facts about the US Video Game Industry 2023, by ESA

Parent company

Customary group management functions and group wide services are provided via the parent company. The revenue for the parent company during the quarter was 42 (42) MSEK. The result before tax includes dividends from subsidiaries and amounted to 171 (81) 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	11.7%
2	Handelsbanken Funds	44,078,782	8.4%
3	DNB Funds	34,556,940	5.1%
4	First National Pension Fund	26,000,000	5.0%
5	SEB Funds	18,380,683	3.5%
6	Nordea Liv & Pension	18,049,067	3.5%
7	Vanguard	16,895,268	3.3%
8	Utah State Retirement Systems	13,973,041	2.7%
9	Fidelity International	13,385,754	2.5%
10	DNB Funds	13,096,729	1.7%
11	Other Shareholders	248,604,799	49.0%

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

The total number of shares outstanding per September 30, 2024, was 507,723,480. Including 10,245,000 treasury shares held by the company, the number of shares registered at the Companies' Registration Office at that date was 517,968,480.

The shares are traded on Nasdaq Stockholm. Closing price as of September 30, 2024, was 6.515 SEK/share.

Following bonds are traded on Nasdaq Stockholm:

2023/2027 bond: ISIN: SE0020846624

2024/2028 bond: ISIN: SE0021770955

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. Stillfront applies IAS 34.30 (c) in the quarterly reports whereby the expected effective tax rate for the year is applied on profit before tax for each quarter, excluding transaction costs, earnout interest and earnout revaluations.

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, 23 October 2024

Alexis Bonte

Interim CEO



Auditor's report (Unofficial translation)

Stillfront Group AB (publ) corp. reg. no. 556721-3078

Introduction

We have reviewed the condensed interim financial information (interim report) of Stillfront Group AB (publ) ("the Parent Company") and its subsidiaries (together "the Group") as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the condensed interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 October 2024

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Financial reports

Income statement in summary, group

MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Revenues						
Bookings	1,592	1,664	5,071	5,219	6,810	6,958
Deferred revenue	2	7	7	22	9	24
Net revenue	1,595	1,671	5,077	5,241	6,819	6,982
Own work capitalized	111	136	355	442	488	575
Other revenue	5	8	15	21	21	27
Operating expenses						
Direct costs	-325	-374	-1,025	-1,160	-1,402	-1,537
User acquisition costs	-462	-429	-1,517	-1,336	-2,056	-1,874
Other external expenses	-115	-108	-348	-321	-456	-429
Personnel expenses	-273	-309	-849	-944	-1,138	-1,234
Items affecting comparability	-18	-27	-42	-59	-79	-96
Amortization of product development	-198	-192	-601	-543	-797	-739
Amortization of PPA items	-166	-218	-512	-660	-699	-846
Depreciation	-14	-21	-42	-55	-62	-74
Operating result (EBIT)	139	135	509	624	639	754
Result from financial items						
Net financial items	-108	-124	-546	-503	-641	-598
Profit before tax	32	11	-37	121	-2	156
Taxes for the period	-14	-16	-62	-119	-87	-143
Net result for the period	18	-5	-99	2	-89	12

MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Other comprehensive income						
<i>Items that later can be reversed in profit</i>						
Foreign currency translation differences	-656	-95	99	563	-951	-488
Total comprehensive income for period	-638	-100	0	565	-1,040	-475
<i>Net result for the period attributed to:</i>						
Parent company shareholders	16	-7	-108	-5	-97	7
Non-controlling interest	2	2	9	7	8	6
<i>Period total comprehensive income attributed to:</i>						
Parent company shareholders	-640	-102	-10	558	-1,049	-481
Non-controlling interest	2	2	10	7	8	5
<i>Average number of shares</i>						
Undiluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294
Diluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294
<i>Net result per share attributable to the parent company's shareholders</i>						
Undiluted, SEK/share	0.03	-0.01	-0.21	-0.01	-0.19	0.01
Diluted, SEK/share	0.03	-0.01	-0.21	-0.01	-0.19	0.01

