Stillfront

# Annual report 2024

## Universe of positive gaming experiences

**About this report**

Stillfront Group AB (publ) 556721-3078 reports the group's financial and non-financial information in a joint report. The formal annual report consists of a board of directors report and financial statements on pages 66–101 and has been audited by external auditors. The Sustainability reporting forms an integrated part of this report and fulfills the requirement for a statutory sustainability report found in the Swedish Annual Accounts Acts. Key sustainability sections are located on pages 14–49.

**This is an interactive, clickable pdf. Moving between the different sections is easy with the help of a navigation menu at the top of the page.**

# Our company



# Stillfront in brief



## This is us

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by almost 47 million people every month.

Headquartered in Stockholm, Sweden, our games teams operate across the globe. The organization is since January 1, 2025 divided into three geographical business areas, Europe, North America and MENA & APAC. Our professionals thrive in an organization that embodies the spirit of innovativeness. Stillfront shares (SF) are listed on Nasdaq Stockholm.

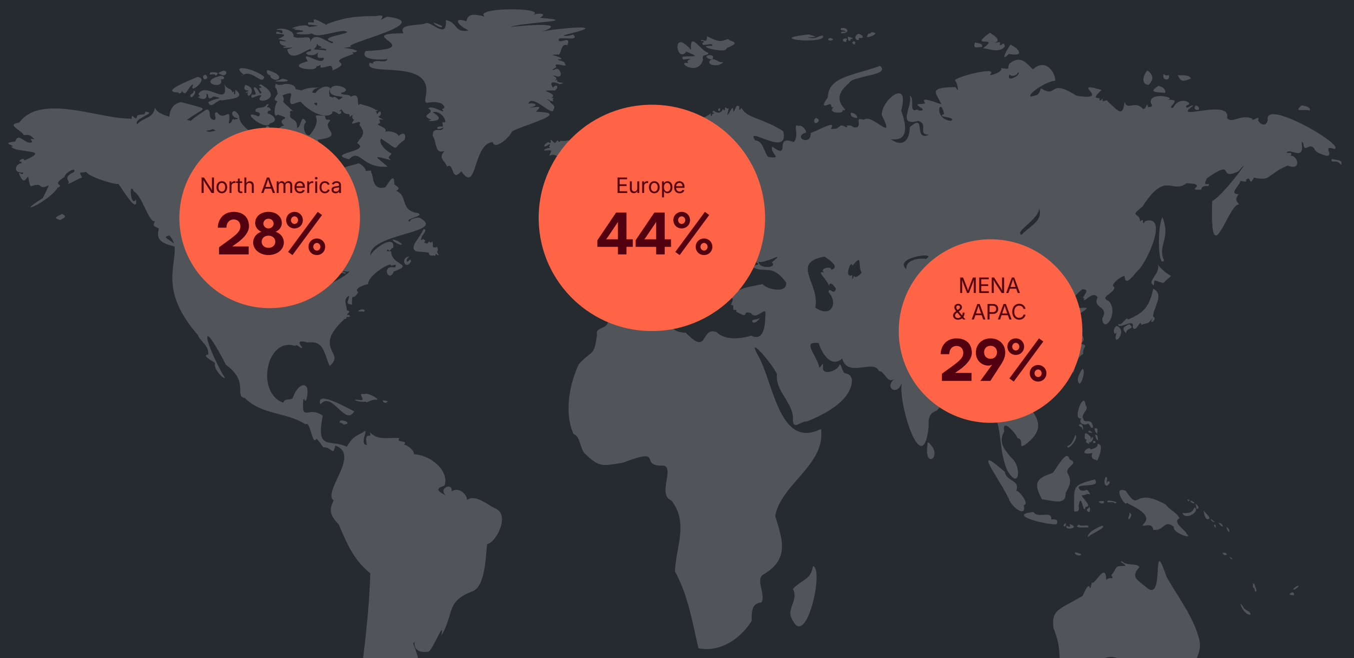
### Our mission

Gaming can be a rewarding hobby, a great social experience or a strategic challenge, which is why millions of people enjoy Stillfront's games every day. Our mission is to make a positive impact in our gamers' everyday lives. To achieve that we create social, entertaining and affordable games that can be enjoyed in a sustainable way.

### Our vision

Our vision is to build the best games company in the world. To do that, we connect and empower the best game teams around the world through our unique Stillops platform.

## Global presence




**Our mission is to make a positive impact in our gamers' everyday lives.**

**47m**
**monthly active users**

● % of net revenues, rounded number

Net revenues for a specific region include franchises and game teams that are managed by staff physically located within the same geographical area.

For more detailed information about us and our operations, our studios, and our games, please visit **stillfront.com**.

# The year at a glance

## Accelerating the synergy phase

In 2024, Stillfront announced actions to further accelerate its synergy phase, introducing a new organizational model with an optimized management structure and further strengthened shared services to support the core game teams. As of January 1, 2025, operations were divided into three business areas, enabling faster decision making and greater focus on key game franchises. Stillfront is also accelerating actions such as moving games that are in decline to lower cost locations, as well as addressing low performing games. In addition, Stillfront is rolling out Direct To Consumer (DTC) solutions to the larger Casual games as part of the optimization efforts. These combined efforts will ultimately drive organic growth and are expected to generate a run-rate of annual cost savings of 200-250 MSEK by the fourth quarter of 2025 compared to the second quarter 2024.

## Realized cost savings

During the second half of 2024, Stillfront executed cost saving actions that by year-end had an annualized run-rate of 50 MSEK in cost savings. The savings have mainly been achieved through reducing staff numbers, in particular at Storm8, and by divesting part of the Game Labs studio's assets and transferring the remaining operations to Imperia. As more actions are implemented during 2025, we expect the impact to increase gradually throughout 2025, further supporting our cash flow generation.

## Strong free cash flow

Stillfront continued to generate strong free cash flow for the full year which amounted to over 1 BSEK. The cash flow was used to pay off earn out commitments related previous acquisitions and debt.

## Strengthened financial position

In March, Stillfront issued 1,000 MSEK of senior unsecured bonds under a new bond framework of up to 2,000 MSEK, with final maturity in 2028. The proceeds were used to make an early redemption of the 2021/2025 bonds. In September, Stillfront extended its unsecured term loan facility agreement of 60 MEUR with Swedish Export Credit Corporation (SEK) by another year, until 2027. In November, Stillfront successfully issued 850 MSEK of new senior unsecured bonds also under a total framework of 2,000 MSEK, maturing in 2029. The proceeds were used to refinance parts of drawn amounts of Stillfront's existing multicurrency revolving credit facility. In December, Stillfront signed an unsecured revolving credit facility of 2,500 MSEK with maturity in June 2027 to replace the unsecured revolving credit facility of 3,750 MSEK provided under the facilities agreement entered into in December 2020. Combined, these actions ensure continued financial flexibility and an improved maturity profile of the debt portfolio.

## Product developments

During the past year, Stillfront reallocated resources to emphasize its key game franchises, leading to a reduction in the number of new game launches compared to prior years. The focus shifted towards key soft launches within these franchises, including Bitlife Go for the BitLife franchise, Ellen's Garden Restoration and enhancements for Supremacy. Beyond these main franchises, 6waves introduced Survival Tactics, which fell short of expectations, while Nanobit's launch of Too Hot to Handle Season 3, in partnership with Netflix, proved highly successful. Further, Playa started the soft launch of Mobile Dungeon for Shakes & Fidget.

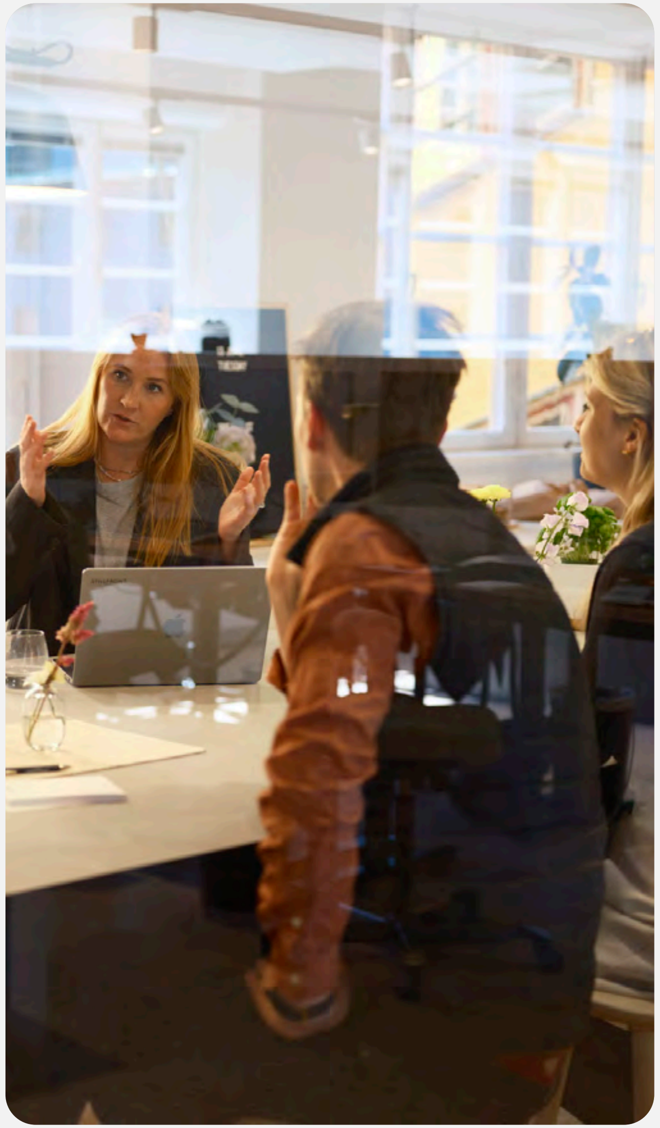
The company increased support for its existing live games within key game franchises, which facilitated the ongoing expansion of Sunshine Island, the introduction of the Albion Online EU server, and continuous growth within the Jawaker app, where new games were added. Jawaker, in particular, exhibited robust growth in 2024, both in terms of net revenues and adjusted EBITDAC. Despite minimal investment in user acquisition, the franchise maintained strong performance through the introduction of new games and social media features, achieving high monetization value.

Stillfront intensified its DTC initiatives by transitioning players to its proprietary payment solutions, which lowers direct costs and improves gross profit, particularly in the strategy product area. Over the year, a substantial portion of the player base was converted to the Stillfront payment solution platform, with ongoing efforts to further transition players, especially for games in the North American studios.

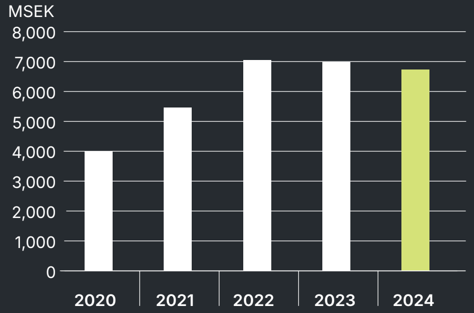
With the initiatives implemented in 2024, Stillfront has solidified its foundation, enhancing its current gaming portfolio and reinforcing the ongoing strategic efforts. This robust groundwork supports the company's stability and bolsters its capacity to maintain high-quality, engaging game offerings in the present market.


# Multi-year summary

| MSEK | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Net revenue | 6,737 | 6,982 | 7,058 | 5,455 | 3,991 |
| EBIT | –6,455 | 754 | 850 | 1,034 | 993 |
| Adj EBITDA | 2,256 | 2,510 | 2,595 | 2,124 | 1,697 |
| Capex | 598 | 805 | 996 | 620 | 444 |
| Adj EBITDAC | 1,658 | 1,705 | 1,599 | 1,503 | 1,252 |
| Profit before tax | –7,351 | 156 | 753 | 793 | 799 |
| Total assets | 16,370 | 22,605 | 24,126 | 20,049 | 12,366 |
| Total shareholders' equity | 7,483 | 13,846 | 14,242 | 9,795 | 6,146 |

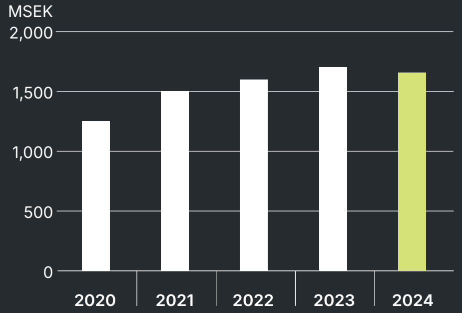


**Net revenue 2024**



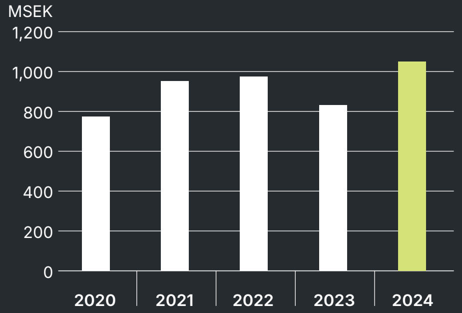

**6,737 MSEK**

**Adjusted EBITDAC 2024**




**1,658 MSEK**

**Free cash flow 2024**




**1,050 MSEK**

# Solid year with strong margins

**Dear Stillfront shareholders,**
I am excited to write to you on the back of a demanding but productive year for Stillfront. Throughout 2024, we navigated a complex gaming market and overcame challenges while laying a solid foundation for our long-term success.

During the year, net revenues amounted to 6,737 MSEK, reflecting an organic decline of 2 percent. Gross profit amounted to 5,371 MSEK with an organic decline of 1 percent as we continue to actively incentivize customers to migrate to our DTC channels. This shift contributed to gross margin improvement of 2 percentage points from 78 percent to 80 percent. Adjusted EBITDAC amounted to 1,658 MSEK with an adjusted EBITDAC margin of 25 percent, resulting in an improved margin of 1 percentage point driven by a better gross margin and a more efficient cost structure.

We delivered strong free cash flow generation, exceeding 1 BSEK for the year, which was an increase of 217 MSEK. This performance reinforces our financial resilience and ensures that we can continue to organically finance our existing earnouts and financial commitments while strengthening our balance sheet with an extended maturity profile.

**Strengthening our organizational structure**
In 2024, we initiated a transformation of our organizational structure to better align with our strategic priorities. Historically, Stillfront operated with a decentralized model built around product areas and individual studios. While this approach supported rapid scaling and M&A, it did not fully leverage our strengths as a global gaming company with shared resources and cross-market collaboration. To enhance efficiency and performance, we therefore transitioned to a new organizational structure from 1 January 2025 based on three geographical business areas: Europe, North America, and MENA & APAC. This shift provides a stronger foundation for operational excellence by fostering greater synergies across markets and optimizing resource allocation.

Europe is a solid business for Stillfront with strong margins on an annual basis but can experience short-term fluctuations depending on user acquisition allocation and product investment cycles. The business area has well-established key game franchises where we see good growth potential in the medium to long-term. In North America, we face challenges, especially within our Word and Home Design Makeover franchises. Under new leadership, our focus will be on strengthening our key game franchises, optimizing user acquisition investments, improving EBITDAC margins and enhancing player experiences. This will be driven partly by expanding our DTC sales. In Q1 2025, we concluded that an impairment of goodwill of 6.9 BSEK was needed in North America due to the weaker than expected performance and the fact that we now report three separate cash-generating units instead of just one under the previous reporting structure. MENA & APAC is the growth engine of the group led by Jawaker and Moonfrog. With strong execution and high margins, we will maintain the autonomy at Jawaker as they continue to develop and improve their super app, which today consists of around 50 in-app games and social media functions. As for Moonfrog, we will intensify our efforts to grow the Board franchise and its own super app.

> "An adjusted EBITDAC margin of 25 percent, resulting in an improved margin of 1 percentage point driven by a better gross margin and a more efficient cost structure."
>
> **Alexis Bonte**
> President and Group CEO, Stillfront Group

In 2024, we divested certain assets, consolidated six studios, reducing the total from 22 to 16, and achieved an annualized run-rate in cost savings of 50 MSEK toward our target of 200–250 MSEK. Moving into 2025, we will continue streamlining operations by removing duplicate roles, reducing overhead, and establishing regional hubs to enhance collaboration across studios and geographies.

**Updated gaming portfolio**

With the new strategic shift, we will focus more on developing new games and improving existing ones within our key game franchises where we see the biggest potential for growth. We already started this in 2024, witnessing the beginning of a wave of soft launches and improvements within existing key game franchises such as BitLife Go, scaling Sunshine Island, launching Ellen's Garden Restoration, launching the Albion Online EU server and new games within the Jawaker app. Outside of our key game franchises we launched 6waves's Survival Tactics which fell short of our internal expectations. Conversely, we celebrated a significant win with Nanobit's launch of Too Hot to Handle Season 3, a collaboration with Netflix that exceeded our performance metrics, and the encouraging soft launch of Mobile Dungeon for Shakes & Fidget. Looking ahead, we will continue to critically assess our portfolio of soft launches, making informed decisions to refine or expand these projects and existing games. We are particularly excited about upcoming launches within the key game franchises in our European operations, where we see growth potential later this year. The key to these initiatives and strategic decisions will be to build long-term value through focused innovation and robust market engagement.

**Building a sustainable gaming business**

Sustainability remains at the core of our business, guiding our strategy and daily operations through our three overarching priorities: social and employer responsibility, responsible business, and climate action. These priorities help us mitigate risks while driving positive change for our business, communities, and the environment. In 2024, our commitment to climate action was reinforced as the Science Based Targets initiative (SBTi) validated

> "We're building a stronger foundation with a leaner and more efficient organization together with fewer and more focused studios coupled with clear aligned goals."
>
> **Alexis Bonte**
> President and Group CEO, Stillfront Group

Stillfront's near-term science-based emissions targets, aligning our efforts with the goals of the Paris Agreement. We also made significant strides in strengthening our organization, including the investment in a new human resources information system to enhance data-driven decision-making across our teams. Furthermore, sustainability is now directly linked to our long-term value creation, as the annual general meeting resolved to integrate sustainability targets into Stillfront's long-term incentive program, emphasizing key areas such as employee satisfaction, wellbeing, and high standards in data privacy and security. As we approach a new regulatory landscape, we have further enhanced our sustainability reporting to align with the upcoming European Sustainability Reporting Standards (ESRS), ensuring transparency and accountability as we prepare for full compliance in 2025.

**Focus going forward**

Despite seeing headwinds on the revenue side, we observed organic growth in our key game franchises during 2024. This is the area where the management team and I will spend the majority of our time going forward in order to make sure that Stillfront returns to growth. With our new organizational structure and focus, we have common goals and better alignment across franchises, business areas and the group. We will also invest more in our key game franchises to enhance our growth potential as we see a more loyal player base with more monetization opportunities. This means moving to a product-led strategic mindset that will require some improvements in our existing games in order to achieve long term benefits. As I have stated previously when we released our Q4 2024 report, we deem that there is a risk of seeing an accelerated YoY organic decline in Q1 2025 compared to Q4 2024, with a gradual improvement of organic growth throughout the year starting from Q2 2025. We have already begun tackling the challenges that held us back, and while there is more to do, the early results are promising. We are building a stronger foundation with a leaner and more efficient organization, together with fewer and more focused studios, coupled with clear aligned goals. This sets us up for long-term success. Looking ahead, I am excited about our potential and confident in our ability to unlock greater value for all our stakeholders.

Thank you for your invaluable support.

Best regards,
**Alexis Bonte**

# Market, business and operational model

## Our market

The games industry is one of the largest entertainment industries globally and is growing as more and more people discover the joys of digital games. Stillfront focuses on F2P (free-to-play) games, which is the largest and fastest growing segment within the games industry. We develop games primarily for mobile platforms with diverse audiences mainly aged 16 and above.

Stillfront operates in a highly competitive market, in which we compete with both other game companies and other forms of digital entertainment. The industry is consolidating and Stillfront has taken an active role in this development. We have a strong track-record of acquiring and unlocking growth and synergies from independent game studios.

**We have a broad and diverse audience. During 2024, almost 47 million gamers all over the globe enjoyed our games every month.**

## Our value creation

We are guided in all business decisions by our mission to make a positive impact in our gamers' everyday lives, through creating a social, entertaining and affordable gaming experience.

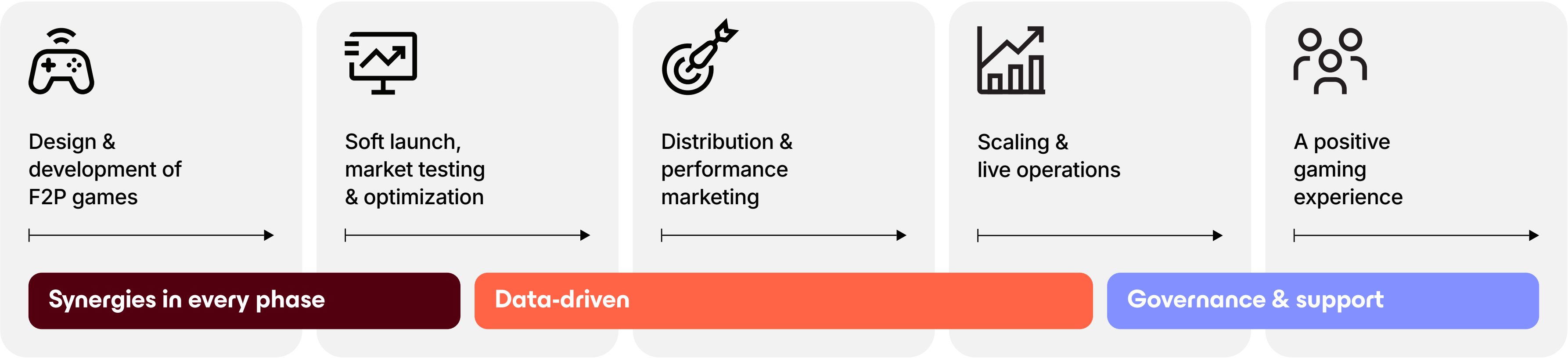
F2P games allow the gamer access to the game without paying for it, with the option to conduct micro-transactions. Some users are willing to make purchases or pay for access to new content throughout the lifetime of the games whereas others are monetized through advertising inventory.

Developing, operating and scaling F2P games is an iterative and data-driven process with minimal initial investments. When Stillfront develops new games, our teams work with market tests and so-called soft launches, where games are evaluated in an early phase with a real audience. This approach enables us to allocate new product investments to the most promising new games early in the development cycle, while avoiding large investments in unsuccessful new game projects.

Our game studios typically develop and publish games in-house or in cooperation with other studios in the group. Stillfront manages marketing in-house through strong performance marketing expertise. Our portfolio approach to UAC (user acquisition cost) enables the ability to dynamically reallocate UA spend between marketing channels and games based on performance, allowing higher overall spending levels with continued strong returns.

The portfolio mix enables diversified revenue streams and strong cash flows without having to depend heavily on the success of a few specific titles. Recurring revenues, at a low cost, are driven by the ability to retain users over a longer period and our game teams work actively with updating and adding content to our games, what we call live operations.

We grow our revenues by both attracting new gamers that play our games, as well as through live operations. We have also grown by adding more games and broadening our genres of games, both organically and through carefully selected and executed acquisitions. This is accelerated by synergies and collaborations between the studios. Stillfront's focus is on developing our largest franchises, which grow the fastest. The remaining portfolio does not drive our growth but instead continuously contributes with healthy margins and strong cash flows.



# Our operational model

Stillfront connects and empowers the best game teams globally through our established Stillops platform, enabling collaborations and creative exchanges between our game teams across the world. The company is since January 1, 2025 divided into three geographical business areas, Europe, North America, and MENA & APAC. Each business area is led by an Executive Vice President reporting directly to the CEO.

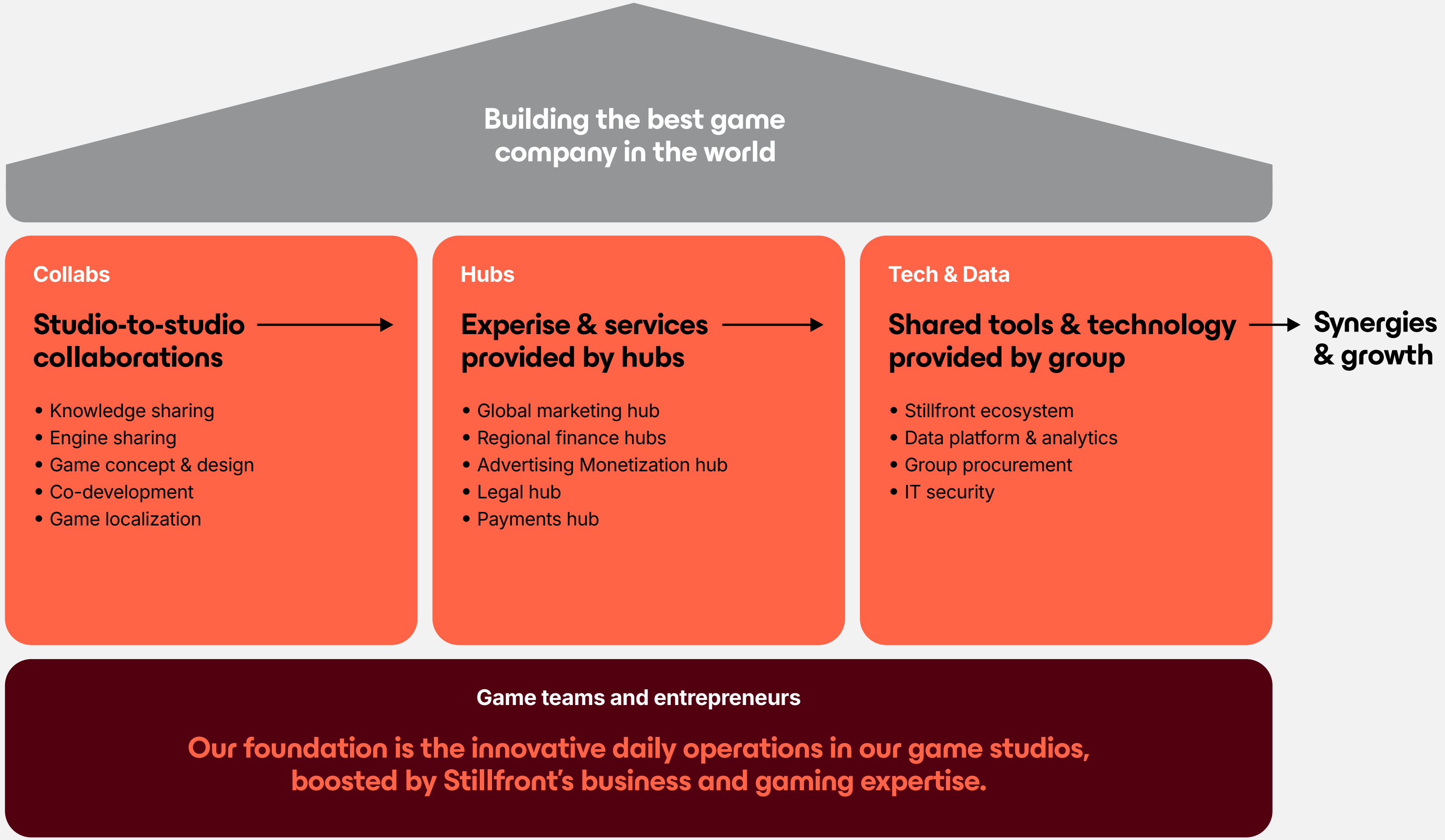
Stillfront's operational model relies on innovativeness, scale, and structure as well as synergies. By adding scale and structure, as well as access to shared knowledge and services, we unlock growth for our game teams by enabling them to focus on what they do best: game design and development, live ops and customer service. Our game teams have access to global reach and a vast amount of resources, data, knowledge and tools, while game development and decision-making is done as close as possible to our gamers and game communities.

This operational model is called the Stillops platform. The platform consists of three main pillars;

- Collabs (studio-to-studio collaborations such as engine sharing),
- Hubs (expertise and services provided by hubs such as our central performance marketing experts), and
- Tech & data (shared tools and technology provided by the group such as our data and knowledge sharing platforms).

The Stillops platform enables synergies across our game teams, whilst the distributed approach ensures speed and enables us to leverage each game teams' strengths. By having access to user data derived from several billion game downloads across our diversified portfolio, our game teams can share best-practice across geographies and benefit from collaborating with each other. Our strong brands and marketing skills in the F2P model, paired with our successful Stillops platform and strong track-record of value creating acquisitions, provide a good foundation for continued growth in the years to come.

## We connect and empower the best game teams around the world through our unique Stillops platform.



# How we create and measure synergies

The Stillops platform enables synergy creation across our organization. Stillfront creates synergies both on the revenue side and on the cost side.

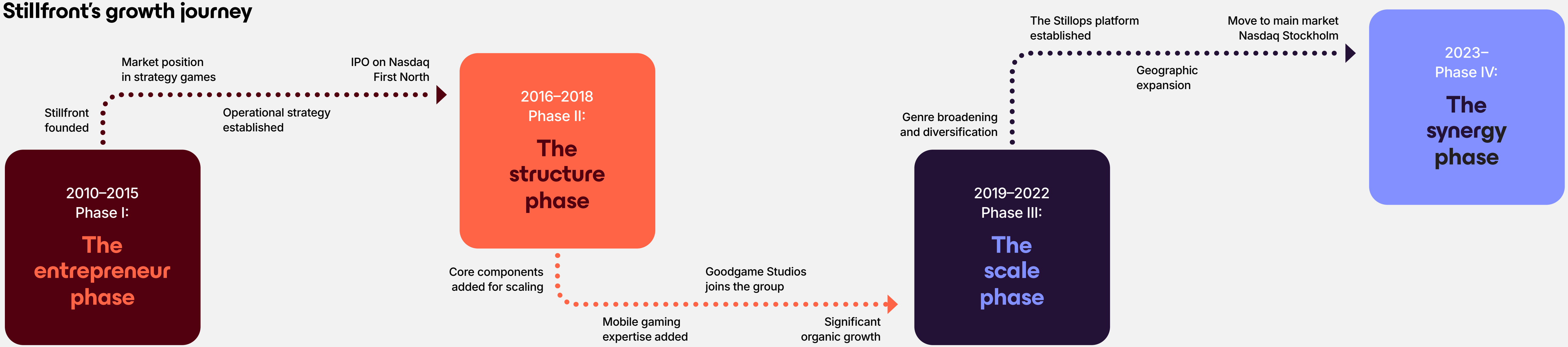
**Revenue synergies**
Revenue synergies mostly comprise of revenues created by two studios working together on a specific game project. Revenue synergies can also be incurred by cross promotion.

**Cost savings**
Cost saving synergies are incurred by avoiding external costs – i.e. the cost savings provided by utilizing internal shared services instead of sourcing the same services externally or managing such a function at the studio level. Cost saving synergies are also incurred when costs are saved on more favorable group terms, compared to if a studio would procure a service as single entity. In addition, Stillfront started executing on a cost savings program in Q3 2024 that is expected to yield a run-rate of 200-250 MSEK in annualized cost savings at the end of 2025 compared to the end of Q2 2024.

**Examples of Stillfront's cost synergies in 2024**

- Stillfront's Marketing Hub, where Stillfront's marketing team is used instead of an external marketing agency.
- Stillfront's Payment Hub, where Stillfront's proprietary payment services are used instead of external payment platforms.
- Shared services such as our Regional Finance Hubs where local overhead costs are avoided.
- Advertising Monetization Hub, where the internal resources are used rather than an external advertisement agency.
- Group deals where the group as whole negotiates contracts, using our benefits of scale, to create favorable terms otherwise unattainable for single studios.
- Utilizing Stillfront's wide presence to move certain games to lower-cost locations, enabling the deployment of more resources on games to a lower cost.

## Stillfront's growth journey



# Financial targets

In connection with the Capital Markets Day in February 2023, Stillfront announced updated financial targets. Stillfront's updated financial targets will be followed up annually and are valid until further notice.

## Growth

Annual organic revenue growth above addressed market (supported by selective and accretive M&A). In 2024, Stillfront's addressed market grew by approximately 5 percent. Stillfront's addressed market is defined as the global mobile games market excluding China (for additional info, see Outlook section on page 68).

### Target

**Organic growth**

>market

### Outcome 2024

**Organic growth**

–2.5%

## Profitability

Annual adjusted EBITDAC margin in the range 26-29 percent. Stillfront's Adjusted EBITDAC is defined as profit before interest, tax, depreciation, amortization, less capitalized product development, adjusted for items affecting comparability.

### Target

**Adjusted EBITDAC margin**

26–29%

### Outcome

**Adjusted EBITDAC margin**

24.7%

## Leverage

Leverage ratio below 2.0x (including cash earnouts next 12 months). Stillfront's leverage ratio is defined as net interest-bearing debt, including short-term cash earnout payments, in relation to the last twelve month's Adjusted EBITDA pro forma. Stillfront may, under certain circumstances, choose to exceed this level during shorter time periods.

### Target

**Net debt /adjusted EBITDA ratio**

<2.0x

### Outcome

**Net debt /adjusted EBITDA ratio**

2.10x

# Sustainability statement



Albion Online

# General information

# Basis for preparation

Stillfront's sustainability statement for 2024 constitutes Stillfront's statutory sustainability report according to the Swedish Annual Accounts Act. The statement has been developed with reference to the European Sustainability Reporting Standards (ESRS). ESRS is part of the Corporate Sustainability Reporting Directive (CSRD), which has been adopted by the EU Commission and will formally come into effect for the financial year 2025. This statement seeks to report currently available information that is requested in the ESRS standards, as a step in preparing for full compliance in the financial year of 2025. Please note that this statement is not fully compliant with ESRS. In the future, the ESRS reporting is to be digitally tagged and to undergo third party assurance, subject to any consequences of the EU Commission's proposed changes in the so-called Omnibus proposal.

The sustainability statement has the same scope as the financial reporting. It includes all subsidiaries and covers the period from 1 January to 31 December 2024.

The basis for Stillfront's sustainability reporting is continual stakeholder dialogue and Stillfront's materiality assessment.

All greenhouse gas data points (GHG scope 1–3) are reported based on the Greenhouse Gas Protocol. Stillfront uses assessments, extrapolation and estimates for the reporting of some data points, for example data points in the EU Taxonomy on Sustainable Finance and scope 3 emissions where actual data was unavailable. As a result, the methodologies and processes used to collect, analyze, and report data in the environmental information section may vary from year to year. As Stillfront continue to integrate and refine processes, the scope of data reporting may also change, leading to potential variations in the data presented. Users of this sustainability report should be aware that the information may not be directly comparable between different reporting years due to the aforementioned potential differences in data collection and reporting methodologies. Readers are encouraged to consider these variations when comparing sustainability performance over time. The estimations and judgements are regularly reassessed based on experience, the development of ESG reporting and increased data quality.

# Business model, strategy and value chain

## Building a sustainable gaming business

Stillfront is a global gaming company, holding a broad games portfolio that is enjoyed by almost 47 million people every month. Stillfront's portfolio consists of 16 studios with 10 key game franchises, spanning over many different genres. The target audiences of Stillfront's games are adults, aged 16 and above. Stillfront's games are predominantly within the free-to-play (F2P) segment and the main geographical regions include Europe, North America, MENA (Middle East and North Africa) and APAC (Asia–Pacific).

Stillfront combines individual and well-run game studios and teams with support by a global group, offering an ecosystem of talent and know-how. Key to our business is our talent. We are dependent on attracting, developing, and retaining talent, which is why it is crucial for us to offer an attractive, competitive, and healthy workplace. Stillfront's core expertise is to develop digital games and most of our core disciplines within game production, including design, development and marketing, are conducted internally. Stillfront's games are primarily published and distributed on external platforms such as app stores.

Stillfront's upstream supply chain mainly consists of energy providers, office tenants, providers of electric equipment and data server and hosting services. Stillfront's business partners include technology providers such as Unity, platform providers such as Apple, Google and Steam, as well as advertising networks. Stillfront emits GHG (greenhouse gas emissions) through its operations both directly (office premises and business travel e.g) and indirectly in its value chain. The most significant source of emissions is within use of sold products which are related to the players energy consumption when playing a Stillfront game. Networks and data centers are other major sources of GHG emissions.

## Value chain

### Upstream

- Purchasing hardware equipment such as electronic devices and office material, involves mining and extraction of raw materials such as metals and rare earth elements.
- Purchasing energy for data centers and servers.
- Landlords

### Own operations

- Design and development of digital games.
- Sales and marketing.
- Studio management and administration.
- Business travel, company cars and refrigerants.

### Downstream

- Distribution and publishing by third party such as Apple, Google and Steam.
- Consumer / product use.
- Electronic waste.
- Circularity "reduce, reuse and recycle".

# Interest of stakeholders

Open and continuous dialogue with key stakeholders is vital to proactively and effectively identify concerns, as well as to track global trends and market expectations. Stillfront has a frequent dialogue with stakeholders to ensure their interests and views are considered when formulating and amending the sustainability strategy, supported by targets. The results of the stakeholder views are presented to Stillfront's executive management team and board of directors annually. Depending on the stakeholder, Stillfront uses different methods to engage and organize. The frequency of engagement also varies from stakeholder to stakeholder. The purpose and usability of the outcome from engagement varies, however the overall purpose is to ensure alignment between stakeholders and their views with Stillfront's views and strategy.

The table below illustrates Stillfront's most important stakeholders, engagement, and organization as well as the purpose of engagement and use of the findings. In 2024, Stillfront continued to map and align stakeholder views on the material areas concluded in the double materiality analysis from 2023.

| Stakeholders | Engagement and organization | Purpose and outcome |
|---|---|---|
| Current owners/investors | Regular meetings and dialogue. | Ensure alignment on Stillfront's risks and opportunities from an impact as well as financial materiality perspective. Communicate target achievement and fulfillment of sustainability performance targets. |
| Lenders/banks | Regular meetings and dialogue. | Ensure alignment on Stillfront's risks and opportunities from an impact as well as financial materiality perspective. Communicate target achievement and fulfillment of sustainability performance targets. |
| Players/users | Regular customer dialogue and interaction. Customer surveys, customer studies, polls and regular interaction. | Customer experience is pivotal to improve sustainability performance. Communicate focus and achievements. |
| Employees | Regular engagement with employees, including quarterly engagement surveys. Yearly talent reviews. | The employee perspective means to see sustainability from the lens of the everyday business operations which supports the development of the sustainability strategy. Communicate targets and achievements. |
| Authorities | Review and assess emerging sustainability related regulations and requirements. | Ensure compliance with existing and future legislation and awareness of potential risks and opportunities that may be driven by regulation. |
| Suppliers/partners | Regular dialogue with suppliers and business partners. | Monitor and review suppliers' matureness and best practices. Ensure alignment on Stillfront's sustainability strategy and targets as well as alignment on code of conduct for suppliers. |
| Sustainability organizations<br>such as Science Based Targets initiative, SBTi, UN Global Compact e.g. | Yearly review of compliance with the standards in Global Compact. Target achievements according to the targets validated by SBTi. | Ensure compliance and implementation of global high-qualitative standards and frameworks. Communicate alignment and target achievements on an annual basis. |
| Potential new investors | Regular reporting, meetings and dialogue. | Educate on Stillfront's material sustainability topics, risks and opportunities. Communicate targets and achievements. |

# Material sustainability matters

## Assessment process

Stillfront assesses material impacts, risks and opportunities on an annual basis. In 2024, a yearly review has been conducted and the material impacts, risks, and opportunities identified in the assessment form the basis for the sustainability reporting.

