

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

Half-year Review January-June 2020

A decorative graphic at the bottom of the slide, featuring a woman's face in profile, looking towards the right, with a futuristic, glowing blue and purple background. The graphic is partially obscured by the date text.

28.8.2020



WELCOME

Teemu Huuhtanen
CEO

NETFLIX

STRANGER THINGS



N NEXT GAMES

Development Footage

Today's Agenda

CEO Teemu Huuhtanen

H1 2020 Highlights
Next Games' Strategic Focus
Business Review

CFO Annina Salvén

Financial Review

CEO Teemu Huuhtanen

Outlook
Concluding Remarks





H1 2020 HIGHLIGHTS

H1 2020 HIGHLIGHTS

REVENUE

EUR 14.4 million (19.2)

EBITDA

EUR 0.3 million (-1.5)

PUBLISHING OPERATIONS EBITDA

EUR 3.4 million (2.3)

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. With improved analytics we can leverage this better.

Good position to release new games

Current business is stable with continued investments in product development and promising results from Stranger Things early testing.



STRATEGIC FOCUS

LICENSED GAMES STRATEGY IS WORKING



MARKET DEVELOPMENT SUPPORTS OUR STRATEGY

Mission

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

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

1. Games industry now estimated to be **larger than the film and music industries** combined
2. **Free-to-play** is the dominant earning model
3. One of the biggest trends is **brand loyalty**
4. Appeal of well-known brands brings a **strong organic uplift of players** to our games lowering our UA costs



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.

108 Employees

22 Nationalities

**NEW
PROJECTS**

52%

**PUBLISHING
OPERATIONS**

35%

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

THE
WALKING DEAD
NO MAN'S
LAND



THE WALKING DEAD: NO MAN'S LAND

- **Steady performance** continued during H1 2020, the game achieved lifetime gross bookings of EUR 115 million in June
- Our ability to offer **better-designed targeted campaigns and events** due to improved analytics and live operations resulted in **improved ARPDAU**
- **New update** to the game with playable content and characters from the tv-show's first and second seasons, was **received extremely positively among the players**





THE
WALKING DEAD
OUR WORLD

THE WALKING DEAD: OUR WORLD

- Restrictions on movement had an effect on the user amounts of The Walking Dead: Our World during the first half of 2020
- **New updates and functionalities** were quickly introduced to the game, such as story-driven missions and **Free Roam**, making it easier and safer to play during restrictions
- Despite the decline in users, **ARPPAU development continued strong**, an essential step in sustainably improving the product's profitability and achieving steady revenue



A promotional illustration for the game Blade Runner: Rogue. The central figure is a woman with short, dark hair, wearing a dark, ribbed jacket with a high collar and a utility belt. She is holding a futuristic, multi-barreled weapon on her back. She is looking over her shoulder towards the viewer. The background is a rainy, neon-lit street in a futuristic city. On the left, a sign reads "CYBER AGENT". On the right, a large digital billboard displays the text "EVERYTHING YOU WANT" in a stylized, glowing font. Below this, there are signs with Arabic script and Chinese characters. The overall atmosphere is dark and moody, with rain falling heavily around the character.

BLADE RUNNER ROGUE

BLADE RUNNER ROGUE

- Blade Runner Rogue (former Blade Runner Nexus) was moved back to the production phase in the end of 2019 as a **new Rogue game mechanic** was developed and added to the game
- **The rest of the major updates** to serve the new game mechanic are planned for this year
- The game **has been actively tested and updated** during the reporting period in several different markets, including Canada, and the development of the game continues



NETFLIX

STRANGER THINGS



N NEXT GAMES

STRANGER THINGS: (TM)/(C) Netflix, Inc. 2020. Used with permission.

STRANGER THINGS

- Stranger Things is an American science fiction horror series created by the Duffer Brothers and released on Netflix
- Stranger Things season 3 was the **most watched season to date**, in the first four weeks of release by **64 million member households**
- Stranger Things has attracted **record viewership** on Netflix and has a **broad, active, and international fan base**

STRANGER THINGS GAME

- Development has **proceeded as planned** during H1 2020
- The game has been available on several occasions in select markets via Google Play Early Access testing with **promising test results**
- The testing phase showed that the game **works best without location-based elements**
- We are planning to start **bringing the game to the market and scaling in stages** starting in Q4 2020



Keith



Dustin Henderson



Lucas Sinclair



Kali Prasad



Mike Wheeler



Nancy Wheeler



Jim Hopper



Steve Harrington



Murray Bauman

NETFLIX
**STRANGER
THINGS**

N NEXT GAMES



Take Aim

Take aim and carefully plan your attacks for maximum damage.

Charge Up

Successful hits will charge up your team's special abilities!

Attack

Once your hero is fully charged, tap them to launch their special attack!

Obstacles

Tactically avoid or destroy obstacles in your path.

Unleash Chains

Strategically combine hero abilities and match-making chains together!