Balance sheet in summary, group

MSEK	9/30/2024	9/30/2023	12/31/2023
Goodwill	15,707	16,611	15,595
Other non-current intangible assets	4,636	5,762	5,227
Tangible non-current assets	93	140	116
Deferred tax assets	16	77	21
Other non-current assets	16	16	16
Current receivables	766	815	823
Cash and cash equivalents	857	1,039	807
Total assets	22,090	24,460	22,605
Shareholders' equity			
Shareholders' equity attributable to parent company's shareholding	13,746	14,876	13,838
Non-Controlling interest	18	13	8
Total Shareholders' equity	13,764	14,889	13,846
Non-current liabilities			
Deferred tax liabilities	808	1,034	929
Bond loans	1,986	2,486	2,488
Liabilities to credit institutions	2,369	1,588	1,693
Term loan	678	690	666
Other liabilities	120	206	144
Provisions for earnout	950	1,511	1,392
Total non-current liabilities	6,909	7,515	7,310
Current liabilities			
Liabilities to credit institutions	-	0	27
Bond loans	-	502	-
Equity swap	22	18	19
Other liabilities	718	853	751
Provisions for earnout	675	682	651
Total current liabilities	1,416	2,056	1,449
Total Liabilities and Shareholders' equity	22,090	24,460	22,605



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 2023-01-01	36	10,942	1,434	1,825	14,237	6	14,242
Net result for the period				-5	-5	7	2
Foreign currency translation differences			563	-	563	0	563
Total comprehensive income	-	-	563	-5	558	7	565
Repurchase of own shares	-	-	-	-270	-270	-	-270
Other transactions with shareholders	0	81	-	270	352	-	352
Closing balance 2023-09-30	36	11,023	1,997	1,820	14,876	13	14,889
Opening balance 2024-01-01	36	11,029	947	1,826	13,838	8	13,846
Net Result for the period				-108	-108	9	-99
Foreign currency translation differences			99	-	99	1	99
Total comprehensive income	-	-	99	-108	-10	10	0
Repurchase of own shares				-262	-262	-	-262
Other transactions with shareholders	-	-2	-	182	180	-	180
Closing balance 2024-09-30	36	11,027	1,045	1,638	13,746	18	13,764

Cash flow in summary, group

MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Operations						
Profit before tax	32	11	-37	121	-2	156
Adj for items not in cash flow etc	393	457	1,389	1,538	1,792	1,940
Tax paid	-42	-69	-139	-242	-219	-322
Cash flow from operations before changes in working capital	383	399	1,214	1,417	1,571	1,774
Changes in working capital						
Increase(-)/Decrease(+) in operating receivables	53	39	50	-58	14	-94
Increase (+)/Decrease(-) in operating liabilities	21	-44	-67	-17	-41	10
Cash flow from changes in working capital	74	-4	-17	-75	-27	-84
Cash flow from operations	457	395	1,196	1,343	1,544	1,690
Investment activities						
Acquisition and divestment of business	-0	-200	-432	-837	-432	-837
De-consolidation of subsidiaries	-	-	-82	-	-82	-
Acquisition of tangible assets	-12	-5	-18	-23	-23	-28
Capitalization of product development	-150	-184	-460	-601	-664	-805
Net change in financial assets	1	1	1	0	-1	-2
Cash flow from investment activities	-161	-387	-989	-1,460	-1,200	-1,671
Financing activities						
Net change in borrowings	-223	198	131	492	-159	202
Realized foreign currency swap	5	-22	-4	-46	-11	-54
IFRS 16 lease repayment	-9	-11	-29	-36	-45	-52
Issue cost	-	-0	-0	-1	0	-0
Repurchase of own shares	-80	-	-262	-270	-262	-270
Cash flow from financing activities	-307	164	-164	139	-477	-175
Cash flow for the period	-11	172	43	21	-134	-156
Cash and cash equivalents at start of period	895	874	807	989	1,039	989
Translation differences	-27	-7	7	28	-48	-27
Cash and cash equivalents at end of period	857	1,039	857	1,039	857	807



Parent company income statement, summary

MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Revenue						
Net revenue	42	42	134	124	174	164
Own work capitalized	3	3	9	11	12	14
Operating expenses						
Other external expenses	-10	-13	-43	-47	-60	-65
Personnel expenses	-41	-34	-116	-99	-149	-132
Operating result	-6	-3	-15	-11	-23	-19
Result from financial items						
Net financial items	177	84	1,974	400	2,511	937
Result after financial items	171	81	1,959	388	2,489	918
Group contribution	-	-	-	-	-92	-92
Profit before tax	171	81	1,959	388	2,397	826
Tax for the period	-25	-7	-44	-8	-120	-83
Net result for the period	145	74	1,915	381	2,277	743