Impact on people and environment were evaluated using scale, scope and irremediability determining the severity of an impact as well as likelihood for potential impacts. The evaluation of impacts relied on internal expertise within different areas such as supplier management, product, human resources, IT and security, community involvement and legal. The assessment also considered external industry reports, customer studies, employee engagement and wellbeing studies, peer benchmarks, legislation, and frameworks. The process involved workshops as well as qualitative interviews.

In the financial materiality assessment, risks and opportunities were assessed by the magnitude of the financial consequence as well as likelihood. The financial materiality assessment was based on a short and medium-term perspective which highlighted the most urgent topics.

Based on the input collected, a threshold value for the topics was defined, above which the topics were deemed material and as such a basis for our reporting. A topic is material if Stillfront has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on Stillfront that are likely to influence its future cash flow.

Stillfront has a multitude of interactions across the value chain: suppliers, partners, customers, and our own operations and interactions related to the end-of-life process. Stillfront's supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks, and opportunities.

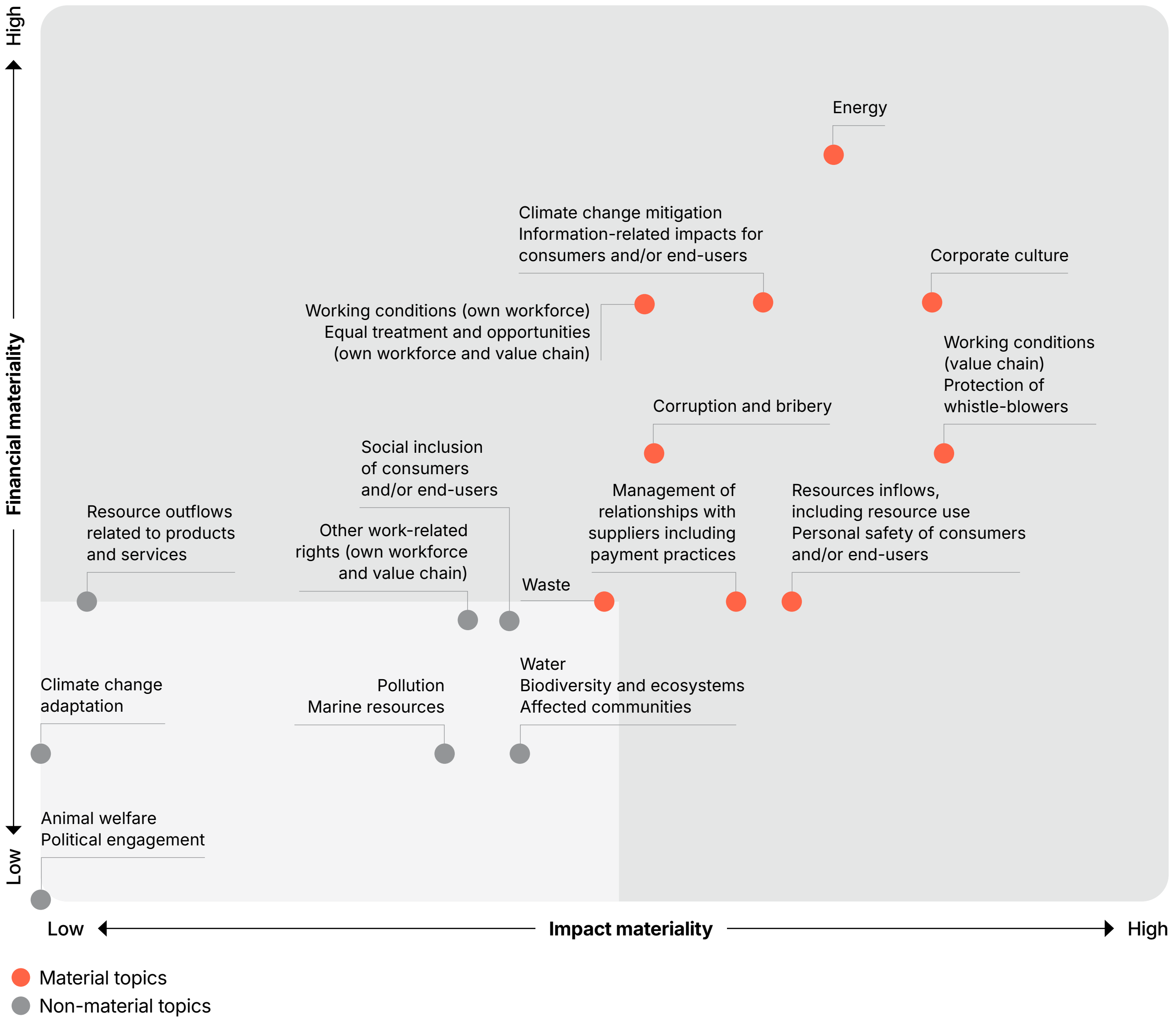
## Material impacts, risks and opportunities

The materiality assessment concludes in total six material topics:

- Climate change
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Consumers and end users
- Business conduct

Within the six main material areas, we have identified sub-topics that are material for Stillfront. In the next pages, we provide a high-level description of the topics and sub-topics.

**Result double materiality assessment**



# Description of material impacts, risks and opportunities

## Environmental

| Description of impact, risk and opportunity | | Value chain |
|---|---|---|
| **Climate change (E1)** | | |
| Climate change mitigation | The most significant source of emissions is within Scope 3.11 use of sold products, and are related to the players energy use when playing the Stillfront games. Through Stillfront's own operations, data centers and hosting are a source of GHG emissions. Stillfront contributes to global warming and there is a risk not being able to decrease the emissions and not contribute to the Paris Agreement. | **Own operations**<br>**Downstream** |
| Energy | Shortages of electricity could impact Stillfront's value chain since it is dependent on a global digital environment. Risks might occur mainly related to energy demands of upstream suppliers and players when using the products. Digital gaming relies on data centers and servers that require significant energy for cooling and maintenance. Risks include the inability to reduce our carbon footprint through energy efficiency improvements and renewable energy sources. Increased reuse of game engines, product development gains due to AI are important opportunities. | **Upstream**<br>**Own operations**<br>**Downstream** |
| **Resource use and circular economy (E5)** | | |
| Resource inflows, including resource use | Stillfront has an impact on resource use, both in the upstream value chain where the electronic devices and office materials used by Stillfront employees are produced, as well as in the downstream value chain where gamers rely on electronic hardware. The production of hardware involves mining and extraction of raw materials such as metals and rare earth elements. This impacts resource flows and use of resources. Through the resources needed to operate its business, Stillfront inevitably has a negative impact on the environment through its resource inflows. | **Upstream**<br>**Downstream** |
| Waste | Stillfront and the industry contributes to electronic waste generation. As technology advances, gamers frequently upgrade their hardware, leading to the disposal of older gaming consoles, PCs, and accessories. Improper disposal can lead to environmental pollution and the release of hazardous substances to local environments. This is mainly a direct issue from Stillfront's subsidiaries, but also in Stillfront's value chain (upstream). | **Upstream**<br>**Own operations** |

## Social

| Description of impact, risk and opportunity | | Value chain |
|---|---|---|
| **Own workforce (S1)** | | |
| Working conditions | Industry risks include for example excessive working time and work-life balance. Stillfront's immediate value chain includes consultants, contractors and other workers supporting the HQ and studios. Stillfront suppliers of hardware which include rare earth materials and potentially conflict materials, could potentially pose a risk for child labor and forced labor, although Stillfront's ability to control or manage the impact is low. | **Own operation** |
| Equal treatment and opportunities for all | The gaming industry as well as Stillfront may be related to negative impacts on gender discrimination and equal treatment as a result of a historically male dominated industry. It is key for Stillfront to ensure equal treatment and opportunities to be able to recruit talented employees. Also important to ensure that all employees share equality and diversity values, to ensure bias free recruitment of e.g., consultants. Equality, diversity and inclusion are also key for Stillfront's mission to create a positive gaming experience for the players when playing games and participating in the communities. | **Own operation** |
| **Workers in the value chain (S2)** | | |
| Working conditions | Stillfront requires suppliers and business partners to abide by the supplier code of conduct, either by confirming their compliance with Stillfront's supplier code of conduct, or by providing sufficient evidence that a code of conduct of similar nature is applied and followed at the supplier or business partner. Operating globally introduces the complexity of navigating through the local differences in standards, rules, and regulations. Differences in labor laws and safety standards across countries can lead to inconsistencies in how sustainability is integrated across the supply chain and can further lead to decreased transparency in regions with less regulations. Stillfront's suppliers of hardware, which include rare earth materials and potentially conflict materials, could potentially pose a risk for child labor and forced labor, although Stillfront's ability to control or manage the impact is low. | **Upstream** |

## Social (cont.)

| Description of impact, risk and opportunity | | Value chain |
|---|---|---|
| **Workers in the value chain (S2) (cont.)** | | |
| Equal treatment and opportunities for all | Ensuring equal treatment and opportunities for all employees is key in creating a positive workplace. Important to ensure that all employees share equality and diversity values across the global operations. Industry risks could potentially include risk of discrimination and harassment. | **Upstream** |
| **Consumers and end-users (S4)** | | |
| Information-related impacts for consumers and/or end-users | Data privacy and data protection are of utmost importance to Stillfront. Stillfront is continuously striving to maintain the highest standards to protect its players from cyberattacks and card fraud when playing Stillfront's games. Being subject to a cyberattack or having personal user data stolen could result in negative impacts with possible legal implications. | **Downstream** |
| Personal safety of consumers and/or end-users | Stillfront has an important role to establish positive environments and protect users from facing an unsafe environment and unhealthy behavior. Gaming addiction and negative impact on personal finances are present within the gaming industry and thus there is a risk of Stillfront being connected to such issues by being part of the industry. Stillfront is dependent on platforms and business partners in terms of marketing and distribution of the games and Stillfront's ability to control or manage negative impact is sometimes limited. | **Downstream** |

## Governance

| Description of impact, risk and opportunity | | Value chain |
|---|---|---|
| **Business conduct (G1)** | | |
| Corporate culture | Stillfront has a robust governance model and the subsidiaries are fully owned by Stillfront and share the same business principles and culture. Stillfront has a policy program and speak-up system in place and trainings and follow-ups are conducted regularly, which helps the group to address potential negative impact. | **Own operation** |
| Protection of whistle-blowers | Stillfront has a whistleblower function (a speak-up system) in place and conducts regular trainings with all employees to ensure understanding and commitment to Stillfront's business conduct and values. | **Own operation** |
| Management of relationships with suppliers | By establishing strong relationships with reliable suppliers, Stillfront can reduce the risk of delays and disruptions locally and globally. By working with suppliers who share the group's values and commitment to sustainability, we can reduce or otherwise manage our environmental impact and support our sustainability targets. | **Upstream**<br>**Own operation** |
| Corruption and bribery | Corruptive behavior may occur in the value chain, especially in countries with low transparency indexes. Stillfront operates in many markets and geographical regions. High anti-bribery and anti-corruption standards are key. | **Upstream**<br>**Own operation** |

# Sustainability governance

## Governance model, roles and responsibilities

Stillfront's board of directors is overall responsible for Stillfront's business strategy, in which sustainability is integrated. The board is also responsible for Stillfront's key policies and steering documents including the Code of Conduct, Supplier Code of Conduct, Sustainability, HR, Data Protection & Privacy as well as Anti-bribery and Anti-corruption policies. The FAIR (Forum & Communities, Age protection, Inclusion & Diversity, Responsible Marketing and Monetization) guidelines are the primary steering document for how to operate the games and forums in a responsible manner and comprise the values and principles that serve as Stillfront's base as a responsible games company. The board decides on overall objectives and key performance indicators which are disclosed annually in the sustainability report. In 2024, the board of directors and the executive management team, addressed material topics such as, climate reduction activities in accordance with the near-term carbon reduction targets, validated by Science Based Targets initiative, SBTi, transition plans and engagement with Stillfront's supply chain. During the year, the board adopted a revised policy package including adopting a new code of conduct for suppliers that will be effective 1 January 2025.

Stillfront's executive management team is responsible for the execution and implementation of the sustainability strategy. The executive management team is responsible for carrying out sustainability due diligence, conducting double materiality assessment and defining Stillfront's sustainability strategy and action plan, which is reviewed annually. The executive management team is, together with the board of directors, responsible for ensuring that sustainability impact, risks and opportunities are integrated in the company strategy and processes. Sustainability risks are addressed in the enterprise risk assessment conducted annually by the executive management team and are overseen by the board of directors. Stillfront's executive management team owns the agenda for prioritizing the group's material sustainability topics and developing tools and processes that guide the head office and the subsidiaries. In 2024, the executive management team was responsible for implementing a new groupwide HR platform in order to establish seamless processes within talent management and retention.

The composition, expertise, experience and diversity of the board of directors and executive management team are presented in the corporate governance report on page 57 and 58 respectively. These pages also present independence with regards to board members and responsibility for monitoring, measurement and control of the operation's impact, risk and opportunities.

The sustainability strategy and action plans are implemented by Stillfront's HQ and subsidiaries. The management teams of the subsidiaries are responsible for implementing Stillfront's policies and guidelines as well as monitor and measure activities. Stillfront's subsidiaries are very active in the dialogue with the players and they run various campaigns and activities together with the players on for example climate impact in the gaming industry.

**Basis for sustainability initiatives**

As a responsible games company, Stillfront is to promote sustainable development. Stillfront regards the precautionary principle, as well as statutory and regulatory requirements, as a minimum standard. Effective sustainability initiatives require Stillfront to:

- Act in accordance with the UN Global Compact.
- Adopt and implement carbon emissions targets in line with the Paris Agreement via the Science Based Targets initiative, SBTi.
- Comply with Stillfront's code of conduct and the supplier code of conduct. All Stillfront's employees and business partners must understand and comply with their respective codes of conduct.
- Continually increase competence in sustainability through communication of sustainability issues.
- Routinely monitor, report on and improve the company's sustainability initiatives.

**Governing documents**

- Code of Conduct
- Supplier Code of Conduct
- Sustainability policy
- HR policy
- Data Protection & Privacy policy
- Anti-bribery & Anti-corruption policy
- Speak Up policy
- FAIR (responsible gaming) guidelines

## Sustainability-related performance in incentive schemes

Stillfront's remuneration guidelines govern the remuneration to the executive management team and senior executives and links compensation to Stillfront's business strategy, sustainability, long-term interests and long-term value for its shareholders. Stillfront's sustainability targets and ambitions are incorporated into the remuneration framework. In May 2024, Stillfront's annual general meeting adopted a long-term incentive program for 2024–2028, depending on sustainability related performance targets including employee satisfaction and data privacy and security. The program includes the CEO, senior executives and key personnel within Stillfront. More information about remuneration and the incentive programs is available in the corporate governance report, on pages 57 and 58.

## Risk management and internal control of sustainability reporting

Since 2024, the sustainability reporting is governed by Stillfront's enterprise risk management system and internal controls framework. In cases where data is not available in time or at all, Stillfront uses best estimates or extrapolation to provide the most accurate disclosures possible. The company's auditors annually issue an Auditor's report based on FAR's auditing standard RevR 12, confirming that a sustainability report has been prepared.

Stillfront uses internationally recognized standards to support the calculation of relevant datapoints. Furthermore, Stillfront uses external experts to calculate GHG emissions. All datapoints are reviewed in comparison to previous periods and expected results to assess validity. Stillfront's prioritization of completeness, data accuracy and timely data is based on materiality. Stillfront reports on progress on the ESG strategy and metrics to stakeholders on a yearly basis.

## Statement on due diligence

| Core elements of due diligence | | Page |
|---|---|---|
| Embedding due diligence in governance, strategy and business model | • Overseeing sustainability strategy and targets.<br>• Integration of sustainability-related performance targets in incentive programs.<br>• Material impacts, risks and opportunities and alignment with strategy and business model. | 21, 22, 18–19 |
| Engaging with affected stakeholders | • Overseeing sustainability strategy and targets.<br>• Interest and views of stakeholders.<br>• Description of the processes to identify and assess material impacts, risks and opportunities.<br>• Policies related to material topics.<br>• Stakeholder engagement related to material topics. | 17–18, 21, 25, 28, 30, 34, 35, 38–39 |
| Identifying and assessing negative impacts on people and the environment | • Description of the processes to identify and assess material impacts, risks and opportunities.<br>• Material impacts, risks and opportunities and alignment with strategy and business model. | 18–19 |
| Taking action to address negative impacts on people and the environment | • Actions related to material topics. | 25, 28, 30, 34, 35–36, 38–39 |
| Tracking the effectiveness of efforts | • Targets related to material topics.<br>• Metrics related to material topics. | 26–28, 31–34, 36, 39 |

# Environmental information

# EU Taxonomy

Stillfront has been in scope for the EU taxonomy since 2021. By screening our business activities, we have concluded that our activities as a developer and publisher of digital games are not covered by the Climate Delegated Act and consequently are Taxonomy non-eligible.

Turnover in Stillfront is considered as non-eligible. Capex in real estate in the form of additions to right-of-use assets for office premises is considered as eligible (according to activity 7.7, Acquisition and ownership of buildings in Annex I), whereas all other Capex in Stillfront is non-eligible.

Opex in Stillfront is for all practical purposes considered as non-eligible since Opex as defined in the EU Taxonomy is considered as not material for our business model. As a publisher of games, our business model does not in general lead to expenditures related to maintenance, repair or similar.

**Taxonomy alignment**

For the eligible Capex activities, obtaining evidence that supports a substantial contribution has largely not been possible. The same applies to the "Do no significant harm" (DNSH) criteria for Taxonomy-aligned activities where we have not obtained evidence that supports the assumption of DNSH. Therefore, the proportion of our Capex that is eligible, is reported as Taxonomy non-aligned.

See pages 41-43 for the taxonomy tables

**Definitions**

**Turnover**

Total Turnover corresponds to Net revenues in the Consolidated statement of comprehensive income in the financial statements. See also note 5 in the financial statements.

**Capex**

Total Capex corresponds to additions, including business combinations, to balance sheet items intangible assets excluding goodwill, and equipment, tools, fixtures, and fittings, before depreciation, amortization, or impairment, as specified in notes 14 and 17 (lines Acquisition of companies, Internal development in the year, and New acquisitions) to the Consolidated statement of financial position, complemented by additions/ changes to right-of-use assets as specified in note 16.

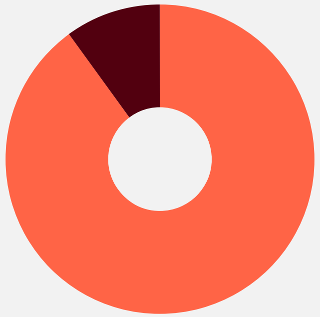
**Opex**

Total Opex corresponds to non-capitalized short-term leases (see note 16), maintenance, and repair costs and other direct costs for the day-to-day servicing of equipment, tools, fixtures, and fittings.

**Turnover**

Non eligible, 100%

**Capex**



Non eligible, 90%
Eligible (non aligned) 10%

**Opex**

Non eligible, 100%

# Climate change

## Our approach

Stillfront's operations impact the climate through GHG emissions and the use of energy and natural resources. The operations also give rise to waste. Our environmental and climate activities promote enhanced efficiency of energy use, responsible use of natural resources, reduced GHG emissions and waste volumes. Stillfront is gradually progressing in contributing to the industry's decarbonization. Our policies, strategic initiatives and targets, highlight our continued efforts towards a low-carbon economy.

**Transition plan**
Stillfront's climate initiatives focus on minimizing our environmental footprint for long-term sustainability. Stillfront is committed to assessing how we could adapt our business and operational set-up to ensure compatibility with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement. Stillfront has set near-term company -wide emission reduction targets in line with climate science and with the Science Based Targets initiative (SBTi). The SBTi is a partnership between CDP (Climate Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF) that helps companies set science-based emissions reduction targets to combat climate change. Stillfront's transition plan outlines our key decarbonization levers and identifies strategic initiatives. The plan supports broader policy priorities, including the EU taxonomy. These goals represent both an opportunity and a responsibility to align our business strategy with global decarbonization efforts, contributing to the renewable energy transition and broader sustainability objectives. The key decarbonization levers include:

- An increase in renewable energy efficiency in office buildings
- Sustainable business travel
- Optimization of core game development processes (AI, shared game engines e.g)
- Optimization of data server and hosting services, engagement of suppliers and business partners (cloud providers, hosting services e.g.)
- Activation and engagement of players

**Energy consumption**
Stillfront is dependent on a well-functioning global and digital community. Energy consumption for Stillfront is mainly related to energy demands of upstream suppliers as well as downstream for players playing the games. A gaming business relies on data centers and servers that require significant energy for cooling and maintenance. These facilities contribute to energy consumption and in turn to GHG emissions. Stillfront is targeting a transition to renewable energy sources to reduce GHG emissions, lower energy costs and contribute to its science-based targets achievements. The direct impact of Stillfront's own operations is related to energy consumption in the office premises. An increased demand for, and shortages of, electricity could impact Stillfront's value chain since it is dependent on a global digital environment.

## Impact, risk and opportunity management

Climate change could potentially lead to increased costs for Stillfront through an increased need for office and server cooling, as a result of more frequent heat waves and increased temperatures over time. There are also risks related to climate change adaptation, mainly related to operations in areas of high temperatures, flooding and cyclones. Recognizing the inevitable impacts of climate change, we are committed to building a more resilient organization. Our objective is to reduce our energy consumption and switch to renewable sources of energy, prioritize responsible resource use and embrace the principles of a circular economy. To achieve this, we target resource efficiency, material circularity, and sustainable sourcing. Stillfront's sustainability policy focuses on reducing our overall resource consumption and waste generation throughout our operations and value chain. Stillfront monitors, measures, works to reduce, and reports annually on its carbon footprint in accordance with the international standard Greenhouse Gas (GHG) Protocol. Early in 2024, SBTi validated Stillfront's emissions reduction targets. Based on the targets, Stillfront has analyzed and started to implement a transition plan. By continuously monitoring climate risks and implementing these adaptation measures, we aim to ensure the long-term viability and sustainability of our operations while minimizing potential disruptions caused by climate change.

Climate change could potentially lead to an increased demand for, and shortages of, electricity which could impact Stillfront's value chain since it is dependent on a global digital environment. Digital gaming relies on data centers and servers that require significant energy for cooling and maintenance. These facilities contribute to energy consumption and, in turn, carbon emissions, particularly if they are powered by non-renewable sources. The energy consumption is projected to increase until 2030 due to an increased demand for cloud storage. Initiatives such as the EU code of conduct on data center energy efficiency, which specifies demands on data center providers are valuable for the industry and Stillfront. Stillfront's code of conduct for suppliers and business partners states how our suppliers shall promote the development and use of environmentally friendly technologies, minimize water use as well as energy consumption. Working together with the broader gaming industry and collaborating with industry peers and business partners is key for Stillfront in supporting a sustainable gaming community. Finally, to gradually finetune and implement sustainable core game development processes include among many other things reuse of standardized game engines and increased resource efficiency as well as technology gains, by further implementation of artificial intelligence, AI.

# Targets

| | Target | Result 2024 |
|---|---|---|
| Climate change | Stillfront commits to reduce absolute scope 1 and 2 GHG emissions with 42 percent by 2030 from 2022 as base year. | Scope 1 and 2 emissions 505 $tCO_2e$<br>**–11%**<br>(2023: 570 $tCO_2e$) |
| | Stillfront commits to reduce scope 3 GHG emissions with 51.6 percent per SEK value added within the same timeframe. | Scope 3 emissions 48,976 $tCO_2e$<br>**–7%**<br>(2023: 52,588 $tCO_2e$) |

# Metrics

## E1-4 Targets related to climate change mitigation and adaption

| Milestones and target years | As of emissions of base year 2022 | |
|---|---|---|
| **Scope 1** | | |
| Absolute emissions reduction, $tCO_2e$ | 31 | |
| Percentage emissions reduction, % | –42% | |
| **Scope 2** | | |
| Absolute market-based emissions reduction, $tCO_2e$ | 207 | |
| Percentage emissions reduction, % | –42% | |
| **Scope 3** | | |
| Intensity emissions reduction, $tCO_2e$/MSEK Value added | –0.30 | |
| Percentage emissions reduction, % | 52% | |
| **Emissions of base year and target year** | **2022** | **2030** |
| Scope 1 GHG Emissions, $tCO_2e$ | 75 | 43 |
| Scope 2 GHG emissions, $tCO_2e$ | 493 | 286 |
| Scope 3 GHG emissions, $tCO_2e$[1)] | N/A | N/A |

1) Scope 3 GHG emissions target is based on intensity, therefore no absolute target is available.

**Note:** Optional Scope 3 categories are excluded from the base year and targets.

## E1-5 Energy consumption and mix

| Energy consumption and mix | 2023 | 2024 | Change |
|---|---|---|---|
| Total fossil energy consumption, MWh | 1,621 | 949 | –41% |
| Share of fossil sources in total energy consumption, % | 82% | 54% | |
| Consumption from nuclear sources, MWh | 63 | 156 | 148% |
| Share of consumption from nuclear sources in total energy consumption, % | 3% | 9% | |
| Fuel consumption for renewable sources, including biomass, MWh | 3 | 3 | 8% |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources, MWh | 299 | 652 | 118% |
| Consumption of self-generated non-fuel renewable energy, MWh | 0 | 0 | N/A |
| Total renewable energy consumption, MWh | 302 | 655 | 117% |
| Share of renewable sources in total energy consumption, % | 15% | 37% | |
| Total energy consumption, MWh | 1,986 | 1,761 | –11% |

**Note:** All data points are reported based on the GHG protocol energy consumption calculation guidance to produce the relevant energy consumption figures. Overall energy consumption was extrapolated for entities that could not report data, consumption of energy from renewable and nuclear sources was not extrapolated, potentially overestimating the share of energy consumption from fossil sources. Extrapolated energy represents a share of 14%. 2024 data includes Stillfront and 20 studios. 2023 energy consumption contains data from Power Challenge which was divested in October 2023.

## E1-6 Gross Scope 1,2, 3 and total GHG emissions

| | Base year (2022) | 2023 | 2024 | YoY change |
|---|---|---|---|---|
| **Scope 1 GHG emissions** | | | | |
| Gross Scope 1 GHG Emissions, $tCO_2e$ | 75 | 78 | 72 | –8% |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes, % | 0 | N/A | N/A | |
| **Scope 2 GHG emissions** | | | | |
| Gross location-based Scope 2 GHG emissions, $tCO_2e$ | 511 | 492 | 433 | –12% |
| Gross market-based Scope 2 GHG emissions, $tCO_2e$ | 493 | 399 | 335 | –16% |
| **Significant scope 3 GHG emissions** | | | | |
| Total Gross indirect (Scope 3) GHG emissions, $tCO_2e$ | 56,827 | 52,588 | 48,976 | –7% |
| 1 Purchased goods and services | 1,492 | 1,744 | 2,417 | 39% |
| Sub-category: Cloud computing and data center services | 177 | 267 | 488 | 83% |
| Sub-category: Digital marketing | 957 | 1,058 | 1,404 | 33% |
| 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) | 108 | 94 | 87 | –7% |
| 4 Upstream transportation and distribution | 121 | 3 | 264 | 9724% |
| 5 Waste generated in operations | 3 | 10 | 11 | 11% |
| 6 Business travel | 508 | 932 | 825 | –11% |
| 7 Employee commuting | 467 | 440 | 460 | 5% |
| 9 Downstream transportation | 0 | 0 | 0 | –100% |
| 11 Use of sold products | 54,129 | 49,365 | 44,911 | –9% |
| **Total GHG emissions** | | | | |
| **Total GHG emissions (location-based), $tCO_2e$** | **57,412** | **53,157** | **49,481** | **–7%** |
| **Total GHG emissions (market-based), $tCO_2e$** | **57,394** | **53,064** | **49,382** | **–7%** |

**Note:** Emissions of greenhouse gases have been calculated in line with the GHG Protocol. Sources for emission factors are e.g., DEFRA, IEA and Energiföretagen. 2024 emissions include Stillfront and 20 studios. Extrapolations were made for studios that had no available data. Extrapolated data represents an overall share of 1%. 2023 emissions contain data from Power Challenge which was divested in October 2023. Emissions from upstream transportation have increased significantly due to more studios having access to supplier data. The higher data availability has also led to a higher extrapolation factor for studios that were unable to report on this category.

# Resource use and circular economy

## Our approach

Stillfront strives to act as a responsible corporate citizen and is committed to supporting a transition to the green economy by optimizing resource efficiency and promote sustainable usage throughout the organization.

## Impact, risks and opportunity management

Through the resources needed to operate its business, Stillfront inevitably has an impact on the environment through its resource inflows. Stillfront has an impact on resource use, both in the upstream value chain where the electronic devices and office materials used by Stillfront employees are produced, as well as in the downstream value chain where players rely on electronic hardware. The production of hardware involves mining and extraction of raw materials such as metals and rare earth elements. A potential future resource shortage, especially for electric equipment, could lead to increased cost for Stillfront. Operating globally introduces the complexity of navigating through the local differences in standards, rules, and regulations related to sustainability. Differences in environmental regulations and safety standards across countries can lead to inconsistencies in how sustainability is integrated across the supply chain and can further lead to decreased transparency in regions with less regulations. The majority of Stillfront's suppliers are large companies operating in strict regulations. Furthermore, Stillfront is able to negotiate group deals which further mitigates the risk of being dependent on smaller vendors in less regulated regions.

Stillfront's suppliers should abide to our code of conduct for suppliers which states that our suppliers shall actively work towards minimizing its negative impact on the environment and climate. Our suppliers shall promote the development and use of environmentally friendly technologies, minimize water use as well as energy consumption. The supplier shall not purchase or use materials from High Conservation Value Areas (HCVA) or endangered forests under the Convention of International Trade in Endangered Species (CITES) and/or the International Union for Conservation of Nature (IUCN).

Stillfront's sustainability policy states how we as a company should act as a responsible corporate citizen by optimizing our resource efficiency and sustainable usage. We shall use recycled and recyclable materials as much as possible and all waste must be managed in accordance with current legislation and handled in an environmentally responsible manner by a certified waste management company. Stillfront should actively explore ways to extend the life-cycle of resources, by for example using product take-back programs for IT materials.

## Targets

| | Target | Result 2024 |
|---|---|---|
| Waste | Stillfront and its subsidiaries are to reduce waste, maximize resource efficiency, and promote sustainable usage. | Low data availability as a result of local and regional differences in reporting standards and data availability. |

## Metrics

**E5-5 Resource outflow**

| Waste amounts, tonnes | 2023 | 2024 |
|---|---|---|
| **Total waste generated** | **7** | **12** |
| **Waste types** | | |
| Hazardous waste | 0 | 0 |
| Non hazardous waste | 7 | 11 |
| Radioactive waste | 0 | 0 |
| **Waste recycling** | | |
| Non-recycled waste | 6 | 9 |
| Non-recycled waste, % | 79 | 75 |
| Recycled waste | 2 | 3 |

| Waste treatment types | 2023 | | 2024 | |
|---|---|---|---|---|
| | Hazardous waste | Non-hazardous waste | Hazardous waste | Non-hazardous waste |
| **Waste diverted from disposal** | | | | |
| Reuse | 0 | 0 | 0 | 0 |
| Recycling | 0 | 2 | 0 | 3 |
| Other recovery | 0 | 0 | 0 | 0 |
| **Total** | **0** | **2** | **0** | **3** |
| **Waste diverted to disposal** | | | | |
| Incineration | 0 | 4 | 0 | 5 |
| Landfilling | 0 | 2 | 0 | 3 |
| Other disposal | 0 | 0 | 0 | 1 |
| **Total** | **0** | **6** | **0** | **9** |
| **Waste with unknown operations** | | | | |
| **Total** | **–** | **–** | **0** | **0** |

**Note:** Low data availability with only 5 out of 21 entities being able to report data.

# Social information

# Own workforce

## Approach

At Stillfront, we work actively to ensure a safe and inclusive workplace where all employees can thrive. We engage with the employees through various channels and have an open and transparent culture. We are focused on development of our employees' skills and competences and follow up on the general well-being of employees through performance dialogues at individual level and other measures.

**Human rights**

We see human rights as fundamental principles for protecting people's dignity and ensuring freedom and respect both in the head office, in our subsidiaries, and in the communities where we operate. Our commitment to upholding human rights is outlined in our global HR policy as well as our Code of Conduct. Our global HR policy and Code of Conduct aligns with the UN Guiding Principles on Business & Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles & Rights at Work. Violations of human rights are unacceptable and will, under no circumstances, be tolerated. The use of child labor of any kind is strictly forbidden.

**Working conditions**

A safe and healthy working environment is fundamental for Stillfront and is a right for all employees. Stillfront strives to be an attractive employer by creating a work environment based on collaboration, responsibility and openness. The well-being of professionals is a high priority, and Stillfront is committed to providing safe and healthy working conditions. Stillfront's employees shall be able to work under legal conditions where diversity is treasured, privacy of the individual is protected, and where freedom of association and collective bargaining is a common right. Stillfront supports parental leave, and the group has zero tolerance against harassment and discrimination. Stillfront is working actively and systematically to minimize risks of injuries, accidents and other incidents, as well as fulfill all applicable work environment requirements and endeavor to always improve the work environment organizationally as well as socially and physically.

**Equal treatment and opportunities for all**

Stillfront is present in many regions and countries across the world and the workforce is diverse in many different aspects, not only in terms of geography, nationality and language skills, but also in experiences, skillsets and perspectives. A diverse workforce is key for Stillfront's business model and diverse consumer base. As an essential part of ensuring equal rights, Stillfront expect all professionals to actively support and continuously enhance a supporting work environment, free from all discrimination and harassment. This means that Stillfront believes that all professionals shall be treated the same and with courtesy and respect, has zero tolerance for any discrimination, sexual harassment or any other kind of harassment or reprisals, urges all professionals to be alert and take responsibility for ensuring compliance with this policy. Stillfront is committed to ensuring a workplace which promotes equal opportunities for all in accordance with applicable legislation during any work-life transitions. We actively support our employees in managing their parenting responsibilities alongside their work at Stillfront. We encourage employees to take parental leave in line with local legislation, ensuring that such leave is never a source of discrimination in employment or career advancement.

## Impact, risk, opportunity management

Various impacts, risks and opportunities have been identified related to Stillfront's workforce. Potential negative impacts include risks within working conditions in risk countries or regions which could potentially include freedom of association and health and safety. There are also risks related to equality and inclusion. Child labor as well as forced labor is not seen as an issue in Stillfront's own workforce. As part of the global gaming industry, work-related ill health risks occcur, such as long working hours and stressful deadlines.

Stillfront strives to impact its employees in many positive aspects by ensuring good working environment ensuring a positive culture with strong corporate values. Stillfront's commitments regarding its employees are governed by the company's code of conduct, sustainability policy, the global HR policy as well as other procedures that concern the company's employees. Important topics such as employee safety, engagement and wellbeing, diversity, equality and inclusion, professional development as well as remuneration, are covered in Stillfront's HR policy. Stillfront complies with applicable labor laws, regulations and occupational health and safety laws and standards. All employees have easy access to the code of conduct and awareness training is conducted on an annual basis. Further, as part of onboarding, all new employees are trained in the code of conduct and all other relevant policies for a new employee.

All employees are to take part in annual performance and career development reviews to set and monitor targets, identify any need for competence development and as needed, to conduct dialogue around creating a motivating work situation, engagement, and well-being. Stillfront strives to foster a collaborative learning environment, offering internal learnings and development initiatives like best practice sharing sessions, summits, targeted workshops, and lunch-and-learn events where employees can share insights, discuss new ideas, and learn from one another's experiences. These initiatives support knowledge transfer and build a culture of continuous improvement across the organization. To support employee well-being, Stillfront offers a range of resources and initiatives, including options for remote work, flexible working hours, compressed workweeks, fitness programs, and access to wellness resources that promote a healthy lifestyle. Stillfront is focused on nurturing the benefits of being a global company, providing career exchange opportunities across the subsidiaries.

**Processes for engaging with our own workforce**
Stillfront believes in the importance of gaining direct insights and perspectives from our own workforce on a wide variety of matters. We see these insights as key aspects when outlining decisions and strategies. Stillfront conducts an employee survey three times a year. The survey comprises several questions that follow up on employee commitment and trends linked to commitment, as well as identify the need for corrective measures. The survey also follows up on psychosocial work environment issues, and targets linked to the psychosocial work environment are set yearly.

**Channels for own employees to raise concerns**
We are dedicated to ensuring that our employees not only have access to grievance channels but also have the knowledge, confidence, and psychological safety to utilize them when necessary. Stillfront has the responsibility to take all reported cases seriously and we maintain secure and confidential records of reports and outcomes. All employees have the right to make a complaint or raise a grievance without fear of retaliation. Employees can use various mechanisms for raising their concerns or complaints. Firstly, an employee can always go to their direct people leader for support. Secondly, employees can reach out to the People & Culture organization if they have a question, either on local or global level. Thirdly, the employees can raise their concerns on an anonymous basis in our employee surveys.

Stillfront also has a speak-up function in place, to ensure that all employees can report suspected serious violation of law and other serious matters with Stillfront including incidents of discrimination and harassment. The speak-up function helps to ensure fairness, justice, and protection for individuals and communities. The speak-up function is available on Stillfront's website and allows for reports sent by e-mail or by post. Cases are handled by Stillfront's speak up committee in a fair, consistent way, without bias.

## Targets

| | Target | Result 2024 |
|---|---|---|
| Employee wellbeing and satisfaction, eNPS | Stillfront's target for global employee wellbeing, Employee Net Promoter Score (eNPS), is to be at minimum 30. The eNPS measures how likely our employees are to recommend Stillfront as a good place to work. | Stillfront's average global Employee Net Promoter Score (eNPS) at year end.<br>**30**<br>(2023: 32) |
| Gender balance | The gender balance should be at least 40/60 at all levels of positions within Stillfront. | Gender balance at all levels within the group, excluding Other<br>**33%** women (2023: 32%)<br>**67%** men (2023: 68%) |
| Culture | To ensure that Stillfront is fostering an open climate and culture, we target to act upon 100 percent of substantiated reported incidents in our speak-up system. | **100%**<br>of substantiated reported incidents were acted upon according to our strict protocol. |

## Metrics[1]

### S1-6 Characteristics of Stillfront's employees

**Head count by gender**

| Gender | 2023 | 2024 |
|---|---|---|
| Male | 857 | 780 |
| Female | 411 | 378 |
| Other | 2 | 7 |
| Not disclosed | – | 13 |
| **Total employees** | 1,270 | 1,178 |

**Employee head count in countries where at least 50 employees represent at least 10 percent of the total number of employees**

| | 2023 | | 2024 | |
|---|---|---|---|---|
| Country | Number of employees | Percentage | Number of employees | Percentage |
| Croatia | 114 | 9% | 119 | 10% |
| Germany | 400 | 31% | 411 | 35% |
| United States | 158 | 12% | 120 | 10% |
| Other countries | 598 | 47% | 528 | 45% |

**Employee turnover**

| | 2023 | 2024 |
|---|---|---|
| Employees who have left | 338 | 268 |
| Employee turnover, % | 25 | 22 |

**Note:** Employee turnover decreased from 25% in 2023 to 22% in 2024, suggesting improved workforce stability despite ongoing organizational adjustments. A significant share of departures in 2024 was driven by workforce reductions and reorganization as a result of a strategic overview.

[1] Employee data is presented as head count unless otherwise specified. Head Count represents the number of employees in the organization, regardless of their hours worked.

