

Interim Report, Q2 2022

QUOTE FROM THE CEO

“Stillfront’s positive momentum accelerated in the second quarter of 2022. Net revenues grew by 31 percent to 1,811 MSEK and free cash flow for the last twelve months grew by 18 percent to 1,016 MSEK. The organic growth amounted to 1 percent in the quarter, which is an improvement by 8 percentage points compared to the first quarter. The return to organic growth is driven by a combination of successful new game launches and strong live ops across the portfolio. We took additional steps during the quarter to further strengthen our user acquisition and data platform capabilities through Stillops, which enables us to work seamlessly across the group, continue to expand our market reach globally and create significant synergies between our studios. In contrast to the lower growth rates reported from third-party data providers during the first half of the year, we continue to see a high demand for our games and strong returns on our user acquisition spend, and we expect a solid organic growth acceleration during the second half of the year. We reiterate our guidance of mid-single digit organic growth for the full-year 2022.”

FINANCIAL HIGHLIGHTS Q2

- Net revenue of 1,811 (1,382) MSEK, an increase of 31 percent
- Bookings and net revenue increased organically by 1 percent
- EBIT of 258 (289) MSEK, a decrease of 11 percent
- Adj EBIT of 500 (477) MSEK, an increase of 5 percent. Adj EBIT margin of 28 (35) percent
- Items affecting comparability impacting EBIT amounted to -7 (-25) MSEK, mainly driven by costs for share-based compensation programs. Amortization of PPA-items amounted to -236 (-163) MSEK
- EBITDA of 632 (526) MSEK, an increase of 20 percent
- Adj EBITDA of 639 (551) MSEK, an increase of 16 percent. Adj EBITDA margin of 35 (40) percent
- Net result of 117 (149) MSEK
- Net debt of 3,571 (3,587) MSEK and adjusted leverage ratio, pro forma of 1.4x (1.6x)
- Free cash flow last 12 months of 1,016 (865) MSEK
- Cash position of 1,470 (850) MSEK and 2,305 (2,605) MSEK of undrawn credit facilities

KEY FIGURES

| | 2022 | 2021 | 2022 | 2021 | Last 12 | 2021 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| MSEK | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | months | Jan-Dec |
| Bookings | 1,805 | 1,377 | 3,482 | 2,690 | 6,231 | 5,440 |
| Deferred revenue | 6 | 5 | 8 | 12 | 12 | 16 |
| Net revenue | 1,811 | 1,382 | 3,489 | 2,702 | 6,243 | 5,455 |
| EBIT | 258 | 289 | 530 | 542 | 1,022 | 1,034 |
| Adjusted EBIT | 500 | 477 | 1,002 | 909 | 1,895 | 1,802 |
| Adjusted EBIT margin, % | 28 | 35 | 29 | 34 | 30 | 33 |
| EBITDA | 632 | 526 | 1,229 | 989 | 2,261 | 2,020 |
| Adjusted EBITDA | 639 | 551 | 1,255 | 1,049 | 2,330 | 2,124 |
| Adjusted EBITDA margin, % | 35 | 40 | 36 | 39 | 37 | 39 |
| Items affecting comparability | -7 | -25 | -25 | -60 | -69 | -104 |
| Profit before tax | 176 | 217 | 376 | 426 | 742 | 793 |
| Net result | 117 | 149 | 261 | 298 | 559 | 596 |
| Number of Employees | 1,580 | 1,230 | 1,580 | 1,230 | 1,580 | 1,381 |
| Adjusted Leverage Ratio, pro forma, x | 1.4 | 1.6 | 1.4 | 1.6 | 1.4 | 1.6 |

Comments by the CEO

Stillfront's positive momentum accelerated in the second quarter of 2022. Net revenues grew by 31 percent to 1,811 MSEK in the quarter, of which 1 percent was organic growth. Adjusted EBIT amounted to 500 MSEK, resulting in an adjusted EBIT margin of 28 percent in the quarter. Free cash flow for the last twelve months amounted to 1,016 MSEK, an increase by 18 percent compared to the same 12-month period last year.

Return to organic growth

The organic growth amounted to 1 percent in the second quarter, which is an improvement by 8 percentage points compared to the first quarter and 18 percentage points compared to the same period last year. The return to organic growth is driven by a combination of successful new game launches and strong live ops across the portfolio. In contrast to the lower growth rates reported from third-party data providers during the first half of the year, we continue to see a high demand for our games and strong returns on our user acquisition spend, and we expect a solid organic growth acceleration during the second half of the year.

The adjusted EBIT margin came in at 28 percent in the second quarter, slightly down from 30 percent in the first quarter, mainly due to our different growth initiatives and a short to mid-term effect in gross margin from the current product mix.

Continued growth investments

We added three new titles to our active portfolio in the second quarter. It now consists of 76 games across genres that are enjoyed by 66 million gamers every month. Our ability to launch and scale new games is key to our success. Over the past twelve months, we have added 14 new own-developed titles to our active portfolio, and we are confident that these will continue to grow and contribute to Stillfront's success for many years to come.

User acquisition spend in the second quarter amounted to 473 MSEK, corresponding to 26 percent of net revenues. We were able to continue to invest significant amounts on user acquisition in the quarter, without compromising on our strict payback targets of 180 days return on ad spend. Thanks to our market reach and our diversified portfolio of games, we can dynamically allocate user acquisition spend between marketing channels and games based on performance, allowing higher overall spending levels compared to if we would have had just a few large titles. Our ability to invest in user acquisition without compromising on returns will continue to be important going forward as we accelerate organic growth while we are able to maintain a high profitability across the group.

On this important topic, we took additional steps during the quarter to strengthen our user acquisition and data platform capabilities in the Stillops platform. By these and other investments in Stillops, we can work more seamlessly across the group, continue to expand our market reach

globally and create significant synergies between our studios.

Stable performance from newly acquired studios

Our two recently acquired studios continue to deliver in line with our expectations. Jawaker, which will be included as organic from 1 October 2022, has maintained its strong performance in the second quarter and is growing significantly year-over-year. The studio continues to develop and release new games within the Jawaker app, and the studio has successfully expanded into new geographic markets. 6waves, which was consolidated for all three months in the second quarter, has a promising pipeline of new games for the second half of the year, while its main titles continue to be stable. Despite just joining the group six months ago, the studio has already initiated exciting game collaborations with other Stillfront studios, showcasing the potential we see in taking Stillfront's titles to the attractive Japanese market.

Expanding to new platforms

In June, Netflix and Nanobit announced the "Too Hot to Handle" mobile game, a co-development project between Nanobit and Netflix which will be available for all Netflix subscribers. This is a strategically important project that shows that there is a large and growing demand for gaming content from an increasing number of platforms, while it shows how we further can leverage the value of the Stillops platform to create new revenue streams for our studios. We are happy to be partnering with Netflix on this development for their new game platform and look forward to the launch of the game in 2023.

Performance supported by studio collaborations and live ops

Live ops, how we continuously work with improving and updating our existing portfolio, continues to be an important growth driver for Stillfront. During the second quarter, we added several updates and features and arranged large events in titles across our portfolio, with some of our biggest games implementing updates driving continued and sustainable increases in engagement and revenue. Storm8 launched a new player vs player feature in its two flagship titles Property Brothers: Home Design and Home Design Makeover, which significantly improved KPIs across both titles. Supremacy 1914 celebrated 13 years in May with a large in-game event, capping of the most successful year in the game's history. Candywriter's flagship title BitLife released two large content updates in the quarter, which contributed to Candywriter's impressive organic growth in the quarter and the overall strong performance from the Casual product area.

Candywriter also continued their successful BitLife collaboration with Goodgame Studios during the second quarter with the launches of two new BitLife games adapted and culturalized for the Portuguese and Spanish speaking audiences. The collaboration is a great example of the synergies created through our Stillops platform and how we can leverage our geographical reach to grow our

portfolio. With the launches, BitLife has gained significant traction in Latin America. The two titles have reached top ten rankings across several countries in the region, and we are excited about the potential that we see in further scaling BitLife globally.