Parent company balance sheet, summary

MSEK	9/30/2024	9/30/2023	12/31/2023
Intangible assets	35	24	26
Tangible non-current assets	0	1	1
Financial non-current assets	22,182	21,870	21,903
Deferred tax	-8	77	21
Current receivables	35	64	66
Cash and bank	34	170	0
Total assets	22,279	22,206	22,017
Shareholders' equity	15,310	13,144	13,513
Provisions for earnouts	1,462	1,707	1,687
Non-current liabilities	50	104	52
Bond loans	1,986	2,988	2,488
Liabilities to credit institutions	2,369	1,588	1,720
Term loan	678	690	666
Equity swap	22	18	19
Other current liabilities	403	1,966	1,873
Total liabilities & Shareholders' equity	22,279	22,206	22,017



Key figures, group

MSEK	2024	2023	2024	2023	Last 12	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	Jan-Dec
Bookings	1,592	1,664	5,071	5,219	6,810	6,958
Deferred revenue	2	7	7	22	9	24
Net revenue	1,595	1,671	5,077	5,241	6,819	6,982
Gross profit	1,269	1,296	4,052	4,080	5,417	5,445
<i>Gross profit margin, %</i>	<i>80</i>	<i>78</i>	<i>80</i>	<i>78</i>	<i>79</i>	<i>78</i>
EBIT	139	135	509	624	639	754
EBITDA	517	566	1,665	1,882	2,197	2,413
<i>EBITDA margin, %</i>	<i>32</i>	<i>34</i>	<i>33</i>	<i>36</i>	<i>32</i>	<i>35</i>
Items affecting comparability, EBITDA	18	27	42	59	79	96
Adjusted EBITDA	535	593	1,707	1,941	2,276	2,510
<i>Adjusted EBITDA margin, %</i>	<i>34</i>	<i>36</i>	<i>34</i>	<i>37</i>	<i>33</i>	<i>36</i>
Capitalization of product development	150	184	460	601	664	805
Adjusted EBITDAC	385	409	1,248	1,341	1,612	1,705
<i>Adjusted EBITDAC margin, %</i>	<i>24</i>	<i>25</i>	<i>25</i>	<i>26</i>	<i>24</i>	<i>24</i>
Profit before tax	32	11	-37	121	-2	156
Net result	18	-5	-99	2	-89	12
Number of Employees	1,320	1,437	1,320	1,437	1,320	1,401
Adjusted interest coverage ratio, pro forma, x	5.6	7.8	5.6	7.8	5.6	7.0
Adjusted leverage ratio incl. NTM cash earnout payments, pro forma, x	2.08	1.88	2.08	1.88	2.08	1.84
Shareholders' equity per share undiluted, SEK	27.07	28.72	27.07	28.72	27.07	26.72
Shareholders' equity per share diluted, SEK	27.07	28.72	27.07	28.72	27.07	26.72
Earnings per share undiluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01
Earnings per share diluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01
No of shares end of period undiluted	507,723,480	517,968,480	507,723,480	517,968,480	507,723,480	517,968,480
No of shares end of period diluted	507,723,480	517,968,480	507,723,480	517,968,480	507,723,480	517,968,480
Average no of shares period undiluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294
Average no of shares period diluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294



Definitions

Key figures and alternative performance measures

ARPAU

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

Bookings

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

Cash conversion ratio

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

DAU

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

Operating profit (EBIT)

Profit before financial items and tax.

EBITDA

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

EBITDA margin

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

Adjusted EBITDAC

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

Adjusted EBITDAC margin

Adjusted EBITDAC as a percentage of Net revenue.

Free cash flow

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

Gross profit margin

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

IAC, Items affecting comparability

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

Adjusted interest coverage ratio, pro forma

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

Adjusted leverage ratio

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

Adjusted leverage ratio, including NTM cash earnout

Net debt, including cash earnout payments for the next twelve months, in relation to the last twelve months' Adjusted EBITDA. Adjusted leverage ratio, including NTM cash earnout, pro forma is calculated as Net debt, including cash earnout payments for the next twelve months, in relation to the last twelve months' Adjusted EBITDA pro forma.