*S1-6 Characteristics of Stillfront's employees, cont.*

**Full-Time Equivalent (FTE) by contract type, broken down by gender**

| | 2024 | | | | |
|---|---|---|---|---|---|
| **Number of employees (FTE)** | **Female** | **Male** | **Other** | **Not disclosed** | **Total** |
| Permanent employees | 341 | 743 | 7 | 12 | **1,103** |
| Temporary employees | 19 | 21 | 0 | 0 | **40** |
| Non-guaranteed hours employees | 5 | 4 | 0 | 0 | **9** |
| **Total employees** | **365** | **768** | **7** | **12** | **1,152** |
| Of which full-time employees | 341 | 743 | 6 | 11 | **1,101** |
| Of which part-time employees | 24 | 25 | 1 | 1 | **51** |

| | 2023 | | | | |
|---|---|---|---|---|---|
| **Number of employees (FTE)** | **Female** | **Male** | **Other** | **Not disclosed** | **Total** |
| Permanent employees | 378 | 826 | 2 | 0 | **1,206** |
| Temporary employees | 10 | 14 | 0 | 0 | **24** |
| Non-guaranteed hours employees | 14 | 14 | 0 | 0 | **28** |
| **Total employees** | **402** | **854** | **2** | **0** | **1,258** |

**Note:** Full-Time Equivalent (FTE) reflects the number of employees based on hours worked, where one FTE equals the hours of a full-time position.

The FTE figures are reported as of December 31st of the reporting year. These definitions differ from those in Note 8 of the Financial Reporting, where employee numbers are presented as the average FTE for the entire reporting year. As a result, the figures will not reconcile.

In 2024, the reporting includes a breakdown of full-time and part-time employees. While these metrics are voluntary and not included in 2023, they provide a more detailed and comprehensive view of our workforce.

## S1-7 Characteristics of non-employee workers in the company's own workforce

**Number of non-employees**

| | 2023 | 2024 |
|---|---|---|
| Self-employed people | 146 | 221 |
| People provided by other organizations | 73 | 56 |
| Other | 46 | 9 |
| **Total non-employees** | **265** | **286** |

**Note:** The year-over-year change is a result of improved data availability on non-employees, which allows for better categorization across all relevant categories.

## S1-8 Collective bargaining coverage and social dialogue

| | 2023 | 2024 |
|---|---|---|
| **Number of employees within and outside EEA** | | |
| Total number of employees within EEA | 689 | 714 |
| Total number of employees outside EEA | 581 | 464 |
| **Total employees** | **1,270** | **1,178** |
| **Collective bargaining agreement coverage** | | |
| Coverage of employees within EEA | 13 | 13 |
| Coverage of employees outside EEA | 0 | 0 |
| **Total number of employees covered** | **13** | **13** |
| Percentage of coverage, % | 1 | 1 |
| **Worker's representative councils** | | |
| Total number of employees within EEA covered by workers' representatives | 0 | 0 |
| Percentage of employees within EEA covered by workers' representatives, % | 0 | 0 |

**Note:** In 2024, we see a slight increase in employees within the EEA region and a more significant reduction outside the EEA. This change reflects organizational adjustments, including including workforce reductions.

## S1-9 Diversity metrics

**Gender distribution of top management**

| | 2023 | | 2024 | |
|---|---|---|---|---|
| | **Number** | **Percentage** | **Number** | **Percentage** |
| Male | 7 | 64% | 5 | 100% |
| Female | 4 | 36% | 0 | 0% |
| Other | 0 | 0% | 0 | 0% |
| **Total (in top management)** | **11** | | **5** | |

**Note:** Please note that top management is defined as Stillfront's executive management team since 2024. Comparison figures for 2023 also include General Business Management team which were merged in 2024.

**Age distribution of all employees**

| | 2023 | | 2024 | |
|---|---|---|---|---|
| | **Number** | **Percentage** | **Number** | **Percentage** |
| Below 30 | 372 | 29% | 311 | 26% |
| 30–50 | 856 | 67% | 826 | 70% |
| Above 50 | 42 | 3% | 41 | 3% |
| **Total** | **1,270** | | **1,178** | |

**Note:** Please see S1:6 for total employees by gender.

## S1-10 Adequate wages

| | 2023 | 2024 |
|---|---|---|
| Total employees in the organization | 1,270 | 1,178 |
| Total employees earning below applicable adequate wage benchmark | 0 | 0 |
| Percentage of total employees paid below the applicable adequate wage benchmark | 0% | 0% |

**Note:** Adequate benchmark include no lower than 60% of the country's median wage and 50% of the gross average wage.

## S1-11 Social protection

| | 2023 | 2024 |
|---|---|---|
| Total employees in the organization | 1,270 | 1,178 |
| Total employees not covered by social protection | 0 | 0 |
| Percentage of total employees not covered by social protection | 0% | 0% |

## S1-13 Training and skills development metrics

**Participation in performance and career development reviews, percent of employees**

| % | 2023 | 2024 |
|---|---|---|
| Male | 78 | 90 |
| Female | 79 | 92 |
| Other | 50 | 86 |
| Not disclosed | – | 77 |
| **Total** | **79** | **90** |

**Average number of training hours by gender**

| Hours | 2023 | 2024 |
|---|---|---|
| Male | 14 | 14 |
| Female | 18 | 20 |
| Other | 2 | 7 |
| Not disclosed | – | 0 |
| **Total** | **15** | **16** |

**Note:** Participation in performance and career development reviews increased in 2024, reflecting stronger implementation of review processes and greater emphasis on structured employee development across the organization.

## S1-14 Health and safety metrics, own workforce

| | 2023 | 2024 |
|---|---|---|
| **Own workforce** | | |
| Health and safety management system coverage, % | 38 | 100 |
| Number of work-related accidents | 1 | 0 |
| Accident rate | 0.43 | 0 |
| Number of work-related ill health cases | 0 | 0 |
| Number of days lost to work-related injuries, work-related ill health and fatalities | 0 | 0 |
| Number of fatalities as result of work-related injuries and work-related ill health | 0 | 0 |
| **Other workers on undertaking's sites** | | |
| Number of fatalities as result of work-related injuries and work-related ill health | 0 | 0 |

**Note:** The significant increase in 2024 Health & Safety management system coverage reflects a clearer, ESRS-aligned definition beyond just digital platforms to include structured practices and reporting. Data covers employees only, with non-employees planned for future inclusion.

Accident rate measured as accidents per 1,000,000 working hours. Extrapolated total working hours are based on reported working hours.

## S1-15 Work-life balance metrics

**Familiy-related leave**

| | 2023 | 2024 |
|---|---|---|
| **Percentage of employees entitled to take family-related leave** | **94** | **96** |
| **Percentage of employees that took family-related leave** | | |
| Male | 5 | 5 |
| Female | 10 | 11 |
| Other | 0 | 0 |
| Not disclosed | – | 0 |
| **Total** | **7** | **7** |

**Note:** Percentage of employees that took family-related leave is based on the number of employees entitled to family-related leave.

## S1-16 Remuneration metrics

At present, we are not able to disclose our gender pay gap ratio or annual total remuneration ratio. We are taking several actions, including enhancements to our HR system landscape and we expect to be able to report on the two disclosures for the financial year 2025.

## S1-17 Incidents, complaints and severe human rights impacts

**Discrimination and harassment incidents**

| | 2023 | 2024 |
|---|---|---|
| Number of Incidents of discrimination, including harassment | 0 | 0 |
| Number of complaints filed through own workforce grievance mechanisms not included above | 0 | 0 |
| Number of complaints filed to National Contact Points for OECD Multinational Enterprises | 0 | 0 |
| Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors, € | 0 | 0 |

**Severe human rights incidents**

| | 2023 | 2024 |
|---|---|---|
| Number of severe human rights issues and incidents connected to own workforce | 0 | 0 |
| Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises | 0 | 0 |
| Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce, € | 0 | 0 |

# Workers in the value chain

## Our approach

Stillfront's commitments to responsible business conduct within the areas of human rights, labor, environment, and anti-corruption are based on international generally accepted regulations and norms, including the Ten Principles of UN Global Compact. These commitments, which are grounded in our efforts to always conduct business ethically, also expand to our partners in the supply chain. Stillfront engages a multitude of suppliers in its value chain. The largest suppliers and business partners consisting of 3:rd party distribution channels and platform providers, software and server providers as well as lessors and energy providers for office buildings.

## Impact, risks and opportunity management

At Stillfront, we want to support good working conditions in the digital gaming industry. This means jobs providing employees with decent wages, secure employment, safe working conditions, and a working environment where they are free to express their concerns and their right to organize in trade unions is protected. Our commitment to upholding human rights, including labor rights, is outlined in our sustainability policy, HR policy, code of conduct and the code of conduct for suppliers and business partners. Our supplier code of conduct serves as a compass for our choices and conduct in our daily endeavors and sets forth our basic expectations surrounding how our suppliers and third-party intermediaries should conduct business on our behalf. The supplier code of conduct clearly states our commitments to anti-bribery, anti-corruption, anti-money laundering and anti-terrorist financing. Applicable laws always need to be followed, and the health and safety, including the protection of labor rights is just as important for Stillfront employees as it is for workers in the supply chain for which we do business with. The group's delegation of authority policy defines the limits of authority designated to specified positions of responsibility within Stillfront and together with its subsidiaries and to establish the types and maximum number of obligations that may be approved by individuals. This policy is approved by the Stillfront board of directors and is reviewed annually and available to all professionals.

Stillfront engages a global supply network because of being a global games company with operations across the world. As such, there are certain risks and opportunities presented as it relates to sustainability in the supply chain.

To ensure that our suppliers are committed to our same high ethical standards, we require our suppliers and business partners to abide by our supplier code of conduct, either by confirming their compliance with our supplier code of conduct, or by providing sufficient evidence that a code of conduct of similar nature is applied and followed at the supplier or business partner.

Operating globally introduces the complexity of navigating through the local differences in standards, rules, and regulations related to sustainability. Differences in environmental regulations, labor laws, and safety standards across countries can lead to inconsistencies in how sustainability is integrated across the supply chain and can further lead to decreased transparency in regions with less regulations.

Our approach to addressing concerns and grievances within our value chain is built on the principles of transparency, trust, and effective remediation that is proportionate to the grievance that has occurred. Workers in the supply chain have free access to and are encouraged to make use of the Stillfront speak-up system to confidentially report any inappropriate or illegal conduct.

## Targets

| | Target | Result 2024 |
|---|---|---|
| Suppliers & Partners | All of Stillfront's suppliers should adhere to the ethical standards stated in Stillfront's code of conduct for suppliers. | Stillfront has not identified any breaches with the ethical standards stated in the supplier code of conduct in 2024. |
| Speak-up system | We target to act upon 100 percent of substantiated reported incidents in our speak-up channels. | 100 percent of substantiated reported incidents were acted upon according to our strict protocol. |

# Consumers and end-users

## Approach

Stillfront's aim is to create a positive in-game environment for its players and end-users. The players should feel safe and respected in the platforms and communities that Stillfront provides. As people spend more of their free time playing digital games, responsibility of ensuring a good in-game culture is more important than ever. The ecosystem that Stillfront is active in, consisting of game developers, publishers, platform providers and users, has over time established standards of what defines responsible gaming.

Stillfront games do not offer any real money features, including gambling for real money and in-game contests that reward real money. Players need to transfer their money via verified purchases into in-game currencies and items that cannot be transferred back to cash. The purchase is a transparent process and in accordance with the platform regulations and applicable law.

Each game that Stillfront and its studios create is tailored to a specific audience and may therefore not be for everyone. However, considering the total game portfolio of Stillfront there is a game for almost all audiences with one exception - Stillfront's games are neither developed nor targeted towards children.

**Information-related impact for consumers and end-users**
Stillfront is a data-driven organization focusing on analyzing patterns and behaviors related to our users on a daily basis. Data privacy and data protection are of the utmost importance to Stillfront. Stillfront's processes have been designed to safeguard privacy and access to information and data. Stillfront is continuously striving to maintain the highest standards to protect its players from cyberattacks and card fraud when playing Stillfront's games. Stillfront strives to comply with all applicable legislation to achieve an adequate level of security and expect the same of business partners and suppliers. Over the years, Stillfront has put considerable resources into ensuring that its privacy program meets legal requirements in applicable jurisdictions, including, but not limited to, the General Data Protection Regulation (GDPR).

**Personal safety of consumers and/or end-users**
Stillfront has an important role to establish positive environments and protect users from facing an unsafe environment and unhealthy behavior. Gaming addiction and negative impact on personal finances are present within the gaming industry and thus there is a risk of Stillfront being connected to such issues by being part of the industry. A solid policy framework with clear code of conduct for the users combined with a close partnership between the studios community managers and customer support is key for providing a positive gaming environment and safeguarding the end-users well-being.

## Impact, risk, opportunity management

There are various impact risks in Stillfront's value chain, for example within responsible gaming content, responsible marketing and consumption as well as data privacy and security. There is also an impact risk when users are behaving badly towards other users in the games and communities. Negative impact could potentially lead to reputational issues for Stillfront. Unsafe online environments are addressed through policies and guidelines. Gaming addiction is a complex issue that Stillfront is not solely responsible for. Still, we take responsibility by classifying games by the correct age gate in close collaboration with our platform and marketing partners.

Stillfront maintains a zero-tolerance policy for abusive behavior among users. Our dedicated customer support channels and community managers play a vital role in promoting a positive and respectful gaming climate. While abusive behavior may occur, Stillfront employs built-in functions and algorithms in multiple games to automatically filter out offensive language and imagery. Additionally, all users are provided with tools to report those who violate the terms of service. Reports and detected offenses are reviewed promptly and addressed with high priority by moderators. Players who fail to comply with the terms of service face consequences such as being muted or banned.

Stillfront is committed to the Ten Principles of the UNGC for responsible business conduct within areas of human rights, labor, environment, and anti-corruption. Violation of human rights (also for partners and end-consumers) is unacceptable and will, under no circumstances, be tolerated.

Stillfront's governing documents relating to consumers and end-users are the Stillfront code of conduct, the data privacy and protection policy, the sustainability policy and the FAIR guidelines. Stillfront's FAIR guidelines regulate how the company takes responsibility for products and end-users and comprise the group's values and principles. The FAIR guidelines and Stillfront's view on responsible gaming are integrated in the general business processes and business reviews. Stillfront's Chief Product Officer together with the executive management team is responsible for implementation, in close collaboration with the game teams.

Stillfront's game teams are in close dialogue with the players. Digital free-to-play games are developed in partnership with the users and feedback and input are collected on a regular basis in the games and in the communities around the games. In the Stillfront games, moderators are active in the forums and communities, and they are interacting closely with the players. User satisfaction is an automated process which include polls and feedback reviews, a/b tests as well as surveys.

Within Stillfront's risk management processes, we identify and manage potential sustainability risks such as cyber security vulnerabilities and data breaches. Stillfront's website contains information on the data privacy rights that users have and how Stillfront processes personal data. The user data is processed by the studios and such processing activities are subject to the privacy notice applicable to each of our games. Stillfront engages an external Data Protection Officer (DPO) that is responsible for e.g. conducting recurring targeted audits.

All professionals of Stillfront are offered regular data privacy and data protection trainings. Stillfront provides best-practice templates and guidance that have enabled the younger and less mature studios to quickly establish a more solid and formal foundation for their data privacy capabilities. Stillfront has a record of processing activities (ROPA) software that facilitates Stillfront's compliance efforts in respect of recording its data processing activities. The ROPA software ensures efficient record-keeping procedures and accountability within the group, which promotes compliance with relevant laws and regulations, including GDPR.

Several activities have been carried out during 2024 to achieve the targeted implementation rate of the privacy program. Revisions have been made to the privacy policy templates to ensure regional compliance in the market areas of North America and APAC. A groupwide data breach procedure has been implemented which aims to achieve cohesive response to and documentation of security incidents across Stillfront. Two targeted audits have been carried out and groupwide workshops have been held in light of the results of these audits.

# Targets

| | Target | Result 2024 |
|---|---|---|
| Responsible play | Stillfront has zero tolerance for abusive behavior in the platforms and communities and 100 percent of all substantiated reports must to be acted upon. | 100 percent of substantiated reports were acted upon according to our strict protocol. |
| Data privacy & protection | Stillfront's players should feel that their privacy and data are protected, at all times, why 100 percent of all substantiated reports are to be acted upon. | 100 percent of substantiated reported incidents were acted upon according to our strict protocol. |
| | Stillfront aims to achieve and maintain a groupwide implementation rate of at least 80 percent of its data privacy program. | Stillfront has achieved a compliance level of 81 percent, which exceeds the group-wide strategic compliance target for 2024. |

# Metrics

### S4-5 Substantiated complaints concerning breaches of customer privacy and losses of customer data

**Complaints concerning breaches of customer privacy**

| Complaints | 2023 | 2024 |
|---|---|---|
| Complaints received from outside parties and substantiated by the organization | 0 | 0 |
| Complaints from regulatory bodies | 0 | 0 |
| **Total number of substantiated complaints** | **0** | **0** |

**Losses of consumer data**

| Incidents | 2023 | 2024 |
|---|---|---|
| **Total number of identified leaks, thefts or losses of customer data** | **6** | **0** |

# Governance information

# Business conduct

## Approach

In all situations, regardless of country or market, Stillfront's actions should be characterized by responsibility and respect for consumers, employees, suppliers, business partners and the local community. Stillfront is committed to good business ethics and strives for long-term and trusting relationships.

**Management of relationships with suppliers**

Supplier management in Stillfront involves overseeing the procurement process, negotiating contracts with suppliers, and ensuring that the services provided by our suppliers meet the necessary quality standards. Additionally, supplier management ensure the smooth and efficient operation of Stillfront. By establishing strong relationships with reliable suppliers, Stillfront can reduce the risk of delays and disruptions locally and globally. In addition, effective supplier management can lead to cost savings. By negotiating favorable terms with suppliers and establishing long-term partnerships, Stillfront can secure lower prices for the services it purchases. Finally, supplier management is also important for maintaining our sustainability efforts. By working with suppliers who share the groups values and commitment to sustainability, we can reduce or otherwise manage our environmental impact and support our sustainability targets.

**Corporate culture**

Stillfront has a robust governance model and the subsidiaries are fully owned by Stillfront and share the same business principles and culture. Stillfront strive to uphold a healthy corporate culture with a high level of integrity, providing guidance to all employees on the expected behavior at Stillfront and in interactions with stakeholders. Stillfront are committed to the Ten Principles of the United Nations Global Compact for responsible business conduct, within the areas of human rights, labor, environment, and anti-corruption.

**Anti-bribery and anti-corruption**

Stillfront has a zero-tolerance stance against bribery, corruption and money laundering and has adopted an anti-bribery and anti-corruption policy that apply to all companies and professionals of the group. Stillfront is further committed to observing the standards of conduct set forth in applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations. Stillfront's speak-up culture is critical to promoting and maintaining an ethical work environment and sustainable business. Stillfront's employees, including work related third parties such as suppliers, can in good faith report concerns and violation of our code of conduct and applicable laws and regulations anonymously without the risk of retaliation.

## Impact, risk, opportunity management

All business transactions entail a risk of corruption and bribery, which can have a negative impact on human rights and society at large. Moreover, Stillfront has presence in geographies where there is an increased risk for corruption.

Supplier risks are for example related to a reliance on a limited number of distributors which could pose risks to the supply chain. This dependency becomes particularly concerning if those distributors face disruptions – be it due to environmental disasters, geopolitical tensions, or economic instabilities. Such events can jeopardize the supply chain, leading to Stillfront having to engage new distributors, potentially facing increased costs, and inability to meet customer demands.

As Stillfront is a developer and publisher of digital games, most suppliers and vendors used are large tech companies operating in strict regulations. Furthermore, Stillfront can negotiate group deals which further mitigates the risk of being dependent on smaller vendors in less regulated regions. Meanwhile, Stillfront has procedures and controls in place to ensure that vendors are following Stillfront's supplier code of conduct which are applicable to all suppliers in the value chain. Stillfront has processes and internal controls in place, governed by our enterprise risk management framework, to both onboard suppliers and business partners and to confirm continued compliance with our code of conduct. The code should be shared and communicated to all Stillfront's current and future suppliers who are responsible for the continuous implementation of and compliance with the code, by making the code available at Stillfront's website. Stillfront requires all suppliers to read and understand the code, to always comply with it, and to inform Stillfront if there are any violations of the code or if there is a risk of such violations. This includes any of the supplier's suppliers and/or business partners. If there are serious breaches of the code, Stillfront will consider terminating any agreements entered with the supplier. Our strategy to manage relationships with our suppliers is guided by a deep understanding of the potential sustainability risks within our supply chain. To evaluate performance and identify any gaps or adverse impacts, we employ a combination of risk screenings and code of conduct assessments, which may occur both before and after contract signing.

Stillfront's code of conduct regulates how employees are to act so as not to be exposed to risk in business ethics. Through Stillfront's policy program and compliance function, the aim is to ensure that Stillfront and its subsidiaries live up to the high standards and that all the partners and suppliers of Stillfront also operate in accordance with the code. In the event of a breach or suspected breach of the code of conduct, employees should immediately report the incident to their immediate manager. If this is not possible, the immediate manager's manager should be informed as per the chain of command. Incidents can also be reported through the speak-up system, which is managed by an external independent party, ensuring protection for whistleblowers against retaliation. All Stillfront employees have a responsibility to adhere to the code of conduct and to report any breaches of this code.

**Protection of whistle-blowers**
Suppliers and other external stakeholders, as well as employees, may use Stillfront's speak-up (whistle-blowing) system to report any observations of serious misconduct. The system allows reporters in good faith report concerns and violation of our code of conduct and applicable laws and regulations anonymously without the risk of retaliation. The speak-up function helps to ensure fairness, justice, and protection for individuals and communities. The speak-up function is available on Stillfront's website and allows for reports sent by e-mail or by post. Cases are handled by Stillfront's speak up committee in a fair, consistent way, without bias.

# Targets

| | Target | Result 2024 |
|---|---|---|
| Corruption and bribery | Stillfront has zero tolerance against bribery, corruption and money laundering and 100 percent of all substantiated reports must be acted upon. | Stillfront has not been convicted or received any fines for violation of anti-corruption and anti-bribery laws and no incidents were reported in 2024. |
| Supplier code of conduct | All of Stillfront's suppliers should adhere to the ethical standards in Stillfront's supplier code of conduct. | Stillfront has not identified any breaches with the ethical standards stated in the supplier code of conduct in 2024. |

# Metrics[1]

### Gov-1 The role of the administrative management and supervisory bodies

| Board diversity | 2023 | | 2024 | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| Male | 3 | 50% | 4 | 66.7% |
| Female | 3 | 50% | 2 | 33.3% |
| Other | 0 | | 0 | |
| Total board members | 6 | | 6 | |
| Board's gender diversity ratio | 1 | | 0.5 | |

**Number of members**

| Head count | 2023 | 2024 |
|---|---|---|
| Executive | 0 | 0 |
| Non-executive | 6 | 6 |

### G1-3 Prevention and detection of corruption and bribery

**Training coverage anti-corruption and bribery**

| | 2023 | 2024 |
|---|---|---|
| **At risk functions** | | |
| Number of employees in at-risk functions | 1,270 | 1,178 |
| Number of employees in at-risk functions receiving training | 1,270 | 1,178 |
| Percentage of employees in at-risk functions receiving training, % | 100 | 100 |

**Note:** Number of employees excluding any employees on long-term leave.

### G1-4 Incidents of corruption or bribery

**Violations of anti-corruption and anti-bribery laws**

| | 2023 | 2024 |
|---|---|---|
| Number of convictions for violation of anti-corruption and anti-bribery laws | 0 | 0 |
| Number of fines for violating anti-corruption and anti-bribery laws, € | 0 | 0 |
| Incidents of corruption or bribery | | |
| Number of confirmed incidents of corruption or bribery | 0 | 0 |
| Number of confirmed incidents where workers were dismissed or disciplined | 0 | 0 |
| Number of confirmed incidents where business partner contracts were terminated or not renewed | 0 | 0 |

[1] Employee data is presented as head count unless otherwise specified. Head Count represents the number of employees in the organization, regardless of their hours worked.

# Appendix

# Taxonomy tables

### Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

| Financial year January–December | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code(s) | Turnover | Proportion of turnover, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Proportion of Taxonomy aligned (A.1. or eligible (A.2.) turnover, year 2023 | Category (enabling activity) | Category (transitional activity) |
| **Economic activities** | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N | Y; N | Y; N | Y; N | Y; N | Y; N | Y/N | % | E | T |
| **A. TAXONOMY ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | | | |
| Of which Enabling | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | | E | |
| Of which Transitional | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | | | | | | | | | | |
| | | | % | EL | EL | | | EL | | | | | | | | | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| A. Turnover of Taxonomy eligible activities (A.1+A.2) | | | | | | | | | | | | | | | | | | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 6,737 | 100% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **6,737** | **100%** | | | | | | | | | | | | | | | | |

| | Proportion of turnover/Total turnover | |
|---|---|---|
| | **Taxonomy-aligned per objective** | **Taxonomy-eligible per objective** |
| Climate change mitigation | 0% | 0% |
| Climate change adaptation | 0% | 0% |
| Water | | 0% |
| Circular economy | | 0% |
| Pollution | | 0% |
| Biodiversity | | 0% |

## Proportion of Opex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

| Financial year January–December | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code(s) | Opex | Proportion of Opex, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Proportion of Taxonomy aligned (A.1. or eligible (A.2.) turnover, year 2023 | Category (enabling activity) | Category (transitional activity) |
| **Economic activities** | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N | Y; N | Y; N | Y; N | Y; N | Y; N | Y/N | % | E | T |
| **A. TAXONOMY ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | |
| Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | |
| Of which Enabling | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | E | |
| Of which Transitional | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | | | | | | | | | | |
| | | | % | EL | EL | | | EL | | | | | | | | | % | | |
| Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| A. Opex of Taxonomy eligible activities (A.1+A.2) | | | | | | | | | | | | | | | | | % | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| Opex of Taxonomy-non-eligible activities | | 8 | 100% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **8** | **100%** | | | | | | | | | | | | | | | | |

| | Proportion of operating expenditure/ Total operating expenditure | |
|---|---|---|
| | **Taxonomy-aligned per objective** | **Taxonomy-eligible per objective** |
| Climate change mitigation | 0% | 0% |
| Climate change adaptation | 0% | 0% |
| Water | | 0% |
| Circular economy | | 0% |
| Pollution | | 0% |
| Biodiversity | | 0% |

## Proportion of Capex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

| Financial year January–December | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Do No Significant Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code(s) | Capex | Proportion of Capex, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum safeguards | Proportion of Taxonomy aligned (A.1. or eligible (A.2.) turnover, year 2023 | Category (enabling activity) | Category (transitional activity) |
| **Economic activities** | | MSEK | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N | Y; N | Y; N | Y; N | Y; N | Y; N | Y/N | % | E | T |
| **A. TAXONOMY ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | |
| Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | |
| Of which Enabling | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | E | |
| Of which Transitional | | | | | | | | | | Y | Y | Y | Y | Y | Y | Y | % | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | | | | | | | | | | |
| Acquisition (leasing) of buildings | 7.7 | 71 | 10% | EL | EL | | | EL | | | | | | | | | % | | |
| Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| A. Capex of Taxonomy eligible activities (A.1+A.2) | | 71 | 10% | | | | | | | | | | | | | | % | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| Capex of Taxonomy-non-eligible activities | | 619 | 90% | | | | | | | | | | | | | | | | |
| **TOTAL** | | **690** | **100%** | | | | | | | | | | | | | | | | |

| | Proportion of capital expenditure/ Total capital expenditure | |
|---|---|---|
| | **Taxonomy-aligned per objective** | **Taxonomy-eligible per objective** |
| Climate change mitigation | 0% | 10% |
| Climate change adaptation | 0% | 10% |
| Water | | 10% |
| Circular economy | | 10% |
| Pollution | | 10% |
| Biodiversity | | 10% |

| Nuclear and fossil gas related activities | | |
|---|---|---|
| | **Nuclear related activities** | |
| **1.** | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | **No** |
| **2.** | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | **No** |
| **3.** | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | **No** |
| | **Fossil gas related activities** | |
| **4.** | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | **No** |
| **5.** | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | **No** |
| **6.** | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | **No** |

# Datapoints that derive from other EU legislation

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Material/ Not material/ Not relevant | Page reference |
|---|---|---|---|---|---|---|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | Indicator #13 Table 1 of Annex 1 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Material | 39 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 57 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator #10 Table 3 of Annex 1 | | | | Material | 22 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators #4 Table 1 of Annex 1 | Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk | Delegated Regulation (EU) 2020/1816, Annex II | | Not relevant | – |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator #9 Table 2 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | Not relevant | – |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator #14 Table 1 of Annex 1 | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not relevant | – |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not relevant | – |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | Material | 25 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2 | | Material | – |
| ESRS E1-4 GHG emission reduction targets paragraph 34 | Indicator #4 Table 2 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | Material | 26 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator #5 Table 1, Indicator #5 Table 2 of Annex 1 | | | | Material | 26 |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator #5 Table of Annex 1 | | | | Material | 26 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator #6 Table 1 of Annex 1 | | | | Material | 26 |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators #1 and 2 Table 1 of Annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | | Material | 27 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators #3 Table 1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | Material | 27 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Material/ Not material/ Not relevant | Page reference |
|---|---|---|---|---|---|---|
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | Material | – |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Annex II<br>Delegated Regulation (EU) 2020/1816, Annex II | | Material, but phase-in disclosure | – |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)<br>ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk. | | | Material, but phase-in disclosure | – |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral | | | Material, but phase-in disclosure | – |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated Regulation (EU) 2020/1818, Annex II | | Material, but phase-in disclosure | – |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator #8 Table 1 of Annex 1, Indicator #2 Table 2 of Annex 1, Indicator #1 Table 2 of Annex 1, Indicator #3 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator #7 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E3-1 Dedicated policy paragraph 13 | Indicator #8 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | Indicator #12 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | Indicator #6.2 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E3-4 Total water consumption in $m^3$ per net revenue on own operations paragraph 29 | Indicator #6.1 Table 2 of Annex 1 | | | | Not material | – |
| ESRS 2-SBM-3-E4 paragraph 16 (a) i | Indicator #7 Table 1 of Annex 1 | | | | Not material | – |
| ESRS 2-SBM-3-E4 paragraph 16 (b) | Indicator #10 Table 2 of Annex 1 | | | | Not material | – |
| ESRS 2-SBM-3-E4 paragraph 16 (c) | Indicator #14 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator #11 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator #12 Table 2 of Annex 1 | | | | Not material | – |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Material/ Not material/ Not relevant | Page reference |
|---|---|---|---|---|---|---|
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | Indicator #15 Table 2 of Annex 1 | | | | Not material | – |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator #13 Table 2 of Annex 1 | | | | Material | 28 |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator #9 Table 1 of Annex 1 | | | | Material | 28 |
| ESRS 2-SBM3-S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator #13 Table 3 of Annex I | | | | Material | 30 |
| ESRS 2-SBM3-S1 Risk of incidents of child labour paragraph 14 (g) | Indicator #12 Table 3 of Annex I | | | | Material | 30 |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicator #9 Table 3, Indicator #11 Table 1 of Annex I | | | | Material | 30 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 30 |
| ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 | Indicator #11 Table 3 of Annex I | | | | Material | 30 |
| ESRS S1-1 workplace accident prevention policy or management system paragraph 23 | Indicator #1 Table 3 of Annex I | | | | Material | 30 |
| ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) | Indicator #5 Table 3 of Annex I | | | | Material | 31 |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator #2 Table 3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 33 |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator #3 Table 3 of Annex I | | | | Material | 33 |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator #12 Table 1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 33 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator #8 Table 3 of Annex I | | | | Material | 33 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator #7 Table 3 of Annex I | | | | Material | 33 |
| ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a) | Indicator #10 Table 1, Indicator # 14 Table 3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1) | | Material | 33 |
| ESRS 2-SBM3–S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators #12, Indicators #13 Table 3 of Annex I | | | | Material | 34 |
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator #9 Table 3, Indicator #11 Table 1 of Annex 1 | | | | Material | 34 |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator #1, Indicator #4 Table 3 of Annex 1 | | | | Material | 34 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Material/ Not material/ Not relevant | Page reference |
|---|---|---|---|---|---|---|
| ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator #10 Table 1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Material | 34 |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 34 |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator #14 Table 3 of Annex 1 | | | | Material | 34 |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator #9 Table 3 of Annex 1, Indicator #11 Table 1 of Annex 1 | | | | Not material | – |
| ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | Indicator #10 Table 1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Not material | – |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | Indicator #14 Table 3 of Annex 1 | | | | Not material | – |
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | Indicator #9 Table 3, Indicator #11 Table 1 of Annex 1 | | | | Material | 35 |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator #10 Table 1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Material | 35 |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | Indicator #14 Table 3 of Annex 1 | | | | Material | 36 |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator #15 Table 3 of Annex 1 | | | | Material | 39 |
| ESRS G1-1 Protection of whistle-blowers paragraph 10 (d) | Indicator #6 Table 3 of Annex 1 | | | | Material | 39 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator #17 Table 3 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | Material | 39 |
| ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b) | Indicator #16 Table 3 of Annex 1 | | | | | |

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| ESRS 2 SBM-3-S2 Material impacts, risks and opportunities and their interaction with strategy and business model | 34 |
| S2-1 Policies related to value chain workers | 34 |
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| S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 34 |
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| ESRS 2 SBM-3-S4 Material impacts, risks and opportunities and their interaction with strategy and business model | 35 |
| S4-1 Policies related to consumers and end-users | 35 |
| S4-2 Processes for engaging with consumers and end-users about impacts | 35–36 |
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| S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 35–36 |
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| **G1 Business Conduct** | |
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| ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities | 18 |
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| G1-2 Management of relationships with suppliers | 38–39 |
| G1-3 Prevention and detection of corruption and bribery | 39 |
| G1-4 Incidents of corruption or bribery | 39 |

# Auditor's report on the statutory sustainability report

## To the general meeting of the shareholders in Stillfront Group AB (publ), corporate identity number 556721-3078

**Engagement and responsibility**
It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 14–49 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

**The scope of the audit**
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

**Opinion**
A statutory sustainability report has been prepared.

Stockholm, 22 April 2025,

Öhrlings PricewaterhouseCoopers AB

**Nicklas Kullberg**
Authorised Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

# Corporate governance



# Corporate governance report

Stillfront strives to be the best games company in the world and our corporate governance work shall therefore guide our professionals in sound business conduct, ensuring a responsible risk culture. We are to build and maintain trust with our professionals, users, shareholders and business partners – whom all make the Stillfront journey possible.

**Principles for corporate governance**

Stillfront is a Swedish limited liability company, publicly traded on Nasdaq Stockholm. Stillfront follows the Swedish Code of Corporate Governance (the Code). In addition, corporate governance at Stillfront is based on other external regulations and rules, such as the Swedish Companies Act, the Swedish Bookkeeping Act, the Swedish Annual Accounts Act, the Market Abuse Regulation (MAR) and Nasdaq Stockholm's rules for issuers on Nasdaq Stockholm as well as internal regulations such as Stillfront's articles of association, rules of procedure for the board of directors, the board's instructions for the CEO and other group policies, instructions, and guidelines.

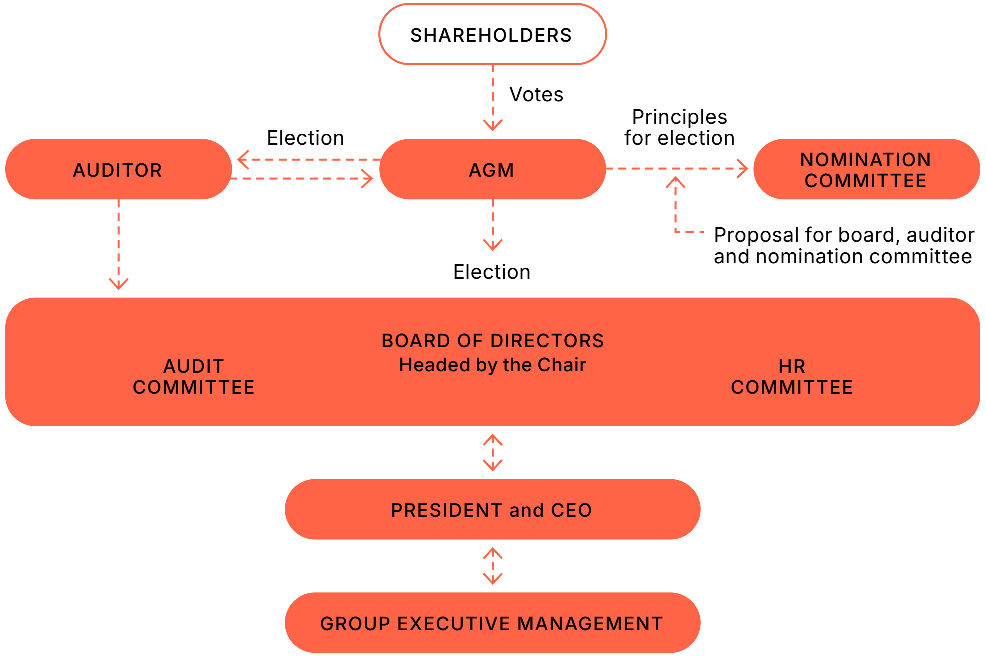
Stillfront has no deviations from the Code to report for 2024. This corporate governance report has been reviewed by Stillfront's auditor, as presented on page 59.

**Shares and shareholding**

As of 31 December 2024, Stillfront had 502,268,782 outstanding shares and 20,557 known shareholders. All shares are of the same class, each grants entitlement to one vote at the general meeting. At the general meeting, a shareholder may vote for the total number of shares represented. The largest shareholder on 31 December 2024 was Laureus Capital GmbH, which owned 12.1 percent of the outstanding shares and votes.

Laureus Capital GmbH was the only shareholder with an ownership greater than 10 percent of outstanding shares and votes. The ten largest shareholders represented 51.2 percent of the outstanding shares and votes in Stillfront.

**Corporate governance model**




**Important external regulations**

- The Swedish Companies Act
- The Swedish Annual Accounts Act
- Nasdaq's regulations for issuers on Nasdaq Stockholm
- The Swedish Code of Corporate Governance (the Code)

**Important internal regulations and Instructions**

- Articles of association
- Rules of procedure for the board of directors, Committee instructions
- CEO instructions including reporting instruction
- Code of Conduct
- Information security policy and other IT governing documents
- Treasury policy and financial handbook
- Processes for internal control and risk management
- Information and insider policy
- Sustainability policy
- Anti-bribery and anti-corruption policy

### Annual general meeting

The highest decision-making body of Stillfront is the AGM through which the shareholders exercise their influence over the company. The AGM is held within six months from the end of the financial year. The date, time and location are announced no later than in connection with the third quarter financial report. Information on how a shareholder can have a matter addressed at the meeting, and by which date such a request must be received by the company for the matter to be included in the notice to attend the AGM, is announced on Stillfront's website no later than in conjunction with publication of the third quarter financial report. Notice of the AGM is issued no earlier than six and no later than four weeks before the meeting. The notice contains information on registration, participation and voting at the AGM, an agenda with the issues to be addressed, information on the proposed distribution of results and the main content of other recommendations. To be entitled to vote at the AGM, shareholders must be recorded in the share register on the fifth business day before the meeting and must notify the company of their participation no later than the date stated in the notice of the meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the number of days before the meeting as set out in the Swedish Companies Act. Shareholders who cannot attend in person may participate through a proxy representative. Decisions at the AGM are normally made by a simple majority of votes cast. However, according to the Swedish Companies Act, certain types of resolutions require a certain quorum or majority of voting rights.