Accelerated organic growth during the second half of the year

Going into the third quarter of the year, we expect to see the same seasonality effects that we experience every year, with somewhat lower activity levels and lower marketing spend during the summer months. These seasonal effects are typically most distinct for our Strategy games.

Looking ahead, Stillfront is in a great position for the second half of the year. We have had good traction across our portfolio, and we have a strong pipeline of upcoming game launches and large updates. We see significant opportunities to scale our new games and to grow our existing portfolio, and we are confident in our ability to continue to accelerate our growth during the second half of the year. We reiterate our guidance of mid-single digit organic growth for the full-year 2022.



JÖRGEN LARSSON, CEO, STILLFRONT GROUP

Stillfront at a glance

A leading free-to-play powerhouse

Stillfront is a leading free-to-play powerhouse of gaming studios. Our diverse and exciting games portfolio has two common themes: loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody our growth strategy and our 1,500+ co-workers thrive in an organization that engenders the spirit of entrepreneurship.

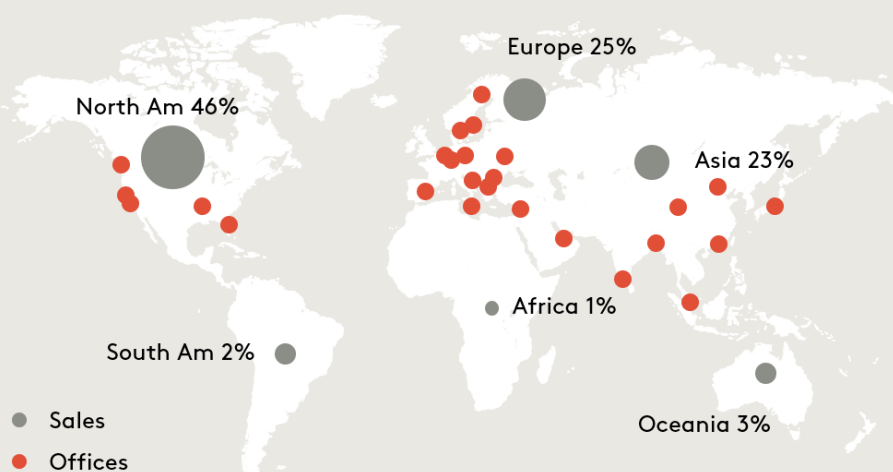
Stillfront is headquartered in Sweden, and the company is listed on Nasdaq Stockholm.

Focus on a digital and sustainable future

Stillfront's purpose is to make a positive impact in our gamers' everyday life, through creating a social, entertaining, and positive gaming experience. Our business model is built on our long-term perspective towards our studios, our professionals, and our gamers.

Stillfront builds for a digital and carbon-free future, and since 2019, we are a climate neutral company, fully compensating for the carbon impact in our daily operations and the energy usage of gamers playing our games.

GLOBAL PRESENCE



Percentage figures refer to Bookings in Q2 2022 by assumed location of gamers based on IP address or similar.

76

games in active portfolio in Q2

79%

mobile share of bookings in Q2

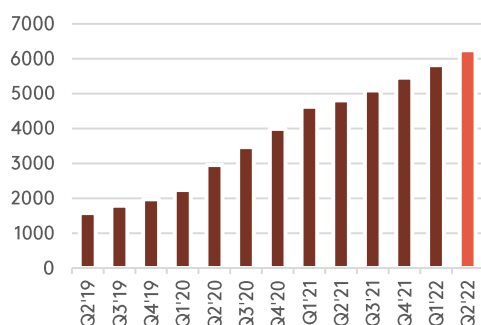
16%

ad share of bookings in Q2

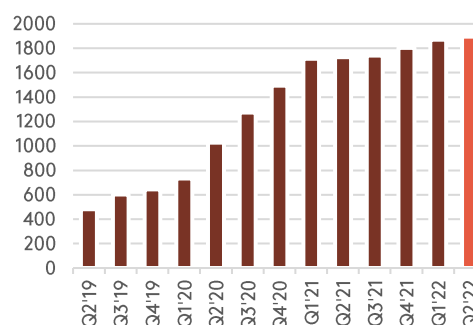
1,580

employees

NET REVENUE LTM (MSEK)



ADJ. EBIT LTM (MSEK)



Portfolio overview

Game performance

Bookings in the second quarter amounted to 1,805 MSEK, of which 1,713 MSEK in the active portfolio. The increase of 31 percent year-over-year in the active portfolio was driven by the addition of games from recently acquired studios, FX effects and organic growth, mainly driven by strong growth in Strategy.

Bookings from other games amounted to 92 MSEK in the second quarter, up from 68 MSEK in the same quarter last year. The increase is mostly attributed to new game releases that have not yet been added to the active portfolio and Nanobit's "Too Hot to Handle" collaboration with Netflix, which is not included in the active portfolio.

Advertising bookings accounted for 16 percent of total bookings in the active portfolio in the second quarter, slightly down from 17 percent in Q1'22 and 19 percent the same period last year. This was driven mainly by the recent addition of 6waves' games, which are largely monetized through in-game purchases. Advertising bookings declined slightly by -4 percent organically both quarter-over-quarter and compared to last year.

Mobile share of bookings increased to 79 percent in the second quarter, up from 78 percent in Q1'22 and from 77

percent in the same period last year. The increase was driven by strong performance from several mobile titles within Strategy, as well as the addition of 6waves' titles, which were included for the full second quarter.

ARPDau for the active portfolio increased by 9 percent quarter-over-quarter, driven mainly by the addition of 6waves' titles. Compared to the same period last year, ARPDau was up from 1.1 SEK to 1.5 SEK, growing organically by 13 percent.

User acquisition costs, UAC, in the active portfolio amounted to 468 MSEK in the second quarter, slightly up compared to 465 MSEK in Q1'22 and up by 37 percent compared to 342 MSEK the same period last year. This corresponds to 27 percent of bookings in the active portfolio, down slightly from 29 percent last quarter driven by normal seasonality effects and higher total bookings.

MAU, monthly active users, decreased by -1 percent compared to the same period last year while MPU, monthly paying users, grew by 8 percent year-over-year, driven by the addition of recently acquired studios.

| 2022 Q2 | Active Portfolio | Strategy | Sim / RPG / Action | Mashup / Casual | Other games |
|------------------------|------------------|----------|--------------------|-----------------|-------------|
| Bookings (MSEK) | 1,713 | 605 | 383 | 725 | 92 |
| Y-o-Y % | 31% | 83% | -3% | 24% | |
| Ad bookings, % | 16% | 1% | 6% | 33% | |
| Mobile bookings, % | 79% | 79% | 59% | 89% | |
| UAC (MSEK) | 468 | 154 | 92 | 223 | 5 |
| Y-o-Y % | 37% | 164% | -14% | 26% | |
| DAU ('000) | 12,747 | 832 | 1,368 | 10,547 | |
| Y-o-Y % | 0% | 68% | -8% | -3% | |
| MAU ('000) | 65,965 | 4,381 | 7,047 | 54,537 | |
| Y-o-Y % | -1% | 51% | -4% | -4% | |
| MPU ('000) | 1,521 | 194 | 262 | 1,064 | |
| Y-o-Y % | 8% | 88% | -16% | 7% | |
| ARPDau (SEK) | 1.5 | 8.0 | 3.1 | 0.8 | |
| Y-o-Y % | 32% | 9% | 5% | 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 second quarter. Strategy bookings increased by 83 percent year-over-year to 605 MSEK, driven by the addition of games from recently acquired studios as well as strong organic growth. Organically, bookings from the strategy portfolio increased by 29 percent year-over-year and by 3 percent quarter-over-quarter. Celebrating its 13-year anniversary in May, Supremacy 1914 continued its strong trajectory and had all-time high bookings in the quarter.

User acquisition spend in Strategy during the second quarter was up by 164 percent compared to the same period last year and amounted to 154 MSEK. The high level of UAC was driven by the strong traction from the strategy titles built on Bytro Lab's grand strategy game engine, with many more new users discovering games such as Supremacy 1914, Call of War and Conflict of Nations: WW3. In total, Bytro's grand strategy game engine now serves five games across three studios.

