Stillfront Year-end Report 2024

Strong cash flow and adjusted EBITDAC in the fourth quarter

- Net revenue of 1,660 MSEK in Q4, down by 5 percent organically YoY
- Gross profit margin of 79 percent, up by 1 pp YoY, driven by mix effects and increased share of bookings from DTC channels
- Adjusted EBITDAC of 410 MSEK driven by lower fixed costs, product development costs and less UAC with a margin at 25 percent, up by 4 pp YoY
- Free cash flow of 1,050 MSEK in 2024 and 342 MSEK in Q4, up by 170 percent YoY on a quarterly basis

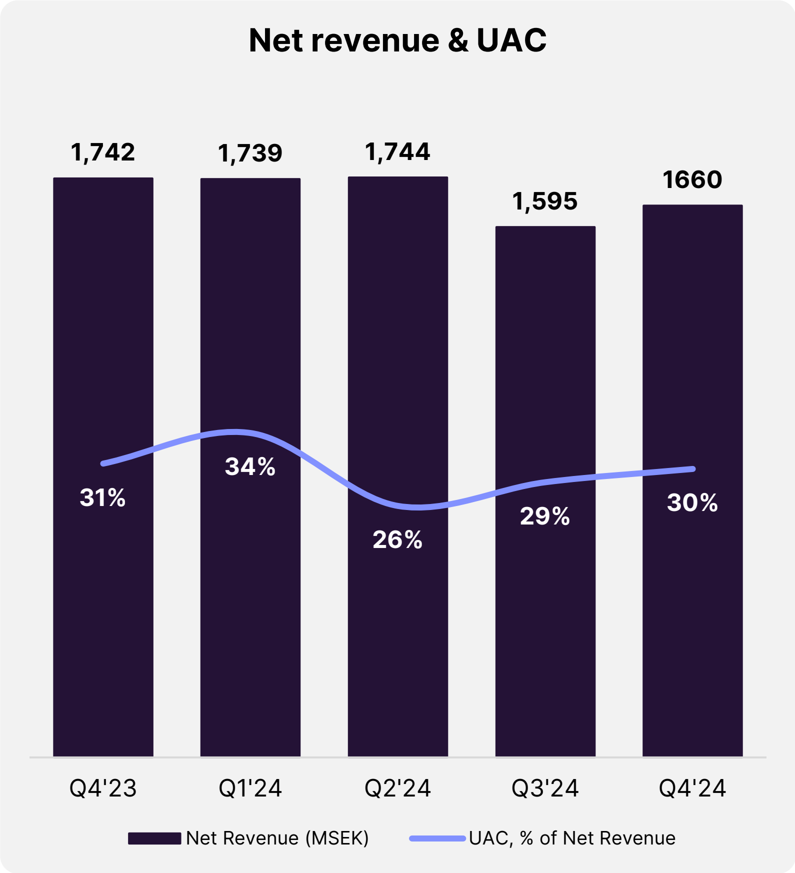
Net revenue -5% YoY

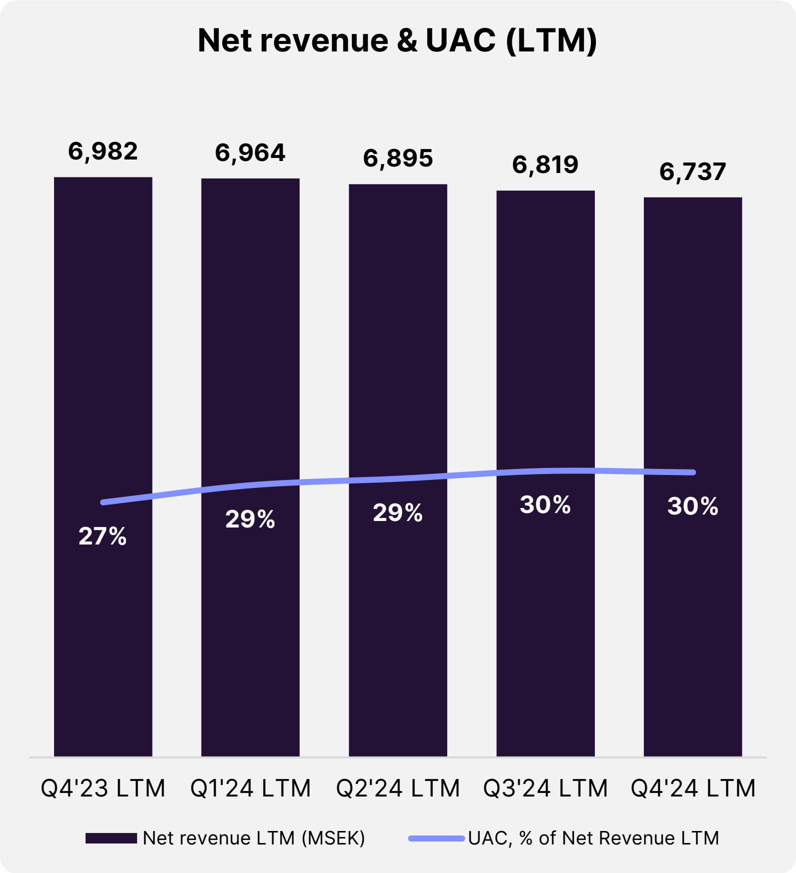
1,660 MSEK

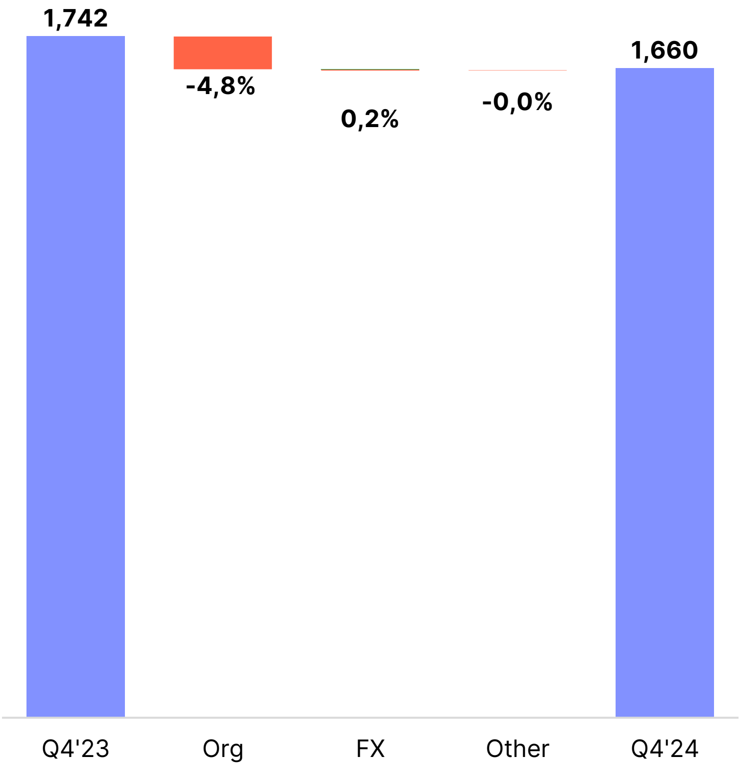
