

Q4

# Stillfront Group Year-End Report 2020

**STILLFRONT**  
GROUP



## Highlights Q4

- Net revenue of 1,080 (551) MSEK, an increase of 96 percent compared to the fourth quarter of 2019
- Adjusted EBITDA (EBITDA excluding items affecting comparability) of 460 (209) MSEK, an increase of 121 percent
- Adjusted EBIT of 399 (177) MSEK, an increase of 125 percent, Adjusted EBIT margin of 37 (32) percent
- Items affecting comparability impacting EBIT amounted to -43 (-5) MSEK, mainly driven by transaction costs related to the acquisitions of Sandbox Interactive and Super Free Games. Amortization of PPA-items amounted to -111 (-38) MSEK
- EBIT of 245 (135) MSEK, an increase of 81 percent
- Financial net of -57 (-19) MSEK
- Net result of 163 (87) MSEK
- Net result per share undiluted of 0.49 (0.32) SEK. Net result per share diluted of 0.49 (0.32) SEK
- Net debt of 1,814 (820) MSEK and adjusted leverage ratio, pro forma of 0.9x (0.9)x
- Cash position of 1,005 MSEK and 2,534 MSEK of undrawn long-term credit facilities
- Stillfront's Board of Directors proposes no dividend for 2020. Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions.

## Quote from the CEO

**“Stillfront continues to show strong growth and high profitability. Our group net revenues amounted to 1,080 MSEK in the fourth quarter, an increase by 96% compared to the same period last year. Adjusted EBIT amounted to 399 MSEK in the quarter, implying an adjusted EBIT margin of 37%, or almost 5 percentage points higher than the same period last year. Our revenue growth in the quarter was impacted by high volatility in the prices of online marketing early in the period as well as a continued impact from FX headwinds. As we enter the new year, we are excited about the opportunities ahead. We have had a positive start to the year, with strong performance across our game portfolio in January. Although we are entering a period of tough comparison numbers in the short term due to the strong positive impact that Covid-19 had on our business in the same period last year, we expect continued positive momentum going forward.”**

**Jörgen Larsson, CEO, Stillfront**

NET REVENUE

**1,080** MSEK

ADJ. EBIT

**399** MSEK

ADJ. EBIT MARGIN

**37** %

# Comments by the CEO

Stillfront continues to show strong growth and high profitability as we report our figures for the last quarter of an eventful and defining year for Stillfront. Our group net revenues amounted to 1,080 MSEK in the fourth quarter, an increase by 96% compared to the same period last year. Adjusted EBIT amounted to 399 MSEK in the quarter, implying an adjusted EBIT margin of 37%, or almost 5 percentage points higher than the same period last year. For the full year 2020, we grew our net revenue by 103 percent to 3,991 MSEK and increased our adjusted EBIT by 131 percent compared to 2019.

As mentioned in our report for the third quarter, we experienced unusually high volatility in the prices of online marketing during the weeks leading up to the US presidential election on November 3rd. This volatility had a negative impact on our user acquisition volumes during the period, which impacted our revenue growth somewhat negatively in the quarter. Following the US elections, we could see that the market returned to normal levels and we were able to return to our normal user acquisitions levels during latter part of November and during December. Revenues in the fourth quarter were negatively impacted by FX effects of -60 MSEK compared to the third quarter.

In September, the mobile version of Conflict of Nations: WW3 was released on iOS and Android devices. Following an impressive launch, the game has continued to perform well above our expectations during the fourth quarter. The successful launch is the result of a fruitful collaboration between Stillfront's two studios Dorado Games and Bytro Labs, showing the solid value that lies in Stillfront's business platform and in having strong, cross-platform game titles in the portfolio.

During the fourth quarter, we were able to secure a new unsecured revolving credit facility of SEK 3.75 billion. The new facility underlines the trust in our strategy and provides us with a larger and more flexible financing platform to continue to deliver on our future growth agenda. Our balance sheet is strong and we ended the year with a cash position of 1,005 MSEK and undrawn long-term credit facilities of 2,534 MSEK.

Towards the end of the fourth quarter, we announced the acquisitions of Sandbox Interactive and Super Free Games. Sandbox and Super Free will both contribute significantly to Stillfront's long-term financial growth during the coming years while providing further platform and genre diversification to the group. The two acquisitions capped off an remarkable year for Stillfront in which we grew the group from 12 to 18 studios and further developed our structured business platform. As the group grows, new studios bring unique expertise to the platform, while immediately benefiting from existing resources, data and tools. This creates a scaling network of expertise which drives collaboration projects and synergies. At the end of 2020, we had more than 60 ongoing collaboration projects across the Stillfront business platform, ranging from user acquisition projects to large development projects on shared game engines.

As we enter the new year, we are excited about the opportunities ahead. We have had a positive start to the year, with strong performance across our game portfolio in January. Going forward, we expect continued positive business momentum, although short term we are entering a period of tough comparison numbers, due to the strong positive impact that Covid-19 had on our business in the same period last year.

On February 1st, we announced the acquisition of Moonfrog Labs, an India-based rapidly growing and highly profitable developer of market-leading Board and Social Card Games. With this acquisition, Stillfront enters the Indian Subcontinent, a strategic move into one of the fastest growing mobile game markets worldwide. Our strong cash generation and financial position enable us to continue investing in new studios and in our own pipeline of promising games, adding more titles to our already strong portfolio of long lifecycle games. Stillfront is in a great position to continue to grow our business and I look forward to another amazing year for Stillfront in 2021.

Jörgen Larsson, CEO, Stillfront Group

## Operational overview of the fourth quarter

Stillfront's current active portfolio consists of 42 games. The three product areas in the active portfolio are: Strategy; Simulation, RPG (Role Playing Games) & Action; and Casual & Mash-up.