As a result of the continued high user acquisition spend, daily and monthly active users were up year-over-year by 68 percent and 51 percent respectively. ARPDau increased by 9 percent in the quarter compared to the same period last year, due to the strong monetization of 6waves' games which were included for the full second quarter.

6waves, which was consolidated for all three months in the second quarter, has a pipeline of new games for the second half of the year, while its main titles continue to be stable. The studio has initiated several game collaborations with other Stillfront studios, showcasing the potential in taking Stillfront's titles to the Japanese market. In contrast to most other studios in the group, 6waves has been slightly negatively affected by FX in the quarter as the JPY has depreciated to the SEK.

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 22 percent of the bookings in the active portfolio in the second quarter, decreasing by -1 percent compared to last quarter and by -3 percent compared to the same period last year. The slight decline is a result of lower user acquisition spend in the product area, as other product areas have been able to show higher returns on ad spend. User acquisition spend in Simulation, RPG & Action was down by -12 percent quarter-over-quarter and -14 percent year-over-year, and as a result MAU and DAU were down during the same periods.

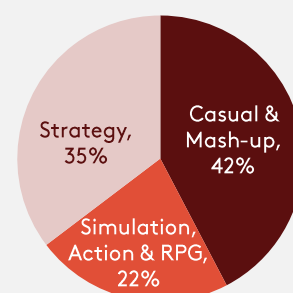
In June, Everguild announced a new game project at the Warhammer Skulls 2022 video games festival. The new project will be the studio's first game based on the popular Warhammer 40,000 universe and is a result of the studio's long-standing relationship with Games Workshop.

Casual & Mash-up

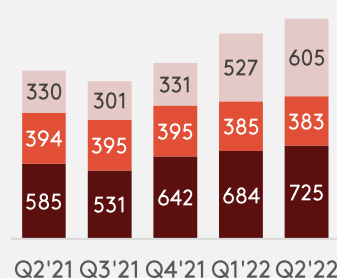
The Casual & Mash-up portfolio consists of 26 games, including titles like Property Brothers Home Design, BitLife, Word Collect, Trivia Star and Ludo Club. Three new titles were added to the product area in the second quarter. The product area totalled 42 percent of the bookings in the active portfolio in the second quarter, growing by 24 percent compared to the same period last year, driven primarily by the addition of Jawaker and positive FX effects. Casual & Mash-up grew quarter-over-quarter by 6 percent, driven by a combination of FX effects and strong performance from Candywriter's hit title BitLife.

Candywriter had a successful second quarter, with its key title BitLife growing almost 40 percent organically year-over-year, driven by two large content updates. The successful collaboration between Goodgame Studios and Candywriter also continued during the second quarter with the launches of two new BitLife games adapted and

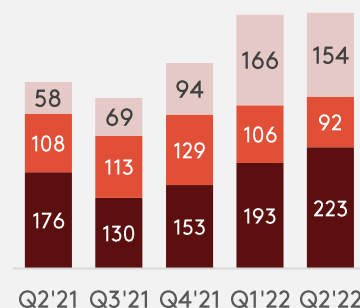
Product areas as share of bookings in Q2 2022 in total active portfolio



Bookings in total active portfolio per product area



UAC in total active portfolio per product area



Strategy
Sim, RPG & Action
Casual & Mash-up

culturalized for the Portuguese and Spanish speaking audiences. With the launches, BitLife has gained significant traction in Latin America and the two titles have reached top ten rankings across several countries in the region.

Super Free continued its positive development from the past quarters. The studio has successfully launched new products and been able to ramp up its user acquisition spend in the second quarter. Storm8 launched major updates, including a new player vs player feature, in its two largest titles Property Brothers: Home Design and Home Design Makeover during the quarter. The updates had significant positive impact on the games' KPIs in June.

Jawaker, which will be included as organic from the fourth quarter 2022, continued its strong performance and showed solid sequential growth in the second quarter. Jawaker has continued to develop and release new games within the Jawaker app, and the studio has successfully expanded into new geographic markets.

FINANCIAL OVERVIEW OF THE SECOND QUARTER

Revenue and operating profit

| MSEK | 2022 | | 2021 | 2022 | | 2021 | Last 12 | | 2021 |
|-------------------------------|---------|---------|------|---------|---------|------|---------|---------|------|
| | Apr-Jun | Apr-Jun | | Jan-Jun | Jan-Jun | | months | Jan-Dec | |
| Net Revenue | 1,811 | 1,382 | 31 | 3,489 | 2,702 | 29 | 6,243 | 5,455 | |
| EBITDA | 632 | 526 | 20 | 1,229 | 989 | 24 | 2,261 | 2,020 | |
| EBITDA margin, % | 35 | 38 | | 35 | 37 | | 36 | 37 | |
| EBIT | 258 | 289 | -11 | 530 | 542 | -2 | 1,022 | 1,034 | |
| EBIT margin, % | 14 | 21 | | 15 | 20 | | 16 | 19 | |
| Items affecting comparability | -7 | -25 | -74 | -25 | -60 | -58 | -69 | -104 | |
| Adjusted EBITDA | 639 | 551 | 16 | 1,255 | 1,049 | 20 | 2,330 | 2,124 | |
| Adjusted EBITDA margin, % | 35 | 40 | | 36 | 39 | | 37 | 39 | |
| Amortization of PPA items | -236 | -163 | 44 | -447 | -307 | 46 | -804 | -665 | |
| Adjusted EBIT | 500 | 477 | 5 | 1,002 | 909 | 10 | 1,895 | 1,802 | |
| Adjusted EBIT margin, % | 28 | 35 | | 29 | 34 | | 30 | 33 | |

Net revenue in the second quarter amounted to 1,811 (1,382) MSEK. The increase of 31 percent is driven by acquired studios (+21 percent year-over-year), currency movements (+10 percent year-over-year), and organic growth (+1 percent year-over-year).

Stillfront experienced a positive impact from currency movements on net revenues in the second 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.

| | 2022 | | 2021 | 2022 | | 2021 |
|--------------------------------------|---------|---------|------|---------|---------|------|
| | Apr-Jun | Apr-Jun | | Jan-Jun | Jan-Jun | |
| Net revenue growth | | | | | | |
| Change through acquisitions, % | 20.5 | 41.0 | 23.8 | 59.1 | 48.5 | |
| Change through currency movements, % | 9.8 | -7.7 | 8.3 | -8.2 | -3.9 | |
| Organic growth, % | 0.7 | -17.3 | -3.0 | -7.5 | -7.8 | |
| Total net revenue growth, % | 31.0 | 15.9 | 29.1 | 43.5 | 36.8 | |

Stillfront had a gross margin of 76 percent in the quarter, compared to 77 percent in the same quarter last year. 6waves is included for the full second quarter 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 percent in the quarter, compared to 16 percent in the same quarter last year. Other external expenses amounted to 6 (5) percent of net revenue.

EBITDA amounted to 632 (526) MSEK in the second quarter. Adjusted EBITDA amounted to 639 (551) MSEK, corresponding to an adjusted EBITDA margin of 35 (40) percent in the quarter.

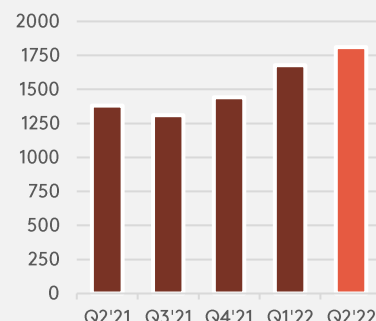
EBIT amounted to 258 (289) MSEK in the second quarter. Adjusted EBIT amounted to 500 (477) MSEK, corresponding to an adjusted EBIT margin of 28 (35) percent. Items affecting comparability amounted to -7 (-25) MSEK in the quarter and consisted mainly of costs for share-based compensation programs.