Gross profit -3% YoY

1,319 MSEK

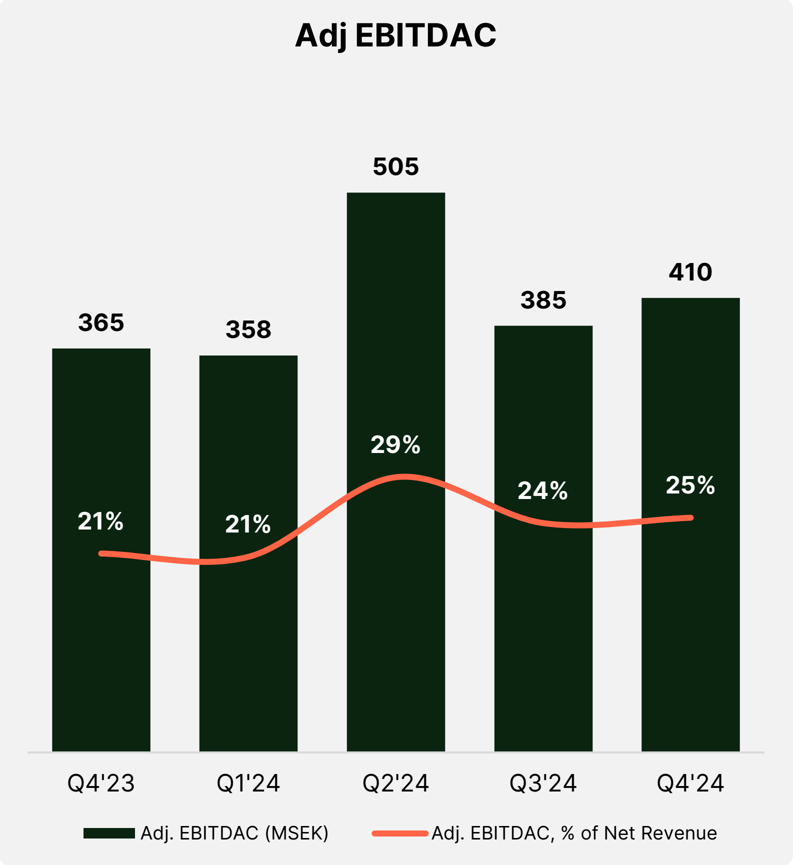
Seasonally normal user acquisition costs in Q4

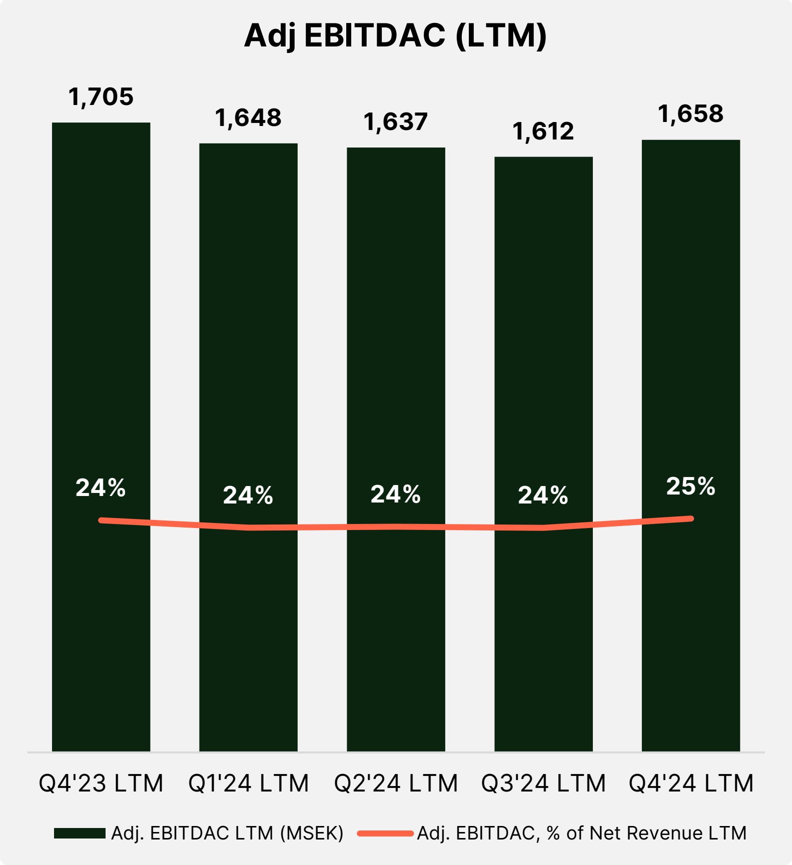






Improved adjusted EBITDAC and margin in Q4



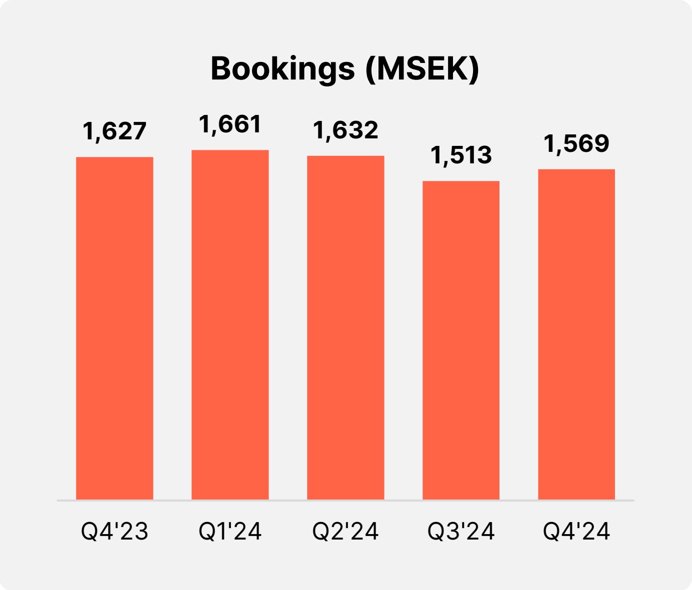


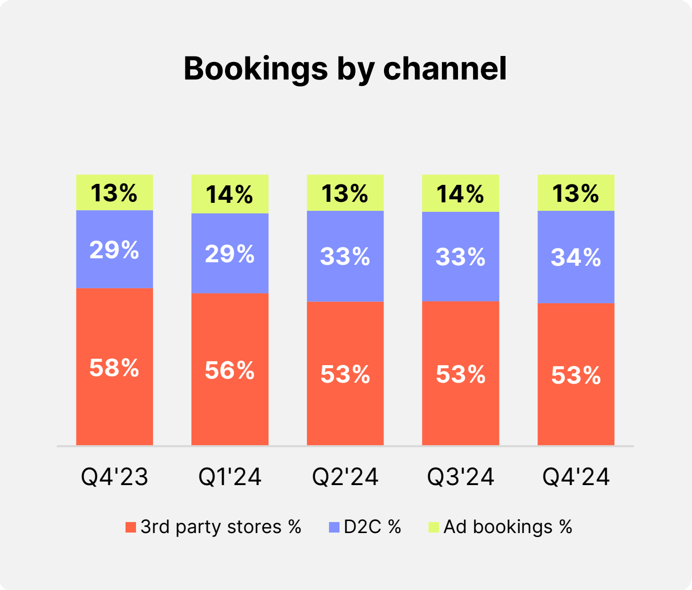
- Adjusted EBITDAC margin of 25 percent, up by 4 pp YoY and adjusted EBITDAC grew by 12% driven by lower fixed costs
- Gross margin improvement of 1 pp YoY
- Staff costs as a percentage of net revenue down by 1 pp YoY
- UAC as a percent of net revenue down by 1 pp YoY following lower spend in the strategy product area
- Further focused product investments driving lower capitalization