### Game performance

2020 Q4	Active Portfolio	Strategy	Sim / RPG / Action	Mashup / Casual	Other games
<b>Bookings (MSEK)</b>	<b>1,046</b>	338	373	334	38
Y-o-Y %	95%	13%	56%	N/A	
Ad bookings, %	8%	0%	5%	20%	
Mobile bookings, %	77%	63%	70%	100%	
<b>UAC (MSEK)</b>	<b>215</b>	58	103	54	
Y-o-Y %	101%	7%	95%	N/A	
<b>DAU ('000)</b>	<b>4,253</b>	513	1,442	2,298	
Y-o-Y %	215%	3%	69%	N/A	
<b>MAU ('000)</b>	<b>21,658</b>	2,735	7,668	11,256	
Y-o-Y %	274%	1%	149%	N/A	
<b>MPU ('000)</b>	<b>877</b>	111	288	478	
Y-o-Y %	278%	16%	112%	N/A	
<b>ARPPDAU (SEK)</b>	<b>2.7</b>	7.2	2.8	1.6	
Y-o-Y %	-38%	9%	-7%	N/A	

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

Bookings in the fourth quarter amounted to 1,084 MSEK, of which 1,046 MSEK in the active portfolio. The increase of 95 percent year over year in the active portfolio is driven by the addition of the acquired studios Storm8, Candywriter, Nanobit and Everguild, as well as decent organic growth in the fourth quarter, with varied contribution across the portfolio of games. Stillfront's advertising bookings continued to increase in the fourth quarter, driven by the addition of Nanobit's titles, as well as increased ad bookings from the Casual & Mash-up portfolio. Advertising bookings accounted for 8 percent of total bookings in the active portfolio in the fourth quarter, up from 7 percent in the third quarter of 2020 and up from 2 percent the same period last year. The share of mobile bookings remained steady quarter-over-quarter at 77 percent of bookings in the active portfolio in the fourth quarter.

ARPPDAU for the active portfolio totaled 2.7 SEK, up from 2.5 SEK in the third quarter, driven by a larger share of bookings from the Strategy and Simulation, RPG & Action product areas. ARPPDAU increased by 9 percent in the Strategy product area year over year, whereas Simulation, RPG & Action decreased by 7 percent. The decrease in ARPPDAU for the total active portfolio year over year is a result of the new game mix in the portfolio, following the addition of titles from Storm8, Candywriter, Nanobit and Everguild.

User acquisition costs, UAC, amounted to 215 MSEK in the fourth quarter, corresponding to 20 percent in relation to both bookings and net revenue. Marketing campaigns performed well during the period. Stillfront's user acquisition was negatively impacted volume wise by unusually high price volatility during the weeks leading up to the US presidential election. Marketing levels returned to normalized levels during the latter part of November and during December.

MPU, monthly paying users, grew 278 percent year over year mainly as a result of the acquisitions of Storm8, Candywriter, Nanobit and Everguild.

#### Product areas

**The Strategy portfolio** currently totals 12 classic war and so called 4X games, many originally built as browser games for a large map view. Today, a majority of the titles are available cross-platform and attract mobile gamers too. Titles includes, for example, Nida Harb 3, Conflict of

#### UAC IN RELATION TO NET REVENUE

20%

#### ARPPDAU

2.7 SEK

#### MOBILE SHARE OF BOOKINGS

77%

Nations and Empire. The strategy games portfolio totaled 32 percent of the bookings in the fourth quarter, a year over year growth of 13 percent. The YoY growth was driven by continued strong performance from the mid-sized products, with Call of War, Supremacy 1914 and War and Peace all showing strong growth in the fourth quarter. Conflict of Nations: World War III, which was successfully launched on mobile in the end of the third quarter, performed exceptionally well during the fourth quarter and grew by more than 200 percent YoY. The two titles War and Peace and Conflict of Nations, both launched in 2017, delivered all-time high revenues in the fourth quarter. Nida Harb III and Strike of Nations together had somewhat lower activity levels in the quarter.

**Simulation, RPG & Action** is a diversified portfolio of 22 games including simulation games such as Big Farm: Mobile Harvest and Tabou Stories, action games such as Battle Pirates, and RPG games such as Shakes & Fidget. Included in the portfolio are also some of Storm8's long-tail games. The product area totaled 36 percent of the bookings in the active portfolio, a year over year growth of 56 percent compared to the same period last year. The growth in the product area was primarily driven by the addition of Nanobit's titles Tabou Stories, Hollywood Story and My Story, as well as continued strong performance from Big Farm: Mobile Harvest and Shakes & Fidget. Nanobit's titles recorded lower revenues than expected due to the volatile conditions for performance marketing in the period, while delivering in line with expectations from an EBIT-margin perspective. SIEGE: World War II continued its strong performance from the third quarter in the fourth quarter, growing by more than 100 percent compared to the same period last year.

**The Casual and Mash-up** portfolio includes 8 games, including Property Brothers Home Design, Home Design Makeover and BitLife. The product area totaled 32 percent of bookings in the active portfolio in the fourth quarter. Storm8's titles have continued to perform well, although somewhat lower than the exceptional levels seen in the second and third quarters of the year. BitLife grew slightly in the fourth quarter compared to the third quarter, driven by increased ad bookings. As the Casual & Mash-up games have significant exposure to the US market, bookings from the product area has been negatively impacted by the weaker USD during the fourth quarter.

## Financial overview of the fourth quarter

### Revenue and operating profit

MSEK	2020	2019	Chg%	2020	2019	Chg%
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net Revenue	1,080	551	96	3,991	1,967	103
EBITDA	418	204	105	1,553	741	110
EBITDA margin, %	39	37		39	38	
EBIT	245	135	81	993	517	92
EBIT margin, %	23	25		25	26	
Items affecting comparability	-43	-5	837	-144	-28	421
Adjusted EBITDA*	460	209	121	1,697	768	121
Adjusted EBITDA margin*, %	43	38		43	39	
Amortization of PPA items	-111	-38	196	-357	-101	255
Adjusted EBIT*	399	177	125	1,493	645	131
Adjusted EBIT margin*, %	37	32		37	33	

\*Adjusted EBITDA is defined as EBITDA excluding items affecting comparability. Adjusted EBIT is defined as EBIT excluding items affecting comparability and amortization of PPA-items.

Net revenue in the fourth quarter amounted to 1,080 (551) MSEK. The increase of 96 percent mainly reflects the addition of the acquired studios of Storm8, Candywriter, Nanobit and Everguild, together with organic growth across the group. Our revenue growth in the quarter was impacted by high volatility in the prices of online marketing early in the period as well as a continued impact from FX headwinds. The currency effect amounted to -37 MSEK compared to the fourth quarter last year.

Adjusted EBITDA amounted to 460 (209) MSEK during the fourth quarter, corresponding to an adjusted EBITDA margin of 43 (38) percent. Adjusted EBIT amounted to 399 (177) MSEK during the fourth quarter, representing an increase of 125 percent year over year and corresponding to adjusted EBIT-margin of 37 (32) percent. The margin expansion is a result of the new genre mix in the portfolio of games, contributing with higher profitability as well as well-executed live operations across the group.