FINANCIAL REVIEW

Annina Salvén
CFO

P&L KEY FIGURES

EUR million	Jan-Jun 2020	Jan-Jun 2019
Revenue	14.4	19.2
Cost of revenue	-6.8	-8.0
Gross Profit	7.5	11.3
Other Operating income	0.4	0.0
Research and Development	-2.6	-3.3
Sales and Marketing	-5.0	-9.8
Administrative	-1.9	-1.6
Operating result (EBIT)	-1.6	-3.5

EUR million	Jan-Jun 2020	Jan-Jun 2019
Operating Result (EBIT)	-1.6	-3.5
Depreciations	2.0	2.0
EBITDA	0.3	-1.5

- Revenue was fully in line with expectations, despite the decline of 25% to the comparison period
- Focus continued on increasing profitability, with largest impact in Marketing and Sales, driven by effective leverage of our licensed based games strategy
- EBITDA turned positive and was EUR 0.3 million.
- **EBIT improved significantly by EUR 1.9 million, but was still negative due to the effect of depreciations, EUR 2.0 million, relating to previous investments made into technology and infrastructure.**

RECORD PUBLISHING PROFITABILITY

R&D STABLE

Publishing Operations Profitability

EUR million	Jan-Jun 2020	Jan-Jun 2019
Revenue	14.4	19.2
Gross Profit	7.5	11.3
Other Operating Income	0.1	0.0
Sales and Marketing costs	-5.0	-9.8
Publishing Operations EBIT	2.6	1.4
Publishing Operations Depreciations	0.8	0.8
Publishing Operations EBITDA	3.4	2.3
EBITDA %	24%	12%

R&D, key figures	Jan-Jun 2020	Jan-Jun 2019
Total cost	-€ 3,3	-€ 4,0
Depreciations	-€ 1,0	-€ 0,7
Capitalization	€ 1,7	€ 1,4
Total R&D	-€ 2,6	-€ 3,3
Percentage of Revenue	-18 %	-21 %

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

CASH POSITION

EUR million	Jan-Jun 2020	Jan-Jun 2019
Net cash flows from operating activities	1.3	-0.7
Net cash flows from investing activities	-1.7	-1.4
Net cash used in financing activities	-0.7	-0.6
Net decrease/increase in cash and cash equivalents	-1.1	-2.6
Cash and cash equivalents as of January 1st	7.7	7.3
Translation differences	0.0	0.0
Cash and cash equivalents as of June 30th	6.5	4.7

- Net cash flow from operating activities turned positive and was EUR 1.3 million
- **Company's Operations have turned cash flow positive**
- Cash is still affected by investments in R&D
- At the end of the year 2019 cash and cash equivalents were EUR 7.7 million, during the reporting period the company paid debt relating to 2019 extended payback periods in the approx amount of EUR 1.5 million.
- Without effect of debt repayment, cash would have been EUR 8 million



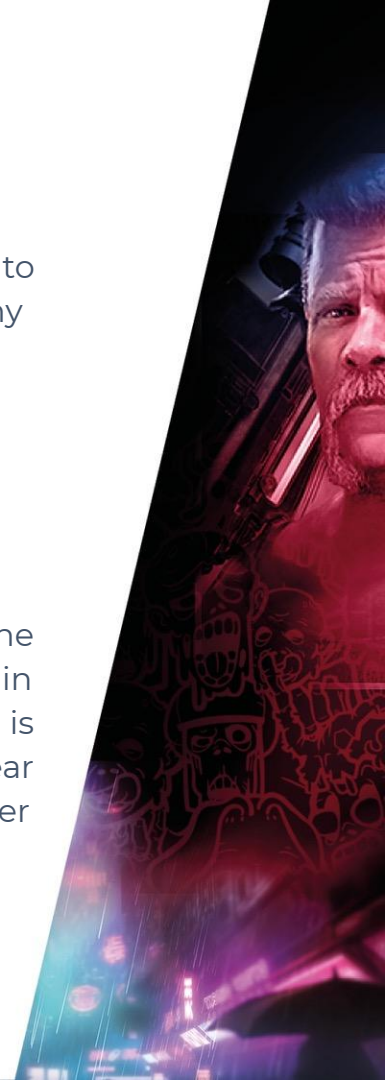
OUTLOOK AND CONCLUDING REMARKS

OUTLOOK 2020

The Company expects revenues from already published games (The Walking Dead titles) to continue on a flat or declining trend. With recent profitability improvements, the company believes its publishing operations EBITDA from already published games (The Walking Dead titles) to improve clearly in 2020 compared to 2019 when it was EUR 3.8 million. We also expect to start scaling 1-2 games during 2020.

Basis for Change in Outlook 2020

The games industry continues to change, leading to relevant industry adaptation. The company believes that under current market conditions, games are no longer launched in a binary manner, they are scaled and grown over time. The speed of scaling games is dependent on multiple factors. As a result, the Company has decided to remove its full-year 2020 revenue guidance. The company intends to evaluate its guidance during the latter part of the year, when a reasonably reliable estimate of full-year revenue can be given.



Summary

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Upcoming Events

25 November 2020

Capital Markets Day





Q&A



THANK YOU

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