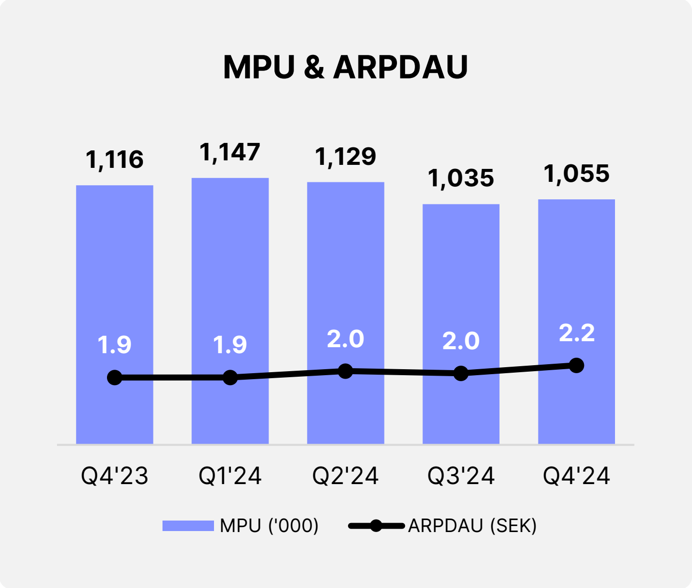
Active portfolio

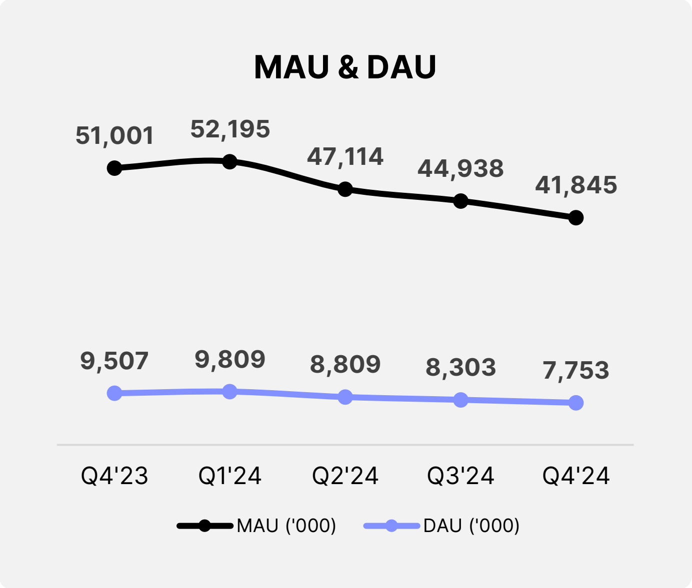
Strong ARPDAU trend continues in the quarter

- Bookings in active portfolio increased by 4 percent QoQ driven by seasonality effects across the portfolio but declined by 4 percent YoY on the back of lower player activity in the strategy area
- ARPDAU grew by 18 percent YoY as high monetizing customers made up a larger bulk of the overall portfolio
- MPU, MAU and DAU decreased due to a continued portfolio shift towards high-value users
- Direct-to-Consumer (DTC) was up by 5 pp YoY driven by ongoing strategic initiative to increase share of own channels, driving gross margin improvement