MAU

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

MPU

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

Net debt

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

Organic growth

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

Shareholders' equity/share

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

Tax rate

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

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	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	2023 Jan-Dec
Items affecting comparability, IAC						
Revenue						
Other	0	-	8	-	8	-
Total IAC Revenues affecting EBIT	0	-	8	-	8	-
Costs						
Restructuring costs	-12	-17	-29	-29	-44	-44
Transaction costs	-0	-	-0	-0	-0	-0
Long term incentive programs	-5	-7	-18	-17	-25	-24
Other costs	-0	-4	-2	-13	-18	-28
Total IAC costs affecting EBIT	-18	-27	-50	-59	-87	-96
Total IAC in operating profit (EBIT)	-18	-27	-42	-59	-79	-96
Financial income						
Revaluation of earnouts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total IAC financial income	-	-	-	-	-	-
Financial costs						
Revaluation of earnouts	-	-	-110	-171	-89	-150
Other	0	-5	-80	-5	-85	-10
Total IAC financial costs	0	-5	-190	-175	-174	-160
Total IAC in net financial items	0	-5	-190	-175	-174	-160

APM

	2024	2023	2024	2023	Last 12	Jan-Dec
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	months	2023
Net revenue	1,595	1,671	5,077	5,241	6,819	6,982
Direct costs	-325	-374	-1,025	-1,160	-1,402	-1,537
Gross profit	1,269	1,296	4,052	4,080	5,417	5,445
EBITDA						
Operating profit (EBIT)	139	135	509	624	639	754
Amortization of PPA items	166	218	512	660	699	846
Other amortization and depreciation	212	213	644	598	859	813
Comparison disturbing amortizations	-	-	-	-	-	-
EBITDA	517	566	1,665	1,882	2,197	2,413
Adjusted EBITDA and EBITDAC						
EBITDA	517	566	1,665	1,882	2,197	2,413
Items affecting comparability	18	27	42	59	79	96
Adjusted EBITDA	535	593	1,707	1,941	2,276	2,510
Capitalization of product development	-150	-184	-460	-601	-664	-805
Adjusted EBITDAC	385	409	1,248	1,341	1,612	1,705
In relation to net revenue						
<i>Gross profit margin, %</i>	<i>80</i>	<i>78</i>	<i>80</i>	<i>78</i>	<i>79</i>	<i>78</i>
<i>EBITDA margin, %</i>	<i>32</i>	<i>34</i>	<i>33</i>	<i>36</i>	<i>32</i>	<i>35</i>
<i>Adjusted EBITDA margin, %</i>	<i>34</i>	<i>36</i>	<i>34</i>	<i>37</i>	<i>33</i>	<i>36</i>
<i>Adjusted EBITDAC margin, %</i>	<i>24</i>	<i>25</i>	<i>25</i>	<i>26</i>	<i>24</i>	<i>24</i>
Cash conversion last 12 months						
Cash flow from operations last 12 months	1,544	1,827	1,544	1,827	1,544	1,690
IFRS 16 lease repayment last 12 months	-45	-50	-45	-50	-45	-52
Acquisition of intangible assets last 12 months	-664	-836	-664	-836	-664	-805
Free cash flow last 12 months	835	941	835	941	835	833
Divided by						
EBITDA last 12 months	2,197	2,537	2,197	2,537	2,197	2,413
Cash conversion rate	0.38	0.37	0.38	0.37	0.38	0.35



MSEK	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	Jan-Dec 2023
Adjusted interest coverage ratio						
Adjusted EBITDA last 12 months	2,276	2,613	2,276	2,613	2,276	2,510
<i>Divided by</i>						
Net financial items last 12 months	641	360	641	360	641	598
Total IAC affecting financial items last 12 months	-174	65	-174	65	-174	-160
Interest on earnout consideration affecting financial items last 12 months	-60	-88	-60	-88	-60	-80
Adjusted interest coverage ratio, x	5.59	7.76	5.59	7.76	5.59	7.00
Adjusted leverage ratio						
Bond loans	1,986	2,988	1,986	2,988	1,986	2,488
Liabilities to credit institutions	2,369	1,588	2,369	1,588	2,369	1,720
Term loan	678	690	678	690	678	666
Equity swap	22	18	22	18	22	19
Currency derivatives	49	142	49	142	49	29
Cash and cash equivalents	-857	-1,039	-857	-1,039	-857	-807
Net debt	4,247	4,388	4,247	4,388	4,247	4,115
Cash earnout next 12 months	498	517	498	517	498	496
Total net debt incl. cash earnout NTM	4,745	4,905	4,745	4,905	4,745	4,611
<i>Divided by</i>						
Adjusted EBITDA last 12 months	2,276	2,613	2,276	2,613	2,276	2,510
Adjusted leverage ratio, x	1.87	1.68	1.87	1.68	1.87	1.64
Adjusted leverage ratio incl. NTM cash earnout, x	2.08	1.88	2.08	1.88	2.08	1.84
Free cash flow						
Cash flow from operations	457	395	1,196	1,343	1,544	1,690
IFRS 16 lease repayment last	-9	-11	-29	-36	-45	-52
Acquisition of intangible assets	-150	-184	-460	-601	-664	-805
Free cash flow	298	200	708	707	835	833