EBIT amounted to 245 (135) MSEK, an increase of 81 percent which is slightly below the increase in adjusted EBIT due to items affecting comparability of -43 (-5) MSEK and an increase in amortization of PPA items of -111 (-38) MSEK. Items affecting comparability impacting EBIT were

mainly attributable to transaction cost related to the acquisition of Sandbox Interactive and Super Free Games.

## Product development

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Capitalization of product development	122	84	444	248
Amortization of product development	-50	-28	-162	-96
Amortization of PPA items	-111	-38	-357	-101

During the fourth quarter, investments in product development have been capitalized by 122 (84) MSEK. Investments include development of new games such as Pet Clinic and Game of Nations, as well as other not yet announced games. Investments also pertain to other new titles based on existing engines as well as larger extensions and additions to existing games.

Amortization of product development of -50 (-28) MSEK was charged during the fourth quarter. Amortization of PPA items amounted to -111 (-38) MSEK.

## Financial net

The financial net was -57 (-19) MSEK in the fourth quarter, consisting of net interest expenses -26 (-17) MSEK, non-cash interest charge on earnout consideration -12 (-4) MSEK, earnout revaluations of 0 (3) MSEK, currency effects of -7 (-1) MSEK, and other non-recurring financial items -12 (0) MSEK.

## Tax

The group's tax expense amounted to -25 (-29) MSEK for the fourth quarter, equivalent to a tax rate of 13 (25) percent. The tax rate for the fourth quarter was unusually low as a result of reassessment of tax items. The tax expense for the full year 2020 was -219 (-113) MSEK, equivalent to a tax rate of 27 (25) percent. Excluding the impact of non-deductible transaction costs, the tax rate for the full year was 24 percent.

## Financing

	2020	2019
	31 Dec	31 Dec
Net debt	1,814	820
Cash and cash equivalents	1,005	342
Adjusted Interest Coverage Ratio, pro forma, x	12.6	11.7
Adjusted Leverage Ratio, pro forma, x	0.9	0.9

Net debt as of December 31, 2020, amounted to 1,814 (820) MSEK. In addition, the Group has as of the same date liabilities of 2,103 MSEK for earnout provisions, to be settled during 2021 to 2025 of which about 66 percent are expected to be paid out in cash and 34 percent in newly issued shares. 773 MSEK of provisions for earnout is expected to be paid out in 2021, of which 66 % are to be paid out in cash and 34 % in newly issued shares. 1,330 MSEK of the provisions for earnout are to be paid out after 2021, of which 66 % are to be out in cash and 34 % in newly issued shares. No provisions for earnouts are to be settled during the first quarter of 2021.

Adjusted interest coverage ratio, pro forma was 12.6 (11.7)x as of December 31, 2020. The Adjusted leverage ratio, pro forma was 0.9 (0.9)x. Stillfront has a financial target of maximum 1.5x for the adjusted leverage ratio pro forma.

As of December 31, 2020, unutilized credit facilities amounted to 2,634 MSEK, of which 2,534 MSEK are long-term credit facilities, and a cash balance of 1,005 MSEK.

## Cash flow

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow from operations	413	131	1,251	484
Cash flow from investment activities	-1,010	-86	-4,737	-1,251
Cash flow from financing activities	599	-77	4,214	861
Cash flow for the period	2	-32	728	94
Cash and cash equivalents at the end of period	1,005	342	1,005	342

Cash flow from operations was 413 (131) MSEK in the fourth quarter. The period's operating cash flow was impacted by taxes paid of -108 (-48) MSEK during the quarter offset by changes in working capital of 120 (89) MSEK, primarily from decreased operating receivables driven by timing effects of payments from platform providers and FX effects across the group. Cash flow from investment activities amounted to -1,010 (-86) MSEK, of which -879 MSEK related to the Sandbox and Everguild acquisitions. Investments in product development amounted to 122 (84) MSEK. Cash flow from financing activities amounted to 599 (-77) MSEK mainly driven by utilization of the revolving credit facility for the purchase of Sandbox Interactive.

## Employees

	2020	2019
	31 Dec	31 Dec
Number of Employees	1,032	681

The number of employees at the end of quarter was 1,032 (681). The increase compared to the same period previous year is primarily due to the acquisition of Storm8, Candywriter, Nanobit, Everguild and Sandbox.

## Significant events in the quarter

### ***Stillfront acquired Everguild and expanded into the CCG genre***

October 28, 2020, Stillfront announced the acquisition of 100% of the shares in Everguild, a rapidly growing independent game studio focusing on the digital Collectible Card Games (CCG) genre, for an upfront consideration of approx. GBP 1.06 million on a cash and debt free basis, of which GBP 0.54 million is payable in 5,971 newly issued shares in Stillfront and the remaining amount is payable in cash. Everguild was consolidated into Stillfront's consolidated financial reporting from 1 November 2020.

### ***Nomination Committee appointed in Stillfront Group***

November 11, 2020, Stillfront announced that the Nomination Committee of Stillfront Group AB (publ) ahead of the 2021 Annual General Meeting consists of Dr Kai Wawrzinek, appointed by Laureus Capital; Caroline Sjösten, appointed by Swedbank Robur Fonder; Jonas Linnell, appointed by SEB Fonder; and Jan Samuelson, Chairman of the Board of Directors of Stillfront Group. Shareholders having appointed members to the Nomination Committee represent approximately 29.7 percent of the voting rights for all shares of Stillfront Group.

### ***Stillfront Group secured a new unsecured revolving credit facility of SEK 3.75 bn***

December 10, 2020, Stillfront announced it had signed an unsecured revolving credit facility of SEK 3.75 bn with maturity in December 2023. The new credit facility gives Stillfront a cost-effective financing, an increased financial flexibility, and a prolonged time to maturity. The new revolving credit facility replaced the secured revolving credit facility of SEK 1.6 bn provided under the facilities agreement from January 2020. The facility is supported by DNB Bank ASA, Sweden Branch; Nordea Bank Abp, filial i Sverige; and Swedbank AB (publ).

### ***Stillfront Group AB (publ) held an extraordinary general meeting on December 17, 2020***

December 17, 2020, Stillfront held an extraordinary general meeting. The meeting resolved, in accordance with the proposal of the board of directors, on an issue of not more than 125,000 warrants. The meeting resolved, in accordance with the proposal of the board of directors, on a share split and related amendments of the articles of association. The meeting resolved, in accordance with the proposal of the board of directors, to authorize the board of directors to, until the next general meeting, with or without deviation from the shareholders' preferential rights, on one or several occasions resolve to issue shares, convertible instruments and/or warrants. The increase of the share capital corresponds to a dilution of a maximum of 10 percent of the share capital at the time of the first use of the authorization to issue shares, convertible instruments and/or warrants.