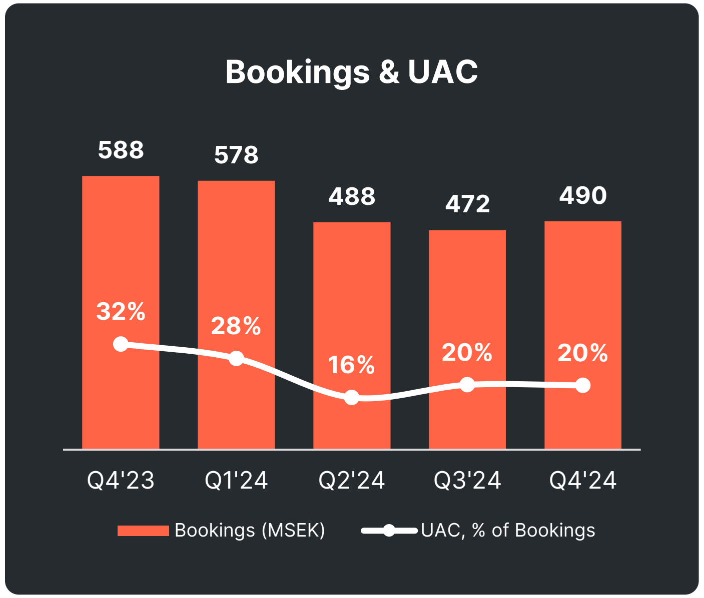


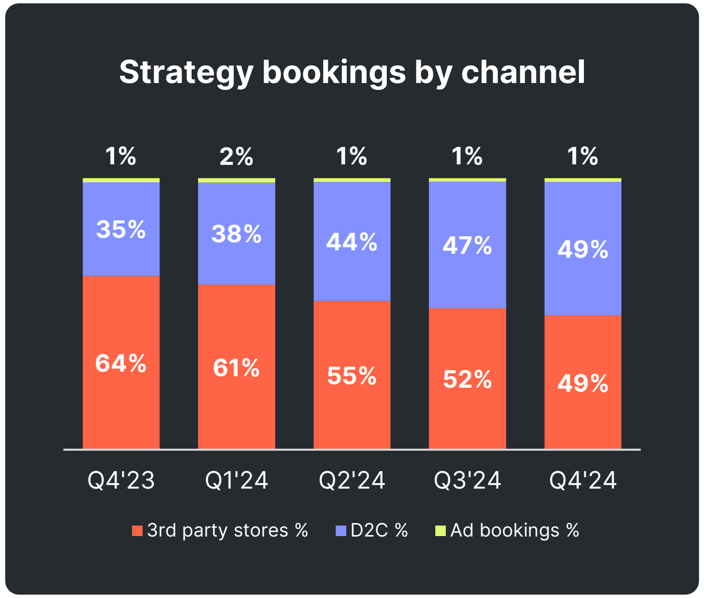


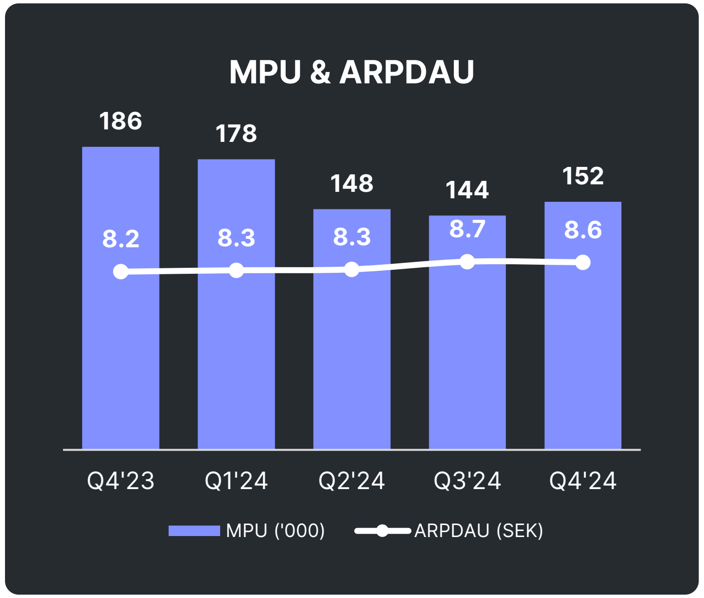


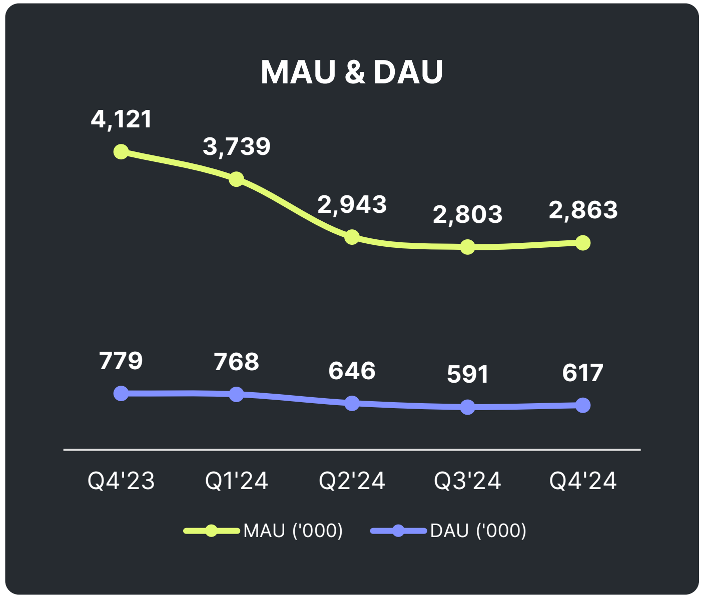
Stable UAC levels in Strategy QoQ but lower YoY

- › Lower bookings YoY driven by lower UAC in the quarter.
  - › Supremacy bookings declined YoY on the back of difficult comps.
  - › Empire remains flat, albeit with no user acquisition spend
  - › 6Waves saw declined bookings following a continued decline in UA spend
- › UAC down by 49% YoY, while up 3% QoQ
- › Bookings down by 17 percent YoY, gross profit down by 14 percent over the same period
- › Continued increased share of Strategy bookings generated from DTC channels, up by 15 pp compared to same period last year





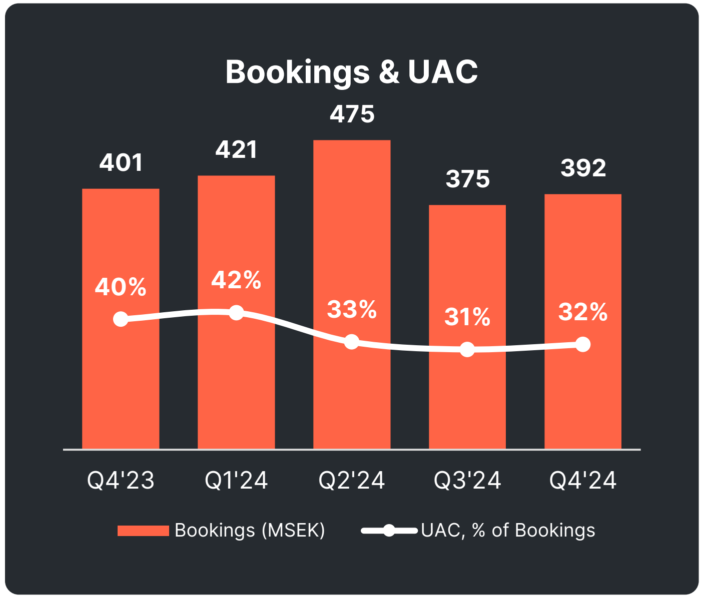


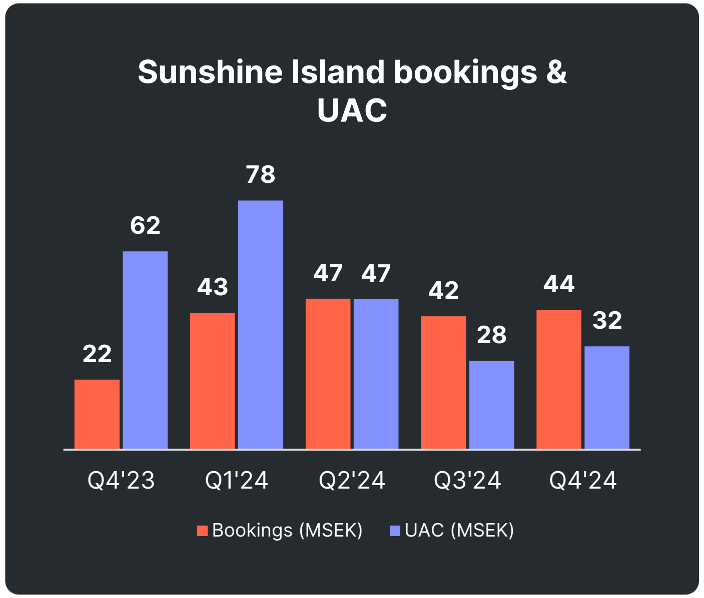


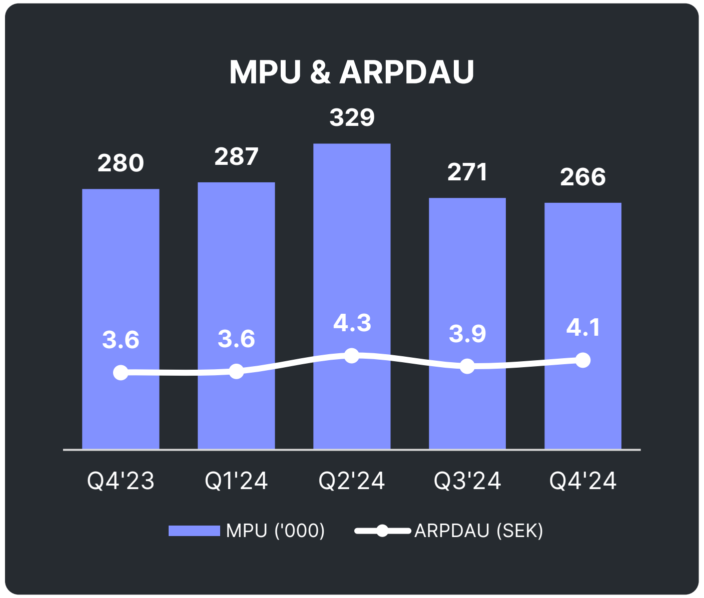
Product area: Sim, RPG & Action

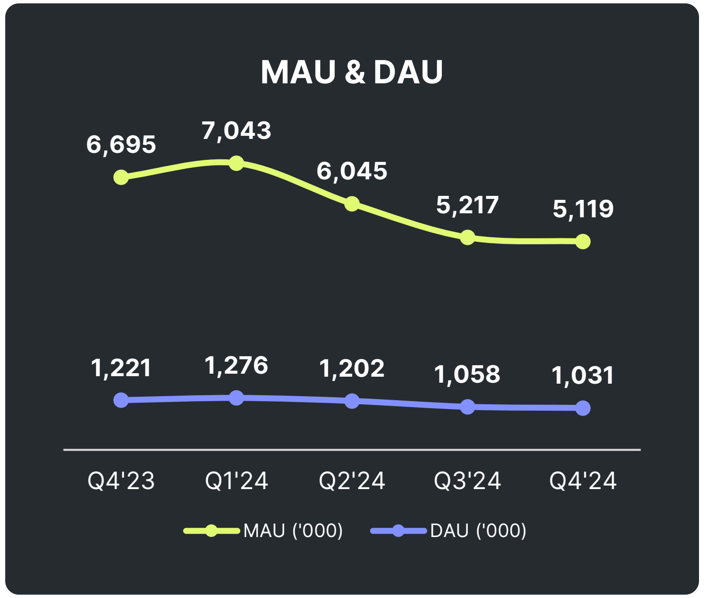
Sunshine Island continued to perform well