At the AGM, the following matters shall be handled:

- Presentation of annual report and the auditor's report and consolidated accounts and auditor's report for the group.
- Resolution on;
  - adopting of the profit and loss statement and the balance sheet and consolidated profit and loss statement and balance sheet,
  - allocation of the company's profit or loss according to the adopted balance sheet, and
  - discharge from liability for the board of directors and the CEO.
- Resolution to establish the remuneration for the board of directors and the auditor
- Resolution on the number of directors to be appointed
- Appointment of the directors and auditor and deputy auditor.
- Other matter relevant to the meeting according to the Swedish Companies Act or the articles of association.

In addition, shareholders resolve upon any changes to the articles of association of the company. The articles of association establish, inter alia, the name of the company, the headquarter of the board of directors, the operations of the company, aspects of the share capital, the shareholders' right to participate at the AGM and what matters shall be dealt with at the AGM.

Extra ordinary general meetings (EGMs) can be summoned when necessary. Information, including the notices and suggestions for the AGMs and EGMs, as well as minutes from previous AGM/EGMs are available on Stillfront's website, stillfront.com.

### Annual general meeting 2024

The AGM was held on 14 May 2024 in Stockholm, Sweden. In accordance with Stillfront's articles of association, the board of directors resolved that shareholders could exercise their voting rights at the AGM by post as well as in person at the meeting.

A total of 296,392,545 shares and votes were represented at the AGM which corresponded to 57.9 percent of the number of the outstanding shares and votes at the date of the AGM. The Chair of the board was elected as the Chair of the AGM.

At the AGM, the shareholders, inter alia, resolved:

- To adopt the profit and loss statement and the balance sheet and consolidated profit and loss statement and balance sheet.
- In accordance with the proposal of the board of directors and the CEO that the profits available for distribution shall be carried forward.
- To discharge Jan Samuelsson, Erik Forsberg, Birgitta Henriksson, Marcus Jacobs, David Nordberg and Ulrika Viklund from liability regarding the company's management for the last financial year. Shareholders representing 11.72 percent of all the company's shares voted against discharge of liability for Katarina G. Bonde and Jörgen Larsson for the fiscal year 2023.
- In accordance with the nomination committee's proposal, to elect Maria Hedengren and Lars-Johan Jarnheimer as new members of the board of directors and to re-elect Erik Forsberg, Katarina G. Bonde, Marcus Jacobs and David Nordberg as members of the board of directors for the period until the close of the annual general meeting 2025. Katarina G. Bonde was re-elected as Chair of the board of directors for the period until the close of the annual general meeting 2025. The remuneration to the board of directors shall be according to the proposal from the nomination committee.
- To re-elect the accounting firm Öhrlings PricewaterhouseCoopers AB as auditors, Nicklas Kullberg will continue as the auditor in charge.
- That the remuneration to the auditor shall be paid according to current approved invoices.
- To authorize the board of directors to issue shares, convertible instruments and/or warrants. The increase of the share capital which entails issuance, conversion or subscription for new shares, may correspond to a dilution of a maximum of 10 percent of the shares in the company at the time when the board of directors first utilizes the authorization.
- On four directed new share issues and transfer of own shares to the sellers of four of the companies that Stillfront previously has acquired.
- To authorize 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 transfer of own shares.
- To implement a share based long-term incentive program in accordance with the board of directors' proposal (LTIP 2024/2028), meaning that a maximum of 2,100,000 restricted stock units shall be offered to no more than 72 participants, consisting of the CEO, senior executives and other key personnel of the group. In order to ensure delivery of shares to the participants in the long-term incentive program, the board of directors may enter into a swap agreement with a third party.
- To not approve the proposals by the board of directors on a directed issue and transfer of warrants and transfer of own shares, respectively, to ensure delivery of shares in the company under the long-term incentive program.

For more information about the AGM 2024, visit Stillfront's website https://www.stillfront.com/en/arsstamma-agm-2024/.

### Annual general meeting 2025

The AGM 2025 will take place on 14 May 2025 in Stockholm. Information regarding the AGM, together with all required documents, will be published on the company's website, stillfront.com.

### Nomination committee

In accordance with the instruction to the nomination committee, the Chair of the board shall, based on the shareholding as of the last business day in August each year, convene Stillfront's three largest registered shareholders to elect one representative each for the nomination committee. A shareholder representative shall be appointed Chair of the nomination committee. Neither the Chair of the board nor another director of the board shall serve as Chair of the nomination committee.

The nomination committee of Stillfront Group AB (publ) ahead of the 2025 annual general meeting consists of the following members:

- Christian Wawrzinek, appointed by Laureus Capital, Chair of the nomination committee
- Niklas Johansson, appointed by Handelsbanken Fonder
- Anna Magnusson, appointed by Första AP-fonden (AP1)
- Katarina G. Bonde, Chair of the Board of Directors of Stillfront Group AB (publ) (adjunct)

The nomination committee's tasks shall be to prepare and draw up proposals regarding appointment of Chair of the annual general meeting, Chair of the Board of Directors and other directors of the board, remuneration to the Chair of the Board of Directors and the other directors of the board, including any remuneration for committee work, appointment of auditor, remuneration to the auditor and principles for the appointment of nomination committee.

No remuneration shall be paid to the nomination committee. If deemed necessary, thenomination committee may engage external consultants to find candidates with relevant experience and the Company shall cover the cost for such consultants. The nomination committee shall, in connection with performing its tasks, forward certain information to the Company so that the Company can comply with applicable obligations to disclose information. The term of the nomination committee expires when a new nomination committee has been appointed.

The composition of the nomination committee meets the Code's requirements for independent members. Following the formation of the nomination committee and until the day of the approval of the corporate governance report, the nomination committee have had five meetings.

The nomination committee has proposed that the AGM 2025 re-elects all six members of the board of directors, with Katarina G. Bonde re-elected as Chair of the board of directors. The nomination committee's complete proposals and motivated statement have been announced together with the notice to the AGM 2025.

**Auditor**

One or several auditors are elected by the AGM, for a term running up until the end of the AGM during the financial year after the election. The auditor is assigned to review Stillfront's annual report, accounting records and the administration performed by the board and the CEO. The auditor(s) deliver(s) a report to the AGM. Shareholders have the opportunity to ask the auditor(s) questions during the AGM.

The AGM 2024 re-elected accounting firm Öhrlings PricewaterhouseCoopers AB as auditor until the end of the AGM 2025. The chief auditor is Nicklas Kullberg.

In 2024, the auditors have, in addition to auditing the company's annual report, performed review of the company's third interim report. The auditor of the company has been present at a board meeting to present his conclusions from the 2023 audit and address questions from the board of directors without any member of the executive management present.

**Board of directors**

The board has overarching responsibility for the organization and management of the company's business. The board shall continually assess the financial situation of the company and ensure that the organization of the company is structured in such a way that the accounting, the management of assets and the financial situation of the company in other respects are monitored in a safe manner. It is also incumbent upon the board of directors to ensure that there is sufficient control over the company's compliance with laws and other regulations applicable to the company's business, and that essential ethical guidelines are established for the company's conduct. The board appoints the CEO.

**Composition of the board**

According to Stillfront's articles of association, the board of directors shall consist of at least three and at most eight members, with no deputies, elected at the AGM to serve until the end of the next AGM. There is no rule on the maximum period a director may serve on the board. The requirement to achieve diversity and breadth, as well as an effort to achieve an even distribution of gender, have been taken into account in the composition of Stillfront's board of directors.

The AGM 2024 elected Maria Hedengren and Lars-Johan Jarnheimer, and re-elected Katarina G. Bonde, Erik Forsberg, Marcus Jacobs and David Nordberg as board members. The AGM re-elected Katarina G. Bonde as Chair of the board. Birgitta Henriksson and Ulrika Viklund did not candidate for re-election as board member at the AGM and their appointments as board members therefore terminated in connection with the AGM.

**Independence**

According to the Code, a majority of the board members elected by the general meeting is to be independent of the company and its executive management. At least two of the board members who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders. The nomination committee's opinion is that the board fulfils the requirements pursuant to the Code regarding board members' independence.

The nomination committee has assessed that all board members are independent in relation to the company, the executive management and the company's major shareholders.

**Board work**

The board resolves on written rules of procedure for its work as well as CEO instructions including reporting instructions for the CEO, these are adopted annually at the constitutional meeting after the AGM. The rules of procedure specify how work is to be divided among the board of directors, its committees and the CEO. During 2024, 23 board meetings were held. At its scheduled meetings, the agenda was as determined by its rules of procedure and included items such as business performance, liquidity, annual accounts and interim reports. Three of the board meetings were held prior to the release of interim reports and one prior to the year-end report. One meeting addressed the company's operational strategy and budget. At one board meeting the board met the company's auditor without the CEO or any other member of the executive management present. A constitutional meeting was held in conjunction with the AGM i.a. resolving signatories, working procedures of the board, CEO and committee instructions and schedule for the meetings of the coming year. The board members attendance is set out on page 55 in Stillfront's annual report.

Board meetings are usually convened by way of a notice issued to members at least five days in advance. The directors shall receive written supporting material regarding the issues to be discussed prior to the board meeting.

Except for when the board meets the auditor without any of the executive management present or when executive management remuneration is discussed/resolved, the CEO, CFO and the General Counsel take part in the board meetings. The CEO reports on operational performance at each ordinary board meeting and the CFO reports on financial performance. The General Counsel acts as secretary of the board. Other representatives from the management and other part of the organisazion participate in board meetings when relevant.

**The Chair's role**

The Chair of the board organizes and manages the board's work so that is conducted in accordance with the Swedish Companies Act, other legal acts and regulations, the Code and the board's internal governing documents. The Chair monitors operations through continuous contact with the CEO and is responsible for ensuring that the other board members receive relevant information. The Chair ensures that the CEO's work is evaluated annually and that the board is informed about the results of the evaluation.

Once a year, the Chair of the board carries out an evaluation and analysis of the board's work through a board assessment tool developed by a third party. The evaluation addresses issues such as the climate of cooperation, corporate governance models, the breadth of knowledge and the quality and efficiency of the board work. The intention is to get a picture of how the members perceive that the board work has been carried out and what measures can be taken to streamline and improve the work. The Chair of the board reports the evaluation to the board of directors and to the nomination committee.

**Remuneration**

Remuneration to the board of directors is proposed by the nomination committee and resolved by the AGM. Information on remuneration for the board of directors and the committee members is shown in the table in note 8 in the annual report.

Remuneration to the CEO and other members of the executive management consists of a base salary, and, for certain managers, a variable performance remuneration, other benefits and pension. The AGM 2024 adopted guidelines for the remuneration of senior executives, available on Stillfront's website www.stillfront.com/en/remuneration. These guidelines have been adhered to without deviations during the year.

The HR committee (previously known as the remuneration committee) of the board negotiates the remuneration and terms of employment for the CEO. The remuneration for CEO is approved by the board of directors.

The CEO negotiates the remuneration and terms of employment for the other members of the executive management after consultation with the HR committee. For further information, see note 8 in the annual report.

## Board committees

### The audit committee

The audit committee consists of Erik Forsberg (Chair) and Maria Hedengren. The audit committee has the responsibilities, the competence and authority that follows from the Swedish Companies Act and the Code.

The duties of the audit committee include:

- reviewing the financial reports
- monitoring the efficiency of internal control, including risk management, with respect to financial reporting
- staying informed about the external audit
- reviewing and, as appropriate, granting prior approval when external auditors are appointed for assignments other than audit services
- monitor sustainability reporting compliance
- follow-up on previous matters.

During 2024, five meetings were held by the audit committee. Both members of the audit committee attended along with the CEO, CFO, General Counsel, the company's auditor and relevant members of the finance team.

### The HR committee

The HR committee consists of Katarina Bonde (Chair) and Marcus Jacobs. The HR committee has the responsibilities and authority that follows the Swedish Companies Act and the Code.

The duties of the HR committee include;

- preparing and evaluating guidelines for remuneration to senior executives,
- preparing and evaluating goals and principles for variable remuneration,
- preparing proposals regarding remuneration and other terms of employment to the executive management,
- monitor and evaluate programs for variable remuneration,
- prepare and make proposals for shareholders' resolutions regarding share or share priced related incentive programs for the executive management,
- prepare any resolutions regarding bonus schemes, and
- prepare the board's CEO succession plan and review of the group's overall succession planning concerning top management.

During 2024, three meetings were held by the HR committee where both members attended.

## The executive management and its working methods

The executive management is presented on page 58 in Stillfront's annual report. At the executive management meetings, which are held regularly, business development, financial monitoring and business plans are discussed.

The management team has recurring meetings with representatives of the company's subsidiaries throughout the year. The executive management monitors that the agreed authorities, policies, and processes are not exceeded. Effective management and governance structures have been established within each subsidiary.

| | Attendance | Audit committee | Attendance | HR committee | Attendance |
|---|---|---|---|---|---|
| Katarina Bonde, Chair | 23/23 | | | Chair | 3/3 |
| Erik Forsberg, member | 22/23 | Chair | 5/5 | | |
| Maria Hedengren, member[1] | 15/15 | Member[1] | 3/3 | | |
| Marcus Jacobs, member | 23/23 | | | Member | 3/3 |
| Lars-Johan Jarnheimer, member[1] | 14/15 | | | | |
| David Nordberg, member | 22/23 | | | | |
| Birgitta Henriksson[2] | 8/8 | Member[2] | 2/2 | | |
| Ulrika Viklund[2] | 8/8 | | | | |

[1] Board member since the AGM 2024
[2] No longer Board member since the AGM 2024

# Internal control and risk assessment regarding financial reporting

The board is responsible for the company's internal control and that financial reporting follows the regulations and rules applicable to companies traded on Nasdaq Stockholm, as well as Swedish legislation such as the Swedish Companies Act, the Swedish Annual Accounts Act as well as the Swedish Code of Corporate Governance. To ensure compliance to rules and regulations and good internal control, Stillfront has defined and implemented internal policies, instructions, routines, controls and a system for delegating roles and responsibility. This internal control system is a key component for compliance with rules and regulations but also for the mitigation of enterprise risks and to ensures reliable reporting and decision making.

**Control environment**

Stillfront's operations are organized in independent subsidiaries. The CEO of the group appoints an entity head in charge of each subsidiary's governance, development and management.

Stillfront's decentralized organization, with many subsidiaries, entails demanding requirements on the management teams of subsidiaries, as well as their competence, values and ethics. Further, this requires understanding and respect for delegation of roles. This also requires that the division of responsibility within and between the executive management and the management teams of the subsidiaries are well-defined and that the communication between all these units works well. Instructions on governing documents, accounting principles, guidelines and routines are regularly communicated to affected employees.

The authorization instructions in place for Stillfront and all its subsidiaries regulate the decision-making process for material contracts, major investments and other significant decisions, thus becoming an important part of the group's control environment.

**Risk management & Control activities**

Stillfront's operations are affected by a number of risk factors that cannot be fully controlled by the company. The board has a work agenda determined at the constituting meeting. It provides the basis for the board's work and for effective handling of the risks to which the company is exposed. For a more comprehensive description of financial risks see note 3 in Stillfront's annual report.

The board is responsible for identifying and managing significant financial risks and risks of errors in the financial reports. Its efforts focus on significant income and balance items, transactions of high complexity and/or where the effects of any errors could be significant.

Stillfront has an internal control framework in place ensuring the identification of, and adequate response to, key company risks. A risk is defined as the uncertainty whether an event will occur and its effect on Stillfront Group's ability to achieve its business goals in a given period. The internal control framework is based on the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). There is also an ICFR policy governing the internal control over financial reporting, which describes the control environment, risk assessments, control activities, information, communication, and monitoring activities. Key controls in the ICFR area have been tested in the year mainly through self-assessments based on an internal control plan approved by the board. The audit committee receives an update on ICFR activities every quarter.

The most significant items and processes in which the risk of significant errors can typically arise encompass financial assets and instruments in the income statement and balance sheet, and the investment process. Stillfront has established documented work routines and continuously evaluates how well the controls function in relation to these items and processes.

**Monitoring**

Stillfront's CFO, together with the audit committee, annually reviews the company's minimum requirements for internal control and routines for financial reporting and reports the result to the board of directors. These minimum requirements serve to prevent, uncover and correct errors and deviations in the financial reporting. Reviews include, i.e., approval of significant agreements, follow-up of risk exposure, checking account balances and analyzing financial results.

The subsidiaries' observance of Stillfront's requirements of internal review and processes for financial reporting is monitored continuously by the CEO and CFO, both remotely and onsite. Onsite reviews are selected based on particular needs and timed depending on internal reviews and assessments already performed.

The group's subsidiaries report income and balance sheets, as well as relevant operational KPI's on a monthly basis. The monthly reports of the subsidiaries and the consolidated monthly report of the group are analyzed by the executive management.

Each month the board is updated on the financial performance of the group and its studios. Quarterly, the board of directors is given a business report where the group's operational KPI's, risk limits and compliance are reviewed.

**Internal audit**

Given the group's structure and processes for internal audit of financial reporting, the board has not assessed it necessary to establish a special internal audit function for its financial reporting. Instead, Stillfront, on instructions from the audit committee, engages external parties and have implemented an internal audit program utilizing peer audits, to follow up and evaluate work related to inter alia risk management and internal audit. This assessment is revisited yearly by the board.

**Information**

The CFO is responsible for the implementation of group policies regarding internal information and communication.

The company's external information follows the Information policy established by the board of directors. The policy states what should be communicated, by whom and in what manner – to ensure that both external and internal information is correct, compliant and complete.

Stillfront provides information to shareholders and other stakeholders through published press releases, interim and year-end reports, the annual report and the company's website (www.stillfront.com). The press releases, financial reports and presentation materials are published on the company's website, along with information on corporate governance. Interim reports, annual reports and press releases are translated into English and published on the company's website (stillfront.com).

# Board of Directors

## Katarina Bonde
Chair of the Board

**Born** 1958.

**Board member** since 2018.

**Education:** M.Sc. Physics and Mathematics, KTH Royal Institute of Technology, Mathematics and Social history, Salem College, North Carolina, Economics, Stockholm University.

**Former positions, selection:** Chair Stratsys AB, UniSite Software, Global Sales & Marketing Captura Software Inc., Marketing Director Dun & Bradstreet Software Inc., VP Sales and Marketing Timeline Inc. CEO Programator Industri AB, Marketing Director – Dun & Bradstreet Software Inc.

**Other current assignments, selection:** Chair of the board Mentimeter AB and Zimpler Holding AB, board member Mycronic AB (publ), Ysäter AB and Viaplay Group AB.

**Shareholdings[1]:** 90,000.

Chair of the HR committee

Independent in relation to the company, company management and major shareholders.

## Erik Forsberg
Board member

**Born** 1971.

**Board member** since 2018.

**Education:** M.Sc. Business and Administration, Stockholm School of Economics.

**Former positions, selection:** CFO Intrum AB, CFO Cision AB and Business Area CFO, Group Treasurer and Business Controller EF Education, Chair of the board Lectogo AB.

**Other current assignments, selection:** Chair of the board Lilian Group (Lilian MidCo AB) and Collectia Group (Care Bidco Aps DK), board member – Viaplay Group AB (publ), Enento Group Plc, board member and owner Deltalite AB.

**Shareholdings[1]:** 90,000.

Chair of the audit committee.

Independent in relation to the company, company management and major shareholders.

## Maria Hedengren
Board member

**Born** 1970.

**Board member** since 2024.

**Education:** University of Gothenburg, Accounting and Financing, Business Administration.

**Former positions, selection:** CEO Readly International AB (publ), CFO iZettle AB and NetEnt AB, Chair of the board Her Company AB, board member and Chair of the audit committee Fishbrain AB, board member and member of the audit committee NetEnt AB (publ) and board member Swedish Esports Federation.

**Other current assignments, selection:** Chair of the board of directors Feminvest Holding AB and subsidiaries, board member and member of the audit committee Mips AB, board member and Chair of the audit committee Scila AB, advisory board member and senior advisor STJ Advisors and Venture Partner Eight Roads Venture.

**Shareholdings[1]:** 22,000 shares.

Member of the audit committee.

Independent in relation to the company, company management and major shareholders.

## Marcus Jacobs
Board member

**Born** 1975.

**Board member** since 2022.

**Education:** M.Sc. General Law Stockholm University, Sweden. M.Sc Business Law, Linköping University, Sweden. Bachelor in Economics, Stockholm University, Sweden.

**Former positions, selection:** Member of the Executive Management of King (various positions), CCO Embark Studios, Director of Monetization of Electronic Arts.

**Other current assignments, selection:** Chief Product Officer and co-founder of Cult of the North, CEO and owner of Steelmind AB, Chair of the board Sidledes AB (Strafe) and Infundo AB, board member Jumpgate AB and Anglais Holding AB (Learnifier).

**Shareholdings[1]:** 195,000 shares.

Member of the HR committee.

Independent in relation to the company, company management and major shareholders.

## Lars-Johan Jarnheimer
Board member

**Born** 1960.

**Board member** since 2024.

**Education:** Bachelor of Science in Business Administration and Economics from Lund and Växjö University.

**Former positions, selection:** Chair of the board Egmont International Holdings AS, Qliro Group, BRIS and Eniro AB, board member SAS AB, Millicom International Cellular S.A, MTG Modern Times Group AB, Nelly NLY AB, Invik and Apoteket AB. CEO Tele2, deputy CEO Industriförvaltnings AB Kinnevik and various positions within H&M.

**Other current assignments, selection:** Chair of the board Telia Company AB, Ingka Holding B.V (IKEA), Arvid Nordqvist HAB, Elite Hotels and Grimaldi Industries.

**Shareholdings[1]:** 25,000 shares.

Independent in relation to the company, company management and major shareholders.

## David Nordberg
Board member

**Born** 1974.

**Board member** since 2023.

**Education:** Master's degree Marketing, Stockholm University, Architecture & Design, KTH Royal Institute of Technology.

**Former positions, selection:** CPO Stryda, CMO Mr Green, Interim CCO Glorious Games Group, CMO Mag Interactive, Senior Marketing Director Electronic Arts, CPO King, Sales and Marketing Director Svenska Spel. board member of Sidledes AB (Strafe).

**Other current assignments, selection:** Chair of the board and CEO Modigare AB, various assignments within Marketing, Leadership & Executive Coaching.

**Shareholdings[1]:** 15,000 shares.

Independent in relation to the company, company management and major shareholders.

**Changes during 2024**

The 2024 annual general meeting resolved, in accordance with the nomination committee's proposal, to elect Maria Hedengren and Lars-Johan Jarnheimer as new members of the board of directors. For the nomination committee's proposal of the board of directors ahead of the 2025 annual general meeting, see page 54. Birgitta Henriksson and Ulrika Viklund informed the nomination committee ahead of the 2024 annual general meeting that they had decided not to be available for re-election as board members.

1) Shareholding as of 31 December, 2024.

# Group executive management

## Alexis Bonte
President & Group CEO

**Born:** 1976.

**Current position** since 2024.

**Education:** BA Honors Degree International Business & Languages, European Business School, London, Global Leadership and Public Policy, Harvard University, Transformational Leadership Program University of Oxford / Said Business School.

**Former positions, selection:** Co-founder and CEO eRepublik Labs, various positions at lastminute.com: Head of Business Development, UK, Marketing and Sales Director, France and MD, Italy.

**Shareholdings[1]:** 1,274,442 shares.

**Warrants / Employee stock options / RSUs:** 350,000 [2] (LTIP 2021/2025); 220,000 (LTIP 2022/2026); 220,000 (LTIP 2023/2027); 230,000 (LTIP 2024/2028).

## Armin Busen
EVP Business Area Europe

**Born:** 1978.

**Current position** since 2024.

**Education:** Master of Economics from Maastricht University, Product Innovation Program of Harvard Business School, Emerging CFO Program of Stanford University Graduate School of Business.

**Former positions, selection:** Chief Product Officer, InnoGames, CFO, InnoGames, Finance and business development ProSiebenSat.

**Shareholdings[1]:** -

**Warrants / Employee stock options / RSUs:** 140,000 [2] (LTIP 2021/2025); 95,000 (LTIP 2022/2026), 85,000 (LTIP 2023/2027); 150,000 (LTIP 2024/2028).

## Todd Heringer[3]
EVP Business Area North America

**Born:** 1972.

**Current position** since 2025.

**Education:** DB.A., Business & Economics, University of California, Santa Barbara

**Former positions, selection:** SVP Head of Operations, Big Fish Games, Head of Studio, Backflip Studios, Senior VP, GSN Games.

**Shareholdings[1]:** –

**Warrants / Employee stock options / RSUs:** –

## Phillip Knust
EVP Group CPO

**Born:** 1988.

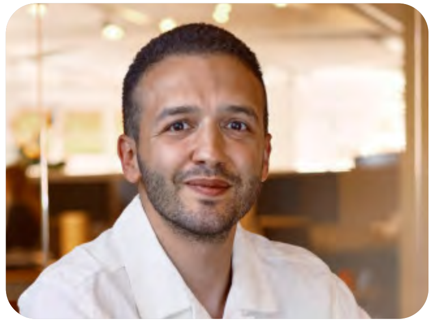
**Current position** since 2019.

**Education:** Data processing, EPS Lübeck, Computer Sience, TH Lübeck.

**Former positions, selection:** CPO Goodgame Studios. Creative founder of EMPIRE and BIG brand.

**Shareholdings[1]:** 56,980 shares.

**Warrants / Employee stock options / RSUs:** 140,000 [2] (LTIP 2021/2025); 95,000 (LTIP 2022/2026); 95,000 (LTIP 2023/2027); 150,000 (LTIP 2024/2028).



## Alexandre Salem
EVP Business Area MENA/APAC

**Born:** 1984.

**Current position** since 2024.

**Education:** Master of Business Administration, MBA, INSEAD.

**Former positions, selection:** Global Director of Gaming Partnerships, Huawei, Gaming Lead EMEA Partnerships Solutions, Google, Global Advertising Monetization Director, King.

**Shareholdings[1]:** -

**Warrants / Employee stock options / RSUs:** 65,000 [2] (LTIP 2022/2026); 75,000 (LTIP 2023/2027); 100,000 (LTIP 2024/2028).

## Andreas Uddman[4]
President Finance & Global Functions – Group CFO

**Born:** 1979.

**Current position** since 2019.

Education: Chartered Management Accountant (ACMA), Master in Management, EADA Business school, M.A. in Politics from University of Glasgow.

**Former positions, selection:** CFO Qliro Financial Services, CFO Vireo Energy, Finance and Business Development positions at Shell.

**Shareholdings[1]:** 53,769 shares.

**Warrants / Employee stock options / RSUs:** 350,000 [2] (LTIP 2021/2025); 220,000 (LTIP 2022/2026); 220,000 (LTIP 2023/2027); 230,000 (LTIP 2024/2028).

**Changes during 2024**

Johanna Lundberg left her position as EVP General Counsel and member of the executive management team on June 30, 2024. Sofia Wretman left her position as EVP IR, Communication & Sustainability and member of the executive management team on July 31, 2024. Jörgen Larsson left his position as President and Group CEO and member of the executive management team on October 15, 2024. Todd Heringer joined Stillfront as EVP Business Area North America and member of the executive management on January 6, 2025.

Following a reorganization of the company announced on September 10, 2024, Armin Busen, EVP Business Area Europe and Alexandre Salem, EVP Business Area MENA/APAC, joined the executive management team whereas Björn Tönne, CIO, and Marina Andersson, EVP Head of Corporate Development & M&A, no longer were members of the executive management team. However, both remain in their roles at Stillfront.

[1] Shareholding as of 31 December, 2024.
[2] Post the share split on 28 December 2020, each warrant/employee stock option entitles the holder to subscribe for 10 new shares in the company subject to the terms of the relevant LTIP.
[3] Todd Heringer joined Stillfront as EVP Business Area North America and member of the executive management on January 6, 2025.
[4] On January 7, 2025, Andreas Uddman announced his resignation as President Finance & Global Functions – Group CFO. He will remain in his role until his successor takes over or until July 2025 at the latest.

# Auditor's report on the Corporate Governance Statement

## To the general meeting of the shareholders in Stillfront Group AB (publ), corporate identity number 556721-3078.

**Engagement and responsibility**
It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 52–58 and that it has been prepared in accordance with the Annual Accounts Act.

**The scope of the audit**
Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

**Opinions**
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 22 April 2025
Öhrlings PricewaterhouseCoopers AB

**Nicklas Kullberg**
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

# Risk factors and risk management

Uncertainty is an inherent aspect of predicting future events within any business operation, and Stillfront is not an exception. While future events may have a positive impact on the business, enabling increased value creation, they may also have adverse effects that could potentially have a negative impact on Stillfront's operations and earnings.

Stillfront's board of directors is responsible for the group's risk management. Matters relating to risks associated with business development and long-term strategic planning are prepared by group executive management and decided by the board of directors. The enterprise risk management within Stillfront is based on a number of key policies and Stillfront works continuously on assessing and evaluating the risks to which the group is or could become exposed. Critical risks in Stillfront's business environment are managed strategically through product and business development, and operationally through daily processes.

The tables below present some of the risks that could have implications for the group's future development. The risks are not arranged by order of importance or potential financial impact on the group's profit or financial position. Furthermore, the risks described below are not the only risks that we face. There are potential risks and uncertainties that we are not currently aware of, or that we currently consider to be insignificant, which could nevertheless negatively impact our business activities. Risks related to sustainability are presented separately in the sustainability report section of the annual report.

For financial risk factors that affect the company's business, see note 3.

## Risks related to the group's business and industry

| Risks related to the groups dependency on key individuals | Mitigation |
|---|---|
| The group's operations are dependent on certain key employees, senior executives and persons with specialist competence, some of whom are founders of certain group companies. If any of these key employees terminate their employment with the group or significantly change or reduce their involvement within the group, there is a risk that the group may not, within a reasonable time, be able to replace these persons or their services with other persons who may contribute equally to the group's operations. In addition, there is a risk that failure to attract and retain new key employees may have a negative impact on the group's net revenue growth, profitability and management function. | By promoting career development and other development opportunities for co-workers including remuneration and competitive long-term incentives, Stillfront safeguards its ability to attract and retain co-workers both in the near and in the long term. Additionally, Stillfront has succession plans in place for key individuals within the group to ensure that operations can continue in the event of unforeseen events. |

| Risk related to development of new and existing game offerings | Mitigation |
|---|---|
| The continued success and growth of the group's operations depends on its ability to continue to develop new games and to broaden its existing game offering. If the group fails to develop new games and improve its existing games, there is a risk that these games will generate lower revenues, which in turn may have a material negative impact on the group's net revenues, results of operations and intangible assets. Delays in, or non-completion of planned and ongoing game development projects entail a higher cost for the group and may have a negative impact on cash flow, revenues and operating margins in the group. | Stillfront's incremental model for developing games reduces the risk of "scope creep" – one common cause of delay in development projects. By being agile and having a data-driven approach in the development and soft-launch phase of our games, Stillfront is able to make timely adjustments to its development of new and existing games, as needed. Further, Stillfront's frequent use of proven game engines and focus on successful franchises reduces the development risks. Stillfront is also continuously looking for opportunities to acquire games suitable for the group's game portfolio, which further increases diversification and reduces the dependence on existing games. |

| Risks related to the group being dependent on a limited number of games and users | Mitigation |
|---|---|
| The group has a wide range of games in its portfolio. However, the group is dependent on a relatively limited number of games that generate a majority of the group's revenues. Thus, the group is also dependent on the ability to continuously develop and improve its game portfolio, particularly games with high popularity. If the group's investments in new user acquisitions and monetization strategies do not produce the desired results, the group may fail to attract, retain or monetize on users and may experience a decrease in the level of spending of existing paying users, which would result in lower revenues attributable to the group's games and thereby risk having a material negative impact on the group's operating expenses, net revenues, results of operations and profitability. | Stillfront continuously works with providing updates and additional content to its existing games with the aim of retaining as many existing users as possible. Furthermore, Stillfront has internal processes to ensure that its studios utilize efficient and profitable user acquisition methods and are continuously looking for opportunities to acquire new users through acquisitions of suitable games. |

| Risks related to the free-to-play model | Mitigation |
|---|---|
| The majority of the group's games are available free of charge to players, and the majority of revenue is generated from the sale of virtual items when players make voluntary in-game purchases. If the group fails to price virtual items in the games in line with player expectations or at normal price standards in the market, players may be less inclined to spend money and time in the games, thus resulting in lower revenues for the group, which may have a material negative impact on the group's net revenues and results of operations. | Stillfront has developed tools and systems that allow for continuous tracking of how its games are performing and can use information from such tools and systems to quickly and effectively make appropriate adjustments to relevant parameters and quickly confirm the efficiency of the same. |

| Risks related to technological progress and consumer preferences and requirements | Mitigation |
|---|---|
| The group's success depends on its ability to successfully innovate, develop and publish new games. In addition, the online gaming industry is driven by users' preferences and requirements. This means that game developers, publishers and operators must be able to continuously offer new products and services to attract and retain a wide range of users. To successfully operate in an industry characterized by the rapid emergence and development of new products, services, technologies and the development of player preferences, the group needs to constantly stay innovative and adapt to the technological advances and preferences that arise on an ongoing basis. Widespread adaptation to new internet technologies and higher standards may require the group to allocate significant funds to replace, upgrade, modify or adapt its existing game offering, which may have a material negative impact on the group's short- and long-term operating expenses and earnings. | Stillfront evaluates technical developments in the market and the potential impact on Stillfront's business. Based on the evaluations, Stillfront takes appropriate measures. |

| Risks related to changes in marketing norms and standards | Mitigation |
|---|---|
| The success of the group is highly dependent on the effectiveness of new user acquisitions and marketing of the live game titles. As such any changes to marketing norms or standards could have a significant impact on the group's profitability by increasing marketing costs or rendering marketing initiatives less effective. | Stillfront continuously monitors the regulatory landscape in relevant jurisdictions and information from device/platform providers to be able to in a timely manner adjust to any further changes in the regulatory landscape and/or device/platform providers' policies and terms and conditions. |

| Risks related to distribution channels | Mitigation |
|---|---|
| The group's sales are largely generated through a few significant 3rd party stores, mainly in the growing mobile application sector where the group relies particularly on Google Play and App Store. In 2024, approximately 54 percent of the group's revenue from games in its active portfolio was attributable to games distributed through 3rd party stores (60 percent in 2023).<br>The distributors' range of digital distribution channels is crucial for the group's monetization from its mobile applications segment. If, for any reason, any of these material distributors were to close their platform or restrict the group's access to or terms of use of its platform, or suspend certain games from distribution through the platforms, this may result in revenue loss for the group. Additionally, if there is an interruption or restriction in the group's access to one or several platforms, in whole or for long periods of time, or if the data obtained from distributors is materially incorrect, to the effect that the group has calculated its revenues incorrectly, it may have a material negative impact on the group's net revenues and results of operations. Furthermore, the group also runs the risk of being subject to higher external platform fees from the distribution channels, which in turn would have a significant impact on the group's expenses and results of operations. | Stillfront strives to maintain good relations with the mobile platform distributors. Stillfront's studios also have good working relationships with the platform providers to ensure that processes related to approval of new games and/or content are efficient. In parallel, Stillfront evaluates other means to reach the mobile market. Such efforts include the development of Stillfront's own internal proprietary payment platform, which includes lower payment processing fees and other related expenses compared to other distribution channels, as well as mitigates the impact related to the potential risk of increased fees from other distribution channels. |

| Risks related to negative perception or publicity | Mitigation |
|---|---|
| The online gaming industry is subject to scrutiny related to gaming behavior, underage gaming and lack of compliance, as well as standards established to promote responsible gaming. Negative perceptions and prejudices about the gaming industry or the group itself, may lead to the group experiencing difficulties in attracting more users or that the group's operations risk gaining a bad reputation, regardless of the type of games that the group provides, which may result in revenue being less than expected. In addition, if a general perception develops that the online gaming industry is unable to address public concerns about gaming addiction, political pressure and public opinion may lead to increased regulation of the online gaming industry. Such new regulation may lead to significant costs for the group to adapt its existing games or make adjustments in its development work in order to comply, which may have a material negative impact on the group's operating expenses and profitability. Furthermore, if the group specifically were to fail in complying with said standards and regulations, the group would face the risk of additional scrutiny or possible fines or regulatory fees. | The ecosystem Stillfront is active in, consisting of game developers, publishers, platform providers as well as gamers, have over time established standards of what defines responsible content. Our games are to follow the industry standards set by the gaming ecosystem. In addition, Stillfront has established its own responsible content declaration that addresses and includes a plan for how we deal with unacceptable content and behavior from gamers' action in the games. Stillfront has zero tolerance for abusive behavior among gamers. During 2024, 100 percent of the substantiated incidents have been acted on by the studios according to our strict protocol. |

### Risks related to Intellectual property – infringement on third party trademarks

The group may have inadequate intellectual property protection, be prevented from protecting its intellectual property rights and may risk infringing on third party intellectual property rights. The group's ability to grow successfully depends on, among other things, its ability to protect, register and maintain its intellectual property rights.

In the early phase of the life cycle of the group's games, the group mainly relies on trademark protection through trademark registration as well as on registration of logos, copyright protection and domain name registrations. Some of the group's trademarks and logos are not registered and/or pending trademark registrations, and certain trademarks and logos can, for various reasons, not be registered as trademarks. There is a risk that the group will not be able to complete registrations regarding such trademarks and logos and/or future trademarks or logos.

The group also faces the risk that the use and exploitation of its intellectual property rights, in particular rights related to its software, may infringe on the intellectual property rights of third parties. The costs of bringing or defending an intellectual property infringement action may be significant. Consequently, other than protection through trademark registrations, copyright protection and domain name registrations, the group's intellectual property rights enjoy limited legal protection. This may limit the group's ability to bring an action and defend itself against intellectual property infringements.

Furthermore, the use of generative artificial intelligence ("AI") tools in the Group's business increases risks related to intellectual property, e.g. that the use of such AI tools infringes the intellectual property of third parties, that confidential information is shared with providers of such AI tools and that the group is unable to obtaining intellectual property rights to works produced with the assistance of generative AI.

#### Mitigation

Material trademarks have been registered in relevant intellectual property offices. In Stillfront's product development work, care is taken not to infringe on others' intellectual property.

Although the group's intellectual property rights are generally protected by copyright, such protection covers only the original literal expression of the group's source code and not the concepts and ideas as expressed by it. Furthermore, the group's intellectual property rights are, as a general rule, by their very nature not patentable.

The group is regularly assessing how AI is used throughout the business, and how regulations and use cases for AI are developing.

### Risk related to cybercrime

The group's online gaming business is exposed to the risk of system intrusion, virus spread and other forms of IT crime or harmful behavior by individual players or other actors. Such actions may interfere with websites, cause system failures and disruptions to the operations, lead to loss of databases and may harm computer equipment and infrastructure held or used by the group or its users. The effect of such actions or the group's failure to successfully protect itself against such attacks may have a material negative impact on the group's operations, net revenues and results of operations.

#### Mitigation

Stillfront is continuously striving to maintain the highest standards to protect its users from cyberattacks and card fraud when playing our games. We have implemented policies and procedures to comply with all applicable legislations and rules to achieve adequate information security and expect the same of our business partners and suppliers.