**Stillfront Group acquired Sandbox Interactive, a cross-platform free-to-play MMORPG studio**

December 18, 2020, Stillfront announced it had entered into an agreement to acquire 100 percent of the shares in Sandbox Interactive GmbH for an upfront consideration of EUR 130 million. Sandbox is a rapidly growing and highly profitable gaming company and the developer and publisher of the popular cross-platform free-to-play sandbox MMORPG Albion Online. The sellers were the four co-founders of Sandbox. The consideration payable to the sellers will be paid partly in cash and partly in shares in Stillfront. On December 30, 2020, Stillfront announced it had completed the acquisition. Sandbox Interactive's balance sheet was consolidated into Stillfront's consolidated financial reporting from the date of acquisition, whilst the impact on the income statement will be consolidated from January 1, 2021.

**Stillfront Group acquired Super Free Games, a leading developer of Casual Word games**

December 18, 2020, Stillfront announced it had entered into an agreement to acquire 100 percent of the shares in Super Free Games, Inc. (under name change from Super Lucky Casino Inc.) for an upfront consideration of USD 150 million. Super Free is a rapidly growing and profitable US-headquartered gaming company focusing on market-leading Casual games including successful titles such as Word Collect, Word Nut and Trivia Star. The sellers were the joint founders and main owners of Super Free as well as certain key employees and other investors. The consideration payable to the sellers will be paid partly in cash and partly in shares in Stillfront. On January 29, 2021, Stillfront announced it had completed the acquisition. Super Free will be consolidated into Stillfront's financial reporting from February 1, 2021.

**Stillfront Group presented unaudited proforma financials for YTD Q3 2020 and FY 2021 guidance for the acquisitions of Super Free Games and Sandbox Interactive**

December 18, 2020, as a result of Stillfront's acquisition of Sandbox and Super Free, Stillfront decided to communicate that its proforma Net revenue and adjusted EBITDA including the two announced acquisitions amounted to SEK 3,550 million and SEK 1,373 million, respectively, for the period January to September 2020. Furthermore, Stillfront estimated that the two acquisitions will contribute with proforma Net revenue and adjusted EBITDA to Stillfront for the full year 2021 in the range of SEK 1,500-2,000 million and SEK 350-450 million, respectively. All numbers are preliminary and unaudited.

**Stillfront Group announced that the record day for share split in Stillfront Group had been resolved**

December 18, 2020, the Extraordinary General Meeting in Stillfront resolved on December 17, 2020, on a division of the company's shares (share split), whereby each existing share was to be divided into ten shares (10:1). The board of directors was authorised by the Extraordinary General Meeting to determine the record day for the share split. The board of directors determined that the record day for the division of the shares would be December 28, 2020.

## Events after the reporting period

**Stillfront acquired Moonfrog Labs and entered the Indian subcontinent**

In February 2021, Stillfront entered into an agreement to acquire 100% of the shares in Moonfrog Labs, a rapidly growing independent game studio based in Bangalore, India, focusing on Board and Social Card Games, for an initial consideration of approximately USD 90 million on a cash and debt free basis. The sellers are Moonfrog's joint founders and institutional investors. The consideration payable to the sellers is paid partly in cash and partly in shares in Stillfront. Moonfrog will be consolidated into Stillfront's financial reporting from March 1, 2021.

For more information, 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 2.7 billion gamers globally. In 2020, the gaming industry was expected to generate revenues of around USD 159.3 billion, growing year-on-year by +9.3%, according to Newzoo. The games market is expected to continue its strong growth in the coming years. The total market will exceed USD 200 billion at the end of 2023, growing with a +8.3% CAGR, according to Newzoo.

Mobile gaming is the world's most popular form of gaming. Mobile games were expected to reach 2.6 billion players and generate revenues of USD 77.2 billion in 2020, representing almost half of the global games market in term of revenues. The mobile games market was expected to grow by 13.3% year-on-year in 2020 and will continue to grow faster than the total games market up to 2023, according to Newzoo. Games is also the dominating category within mobile applications. In 2019, mobile games made up 72% of all app store spend, according to App Annie.

Stillfront's games are predominantly within the Free-to-Play (F2P) segment. The F2P model has successfully been applied to the browser game market for years and it has now taken over the

mobile segment as well. In the world's single largest market, Asia, and particularly in China, the model dominates, and it is gaining ground across all platforms globally.

People across all age demographics play online games. The average age of a gamer is now 33 years of age, according to the ESA, and the age of gamers are distributed fairly even across most age groups. The number of female gamers has increased rapidly during the past few years and today represent just under half (46%) of the total population of gamers.

#### Sources for market data:

Newzoo's Global Games Market Report 2020

App Annie The State of Mobile Report 2020

Essential Facts of the Computer and Video Game Industry 2019, by ESA.

## Parent Company

Customary group management functions and group wide services are provided via the parent company. The revenue for the parent during the fourth quarter was 41 (30) MSEK. The profit before tax amounted to 112 (65) MSEK.

## Related Party Transactions

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

## The Share and Shareholders

#	Owners	No of shares	Capital/ votes
1	Laureus Capital GmbH	44,530,690	12.9%
2	Swedbank Robur Funds	31,195,980	9.0%
3	SEB Funds	29,208,320	8.4%
4	Handelsbanken Funds	19,462,090	5.6%
5	AMF Pension & Funds	13,969,870	4.0%
6	First National Pension fund	9,728,360	2.8%
7	Man Hay Tam	8,226,480	2.4%
8	Fidelity Investments (FMR)	6,747,310	1.9%
9	Avanza Pension	5,804,413	1.7%
10	Team Kuma 2018 Grantor	4,812,880	1.4%
11	Other Shareholders	172,850,807	49.9%

The total number of shares per December 31, 2020, was 346,537,200. The number of shares have been adjusted as a result of the share split of Stillfront's shares resolved by the Extraordinary General Meeting on December 17, 2020, whereby each existing share was divided into ten shares (10:1).

Stillfront Group's shares are traded on Nasdaq First North since December 8, 2015. As of June 29, 2017, the share is traded on First North Premier Growth Market. Closing price as of December 30, 2020 was 100 SEK/share.