- Higher Sim, RPG & Actions bookings QoQ, slightly lower YoY
- Sunshine Island bookings up by 101 percent YoY despite only about half of the UA spend compared to last year
- Albion Online bookings were down QoQ driven by normalizing user numbers following Albion Online's EU server launch in Q2, but increased YoY
- Shakes & Fidget's bookings increased QoQ following several in-game updates in the quarter



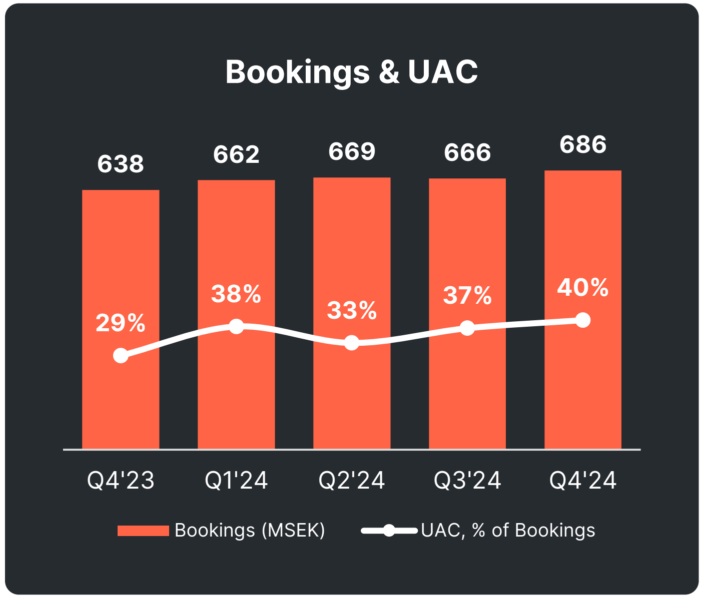


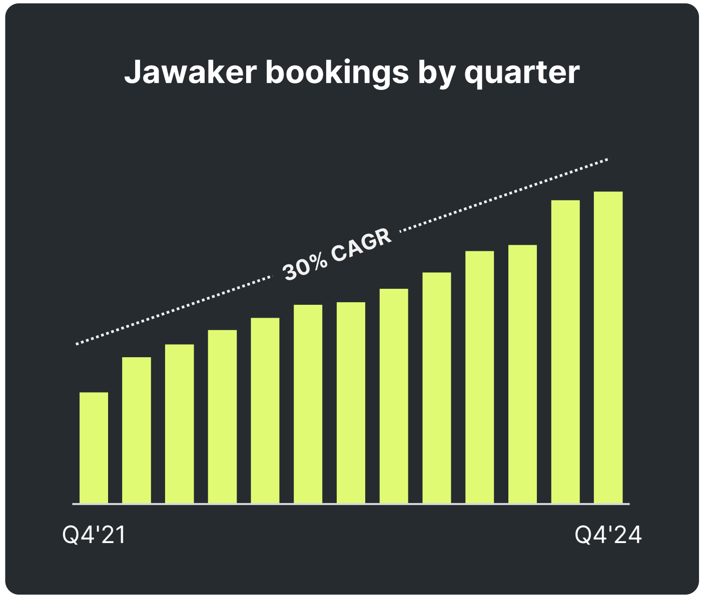


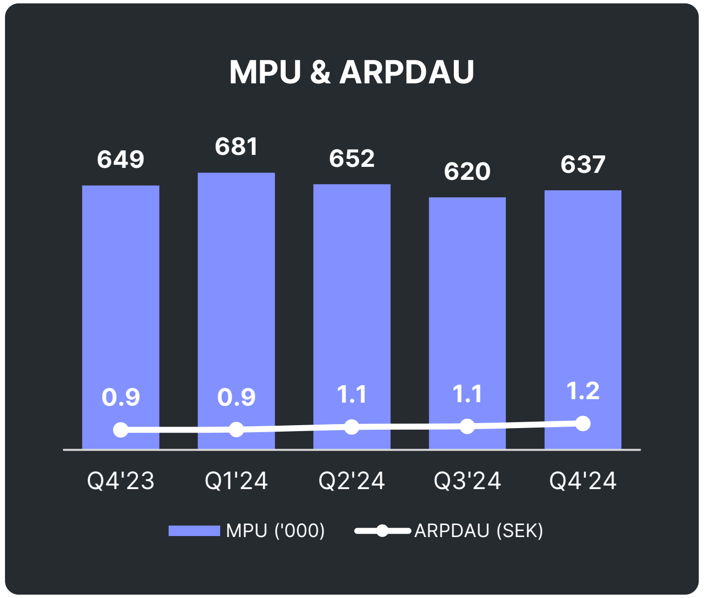


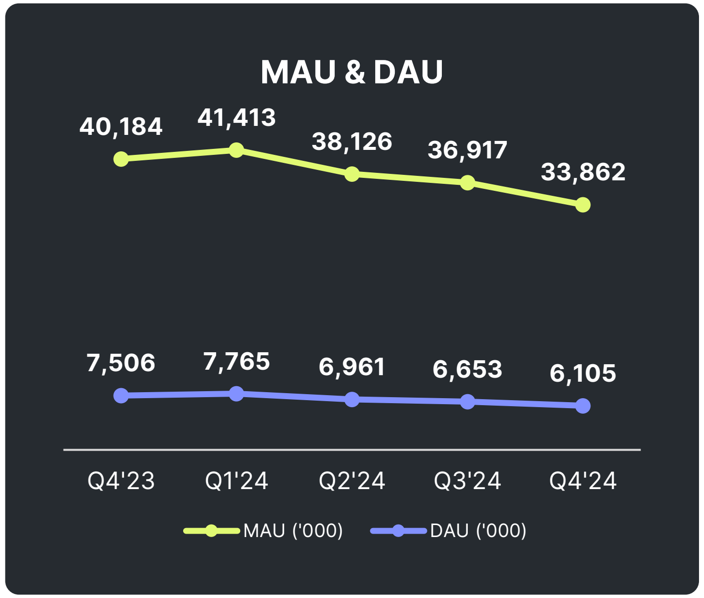
Continued strong performance in the product area

- › Bookings increased both YoY and QoQ primary driven by Jawaker
- › Jawaker grew bookings YoY by 30% owing to improved monetization and higher MAU, while slightly impacted by conflicts in the Middle East
- › Super Free's Word franchise continued driving higher user acquisition spend
- › Storm8's Home Design franchise continued to negatively impact bookings growth despite increased UAC