### Risks related to the security, integrity and operational performance of systems, products and services.

The group's product range consists exclusively of online games that depend on the security and good functioning of the internet connection through which users play the group's games. Consequently, the group's operations depend on the integrity, reliability and operational performance of IT systems as well as the users' access to the internet. The operation of IT systems within the group's operations and its suppliers or partners may be disrupted for reasons beyond the group's control, such as damage caused by accidents, disruptions in the provision of tools or services, extreme weather events, safety problems, system failures or pollution.

Although the group's operations are based on separate servers and platforms, which means that it is unlikely that a significant number of servers are affected by disruptions at the same time, disruptions or events related to a number of the most revenue-generating games may result in loss of players and thus reduced revenues as well as potential complaints against the group for interruptions, or otherwise adversely affect the group's ability to sell products and services to its users.

#### Mitigation

The security of Information Technology ("IT") assets is core to our business. It is critical that measures are taken to ensure that IT assets are made and kept secure from cybersecurity attacks and/or human error that can lead to data breach, data loss, data corruption, and natural disasters. To mitigate these risks the group has Disaster Recovery and Business Continuity Plans framework in place for retaining or re-instituting business operations in the event of a disruption.

### Risks related to competition

The group operates in a highly competitive industry. Competition increases when new game developers, console developers, game publishers and gaming operators enter the gaming market or when current competitors expand their game offerings. The group's focus is to provide high-quality entertainment, where also other entertainment companies are viewed as main competitors. Online gaming products and services are also sensitive to consumer trends and there is a risk that the group's market share diminishes if competitors make improvements to or expand their product offering. Failure by the group to effectively compete may result in the group losing users or failing to attract new users. Increased competition may also lead to lower margins and price pressure, and that the group, as a consequence, is forced to reduce the price of its products and services in order to retain its users and current market share. In addition, some competitors may offer a more attractive range of online games or complementary products and services than the group, which may result in the group having to develop or offer similar products and services or risk that the group loses its users. This may also result in the group incurring increased development costs associated with the development of a specific type of product or service.

#### Mitigation

Stillfront has chosen to primarily work within free-to-play online games, which have proven long-term profitability. In addition, Stillfront continuously explores new genres with characteristics that fit Stillfront's strategies.

| Risk related to the use of open-source software | Mitigation |
|---|---|
| The group uses open-source software in game development. Certain open-source software licenses require developers who distribute open-source software to disclose all or part of the source code of such software on unfavorable terms or free of charge. There is a risk that such licenses may be interpreted in a way that entails unexpected consequences or limitations on the group's ability to market the games or that the group inadvertently infringes on the intellectual property rights of other actors. In addition, there is a risk that outdated, and potentially unsafe, open-source software is included in the group's products. This may result in the group being required to disclose and make available its own source code, pay damages due to a breach of contract, reconstruct its games, suspend distribution of affected games should the redesign not be completed in a timely manner, or take other corrective actions that may divert resources from the group's game development work in general. This may have a material negative impact on the group's net revenues, results of operations and intangible assets. | The group continuously monitors its use of open-source software and screens for outdated or unsafe software to mitigate the risks involved. |

| Risks related to macroeconomic factors, geopolitical conditions and other external factors | Mitigation |
|---|---|
| The group operates in the online gaming industry and is affected by the global economic trend, consumer trends and user preferences. Although the group focuses on digital entertainment and has digital processes in place to ensure that the group's organization operates more or less as usual in case of a force majeure event, the group's revenues are largely affected by the users' disposable income and gaming activities. Moreover, any negative developments in the global economy may affect users' disposable income and the ability and willingness of the gaming industry to invest money in the group's products, which may have a material negative impact on the group's operations, net revenues and results of operations. | Stillfront continuously evaluates its performance so that it at an early stage can identify potential issues and take appropriate actions to address the same. |

| Risks related to synergies within the group | Mitigation |
|---|---|
| There is a risk that the group will be unable to integrate and manage the acquired business in an effective manner, anticipate expected liabilities or achieve expected cost-savings and synergies. Should the group fail in realizing operational synergies such as engine sharing, localization, marketing or monetization mechanics, there is a risk of negative impact on the group's operations and results of operations. | The group has in 2024 continued to build and operationalize its Stillops platform that accelerates synergies by leveraging our assets and capabilities to maximize cost efficiency and growth. |

| Risk related to acquisitions, investments, establishments or divestments. | Mitigation |
|---|---|
| As part of the group's strategy, the group has previously carried out, will explore opportunities for and may in the future carry out acquisitions, establishments, investments and divestments that may not be completed or, if completed, do not turn out to be beneficial for the group.<br>In addition, there is a risk that the group will not be able to identify suitable acquisitions or carry out acquisitions, investments or divestments on acceptable terms, obtain necessary permits or regulatory approvals (e.g., from competition authorities) due to restrictions in the Group's financing agreements. This may result in the group not being able to achieve its set growth targets in accordance with its strategy. | Acquisitions are made after conclusion of comprehensive due diligence. Considerations in acquisitions normally contain an earn-out component for several years for the sellers, who are usually a member of the management of the acquired company, thus incentivizing sellers/management to deliver results. Part of the consideration is paid in Stillfront shares that are subject to lock-up, thus ensuring alignment of interest.<br>Additionally, the group applies an integration framework with designated resources that works together with the acquired company's management to integrate the company successfully. |

## Risks relating to the group's financial position

| Risks relating to the group's financial position | Mitigation |
|---|---|
| The ability to secure financing for the group and to control financial exposure in line with policies and guidelines is essential if the group is to reach its targets. | Financial risk such as currency risk, liquidity risk, financing risk, interest risk, credit risk is managed centrally by the group's Finance and Treasury department in accordance with the policy set annually by the board of directors.<br>For a more detailed description of established risk levels and how adherence to these is ensured, see note 3. |

## Legal and regulatory risks

| Risks related to the processing of personal data | Mitigation |
|---|---|
| The group processes personal data about, among other things, its employees, and users. The group is subject to data protection laws, rules, and regulations in several jurisdictions. Any non-compliance by the group with applicable laws, regulations and rules regarding data protection could lead to negative publicity and damage the group's reputation and lead to loss of users and revenue. It may also lead to fines and damage claims from individuals and injunctions from authorities to address the deficiency. Non-compliance with the rules applicable in the markets in which the group operates may thus have a material negative impact on the group's reputation, operations, and results of operations. | Being a data-driven organization is central to Stillfront. Analyzing user data enables us to identify behavior patterns, information of our operations and other insights, which allow us to be even better at developing games, as well as following events, activities, and campaigns for a better user experience. The users' interactions with our studios' customer services are an important intelligence when developing our games and new functions. The marketing of our games is data-driven and crucial in attracting users to play free-to-play games.<br>Data privacy and data protection are of the utmost importance to Stillfront. Over the years, we have put considerable resources into ensuring that our privacy program meets the criteria of the General Data Protection Regulation (GDPR) and other applicable data protection and privacy regulations. Stillfront's processes have been designed to safeguard confidentiality, privacy and access to information and data. Additionally, all professionals of Stillfront are offered regular data privacy and data protection training. |

| Risks relating to laws, regulations and rules in several different jurisdictions | Mitigation |
|---|---|
| The group's studios and games are available in a large number of jurisdictions worldwide, many of which have their own individual regulations governing the running of business operations in general, and online gaming in particular. Stillfront's operations in the global online gaming market and its geographical spread exposes the group to risks related to sustainability factors such as human rights, working conditions and corruption. This includes the groups exposure to differences in interpretation and application of applicable tax laws in multiple jurisdictions while the parent company is a tax resident in Sweden.<br>The gaming industry is being increasingly monitored by authorities in the various jurisdictions in which the group operates. The close monitoring of new and changed regulations in all jurisdictions in which the group operates entails costs for legal advisors and may lead to both reduced revenues and increased costs. Especially should an unforeseen adaptation of the games be required in order not to violate applicable regulations, or as a result of the monetization mechanism applied in the games not being considered lawful. Examples of this could be different jurisdictions regulations or views on games being categorized as gambling or so called "hazard games".<br>There is a risk that the group is not always fully compliant with all local laws and regulations due to a different interpretation of applicable rules than the authorities, which may result in the group being subject to legal proceedings, complaints or injunctions, or that fines, damages or other charges will be directed at the group. This may incur costs for the group and adversely affect the group's reputation. Such risks may be accentuated in a decentralized organizational model. | Adapting operations to changes in laws and regulations is an ongoing process and is achieved by monitoring relevant regulatory changes, through analysis and training, and by producing governing documents. The group also maintains a dialogue with the supervisory authorities to keep them informed about the group's operations for compliance with laws and regulations.<br>Stillfront has also adopted a code of conduct and a wide range of different policies and procedures that apply to all employees within the Stillfront group and aim to ensure that Stillfront complies with rules and regulations related to topics such as anti-corruption and anti-money laundering. |

# Financial reporting



Supremacy

# Directors' report

The board of directors and the CEO hereby submit the annual report and consolidated accounts for Stillfront Group AB (publ), 556721-3078, for the financial year 2024.

**Operations**

Stillfront Group is a global games company. Digital games developed in the group are played by almost 47 million people each month. The diversified portfolio spans from well-established franchises like Big, Jawaker and Supremacy, to smaller, niche games across different genres. Group Headquarters are in Stockholm, Sweden. Game development is performed by teams and studios all over the world. The main markets are the US, Japan, MENA, Germany, and the UK. Stillfront's shares (SF) are listed on Nasdaq Stockholm.

**Revenue and profit/loss**

Consolidated net revenue for 2024 amounted to 6,737 (6,982) MSEK. The decrease of 3.5 percent is driven by negative organic growth –2.5 percent, currency movements –1.0 percent and other change –0.1 percent.

Operating loss/profit (EBIT) amounted to –6,455 (754) MSEK and EBITDA amounted to 2,145 (2,413) MSEK for the full year. Adjusted EBITDA amounted to 2,256 (2,510) MSEK, corresponding to an adjusted EBITDA margin of 33 (36) percent.

EBIT in 2024 was negatively impacted by goodwill impairment of –6,867 (–) MSEK, related to North America, and accelerated amortization of –190 (–) MSEK due to shorter economic lifetime of developed games. Other items affecting comparability with an EBIT and EBITDA impact amounted to –111 (–96) MSEK in the year, comprising restructuring costs –90 (–44) MSEK, costs for long–term incentive programs –23 (–24) MSEK, other revenues 8 (–) MSEK and other costs –6 (–28) MSEK. Restructuring costs include a –25 MSEK non-cash loss from divesting games previously held by Game Labs, and the remainder is related to staff reductions and change of management.

Adjusted EBITDAC amounted to 1,658 (1,705) MSEK, corresponding to an adjusted EBITDAC margin of 25 (24) percent.

The financial net was –895 (–598) MSEK, consisting of net interest expenses –376 (–347) MSEK, non-cash interest charge on earnout provision –56 (–80) MSEK, revaluations of earnout provisions –368 (–150) MSEK, currency exchange differences –15 (–10) MSEK, de-consolidation of a subsidiary –66 (–) MSEK, and other financial items –14 (–12) MSEK. Stillfront had been in the process of closing the group's operations in Bangladesh. The Bangladeshi company is dormant, however, having a cash and bank balance of 82 MSEK as of May 2024. A court in Bangladesh appointed in May 2024 a so-called Official Receiver to govern the company, and following the loss of control Stillfront deconsolidated it from the accounts at a cost of –66 MSEK, recorded as an item affecting comparability within other financial items. The amount corresponds to net assets (cash and bank of 82 MSEK minus net liabilities of 16 MSEK) related to the company in Bangladesh.

Loss/profit after financial items amounted to –7,351 (156) MSEK, mainly negatively impacted by the goodwill impairment. Tax expense for the year was –27 (–143) MSEK. Excluding the impact of non-deductible non-cash earnout interest and earnout revaluations, de-consolidation of subsidiary and withholding tax on dividends, the underlying tax rate for the year would have been 282 (30) percent. The underlying tax rate for the year is not representative, due to the low amount of profit before tax excluding earnout interest and revaluations.

The net result for the year was –7,378 (12) MSEK.

Key ratios and alternative performance measures (APMs) are defined on pages 107–108 and reconciled in note 30. For further information about the parent company's and group's earnings and position, please refer to the statements of comprehensive income and financial position, summaries of changes in equity, cash flow statements and notes.

**Key events in 2024**

On 5 February, Stillfront announced that its targets for reducing greenhouse gas emissions, that were submitted for validation in June 2023, had been validated by the Science Based Targets initiative (SBTi) as aligned with the Paris Agreement.

On 14 March it was announced that the arbitrator had decided in favor of Stillfront in the arbitration process with certain sellers of Kixeye Inc. and had ruled that Stillfront was not liable for any additional earnout payments to the Kixeye sellers.

On 20 March, it was announced that new senior unsecured 2024/2028 bonds with an initial nominal amount of 1,000 MSEK had been issued. The receipts for the new bonds were primarily used to repurchase nominally 954 MSEK of the outstanding 2021/2025 bonds. Stillfront furthermore exercised its right to make a voluntary early redemption of the remaining outstanding 2021/2025 bonds, with a nominal outstanding amount of 546 MSEK.

On 14 May, Stillfront held its annual general meeting where, in addition to customary resolutions, the shareholders resolved: (i) on four directed new share issues (which were not used) and transfers of own shares to the sellers of companies that Stillfront previously had acquired; (ii) to authorize the board of directors to resolve on issuance of shares, repurchase of own shares and transfer of own shares; and (iii) to implement a long-term incentive program. The meeting also resolved, in accordance with the nomination committee's proposal, to elect Maria Hedengren and Lars-Johan Jarnheimer as new members of the board of directors. Katarina G. Bonde was re-elected as Chair of the board of directors. Birgitta Henriksson and Ulrika Viklund resigned from the Board.

On 10 September, it was announced that Stillfront will be managed from 1 January 2025 with three business areas and that one layer in the group management structure was removed. The business areas are Europe, North America and MENA&APAC. It was also announced that Stillfront was increasing its focus on key franchises and addressing low performing games. The optimization activities were estimated to be fully implemented by the fourth quarter of 2025 and expected to then generate annual cost savings of 200 to 250 MSEK compared to annualized costs in the second quarter of 2024.

On 16 September, it was announced that Stillfront had extended its unsecured term loan facility agreement of 60 MEUR with Swedish Export Credit Corporation (SEK) as lender, by an additional year until September 2027. The extension was made at the same terms and conditions as the original term loan facility agreement from 2022.

On 15 October, CEO Jörgen Larsson left the company and Alexis Bonte was appointed interim CEO.

On 25 November, Stillfront announced that it had issued 850 MSEK of senior unsecured bonds under a new bond framework of up to 2 billion SEK.

Stillfront purchased 15,100,126 shares for 182 MSEK during the first half-year (which were used to settle earnout liabilities) and 15,699,698 shares for 120 MSEK during the second half year (which are held as treasury shares).

On December 19, Stillfront announced it had signed an unsecured revolving credit facility of 2.5 billion SEK with maturity in June 2027 to replace the unsecured revolving credit facility of 3.75 billion SEK provided under the facilities agreement entered into in December 2020.

**Cash flow and financial position**

The group had cash flows from operating activities in the year of 1,687 (1,690) MSEK. Free cash flow for the year amounted to 1,050 (833) MSEK with a cash conversion rate of 0.49 (0.35).

At year-end, cash and cash equivalents for the group amounted to 957 (807) MSEK, and unutilized credit facilities were 1,224 (2,432) MSEK, of which 1,124 (2,057) MSEK were long-term credit facilities. Earnout provisions and other liabilities for business combinations were settled during the year, without diluting existing shareholders, with 432 (822) MSEK in cash and 163 (336) MSEK in 15,100,126 (18,210,536) Stillfront shares, whereof 0 (4,769,026) were new issued shares and 15,100,126 (13,441,510) were shares that had been repurchased for 182 (270) MSEK. Additionally in the second half of the year, 15,699,698 (–) shares were repurchased for 120 (–) MSEK and are currently held by Stillfront to be used in the future to settle earnout liabilities.

Stillfront issued new senior unsecured 2024/2028 bonds in the year with an initial nominal amount of 1,000 MSEK. The receipts for the new bonds were primarily used to repurchase nominally 954 MSEK of the outstanding 2021/2025 bonds and for a voluntary early redemption of the remaining outstanding 2021/2025 bonds, with a nominal outstanding amount of 546 MSEK. Furthermore, new senior unsecured 2024/2029 bonds with an initial nominal amount of 850 MSEK were issued. The receipts for these bonds were partly used for repayments of outstanding amounts under the existing revolving credit facility. The 60 MEUR term loan facility agreement with Swedish Export Credit Corporation (SEK) was also extended by an additional year until September 2027 at the same terms and conditions as the original term loan facility agreement. A new unsecured revolving credit facility of 2,500 MSEK, with maturity in June 2027, was signed and has replaced the previous unsecured revolving credit facility of 3,750 MSEK with a maturity date that had been extended in 2022 to December 2025.

Net debt as of year-end 2024, amounted to 4,093 (4,115) MSEK. Total net debt, including cash earnouts for the next 12 months, amounted to 4,736 (4,611) MSEK.

The adjusted leverage ratio, pro forma, including cash earnouts for the next 12 months, was 2.10x (1.84x) where the increase was mainly driven by foreign exchange rate changes and earnout revaluations. Stillfront has a financial target for the adjusted leverage ratio pro forma, including cash earnouts for the next 12 months, not to exceed 2.0x. The adjusted leverage ratio, pro forma, excluding earnout liabilities was 1.81x (1.64).

Key ratios and alternative performance measures (APMs) are defined pages 107–108 and reconciled in note 30.

**Investments and depreciation**

During the year, investments in product development have been capitalized by 598 (805) MSEK. Investments include development of new games in soft launch as well as other not yet launched games. Investments also pertain to larger extensions and additions to existing games. The lower investments in product development are a result of Stillfront's efforts to become more focused on how we allocate investments for product development across the group and the investments in the year amounted to 9 (12) percent of net revenue.

Amortization of product development of –804 (–739) MSEK was charged during the year. Additionally, –190 (–) MSEK in acceleration of amortization due to shorter economic lifetime of developed games was recorded as an item affecting comparability. Amortization of PPA items amounted to –682 (–846) MSEK.

**Parent company**

Customary group management functions and group wide services are provided via the parent company. Net revenue for the parent company during the year were 158 (164) MSEK. The result before tax includes dividends from subsidiaries and impairment of shares in subsidiaries. It amounted to –6,785 (826) MSEK.

**Financial targets**

Stillfront's financial targets were communicated in February 2023. They are followed up annually and are valid until further notice.

**Growth:** Annual organic revenue growth above addressed market (supported by selective and accretive M&A). Stillfront's addressed market is defined as the global mobile games market excluding China.

**Profitability:** Annual adjusted EBITDAC margin in the range 26–29 percent. Stillfront's adjusted EBITDAC is defined as profit before interest, tax, depreciation, amortization, less capitalized product development, adjusted for items affecting comparability.

**Leverage:** Leverage ratio below 2.0x (including cash earnouts next 12 months). Stillfront's leverage ratio is defined as net interest-bearing debt, including short-term cash earnout payments, in relation to the last twelve month's adjusted EBITDA pro forma. Stillfront may, under certain circumstances, choose to exceed this level during shorter time periods.

**Shares and share capital**

On December 31, 2024, the number of shares in Stillfront Group AB (publ) was 517,968,480 (517,968,480), of which 15,699,698 (–) are held by the company as treasury shares. The share capital was 36,257,794 (36,257,794) SEK. Shares in Stillfront Group AB (publ) have been listed on Nasdaq First North since December 8, 2015, and on Nasdaq Stockholm since May 26, 2021. On December 30, 2024, the closing price was SEK 8.355 per share. The number of known shareholders at year-end was 20,557 (24,176). The largest shareholders on December 31, 2024, were Laureus Capital GmbH with 12.1 percent of the outstanding shares and votes, Handelsbanken Funds with 8.9 percent, DNB Asset Management AS with 5.6 percent, First Swedish National Pension Fund with 5.2 percent and DNB Asset Management SA with 3.6 percent.

The articles of association contain no restrictions on the transferability of the company's shares, such as post-transfer acquisition rights clauses, and no other circumstances have been identified of the type that the company is liable to disclose under the provisions in chapter 6, section 2a, paragraphs 3–11 of the Swedish Annual Accounts Act.

**Sustainability, employees and the environment**

Stillfront has, in accordance with the Annual Accounts Act, prepared a Sustainability statement, which is approved for issue by the board of directors and the CEO, and based on the European Sustainability Reporting Standards (ESRS). The statement seeks to report currently available information that is requested in the ESRS standards, as a first step in preparing for full compliance, but is not fully compliant with the Corporate Sustainability Reporting Directive (CSRD). The Sustainability statement comprises pages 14–49. The report covers the parent company and the group's subsidiaries.

In 2024, the average number of people employed in the group was 1,218 (1,262) of whom 32 (33) percent were women. Stillfront is a knowledge-based company with highly educated employees in a flat organization in which everyone is encouraged to make a positive contribution to the business. Employees regularly participate in continuing professional training. At Stillfront, everyone is treated equally regardless of sex, ethnicity, religion, sexual orientation, or disability.

Stillfront conducts no business operations in Sweden subject to licensing or registration under the Environmental Code. In every country, environmental requirements are applied to the business operations that, at a minimum, correspond to local environmental regulations, so far as they apply to the group's operations. The environmental impact from Stillfront's business activities is only indirect, in the form of energy consumption in conjunction with data traffic and data storage as well as travel.

**Risks and uncertainty factors**

Stillfront has a model for risk management that aims to identify, control, and reduce risks. The board of directors is responsible for the group's risk management. Matters regarding risks associated with business development and long-term strategic planning are prepared by executive management and decided by the Board. Several group-wide policies form the basis for operational risk management in the organization. Critical risks in Stillfront's business environment are managed strategically through product and business development, and operationally through daily processes. For a more detailed description of Stillfront's risks and risk management, see note 3 and the Risk management section on pages 60–64.

**Events after year-end**

On January 3, 2025, Stillfront communicated that in light of the ongoing recruitment process for a permanent CEO, Stillfront reschedules its Capital Markets Day which was planned to take place on February 6, 2025. The event will be scheduled for a later date in 2025, once a permanent CEO has been appointed, and will be announced in due course.

On January 7, 2025, Stillfront announced that Todd Heringer joined Stillfront as Executive Vice President of business area North America and Kieran O'Leary as Executive Vice President of Growth Platform. Todd will be part of Stillfront's executive management and manage the overall performance of the North American business area, optimizing the portfolio of the region. Kieran will focus on driving Stillfront's future growth by leveraging his expertise in marketing, technology, and game publishing.

On January 7, 2025, Stillfront announced that Andreas Uddman had decided to step down as President Finance & Global Functions – Group CFO. He will remain in his role until his successor takes over or until July 2025 at the latest. A recruitment process for a new CFO has been initiated.

On January 29, 2025, Stillfront announced a non-cash goodwill impairment of SEK 6.9 billion and an acceleration of amortization due to shorter economic lifetime of developed games of SEK 0.2 billion in the fourth quarter 2024. The impairment of goodwill is attributed to the new North America business area and reported as an item affecting comparability. Stillfront also announced preliminary figures for the full year and the fourth quarter of 2024. The reported earnings are in line with the preliminary results.

In connection with the presentation of the full-year results for 2024, Stillfront presented historical figures for 2024 for the external reporting format based on the three new operating Business Areas which were implemented on January 1, 2025.

On March 4, 2025 Stillfront announced the appointment of Alexis Bonte as permanent CEO.

### Outlook

Stillfront's future development depends mainly on the development of our studios. In addition, general market conditions and trends in the gaming industry as well as the financial markets can have a significant impact on the group's reported revenues and financial position.

The games industry is one of the largest entertainment industries globally and is growing as more and more people discover the joys of digital games. According to Sensor tower, Stillfront's addressable market, the total mobile games market excluding China, grew by 5 percent in 2024. In the coming years, the total games industry is expected to grow with an expected CAGR of approximately 1.8 percent from 2022 to 2027, according to Newzoo in March 2025. Newzoo expects the global games market to amount to USD 198.2 billion by 2027.

### Corporate Governance

The company is subject to Swedish laws and regulations such as the Companies Act (2005:551), the Bookkeeping Act (1999:1078) and the Annual Accounts Act (1995:1554). The company applies the Swedish Code of Corporate Governance (the Code).

Corporate governance is exercised through shareholders' meetings, the board of directors and the CEO. The company's auditor, who is appointed by the annual general meeting, reviews the company's accounts and the administration of the company by the Board and the CEO.

According to Stillfront's articles of association, the company's Board shall consist of at least three and no more than eight directors. All members of the Board are elected by the annual general meeting. The corporate governance report also contains disclosures about the most important elements of the group's system for internal control and preparation of financial statements, on pages 56.

### Guidelines for executive remuneration

Guidelines for remuneration of the CEO and executive managers are presented in note 8. The Board's proposal to the 2025 annual general meeting is found below.

### The board of directors proposal for resolution for executive remuneration

These guidelines apply to remuneration and other terms of employment of the CEO and other individuals of the executive management of Stillfront Group.

Subject to what is set out in the next paragraph, these guidelines shall also apply in relation to a member of the Board of directors of Stillfront who receives any remuneration from the company and any reference herein to the "executive management" and/or an "executive" shall for such purposes be deemed to also include such Board member.

These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2025.

### The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Stillfront's business strategy is to be a leading free-to-play powerhouse, offering long-term first class digital entertainment through its global group of gaming studios. Organic growth and carefully selected and executed acquisitions embody Stillfront's growth strategy. For more information regarding the company's business strategy, please see https://www.stillfront.com/en/about-the-company/.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The overall guidelines for remuneration to the company's executive management shall be based on the position, the individual performance, the company's earnings and that the remuneration shall be competitive.

### Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration based on annual performance targets (bonus), extraordinary cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

#### *Fixed salary*

The fixed salary shall be based on the individual's experience, field of responsibility and related to the relevant market. Fixed salary shall be revised annually.

#### *Variable cash remuneration*

The satisfaction of criteria for awarding variable cash remuneration shall be measured annually. The variable cash remuneration for an executive manager may, as the main rule, correspond to not more than 50 percent (50%) of the fixed annual cash salary. However, the variable cash remuneration may correspond to up to 100 percent (100%) of the fixed annual cash salary of an executive manager if justified by remuneration structures or extraordinary arrangements in the individual case.

The variable cash remuneration shall be linked to predetermined and measurable criteria such as earnings, achievements in relation to the budget, the development of the company's share price, fulfilled sustainability goals and personal performance. Thereby, the variable cash remuneration is linked to the company's business strategy, long-term interests and sustainability.

The Board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The HR committee is responsible for the evaluation in so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

#### *Extraordinary cash remuneration*

Additional cash remuneration may be paid out in extraordinary circumstances, provided that such arrangement is of a one-off nature and is agreed on an individual basis for management recruitment or retention purposes or as compensation for extraordinary efforts beyond the individual's ordinary assignment. Such remuneration shall be in line with market practice and may for example include a one-off cash payment, retention bonus or similar. Extraordinary remuneration shall not exceed the fixed annual cash salary and shall not be paid more than once a year per individual. Decisions regarding such remuneration shall be made by the Board of directors based on a proposal from the HR committee.

#### *Variable long-term incentive program (LTIP)*

Long-term incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The incentive programs include the executive management and other key individuals of the company and its subsidiaries. The programs are conditional upon certain holding periods of several years. For more information regarding these programs, including the criteria which the outcome depends on, please see https://www.stillfront.com/en/remuneration.

*Pension benefits and other benefits*

Pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent (30%) of the fixed annual cash salary.

Other benefits may include, for example, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits shall be limited and not exceed 5 percent (5%) of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### Termination of employment

Members of the executive management shall be offered employment terms in accordance with the laws and practices applicable to the country in which the employee is employed. Employment agreements between the company and members of the executive management generally apply until further notice. Upon termination of an employment, the notice period may not exceed twelve (12) months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for one (1) year for any executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies.

### Salary and employment conditions for executive management

When evaluating whether these guidelines and the limitations set out herein are reasonable, the board of directors (including the HR committee) has considered the total income of all employees of the company, including the various components of their remuneration as well as the increase and growth rate over time.

### The decision-making process to determine, review and implement the guidelines

The board of directors has established a HR committee. The committee's tasks include preparing the Board of directors' decision to propose guidelines for executive remuneration. The Board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The HR committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the HR committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of directors' preparation of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### Derogation from the guidelines

The Board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the HR committee's tasks include preparing the Board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

## Allocation of earnings proposed by the Board of directors

The Board of directors proposes that the 2025 annual general meeting resolve to carry forward the net result for the year. Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions. The full proposal for allocation of earnings is presented in note P17.

For further information on the earnings and financial position of the parent company and the group, please refer to the income statements, balance sheets, summary of changes in shareholders' equity, cash flow statements and notes.

## Annual general meeting

The annual general meeting of Stillfront Group AB (publ), corporate identity number 556721-3078, will be held on May 14, 2025, in Stockholm.

## Publication of the Annual Report

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication on 22 April 2025.

# Consolidated statement of comprehensive income

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Net revenues | 5,6 | 6,737 | 6,982 |
| Capitalized work for own account | | 465 | 575 |
| Other operating revenue | 5 | 26 | 27 |
| | | **7,228** | **7,584** |
| **Operating expenses** | | | |
| Other external expenses | 7,16 | –3,885 | –3,878 |
| Personnel expenses | 8 | –1,162 | –1,275 |
| Depreciation, amortization and impairment | 14,16,17 | –8,600 | –1,660 |
| Other operating expenses | | –37 | –18 |
| **Total operating expenses** | | **–13,684** | **–6,830** |
| **Operating loss/profit** | | **-6,455** | **754** |
| **Profit/loss from financial items** | | | |
| Financial income | 9 | 66 | 74 |
| Financial expenses | 10 | –961 | –672 |
| **Net financial items** | | **–895** | **–598** |
| **Loss/profit after financial items** | | **–7,351** | **156** |
| **Loss/profit before tax** | | **–7,351** | **156** |
| Tax for the period | 11 | –27 | –143 |
| **Net loss/profit for the year** | | **–7,378** | **12** |

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Other comprehensive income** | | | |
| *Items that later can be reversed in profit* | | | |
| Change in translation reserve attributable to the translation of foreign operations | | 709 | –406 |
| Comprehensive income attributable to hedging of currency risks in foreign operations | | 382 | -88 |
| Tax on other comprehensive income | | 41 | 7 |
| **Total other comprehensive income** | | **1,131** | **–488** |
| **Total comprehensive income for the year** | | **–6,246** | **–475** |
| *Profit for the year attributable to:* | | | |
| Equity holders of the parent company | | –7,378 | 7 |
| Non–controlling interests | | – | 6 |
| *Comprehensive income for the year attributable to:* | | | |
| Equity holders of the parent company | | –6,246 | –481 |
| Non–controlling interests | | – | 5 |
| **Average number of shares** | **12** | | |
| Undiluted | | 512,265,235 | 512,191,294 |
| Diluted | | 512,265,235 | 512,191,294 |
| *Earnings per share attributable to equity holders of the parent company:* | | | |
| Undiluted, SEK/share | | –14.40 | 0,01 |
| Diluted, SEK/share | | –14.40 | 0,01 |

# Consolidated statement of financial position

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| *Intangible assets* | *14,15* | | |
| Game products | | 716 | 847 |
| Licenses, market and customer related assets | | 2,411 | 2,813 |
| Capitalized development expenditure | | 1,354 | 1,567 |
| Goodwill | | 9,898 | 15,595 |
| Right-of-use assets | 16 | 96 | 60 |
| Equipment, tools, fixtures and fittings | 17 | 59 | 56 |
| Deferred tax assets | 11 | 53 | 21 |
| Other non current assets | | 15 | 16 |
| **Total non-current assets** | | **14,601** | **20,975** |
| **Current assets** | | | |
| Accounts receivable | 18 | 495 | 519 |
| Current tax asset | | 74 | 47 |
| Other receivables | | 110 | 126 |
| Prepaid expenses and accrued income | 19 | 132 | 132 |
| Cash and cash equivalents | 27 | 957 | 807 |
| **Total current assets** | | **1,768** | **1,630** |
| **TOTAL ASSETS** | | **16,370** | **22,605** |

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholder's equity** | **20** | | |
| Share capital | | 36 | 36 |
| Other paid-up capital | | 10,953 | 11,050 |
| Other reserves | | 2,078 | 947 |
| Retained earnings incl. profit for the year | | –5,584 | 1,805 |
| **Total equity attributable to parent company shareholders** | | **7,483** | **13,838** |
| Non-controlling interests | | – | 8 |
| **Total shareholder's equity** | | **7,483** | **13,846** |
| **Non-current liabilities** | | | |
| Deferred tax liability | 11 | 765 | 929 |
| Bond loans | 21 | 2,829 | 2,488 |
| Liabilities to credit institutions | 21 | 1,376 | 1,693 |
| Term loan | 21 | 688 | 666 |
| Other non-current liabilities | 16,21 | 1,303 | 1,478 |
| Other provisions | 22 | 62 | 58 |
| **Total non-current liabilities** | | **7,024** | **7,310** |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 21 | – | 27 |
| Accounts payable | | 284 | 170 |
| Current tax liabilities | | 75 | 20 |
| Other current liabilities | 16,21,22,23 | 1,150 | 850 |
| Accrued expenses and deferred income | 24 | 354 | 382 |
| **Total current liabilities** | | **1,863** | **1,449** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **16,370** | **22,605** |

# Consolidated statement of changes in equity



| MSEK | Share capital | Other paid-up capital | Other reserves | Retained earnings incl. profit of the year | Attributable to equity holders of the parent company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Opening balance, 1 Jan. 2023** | **36** | **10,942** | **1,434** | **1,825** | **14,237** | **6** | **14,242** |
| Profit for the year | | | | 7 | 7 | 6 | 12 |
| Change in translation reserve attributable to the translation of foreign operations | | | –406 | | –406 | –1 | –406 |
| Comprehensive income attributable to hedging of currency risks in foreign operations | | | –88 | | –88 | | –88 |
| Tax on other comprehensive income | | | 7 | | 7 | | 7 |
| **Total comprehensive income** | **–** | **–** | **–487** | **7** | **–481** | **5** | **–475** |
| New share issue | | 0 | | | 0 | | 0 |
| Issue for non-cash consideration | 0 | 87 | | | 87 | | 87 |
| Issue expenses | | –0 | | | –0 | | –0 |
| Share-based incentive programs | | 22 | | | 22 | | 22 |
| Repurchase of own shares | | –270 | | | –270 | | –270 |
| Re-distribution of repurchased own shares | | 270 | | –21 | 249 | | 249 |
| Transactions with non controlling interests | | | | –6 | –6 | –3 | –9 |
| **Total transactions with shareholders recognized directly against equity** | **0** | **108** | **–** | **–27** | **82** | **–3** | **79** |
| **Closing balance, 31 Dec. 2023** | **36** | **11,050** | **947** | **1,805** | **13,838** | **8** | **13,846** |
| | | | | | | | |
| **Opening balance, 1 Jan. 2024** | **36** | **11,050** | **947** | **1,805** | **13,838** | **8** | **13,846** |
| Loss for the year | | | | –7,378 | –7,378 | | –7,378 |
| Change in translation reserve attributable to the translation of foreign operations | | | 709 | | 709 | | 709 |
| Comprehensive income attributable to hedging of currency risks in foreign operations | | | 382 | | 382 | | 382 |
| Tax on other comprehensive income | | | 41 | | 41 | | 41 |
| **Total comprehensive income** | **–** | **–** | **1,131** | **–7,378** | **–6,246** | **–** | **–6,246** |
| Issue expenses | | –0 | | | –0 | | –0 |
| Share-based incentive programs | | 22 | | | 22 | | 22 |
| Repurchase of own shares | | –302 | | | –302 | | –302 |
| Re-distribution of repurchased own shares | | 182 | | –19 | 161 | | 161 |
| Transactions with non controlling interests | | | | 8 | 8 | –8 | 0 |
| **Total transactions with shareholders recognized directly against equity** | **–** | **–97** | **–** | **–11** | **–125** | **–8** | **–119** |
| **Closing balance, 31 Dec. 2024** | **36** | **10,953** | **2,078** | **–5,584** | **7,483** | **–** | **7,483** |

# Consolidated statement of cash flows

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Loss/profit after financial items | | –7,351 | 156 |
| Adjustment of non-cash items, etc. | 26 | 9,140 | 1,940 |
| Tax paid | | –202 | –322 |
| **Cash flow from operating activities before changes in working capital** | | **1,588** | **1,774** |
| **Cash flow from changes in working capital** | | | |
| Increase (–)/decrease (+) in operating receivables | | 61 | –94 |
| Increase (+)/decrease (–) in operating liabilities | | 39 | 10 |
| **Cash flow from changes in working capital** | | **100** | **–84** |
| **Cash flow from operating activities** | | **1,687** | **1,690** |
| **Investing activities** | | | |
| Acquisition of operation, net of cash acquired | 13 | –444 | –838 |
| De-consolidation of subsidiaries | 13 | –82 | – |
| Divestment of operation, net of cash acquired | 13 | – | 1 |
| Purchase/sale of property, plant and equipment | 17 | –21 | –28 |
| Purchase of intangible assets | 14 | –598 | –805 |
| Change in financial fixed assets | | 3 | –2 |
| **Cash flow from investment activities** | | **–1,142** | **–1,671** |
| **Financing activities** | | | |
| Proceed from borrowings | 21 | 1,873 | 992 |
| Repayment of loans | 21 | –1,567 | –1,000 |
| Net change in overdraft and revolving credit facilities | 21 | –404 | 210 |
| Cash effect from currency derivatives | | –12 | –54 |
| Cash outflow lease agreements | 21 | –39 | –52 |
| Issue expenses | | –0 | –0 |
| Repurchase of own shares | | –302 | –270 |
| **Cash flow from financing activities** | | **–452** | **–175** |
| **Cash flow for the year** | | **93** | **–156** |
| Cash and cash equivalents at beginning of year | | 807 | 989 |
| Exchange rate difference in cash and cash equivalents | | 57 | –27 |
| **Cash and cash equivalents at end of year** | | **957** | **807** |

# Parent company income statement

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Net revenues | | 158 | 164 |
| Own work capitalized | | 12 | 14 |
| **Total revenues** | | **171** | **178** |
| **Operating expenses** | | | |
| Other external expenses | P2 | –56 | –61 |
| Personnel expenses | P3 | –165 | –132 |
| Depreciation, amortization and impairment | P7 | –3 | –4 |
| **Total operating expenses** | | **–225** | **–197** |
| **Operating loss** | | **–54** | **–19** |
| **Profit/loss from financial items** | | | |
| Financial income, etc. | P4 | 2,587 | 1,418 |
| Financial expenses, etc. | P5 | –9,443 | –481 |
| **Net financial items** | | **–6,856** | **937** |
| **Loss/profit after financial items** | | **–6,910** | **918** |
| **Appropriations** | | | |
| Group contributions | | 125 | –92 |
| **Total appropriations** | | **125** | **–92** |
| **Loss/profit before tax** | | **–6,785** | **826** |
| Tax for the period | P6 | 18 | –83 |
| **Net loss/profit for the year** | | **–6,767** | **743** |
| **Parent company Statement of Comprehensive Income** | | | |
| Net loss/profit for the year | | –6,767 | 743 |
| **Total comprehensive income** | | **–6,767** | **743** |

# Parent company balance sheet

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Licenses, market and customer related assets | P7 | 38 | 26 |
| Equipment, tools, fixtures and fittings | | 2 | 1 |
| **Financial assets** | | | |
| Participations in group companies | P8 | 10,620 | 18,884 |
| Receivables from group companies | P15 | 3,210 | 3,017 |
| Deferred tax assets | P6 | 53 | 21 |
| Other financial assets | P15 | 1 | 1 |
| **Total non-current assets** | | **13,923** | **21,951** |
| **Current assets** | | | |
| Current tax assets | P6 | – | 7 |
| Receivables from group companies | P15 | 127 | 28 |
| Other receivables | | 8 | 23 |
| Prepaid expenses and accrued income | P9 | 23 | 14 |
| Cash and cash equivalents | | 91 | 0 |
| **Total current assets** | | **250** | **73** |
| **TOTAL ASSETS** | | **14,173** | **22,024** |

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | | | |
| **Restricted equity** | | | |
| Share capital | | 36 | 36 |
| **Total restricted equity** | | **36** | **36** |
| **Non-restricted equity** | | | |
| Share premium reserve | | 13,358 | 13,456 |
| Accumulated profit or loss | | 1 | –722 |
| Loss/profit for the year | | –6,767 | 743 |
| **Total non-restricted equity** | | **6,593** | **13,476** |
| **Total shareholders' equity** | | **6,629** | **13,513** |
| **Provisions** | | | |
| Other provisions | P11 | 1,170 | 1,247 |
| **Total provisions** | | **1,170** | **1,247** |
| **Non-current liabilities** | | | |
| Interest bearing liabilities | P10 | 4,961 | 4,898 |
| **Total non-current liabilities** | | **4,961** | **4,898** |
| **Current liabilities** | | | |
| Interest bearing liabilities | P10 | – | 27 |
| Other current provisions | P11 | 658 | 440 |
| Accounts payable | | 9 | 5 |
| Liabilities to group companies | | 609 | 1,828 |
| Equity swap | | 22 | 19 |
| Other current liabilities | P10 | 68 | 2 |
| Accrued expenses and deferred income | P12 | 47 | 45 |
| **Total current liabilities** | | **1,413** | **2,367** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **14,173** | **22,024** |

# Parent company statement of changes in equity

| | Restricted equity | Non-restricted equity | | |
|---|---|---|---|---|
| **MSEK** | **Share capital** | **Share premium reserve** | **Retained earnings incl. loss of the year** | **Total equity** |
| **Opening balance, 1 Jan. 2023** | **36** | **13,347** | **–701** | **12,682** |
| Profit for the year | | | 743 | 743 |
| **Total comprehensive income** | **–** | **–** | **743** | **743** |
| New share issue | 0 | 87 | | 87 |
| Issue expenses | | –0 | | –0 |
| Share-based incentive programs | | 22 | | 22 |
| Repurchase of own shares | | –270 | | –270 |
| Re-distribution of repurchased shares | | 270 | –21 | 249 |
| **Total transactions recognized directly against equity** | **0** | **109** | **–21** | **831** |
| **Closing balance, 31 Dec. 2023** | **36** | **13,456** | **21** | **13,513** |
| | | | | |
| **Opening balance, 1 Jan. 2024** | **36** | **13,456** | **21** | **13,513** |
| Loss for the year | | | –6 767 | –6 767 |
| **Total comprehensive income** | **–** | **–** | **–6 767** | **–6 767** |
| Issue expenses | | –0 | | –0 |
| Share-based incentive programs | | 22 | | 22 |
| Repurchase of own shares | | –302 | | –302 |
| Re-distribution of repurchased shares | | 182 | –19 | 163 |
| **Total transactions recognized directly against equity** | **–** | **–98** | **–19** | **–117** |
| **Closing balance, 31 Dec. 2024** | **36** | **13,358** | **–6 765** | **6 629** |

# Parent company cash flow statement

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Loss/profit after financial items and group contributions | | –6,785 | 826 |
| Adjustment of non-cash items, etc. | P14 | 9,086 | 42 |
| Tax paid | | –9 | –26 |
| **Cash flow from operating activities before changes in working capital** | | **2,292** | **841** |
| **Cash flow from changes in working capital** | | | |
| Increase (–)/decrease (+) in operating receivables | | –0 | –4 |
| Increase (+)/decrease (–) in operating liabilities | | 25 | 1 |
| **Cash flow from changes in working capital** | | **25** | **–3** |
| **Cash flow from operating activities** | | **2,317** | **839** |
| **Investing activities** | | | |
| Purchase of intangible assets | | –14 | –14 |
| Lending /net settlement to subsidiaries | | –1,461 | 71 |
| Purchase of tangible assets | | –1 | –0 |
| Acquisition of operations | P8 | –337 | –771 |
| **Cash flow from investment activities** | | **–1,813** | **–715** |
| **Financing activities** | | | |
| Net change in borrowings | | –99 | 201 |
| Issue expenses | | –0 | –0 |
| Repurchase of own shares | | –302 | –270 |
| Realized foreign currency swap | | –12 | –54 |
| **Cash flow from financing activities** | | **–413** | **–123** |
| **Cash flow for the year** | | **90** | **1** |
| Cash and cash equivalents at beginning of year | | 0 | 0 |
| Exchange rate difference in cash and cash equivalents | | 1 | –1 |
| **Cash and cash equivalents at end of year** | | **91** | **0** |

## Note 1
## General information

Stillfront Group AB (publ), corporate identification number 556721-3078, and its subsidiaries (collectively referred to as the group) are a global games company which develops digital games that are played by almost 47 million people each month. The portfolio spans from franchises like Big, Jawaker and Supremacy, to smaller, niche games across different genres. Game development is done by teams and studios all over the world targeting the main markets in the US, Japan, MENA (Middle East and North Africa), Germany, and the UK.