Stillfront's 2018/2022 bond with ISIN: SE0011897925 is traded on Nasdaq Stockholm.

Stillfront's 2019/2024 bond with ISIN: SE0012728830 is traded on Nasdaq Stockholm.

## 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 Annual Report for 2019.

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 Annual Report of 2019. No significant risks are considered to have risen besides those being described in the Annual Report.

## **Dividend**

The Stillfront Board of Directors proposes no dividend for 2020. Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions.

Stockholm February 17, 2021

Jörgen Larsson, CEO, Stillfront Group

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

# Financial reports

## Income statement in summary, Group

MSEK	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
<b>Revenues</b>				
Bookings	1,084	549	3,964	1,959
Deferred revenue	-4	3	27	8
<b>Net revenue</b>	<b>1,080</b>	<b>551</b>	<b>3,991</b>	<b>1,967</b>
Own work capitalized	87	62	328	197
Other revenue	4	5	15	11
<b>Operating expenses</b>				
Platform fees	-291	-142	-1,103	-506
User acquisition costs	-215	-107	-743	-397
Other external expenses	-43	-49	-195	-147
Personnel expenses	-162	-111	-597	-356
Items affecting comparability	-43	-5	-144	-28
Amortization of product development	-50	-28	-162	-96
Amortization of PPA items	-111	-38	-357	-101
Depreciation	-11	-3	-41	-27
<b>Operating result</b>	<b>245</b>	<b>135</b>	<b>993</b>	<b>517</b>
<b>Result from financial items</b>				
Net financial items	-57	-19	-193	-64
<b>Result after financial items</b>	<b>188</b>	<b>116</b>	<b>799</b>	<b>454</b>
Taxes for the period	-25	-29	-219	-113
<b>Net result for the period</b>	<b>163</b>	<b>87</b>	<b>581</b>	<b>341</b>
<b>Other comprehensive income</b>				
<b>Items that later can be reversed in profit</b>				
Foreign currency translation differences	-520	-136	-814	4
<b>Total comprehensive income for period</b>	<b>-358</b>	<b>-49</b>	<b>-233</b>	<b>345</b>
Net result for the period attributed to:				
Parent company shareholders	166	85	580	338
Non-controlling interest	-3	2	0	2
<b>Period total comprehensive income</b>				
Parent company shareholders	459	-50	580	342
Non-controlling interest	-4	-0	-1	3
<b>Average number of shares</b>				
Undiluted	339,397,080	263,394,530	324,161,085	252,379,530
Diluted	341,285,868	264,568,730	325,531,355	253,300,830
<b>Net result per share attributable to the parent company shareholders</b>				
Undiluted, SEK/share	0.49	0.32	1.79	1.34
Diluted, SEK/share	0.49	0.32	1.78	1.34

The number of shares and earnings per share are recalculated for all periods taking into account the 10:1 share split that took place in 2020.

## Balance sheet in summary, Group

MSEK	12/31/2020	12/31/2019
Goodwill	7,929	2,211
Other non-current intangible assets	2,822	1,083
Tangible non-current assets	113	76
Deferred tax assets	31	90
Current receivables	466	251
Cash and cash equivalents	1,005	342
<b>Total assets</b>	<b>12,366</b>	<b>4,052</b>
<b>Shareholders' equity</b>		
Shareholders' equity attributable to parent company's shareholding	6,129	1,942
Non-Controlling interest	17	18
<b>Total Shareholders' equity</b>	<b>6,146</b>	<b>1,959</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	631	269
Bond loans	1,602	1,085
Liabilities to credit institutions	1,216	30
Other liabilities	72	61
Provisions for earnout	1,330	125
<b>Total non-current liabilities</b>	<b>4,852</b>	<b>1,570</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	1	49
Other liabilities	595	267
Provisions for earnout	773	206
<b>Total current liabilities</b>	<b>1,369</b>	<b>523</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>12,366</b>	<b>4,052</b>

## Shareholders' equity, Group

MSEK	Share capital	Other Shareholders Contributions	Other Reserves	Other equity incl profit of the year	Equity attributed to parent share holders	Non controlling interest	Total equity
<b>Opening balance</b>							
<b>2019-01-01</b>	16	1,247	1	-184	1,081	15	1,096
Net result for the period				338	338	2	341
Foreign currency translation differences			4		4	0	3
<b>Total comprehensive income</b>	-	-	4	338	342	2	344
Transactions with shareholders	-	-	-	-	-	-	-
<b>Total transactions with shareholders</b>	2	517	-	-	519	-	519
<b>Closing balance</b>							
<b>2019-12-31</b>	18	1,765	4	154	1,942	18	1,959
<b>Opening balance</b>							
<b>2020-01-01</b>	18	1,765	4	154	1,942	18	1,959
Net Result for the period				580	580	0	581
Foreign currency translation differences			-813		-813	-1	-814
<b>Total comprehensive income</b>	-	-	-813	580	-233	-1	-233
<b>Total transactions with shareholders</b>	6	4,414	-	-	4,420	-	4,420
<b>Closing balance</b>							
<b>2020-12-31</b>	24	6,179	-808	734	6,129	17	6,146

## Cash flow in summary, Group

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Operations</b>				
Result after financial items	188	116	799	454
Adj for items not in cash flow etc	212	-26	660	205
Tax paid	-108	-48	-286	-118
<b>Cash flow from operations before changes in working capital</b>	<b>293</b>	<b>42</b>	<b>1,174</b>	<b>540</b>
<b>Changes in working capital</b>				
Increase(-)/Decrease(+) in operating receivables	108	33	35	-45
Increase (+)/Decrease(-) in operating liabilities	13	55	42	-11
<b>Cash flow from changes in working capital</b>	<b>120</b>	<b>89</b>	<b>77</b>	<b>-56</b>
<b>Cash flow from operations</b>	<b>413</b>	<b>131</b>	<b>1,251</b>	<b>484</b>
<b>Investment activities</b>				
Acquisition of business	-879	3	-4,273	-996
Acquisition of tangible assets	-8	-5	-19	-7
Acquisition of intangible assets	-122	-84	-444	-248
<b>Cash flow from investment activities</b>	<b>-1,010</b>	<b>-86</b>	<b>-4,737</b>	<b>-1,251</b>
<b>Financing activities</b>				
Net change in borrowings	609	-71	1,752	400
IFRS 16 lease repayment	-10	-6	-34	-23
Proceeds from share issuance	-0	-	2,556	500
Issue cost	-0	-0	-57	-17
Payment to shareholders (incl. dividend paid)	-0	-	-2	-
<b>Cash flow from financing activities</b>	<b>599</b>	<b>-77</b>	<b>4,214</b>	<b>861</b>
<b>Cash flow for the period</b>	<b>2</b>	<b>-32</b>	<b>728</b>	<b>94</b>
Cash and cash equivalents at start of period	1,052	385	342	246
Translation differences	-49	-11	-66	3
<b>Cash and cash equivalents at end of period</b>	<b>1,005</b>	<b>342</b>	<b>1,005</b>	<b>342</b>