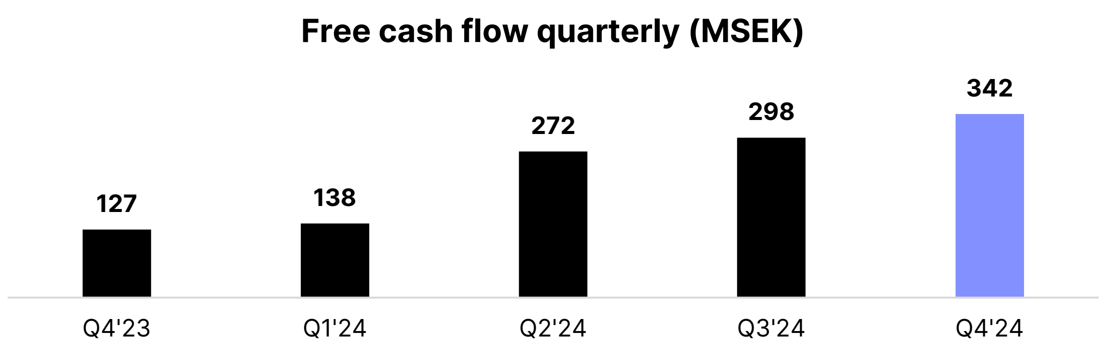


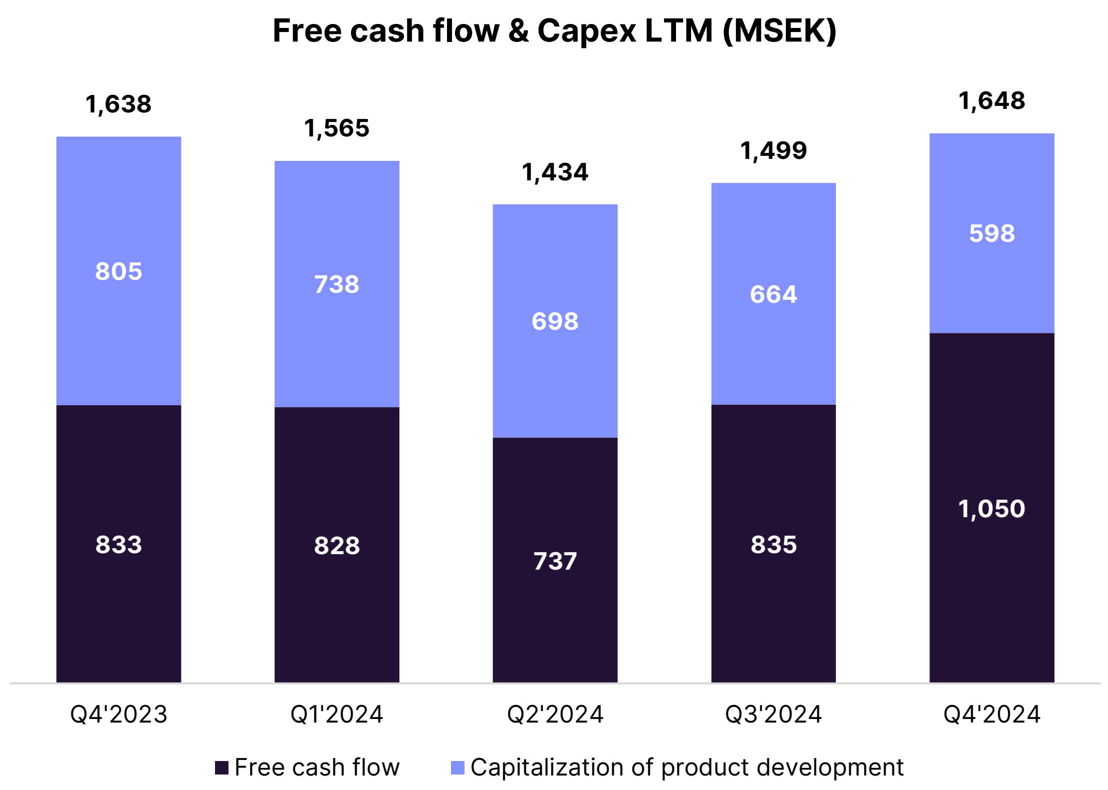




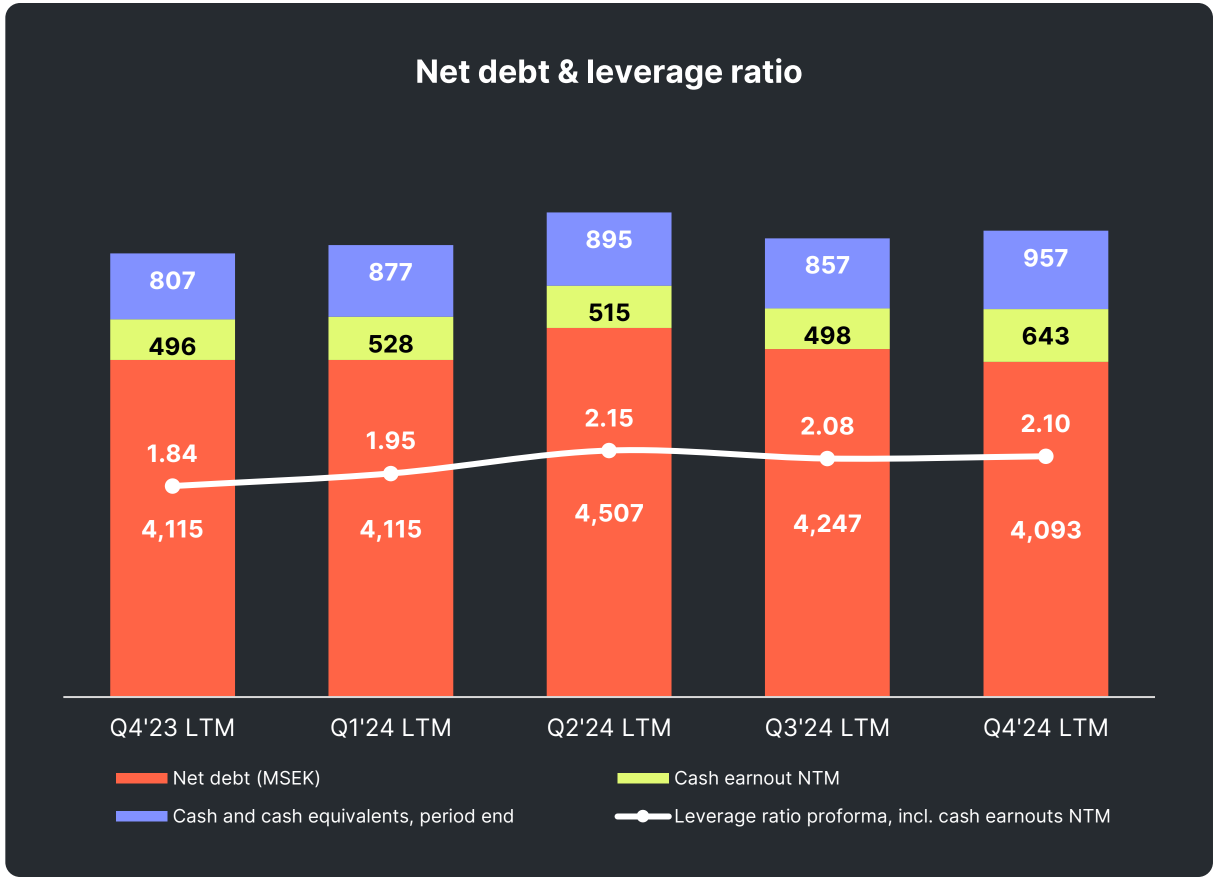
Strong free cash flow generation in the quarter