Product development

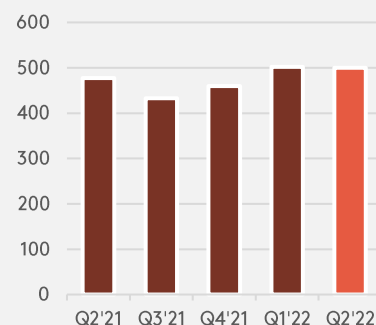
| MSEK | 2022 | | 2021 | 2022 | | 2021 | Last 12 | | 2021 |
|---------------------------------------|---------|---------|------|---------|---------|------|---------|---------|------|
| | Apr-Jun | Apr-Jun | | Jan-Jun | Jan-Jun | | months | Jan-Dec | |
| Capitalization of product development | 249 | 149 | 503 | 293 | 831 | 620 | | | |
| Amortization of product development | -121 | -59 | -218 | -112 | -369 | -263 | | | |
| Amortization of PPA items | -236 | -163 | -447 | -307 | -804 | -665 | | | |

In the second quarter, investments in product development have been capitalized by 249 (149) MSEK. Investments include development of new games such as Fun Feud Trivia as well as other not yet announced games. Investments also pertain to new

Net revenue development (MSEK)



Adj EBIT development (MSEK)



titles built on existing engines such as the development of BitLife Portuguese and BitLife Spanish, as well as larger extensions and additions to existing games.

Amortization of product development of -121 (-59) MSEK was charged during the second quarter. Amortization of PPA items amounted to -236 (-163) MSEK, where the increase is driven by recent acquisitions.

Financial net

| | 2022 | 2021 | 2022 | 2021 | Last 12 | 2021 |
|---|------------|------------|-------------|-------------|-------------|-------------|
| MSEK | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | months | Jan-Dec |
| Net interest excluding interest on earnouts | -47 | -37 | -94 | -67 | -180 | -154 |
| Interest on earnout consideration (non-cash) | -33 | -26 | -62 | -49 | -99 | -87 |
| Currency exchange differences | 3 | -11 | 6 | -2 | 12 | 4 |
| Other | -0 | 0 | -0 | 0 | -1 | -0 |
| Changes in fair value of contingent consideration | -4 | 2 | -4 | 2 | -11 | -5 |
| Net financial items | -81 | -72 | -154 | -117 | -279 | -242 |

The financial net was -81 (-72) MSEK in the second quarter, consisting of net interest expenses -47 (-37) MSEK, non-cash interest charge on earnout provision -33 (-26) MSEK, revaluation of earnout provision -4 (2) MSEK and currency effects of 3 (-11) MSEK.

Tax

The group's tax cost amounted to -59 (-68) MSEK for the second quarter, equivalent to a tax rate of 34 (31) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the quarter would have been 33 (29) percent. Excluding the impact of non-deductible transaction costs and non-cash earnout interest, the tax rate for the quarter would have been 28 (27) percent.

The group's tax cost for the first half-year amounted to -115 (-128) MSEK, equivalent to a tax rate of 31 (30) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the half-year would have been 29 (28) percent. Excluding the impact of non-deductible transaction costs and non-cash earnout interest, the tax rate for the half-year would have been 25 (25) percent.

Financing

| | 2022 | 2021 |
|--|--------|--------|
| MSEK | 30 Jun | 30 Jun |
| Net debt | 3,571 | 3,587 |
| Cash and cash equivalents | 1,470 | 850 |
| Adjusted Interest Coverage Ratio, pro forma, x | 15.0 | 16.0 |
| Adjusted Leverage Ratio, pro forma, x | 1.4 | 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. In the second quarter, earnout provisions were settled of which 523 (617) MSEK in cash and 170 (153) MSEK in new issued shares.

Net debt as of June 30, 2022, amounted to 3,571 (3,587) MSEK.

Adjusted interest coverage ratio, pro forma was 15.0x (16.0x) at the end of the quarter.

The adjusted leverage ratio, pro forma was 1.4x (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 unutilized credit facilities of 2,305 (2,605) MSEK, of which 2,105 (2,405) MSEK were long-term credit facilities. Cash balances amounted to 1,470 (850) MSEK.

The Group'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 3,094 (3,089) MSEK, however, have a fair value of 2,922 (3,170) MSEK. FX forwards and currency basis swaps with a carrying amount of -78 (-3) MSEK are measured at fair value through other comprehensive income. Contingent purchase considerations (earnout provisions) with a carrying amount of 3,722 (2,361) MSEK are measured at fair value through profit and loss.

| MSEK | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|-------------------------------------|------------|--------------|------------|------------|------------|------------|--------------|
| Provisions for earnouts | | | | | | | |
| Cash | 273 | 840 | 627 | 489 | 257 | 143 | 2,629 |
| Equity | 117 | 367 | 260 | 183 | 105 | 61 | 1,093 |
| Total provisions for earnout | 390 | 1,207 | 886 | 672 | 362 | 205 | 3,722 |

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 3,722 (2,361) MSEK for earnout provisions, of which 1,597 (915) MSEK current and 2,125 (1,446) MSEK non-current. The amounts will be settled during 2022 to 2027, where 2,629 MSEK of the book value corresponds to amounts expected to be paid out in cash and 1,093 MSEK expected to be paid out in newly issued shares.

The earnout liability includes 390 MSEK pertaining to last year that has already been settled in the beginning of the third quarter of 2022, or is expected to be settled shortly, of which 273 MSEK in cash and 117 MSEK in new shares. The adjusted leverage ratio, pro forma, would have been 1.5 (1.6)x if the amount had been settled before the end of the second quarter.

Cash flow

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Cash flow from operations | 450 | 443 | 973 | 692 | 1,901 | 1,620 |
| Cash flow from investment activities | -829 | -1,004 | -2,699 | -2,480 | -4,395 | -4,176 |
| Cash flow from financing activities | -4 | 211 | 1,939 | 1,612 | 2,940 | 2,612 |
| Cash flow for the period | -382 | -350 | 213 | -176 | 446 | 56 |
| Cash and cash equivalents at the end of period | 1,470 | 850 | 1,470 | 850 | 1,470 | 1,133 |

The Group had cash flows from operations of 450 (443) MSEK in the second quarter. The amount includes taxes paid of -58 (-55) MSEK during the quarter and changes in working capital of -27 (9) MSEK, primarily driven by a reduction in accounts payable in the quarter.

Cash flows from investment activities amounted to -829 (-1,004) MSEK, including -523 (-617) MSEK related to cash settlements of earnouts and -249 (-149) MSEK investments in product development.

Cash flows from financing activities amounted to -4 (211).

Free cash flow for the last twelve months amounted to 1,016 (865) 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 0.45 (0.46).

SIGNIFICANT EVENTS IN THE QUARTER

Announcement from the Annual General Meeting

May 12, Stillfront held its Annual General Meeting at which, in addition to customary resolutions, it was resolved (i) on seven directed new share issues to the sellers of seven of the companies that Stillfront previously has acquired; (ii) to authorise the board of directors to, on one or several occasions during the period until the next annual general meeting, resolve on repurchase of own shares and to resolve on transfer of own shares; (iii) to authorise the board of directors to, subject to certain conditions, resolve to increase Stillfront's share capital by issuing new shares, warrants or convertible debt in Stillfront equivalent to a maximum of ten percent of the shares in the company at the time when the board of directors first utilises the authorisation and (iiii) implement a long-term incentive program. The meeting also resolved, in accordance with the nomination committee's proposal, to elect Marcus Jacobs as new member of the board of directors

New Moon Production

New Moon Production, previously a part of Goodgame Studios, has been set up as a fully independent studio, officially becoming Stillfront's 23rd studio. New Moon Production has since 2016 released multiple games including Big Farm: Mobile Harvest. The spin-off is part of smaller organizational change for Goodgame Studios that will strengthen core capabilities and business responsibilities. Goodgame Studios will continue to be an independent studio with a clear focus on operating their successful games portfolio for many more years to come.

Earn out-considerations determined

The earn-out considerations related to the financial year 2021 to the sellers of certain previously acquired entities has been determined. Stillfront Group AB (publ) has agreed on the earn-out considerations for the financial year 2021 with the sellers of Storm8 Inc., Candywriter LLC, Everguild Ltd., Game Labs Inc., Sandbox Interactive GmbH, and Super Free Games Inc., respectively. See page 21 for further information.

