

A vertical decorative graphic on the left side of the slide. It features a woman's face in profile, looking to the right, with a futuristic, glowing blue and purple background. The graphic is partially obscured by a white diagonal line.

January-Dec 2020

A vertical decorative graphic on the left side of the slide. It features a woman's face, looking forward, with a blue and white background. The graphic is partially obscured by a white diagonal line.

19.2.2021

Today's Agenda

CEO Teemu Huuhtanen

2020 Highlights

Mobile Gaming - a winner during the Pandemic

Next Games' Strategic Focus

Business Review

CFO Annina Salvén

Financial Review

CEO Teemu Huuhtanen

Outlook 2021


Concluding Remarks





WELCOME

Teemu Huuhtanen
CEO





Yakuza Tank

173 ► **173**
POWER

LEVEL 13

TRAIN

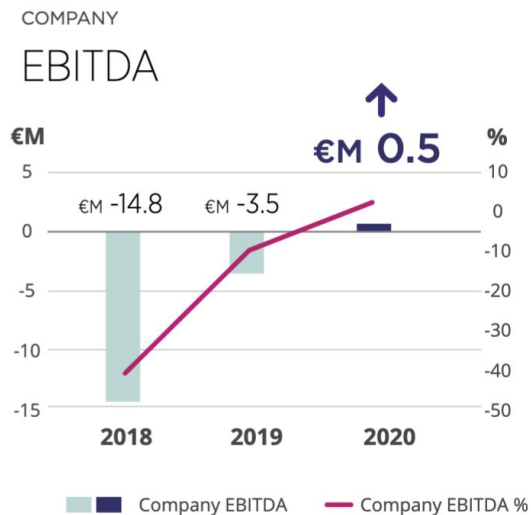
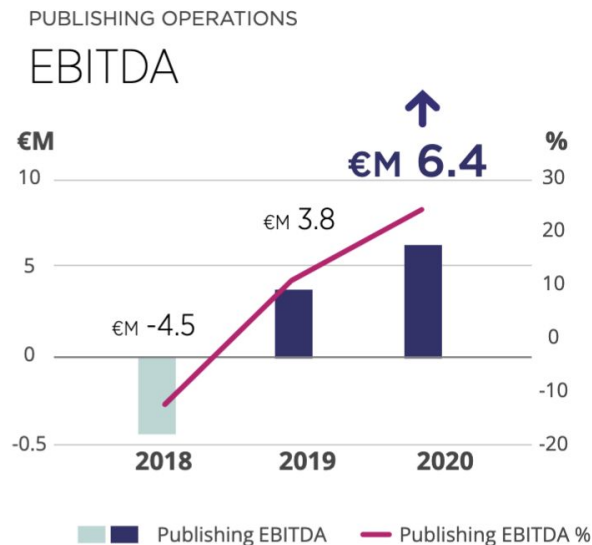
AMPLIFY





2020 HIGHLIGHTS

STRONG DEVELOPMENT CONTINUED H2



Turnaround in profitability

Due to the increased profitability of The Walking Dead games, and a cost level that remained at our target level.



MOBILE GAMING

a winner during the Pandemic

Mobile Gaming grew during Pandemic

\$77.2 (est. 68.2)
Billion in Revenues

13.3% (est. 9.7%)
Revenue growth

28% (est. 5%)
US User Growth

39% US Consumers lost income
in the pandemic

48% US Consumers play
Video Games

37% US Consumers spend
monthly on mobile games



Mobile Games is the biggest and fastest growing segment

Mobile games market
remains bigger than
movies and
music combined

Source: Newzoo Global Games Market Report 2020

GLOBAL GAMES MARKET

2020 → 2023 estimated
\$159.3 billion **\$200.8 billion**
(+9.3% YoY)

GLOBAL MOBILE GAMES MARKET

2020 → 2023 estimated
\$77.2 billion **\$102.8 billion**
(+13.3% YoY)

MOBILE PLAYERS GLOBALLY

2020
2.6 billion people
1/3 of all people on the planet!



STRATEGIC FOCUS

Licensed game strategy is working the appeal of well-known brands brings a strong organic uplift of players to our games.

Strategic focus areas

- 1. STRENGTHENING STRATEGIC PARTNERSHIPS**
- 2. ACTIVE BRAND PORTFOLIO MANAGEMENT**
- 3. EFFICIENCY WITH A UNIFIED INFRASTRUCTURE**
- 4. PLAYERS FIRST APPROACH**



Mid-term financial targets

**We will aim for EUR 250 million
annual revenue**

**We want to achieve
EBITDA > 23%
EBIT > 18%**

In 2020 we have shown how profitable our publishing operations can be – and by continuing investing in R&D, we believe profitable growth will follow



BUSINESS REVIEW

FOCUS ON NEW PRODUCTS

Mission

Next Games defines the way franchise entertainment transforms into highly engaging mobile games played together with friends and fellow fans.