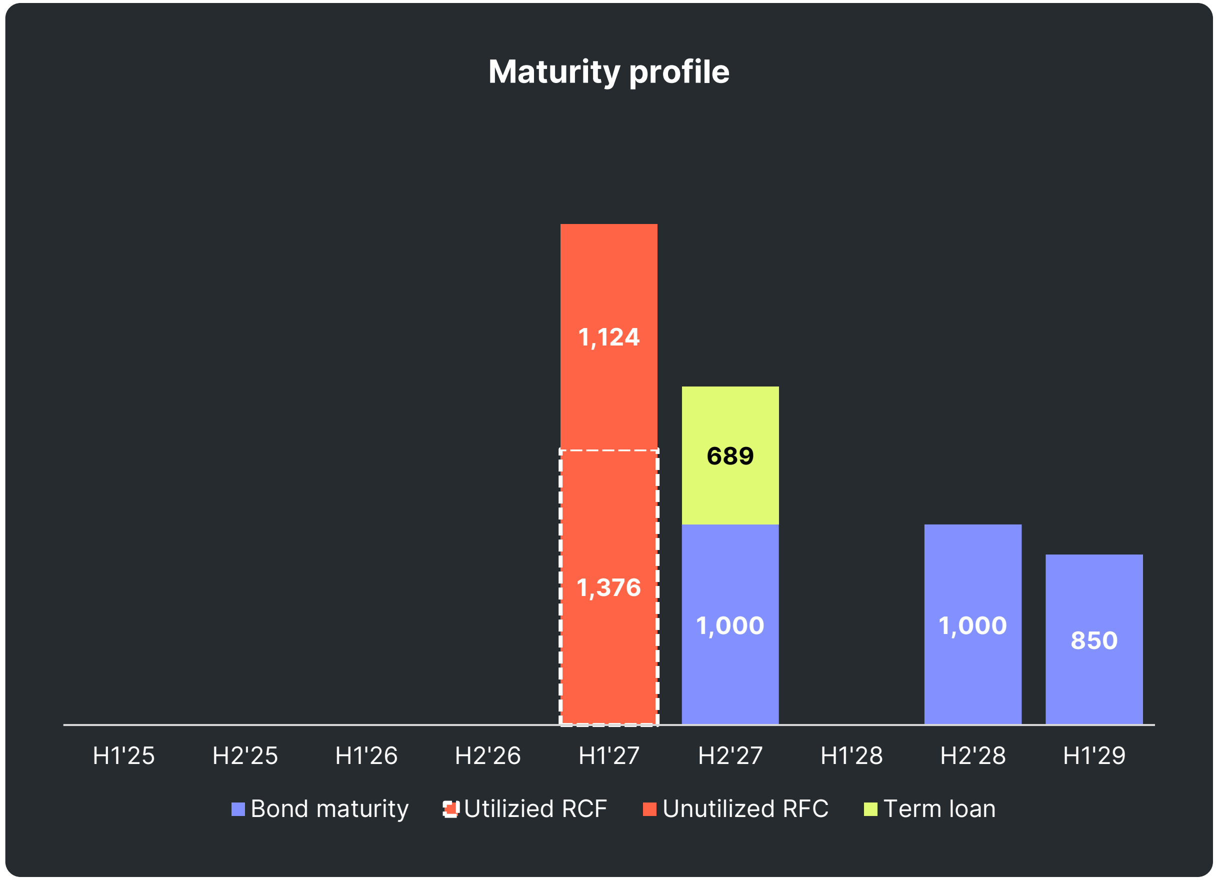
MSEK	Q4 2024	Q4 2023
Cash flow from operations (before NWC)	**374**	**357**
Change in net working capital	117	-10
Cash flow from operations (CFFO)	**491**	**347**
Cash flow from investment activities	-152	-211
Cash flow from financing activities	-288	-314
Cash flow for the period	**50**	**-177**





Significantly improved maturity profile in the quarter





Stillfront Extended Q4 Presentation

New structure and reporting to steer and accelerate Stillfront's business more effectively.

1. **Simplify the organization to increase accountability streamline decision making**

2. **Focus on key game franchises to drive organic growth**

3. **Slow the bookings decline and optimize costs within legacy games**

New operating way

Previous organization

Group Executive management

Group Business Management

SVP | SVP | SVP | SVP

22 Studios

70+ Active Portfolio Games

Franchises

Finance | Data Platform | Marketing | IT

Corp Dev | Operations | Product

70+ games in active portfolio and 22 studios

1. Well suited for M&A → Focus on scaling rather than integration
2. Decentralized → Both for management and independent studios involved in non-core procedures
3. Governance → Executive and business management separated into two different forums.

New organization

Group Executive management

Business Area Europe

5x key franchises

Albion
Big
Empire
Narrative
Supremacy

7x studios

Business Area North America

3x key franchises

Bitlife
Home Design Makeover
Word

4x studios

Business Area MENA & APAC

2x key franchises

Board
Jawaker

5x studios

Shared Services

Three business areas focusing on key game franchises

1. Operational simplicity → Fewer layers with the merging of executive and business management
2. Focus → On key game franchises, most value & efficiency creating growth platform toolsets and hubs via redefined Shared Services
3. Common direction → Moving from a studio based to a game team based structure in NA & Europe with more leverage of common resources via Group Hubs. Teams are part of Stillfront rather than just individual studios. Higher level of autonomy kept in MENA & APAC

The above is driven by studio rationalizations, some game & talent resourcing moves from high to lower cost regions & a reduction of duplicative roles