## Parent company income statement, summary

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Revenue</b>				
Net revenue	41	30	119	55
<b>Operating expenses</b>				
Other external expenses	-16	3	-64	-41
Personnel expenses	-11	-7	-53	-21
<b>Operating result</b>	<b>14</b>	<b>26</b>	<b>1</b>	<b>-8</b>
<b>Result from financial items</b>				
Net financial items	173	-36	224	-78
<b>Result after financial items</b>	<b>187</b>	<b>-10</b>	<b>225</b>	<b>-86</b>
<b>Appropriations</b>				
Group contribution	-75	75	-75	75
<b>Profit before tax</b>	<b>111</b>	<b>65</b>	<b>150</b>	<b>-11</b>
Tax for the period	-11	8	-38	26
<b>Net result for the period</b>	<b>100</b>	<b>73</b>	<b>113</b>	<b>16</b>

## Parent company balance sheet, summary

MSEK	12/31/2020	12/31/2019
Intangible assets	7	3
Tangible non-current assets	1	-
Financial non-current assets	12,583	4,004
Deferred tax	1	26
Current receivables	592	1,310
Cash and bank	115	15
<b>Total assets</b>	<b>13,299</b>	<b>5,358</b>
Shareholders' equity	8,371	3,850
Provisions for earnouts	1,404	285
Non-current liabilities	24	-
Bond loans	1,602	1,085
Current liabilities to credit institutions	602	48
Other current liabilities	1,296	90
<b>Total liabilities &amp; Shareholders' equity</b>	<b>13,299</b>	<b>5,358</b>

## Key figures, Group

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Bookings	1,084	549	3,964	1,959
Deferred revenue	-4	3	27	8
Net revenue	1,080	551	3,991	1,967
EBITDA	418	204	1,553	741
<i>EBITDA margin %</i>	39	37	39	38
EBIT	245	135	993	517
<i>EBIT margin %</i>	23	25	25	26
Adjusted EBITDA*	460	209	1,697	768
<i>Adjusted EBITDA margin*, %</i>	43	38	43	39
Adjusted EBIT*	399	177	1,493	645
<i>Adjusted EBIT margin*, %</i>	37	32	37	33
Profit before tax	188	116	799	454
Net result	163	87	581	341
Adjusted Interest Coverage Ratio, pro forma, x	12.58	11.7	12.6	11.7
Adjusted Leverage Ratio, pro forma, x	0.88	0.91	0.88	0.91
Shareholders' equity per share undiluted, SEK	17.69	6.65	17.69	6.65
Shareholders' equity per share diluted, SEK	17.59	6.62	17.62	6.62
Earnings per share undiluted, SEK	0.49	0.32	1.79	1.34
Earnings per share diluted, SEK	0.49	0.32	1.78	1.34
No of shares end of period undiluted	346,537,200	263,394,530	346,537,200	263,394,530
No of shares end of period diluted	348,425,988	264,568,730	347,907,470	264,315,830
Average no of shares period undiluted	339,397,080	263,394,530	324,161,085	252,379,530
Average no of shares period diluted	341,285,868	264,568,730	325,531,355	253,300,830

\*Adjusted EBITDA defined as EBITDA excluding items affecting comparability. Adjusted EBIT defined as EBIT excluding items affecting comparability and amortization of PPA-items.

## Acquisitions

### Acquisition of Storm8

In February 2020, Stillfront acquired Storm8, a leading mobile mash-up game developer headquartered in US. The upfront consideration was USD 300 million and, if certain EBIT levels for the financial years 2020 and 2021 are achieved, an earn-out consideration up to USD 100 million, on a cash and debt free basis will be paid. USD 75 million of the upfront consideration was paid in 1,910,671 newly issued shares and the remainder in cash. 75 percent of the earn-out consideration is, if certain EBIT levels are achieved, payable in cash and 25 percent in newly issued shares. Storm8 was consolidated into Stillfront's financial reporting from March 1, 2020.

#### MSEK

##### Purchase price

Cash and cash equivalents	2,290
Ordinary shares issued	805
Provision for earnout	901
<b>Total purchase consideration</b>	<b>3,996</b>

### Purchase price allocation analysis

The purchase price allocation analysis of Storm8 is provided below.

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

Intangible non-current assets	993
Property, plant and equipment	22
Current receivables excl cash and bank	171
Cash and cash equivalents	277
Non-current liabilities	-27
Deferred tax liabilities	-213
Current liabilities	-367
<b>Total net assets acquired excluding goodwill</b>	<b>856</b>
Goodwill	3,140
<b>Total net assets acquired</b>	<b>3,996</b>
Less	
Cash and cash equivalents	-277
Ordinary shares issued	-805
Provision for earnout	-901
<b>Net cash outflow on acquisition of business</b>	<b>2,013</b>

### Acquisition of Candywriter

In April 2020, Stillfront acquired Candywriter, a US based mobile games developer and publisher focusing on casual and mash-up games for an upfront consideration of approx. USD 74.4 million on a cash and debt free basis, of which USD 37.5 million was paid in 708,463 newly issued shares in Stillfront and the remaining approx. USD 36.9 million was paid in cash. Further, an earn-out consideration may be payable by Stillfront in an aggregate maximum total amount of USD 120.6 million on a cash and debt free basis, out of which 50% shall be paid in cash and 50% in newly issued shares in Stillfront. The ultimate size of the yearly earn-out component will depend on the EBIT development of Candywriter for the financial years 2020, 2021 and 2022. The total purchase price payable by Stillfront cannot exceed USD 195 million. Candywriter was consolidated into Stillfront's consolidated financial reporting from 1 May 2020.

#### MSEK

##### Purchase price

Cash and cash equivalents	381
Ordinary shares issued	414
Provision for earnout	469
<b>Total purchase consideration</b>	<b>1,264</b>

### Purchase price allocation analysis

The purchase price allocation analysis of Candywriter is provided below.