The subsidiaries were operated in 2024 as one single segment but are organized from 1 January 2025 in three business areas: Europe, North America and MENA & APAC.

The parent company is a public limited company registered in Sweden, with its registered office in Stockholm. The address of the head office is Sveavägen 21, SE-111 34 Stockholm, Sweden. In December 2015, Stillfront's shares were listed on Nasdaq First North Stockholm (currently Nasdaq First North Premier Growth Market). In June 2017, the listing was moved to First North Premier. Since 26 May 2021, Stillfront's shares are listed on Nasdaq Stockholm. Stillfront's 2023/2027 bond with ISIN SE0020846624, Stillfront's 2024/2028 bond with ISIN SE0021770955 and Stillfront's 2024/2029 bond with ISIN SE0023439674 are listed on Nasdaq OMX Stockholm.

The board of directors approved these consolidated accounts for publication on 22 April 2025.

## Note 2
## Material accounting policies

The financial statements are presented in SEK, Swedish kronor, which is the functional currency of the parent company. All amounts, unless otherwise stated, are rounded to the nearest million (MSEK). Due to roundings, 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.

Material accounting policies applied when preparing these annual accounts are stated below. The policies have been applied consistently for all years presented, unless otherwise stated. Stillfront applies the updated version of IAS 1 Presentation of Financial Statements, which requires information about material accounting policies to be disclosed.

The parent company's accounting policies are consistent with the group's unless otherwise stated. Any differences are listed in note P1.

**Basis for preparation of the financial statements**

Stillfront's consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's (RFR) recommendation RFR1 Supplementary Accounting Rules for groups, as well as the IFRS Accounting standards as adopted by the EU. The accounts have been prepared in accordance with historical cost accounting, apart from contingent considerations (earnout provisions), which are measured at fair value through profit or loss, and derivatives used for currency hedging which are measured at fair value through Other comprehensive income.

Estimates that are of material significance to the consolidated accounts are stated in note 4.

***New and amended standards adopted by the group***

From 2024 new versions of IAS 1, IAS 7, IFRS 7 and IFRS 16 apply. From 2025 a new version of IAS 21 will apply and from 2026 amendments of IFRS 7 and IFRS 9 will apply. The impacts of the changes are insignificant for the group. From 2027 a new accounting standard IFRS 18 will replace IAS 1, with new presentation and disclosure formats for the financial statements. The impact for Stillfront is being investigated.

**Consolidated accounts**

The consolidated financial statements cover the accounts of the parent company and the companies in which the parent company has a direct or indirect controlling interest, in accordance with IFRS 10 Consolidated financial statements. Business combinations are accounted for according to IFRS 3 Business combinations.

Business combinations in Stillfront usually entail a proportion of the consideration payable as a contingent consideration (earnout) paid over a number of years, normally related to achieved results in the acquired unit. The fair value of the liability for contingent consideration is updated regularly. For more information, see the separate section "Provision for earnouts/contingent considerations" and note 21 Interest bearing debt. Expected future payments of deferred purchase price consideration are discounted to their present value at a risk-adjusted interest rate for each payment that reflects the average cost of capital for the investment.

Acquisitions of legal entities which only consist of one asset or group of similar assets, but no ongoing business, are accounted for as asset acquisitions.

Non-controlling interests in subsidiary earnings and equity are recognized separately in the Consolidated Statement of comprehensive Income, the Consolidated Statement of changes in equity and the Consolidated Statement of financial position. If Stillfront is bound by an agreement to acquire the shares from the non-controlling shareholders, then the fair value of the future purchase price is recognized in the Statement of financial position as a liability and not as a non-controlling interest.

**Translation of foreign currency**

***Translation of items in foreign currency***

Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in profit or loss for the year. Foreign exchange differences from monetary assets and liabilities designated as a hedging instrument under hedge accounting are recognized in Other comprehensive income. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction.

***Financial statements of foreign subsidiaries***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the group's reporting currency, SEK, at foreign exchange rates at the closing rate at the date of the Statement of financial position. Revenues and expenses of foreign operations are translated to SEK at the period average exchange rates. Revenues and expenses of a foreign operation acquired in the year are translated to SEK at the average exchange rate during the period of ownership. Translation differences arising from the translation of the net investment in foreign operations are recognized in Other comprehensive income and are accumulated in a separate component of equity, a translation reserve.

**Intangible assets**

Intangible assets within the group relates to goodwill, capitalized development expenditures, game products, market and customer related assets and licenses.

The group recognizes intangible assets according to IAS 38 Intangible assets. Goodwill that arises upon acquisition of companies is recognized in accordance with the rules in IFRS 3.

An intangible asset can be recognized through a separate acquisition, as part of a business combination or be internally generated. Intangible assets other than goodwill are recognized at cost minus accumulated amortization and impairment losses. Impairment losses are applied in accordance with IAS 36 Impairment of assets.

An assessment of the recoverable amount and remaining useful life of an asset is made on a regular basis and may result in an adjustment of the amortization period.

***Game products***

The group's game products derive from games that have been acquired through the acquisition of an operation or of assets. According to IFRS 3 Business combinations, the fair value of the games is established on the acquisition date of the operation. Subsequently the value of the game products is carried at cost less accumulated amortizations and impairments. Game products are amortized on a straight-line basis over 5–10 years.

***Licenses, market and customer related assets***

The group has acquired licenses, market and customer related assets through business combinations. The assets are measured at fair value on the acquisition date and subsequently carried at cost less accumulated amortizations and impairments.

The measurement of paying gamers (market and customer related assets) is allocated by game product and amortized over the same period as them or shorter. Market and customer-related assets are amortized over 2–10 years on a straight-line basis. On the sale of an entity, the amount of game products is included in the gain/loss that arises.

Licenses have been acquired through subsidiaries and mainly consist of software licenses. The assets are measured at fair value on the acquisition date and subsequently carried at cost less accumulated amortizations and impairments. Licenses are amortized over 3–10 years. Amortization is charged on a straight-line basis over the estimated economic life of the assets.

***Capitalized development expenditure***

The capitalized development expenditure items consist of technology acquired through business combinations and of internally developed technology including game products.

The following basis of capitalization applies for internal development: Expenditure for maintenance of software is expensed as it occurs. Development expenditure directly relating to the development, testing and enhancement of identifiable and unique software products (game development projects) that are controlled by the group, are recognized as capitalized development expenditure when the criteria specified in IAS 38 are satisfied. Normally, the entity does not commence the development process before these criteria are satisfied, which means that in most cases, capitalization is from the starting date.

Directly related expenditures that are capitalized mainly consist of expenditure for employees, external subcontractors, user testing and a reasonable portion of indirect expenses.

Intangible assets are recognized at cost less accumulated amortization and impairment. The cost of an internally generated intangible asset is the total of the expenditure arising from the date when the intangible asset first satisfies the capitalization criteria in IAS 38. Amortization begins when the asset is ready for use, which is the same time as when the test launch is complete. Useful life is the period when the expected benefits are expected to flow to the group.

The amortization of the capitalized expenditure is recognized on a straight-line basis and has generally a useful life of 3–5 years.

Development expenditure that does not satisfy these criteria is expensed as it arises. Development expenditure previously expensed is not recognized as an asset in subsequent periods.

*Goodwill*

Goodwill is recognized according to IFRS 3 Business combinations and IAS 38 Intangible assets. Goodwill, which has an indefinite useful life, is not amortized but is tested for impairment annually, or upon indication of impairment in accordance with IAS 36 Impairment of assets. When testing for impairment, the entire group was previously considered as one single cash-generating unit, but as of the impairment testing at year-end 2024 each business area is considered as a cash-generating unit.

**Leases**

Stillfront applies IFRS 16 Leases. All long-term leases, except leases of low value, are recognized in the Statement of financial position as right-of-use assets, and interest-bearing lease liabilities. Almost all IFRS 16 leases are lease contracts on office premises and are classified as right-of-use assets for buildings. Stillfront has a few other leases such as office equipment, IT equipment, cars and other. These other leases are grouped together and classified as others. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The right-of-use asset is initially measured at cost, which equals the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date. The lease payments are discounted using the interest rate implicit in the lease, or commonly the lessee's incremental borrowing rate. Right-of-use assets are depreciated over the lease term. The new updated Stillfront incremental interest is recalculated and used as a discount rate when a new lease agreement is signed within the group.

The parent company applies the exception from application of IFRS 16. Leasing costs are charged to profit and do not impact the Statement of financial position. Lease payments are recognized on a straight-line basis over the term of the lease.

**Property, plant and equipment**

Property, plant and equipment are reported in accordance with IAS 16 Property, plant and equipment. The tangible assets in the group comprise equipment, tools, fixtures and fittings which are depreciated on a straight-line basis over 3–15 years. The useful lives as well as the residual value of the tangible assets are reviewed annually.

**Impairment of non-financial assets**

Goodwill and other intangible assets are tested for impairment in accordance with IAS 36 Impairment of assets.

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not amortized but tested annually for any impairment. Assets that are depreciated or amortized are assessed for impairment whenever events or changes in circumstances indicate that the carrying value might not be recoverable. An impairment is made for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and value in use. For assets (other than goodwill) previously impaired, a test for reversal is conducted at each reporting date.

The recoverable amount of goodwill is based on value in use, which is the present value of the expected future cash flows without regard to potential future expansions of operations and restructuring. Resource allocation among the group's games and businesses has been determined centrally with the profitability of the entire group in mind. Financial performance was therefore in 2023 monitored on the level of the entire group rather than on a more granular level. Hence, Stillfront was for impairment testing purposes viewed as a single cash-generating unit. As of the impairment testing at year-end 2024, each business area is considered as a cash-generating unit because projected future financial information on that level has for the first time become available. See note 15.

**Financial instruments**

Stillfront applies IFRS 9 Financial Instruments, except for the hedge accounting requirements in IFRS 9, where the group has chosen to continue to apply the hedge accounting requirements in IAS 39.

Financial liabilities are measured at amortized cost, except when the liability refers to a financial instrument at fair value through profit or loss, such as a derivative, or a contingent consideration liability for earnouts that is recognized by an acquirer in a business combination in accordance with IFRS 3. Such contingent consideration is subsequently measured at fair value with changes recognized in profit or loss. Financial liabilities include the liability for equity swaps entered into in order to meet Stillfront's commitments under long-term incentive programs. The liability is measured at amortized cost. A deposit made in connection with the equity swap to the bank that entered into the swap agreement with Stillfront is treated as a partial redemption of the swap liability.

**Accounts receivable**

Accounts receivable are amounts to be paid by customers for goods sold or services rendered in operating activities. Sales to end-customers are either via platforms owners, for example Apple and Google for mobile games, or payment providers. Payments from platform owners and payment intermediaries are executed when the end-customer (gamer) has made a purchase. If payment is expected within one year or earlier (or during a normal business cycle if longer), they are classified as current assets. If not, they are recognized as non-current assets.

**Cash and cash equivalents**

In the Statement of financial position and Statement of cash flows, cash and cash equivalents include cash, bank balances and other investments in securities, etc. In the Statement of financial position, utilized overdraft facilities are recognized as loan liabilities among current liabilities.

**Accounts payable**

Accounts payable are obligations to pay for goods or services that have been purchased from suppliers in operating activities. Accounts payable are classified as current liabilities if they are due within one year or earlier (or during a normal business cycle if this is longer). If not, they are reported as non-current liabilities.

**Borrowing**

Bond loans, term loans, overdraft facilities, other credit facilities, contingent considerations (earnout provisions) and currency derivatives with a negative value are recognized as borrowings in the group.

**Provision for earnouts/contingent considerations**

Stillfront has liabilities related to contingent considerations from acquisitions (earnout provisions). Contingent considerations are settled with cash or shares in Stillfront, with an amount determined by the terms and conditions in the agreement. The number of Stillfront shares required to settle such a liability amount is calculated close to the settlement date and the liability is recorded as a financial liability whether it will be settled with cash or shares.

If the contingent consideration is expected to be settled within twelve months from the reporting date, it is classified as a current financial liability and otherwise as a non-current liability. The liability is measured at fair value, and changes in its value are recognized in profit or loss as financial items. The liability is part of a hedging relationship, and therefore currency translation differences are recognized in Other comprehensive income whereas other fair value changes are recognized in net financial items.

**Provisions, contingent liabilities and contingent assets**

Provisions are reported in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

**Hedge accounting**

Stillfront applies hedge accounting to its net investments in foreign operations. As of its treasury policy, Stillfront finances its foreign operations mainly in other currencies than the functional currency of the parent company (SEK). Liabilities in other foreign currency than the functional currency of the parent company (SEK), including contingent considerations, as well as currency derivatives, are used as hedging instruments. To the extent a gain or loss (currency translation effect) on the hedging instrument is measured as an effective portion of hedging, it is recognized in Other comprehensive income. Hedge accounting is performed under IAS 39. Stillfront does not apply cash flow hedges or fair value hedges.

**Current and deferred income tax**

Income taxes are reported in accordance with IAS 12 Income taxes.

Income tax consists of current tax and deferred tax. Income tax is recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized in Other comprehensive income or directly in equity, in which case the corresponding tax impact is reported among Other comprehensive income or directly in equity. Current and deferred tax is calculated based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the parent company and its subsidiaries are operating and generate taxable income.

Deferred tax assets and liabilities are only offset when there is a legal right to offset the tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to taxes charged by the same taxation authority and either for the same taxable entity or different taxable entities, where there is an intention to settle the balances through net payments. Deferred tax relating to leases accounted for according to IFRS 16 are calculated on a gross basis but may be set off in the Statement of financial position as described above.

Deferred tax liabilities are reported for retained earnings in subsidiaries only if future dividends are expected to be subject to income tax or withholding tax and such dividends are intended to be made in the foreseeable future.

**Employee benefits**

The IAS 19 Employee benefits standard requires an expense to be recorded as the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. If an employee receives share-based payments, such transactions are however not within the scope of IAS 19 but instead IFRS 2 Share-based payments. The fair value of employee stock options allotted to staff is calculated at issue according to the Black & Scholes valuation model. The fair value of restricted stock units allotted is estimated by using Monte Carlo simulation. The value of share-based instruments allotted is recognized as a personnel cost in the profit and loss statement, over the vesting period, with a corresponding increase in shareholders' equity. The cost recognized corresponds to the fair value of options and restricted stock units that have been allotted.

Equity swap agreements entered into with a bank in order to meet Stillfront's commitments under long-term incentive programs are accounted for as a financial liability at amortised cost and as a reduction of shareholders' equity. Consequently, the fair value of the underlying shares when the agreement was signed is accounted for as a liability and the fees to the bank are recognized over time as financial costs. A deposit made in connection with the annual renewal of the equity swap to the bank that entered into the swap agreement with Stillfront is treated as a partial redemption of the swap liability.

*Short term employee benefits*

Short-term employee benefits within the group include salary, social security contributions, vacation pay and bonuses. These are all expensed in the period in which the employees render the services. Provisions for bonuses are allocated with the full expected amounts, which are then adjusted to reflect the actual outcome.

Note 2 *Material accounting policies, cont.*

***Long-term employee benefits***

Post-employment benefit plans are classified either as defined contribution or defined benefit plans. There are no significant defined benefit pension plans in the group.

***Termination benefits and restructuring plans***

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment because of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

The group recognizes a liability and an expense for termination benefits when it no longer can withdraw the offer of those benefits. A provision is made for a restructuring plan when the group has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

**Revenue from contracts with customers**

Stillfront applies IFRS 15 Revenue from contract with customers, which among other things provides application guidance specific to the recognition of revenue for licenses of intellectual property.

Stillfront's revenues come from game experience delivered to players primarily in so called free-to-play games, where the group charges for virtual goods, subscriptions, advertising and contracting. Net revenues are calculated by adjusting payments received for deferred revenues.

Platform fees to suppliers like Apple or Google are deducted when payments are made to Stillfront but are reported in the profit and loss statement as operating expenses and not as revenue reductions.

Timing of revenue recognition in the income statement is described below.

***Free-to-play games***

The games within Stillfront are essentially so called free-to-play games. This means that the base platform can be used by a player without paying an entry fee. The player can play the games without paying a license fee. The revenue occurs instead when a player makes in-game purchases to access additional content, functions, features or advantages in the games.

All games have different characteristics which can differ between studios and also within studios. Hence the standard terms may differ based on the specifics of a game.

A player buys In Game Currency (IGC). This virtual money/currency, tokens or tickets (referred to as "virtual currency") can be used to acquire different types of "virtual goods", i.e. different types of tools to use in the games or services in-game. A virtual good can be used either immediately or unlimited over the playing time (the playing time can be either unlimited or limited in time). In addition, vouchers can be used for so-called "subscriptions" which means that the player uses his voucher to access various functions for a limited amount of time.

The group's contracts contain two distinct performance obligations (PO):
- Virtual goods (additional tools to use when playing) if there is a selling price to a virtual item that has been paid for.
- Purchased subscriptions (additional functionality and features to use when playing).

Each PO is priced separately which constitutes the stand-alone selling price for each PO. The access to the game platform is considered a license "to access" the game. However, as the game is free-to-play, the satisfaction of this PO does not result in any revenue recognition. Virtual goods and subscriptions are evaluated either as licenses "to use" or "to access" Stillfront's intellectual property. Revenue is, hence, recognized at the point in time when a player uses a virtual currency as payment for the virtual goods if the benefit that the player receives from the license is considered as basically immediate and without further obligations for Stillfront, or over the estimated time during which the virtual goods and subscription are delivered under the license if they are considered to benefit the player going forward. If the virtual goods or subscription do not depend on Stillfront's future maintenance of the game platform, and hence no obligation, then this corresponds to a classification of the license as "to use".

***Advance payments from customers***

Gamers can pay real money for in-game purchases to acquire IGC. Such a transaction is referred to as a booking. Revenue is as described above recognized when the gamer uses the IGC to acquire virtual goods or premium subscriptions. Measuring the portion of the payment received that is deferred income, i.e. advance payments from gamers, requires certain estimates and judgements of a gamer's activity. Gamers are classified as inactive after a period of inactivity in each game. The length of these periods is determined by game based on gaming patterns. After a gamer has been classified as inactive, the value of this player's advance payment is recognized as revenue.

***Gifted items***

Stillfront's free-to-play games are based on the player acquiring IGC by paying real money and using such IGC to acquire virtual goods or premium subscriptions. Some offers to the gamers contain a combination of IGC and free in-game virtual items ("gifted items"). Reliably determining the value of the gifted items is challenging as some items are only available as gifts and others may be priced differently based on volume and/or bundling. As all in-games items are virtual, there is no guide to value the items based on the production cost. The group has analyzed the gifted items and concluded that the value of the gifted items is not material, and that reliably determining the amount of revenue relating to the gifted items is not possible. Therefore, no revenue is allocated to the gifted items.

The license to use the game on the base platform means gamers can access all updates of the game. Stillfront's opinion is that this license should be treated as the right to access the game platform in its current form throughout the license term, which would involve revenue recognition over time, i.e. allocation over the term of usage. However, the price of this license is zero, which means that no policy for revenue recognition needs to be adopted.

***Other games related revenues***

In-game advertising revenues are recognized when they occur, i.e. when a player watches or consumes an ad in the games.

***Contracting***

Contracting involves Stillfront developing a game for a publisher independent of Stillfront. Typically, contracting assignments involve two payment components from the publisher to Stillfront. One is based on the labor involved in building the game, and the second is sales-based royalty.

Stillfront's development for an independent publisher is considered a distinct performance obligation that is satisfied over time. The labor from Stillfront in these types of projects is typically constant, or almost constant, over the lifetime of the project. Revenue relating to the development is recognized in accordance with an input method which means that the revenue is recognized on a straight-line basis as the input is constant over the lifetime of the project.

Royalty is recognized in the period that is the basis for computing royalties, in accordance with the guidance for sales-based royalties in IFRS 15. The amount of royalties recognized is consistent with what is documented in a royalty statement issued by the publisher. The purchase of subscriptions should also be treated in the same way as purchasing virtual goods, i.e. revenue recognition is when IGC is used as payment for the subscription.

When Stillfront is contracted to develop a complete game at fixed price for an external owner, then revenue is recognized over time as milestones are fulfilled which reflect the completion of performance obligations.

When Stillfront acts as a publisher of games owned by an external developer, who makes all decisions about setting prices etc, then Stillfront is an agent for the game developer, and accounts for revenues net after deduction of reimbursement to the developer and platform providers.

**Other types of revenue**

Interest income is recognized using the effective interest method. Dividends are recognized when the right to receive dividend has been verified.

**Government grants**

Stillfront applies IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Government grants received are recognized as a cost reduction over the period in which the expenses that are compensated for by grants are recorded. Grants related to investments in assets and to expenses which are capitalized are presented as a reduction of the acquisition cost for the assets, whereby the cost for depreciation and amortization is reduced.

**Cost for revenue-based royalties**

There are contracts where Stillfront acquires a right from the owner of intangible property during a specific period of time to use trademarks or other content in a game against a revenue-based royalty. The royalty is calculated as a percentage of revenues or similar. Remuneration for the royalty may take place in advance where the royalty earned by the intangible property owner is recouped in arrears, or with a different payment model. Minimum guarantees exist. Irrespective of payment model, Stillfront accrues the cost for the royalty in the period during which its revenues from the contract are earned. If the minimum guaranteed amount is not expected to be reached during the contract period, accruals are made up to the guaranteed amount. Any difference between expensed and paid royalty is reported in the Statement of financial position as prepaid expenses or accrued expenses.

**Cash flow statement**

The cash flow statement is prepared in accordance with the indirect method, whereby earnings are adjusted for transactions not involving cash payments in the period. The company's cash and cash equivalents consist of cash and bank balances. The cash flow impact of currency hedging derivative transactions is reported within cash flows from financing activities.

**Earnings per share**

IAS 33 Earnings per share deals with principles for the determination and presentation of earnings per share before and after dilution. Basic earnings per share are computed by dividing earnings attributable to equity holders of the parent by a weighted average number of outstanding ordinary shares. Shares that have been bought back by Stillfront are excluded from the weighted average number of outstanding ordinary shares during the period when they are owned by Stillfront.

For computing diluted earnings per share, the weighted average number of outstanding ordinary shares is restated for the dilution effect of all potential ordinary shares. The parent company has issued share options that have a potential dilution effect. In 2023 and 2024, Stillfront did however not have any options and warrants that may cause dilution. Potential ordinary shares only give rise to a dilution effect in cases where the conversion of them results in lower earnings per share or a higher loss per share.

**Segments**

Stillfront's operations are conducted through its subsidiaries. Subsidiary heads report to the members of group executive management, whose members report to Stillfront's CEO. However, operational monitoring was in 2023-2024 focused on individual games rather than the subsidiaries themselves.

Stillfront markets its games worldwide. Revenues are monitored closely for each game, but all costs are not allocated on a game-by-game basis. Additionally, games have certain shared components that cannot be allocated to an individual game. Accordingly, Stillfront's financial position and results of operations cannot be presented by game genre in a way that would improve analysis of the company.

The group executive management was Stillfront's Chief Operating Decision Maker (CODM). Monitoring and management of the group have in 2023 and 2024 been based on the group's overall financial position, because as stated above operations were not allocated into segments from a monitoring/management perspective. Accordingly, all operations were treated as a single segment.

**Parent company accounting policies**

See note P1.

## Note 3
## Financial risk management

Through its operations, the group is exposed to a number of financial risks such as market risk (mainly involving currency risk and interest rate risk), credit risk and liquidity risk. Risk management is in accordance with predetermined principles, and the group's overall risk management policy endeavors to minimize unforeseen unfavorable effects on the group's results of operations and financial position.

### Currency risk

The group operates internationally and is subject to currency risks from various currency exposures. Currency risk arises through future business transactions, recognized assets and liabilities, as well as net investments in foreign operations. Currency risk occurs when future business transactions, recognized assets and liabilities are denominated in currencies other than the functional currency of the group entities. In the financial years presented, the group has not employed cash flow hedges. The currency exposures in net assets in foreign subsidiaries are partly hedged by having external loans in the parent company denominated in the same currencies, where hedge accounting is applied when the loans constitute an effective hedge of the group's exposure. All earnout liabilities (contingent considerations) are in foreign currency and are considered as hedges of currency exposures. Currency risks are also hedged with derivatives. The main currencies the group is exposed to are EUR and USD. The group's risk exposure in net investments in foreign operations at the end of the financial year, expressed in Swedish krona (SEK), was as follows:

**Net investments in foreign operations by currency**

| | 31 Dec 2024 | | 31 Dec 2023 | |
|---|---|---|---|---|
| MSEK | Net Assets | Thereof hedged | Net Assets | Thereof hedged |
| EUR | 7,587 | 2,737 | 7,448 | 2,495 |
| USD | 6,318 | 3,205 | 13,822 | 3,296 |
| Other foreign currencies | 1,267 | 2 | 1,191 | 14 |

**Consolidated net revenues by currency**

| MSEK | 2024 | 2023 |
|---|---|---|
| EUR | 2,972 | 2,967 |
| USD | 2,754 | 2,975 |
| Other foreign currencies | 989 | 1,019 |
| SEK | 22 | 22 |
| **Total net revenues** | **6,737** | **6,982** |

**Consolidated EBITDA by currency**

| MSEK | 2024 | 2023 |
|---|---|---|
| EUR | 953 | 954 |
| USD | 874 | 1,100 |
| Other foreign currencies | 350 | 362 |
| SEK | –32 | –3 |
| **Total EBITDA** | **2,145** | **2,413** |

If the EUR exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, EBITDA would have been 48 (48) MSEK higher or lower respectively, and the impact on equity would have been 242 (248) MSEK. If the USD exchange rate had been 5 percent higher or lower versus the SEK with all other variables constant, EBITDA would have been 44 (55) MSEK higher or lower respectively, and the impact on equity would have been 156 (526) MSEK. Currency hedging of net investments in foreign operations had an impact on other comprehensive income for the year of –302 (–81) MSEK net of tax.

### Interest rate risk

Interest rate risk means the risk that fair value or future cash flows fluctuate due to altered market interest rates. The interest risk is managed by funding the group with loans that have an interest rate fixing maturity which reflects the duration profile of the assets and the business. The average interest rate duration of the loan portfolio should be between 3 and 36 months. At year-end, the outstanding loans had an interest rate duration of 3 months. The group had outstanding bond loans amounting to 2,829 (2,488) MSEK and liabilities to credit institutions of 1,376 (1,693) MSEK at year end as well as a term loan from the Swedish Export Credit Corporation amounting to 688 (666) MSEK at year-end. The group has floating rate based interest-bearing liabilities. The revolving credit facility has IBOR and SOFR based reference rates and the bond loans have STIBOR as the basis for their coupon rates. A 2 percent increase in the reference rates based on the value at year-end would negatively impact profit by 98 (98) MSEK.

### Price risk

*Financial liabilities measured at fair value*

The group has contingent considerations/ provisions for earnouts measured at fair value. If future EBIT assumptions used in fair value measurement would increase 5 percent for those operations where contingent considerations have been measured for payment based on performance in 2023 to 2026, this would impact net profit by –164 (–122) MSEK at the date of fair value measurement. If future EBIT assumptions would decrease 5 percent, the impact on net profit would be 353 (122) MSEK.

### Credit risk

Credit risk means exposure to receivables in the form of investments of surplus liquidity and accounts receivable. The group's accounts receivable and contract assets are limited and counterparties are stable and reputable companies such as Apple, Google and PayPal. Accordingly, the group judges that the risk of bad debt is limited. The largest total exposure to all financial instruments with a single bank was 132 (74) MSEK.

**Maximum exposure to credit risk**

| MSEK | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Accounts receivable | 495 | 519 |
| Contract assets (accrued income) | 65 | 61 |
| Other receivables | 107 | 102 |
| Bank balances | 957 | 807 |
| **Total** | **1,624** | **1,489** |

### Liquidity risk

Liquidity risk means the risk that the group encounters problems in fulfilling the obligations relating to the group's financial liabilities. Financing risk means the risk that the group is unable to arrange sufficient finance for a reasonable cost. To a significant extent, the group finances its operations with new share issues, bond loan issues and bank facilities. The main source of financing, however, is Stillfront's free cash flow. Acquisitions of new businesses are partly financed through earnouts, i.e. parts of payments are deferred, and these amounts are computed on the basis of the acquired entity's estimated future financial performance. To minimize liquidity risk, most earnout agreements include caps on maximum payouts. The following tables analyze the group's financial liabilities allocated by the time remaining until agreed due dates on the reporting date. The amounts stated in the table are contractual undiscounted cash flows, assuming unchanged currency and interest rates. The provision for earnout presented in the below table is partly settled in new issued Stillfront Group shares (219 MSEK with maturity 3–12 months and 349 MSEK with maturity 1–5 years).

**Maturity analysis of contractual payments for financial liabilities including interest**

| MSEK | 0-3 months | 3-12 months | 1-5 years | >5 years |
|---|---|---|---|---|
| Bond Loans | 40 | 138 | 3,338 | – |
| Contingent consideration for shares in subsidiaries | – | 875 | 1,320 | – |
| Lease liabilities | 11 | 29 | 65 | – |
| Term Loan | 8 | 25 | 747 | – |
| Liabilities to credit institutions | 20 | 60 | 1,456 | – |
| Liabiltities to credit institutions (Overdraft facitlities) | 1 | – | – | – |
| Equity swap | – | 22 | – | – |
| FX currency swap | 12 | 54 | 67 | – |
| Accounts payable | 284 | – | – | – |
| **Total** | **376** | **1,203** | **6,995** | **–** |

### Capital

The group's target for its capital structure is to safeguard the group's ability to continue its operations so that they can generate returns for shareholders and benefit other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or alter its capital structure, the group can alter dividends paid to shareholders, repurchase own shares, repay capital to shareholders, issue new shares, increase liabilities or sell assets to reduce liabilities. Capital is estimated based on the group's equity/ assets ratio. The company's board of directors and management continuously evaluate the group's long-term need for capital and finance alternatives. The bonds have no financial maintenance covenants, only financial incurrence covenants. The company has also arranged credit facilities with banks. Some of these facilities have maintenance covenants regarding leverage, all of which were satisfied during the year.

*Note 3 Financial risk management, cont.*

*Fair value measurement*

The following table illustrates financial instruments measured at fair value on the basis of classification in the fair value hierarchy. The different levels are defined as follows:

Level 1: Quoted prices of identical assets or liabilities on active marketplaces.

Level 2: Observable data for the asset or liability other than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. sourced from price quotations).

Level 3: Data for the asset or liability not based on observable market data (i.e. non-observable data).

The following table illustrates changes in fair value adjustments for instruments in level 3:

| MSEK | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Financial liabilities** | | | |
| **Contingent purchase price considerations** | | | |
| Opening balance 1 January 2023 | | | 3,027 |
| Settled during the year | | | –1,158 |
| Revaluations | | | 150 |
| Other fair value changes (currency/interest) | | | 24 |
| **Closing balance 31 December 2023** | | | **2,043** |
| Settled during the year | | | –594 |
| Revaluations | | | 368 |
| Other fair value changes (currency/interest) | | | 216 |
| **Closing balance 31 December 2024** | | | **2,033** |

Additionally, there was at year-end a net liability for currency derivatives of 134 (29) MSEK, in Level 2.

## Note 4
## Critical accounting estimates and judgements

Stillfront's financial statements are prepared in accordance with IFRS. Therefore, the preparation of financial statements and application of accounting policies are often based on estimates and assumptions considered reasonable and well-balanced at the time they are made. However, given other judgements, assumptions and estimates, results of operations may differ, and events may occur that require material adjustments of the carrying amounts of the affected asset or liability. The critical areas where estimates and judgements have been made and are assessed to have the most impact on the financial statements follow.

**Capitalization and impairment tests of development expenditure**

As regards the timing of capitalization of development, the group's expenditure for game development is capitalized when games are sufficiently technologically specified to enable evaluation of their commercial potential. The judgement of commercial ability and returns is based on experience of previous games.

Incomplete development because the group's capitalized expenditure for development has not yet commenced amortization (as yet not ready for use) is subject to annual impairment tests. The most important underlying assumptions of these estimates may alter, and accordingly, have a material impact on the group's results of operations and financial position. The carrying amount of capitalized development expenditure is stated in note 14.

**Impairment tests of goodwill and other acquisition-related assets**

Each year, Stillfront investigates whether goodwill and other acquisition-related assets are impaired pursuant to the accounting policies stated in note 2. Measurement is conducted in tandem with impairment tests based on estimates and assumptions. The critical assumptions underlying these judgements are the definition of cash generating units as well as the growth rate, free cash flow and discount rate. Estimates other than those that management conducted may result in different results of operations and a different financial position. For more information see note 15.

**Deferred taxes, income tax and value added tax**

Deferred tax assets and liabilities are recognized for temporary differences and for tax loss carry forwards. Stillfront's deferred tax assets are mainly attributable to tax loss carry forwards, deferred income and lease liabilities. The deferred tax liabilities are mainly attributable to games, capitalized development costs and right-of-use assets. The valuation of temporary differences and tax loss carry forwards is based on management's estimates of future taxable profits in different tax jurisdictions and is primarily based on business plans.

Tax assets that derive from tax loss carry forwards have been generated in loss-making subsidiaries. The tax losses have been assessed to be able to be utilized against future taxable income. New assessments are done on a regular basis based on the current estimated future ability to utilize the deferred tax assets. Assessment regarding future utilization of tax loss carry forwards can change over time which can impact recorded tax expense in profit or loss. Carrying amounts at each reporting date are stated in note 11.

Accounting for income tax and value added tax is based on evaluation of income and value added tax rules in all jurisdictions where the group performs activities. Management regularly assesses and discusses with the board of directors its judgements of transactions and estimates of probable outcomes in fiscal matters.

**Contingent considerations (provision for earnouts)**

For several business combinations, Stillfront has agreed on contingent considerations. These are continuously measured at fair value, and measurement is based on a number of judgements and assumptions. The critical assumptions underlying these judgements are stated in note 21. Estimates other than those made by management may result in different results of operations and financial position.

