



NEXT GAMES™

BUSINESS REVIEW Q3 2018

2 NOVEMBER, 2018

BUSINESS REVIEW

Teemu HUUHTANEN

CEO



Q3 2018 SUMMARY

1. The Walking Dead: Our World launch in July and later technical challenges
2. The Walking Dead: No Man's Land's sales and profitability remained at a level customary to the product. Japan the second biggest market.
3. New license agreement with a leading license holder in the entertainment industry over a sought-after license

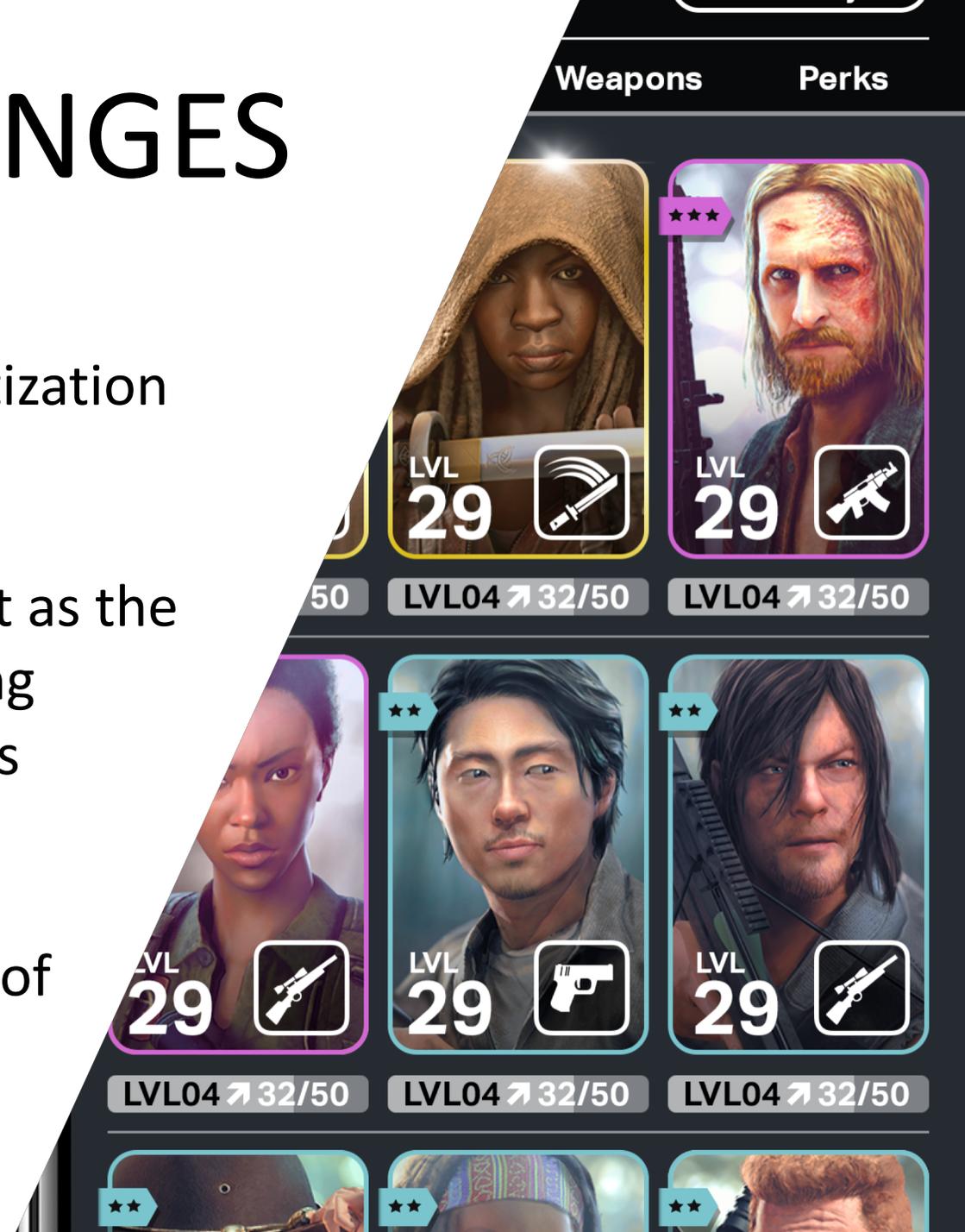


OUR WORLD CHALLENGES

Promising start – Execution of marketing investment plan based on the game’s monetization potential with a 1M DAU target

Technical challenges began after a good start as the number of active users increased – Marketing investments scaled back to match the game’s performance level – 625k DAU achieved

As issues have been addressed, the number of technical errors decreased and KPIs have improved towards the end of September