<b>The fair value of acquired assets and assumed liabilities (MSEK):</b>	
Intangible non-current assets	334
Property, plant and equipment	0
Current receivables excl cash and bank	39
Cash and cash equivalents	30
Non-current liabilities	-
Deferred tax liabilities	-90
Current liabilities	-37
<b>Total net assets acquired excluding goodwill</b>	<b>275</b>
Goodwill	987
<b>Total net assets acquired</b>	<b>1,263</b>
Less	
Cash and cash equivalents	-30
Ordinary shares issued	-414
Provision for earnout	-469
<b>Net cash outflow on acquisition of business</b>	<b>350</b>

### **Acquisition of Nanobit**

In September 2020, Stillfront announced the signing of an agreement to acquire 100% of the shares in Nanobit, a leading developer and publisher of mobile games based in Zagreb, Croatia. The transaction will be executed in two tranches, whereof 78% of the shares in Nanobit was purchased for an initial consideration of approx. USD 100 million on a cash and debt free basis. Approx. USD 30 million of the first tranche is payable in 280,542 newly issued shares in Stillfront to the founders and the remaining approx. USD 70 million is payable in cash to the sellers.

22% of the shares in Nanobit will be purchased for a second tranche consideration of an amount depending on the EBITDA development of Nanobit for the financial years 2021 and 2022 but however not exceeding USD 48 million on a cash and debt free basis. The second tranche will be payable by Stillfront in 2023, out of which 70% will be paid in cash and 30% in newly issued shares in Stillfront. Nanobit was consolidated into Stillfront's financial reporting as of 1 October 2020.

#### **MSEK**

##### **Purchase price**

Cash and cash equivalents	695
Ordinary shares issued	263
Provision for earnout	220
<b>Total purchase consideration</b>	<b>1,178</b>

### **Purchase price allocation analysis**

The purchase price allocation analysis of Nanobit is provided below.

<b>The fair value of acquired assets and assumed liabilities (MSEK):</b>	
Intangible non-current assets	359
Property, plant and equipment	6
Current receivables excl cash and bank	53
Cash and cash equivalents	62
Non-current liabilities	-
Deferred tax liabilities	-62
Current liabilities	-32
<b>Total net assets acquired excluding goodwill</b>	<b>386</b>
Goodwill	791
<b>Total net assets acquired</b>	<b>1,177</b>
Less	
Cash and cash equivalents	-62
Ordinary shares issued	-263
Provision for earnout	-220
<b>Net cash outflow on acquisition of business</b>	<b>633</b>

### **Acquisition of Everguild**

October 28, 2020, Stillfront announced the acquisition of 100% of the shares in Everguild, a rapidly growing independent game studio focusing on the digital Collectible Card Games (CCG) genre, for an upfront consideration of approx. GBP 1.06 million on a cash and debt free basis, of which GBP 0.54 million is payable in 5,971 newly issued shares in Stillfront and the remaining amount is payable in cash. Everguild was consolidated into Stillfront's consolidated financial reporting from 1 November 2020.

<b>MSEK</b>	
<b>Purchase price</b>	
Cash and cash equivalents	8
Ordinary shares issued	6
Provision for earnout	57
<b>Total purchase consideration</b>	<b>71</b>

### **Purchase price allocation analysis**

The purchase price allocation analysis of Everguild is provided below.

<b>The fair value of acquired assets and assumed liabilities (MSEK):</b>	
Intangible non-current assets	21
Property, plant and equipment	0
Current receivables excl cash and bank	1
Cash and cash equivalents	3
Non-current liabilities	-
Deferred tax liabilities	-4
Current liabilities	-1
<b>Total net assets acquired excluding goodwill</b>	<b>20</b>
Goodwill	52
<b>Total net assets acquired</b>	<b>72</b>
Less	
Cash and cash equivalents	-3
Ordinary shares issued	-6
Provision for earnout	-57
<b>Net cash outflow on acquisition of business</b>	<b>6</b>

### **Acquisition of Sandbox Interactive**

In December 2020, Stillfront entered into an agreement to acquire 100% of the shares in Sandbox Interactive GmbH. Sandbox is a rapidly growing and highly profitable gaming company and the developer and publisher of the popular cross-platform free-to-play sandbox MMORPG Albion Online. The total upfront consideration payable upon completion of the acquisition of 100% of the shares in Sandbox amounts to EUR 130 million on a cash and debt free. Of the upfront purchase price, approximately EUR 30 million, is payable in 3,374,030 newly issued shares in Stillfront, and the remaining part of the Upfront Purchase Price, equivalent of approximately EUR 100 million, is payable in cash to the sellers. In addition, the sellers may receive an earn-out payment of 1x EBIT for each of the financial years 2021, 2022, 2023 and 2024, depending on the level of EBIT generated during each of those years, payable approximately 78% in cash and approx. 22% in newly issued shares in Stillfront. The transaction was closed on 30 December 2020, and is consolidated in Stillfront's balance sheet as of 31 December. The profit and loss of Sandbox will be consolidated into Stillfront's group financial reporting from 1 January 2021.

<b>MSEK</b>	
<b>Purchase price</b>	
Cash and cash equivalents	1,045
Ordinary shares issued	337
Provision for earnout	497
<b>Total purchase consideration</b>	<b>1,880</b>

### **Preliminary purchase price allocation analysis**

The purchase price allocation analysis of Sandbox is provided below.

<b>The fair value of acquired assets and assumed liabilities (MSEK):</b>	
Intangible non-current assets	402
Property, plant and equipment	2
Current receivables excl cash and bank	9
Cash and cash equivalents	110
Non-current liabilities	-
Deferred tax liabilities	-121
Current liabilities	-86
<b>Total net assets acquired excluding goodwill</b>	<b>316</b>
Goodwill	1,564
<b>Total net assets acquired</b>	<b>1,880</b>
Less	
Cash and cash equivalents	-110
Ordinary shares issued	-337
Provision for earnout	-497
<b>Net cash outflow on acquisition of business</b>	<b>935</b>

#### ***Acquisition of Super Free Games***

In December 2020, Stillfront entered into an agreement to acquire 100% of the shares in Super Free Games for an upfront consideration of USD 150 million on a cash and debt free basis, and an earnout payment of 0-2x EBITDA for each of 2021, 2022 and 2023. The transaction was closed on 29 January 2021, and is consolidated in Stillfront's balance sheet as of 1 February 2021. The purchase price allocation has not yet been completed.