APM pro forma

MSEK	2024 Jan-Sep	2023 Jan-Sep	Jan-Dec 2023
Adjusted EBITDA, pro forma			
Adjusted EBITDA last 12 months	2,276	2,613	2,510
Including			
EBITDA, acquired companies	-	-	-
Adjusted EBITDA, pro forma	2,276	2,613	2,510
Adjusted interest coverage ratio, pro forma			
Adjusted EBITDA last 12 months, pro forma	2,276	2,613	2,510
Divided by			
Net financial items last 12 months	641	360	598
Total IAC affecting financial items last 12 months	-174	65	-160
Interest on earnout consideration affecting financial items	-60	-88	-80
Adjusted interest coverage ratio, x, pro forma	5.59	7.76	7.00
Adjusted leverage ratio, pro forma, x			
Net debt	4,247	4,388	4,115
Cash earnout next 12 months	498	517	496
Total net debt incl. cash earnout NTM	4,745	4,905	4,611
Divided by			
Adjusted EBITDA, pro forma	2,276	2,613	2,510
Adjusted leverage ratio, pro forma, x	1.87	1.68	1.64
Adjusted leverage ratio incl. NTM cash earnout, pro forma, x	2.08	1.88	1.84



Share data

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	Last 12 months	Jan-Dec 2023
Equity per share						
Shareholders' equity attributable to parent co's shareholders, MSEK	13,746	14,876	13,746	14,876	13,746	13,838
Divided by						
No of shares end of period undiluted	507,723,480	517,968,480	507,723,480	517,968,480	507,723,480	517,968,480
Shareholders' equity per share undiluted, SEK	27.07	28.72	27.07	28.72	27.07	26.72
No of shares end of period diluted	507,723,480	517,968,480	507,723,480	517,968,480	507,723,480	517,968,480
Shareholders' equity per share diluted, SEK	27.07	28.72	27.07	28.72	27.07	26.72
Earnings per share						
Net result for the period attributed to parent co's shareholders, MSEK	16	-7	-108	-5	-97	7
Divided by						
Average no of shares period undiluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294
Earnings per share undiluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01
Average no of shares period diluted	513,900,382	517,968,480	514,539,548	510,244,403	515,401,466	512,191,294
Earnings per share diluted, SEK	0.03	-0.01	-0.21	-0.01	-0.19	0.01

Currency table (main currencies)

	Average 2024 Jul-Sep	Average 2023 Jul-Sep	Average 2024 Jan-Sep	Average 2023 Jan-Sep	Closing 2024 Jan-Sep	Closing 2023 Jan-Sep
MSEK						
1 EUR=SEK	11.4512	11.7638	11.4118	11.4758	11.3000	11.4923
1 USD=SEK	10.4282	10.8098	10.4975	10.5887	10.0929	10.8413
100 JPY=SEK	6.9924	7.4815	6.9541	7.6745	7.0700	7.2926

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.

Other information

Financial calendar

Full-year report January-December 2024	5 February 2025
Capital markets day 2025	6 February 2025
Interim report January-March 2025	6 May 2025
Annual General Meeting 2025	14 May 2025
Interim report January-June 2025	22 July 2025
Interim report January-September 2025	23 October 2025

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About Stillfront

Stillfront is a global games company. We develop digital games that are played by almost 45 million people each month. Our diversified portfolio spans well-established franchises like Big Farm, Jawaker and Supremacy, to smaller, niche games across our different genres. We believe gaming can be a force for good and we want to create a gaming universe that is digital, affordable, equal, and sustainable. Our HQ is in Stockholm, Sweden, but our game development is done by teams and studios all over the world. Our main markets are the US, Japan, MENA, Germany, and the UK. Stillfront's shares (SF) are listed on Nasdaq Stockholm. For further information, please visit: stillfront.com

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