104 Employees

22 Nationalities

**NEW
PROJECTS**

55%

**PUBLISHING
OPERATIONS**

32%

ADMIN

13%

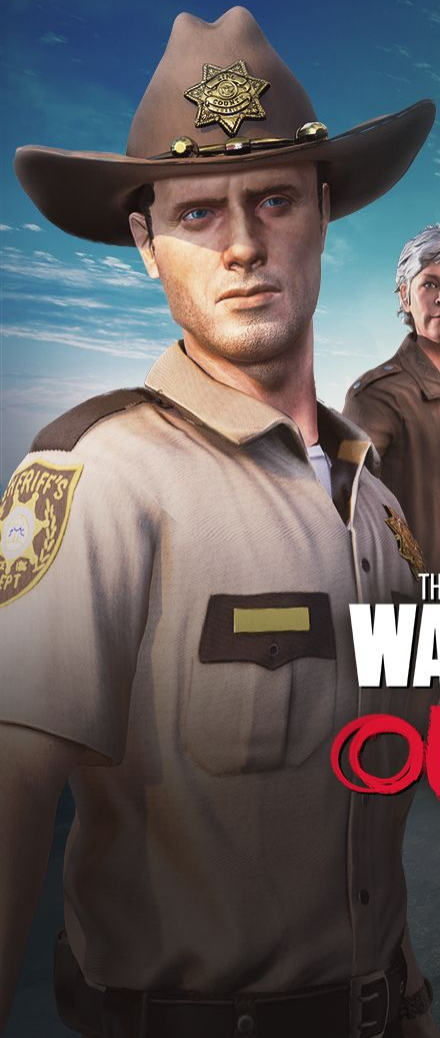
Vision

To join forces with license holders to build top grossing games and become the most sought after partner for IP owners.

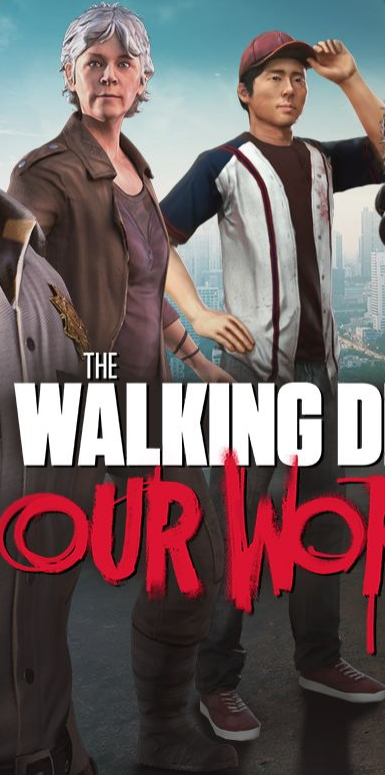
Values

COURAGE
CARING
CURIOSITY

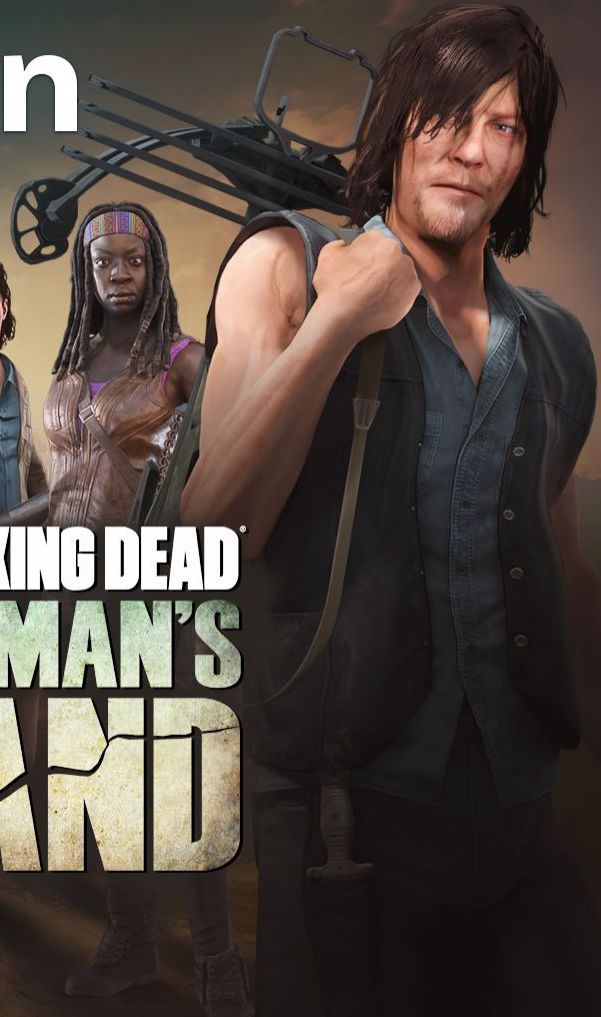
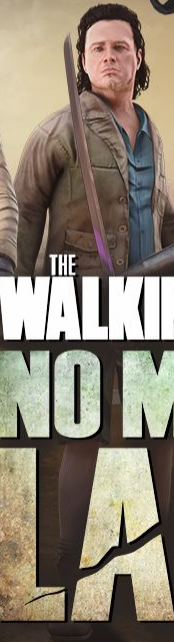
€165 million
lifetime revenue



THE
WALKING DEAD
OUR WORLD



THE
WALKING DEAD
**NO MAN'S
LAND**



THE OFFICIAL MOBILE GAME OF

BLADE RUNNER

ROGUE

Available Q1 2021
in main markets



NETFLIX

STRANGER THINGS

Puzzle Tales

Live in First Markets

STRANGER THINGS™/© Netflix. Used with permission.