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. In 2022, the gaming industry is expected to generate revenues of around USD 203.1 billion, a year-over-year increase by 5.4 percent, according to Newzoo. The global number of players playing games is expected to reach 3.09 billion players by year-end. The games market is expected to continue to grow in the coming years with an expected CAGR of 5.6 percent between 2020 to 2024. Newzoo expects the total global games market to exceed USD 220 billion by 2024.

Mobile gaming is the world's most popular form of gaming. Mobile games are expected to account for 51 percent of the total games market globally and generate revenues of USD 103.5 billion in 2022. According to Sensor Tower, worldwide player spending in mobile games declined by 6.6 percent year-over-year during the first half of 2022 to USD 44.1 billion, as mobile game spending has been impacted by both normalization after the surge during the pandemic as well as economic headwinds worldwide. Although preliminary market data show that growth has slowed comparatively in the first half of the year, Sensor Tower's five-year market forecast projects that consumer spending will climb with a 12 percent CAGR to reach USD 233 billion in 2026.

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% of US video game players identify as female and 52% identify as male.

Sources for market data:

Newzoo's Global Games Market Report 2022
Sensor Tower's June Global App Spending
Sensor Tower's Mobile App Market Outlook 2022
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 (39) MSEK. The profit before tax amounted to -430 (34) 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 | 12.0% |
| 2 | Swedbank Robur Funds | 39,783,765 | 7.8% |
| 3 | First National Pension Fund | 29,437,545 | 5.8% |
| 4 | SEB Funds | 21,425,094 | 4.2% |
| 5 | DNB Funds | 18,689,884 | 3.7% |
| 6 | Columbia Threadneedle | 16,252,893 | 3.2% |
| 7 | Vanguard | 14,372,306 | 2.8% |
| 8 | Handelsbanken Funds | 8,856,470 | 1.7% |
| 9 | Alcur funds | 8,397,217 | 1.7% |
| 10 | Glenernie Capital | 8,334,623 | 1.6% |
| 11 | Other Shareholders | 280,810,101 | 55.4% |

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 June 30, 2022, was 507,062,315. This is the number of shares registered at the Companies' Registration Office at that date. There were 4,130,895 additional shares that had been subscribed for but not yet registered as of June 30.

The share is traded on Nasdaq Stockholm. Closing price as of June 30, 2022, was 22.57 SEK/share.

Following bonds are traded on Nasdaq Stockholm:

2018/2022 bond: ISIN: SE0011897925

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.

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.

DECLARATION

The Board of Directors and the CEO provide their assurance that the six-month report provides an accurate overview of the operations, position and earnings of the Company and the Group, and that it also describes the principal risks and sources of uncertainty faced by the Company and its subsidiaries.

Stockholm, 21 July 2022

Jan Samuelson
Chairman of the Board

Katarina Bonde

Erik Forsberg

Birgitta Henriksson

Marcus Jacobs

Ulrika Viklund

Jörgen Larsson,
CEO & Founder

The interim report has not been reviewed by the Company's auditors.

Financial reports

INCOME STATEMENT IN SUMMARY, GROUP

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Revenues | | | | | | |
| Bookings | 1,805 | 1,377 | 3,482 | 2,690 | 6,231 | 5,440 |
| Deferred revenue | 6 | 5 | 8 | 12 | 12 | 16 |
| Net revenue | 1,811 | 1,382 | 3,489 | 2,702 | 6,243 | 5,455 |
| Own work capitalized | 151 | 115 | 288 | 223 | 527 | 462 |
| Other revenue | 6 | 7 | 13 | 12 | 20 | 19 |
| Operating expenses | | | | | | |
| Direct costs | -439 | -314 | -809 | -634 | -1,399 | -1,224 |
| User acquisition costs | -473 | -346 | -942 | -709 | -1,640 | -1,407 |
| Other external expenses | -115 | -72 | -204 | -129 | -368 | -294 |
| Personnel expenses | -303 | -222 | -580 | -416 | -1,053 | -888 |
| Items affecting comparability | -7 | -25 | -25 | -60 | -69 | -104 |
| Amortization of product development | -121 | -59 | -218 | -112 | -369 | -263 |
| Amortization of PPA items | -236 | -163 | -447 | -307 | -804 | -665 |
| Depreciation | -18 | -14 | -35 | -28 | -66 | -59 |
| Operating result (EBIT) | 258 | 289 | 530 | 542 | 1,022 | 1,034 |
| Result from financial items | | | | | | |
| Net financial items | -81 | -72 | -154 | -117 | -279 | -242 |
| Profit before tax | 176 | 217 | 376 | 426 | 742 | 793 |
| Taxes for the period | -59 | -68 | -115 | -128 | -183 | -197 |
| Net result for the period | 117 | 149 | 261 | 298 | 559 | 596 |
| Other comprehensive income | | | | | | |
| Items that later can be reversed in profit | | | | | | |
| Foreign currency translation differences | 1,145 | -158 | 1,331 | 186 | 1,834 | 689 |
| Total comprehensive income for period | 1,262 | -8 | 1,592 | 484 | 2,393 | 1,285 |
| Net result for the period attributed to: | | | | | | |
| Parent company shareholders | 117 | 146 | 262 | 292 | 560 | 590 |
| Non-controlling interest | -0 | 3 | -1 | 6 | -1 | 6 |
| Period total comprehensive income attributed to: | | | | | | |
| Parent company shareholders | 1,593 | -11 | 1,593 | 478 | 2,393 | 1,278 |
| Non-controlling interest | -1 | 3 | -1 | 6 | -0 | 6 |
| Average number of shares | | | | | | |
| Undiluted | 507,243,893 | 358,805,539 | 454,898,044 | 356,772,839 | 415,231,703 | 366,572,354 |
| Diluted | 507,243,893 | 359,787,885 | 454,898,044 | 358,111,369 | 415,604,139 | 367,143,219 |
| Net result per share attributable to the parent company's shareholders | | | | | | |
| Undiluted, SEK/share | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |
| Diluted, SEK/share | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |

BALANCE SHEET IN SUMMARY, GROUP

| MSEK | 6/30/2022 | 6/30/2021 | 12/31/2021 |
|--|---------------|---------------|---------------|
| Goodwill | 15,649 | 10,370 | 12,752 |
| Other non-current intangible assets | 6,771 | 4,016 | 5,244 |
| Tangible non-current assets | 140 | 133 | 127 |
| Deferred tax assets | 137 | 30 | 39 |
| Other non-current assets | 18 | 6 | 7 |
| Current receivables | 908 | 674 | 747 |
| Cash and cash equivalents | 1,470 | 850 | 1,133 |
| Total assets | 25,092 | 16,079 | 20,049 |
| Shareholders' equity | | | |
| Shareholders' equity attributable to parent company's shareholding | 13,616 | 7,580 | 9,772 |
| Non-Controlling interest | 13 | 22 | 23 |
| Total Shareholders' equity | 13,629 | 7,602 | 9,795 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 1,307 | 878 | 1,053 |
| Bond loans | 2,497 | 3,089 | 2,494 |
| Liabilities to credit institutions | 1,645 | 1,345 | 1,456 |
| Other liabilities | 116 | 61 | 67 |
| Provisions for earnout | 2,125 | 1,446 | 2,298 |
| Total non-current liabilities | 7,690 | 6,820 | 7,368 |
| Current liabilities | | | |
| Liabilities to credit institutions | - | 1 | - |
| Bond loans | 597 | - | 597 |
| Equity swap | 224 | - | 223 |
| Other liabilities | 1,356 | 741 | 1,035 |
| Provisions for earnout | 1,597 | 915 | 1,030 |
| Total current liabilities | 3,774 | 1,657 | 2,886 |
| Total Liabilities and Shareholders' equity | 25,092 | 16,079 | 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 | | | | 292 | 292 | 6 | 298 |
| Foreign currency translation differences | | | 186 | | 186 | 0 | 186 |
| Total comprehensive income | - | - | 186 | 292 | 478 | 6 | 484 |
| Total transactions with shareholders | 1 | 972 | - | - | 973 | - | 973 |
| Closing balance 2021-06-30 | 25 | 7,151 | -622 | 1,026 | 7,580 | 22 | 7,602 |
| Opening balance 2022-01-01 | 27 | 8,541 | -120 | 1,325 | 9,772 | 23 | 9,795 |
| Net Result for the period | | | | 262 | 262 | -1 | 261 |
| Foreign currency translation differences | | | 1,331 | - | 1,331 | 0 | 1,331 |
| Total comprehensive income | - | - | 1,331 | 262 | 1,593 | -1 | 1,592 |
| Total transactions with shareholders | 8 | 2,296 | - | -53 | 2,251 | -10 | 2,241 |
| Closing balance 2022-06-30 | 35 | 10,836 | 1,211 | 1,534 | 13,616 | 13 | 13,629 |

