

BUSINESS REVIEW

Teemu Huuhtanen Chief Executive Officer

H1 2018: FOCUS ON TRANSITION FROM A COMPANY WITH ONE LIVE GAME TO RUNNING MULTIPLE LIVE GAMES

- During January-June 2018, according to its strategy, the company focused on developing and preparing to launch new games based on entertainment franchises and further development of The Walking Dead: No Man's Land
- The company concentrated on scaling it's operations and supporting the releases of new games on all fronts from game development, technology, marketing to analytics, as well as from an operational perspective.



H1 2018: NEW GAME PROJECTS PROCEEDING ACCORDING TO PLAN

- The Walking Dead: Our World game launched after reporting period.
- Blade Runner moved to testing and soft launch phase
- NBCUniversal game project moved from pre-production to production
- New licensing agreement with a new license partner





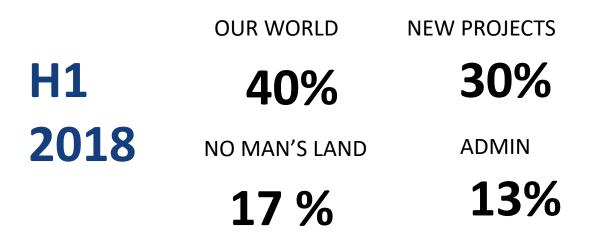






FOCUS ON NEW GAMES

DIVISION OF EMPLOYEES PER FOCUS AREA



% of staff working on Our World, No Man's Land, new projects and administration..







JANUARY-JUNE 2018

REVENUE -46% 10.5M EUR (19.5M EUR)

GROSS MARGIN 26% (36%)

(2017 January-June comparison in brackets)



JANUARY-JUNE 2018

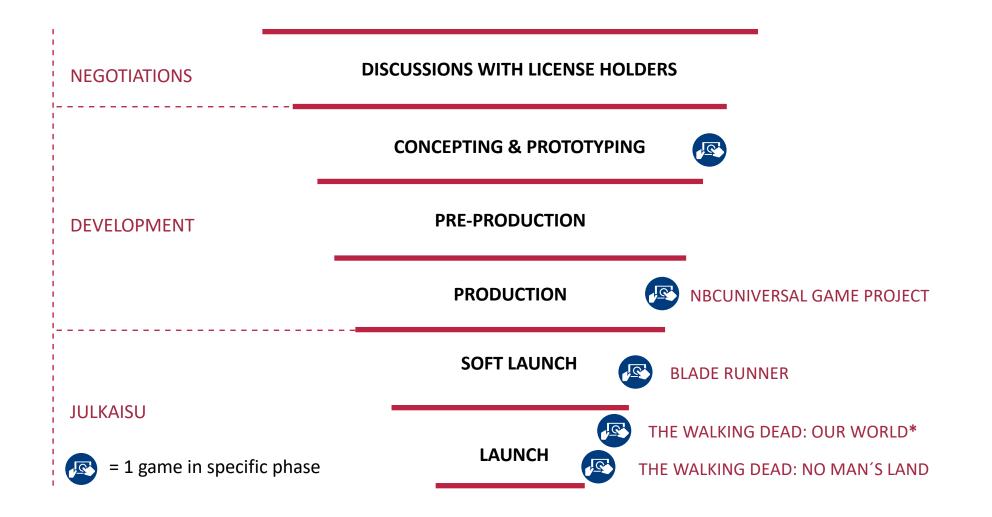
EBIT -8M EUR (0.0M EUR)

PRODUCT DEV COSTS 3.9M EUR (1.0M EUR)

Next Games does not capitalize its R&D expenses related to game development (2017 January-June comparison in brackets)







* Game published after the reporting period on 12 July, 2018.





THE WALKING DEAD: NO MAN'S LAND

- Development of the game was continued during the reporting period
- The game was released in both Korea and Japan. Especially the the Japanese market opened well
- Further development of the game is still considered profitable in comparison to the resource investment.







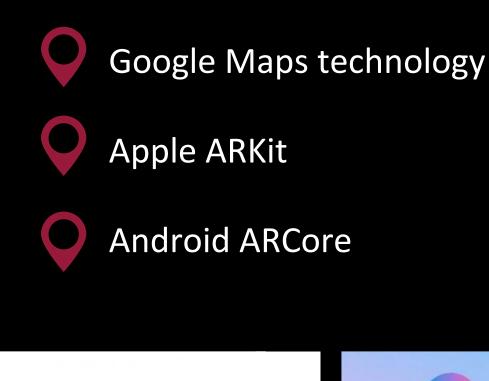




The Walking Dead: Our World is a first-of-a-kind **location based augmented reality** mobile game, set in The Walking Dead Universe





















THE WALKING DEAD: OUR WORLD - FIRST WEEK

- Global launch to 153 markets on 12.7.2018, after the reporting period
- Well-received both amongst the media and player audience
- TOP 10 downloaded game in over 40 countries
- Global ARPDAU 0.35 euros on the first week





1st week numbers

- Top 10 downloaded game in over 40 markets
- On average a player plays 7 sessions per day and spends 37 minutes in the game.
- The players have collectively completed 100 million missions and walked 9 million kilometers (5.5 million miles), which is 220 times around the Earth.
- The most active cities are New York, Paris and Tokyo.