**Subsidiary's operations in Bangladesh**

Stillfront has, as communicated in the previous annual report, been in the process to close the group's operations in Bangladesh. The Bangladeshi company has ceased its operations and is dormant, however, having a cash and bank balance of 82 MSEK as of May 2024. A court in Bangladesh appointed in the same month an Official Receiver to govern the company. The Official receiver has assumed control of business decisions and bank accounts held by the company. Stillfront therefore considers loss of control of the entity to have taken place. The company was consequently deconsolidated from the accounts and its net assets were charged to profit and loss as a financial expense.

## Note 5
## Revenues from clients

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Net revenues** | | |
| Subscriptions and virtual goods | 5,382 | 5,758 |
| Advertising revenues | 897 | 911 |
| Reseller revenues | 459 | 313 |
| **Total net revenues** | **6,737** | **6,982** |
| **Other operating revenues** | | |
| Exchange rate differences | 5 | 8 |
| Other | 20 | 19 |
| **Total other operating revenues** | **26** | **27** |

Subscriptions and virtual goods consist mainly of "bookings" adjusted for deferred revenues. Bookings are derived from the geographical continents as follows: North America 40 percent, South America 2 percent, Europe 31 percent, Africa 1 percent, Asia 23 percent, and Oceania 2 percent. The percentages are based on bookings from gamers with IP adresses in the respective areas. No individual customer represents more than 10 percent of net revenues.

## Note 6
## Revenues and non-current assets per country

**Net revenues**

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Germany | 2,014 | 2,016 |
| United States | 1,889 | 2,186 |
| United Arab Emirates | 972 | 789 |
| Malta | 453 | 482 |
| Hong Kong | 419 | 548 |
| India | 411 | 363 |
| Croatia | 351 | 362 |
| Romania | 97 | 107 |
| Bulgaria | 80 | 85 |
| United Kingdom | 32 | 24 |
| Sweden | 20 | 22 |
| **Total** | **6,737** | **6,982** |

**Non-current assets excluding deferred tax**

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| United Arab Emirates | 3,602 | 3,452 |
| Germany | 3,031 | 2,999 |
| Hong Kong | 2,451 | 2,462 |
| United States | 1,679 | 8,293 |
| Sweden | 1,201 | 1,177 |
| Croatia | 1,062 | 1,101 |
| India | 1,060 | 1,021 |
| Bulgaria | 278 | 265 |
| United Kingdom | 83 | 78 |
| Malta | 73 | 61 |
| Romania | 15 | 29 |
| Jordan | 14 | 16 |
| **Total** | **14,548** | **20,953** |

The allocation of net revenues and non-current assets is based on the countries where the studio has its registered office.

## Note 7
## Audit fees and reimbursement

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **PwC** | | |
| Audit | 9 | 12 |
| Other audit | 1 | 1 |
| Tax advisory | 0 | 0 |
| **Sub-total, PwC** | **10** | **13** |
| **Other audit firms** | | |
| Audit | 1 | 1 |
| **Total** | **11** | **14** |

Auditing means fees for the statutory audit, i.e. work necessary for presenting an audit report, and audit consultancy provided in tandem with the audit. Other audit means fees for various types of quality-assurance service. 4 (3) MSEK of the audit fees relates to PwC Sweden.

## Note 8
# Average number of employees, personnel expenses, pensions etc.

**Average no. of employees, group**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| **Bangladesh** | | |
| Women | – | 1 |
| Men | – | 10 |
| **Total** | **–** | **11** |
| **Bulgaria** | | |
| Women | 27 | 26 |
| Men | 32 | 32 |
| **Total** | **59** | **58** |
| **Canada** | | |
| Women | 11 | 9 |
| Men | 51 | 58 |
| **Total** | **62** | **67** |
| **China** | | |
| Women | 4 | 16 |
| Men | 3 | 30 |
| **Total** | **7** | **46** |
| **Croatia** | | |
| Women | 57 | 59 |
| Men | 50 | 53 |
| **Total** | **107** | **112** |
| **Germany** | | |
| Women | 104 | 114 |
| Men | 292 | 280 |
| Other | 2 | 1 |
| **Total** | **397** | **395** |
| **Greece** | | |
| Women | – | – |
| Men | 2 | – |
| **Total** | **2** | **–** |

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| **United Kingdom** | | |
| Women | – | – |
| Men | 3 | 1 |
| **Total** | **3** | **1** |
| **Hong Kong** | | |
| Women | 12 | 12 |
| Men | 16 | 20 |
| **Total** | **28** | **32** |
| **India** | | |
| Women | 21 | 22 |
| Men | 103 | 101 |
| **Total** | **124** | **123** |
| **Ireland** | | |
| Women | 1 | 1 |
| Men | – | – |
| **Total** | **1** | **1** |
| **Japan** | | |
| Women | 9 | 10 |
| Men | 12 | 12 |
| **Total** | **21** | **22** |
| **Jordan** | | |
| Women | 47 | 53 |
| Men | 71 | 87 |
| **Total** | **118** | **140** |
| **Malta** | | |
| Women | 11 | 10 |
| Men | 33 | 32 |
| **Total** | **44** | **42** |

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| **Portugal** | | |
| Women | – | – |
| Men | 2 | 2 |
| **Total** | **2** | **2** |
| **Romania** | | |
| Women | 11 | 13 |
| Men | 9 | 10 |
| **Total** | **20** | **23** |
| **Singapore** | | |
| Women | – | 9 |
| Men | – | 9 |
| **Total** | **–** | **18** |
| **Spain** | | |
| Women | 5 | 5 |
| Men | 12 | 16 |
| **Total** | **17** | **21** |
| **Switzerland** | | |
| Women | – | – |
| Men | 1 | – |
| **Total** | **1** | **–** |
| **Sweden** | | |
| Women | 10 | 10 |
| Men | 22 | 18 |
| **Total** | **32** | **28** |
| **United Arab Emirate** | | |
| Women | 5 | 3 |
| Men | 15 | 16 |
| **Total** | **20** | **19** |

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| **Ukraine** | | |
| Women | 1 | 2 |
| Men | – | 1 |
| **Total** | **1** | **2** |
| **United States** | | |
| Women | 55 | 67 |
| Men | 79 | 102 |
| **Total** | **134** | **169** |
| **Vietnam** | | |
| Women | 4 | 3 |
| Men | 14 | 12 |
| **Total** | **18** | **15** |
| **All countries** | | |
| Women | 395 | 417 |
| Men | 821 | 844 |
| Other | 2 | 1 |
| **Total** | **1,218** | **1,262** |

Additionally, the group engages contractors who are included in the number of employees as reported in the interim reports.

Comparative numbers for 2023 have been restated in comparison to the Annual report 2023.

*Note 8 Average number of employees, personnel expenses, pensions etc., cont.*

**Gender division in Group executive management**

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| Board members | 6 | 6 |
| *of which men* | *4* | *3* |
| President and other senior executives | 5 | 8 |
| *of which men* | *5* | *5* |
| **Total** | **11** | **14** |
| *of which men* | *9* | *8* |

**Salaries and other benefits, Group**

| MSEK | 2024 | 2023 |
|---|---|---|
| **Total salaries and benefits** | **857** | **941** |
| *(Thereof boards of directors, Presidents and other senior executives)* | 17 | 36 |
| Social security | 101 | 97 |
| Pensions | 22 | 19 |
| **Total** | **980** | **1,057** |

**Remuneration for Group executive management**

| KSEK | Former CEO and President[1] | Interim CEO and President[2] | Other senior executives[3] | Total |
|---|---|---|---|---|
| **2024** | | | | |
| Fixed salary | 7,533 | 1,409 | 18,339 | 27,281 |
| Variable remuneration | 1,037 | 139 | 2,015 | 3,192 |
| Cost for shared based benefits | 2,811 | 582 | 10,021 | 13,414 |
| Severance | 10,980 | – | – | 10,980 |
| Pension expenses | - | – | 983 | 983 |
| **Total remuneration** | **22,362** | **2,130** | **31,359** | **55,850** |

| KSEK | CEO and President | Other senior executives | Total |
|---|---|---|---|
| **2023** | | | |
| Fixed salary | 9,115 | 18,604 | 27,719 |
| Variable remuneration | 1,128 | 1,705 | 2,833 |
| Cost for shared based benefits | 3,380 | 9,248 | 12,628 |
| Other benefits | – | 41 | 41 |
| Pension expenses | – | 2,069 | 2,069 |
| **Total remuneration** | **13,623** | **31,667** | **45,290** |

1) Former CEO and President is Jörgen Larsson up until October 15, 2024.
2) Interim CEO and President is Alexis Bonte from October 15, 2024.
3) Remuneration for Other senior executives included in the table corresponds to the full remuneration expensed during the period in which the individuals concerned were senior executives, including vested but as yet unpaid variable remuneration and share based benefits for each year. Other senior executives whose remuneration is included are Marina Andersson (until August 2024), Alexis Bonte (until 15 October 2024), Armin Busen (from September 2024), Phillip Knust, Johanna Lundberg (until June 2024), Alexandre Salem (from September 2024), Björn Tönne (April 2023-August 2024), Andreas Uddman, and Sofia Wretman (until August 2024).

**Fees to the Board of Directors**

| KSEK | 2024 | 2023 |
|---|---|---|
| Jan Samuelson, Chair (up to June 2023) | – | 371 |
| Katarina Bonde, Chair (from June 2023) | 855 | 618 |
| Birgitta Henriksson (up to May 2024) | 156 | 375 |
| Erik Forsberg | 559 | 550 |
| Ulrika Viklund (up to May 2024) | 125 | 300 |
| Marcus Jacobs | 353 | 335 |
| David Nordberg (from June 2023) | 309 | 175 |
| Maria Hedengren (from June 2024) | 242 | – |
| Lars-Johan Jarnheimer (from June 2024) | 184 | – |
| **Total** | **2,782** | **2,724** |

**The group's pension plans**
All the group's pension plans are defined contribution plans.

**Remuneration to the board of directors**
Fees are payable to the Chair of the board and other board members in accordance with resolutions by shareholders' meetings.

**Remuneration guidelines for executive management**
The following remuneration guidelines for the CEO and other persons in the company's executive management for the period until the next annual general meeting were adopted on the AGM in May 2024.

These guidelines apply to remuneration and other terms of employment of the Chief Executive Officer (the "CEO") and other individuals of the executive management of Stillfront Group.

The guidelines for executive remuneration as approved by the annual general meeting 2023 remain unchanged.

Subject to what is set out in the next paragraph, these guidelines shall also apply in relation to a member of the board of directors of Stillfront who receives any remuneration from the Company and any reference herein to the "executive management" and/or an "executive" shall for such purposes be deemed to also include such board member.

These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2024.

**The guidelines' promotion of the Company's business strategy, long-term interests and sustainability**
Stillfront's business strategy is to be a leading free-to-play powerhouse, offering long-term first class digital entertainment through its global group of gaming studios. Organic growth and carefully selected and executed acquisitions embody Stillfront's growth strategy. For more information regarding the Company's business strategy, please see stillfront.com/en/about-the-company/.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The overall guidelines for remuneration to the company's executive management shall be based on the position, the individual performance, the company's earnings and that the remuneration shall be competitive.

**Types of remuneration, etc.**
The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration based on annual performance targets (bonus), extraordinary cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

***Fixed salary***
The fixed salary shall be based on the individual's experience, field of responsibility and related to the relevant market. Fixed salary shall be revised annually.

***Variable cash remuneration***
The satisfaction of criteria for awarding variable cash remuneration shall be measured annually. The variable cash remuneration for an executive manager may, as the main rule, correspond to not more than 50 percent (50%) of the fixed annual cash salary. However, the variable cash remuneration may correspond to up to 100 percent (100%) of the fixed annual cash salary of an executive manager if justified by remuneration structures or extraordinary arrangements in the individual case.

The variable cash remuneration shall be linked to predetermined and measurable criteria such as earnings, achievements in relation to the budget, the development of the company's share price, fulfilled sustainability goals and personal performance. Thereby, the variable cash remuneration is linked to the company's business strategy, long-term interests and sustainability.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The HR committee is responsible for the evaluation in so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

***Extraordinary cash remuneration***
Additional cash remuneration may be paid out in extraordinary circumstances, provided that such arrangement is of a one-off nature and is agreed on an individual basis for management recruitment or retention purposes or as compensation for extraordinary efforts beyond the individual's ordinary assignment. Such remuneration shall be in line with market practice and may for example include a one-off cash payment, retention bonus or similar. Extraordinary remuneration shall not exceed the fixed annual cash salary and shall not be paid more than once a year per individual. Decisions regarding such remuneration shall be made by the board of directors based on a proposal from the HR committee.

Note 8 *Average number of employees, personnel expenses, pensions etc., cont.*

*Variable long-term incentive program (LTIP)*
Long-term incentive programs have been implemented in the Company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The incentive programs include the executive management and other key individuals of the Company and its subsidiaries. The programs are conditional upon certain holding periods of several years. For more information regarding these programs, including the criteria which the outcome depends on, please see https://www.stillfront.com/en/remuneration/.

*Pension benefits and other benefits*
Pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent (30%) of the fixed annual cash salary.

Other benefits may include, for example, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits shall be limited and not exceed 5 percent (5%) of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

**Termination of employment**
Members of the executive management shall be offered employment terms in accordance with the laws and practices applicable to the country in which the employee is employed. Employment agreements between the Company and members of the executive management generally apply until further notice. Upon termination of an employment, the notice period may not exceed twelve (12) months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for one (1) year for any executive. In the event of termination by the executive, the notice period may not exceed six (6) months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies.

*Salary and employment conditions for executive management*
When evaluating whether these guidelines and the limitations set out herein are reasonable, the board of directors (including the HR committee) has considered the total income of all employees of the company, including the various components of their remuneration as well as the increase and growth rate over time.

*The decision-making process to determine, review and implement the guidelines*
The board of directors has established a HR committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The HR committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the HR committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' preparation of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Information on remuneration resolved but not yet due*
There is no resolved remuneration that is not yet due.

*Derogation from the guidelines*
The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the HR committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

There has been no deviation from the remuneration guidelines resolved by the annual general meeting 2024.

## Note 9
## Financial income/other interest income, etc.

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Financial income** | | |
| Interest income | 66 | 74 |
| **Total** | **66** | **74** |

## Note 10
## Financial expenses/other interest expenses, etc.

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Financial expenses** | | |
| Interest expenses | –441 | –421 |
| Earnout interest | –56 | –80 |
| Change in fair value of contingent consideration | –368 | –150 |
| De-consolidation of subsidiary | –66 | – |
| Other | –14 | –12 |
| Exchange loss | –15 | –10 |
| **Total** | **–961** | **–672** |

Stillfront has liabilities for contingent considerations (earnouts). The earnout liability is calculated by discounting expected future payments at the weighted average cost of capital (WACC). Over time, the discounting effect is released over profit and loss split into interest cost (based on the marginal cost of debt) and earnout revaluations (corresponding to the risk premium, which is the difference between the WACC and the marginal cost of debt). Changes in fair value of contingent considerations (earnout revaluations) are the total of the impact of the risk premium and forecast revisions. Net earnout revaluations amounted to –368 (–150) MSEK.

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Changes in fair value of contingent consideration** | | |
| Risk premium | –115 | –212 |
| Forecast adjustments | –252 | 62 |
| **Total** | **–368** | **–150** |

## Note 11
## Taxes

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Tax expense** | | |
| Current tax expense for the year | –256 | –288 |
| Adjustments of tax for previous years | 6 | 20 |
| Deferred tax | 223 | 125 |
| **Total tax expense** | **–27** | **–143** |
| **Profit or loss before tax** | **–7,351** | **156** |
| **Reconciliation of effective tax** | | |
| Tax at applicable rate 20.6% | 1,514 | –32 |
| Effect of foreign tax rates | 10 | –35 |
| Non-deductible expenses [1] | –1,551 | –69 |
| Adjustment of tax for previous years | 6 | 20 |
| Net effect of use of unrecognized loss carry-forwards for the year and previous years | 0 | 2 |
| Withholding tax on dividends | –8 | –29 |
| Other items | 1 | 0 |
| **Total tax expense** | **–27** | **–143** |

[1] Mainly pertaining to goodwill impairment, interest and revaluations of contingent considerations, non-deductible interest and non-deductible transaction costs.

### Deferred tax balances
Deferred tax assets and liabilities are derived from the balance sheet items as shown in the table below.

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Intangible assets | –980 | –1,109 |
| Right-of-use assets | –22 | –7 |
| Deferred income | 23 | 25 |
| Lease liabilities | 25 | 8 |
| Loss carry-forwards | 188 | 123 |
| Other | 55 | 52 |
| **Net deferred tax assets/liabilities** | **–712** | **–908** |
| Deferred tax asset | 53 | 21 |
| Deferred tax liability | –765 | –929 |

### Change in net deferred tax assets/liabilities

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Opening balance, net | –908 | –1,052 |
| Recognized in net income | 213 | 127 |
| Recognized in other comprehensive income | 41 | 7 |
| Acquisitions/divestments of subsidiaries | 10 | 4 |
| Translation difference | –67 | 6 |
| **Closing balance, net** | **–712** | **–908** |

Tax effects reported directly in Other comprehensive income amount to SEK 41 (7) million, and tax effects reported directly in equity amount to SEK 0 (0) million.

### Intangible assets
Deferred tax liabilities for intangible assets include temporary differences related to development expenses which are capitalized only for accounting purposes but not for tax purposes. The main part of the amount, however, is related to intangible assets such as capitalized development expenditures, game products and customer related assets that are recognized in the purchase price allocation following a business combination.

### Tax losses carried forward
Deferred tax assets are only recognized in countries and by amounts where the company expects to be able to generate in the foreseeable future sufficient taxable income to benefit from tax reductions. Tax losses carried forward exist primarily in Sweden and the United States, and can be utilized without time limitations. The amount includes deferred tax assets related to interest costs in Sweden that are not deductible in the current year, but are expected to be applied against future taxable profits.

### Other
Other deferred tax assets include 28 (47) MSEK of R&D credits recognized in the United States which can be applied against future state and local tax. Additionally, 169 (139) MSEK of R&D credits exists, 48 (21) MSEK with a 20 year time limit and 121 (118) MSEK without time limit, but are not recognized as they are not expected to be applied offset against current tax in the foreseeable future.

### Global minimum corporate income tax
In connection with the implementation of the OECD initiative "pillar two", a global minimum corporate income tax rate of 15 percent applies from 2024 for groups with global revenues above EUR 750 million. Stillfront has companies for example in the United Arab Emirates, where the corporate income tax rate currently is below the 15 percent threshold, but did not have global revenues in 2024 above EUR 750 million. As a result, Stillfront is not subject to the global minimum income tax in 2025 but may become so in the future as a result of growing revenues.

## Note 12
## Earnings per share

Basic earnings per share is computed by dividing earnings attributable to equity holders of the parent company by a weighted average number of outstanding ordinary shares in the period. For diluted earnings per share, the amount used for computing basic earnings per share is restated by considering the effect of dividends and interest expenses on potential ordinary shares, and the weighted average of the additional ordinary shares that would be outstanding given conversion of all potential shares. Share warrants only cause dilution if they result in an issue of ordinary shares at a price that is below the average price for the period. Additionally, potential shares only cause dilution if conversion of a number of potential ordinary shares results in lower earnings per share or a higher loss per share.

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| Number of shares outstanding at year-end | 502,268,782 | 517,968,480 |
| Weighted number of outstanding shares before dilution | 512,265,235 | 512,191,294 |
| Weighted number of outstanding shares after dilution | 512,265,235 | 512,191,294 |
| **Profit for the year attributable to equity holders of the parent (MSEK)** | **-7,378** | **7** |
| Basic earnings per share (SEK) | –14.40 | 0.01 |
| Diluted earnings per share (SEK) | –14.40 | 0.01 |

## Note 13
## Acquisitions

### Acquisition In 2024

***Increase in shareholding in minority interests***
In November 2024, further shares were acquired in Stillfront Online Games AB (the Swedish holding company for Dorado Games), leading to an increase in shareholding from 80 percent to 100 percent.

***Cash outflows on acquisitions of business in 2024***
(amounts in MSEK, including earnout payments for earlier made acquisitions) 297 for Jawaker, 98 for Sandbox Interactive, 15 for Stillfront Online Games, 13 for 6waves, 13 for Superfree Games, 9 for OFM Studios and 3 for Everguild.

### Acquisition In 2023

***Increase in shareholding in minority interests***
In december 2023, further shares were acquired in Simutronics Inc, leading to an increase in shareholding from 88.03 to 100 percent.

***Cash outflows on acquisitions of business in 2023***
(amounts in MSEK, including earnout payments for earlier made acquisitions) 68 for 6waves, 241 for Jawaker, 201 for Moonfrog, 21 for Superfree, 4 for Game Labs, 155 for Candywriter, 9 for OFM, 37 for Sandbox. Shareholding increase in minorities interests: 1 for Simutronics, 95 for Nanobit and 2 for Everguild.

## Note 14
## Intangible assets

| | Capitalized development expenditure | | Game products | | Licenses, market and customer related assets | | Goodwill | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group, MSEK** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** |
| **Opening accumulated acquisition cost** | 3,827 | 3,129 | 1,444 | 1,531 | 5,330 | 5,544 | 15,595 | 16,043 | 26,195 | 26,248 |
| Acquisition of companies | – | – | – | – | – | – | – | 12 | – | 12 |
| Internal development in the year | 594 | 793 | – | – | 4 | 10 | – | – | 598 | 803 |
| Disposals during the year | –27 | – | –1 | –2 | –1 | –41 | – | – | –29 | –43 |
| Reclassifications during the year | – | – | – | –44 | –5 | 0 | – | – | –5 | –44 |
| Translation differences | 247 | –92 | 108 | –41 | 437 | –174 | 1,103 | –460 | 1,896 | –767 |
| Divestment of subsidiaries | – | –3 | – | – | – | –10 | – | – | – | –14 |
| **Closing accumulated acquisition cost** | **4,640** | **3,827** | **1,551** | **1,444** | **5,765** | **5,330** | **16,699** | **15,595** | **28,655** | **26,195** |
| | | | | | | | | | | |
| **Opening accumulated amortization** | –2,260 | –1,633 | –597 | –483 | –2,517 | –1,940 | – | – | –5,374 | –4,055 |
| Amortization for the year | –881 | –686 | –174 | –178 | –620 | –719 | – | – | –1,676 | –1,583 |
| Impairment for the year | – | – | – | – | – | – | –6,867 | – | –6,867 | – |
| Disposals during the year | 15 | – | 1 | 1 | 1 | 40 | – | – | 16 | 42 |
| Reclassifications during the year | – | – | – | 44 | 4 | –0 | – | – | 4 | 44 |
| Translation differences | –160 | 58 | –64 | –19 | –222 | 91 | 66 | – | –379 | 168 |
| Divestment of subsidiaries | – | 1 | – | – | – | 10 | – | – | – | 11 |
| **Closing accumulated amortization** | **–3,286** | **–2,260** | **–834** | **–597** | **–3,354** | **–2,517** | **–6,801** | **–** | **–14,276** | **–5,374** |
| **Closing carrying amount** | **1,354** | **1,567** | **716** | **847** | **2,411** | **2,813** | **9,898** | **15,595** | **14,379** | **20,822** |

The remaining economic life for intangible assets is reviewed annually which in 2024 resulted in comparison disturbing amortization recorded in the amount of –190 MSEK.

## Note 15
## Impairment test

### Goodwill impairment test

Goodwill is monitored by management and tested for impairment. When testing for impairment, the assets are grouped in cash-generating units. The cash-generating units are the operating segments that were implemented from the year 2025: Business areas Europe, North America and MENA/APAC. Impairment testing has previously been performed with the entire group considered as one cash-generating unit but is now performed for each business area because projected future financial information on that level has for the first time become available and will be monitored on that level going forward.

When testing for impairment, carrying values are compared to the recoverable amount for each cash-generating unit. It is based on its value in use, which is the present value of the expected future cash flows without regard to potential future expansions of operations and restructuring.

***Goodwill amount***
Net operating assets in the cash-generating units, including goodwill with a carrying value of 16,765 (15,595) MSEK before write-down, were tested for impairment in connection with closing the annual accounts. The goodwill amount was allocated to cash-generating units based on the goodwill amounts originating from historical acquisitions of studios which are now included in each of the three business areas. The goodwill amount as of year-end 2024 was allocated to Business area Europe 4,170 MSEK, North America 6,867 MSEK and MENA/APAC 5,728 MSEK. Based on the impairment test that was subsequently performed, goodwill allocated to North America was written down entirely by 6,867 MSEK to nil, due to a weaker than earlier expected revenue growth, and hence total goodwill recognized as an asset at year-end in the group is 9,898 (15,595) MSEK.

Note 15 *Impairment test, cont.*

***Assumptions***

Discount rates used in the impairment testing were the weighted average cost of capital (WACC) rates after tax of 8.65 percent for Business area Europe, 8.26 percent for North America and 9.61 percent for MENA/APAC (WACC before tax is 9.39 percent for Europe, 9.00 percent for North America and 10.35 percent for MENA/APAC.) The different discount rates reflect differences in region specific risks and interest rates and are calculated based on the capital asset pricing model. In the previous year, a combined discount rate after tax for the group of 8.12 percent (8.66 percent before tax) had been applied. The Board and management have defined assumptions on revenue growth in years 2–5 and beyond based on the company's internal budget and forecasts, and comparisons against external market research (from e g NewZoo) on expected industry market growth. The forecasts include assumptions on margin improvements during the five-year period in line with the company's financial targets, which are supported by concrete action plans. Revenue growth for the years 2–5 varies between the business areas and the years, ranging between 0 and 5 percent per year. For all years after the forecast period, a perpetual annual revenue growth has been assumed of 2 percent for Business area Europe, 0 percent for North America and 2 percent for MENA/APAC.

***Sensitivity analysis***

A sensitivity analysis for Business areas Europe and MENA/APAC reveals that there is no impairment even if the annual perpetual growth is assumed to be 0 percent or if the discount rate after tax is assumed to be 10.5 percent.

## Note 16
## Leasing and right-of-use assets

**Balance sheet items referring to leasing**

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Buildings | 89 | 51 |
| Others | 7 | 9 |
| **Total right-of-use assets** | **96** | **60** |
| **Lease liabilities** | | |
| Current | 40 | 33 |
| Non-current | 65 | 34 |
| **Total lease liabilities** | **105** | **67** |
| Additions to the right-of-use assets during the financial year were | 71 | 11 |

**Depreciation of right-of-use assets charged to profit and loss**

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Depreciation charge of right-of-use assets** | | |
| Buildings | –34 | –48 |
| Others | –2 | –3 |
| **Total** | **–35** | **–50** |
| **Other information about leasing contracts** | | |
| Interest expense (included in financial expenses) | –5 | –5 |
| Expense relating to short-term leases (included in cost of goods sold and administrative expenses) | –8 | –6 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses) | –1 | –1 |
| Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) | –8 | –12 |
| The total cash outflow for leases in the year | –57 | –74 |

## Note 17
## Equipment, tools, fixtures and fittings

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Opening accumulated acquisition cost | 81 | 105 |
| New acquisitions | 21 | 28 |
| Disposals | –7 | –57 |
| Reclassifications during the year | –0 | 8 |
| Translation difference | 6 | –3 |
| **Closing accumulated acquisition cost** | **100** | **81** |
| Opening accumulated depreciation | –25 | –50 |
| Depreciation | –21 | –24 |
| Disposals | 7 | 56 |
| Reclassifications during the year | – | –8 |
| Translation differences | –3 | 1 |
| **Closing accumulated depreciation** | **–42** | **–25** |
| **Total closing carrying amount** | **59** | **56** |

## Note 18
## Accounts receivable

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Accounts receivable** | | |
| Accounts receivable gross | 497 | 520 |
| Provision for doubtful receivables | –2 | –2 |
| **Accounts receivable, net** | **495** | **519** |
| Accounts receivable not due | 443 | 459 |
| **Accounts receivable, overdue with no reserve** | | |
| Overdue by 0–3 mth. | 45 | 53 |
| Overdue by 3–6 mth. | 2 | 1 |
| Overdue by 6–12 mth. | 1 | 1 |
| Overdue by >12 mth. | 5 | 4 |
| **Total remaining maturity as of 31 December** | **495** | **519** |

As of 31 December 2024, accounts receivable amounted to 495 (519) MSEK of which 443 (459) MSEK were not overdue. Expected credit losses are insignificant. Based on credit history, these amounts are expected to be received on their due date. The group has not sold any of these receivables using a factoring solution. Information on the credit risk policy for accounts receivable and contract assets is in notes 2 and 3.

## Note 19
## Prepaid expenses and accrued income

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Other prepaid expenses | 79 | 70 |
| Contract assets (accrued income) | 53 | 61 |
| **Total** | **132** | **132** |

Contract assets (accrued income) are royalties and other revenues earned in the year but not yet invoiced or received before year-end.

## Note 20
## Shareholders' equity

### Other comprehensive income
Other comprehensive income consists of currency translation effects on the translation of foreign subsidiaries, and currency from foreign currency loans to hedge net investments, i.e. subsidiaries' net assets.

### Equity
**Group**

*Share capital*
Holders of ordinary shares are entitled to dividends resolved in arrears, and the shareholding confers voting rights at shareholders' meetings, at one vote per share. All shares carry the same entitlement to the group's remaining net assets.

*Other paid-up capital*
Other paid-up capital wholly consists of amounts paid in share issues over and above the quotient value of issued shares.

*Other reserves*
Other reserves wholly consist of currency translation effects on the translation of foreign subsidiaries and currency from foreign currency loans for hedging net investments, i.e. subsidiaries' net assets.

*Retained earnings including profit for the year*
Retained earnings including profit for the year consists of accrued earnings in the parent company and its subsidiaries.

*Dividend*
No dividend will be proposed at the AGM 2025.

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Share capital | 36 | 36 |
| *Change in number of shares:* | | |
| **Opening balance** | **517,968,480** | **513,199,454** |
| New share issue, 15 June 2023 (earnouts) | – | 4,769,026 |
| **Closing balance** | **517,968,480** | **517,968,480** |
| *whereof treasury shares* | 15,699,698 | – |
| **Net number of outstanding shares** | **502,268,782** | **517,968,480** |

In 2024, Stillfront repurchased 15,100,126 (13,441,510) own shares which were subsequently used in the year to settle earnout liabilities of 163 (270) MSEK. Additionally in 2024, 15,699,698 (0) shares were repurchased and remain at year-end as treasury shares in the company's possession.

The parent company's ordinary shares have a quotient value of SEK 0.07 per share. Each share carries one vote.

*Restricted equity*
Restricted equity may not be reduced by the distribution of profits.

*Share premium reserve*
The share premium reserve wholly consists of amounts paid in share issues over and above the quotient value of issued shares and comprises non-restricted equity.

*Accumulated profit or loss*
Consists of the previous year's non-restricted equity after any dividends are paid. Comprises total non-restricted equity with the share premium reserve and profit for the year.

### Capital management
Equity comprises shareholders' equity attributable to parent company shareholders and non-controlling interests. There are no external capital requirements other than those that follow from the Swedish Companies Act.

The capital structure is measured by monitoring the key performance indicator Leverage ratio, defined as net interest-bearing debt including cash earnout payments in the next twelve months, in relation to the last twelve month's Adjusted EBITDA pro forma.It is one of the financial targets of the company for the Leverage ratio to remain below 2.0, but Stillfront may, under certain circumstances, choose to exceed this level during shorter time periods. The key figure is calculated in note 30.

To support value creation, Stillfront aims to invest its profits and cash flows in organic growth initiatives and acquisitions and therefore, does not expect to pay dividends in 2025.

## Note 21
## Interest-bearing liabilities

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Contingent considerations for shares | 2,032 | 2,043 |
| Bond loans | 2,829 | 2,488 |
| Liabilities to credit institutions | 1,376 | 1,693 |
| Term loan | 688 | 666 |
| Overdraft facility | – | 27 |
| Leasing liabilities | 105 | 67 |
| Other interest-bearing liabilities | 22 | 19 |
| **Total** | **7,053** | **7,003** |
| **Movement in the year** | | |
| Opening balance | 7,003 | 7,865 |
| **Cashflows** | | |
| Proceeds from borrowings | 1,833 | 992 |
| Repayment of loans | –1,500 | –1,000 |
| Net change in revolving credit facility | –404 | 262 |
| Net change in overdraft facility | –27 | –52 |
| Contingent considerations paid out in cash | –432 | –822 |
| Payment of lease liabilities | –39 | –52 |
| **Non cash changes** | | |
| New/changed IFRS16 lease liabilities | 69 | 47 |
| Contingent considerations interest | 56 | 80 |
| Contingent considerations settled | –163 | –336 |
| Contingent considerations revaluation | 368 | 150 |
| Equity swap | 3 | – |
| Translation differences | 286 | –131 |
| **Closing balance** | **7,053** | **7,003** |

| **Maturity structure** | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Contingent considerations** | | |
| Repayment within 2–5 yr. | 1,170 | 1,392 |
| Repayment after more than 5 yr. | – | – |
| **Non-current liability** | **1,170** | **1,392** |
| **Current liability** | **862** | **651** |
| **Total Contingent considerations** | **2,032** | **2,043** |
| **Bond loans** | | |
| Repayment within 2–5 yr. | 2,829 | 2,488 |
| Repayment after more than 5 yr. | – | – |
| **Non-current liability** | **2,829** | **2,488** |
| **Current liability** | **–** | **–** |
| **Total bond loans** | **2,829** | **2,488** |
| **Term Loans** | | |
| Repayment within 2–5 yr. | 688 | 666 |
| **Non-current liability** | **688** | **666** |
| **Liabilities to credit institutions** | | |
| Repayment within 2–5 yr. | 1,376 | 1,693 |
| Repayment after more than 5 yr. | – | – |
| **Non-current liability** | **1,376** | **1,693** |
| **Current liability (overdraft facilities)** | **–** | **27** |
| **Total liabilities to credit institutions** | **1,376** | **1,720** |
| **Other non-current liabilities and non-current lease liabilities** | | |
| Repayment within 2–5 yr. | 65 | 34 |
| Repayment after more than 5 yr. | – | – |
| **Non-current liability** | **65** | **34** |
| **Current liability** | **40** | **33** |
| **Total other non-current liabilities and non-current lease liabilities** | **105** | **67** |

*Note 21 Interest-bearing liabilities, cont.*

**Revolving credit facility**
The group has a revolving credit facility of 2,500 MSEK at competitive market terms, maturing in June 2027. As of December 31, 2024, 1,376 (1,693) MSEK had been utilized. Utilizations and repayments during the year are presented as a net (net change in overdraft and revolving credit facility). The group has unutilized credit facilities as of the closing date of SEK 1,224 (2,432) MSEK including remaining overdraft facility.

**Bond loans**
The group and the parent company have three outstanding bond loans with an aggregate liability recognized as of 31 December 2024 of 2,829 (2,488) MSEK: Bond 2023/2027 of 1,000 MSEK matures in September 2027 and has an interest rate corresponding to STIBOR 3 months+3.95 percent. The market value of the bond as of the closing date was 1,026 (1,005) MSEK. Bond 2024/2028 of 1,000 MSEK matures in September 2028 and has an interest rate corresponding to STIBOR 3 months+3.65 percent. The market value of the bond as of the closing date was 1,015 MSEK. Bond 2024/2029 of 850 MSEK matures in September 2029 and has an interest rate corresponding to STIBOR 3 months+3.65 percent. The market value of the bond as of the closing date was 854 MSEK. Bond 2021/2025 of 1,500 MSEK was redeemed in the year. The bond terms include change of control clauses implying that holders of the bond loans are entitled to demand redemption of the loans in the event of any party taking control of 50 percent of the votes or capital of Stillfront Group.

**Term loan**
Stillfront entered into an unsecured term loan facility agreement of EUR 60 million with Swedish Export Credit Corporation (SEK) in September 2022 and utilized it in October 2022. The term loan facility agreement was extended in 2024 and matures in September 2027.

**Contingent consideration (earnout provisions)**
Stillfront has contingent considerations from acquisitions. These contingent considerations are settled in cash and shares in Stillfront, where the number of shares transferred on settlement of the contingent consideration is based on an amount in SEK, as stipulated in the terms and conditions for computing the contingent consideration. The value of the earnouts for the acquired studios are based on current assessment of the future profits for each studio based on the terms and conditions as per the purchase agreement. At year end six studios had an expected earnout payout. Earnouts to be settled relate to performance based on the years 2023 to 2026, of which the last payout is due in 2027. Contingent considerations are classified as financial liabilities, which in turn, are classified as current if they are to be settled within 12 months of the reporting date. Liabilities are measured at fair value and value changes are recognized in financial items in the Income Statement.

## Note 22
## Provisions

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Opening balance | 82 | 89 |
| Provision in the year | 1 | 6 |
| Settled in the year | –3 | –8 |
| Reclassifications | –1 | – |
| Translation difference | 8 | 2 |
| **Closing balance, other provisions** | **87** | **88** |
| **Whereof current provisions** | **24** | **31** |

Other provisions are mainly for compensation on termination of premises and staff.

## Note 23
## Other current liabilities

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Contingent considerations | 862 | 651 |
| Other provisions | 24 | 24 |
| Current lease liabilities | 40 | 33 |
| Equity swap | 22 | 19 |
| VAT payable | 74 | 71 |
| Employee withholding taxes | 7 | 8 |
| Social security contributions | 10 | 7 |
| Other short-term liabilities | 110 | 37 |
| **Total** | **1,150** | **850** |

## Note 24
## Accrued expenses and deferred income

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Accrued personnel expenses | 73 | 88 |
| Other accrued expenses | 196 | 198 |
| Deferred income (contract liability) | 85 | 96 |
| **Total** | **354** | **382** |

## Note 25
## Pledged assets, contingent liabilities, acquisition commitments and contingent assets

| | Group | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Collateral for liabilities to credit institutions** | | |
| Corporate mortgages | 0 | 0 |
| Pledged shares in subsidiaries | 0 | 0 |
| **Total** | **0** | **0** |
| **Contingent liabilities** | **None** | **None** |
| **Acquisition commitments** | **None** | **None** |
| **Contingent assets** | **None** | **None** |

## Note 26
## Cash flow

**Non-cash items**

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Depreciation and amortization | 8,600 | 1,660 |
| Change in fair value of contingent consideration | 368 | 150 |
| De-consolidation of subsidiary | 66 | - |
| Interest on contingent consideration | 56 | 80 |
| Result from sold/scrapped intangible assets | 26 | -1 |
| Unrealised exchange rate differences | –4 | –37 |
| Other items | 29 | 88 |
| **Total** | **9,140** | **1,940** |

**Information about interest and dividend**

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Interest paid during the year | –400 | –351 |

No dividend has been received during 2023 or 2024.

## Note 27
## Financial assets and liabilities (fair value)

The fair value of financial assets and liabilities is stated in the following table. See also note 3 Financial risk management. The group has bond loans, credit facilities, overdraft facilities and contingent considerations as stated in note 21.

Bond loans are reported in the statement of financial position at amortised cost but have a different fair value as disclosed below, as they have quoted prices on an exchange. The group also has an equity swap which is accounted for at amortized cost which may differ from its fair value.