CASH FLOW IN SUMMARY, GROUP

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Operations | | | | | | |
| Profit before tax | 176 | 217 | 376 | 426 | 742 | 793 |
| Adj for items not in cash flow etc | 359 | 272 | 730 | 478 | 1,296 | 1,043 |
| Tax paid | -58 | -55 | -118 | -83 | -257 | -221 |
| Cash flow from operations before changes in working capital | 477 | 434 | 987 | 821 | 1,781 | 1,615 |
| Changes in working capital | | | | | | |
| Increase(-)/Decrease(+) in operating receivables | 11 | 56 | -4 | -70 | 64 | -2 |
| Increase (+)/Decrease(-) in operating liabilities | -38 | -47 | -10 | -58 | 55 | 7 |
| Cash flow from changes in working capital | -27 | 9 | -14 | -129 | 119 | 5 |
| Cash flow from operations | 450 | 443 | 973 | 692 | 1,901 | 1,620 |
| Investment activities | | | | | | |
| Acquisition of business | -573 | -806 | -2,206 | -2,133 | -3,390 | -3,317 |
| Acquisition of tangible assets | -6 | -4 | -11 | -7 | -19 | -14 |
| Capitalization of product development | -249 | -149 | -504 | -293 | -832 | -621 |
| Acquisition of game assets | -0 | -47 | -1 | -47 | -177 | -223 |
| Net change in financial assets | -1 | 1 | 23 | 0 | 23 | -0 |
| Cash flow from investment activities | -829 | -1,004 | -2,699 | -2,480 | -4,395 | -4,176 |
| Financing activities | | | | | | |
| Net change in borrowings | 13 | 149 | 13 | 1,561 | 56 | 1,604 |
| IFRS 16 lease repayment | -15 | -11 | -29 | -23 | -52 | -46 |
| Proceeds from share issuance | - | 74 | 1,989 | 74 | 2,989 | 1,074 |
| Issue cost | -2 | -1 | -34 | -1 | -54 | -20 |
| Cash flow from financing activities | -4 | 211 | 1,939 | 1,612 | 2,940 | 2,612 |
| Cash flow for the period | -382 | -350 | 213 | -176 | 446 | 56 |
| Cash and cash equivalents at start of period | 1,740 | 1,225 | 1,133 | 1,005 | 850 | 1,005 |
| Translation differences | 112 | -25 | 123 | 21 | 174 | 72 |
| Cash and cash equivalents at end of period | 1,470 | 850 | 1,470 | 850 | 1,470 | 1,133 |

PARENT COMPANY INCOME STATEMENT, SUMMARY

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Revenue | | | | | | |
| Net revenue | 36 | 39 | 68 | 66 | 138 | 136 |
| Own work capitalized | 5 | - | 5 | - | 5 | - |
| Operating expenses | | | | | | |
| Other external expenses | -20 | -26 | -38 | -43 | -63 | -68 |
| Personnel expenses | -27 | -15 | -54 | -29 | -105 | -80 |
| Operating result | -7 | -2 | -18 | -5 | -25 | -11 |
| Result from financial items | | | | | | |
| Net financial items | -423 | 36 | -435 | -79 | -727 | -371 |
| Result after financial items | -430 | 34 | -454 | -84 | -752 | -382 |
| Appropriations | | | | | | |
| Group contribution | - | - | - | - | 95 | 95 |
| Profit before tax | -430 | 34 | -454 | -84 | -657 | -287 |
| Tax for the period | 113 | -9 | 139 | 12 | 121 | -7 |
| Net result for the period | -317 | 25 | -314 | -72 | -536 | -294 |

PARENT COMPANY BALANCE SHEET, SUMMARY

| MSEK | 6/30/2022 | 6/30/2021 | 12/31/2021 |
|---|---------------|---------------|---------------|
| Intangible assets | 7 | 5 | 4 |
| Tangible non-current assets | 1 | 1 | 1 |
| Financial non-current assets | 21,689 | 15,415 | 19,018 |
| Deferred tax | 145 | 12 | 5 |
| Current receivables | 121 | 77 | 190 |
| Cash and bank | 184 | 110 | 77 |
| Total assets | 22,146 | 15,620 | 19,294 |
| Shareholders' equity | 12,425 | 9,271 | 10,442 |
| Provisions for earnouts | 2,937 | 790 | 2,491 |
| Non-current liabilities | 7 | 1 | 3 |
| Bond loans | 3,094 | 3,089 | 3,092 |
| Liabilities to credit institutions | 1,645 | 1,345 | 1,456 |
| Equity swap | 224 | - | 223 |
| Other current liabilities | 1,814 | 1,124 | 1,588 |
| Total liabilities & Shareholders' equity | 22,146 | 15,620 | 19,294 |

KEY FIGURES, GROUP

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Bookings | 1,805 | 1,377 | 3,482 | 2,690 | 6,231 | 5,440 |
| Deferred revenue | 6 | 5 | 8 | 12 | 12 | 16 |
| Net revenue | 1,811 | 1,382 | 3,489 | 2,702 | 6,243 | 5,455 |
| EBIT | 258 | 289 | 530 | 542 | 1,022 | 1,034 |
| EBIT margin, % | 14 | 21 | 15 | 20 | 16 | 19 |
| Adjusted EBIT | 500 | 477 | 1,002 | 909 | 1,895 | 1,802 |
| Adjusted EBIT margin, % | 28 | 35 | 29 | 34 | 30 | 33 |
| EBITDA | 632 | 526 | 1,229 | 989 | 2,261 | 2,020 |
| EBITDA margin, % | 35 | 38 | 35 | 37 | 36 | 37 |
| Adjusted EBITDA | 639 | 551 | 1,255 | 1,049 | 2,330 | 2,124 |
| Adjusted EBITDA margin, % | 35 | 40 | 36 | 39 | 37 | 39 |
| Profit before tax | 176 | 217 | 376 | 426 | 742 | 793 |
| Net result | 117 | 149 | 261 | 298 | 559 | 596 |
| Number of Employees | 1,580 | 1,230 | 1,580 | 1,230 | 1,580 | 1,381 |
| Adjusted Interest Coverage Ratio, pro forma, x | 15.0 | 16.0 | 15.0 | 16.0 | 15.0 | 15.5 |
| Adjusted Leverage Ratio, pro forma, x | 1.41 | 1.56 | 1.41 | 1.56 | 1.41 | 1.56 |
| Shareholders' equity per share undiluted, SEK | 26.85 | 21.06 | 26.85 | 21.06 | 26.85 | 25.24 |
| Shareholders' equity per share diluted, SEK | 26.64 | 20.83 | 26.64 | 20.81 | 26.64 | 25.24 |
| Earnings per share undiluted, SEK | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |
| Earnings per share diluted, SEK | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |
| No of shares end of period undiluted | 507,062,315 | 359,961,283 | 507,062,315 | 359,961,283 | 507,062,315 | 387,134,079 |
| No of shares end of period diluted | 511,193,210 | 363,853,063 | 511,193,210 | 364,209,248 | 511,193,210 | 387,134,079 |
| Average no of shares period undiluted | 507,243,893 | 358,805,539 | 454,898,044 | 356,772,839 | 415,231,703 | 366,572,354 |
| Average no of shares period diluted | 507,243,893 | 359,787,885 | 454,898,044 | 358,111,369 | 415,604,139 | 367,143,219 |

CURRENCY TABLE (MAIN CURRENCIES)

| MSEK | Average 2022 Apr-Jun | Average 2021 Apr-Jun | Average 2022 Jan-Jun | Average 2021 Jan-Jun | Closing 2022 Jan-Jun | Closing 2021 Jan-Jun |
|-------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 EUR=SEK | 10.4739 | 10.1387 | 10.4787 | 10.1281 | 10.6801 | 10.1249 |
| 1 USD=SEK | 9.8382 | 8.4083 | 9.5856 | 8.4039 | 10.2194 | 8.5103 |
| 100 JPY=SEK | 7.5823 | 7.6865 | 7.7879 | 7.7680 | 7.5073 | 7.7011 |

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.