3 DIFFERENT LICENSES









B

Blade Runner game

- Blade Runner game has moved from production phase to testing and soft launch as planned
- After closed beta tests, the game opened on one test market for technical soft launch
- Project is proceeding according to plans





NBCUniversal game project

- Project has moved from pre-production to production phase
- NBCUniversal is known for multiple popular, global movie franchises and TV series.

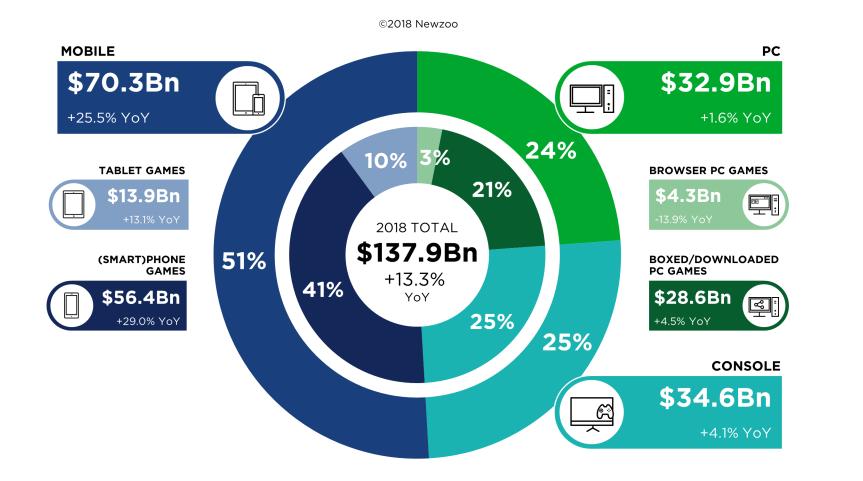




MARKET OVERVIEW









In 2018, mobile games will generate

\$70.3Bn or 51% of the global market.

Source: ©Newzoo | 2018 Global Games Market Report newzoo.com/globalgamesreport

FINANCIAL REVIEW

Annina Salvén CHIEF FINANCIAL OFFICER



Operational Metrics

DAU AND ARPDAU



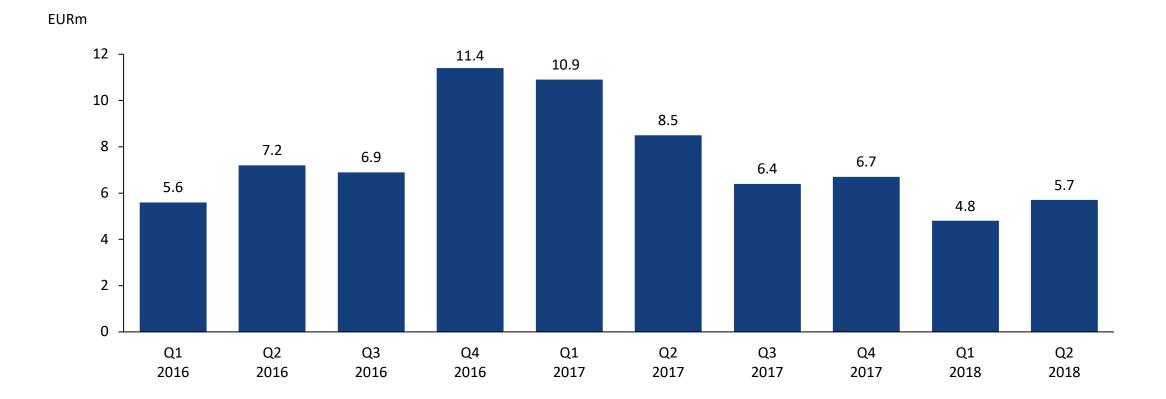
1,000 players

ARPDAU



NEXT GAMES

Revenue



Revenue



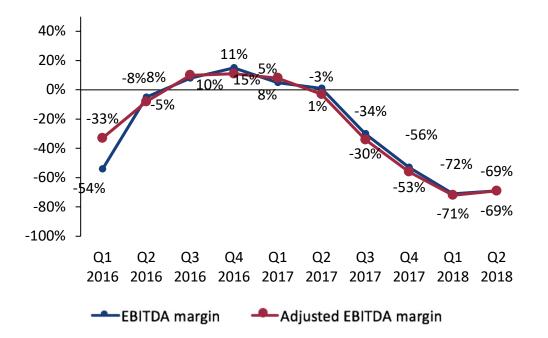
Gross Margin and EBITDA

45% 41% 37% 36% 35% 33% 33% 32% 35% 28% 21% 25% 15% 1% 5% -5% Q1 Q2 Q2 Q3 04 02 Q3 Q4 0101 2016 2016 2016 2017 2017 2017 2017 2018 2018 2016

Gross Margin (%)

Gross margin

EBITDA and adjusted EBITDA margin (%)