Other receivables and other liabilities include currency derivatives carried at fair value. The bond loans are classified as level 1 in the fair value hierarchy, the equity swaps and the currency derivatives as level 2. The contingent considerations are classified as level 3 in the fair value hierarchy.

| | Financial assets measured at amortized cost | | Financial assets measured at fair value through profit or loss | | Financial liabilities measured at amortized cost | | Financial liabilities measured at fair value through profit or loss | |
|---|---|---|---|---|---|---|---|---|
| **GROUP, MSEK** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** |
| **Financial assets** | | | | | | | | |
| Accounts receivable | 495 | 519 | | | | | | |
| Other receivables (level 2 for currency derivatives) | 78 | 86 | | 23 | | | | |
| Accrued income | 53 | 54 | | | | | | |
| Cash and cash equivalents | 957 | 807 | | | | | | |
| **Total** | **1,583** | **1,466** | **0** | **23** | | | | |
| **Financial liabilities** | | | | | | | | |
| Bond loans (level 1) | | | | | 2,895 | 2,497 | | |
| Liabilities to credit institutions | | | | | 1,376 | 1,720 | | |
| Term loan | | | | | 688 | 666 | | |
| Other non-current liabilities (level 2 for currency derivatives) | | | | | 65 | 34 | 67 | 52 |
| Contingent consideration, long portion (level 3) | | | | | | | 1,170 | 1,392 |
| Contingent consideration, short portion (level 3) | | | | | | | 862 | 651 |
| Accounts payable | | | | | 284 | 170 | | |
| Equity swap (level 2) | | | | | 22 | 19 | | |
| Other liabilities (level 2 for currency derivatives) | | | | | 83 | 69 | 66 | 0 |
| Accrued expenses | | | | | 270 | 286 | | |
| **Total** | | | | | **5,684** | **5,461** | **2,165** | **2,095** |

Cash and cash equivalents as of 31 December 2023 included 74 MSEK on bank accounts in Bangladesh, where certain officers of the group entity that is the account holder were subject to an investigation by the authorities. As of 31 December, 2024 the company in Bangladesh had been de-consolidated.

## Note 28
## Transactions with related parties

Purchase and sales transactions with related parties are on market terms. Transactions between the parent company and subsidiaries are service and management fees. Salaries and benefits to senior executives are reported in note 8. There are no purchases of goods and services from related parties.

## Note 29
## Significant events after the end of the year

On January 3, 2025, Stillfront communicated that its Capital Markets Day, which had been planned to take place on February 6, 2025 would be scheduled for a later date in 2025, once a permanent CEO had been appointed.

On January 7, 2025, Stillfront announced that Todd Heringer joined Stillfront as Executive Vice President of business area North America and Kieran O'Leary as Executive Vice President of Growth Platform.

On January 7, 2025, Stillfront announced that Andreas Uddman had decided to step down as President Finance & Global Functions – Group CFO.

On January 29, 2025, Stillfront announced a goodwill impairment and an acceleration of amortization due to shorter economic lifetime of other developed games. Stillfront also announced preliminary figures for the full year and the fourth quarter of 2024. The reported earnings are in line with the preliminary results.

In connection with the presentation of the full-year results for 2024, Stillfront presented historical figures for 2024 for the external reporting format based on the three new operating Business Areas which were implemented on January 1, 2025.

On March 4 2025 Stillfront announced the appointment of Alexis Bonte as permanent CEO.

## Note 30
## Reconciliation of key performance measures

### Items affecting comparability

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Revenue** | | |
| Refund purchase price for shares | 8 | – |
| **Total IAC Revenues affecting EBIT** | **8** | **–** |
| **Costs** | | |
| Restructuring costs | –90 | –44 |
| Long term incentive programs | –23 | –24 |
| Other costs | –6 | –28 |
| Goodwill impairment | –6,867 | – |
| Comparison-disturbing amortization of product development | –190 | – |
| **Total IAC costs affecting EBIT** | **–7,176** | **–96** |
| **Total IAC affecting operating profit (EBIT)** | **–7,168** | **–96** |
| **Financial income and expenses** | | |
| Revaluation of earnouts | –368 | –150 |
| Other costs | –80 | –10 |
| **Total IAC in net financial items** | **–448** | **–160** |

### Alternative performance measures

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Net revenue | 6,737 | 6,982 |
| Direct costs | –1,367 | –1,537 |
| **Gross profit** | **5,371** | **5,445** |
| Operating profit (EBIT) | –6,455 | 754 |
| Amortization of PPA items | 682 | 846 |
| Other amortization and depreciation | 861 | 813 |
| Goodwill impairment | 6,867 | – |
| Comparison disturbing amortizations | 190 | – |
| **EBITDA** | **2,145** | **2,413** |
| EBITDA | 2,145 | 2,413 |
| Items affecting comparability in EBITDA | 111 | 96 |
| **Adjusted EBITDA** | **2,256** | **2,510** |
| Capitalization of product development | –598 | –805 |
| **Adjusted EBITDAC** | **1,658** | **1,705** |
| **In relation to net revenue** | | |
| *Gross profit margin, %* | 80 | 78 |
| *EBITDA margin, %* | 32 | 35 |
| *Adjusted EBITDA margin, %* | 33 | 36 |
| *Adjusted EBITDAC margin, %* | 25 | 24 |
| Adjusted EBITDA | 2,256 | 2,510 |

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| ***Divided by*** | | |
| Net financial items | 895 | 598 |
| Total IAC affecting financial items | –448 | –160 |
| Interest on earn-out consideration | –56 | –80 |
| **Adjusted interest coverage ratio** | **5.76** | **7.00** |
| Bond loans | 2,829 | 2,488 |
| Liabilities to credit institutions | 1,376 | 1,720 |
| Term loan | 688 | 666 |
| Equity swap | 22 | 19 |
| Currency derivatives | 134 | 29 |
| Cash and cash equivalents | –957 | –807 |
| **Net debt** | **4,093** | **4,115** |
| Cash earnout next 12 months | 643 | 496 |
| **Net debt incl cash earnout next 12 months** | **4,736** | **4,611** |
| ***Divided by*** | | |
| Adjusted EBITDA | 2,256 | 2,510 |
| **Adjusted leverage ratio** | **1.81** | **1.64** |
| **Adjusted leverage ratio incl earnout next 12 months** | **2.10** | **1.84** |
| Cash flow from operations | 1,687 | 1,690 |
| Cash outflow lease agreements | –39 | –52 |
| Purchase of intangible assets | –598 | –805 |
| Free cash flow | 1,050 | 833 |
| ***Divided by*** | | |
| EBITDA | 2,145 | 2,413 |
| **Cash conversion rate** | **0.49** | **0.35** |

| **Net revenue growth** | **2024** | **2023** |
|---|---|---|
| Change through acquisitions, % | 0.0 | 0.7 |
| Change through currency movements, % | –1.0 | 5.0 |
| Organic growth, % | –2.5 | –5.9 |
| Other, % | –0.1 | –0.9 |
| **Total net revenue growth, %** | **–3.5** | **–1.1** |

### Pro forma measures

| | Group | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Adjusted EBITDA, pro forma | 2,256 | 2,510 |
| ***Divided by*** | | |
| Net financial items | 895 | 598 |
| Total IAC affecting financial items | –448 | –160 |
| Interest on earn-out consideration | –56 | –80 |
| **Adjusted interest coverage ratio, pro forma** | **5.76** | **7.00** |

## Note P1
## Critical accounting policies

**Parent company accounting policies**
The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that as far as possible, the parent company applies all IFRS as endorsed by the EU within the auspices of the Swedish Annual Accounts Act, and considering the relationship between accounting and taxation. The annual accounts have been prepared in accordance with the cost method. Differences between the parent company's and the group's accounting policies are reviewed below.

**Participations in subsidiaries**
Participations in subsidiaries are recognized according to the cost method, which means that participations are recognized at cost less potential impairment in the Balance Sheet. Cost includes acquisition-related expenses. When there is an indication of value impairment of participations in subsidiaries, recoverable amount is measured. If this is less than carrying amount, impairment is taken. Impairment is recognized in the "profit/loss from participations in group companies" item. Dividends from subsidiaries are recognized as dividend income.

**Deferred tax**
Amounts provisioned to untaxed reserves are taxable temporary differences. However, due to the relationship between accounting and taxation, legal entities account the deferred tax liability on untaxed reserves as part of untaxed reserves. Appropriations in the Income Statement are also recognized including deferred tax.

**Accounting of group contributions**
Group contributions are accounted pursuant to the alternative rule of RFR 2, which means that group contributions made and received are recognized as appropriations in the Income Statement.

**Hedge accounting**
The parent company does not apply hedge accounting. Those currency exchange differences which are in the consolidated accounts reported within other comprehensive income are reported in the Income Statement of the legal entity.

**Leases**
The parent company applies the exemption from application of IFRS 16 Leases. Leasing costs are charged to profit and do not impact the balance sheet. Lease payments are recognized on a straightline basis over the term of the lease.

**Format of income statement and balance sheet**
The Income Statement and Balance Sheet are consistent with the formats stipulated by the Swedish Annual Accounts Act. The Statement of Changes in Equity is consistent with the group's format but should contain those components stated in the Swedish Annual Accounts Act. Additionally, differences in designation compared to the consolidated accounts are mainly for financial income, financial expenses and equity.

**Provision for earnout/contingent considerations**
In the parent company, provision for earnout/contingent consideration is recognized as part of the acquisition value if it is probable that they will fall out. If, in subsequent periods, it becomes apparent that the initial assessment needs to be revised, the acquisition value is adjusted under provision. In the group the corresponding item is recognized as a financial liability at fair value. A change in the provision is recognized in the parent company in participations in subsidiaries or group receivables, exchange gains and losses and interest.

## Note P2
## Audit fees and reimbursement

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| PwC | | |
| Audit | 2 | 3 |
| Other auditing | – | – |
| Tax advisory | 0 | 0 |
| **Total** | **2** | **3** |

Auditing means fees for the statutory audit, i.e. work necessary for presenting an audit report, and audit consultancy provided in tandem with the audit. Other auditing means fees for various types of quality-assurance service. Other means anything not included in auditing, other auditing or tax consultancy. 2 (3) MSEK of the audit fees relates to PwC Sweden.

## Note P3
## Average number of employees, personnel expenses, pensions etc

Average no. of employees, parent company

| | Parent company | |
|---|---|---|
| | **2024** | **2023** |
| **Stockholm, Sweden** | | |
| Women | 10 | 11 |
| Men | 20 | 17 |
| **Total** | **30** | **28** |

Salaries and other benefits, parent company

| **MSEK** | **2024** | **2023** |
|---|---|---|
| Boards of directors, Presidents and senior executives | 13 | 15 |
| Other employees | 24 | 21 |
| **Total** | **37** | **36** |
| Social security | 11 | 10 |
| Pensions | 5 | 5 |
| **Total** | **53** | **51** |

The tables refer to employees on the payroll of the parent company.

## Note P4
### Financial income/Other interest income, etc

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Financial income** | | |
| Dividends | 2,499 | 1 241 |
| Interest income | 88 | 91 |
| Exchange gain | – | 83 |
| Other financial income | – | 3 |
| **Total** | **2,587** | **1,418** |

## Note P5
### Financial expenses/Other interest expenses, etc

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Financial expenses** | | |
| Interest expenses | –483 | –472 |
| Write-down shares in subsidiary | –8,676 | – |
| Exchange loss | –217 | – |
| Other financial expenses | –67 | –9 |
| **Total** | **–9,443** | **–481** |

## Note P6
### Taxes

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Tax expense** | | |
| Current tax expense | – 15 | –29 |
| Deferred tax | –33 | –54 |
| **Total tax expense** | **18** | **-83** |
| **Profit or loss before tax** | **–6,785** | **826** |
| **Reconciliation of effective tax** | | |
| Tax at applicable rate 20.6% | 1,398 | –170 |
| Non-deductible expenses | –1,834 | –54 |
| Tax-free income | 516 | 256 |
| Foreign withholding tax | –7 | –26 |
| Controlled foreign taxation of non-domestic subsidiary | –66 | –89 |
| Loss carried forward previously not recognized | 11 | – |
| **Total tax expense** | **18** | **–83** |

| | Parent company | |
|---|---|---|
| **Deferred tax assets and liabilities** | **2024** | **2023** |
| Loss carry-forwards | 26 | 15 |
| Financial instruments | 28 | 6 |
| **Total** | **53** | **21** |

| | Parent company | |
|---|---|---|
| **Change in net deferred tax assets** | **2024** | **2023** |
| Opening balance, net | 21 | 75 |
| Recognized in net income | 33 | –54 |
| **Closing balance, net** | **53** | **21** |

There was no tax effect reported directly in Other comprehensive income. Tax effects reported directly in equity amounted to 0 (0). MSEK.

## Note P7
### Intangible assets

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Opening accumulated cost** | 39 | 24 |
| Internal development in the year | 12 | 14 |
| **Closing accumulated cost** | **51** | **39** |
| **Opening accumulated amortisation** | –12 | –8 |
| Amortization for the year | –3 | –4 |
| **Closing accumulated amortization** | **–15** | **–12** |
| **Closing carrying amount** | **36** | **26** |

## Note P8
### Participations in group companies

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Opening carrying amount | 18,884 | 18,479 |
| Acquisition of shares | 412 | 404 |
| Impairment write-down | –8,676 | – |
| **Closing carrying amount** | **10,620** | **18,884** |

**Specification of parent company holdings of participations in group companies**

The parent company Stillfront Group AB holds 100 percent of the shares in Stillfront Midco AB, Todavia AB, Stillfront NA Holdco inc. Jawaker FZ LLC., Everguild Ltd, Game Development Ukraine LLC, Six Waves Inc., Stillfront Portugal UNIPESSOAL LDA and Nanobit d.o.o. as well as 98 percent of the shares in Moonfrog Labs private Ltd. Stillfront Midco AB and Stillfront NA Holdco own directly or indirectly the Studios listed below. Unless otherwise stated, they have share capital consisting of ordinary shares only that are held directly by the group, and participation in equity is equal to share of the vote.

*Note P8 Participations in group companies, cont.*

| Name | Country | Reg. office | Corp. ID no. | Participating interest, % | Main activity | Book value, 31 Dec 2024 | Book value, 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| Todavia AB | Sweden | Stockholm | 559100-2893 | 100 | Owning and managing securities | 1 | 1 |
| Everguild Ltd | Great Britain | London | 09334050 | 100 | Developing and publishing online games | 16 | 24 |
| – Everguild Spain S.L.U | Spain | Madrid | M-708852 | 100 | Developing and publishing online games | | |
| Nanobit d.o.o | Croatia | Zagreb | 80640383 | 100 | Developing and publishing online games | 473 | 1,104 |
| – Nanobit games Ltd | Great Britain | London | 11572354 | 100 | Developing and publishing online games | | |
| Stillfront Midco AB | Sweden | Stockholm | 559110-4053 | 100 | Owning and managing securities | 3,502 | 3,502 |
| – Stillfront Germany GmbH | Germany | Hamburg | HRB 99869 | 100 | Owning and managing securities, developing and publishing online games | | |
| – OFM studios GmbH | Germany | Cologne | HRB 145244 | 100 | Developing and publishing online games | | |
| – Playa Games GmbH | Germany | Hamburg | HRB 109725 | 100 | Developing and publishing online games | | |
| – Sandbox Interactive GmbH | Germany | Berlin | HRB141903B | 100 | Developing and publishing online games | | |
| – Bytro Labs GmbH | Germany | Hamburg | HRB 118884 | 100 | Developing and publishing online games | | |
| – Babil Games LLC | UAE | Dubai | 2987/2012 FCZ | 100 | Publishing mobile games | | |
| – Babil Games Jordan Branch | Jordan | Amman | 2740 | 100 | Developing mobile games | | |
| – Imperia Online JSC | Bulgaria | Sofia | 205098993 | 100 | Developing and publishing online games | | |
| – Stillfront Online Games AB | Sweden | Stockholm | 556721-9430 | 100 (80) | Developing and publishing online games | | |
| – DOG Holdings Ltd | Malta | Malta | C64760 | 100 | Developing and publishing online games | | |
| – DOG Productions Ltd | Malta | Malta | C55850 | 100 | Developing and publishing online games | | |
| – Coldwood Interactive AB | Sweden | Stockholm | 556641-6532 | 100 | Developing and publishing online games | | |
| – eRepublik Labs. Ltd | Ireland | Dublin | 462101 | 100 | Developing and publishing online games | | |
| – ERPK Labs SRL | Romania | Bucharest | J40/6415/2009 | 100 | Developing and publishing online games | | |
| Stillfront NA Holdco, Inc | US | Wilmington | 7805241 | 100 | Holding company | 509 | 7,496 |
| – Simutronics Corp | US | Maryland Heights | 311296 | 100 | Developing and publishing online games | | |
| – Kixeye LLC. | US | Wilmington | 935057-91 | 100 | Developing and publishing online games | | |
| – Kixeye Canada Ltd. | Canada | Vancouver | BC0952509 (CRA 846529931) | 100 | Developing and publishing online games | | |
| – Super Happy Fun Time LLC | US | Wilmington | 5947380 | 100 | Developing and publishing online games | | |
| – Super Happy Fun Time VN Co LTD | Vietnam | Ho Chi Minh City | 314465736 | 100 | Developing and publishing online games | | |
| – Godzilab, LLC. | US | Redondo Beach | C3119998 | 100 | Developing and publishing online games | | |
| – C1 Acquisition Holdings, Inc | US | Wilmington | 7942009 | 100 | Developing and publishing online games | | |
| – Candywriter LLC | US | Miami | 7617501 | 100 | Developing and publishing online games | | |
| – Groom Lake Development, LLC | US | Wilmington | 7617509 | 100 | Developing and publishing online games | | |
| – Adult Coloring Book Apps, LLC | US | Wilmington | 7611302 | 100 | Developing and publishing online games | | |
| – Storm 8, LLC | US | Wilmington | 4712338 | 100 | Developing and publishing online games | | |
| – Storm 8 Studios LLC | US | Wilmington | 5681701 | 100 | Developing and publishing online games | | |
| – Storm 8 LLC | US | Sacramento | 200907610226 | 100 | Developing and publishing online games | | |

*Note P8 Participations in group companies, cont.*

| Name | Country | Reg. office | Corp. ID no. | Participating interest,% | Main activity | Book value, 31 Dec 2024 | Book value, 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| – FireMocha LLC | US | Wilmington | 201112010353 | 100 | Developing and publishing online games | | |
| – IceMochi LLC | US | Wilmington | 201120810180 | 100 | Developing and publishing online games | | |
| – Shark Party LLC | US | Wilmington | 201111910254 | 100 | Developing and publishing online games | | |
| – TamLava LLC | US | Wilmington | 200932910077 | 100 | Developing and publishing online games | | |
| – Gale Games LLC | US | Wilmington | 5581347 | 100 | Developing and publishing online games | | |
| – Loop Interactive LLC | US | Wilmington | 5381218 | 100 | Developing and publishing online games | | |
| – PalMe, LLC | US | Wilmington | 5304488 | 100 | Developing and publishing online games | | |
| – Squall Games LLC | US | Wilmington | 5304495 | 100 | Developing and publishing online games | | |
| – Storm8 Studios LLC | US | Wilmington | 5681701 | 100 | Developing and publishing online games | | |
| – Superfree Games Inc. | US | Wilmington | 4391799 | 100 | Developing and publishing online games | | |
| – Super Free Games LLC | US | San Francisco | 201721210175 | 100 | Developing and publishing online games | | |
| – Matcha Sauce LLC | US | San Francisco | 201728910428 | 100 | Developing and publishing online games | | |
| – Super Nutty Games LLC | US | San Francisco | 201728910430 | 100 | Developing and publishing online games | | |
| – Red Mustache Apps LLC | US | San Francisco | 201729610299 | 100 | Developing and publishing online games | | |
| – Twisted Bamboo LLC | US | San Francisco | 201729610319 | 100 | Developing and publishing online games | | |
| – My Daily Bread LLC | US | San Francisco | 202250310558 | 100 | Developing and publishing online games | | |
| – Gamelabs Inc. | US | Wilmington | 5727645 | 100 | Developing and publishing online games | | |
| – Game Development Ukraine LLC | Ukraine | Kyiv | 44371956 | 100 | Developing and publishing online games | - | - |
| Moonfrog Labs Private Limited | India | Bangalore | U72400KA 2013PTC072054 | 97.93 | Developing and publishing online games | 1,148 | 1,148 |
| – Moonfrog Asia PTE. LTD. | Singapore | Singapore | 201832514H | 100 | Developing and publishing online games | | |
| – Ulka Games Ltd. | Bangladesh | Dhaka | C-150257/2019 | 99.99 | Developing and publishing online games | | |
| Jawaker FZ–LLC | UAE | Abu Dhabi | BL136/20 | 100 | Developing and publishing online games | 4,059 | 3,669 |
| – Cosmic Perspective Company LLC | Jordan | Amman | 63286 | 100 | Developing and publishing online games | | |
| Six Waves Inc. | BVI | Tortola | 1512629 | 100 | Holding company | 911 | 1,940 |
| – 6waves Limited | Hong Kong | Wanchai | 1216243 | 100 | Developing and publishing online games | | |
| – 6waves K.K | Japan | Tokyo | 0104-01-092929 | 100 | Developing and publishing online games | | |
| – Beijing Youmai Hudong Technology Company Limited | China | Beijing | 1-03283416 | 100 | Developing and publishing online games | | |
| – Prodigy Studios LLC | US | Delaware | 99-0361905 | 100 | Developing and publishing online games | | |
| – 6waves Mobile Limited | Hong Kong | Wanchai | 1516241 | 100 | Developing and publishing online games | | |
| – Empire Studios Inc. | BVI | Tortola | 1801048 | 100 | Developing and publishing online games | | |
| – Six Waves Payment K.K. | Japan | Tokyo | 0104-01-153727 | 100 | Developing and publishing online games | | |
| Stillfront Portugal, UNIPESSOAL LDA | Portugal | Lisboa | 516803450 | 100 | Group management services | 0 | 0 |
| **Closing carrying amount** | | | | | | **10,620** | **18,884** |

*Note P8 Participations in group companies, cont.*

**Non-controlling interests**

Condensed financial information for each subsidiary that has a non-controlling interest that is material to the group is provided below.
The amounts stated for each subsidiary are before intra-group eliminations.

**Condensed balance sheet**

| | Simutronics | | Stillfront Online Games | |
|---|---|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023 1)** | **31 Dec 2024 2)** | **31 Dec 2023** |
| Non-current assets | – | – | – | 69 |
| Current assets | – | – | – | 19 |
| **Total assets** | **–** | **–** | **–** | **88** |
| Non-current liabilities | – | – | – | 3 |
| Current liabilities | – | – | – | 35 |
| **Total liabilities** | **–** | **–** | **–** | **38** |
| Net assets | – | – | – | 50 |
| **Total non-controlling interests** | **–** | **–** | **–** | **10** |

**Condensed income statement**

| | Simutronics | | Stillfront Online Games | |
|---|---|---|---|---|
| **MSEK** | **2024** | **2023** | **2024** | **2023** |
| Revenues | – | 34 | 453 | 482 |
| Profit for the year | – | –7 | 61 | 25 |
| **Profit attributable to the non-controlling interests** | **–** | **–1** | **–** | **4** |

1) In 2023 the shareholding in Simutronics increased from 88.03 percent to 100 percent.
2) In 2024 the shareholding in Stillfront Online Games increased from 80 percent to 100 percent.

## Note P9
### Prepaid expenses and accrued income

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Prepaid rent | 1 | 1 |
| Prepaid insurance | 1 | 1 |
| Prepaid financing expenses | 12 | 8 |
| Other prepaid expenses | 9 | 4 |
| **Total** | **23** | **14** |

## Note P10
### Interest-bearing liabilities

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Bond loans** | | |
| Repayment within 2–5 yr. | 2,829 | 2,488 |
| **Non-current liability** | **2,829** | **2,488** |
| **Current liability** | **–** | **–** |
| **Total bond loans** | **2,829** | **2,488** |
| **Term Loan** | | |
| Repayment within 2-5 yr. | 688 | 666 |
| **Total term loans** | **688** | **668** |
| **Currency derivatives** | | |
| Non-current liability | 67 | 52 |
| Current liability | 66 | – |
| **Total currency derivatives** | **133** | **52** |
| **Liabilities to credit institutions** | | |
| Repayment within 2–5 yr. | 1,376 | 1,693 |
| **Non-current liability** | **1,376** | **1,693** |
| **Current liability** | **–** | **27** |
| **Total liabilities to credit institutions** | **1,376** | **1,720** |

## Note P11
### Provisions

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Contingent considerations** | | |
| Opening balance | 1,687 | 2,386 |
| Settlement | –466 | –774 |
| Revaluation | 412 | 58 |
| Exchange rate differences | 146 | –45 |
| Interest | 49 | 63 |
| **Closing balance, contingent considerations** | **1,828** | **1,687** |
| Whereof current contingent considerations | 658 | 440 |

## Note P12
### Accrued expenses and deferred income

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| Personnel expenses | 15 | 10 |
| Other expenses | 32 | 35 |
| **Total** | **47** | **45** |

## Note P13
### Pledged assets

| | Parent company | |
|---|---|---|
| **MSEK** | **31 Dec 2024** | **31 Dec 2023** |
| **Collateral for liabilities to credit institutions** | | |
| Corporate mortgages | – | – |
| Pledged shares in subsidiaries | – | – |
| **Total** | **–** | **–** |

## Note P14
### Cash flow

Non-cash items

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Depreciation and amortization | 3 | 4 |
| Interest on contingent consideration | 48 | 63 |
| Unrealised exchange rate differences | 334 | –63 |
| Writedown of shares in subsidiaries | 8,676 | – |
| Other items | 25 | 38 |
| **Total** | **9,086** | **42** |

**Information about interest and dividend**

| | Parent company | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Interest paid during the year | –434 | –409 |
| Interest recieved during the year | 88 | 82 |
| Dividends recieved | 2,499 | 1,241 |

## Note P15
## Financial assets and liabilities (fair value)

| MSEK | Financial assets measured at amortized cost 31 Dec 2024 | Financial assets measured at amortized cost 31 Dec 2023 | Financial assets measured at fair value through profit or loss 31 Dec 2024 | Financial assets measured at fair value through profit or loss 31 Dec 2023 | Financial liabilities measured at amortized cost 31 Dec 2024 | Financial liabilities measured at amortized cost 31 Dec 2023 | Financial liabilities measured at fair value through profit or loss 31 Dec 2024 | Financial liabilities measured at fair value through profit or loss 31 Dec 2023 |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | | |
| Intercompany receivables | 3,337 | 3,046 | | | | | | |
| Other receivables | 1 | 1 | – | 23 | | | | |
| Cash and cash equivalents | 91 | 0 | | | | | | |
| **Total** | **3,429** | **3,047** | **–** | **23** | | | | |
| **Financial liabilities** | | | | | | | | |
| Intercompany liabilities | | | | | 609 | 1,828 | | |
| Bond loans | | | | | 2,895 | 2,497 | | |
| Term loan | | | | | 688 | 666 | | |
| Other non-current liabilities | | | | | 1,376 | 1,693 | 67 | 52 |
| Accounts payable | | | | | 9 | 5 | | |
| Equity swap | | | | | 22 | 19 | | |
| Other liabilities | | | | | 68 | 27 | 66 | – |
| Accrued expenses | | | | | 58 | 45 | | |
| **Total** | | | | | **5,725** | **6,780** | **133** | **52** |

No significant credit loss is considered to exist in intercompany receivables.

## Note P16
## Transactions with related parties

Purchase and sales transactions with related parties are on market terms. Transactions between the parent company and subsidiaries are service and management fees. Salaries and benefits to senior managers are reported in note P3. There are no purchases of goods and services from related parties.

Related party disclosures, parent company

| MSEK | 2024 | 2023 |
|---|---|---|
| Sales to group companies | 151 | 164 |
| Purchased services from group companies | –77 | –54 |
| Interest income from group companies | 81 | 79 |
| Interest expense to group companies | –5 | -16 |
| Non-current receivables from group companies | 3,210 | 3,017 |
| Non-current liabilites to group companies | 0 | 0 |
| Current receivables from group companies | 127 | 28 |
| Current liabilities to group companies | 609 | 1,828 |

## Note P17
## Appropriation of profits

The board of directors proposes that the disposable funds of SEK 6,592,550,577 are appropriated as follows:

| SEK | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Share premium reserve | 13,358,243,016 | 13,455,811,916 |
| Profit/loss brought forward | 1,064,374 | –722,289,374 |
| Loss/profit for the year | –6,766,756,813 | 742,757,889 |
| **Total** | **6,592,550,577** | **13,476,280,431** |
| Carried forward | 6,592,550,577 | 13,476,280,431 |
| **Total** | **6,592,550,577** | **13,476,280,431** |

The board of directors and the President and CEO hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002, pertaining to the application of international financial reporting standards. The Annual Report and the consolidated financial statements give a true and fair view of the parent company's and the group's financial position and results. The Report of the Directors pertaining to the parent company and the group gives a fair overview of the development of the parent company's and the group's operations, financial position and results, and describes the significant risks and uncertainties facing the parent company and the companies included in the group.

Stockholm, 22 April 2025

Katarina Bonde
Chair of the board

Erik Forsberg
Board member

Maria Hedengren
Board member

Marcus Jacobs
Board member

Lars-Johan Jarnheimer
Board member

David Nordberg
Board member

Alexis Bonte
President and Chief Executive Officer

Our Auditor's Report was submitted on 22 April 2025
Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

# Auditor´s report

**To the general meeting of the shareholders of Stillfront Group AB (publ), corporate identity number 556721-3078**

## Report on the annual accounts and consolidated accounts

**Opinions**

We have audited the annual accounts and consolidated accounts of Stillfront Group AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 66-101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated statement of comprehensive income and consolidated statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

**Basis for Opinions**

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Our audit approach**

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

**Key audit matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## Key audit matter

## How our audit addressed the Key audit matter

### Capitalization of development expenditure

*We refer to the Notes 2 Material accounting policies, 4 Critical accounting estimates and judgements and 14 Intangible assets.*

Capitalised development expenditure in the amount of MSEK 1 354 comprises a significant portion of Stillfront Group's balance sheet as at the end of December 2024. There is a risk that criteria for capitalization of development expenditure have not been met.

Normally, Stillfront commences development when all the recognition criteria are met, therefore development expenditure is capitalized from the starting date. The assets are subject to ongoing depreciation.

In our audit, we have analyzed Stillfront's processes and controls regarding capitalization of development expenditure and checked that criteria for capitalization are met.

Our audit procedures included the following:

- We have performed a recalculation of the development expenditure capitalization schedule.
- We have agreed the inputs of the capitalization schedule to supporting documentation on a sample basis.
- We have performed analytical procedures over management's estimate of the percentage of payroll costs to be capitalized.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS Accounting Standards.

### Impairment test of goodwill and intangible assets

*We refer to the Notes 2 Material accounting policies, 4 Critical accounting estimates and judgements, 14 Intangible assets and 15 Impairment test.*

Goodwill in the amount of MSEK 9 898 and other intangible assets in the amount of MSEK 4 481 comprise a significant portion of Stillfront Group's balance sheet as at the end of December 2024. There is a risk that the future estimated cash flow will not be equivalent to the book value of goodwill and other intangible assets and that, as a result, an impairment risk exists. During 2024, Stillfront recognized an impairment of intangible assets of MSEK 6 687.

According to the Stillfront Group's routine, the value of goodwill and other intangible assets is tested annually for impairment. Stillfront has a process for executing this test. This testing is based on the recoverable amount, which is equivalent to the value of the discounted cash flows for the identified assets.

The calculated recoverable value is based on budgets and forecasts for the next five years approved by the Board of Directors. The cash flows after the forecast period are extrapolated based on the estimated long-term growth rate. The process, consequently, includes significant assumptions relevant for the impairment assessment. These include the assumptions regarding revenue growth, growth of free cash flows and the discount rate (WACC). In the impairment test Stillfront have allocated the assets in cash-generating units. Starting from 2025, the cash-generating units consist of the operating segments, Europe, North America and MENA/APAC.

Our audit procedures have included, but were not limited to, the following activities.

In evaluating the assumptions for a combined impairment test for goodwill and other intangible assets, as reported in Note 15, we have performed the following audit procedures:

- We have tested and evaluated management's assumptions regarding the discount rate, growth and margins. We have tested the assumptions based on what is included in the budgets and business plans, the results of the group and our knowledge of the Group's development.
- Our testing includes the follow-up and assessment of the accuracy of management's forecasts for historical periods.
- In terms of discount rate, our testing is based on the review of the company's calculation of WACC, taking into account the inherent risk of operating in the current market.
- With help of PwC's internal valuation specialists, we have tested accuracy of the impairment test model.
- We have also evaluated management's sensitivity analysis to assess if reasonable changes in significant parameters, individually or in aggregate, could imply the existence of a need for impairment.
- We have assessed management's determination of the cash-generating unit used in the impairment test.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS Accounting Standards.

| Key audit matter | How our audit addressed the Key audit matter |
| --- | --- |
| **Valuation of contingent consideration** | |
| *We refer to the Notes 2 Material accounting policies, 4 Critical accounting estimates and judgements and 21 Interest-bearing liabilities.*<br><br>The contingent consideration amounts to MSEK 2 032 as at the end of December 2024. This is deemed to comprise a significant item in the consolidated statement of financial position. Valuation of contingent consideration is based on the management's estimates regarding future performance of subsidiaries as specified in agreements related to business acquisitions.<br>The valuation is based on future budgets and forecasts approved by the Board of Directors. | In our audit, we have assessed the process for valuation of contingent consideration and the underlying management's estimates and judgements. The audit procedures included, amongst other:<br>• We have reviewed acquisition agreements and assessed whether the parameters on which contingent consideration is based have also been considered in the valuation.<br>• We have evaluated management's assumptions regarding assessed future cash flows in subsidiaries.<br>• We have performed a follow-up of the accuracy of the forecasts for historical periods.<br>• We have checked the calculation of WACC which is applied in discounting expected future cash flows.<br>• We have also assessed if the accounting principles and disclosures in the annual report are in accordance with IFRS Accounting Standards. |

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-49, 60-65 and 107-111. The other information also consists of the remuneration report, which we have had access to prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

# Report on other legal and regulatory requirements

## The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

**Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Stillfront Group AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

**Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

**Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

# The auditor's examination of the ESEF report

**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Stillfront Group AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for Opinions**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Stillfront Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation that the Esef report has been prepared in a valid XHTML and a reconciliation that the Esef report agrees to the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and the notes have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Stillfront Group AB (publ) by the general meeting of the shareholders on the 14 May 2024 and has been the company's auditor since the 9 May 2019.

Stockholm 22 April 2025
Öhrlings PricewaterhouseCoopers AB

**Nicklas Kullberg**
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

# Key figures and glossary

## Alternative Performance Measures

Stillfront applies the ESMA Guidelines on Alternative Performance Measures (APM). An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Stillfront's consolidated accounts, this typically means IFRS. APMs are disclosed when they complement performance measures defined by IFRS. The basis for disclosed APMs are that they are used by management to evaluate the financial performance and in so believed to give analysts and other stakeholders valuable information. Definitions of all APMs, operational key figures and other definitions are found below.

## Financial key figures

| Key figure | Definition | Purpose |
|---|---|---|
| **Adjusted EBITDA** | EBITDA adjusted for IAC. | Used to evaluate the underlying profitability of Stillfront and to calculate Leverage. |
| **Adjusted EBITDA margin** | Adjusted EBITDA divided by net revenues. | Used to evaluate the underlying profitability of Stillfront. |
| **Adjusted EBITDAC** | Adjusted EBITDA less capitalized product development. | Used to evaluate the underlying profitability of Stillfront. |
| **Adjusted EBITDAC margin** | Adjusted EBITDAC divided by net revenues. | Used to evaluate the underlying profitability of Stillfront. |
| **Adjusted interest coverage, pro forma** | Adjusted EBITDA, pro forma, divided by financial items for the past twelve months. | Used to assess Stillfront's capability of covering its financial expenses. |
| **Cash conversion ratio** | Free cash flow divided by EBITDA. | Measure of how well the group's earnings are converted to positive cash flows. |
| **EBIT** | Operating profit. | Used to evaluate the underlying profitability of Stillfront. |
| **EBIT margin** | EBIT divided by net revenues. | Used to evaluate the underlying profitability and value creation of Stillfront. |
| **EBITDA** | EBIT before depreciation, amortization and write-downs. | Used to evaluate the underlying profitability of Stillfront. |
| **EBITDA margin** | EBITDA divided by net revenues. | Used to evaluate the underlying profitability and value creation of Stillfront. |
| **Free cash flow** | Cash flow from operating activities minus purchase of intangible assets and cash outflow from lease agreements. | Measure of cash flow available for investments and repayments of loans. |
| **Items affecting comparability (IAC)** | Significant income statement items that are not included in the group's normal recurring operations and which distort the comparison between the periods, including transaction costs for M&A and costs for long-term incentive programs. | Items affecting comparability are specified because they are difficult to predict and have low forecast values for the group's future earnings trend. |
| **Leverage** | Net interest-bearing debt, including short-term cash earnout payments, in relation to the last twelve month's Adjusted EBITDA pro forma. | Used to determine how many years it would take to repay the company's debt with its current profitability. |
| **Net Debt incl cash earnout next twelve months/adjusted EBITDA, pro forma** | Net Debt including cash earnout payments next twelve months, divided by adjusted EBITDA, pro forma, for the past twelve months. | Used to determine how many years it would take to repay the company's debt with its current profitability. Included among the financial convents under Stillfront's bonds. |

## Operational key figures

| Key figure | Definition | Purpose |
|---|---|---|
| **ARPDAU** | Average revenue per daily active user. | Used to assess the underlying development of Stillfront's games. |
| **DAU** | Average daily active users. | Used to assess the underlying development of Stillfront's games. |
| **MAU** | Average monthly active users. | Used to assess the underlying development of Stillfront's games. |
| **MPU** | Average monthly paying users. | Used to assess the underlying development of Stillfront's games. |

## Other definitions

| Key figure | Definition |
|---|---|
| **Adjusted EBITDA, pro forma** | Adjusted EBITDA, where acquired units are included from the beginning of the period. |
| **Amortizations of PPA items** | Amortization of fair value adjustments identified in connection with purchase price analyses. |
| **Bookings** | Revenue before changes in deferred revenue, including deposits from paying users, in-game advertising revenue and other game related revenue. |
| **Net Debt** | Interest bearing liabilities, including equity swap and currency derivatives, minus cash and cash equivalents. Contingent liabilities for earnouts are not considered as interest bearing in this context. |
| **Organic growth** | Change in consolidated net revenues, excluding the translation impact of changed currency exchange rates and acquisitions and divestments. Net revenues in acquired operations are considered as acquired growth during twelve months from the acquisition date. The impact of pausing operations in Bangladesh is excluded from the measure. |
| **Shareholders' equity/ share** | Shareholders' equity attributable to the parent company shareholders divided by the number of shares at the end of the period. |
| **UAC** | User acquisition costs. |

Four strong reasons to

# Invest in Stillfront

## 1

**Well positioned in the growing gaming industry**

## 2

**Unique Stillops platform, creating and utilizing benefits of scale.**

## 3

**Strong financial position with high profitability and cash generation.**

## 4

**Sustainability principles deeply embedded into our culture.**

### Financial calendar

| | |
|---|---|
| Interim Report January–March 2025 | 6 May 2025 |
| Annual general meeting | Stockholm 14 May 2025 |
| Interim Report January–June 2025 | 22 July 2025 |
| Interim Report January–September 2025 | 23 October 2025 |

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