ACQUISITIONS

MSEK

| Purchase price | Super Free | Moonfrog | Game Labs | Jawaker | 6waves |
|--|--------------|-------------|------------|---------------|--------------|
| Cash and cash equivalents | 657 | 756 | 204 | 1,365 | 1,706 |
| New shares issued | 665 | - | 82 | 462 | 147 |
| Contingent consideration (earnout) | 383 | 207 | 77 | 1,183 | 593 |
| Total purchase consideration | 1,704 | 963 | 363 | 3,010 | 2,446 |
| The fair value of acquired assets and assumed liabilities (SEKm): | | | | | |
| Intangible non-current assets | 665 | 231 | 190 | 1,048 | 1,065 |
| Property, plant and equipment | 1 | 2 | - | 1 | 1 |
| Current receivables excl cash and bank | 105 | 29 | 4 | 11 | 108 |
| Cash and cash equivalents | 82 | 65 | 15 | 56 | 74 |
| Non-current liabilities | | -0 | - | | |
| Deferred tax liabilities | -170 | -62 | -40 | -216 | -81 |
| Current liabilities | -140 | -59 | -6 | -15 | -230 |
| Total net assets acquired excluding goodwill | 544 | 205 | 163 | 886 | 936 |
| Goodwill | 1,160 | 758 | 200 | 2,125 | 1,510 |
| Total net assets acquired | 1,704 | 963 | 363 | 3,010 | 2,446 |
| Less | | | | | |
| Cash and cash equivalents | -82 | -65 | -15 | -56 | -74 |
| Ordinary shares issued | -665 | - | -82 | -462 | -147 |
| Provision for earnout | -383 | -207 | -77 | -1,183 | -593 |
| Net cash outflow on acquisition of business | 575 | 691 | 189 | 1,309 | 1,632 |
| | | | | | |
| 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 and Game Labs 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 analyses of Jawaker and 6waves are provided above. The purchase price allocations are 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 acquisitions pertains to the value of the skills within the companies in terms of their capability to develop and publish new games and new versions of existing games. The preliminary purchase price allocation analysis of Game Labs has been finalized since the last published quarterly report.

The earn-out considerations related to the financial year 2021 to the sellers of certain previously acquired entities has been determined. Stillfront Group AB (publ) has agreed on the earn-out considerations for the financial year 2021 with the sellers of Storm8 Inc., Candywriter LLC, Everguild Ltd., Game Labs Inc., Sandbox Interactive GmbH, and Super Free Games Inc., respectively.

Storm8 Inc.

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 1,927,559 shares to the sellers of Storm8 Inc., as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Storm8 Inc. pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront,

has now been determined to a total amount of USD 27,349,286.00. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 1,735,649 subscribed shares to the sellers of Storm8 Inc., entailing an increase of Stillfront's share capital by SEK 121,495.43. Payment for the shares has been made by way of set-off of the sellers' claim of USD 6,837,320.89, which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Candywriter LLC

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 2,607,429 shares to the sellers of Candywriter LLC, as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Candywriter LLC pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront, has now been determined to a total amount of USD 20,625,337.37. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 2,086,208 subscribed shares to the sellers of Candywriter LLC, entailing an increase of Stillfront's share capital by SEK 146,034.56. Payment for the shares has been made by way of set-off of the sellers' claim of USD 10,312,663.96 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Everguild, Ltd

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 6,075 shares to the sellers of Everguild, Ltd, as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Everguild, Ltd pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront, has now been determined to a total amount of GBP 33,137.58. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 4,860 subscribed shares to the sellers of Everguild, Ltd, entailing an increase of Stillfront's share capital by SEK 340.20. Payment for the shares has been made by way of set-off of the sellers' claim of GBP 14,410.94 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Game Labs, Inc

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 86,318 shares to the sellers of Game Labs, Inc, as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Game Labs, Inc pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront, has now been determined to a total amount of USD 354,792.44. Subscription for shares has been completed by certain sellers and the board of directors of Stillfront has resolved to allot 37,681 subscribed shares to certain sellers of Game Labs, Inc, entailing an increase of Stillfront's share capital by SEK 2,637.67. Payment for the shares has been made by way of set-off of such sellers' claim of USD 186,266.90 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront to such sellers.

Sandbox Interactive GmbH

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 289,507 shares to the sellers of Sandbox Interactive GmbH, as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Sandbox Interactive GmbH pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront, has now been determined to a total amount of EUR 3,850,946.63. Subscription for shares has been completed and the board of directors of Stillfront has resolved to allot 266,497 subscribed shares to the sellers of Sandbox Interactive GmbH, entailing an increase of Stillfront's share capital by SEK 18,654.79. Payment for the shares has been made by way of set-off of the sellers' claim of EUR 925,793.40 which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront.

Super Free Games Inc.

The Annual General Meeting in Stillfront resolved on 12 May 2022 on a directed new share issue of not more than 3,273,734 shares to the sellers of Super Free Games Inc., as part of the earn-out consideration to be paid following Stillfront's acquisition of all of the shares in Super Free Games Inc. pursuant to the terms of the acquisition agreement. The earn-out consideration for the financial year 2021, which shall be paid partly in cash and partly in the form of shares in Stillfront, has now been determined to a total amount of USD 19,732,716.71. Subscription for shares is currently pending and the board of directors will resolve to allot a total of 1,785,468 shares (set-off against the sellers' claim of USD 8,826,028.61, which corresponds to the part of the agreed earn-out consideration to be paid in the form of newly issued shares in Stillfront), representing an increase of Stillfront's share capital by SEK 124,982.76, once the subscription process has been finalized.

DEFINITIONS

Key figures and alternative performance measures

ARPPDAU

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.

EBIT

Profit before financial items and tax. Adjusted EBIT is EBIT excluding items affecting comparability and amortization of PPA, purchase price allocation-items

EBIT margin

EBIT as a percentage of Net revenue. Adjusted EBIT margin is EBIT margin excluding items affecting comparability and amortization of PPA, purchase price allocation-items.

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.

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 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | 2021 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Items affecting comparability, IAC | | | | | | |
| Revenue | | | | | | |
| Other | - | 7 | - | 7 | - | 7 |
| Total IAC Revenues affecting EBIT | - | 7 | - | 7 | - | 7 |
| Costs | | | | | | |
| Transaction costs | -1 | -13 | -14 | -36 | -51 | -74 |
| Long term incentive programs | -5 | -4 | -11 | -4 | -17 | -10 |
| Other costs | - | -15 | - | -26 | -0 | -26 |
| Total IAC in operating profit (EBIT) | -7 | -25 | -25 | -60 | -69 | -104 |
| Financial income | | | | | | |
| Revaluation of earnouts | - | - | - | - | - | - |
| Total IAC financial income | - | - | - | - | - | - |
| Financial costs | | | | | | |
| Revaluation of earnouts | -4 | 2 | -4 | 2 | -11 | -5 |
| Total IAC financial costs | -4 | 2 | -4 | 2 | -11 | -5 |
| Total IAC in net financial items | -4 | 2 | -4 | 2 | -11 | -5 |