FINANCIAL REVIEW

Annina Salvén
CFO

P&L KEY FIGURES

EUR million	01-07/ 2020	01-07/ 2019	2020	2019
Revenue	12.8	15.5	27.2	34.7
Cost of revenue	-6.1	-7.1	-12.9	-15.0
Gross Profit	6.7	8.4	14.3	19.7
Other Operating income	0.3	0.0	0.7	0.0
Research and Development	-2.9	-3.3	-5.6	-6.6
Sales and Marketing	-4.5	-7.8	-9.5	-17.6
Administrative	-1.3	-1.3	-3.2	-3.0
Operating Result (EBIT)	-1.7	-3.9	-3.4	-7.4

EUR million	Jul-Dec 2020	Jul-Dec 2019	2020	2019
EBIT	-1.7	-3.9	-3.4	-7.4
Depreciations	-2.0	-2.0	-3.9	4.0
EBITDA	0.2	-2.0	0.5	-3.5

- Revenue was fully in line with expectations and guidance, hitting 27 million for the full year
- Focus continued on increasing profitability, with largest impact in Marketing and Sales, driven by effective leverage of our licensed based games strategy
- EBITDA continued positive and was EUR 0.5 million.
- **EBIT improved significantly by EUR 4.0 million, but was still negative due to the effect of depreciations, relating to previous investments made into technology and infrastructure.**

RECORD PUBLISHING PROFITABILITY

R&D STABLE

Publishing Operations Profitability

EUR million	2020	2019	Change
Revenue	27.2	34.7	-22%
Gross Profit	14.3	19.7	-28%
Other Operating Income	0.1	0.0	100%
Sales and Marketing costs	-9.5	-17.6	-46%
Publishing Operations EBIT	4.8	2.1	129%
Publishing Operations			
Depreciations	1.6	1.6	3%
Publishing Operations EBITDA	6.4	3.8	70%
EBITDA %	24%	11%	13ppt

Research and Development

EUR million	2020	2019	Change
Total costs	-7.0	-7.6	-7%
Depreciations	-2.1	-1.3	60%
Capitalization	3.5	2.4	48%
Total	-5.6	-6.6	-15%
Percentage of revenue	-21%	-19%	2ppt

Despite a Revenue decline, profitability increased significantly. With proportional R&D overall profitability for the company increased significantly

CASH POSITION

EUR million	Jan-Dec 2020	Jan-Dec 2019
Net cash flows from operating activities	1,8	-3,6
Net cash flows from investing activities	-3,5	-2,7
Net cash used in financing activities	-1,3	6,6
Net decrease/increase in cash and cash equivalents	-3,4	0,4
Cash and cash equivalents as of January 1st	7,7	7,3
Translation differences	-0,3	0,1
Cash and cash equivalents as of Dec 31st	4,3	7,7

- Net cash flow from operating activities turned positive in 2020 and was EUR 1.8 million
- **Company's Operation continue cash flow positive**
- Negative CF is solely related to investments in R&D
- Timing in payments (particularly Apple 28th-3rd) affect end of month balances, Apple payments arrived Jan 3rd.



OUTLOOK AND CONCLUDING REMARKS

OUTLOOK

Outlook 2021

Next Games expects revenues to grow to at least EUR 40 million in 2021. The company is targeting profitable growth with full year EBITDA positive in 2021.

Basis for outlook

The outlook is based on an estimate that Walking Dead games will generate revenue on a steady or slightly declining trend. Revenue for Stranger Things will be increased during 2021, and Blade Runner will be released in key markets.



Summary

Turnaround in profitability

Due to the increased profitability of The Walking Dead games, and a cost level that remained at our target level.

Licensed game strategy is working

The appeal of well-known brands brings a strong organic uplift of players to our games.

Good position to release new games

Current business is stable with continued investments in product development, there are new projects on the horizon and Stranger Things is released to the first markets.



Financial Calendar

Annual General Meeting 2021

Next Games' Annual General Meeting is scheduled for Wednesday, March 31, 2021. The company's Board of Directors will issue a separate notice of the Annual General Meeting later.

Financial Calendar 2021

The financial statements and the report of the Board of Directors for the financial year 2020 will be published in week 10/2021.

Next Games' Half-year review for January-June 2021 will be released on Friday, August 13, 2021

The financial statements and the report of the Board of Directors for the financial year 2020 as well as the Half-year review for January-June 2021 are published as a company bulletin and on the company's website at <https://www.nextgames.com/fi/reports>





Q&A



THANK YOU

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