#### ***Acquisition of Moonfrog Labs***

In February 2021, Stillfront entered into an agreement to acquire 100% of the shares in Moonfrog Labs for an initial consideration of approximately USD 90 million on a cash and debt free basis. The closing of the transaction is expected to occur 26 February 2021 and Moonfrog will be consolidated into Stillfront's financial reporting from 1 March 2021. The purchase price allocation has not yet been completed.

## Definitions

### *Key figures and alternative performance measures*

#### **ARPD**

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.

#### **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.

#### **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 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 minus cash and cash equivalents. Provisions for earnouts is not considered interest bearing in this context.

#### **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.

## Reconciliation of Alternative Performance Measures

### Items Affecting Comparability, IAC

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Costs</b>				
Transaction Costs	-43	-	-114	-20
Long term incentive programs	-2	-	-19	-
Other costs	2	-5	-10	-7
<b>Total IAC affecting EBIT</b>	<b>-43</b>	<b>-5</b>	<b>-144</b>	<b>-28</b>
<b>Financial income</b>				
Revaluation of earnouts	-	10	-	80
<b>Total IAC financial income</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>80</b>
<b>Financial costs</b>				
Revaluation of earnouts	-0	-7	-30	-66
<b>Total IAC financial costs</b>	<b>-0</b>	<b>-7</b>	<b>-30</b>	<b>-66</b>
<b>Total IAC financial items</b>	<b>-0</b>	<b>3</b>	<b>-30</b>	<b>14</b>

### APM

MSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Adjusted EBITDA and EBIT</b>				
Operating result	245	135	993	517
<b>Excluding</b>				
Items affecting EBIT comparability	43	5	144	28
Amortization of PPA items	111	38	357	101
<b>Adjusted EBIT</b>	<b>399</b>	<b>177</b>	<b>1,493</b>	<b>645</b>
Amortization and depreciation excluding PPA items	61	31	203	123
<b>Adjusted EBITDA</b>	<b>460</b>	<b>209</b>	<b>1,697</b>	<b>768</b>
<b>Adjusted interest coverage ratio</b>				
Adjusted EBITDA latest 12 months	1,697	768	1,697	768
<b>Divided by</b>				
Net financial items latest 12 months	193	64	193	64
Total IAC affecting financial items latest 12 months	-30	14	-30	14
<b>Adjusted interest coverage ratio, x</b>	<b>10.4</b>	<b>9.9</b>	<b>10.4</b>	<b>9.9</b>
<b>Adjusted leverage ratio</b>				
Bond	1,602	1,085	1,602	1,085
Other interest-bearing liabilities	1,217	78	1,217	78
Cash and cash equivalents	-1,005	-342	-1,005	-342
<b>Total net debt</b>	<b>1,814</b>	<b>820</b>	<b>1,814</b>	<b>820</b>
<b>Divided by</b>				
Adjusted EBITDA latest 12 months	1,697	768	1,697	768
<b>Adjusted leverage ratio</b>	<b>1.07</b>	<b>1.07</b>	<b>1.07</b>	<b>1.07</b>

### APM Pro Forma

MSEK	2020 Jan-Dec	2019 Jan-Dec
<b>Adjusted EBITDA, pro forma</b>		
Adjusted EBITDA latest 12 months	1,697	768
<b>Including</b>		
EBITDA, latest 12 months, Acquired companies	355	133
<b>Adjusted EBITDA, pro forma</b>	<b>2,052</b>	<b>901</b>
<b>Adjusted interest coverage ratio, pro forma</b>		
Adjusted EBITDA latest 12 months, pro forma	2,052	901
<b>Divided by</b>		
Net financial items latest 12 months	193	64
Total IAC affecting financial items latest 12 months	-30	14
<b>Adjusted interest coverage ratio, x, pro forma</b>	<b>12.6</b>	<b>11.7</b>
<b>Adjusted leverage ratio, pro forma</b>		
Net debt	1,814	820
<b>Divided by</b>		
Adjusted EBITDA latest 12 months, pro forma	2,052	901
<b>Adjusted leverage ratio, pro forma</b>	<b>0.88</b>	<b>0.91</b>

### Share data

	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
<b>Equity per share</b>				
Shareholders' equity attributable to parent company's shareholders, MSEK	6,129	1,751	6,129	1,751
<b>Divided by</b>				
No of shares end of period undiluted	346,537,200	263,394,530	346,537,200	263,394,530
<b>Shareholders' equity per share undiluted, SEK</b>	<b>17.69</b>	<b>6.65</b>	<b>17.69</b>	<b>6.65</b>
No of shares end of period diluted	348,425,988	264,568,730	347,907,470	264,315,830
<b>Shareholders' equity per share diluted, SEK</b>	<b>17.59</b>	<b>6.62</b>	<b>17.62</b>	<b>6.62</b>
<b>Earnings per share</b>				
Net result for the period attributed to parent company's shareholders, MSEK	166	85	580	338
<b>Divided by</b>				
Average no of shares period undiluted	339,397,080	263,394,530	324,161,085	252,379,530
<b>Earnings per share undiluted, SEK</b>	<b>0.49</b>	<b>0.32</b>	<b>1.79</b>	<b>1.34</b>
Average no of shares period diluted	341,285,868	264,568,730	325,531,355	253,300,830
<b>Earnings per share diluted, SEK</b>	<b>0.49</b>	<b>0.32</b>	<b>1.78</b>	<b>1.34</b>

The number of shares and earnings per share are recalculated for all periods taking into account the 10:1 share split that took place in December 2020.

# Financial calendar

Publication of the Annual Report for 2020	20 April 2021
Interim report January – March 2021	5 May 2021
Annual general meeting 2021	11 May 2021
Interim report April – June 2021	11 August 2021
Interim report July – September 2021	10 November 2021
Interim report October – December 2021	16 February 2022

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**For further information, please contact:**

Jörgen Larsson, CEO  
Tel: +46 70 3211800, [jorgen@stillfront.com](mailto:jorgen@stillfront.com)

Andreas Uddman, CFO  
Tel: +46 700807846, [andreas@stillfront.com](mailto: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 1,000+ co-workers thrive in an organization that engenders the spirit of entrepreneurship. Our main markets are the US, Germany, MENA, UK, and France. We are headquartered in Stockholm, Sweden and the company, is listed on Nasdaq First North Premier Growth Market. For further information, please visit: [www.stillfront.com](http://www.stillfront.com)

**Certified Adviser:**

FNCA, Phone: +46 8 528 00 399 E-mail: [info@fnca.se](mailto:info@fnca.se)

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