APM

| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | Jan-Dec 2021 |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Net revenue | 1,811 | 1,382 | 3,489 | 2,702 | 6,243 | 5,455 |
| Direct costs | -439 | -314 | -809 | -634 | -1,399 | -1,224 |
| Gross profit | 1,373 | 1,069 | 2,680 | 2,068 | 4,844 | 4,232 |
| Gross profit margin, % | 76 | 77 | 77 | 77 | 78 | 78 |
| EBITDA and EBIT | | | | | | |
| Operating profit (EBIT) | 258 | 289 | 530 | 542 | 1,022 | 1,034 |
| Amortization of PPA items | 236 | 163 | 447 | 307 | 804 | 665 |
| Other amortization and depreciation | 139 | 73 | 253 | 139 | 435 | 321 |
| EBITDA | 632 | 526 | 1,229 | 989 | 2,261 | 2,020 |
| Adjusted EBITDA and EBIT | | | | | | |
| Operating profit (EBIT) | 258 | 289 | 530 | 542 | 1,022 | 1,034 |
| Items affecting comparability | 7 | 25 | 25 | 60 | 69 | 104 |
| Amortization of PPA items | 236 | 163 | 447 | 307 | 804 | 665 |
| Adjusted Operating profit (EBIT) | 500 | 477 | 1,002 | 909 | 1,895 | 1,802 |
| Other amortization and depreciation | 139 | 73 | 253 | 139 | 435 | 321 |
| Adjusted EBITDA | 639 | 551 | 1,255 | 1,049 | 2,330 | 2,124 |
| In relation to net revenue | | | | | | |
| <i>EBITDA margin, %</i> | <i>35</i> | <i>38</i> | <i>35</i> | <i>37</i> | <i>36</i> | <i>37</i> |
| <i>Adjusted EBITDA margin, %</i> | <i>35</i> | <i>40</i> | <i>36</i> | <i>39</i> | <i>37</i> | <i>39</i> |
| <i>Operating profit (EBIT) margin, %</i> | <i>14</i> | <i>21</i> | <i>15</i> | <i>20</i> | <i>16</i> | <i>19</i> |
| <i>Adjusted operating profit (EBIT) margin, %</i> | <i>28</i> | <i>35</i> | <i>29</i> | <i>34</i> | <i>30</i> | <i>33</i> |
| | | | | | | |
| MSEK | 2022 Apr-Jun | 2021 Apr-Jun | 2022 Jan-Jun | 2021 Jan-Jun | Last 12 months | Jan-Dec 2021 |
| Adjusted interest coverage ratio | | | | | | |
| Adjusted EBITDA last 12 months | 2,330 | 1,981 | 2,330 | 1,981 | 2,330 | 2,124 |
| <i>Divided by</i> | | | | | | |
| Net financial items last 12 months | 279 | 221 | 279 | 221 | 279 | 242 |
| Total IAC affecting financial items last 12 months | -11 | 2 | -11 | 2 | -11 | -5 |
| Interest on earn-out consideration affecting financial items | -99 | -80 | -99 | -80 | -99 | -87 |
| Adjusted interest coverage ratio, x | 13.8 | 13.8 | 13.8 | 13.8 | 13.8 | 14.1 |
| Adjusted Leverage Ratio | | | | | | |
| Bond loans | 3,094 | 3,089 | 3,094 | 3,089 | 3,094 | 3,092 |
| Liabilities to credit institutions | 1,645 | 1,345 | 1,645 | 1,345 | 1,645 | 1,456 |
| Equity swap | 224 | - | 224 | - | 224 | 223 |
| Currency derivatives | 78 | 3 | 78 | 3 | 78 | 11 |
| Cash and cash equivalents | -1,470 | -850 | -1,470 | -850 | -1,470 | -1,133 |
| Total net debt | 3,571 | 3,587 | 3,571 | 3,587 | 3,571 | 3,649 |
| <i>Divided by</i> | | | | | | |
| Adjusted EBITDA last 12 months | 2,330 | 1,981 | 2,330 | 1,981 | 2,330 | 2,124 |
| Adjusted Leverage Ratio, x | 1.53 | 1.81 | 1.53 | 1.81 | 1.53 | 1.72 |
| Cash conversion last 12 months | | | | | | |
| Cash flow from operations last 12 months | 1,901 | 1,436 | 1,901 | 1,436 | 1,901 | 1,620 |
| IFRS 16 lease repayment last 12 months | -52 | -42 | -52 | -42 | -52 | -46 |
| Acquisition of intangible assets last 12 months | -832 | -530 | -832 | -530 | -832 | -621 |
| Free cash flow last 12 months | 1,016 | 865 | 1,016 | 865 | 1,016 | 953 |
| <i>Divided by</i> | | | | | | |
| EBITDA last 12 months | 2,261 | 1,860 | 2,261 | 1,860 | 2,261 | 2,020 |
| Cash conversion rate | 0.45 | 0.46 | 0.45 | 0.46 | 0.45 | 0.47 |

APM Pro Forma

| | 2022 | 2021 |
|--|--------------|--------------|
| MSEK | Jan-Jun | Jan-Jun |
| Adjusted EBITDA, pro forma | | |
| Adjusted EBITDA last 12 months | 2,330 | 1,981 |
| <i>Including</i> | | |
| EBITDA, Acquired companies | 211 | 316 |
| Adjusted EBITDA, pro forma | 2,541 | 2,297 |
| Adjusted interest coverage ratio, pro forma | | |
| Adjusted EBITDA last 12 months, pro forma | 2,541 | 2,297 |
| <i>Divided by</i> | | |
| Net financial items last 12 months | 279 | 221 |
| Total IAC affecting financial items last 12 months | -11 | 2 |
| Interest on earn-out consideration affecting financial items | -99 | -80 |
| Adjusted interest coverage ratio, x, pro forma | 15.0 | 16.0 |
| Adjusted Leverage Ratio, pro forma | | |
| Bond loans | 3,094 | 3,089 |
| Liabilities to credit institutions | 1,645 | 1,345 |
| Equity swap | 224 | - |
| Currency derivatives | 78 | 3 |
| Cash and cash equivalents | -1,470 | -850 |
| Net debt | 3,571 | 3,587 |
| <i>Divided by</i> | | |
| Adjusted EBITDA, pro forma | 2,541 | 2,297 |
| Adjusted Leverage Ratio, pro forma, x | 1.41 | 1.56 |

Share data

| | 2022 | 2021 | 2022 | 2021 | Last 12 | Jan-Dec |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | months | 2021 |
| Equity per share | | | | | | |
| Shareholders' equity attributable to parent co's shareholders, MSEK | 13,616 | 7,580 | 13,616 | 7,580 | 13,616 | 9,772 |
| <i>Divided by</i> | | | | | | |
| No of shares end of period undiluted | 507,062,315 | 359,961,283 | 507,062,315 | 359,961,283 | 507,062,315 | 387,134,079 |
| Shareholders' equity per share undiluted, SEK | 26.85 | 21.06 | 26.85 | 21.06 | 26.85 | 25.24 |
| No of shares end of period diluted | 511,193,210 | 363,853,063 | 511,193,210 | 364,209,248 | 511,193,210 | 387,134,079 |
| Shareholders' equity per share diluted, SEK | 26.64 | 20.83 | 26.64 | 20.81 | 26.64 | 25.24 |
| Earnings per share | | | | | | |
| Net result for the period attributed to parent co's shareholders, MSEK | 117 | 146 | 262 | 292 | 560 | 590 |
| <i>Divided by</i> | | | | | | |
| Average no of shares period undiluted | 507,243,893 | 358,805,539 | 454,898,044 | 356,772,839 | 415,231,703 | 366,572,354 |
| Earnings per share undiluted, SEK | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |
| Average no of shares period diluted | 507,243,893 | 359,787,885 | 454,898,044 | 358,111,369 | 415,604,139 | 367,143,219 |
| Earnings per share diluted, SEK | 0.23 | 0.41 | 0.58 | 0.82 | 1.35 | 1.61 |

Financial calendar

Interim report July - September 2022
Year-end report 2022

26 October 2022
15 February 2023

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on July 21, 2022, at 07.00 CEST.

For further information, please contact:

Jörgen Larsson, CEO

Andreas Uddman, CFO

Tel: +46 70 3211800, jorgen@stillfront.com

Tel: +46 70 0807846, andreas@stillfront.com

About Stillfront

Stillfront is a free-to-play powerhouse of gaming studios. Our diverse and exciting games portfolio has two common themes; loyal users and long lifecycle games. Organic growth and carefully selected and executed acquisitions embody our growth strategy and our 1,500+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Japan, MENA, Germany and UK. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq Stockholm. For further information, please visit: www.stillfront.com

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