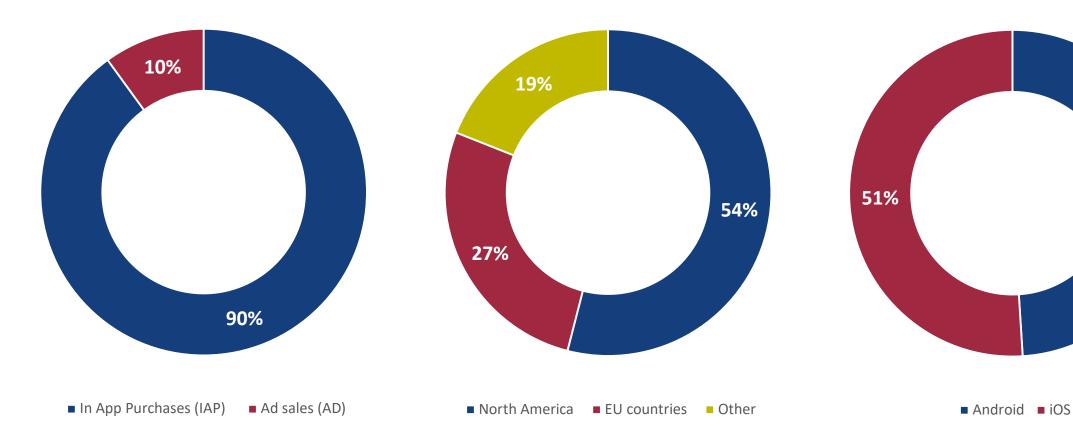


Gross Bookings

GROSS BOOKINGS BY SOURCE

GROSS BOOKINGS BY GEOGRAPHY

GROSS BOOKINGS BY PLATFORM





49%

Income Statement

Income Statement	Group	Group	Group
EUR thousand	01-06/2018 (unaudited)	01-06/2017 (unaudited)	2017 (audited)
Revenue	10 477	19 452	32 497
Other operating income	45	2	22
Raw materials and services	-7 784	-12 373	-20 547
Personnel expenses total	-4 582	-2 967	-6 656
Depreciation, amortisation and write-offs total	-689	-657	-1 552
Other operating expenses	-5 457	-3 464	-10 143
Operating profit (loss)	-7 990	-7	-6 379
Financial income and expenses	-740	-159	-470
Profit (loss) before tax and appropriations	-8 730	-166	-6 849
Deferred tax	9	-7	468
Profit (loss) for the financial year	-8 721	-173	-6 381



Balance Sheet

	30.6.2018	31.12.2017	
EUR thousand	(unaudited)	(audited)	
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	3 291	3 300	
Other capitalised long-term expenses	3 373	2 617	
Goodwill	790	903	
Intangible assets total	7 454	6 820	
Tangible assets			
Machinery and equipment	232	136	
Intangible assets total	232	136	
Investments			
Other shares and similar rights of ownership	63	1 074	
NON-CURRENT ASSETS TOTAL	7 750	8 030	
CURRENT ASSETS			
Long-term debtors			
Other debtors	669	822	
Prepayments and accrued income	561	480	
Deferred taxes	2 850	2 850	
Long-term debtors total	4 080	4 152	
Short-term debtors			
Trade debtors	2 313	2 686	
Loan receivables	0	3	
Other debtors	462	243	
Prepayments and accrued income	3 032	1 574	
Short-term debtors total	5 807	4 505	
Cash in hand and at banks	16 940	26 377	
CURRENT ASSETS TOTAL	26 828	35 034	
ASSETS TOTAL	34 577	43 064	

NEXT GAMES

Balance Sheet

EQUITY AND LIABILITIES

EQUITY			
Share capital	80	80 53 277 -10 373	
Invested unrestricted equity reserve	53 307		
Retained earnings (loss)	-16 755		
Profit (loss) for the financial year	-8 721	-6 381	
EQUITY TOTAL	27 912	36 602	
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	663	691	
Deferred tax liabilities	65	74	
Non-current liabilities total	728		
Current liabilities			
Loans from credit institutions	112	84	
Advances received	886	914	
Trade creditors	2 042	1 162	
Other creditors	192	205 3 331 5 697	
Accruals and deferred income	2 705		
Current liabilities total	5 937		
LIABILITIES TOTAL	6 665	6 462	

EQUITY AND LIABILITIES TOTAL

34 577



Cash Flow Statement

EUR thousand	1.1-30.6/2018 (unaudited)	1.1-30.6/2017 (unaudited)	1.1-31.12/2017 (audited)
Net cash flows from operating activities	-8 264	-1 535	-6 205
Net cash flows from investing activities	-1 420	-103	-720
Net cash flows from financing activities	31	30 078	30 099
Net change in cash and cash equivalents	-9 653	28 439	23 173
Cash and cash equivalents at beginning of the	26 377	3 638	3 638
Foreign exchange rate differences	216	-139	-434
Net change in cash and cash equivalents	-9 437	28 301	22 739
Cash and cash equivalents at the end of the p	16 940	31 939	26 377



QUESTIONS?



Nasdaq Helsinki First North: NXTGMS

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