Concept of Key Game Franchises/non-Franchises

We have a set of definitions that define our Key Game Franchises

> SEK 200 million of FY bookings

Consistency of core experience

Technology and Game Mechanics

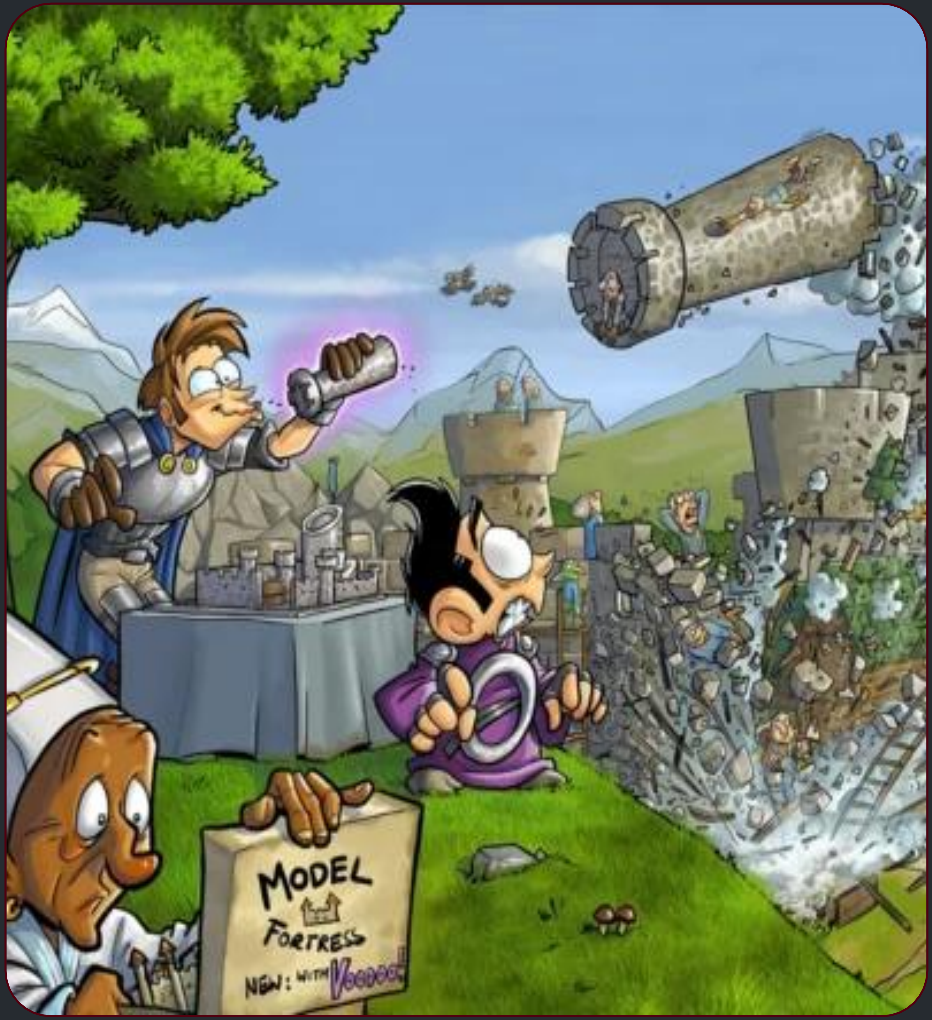
Recognizable and Evolving IP

Albion online

Concept of Key Game Franchises/non-Franchises

With clear definitions for non-Franchises

1	Active LiveOps	>5% of bookings invested in UA
2	Legacy LiveOps	<5% of bookings invested in UA
3	External Partnerships	Stillfront does not have user data (does not act as the publisher)



Shakes & Fidget

Even though we have negative organic growth of -2% for the group, our key game franchises grew in 2024

Key Game Franchises

2024

Organic growth	+2%
% of total bookings	72%

Active LiveOps
(2024)

Organic growth	-8%
% of total bookings	17%

Legacy LiveOps
(2024)

Organic growth	-20%
% of total bookings	9%

External Partnerships
(2024)

Organic growth +2%

% of total bookings 2%

Stillfront Europe

Stable business with solid margins

- Stable net revenues mainly consisting of Big, Supremacy, Empire, Albion and Narrative franchise which in total represents 84% of bookings in the business area
- Higher gross margin driven by higher penetration of DTC-channels
- Increased investments in some of the Key game franchises during the year
- Adjusted EBITDAC margin of 25% in-line with the total group

SEK million	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 Full-year
Net revenues from external customers	**772**	**801**	**659**	**702**	**2,934**
Organic growth %	*6.5*	*-0.6*	*-0.8*	*-10.2*	*-1.4*
Gross profit	**639**	**673**	**553**	**588**	**2,453**
Gross margin %	*83*	*84*	*84*	*84*	*84*
User acquisition costs	-325	-225	-199	-219	-969
UAC/Net revenue %	*42*	*28*	*30*	*31*	*33*
Other opex incl personnel expenses	-170	-172	-179	-183	-704
Adjusted EBITDA	**206**	**337**	**232**	**245**	**1,019**
Capitalization of product development	-63	-69	-71	-76	-279
Adjusted EBITDAC	**142**	**268**	**161**	**169**	**741**
Adjusted EBITDAC margin %	*18*	*33*	*24*	*24*	*25*
Bookings by game portfolio					
Key franchises	657	656	565	591	2,478
Active LiveOps	90	90	71	86	337
Legacy LiveOps	11	12	11	13	49
External partnerships and other	16	37	11	15	80
Total bookings	**775**	**796**	**657**	**705**	**2,934**
Bookings by revenue stream %					
Ad bookings	6	5	5	5	5
Third party stores	56	50	53	51	52
DTC	39	45	42	45	43

Stillfront North America

Focusing on turnaround

- **Declining net revenues the key game franchises make up 70% bookings in the business area**
- **Solid gross margin driven by primarily a higher share of Ad booking**
- **OPEX excl UAC decline over the year driven by cost optimization programmes**
- **Adjusted EBITDAC margin of 5% creating a drag on total group adjusted EBITDAC margin**

SEK million	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 Full-year
Net revenues from external customers	**490**	**468**	**446**	**451**	**1,853**
Organic growth %	*-15.4*	*-17.1*	*-11.2*	*-5.5*	*-12.6*
Gross profit	**392**	**365**	**352**	**356**	**1,465**
Gross margin %	*80*	*78*	*79*	*79*	*79*
User acquisition costs	-236	-202	-230	-258	-926
UAC/Net revenue %	*48*	*43*	*52*	*57*	*50*
Other opex incl personnel expenses	-121	-108	-98	-94	-422
Adjusted EBITDA	**88**	**101**	**72**	**48**	**309**
Capitalization of product development	-53	-55	-59	-42	-209
Adjusted EBITDAC	**35**	**45**	**13**	**6**	**100**
Adjusted EBITDAC margin %	*7*	*10*	*3*	*1*	*5*
Bookings by game portfolio					
Key franchises	331	322	319	325	1,297
Active LiveOps	66	56	46	46	214
Legacy LiveOps	93	86	80	78	336
External partnerships and other	0	0	0	0	0
Total bookings	**490**	**463**	**445**	**450**	**1,847**
Bookings by revenue stream %					
Ad bookings	37	35	36	36	36
Third party stores	62	64	63	63	63
DTC	1	1	1	1	1

Stillfront MENA & APAC

Solid growth and margins in strong markets

- **Strong net revenue growth driven by both Jawaker and Board key game franchises making up 54% of bookings in the business area**
- **Lower gross margin compared to group driven primarily driven by the external publishing business in 6waves and Babil**
- **Efficient operating model yielding strong adjusted EBITDAC margin of 46%**

SEK million	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 Full-year
Net revenues from external customers	**477**	**475**	**490**	**507**	**1,950**
Organic growth %	*8.5*	*6.2*	*12.5*	*5.4*	*8.0*
Gross profit	**356**	**357**	**365**	**375**	**1,454**
Gross margin %	*75*	*75*	*74*	*74*	*75*
User acquisition costs	-33	-34	-33	-26	-126
UAC/Net revenue %	*7*	*7*	*7*	*5*	*6*
Other opex incl personnel expenses	-99	-97	-94	-86	-376
Adjusted EBITDA	**245**	**246**	**258**	**278**	**1,027**
Capitalization of product development	-38	-23	-17	-18	-96
Adjusted EBITDAC	**207**	**222**	**240**	**261**	**931**
Adjusted EBITDAC margin %	*43*	*47*	*49*	*51*	*48*
Bookings by game portfolio					
Key franchises	237	266	269	286	1,057
Active LiveOps	162	144	150	143	600
Legacy LiveOps	57	47	51	51	207
External partnerships and other	21	20	20	22	84
Total bookings	**477**	**478**	**490**	**503**	**1,948**
Bookings by revenue stream %					
Ad bookings	12	11	10	10	11
Third party stores	53	50	47	48	49
DTC	36	39	43	42	40

Further actions that will drive operational efficiency

	Actions	Already achieved	Further outcome
Operational Efficiencies	Studio rationalizations and game moves	6 studios consolidated during 2024	No duplicative roles and less studio overhead & more consolidations
	Game team offloads to global functions or hubs non-core operations where applicable	50 MSEK in realized annual run rate savings end of Q4 2024.	Annual run-rate savings of SEK 200-250 million by end of Q4 2025

	Actions	Further outcome
Growth initiatives	Game team goals aligned with franchise, BA and group goals	Clear route to return to organic growth
	Lower dependency on performance marketing	
	Focusing investments on key game franchises strengthens the growth trend	

Summary

Solid foundation to build on

1. Leaner and faster organization
2. Growth through key game franchises
3. Balancing growth with good cash flow
4. Stronger group capabilities and industry talent

The new reporting structure will create more transparency and clarity

Stillfront