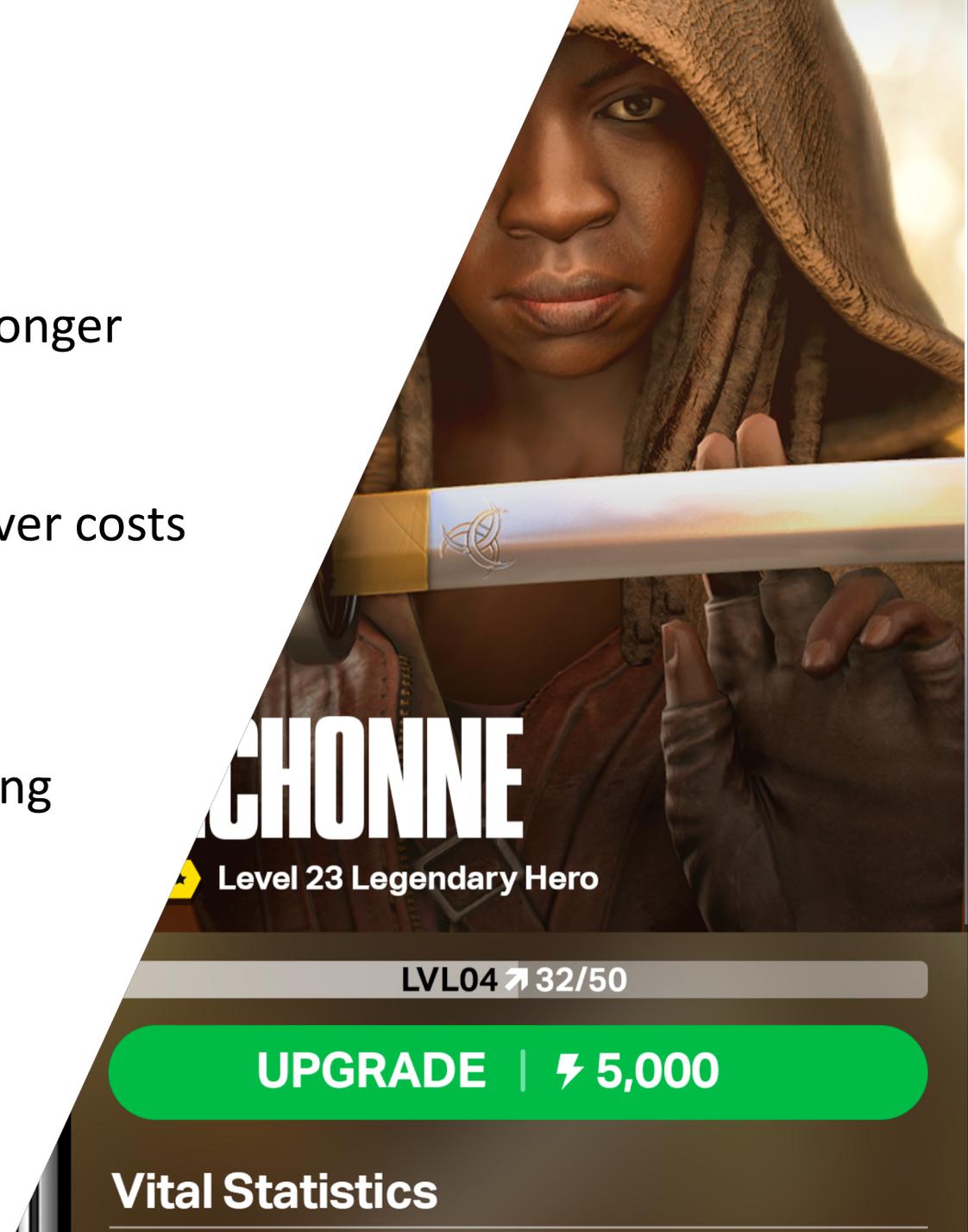
NEXT STEPS

Payback times for launch marketing investments longer and server costs at a higher-than-expected level

Live games are profitable, but revenue will not cover costs related to new product development

The company considers short and long options to strengthen its financial status and to secure working capital, multiple promising options available

No change in strategy – Priority is to stabilize operations



JULY-SEPTEMBER 2018

REVENUE **+110%**
13.4M EUR (6.4M EUR)

GROSS MARGIN **-11%**
(33 %)

EBIT **-10.7M EUR**
(-2.1M EUR)

(2017 July-September comparison in brackets)



JANUARY-SEPTEMBER 2018

REVENUE **-7%**

23.9M EUR (25.8M EUR)

GROSS MARGIN **5%**
(36 %)

EBIT **-18.7M EUR**
(-2.1M EUR)

(2017 January-September comparison in brackets)



FOCUS ON NEW GAMES

DIVISION OF EMPLOYEES PER FOCUS AREA

**Q3
2018**

OUR WORLD
33 % (40%)

NEW PROJECTS
42 % (30%)

NO MAN'S LAND
14 % (17%)

ADMIN
11 % (13%)

143 (132)

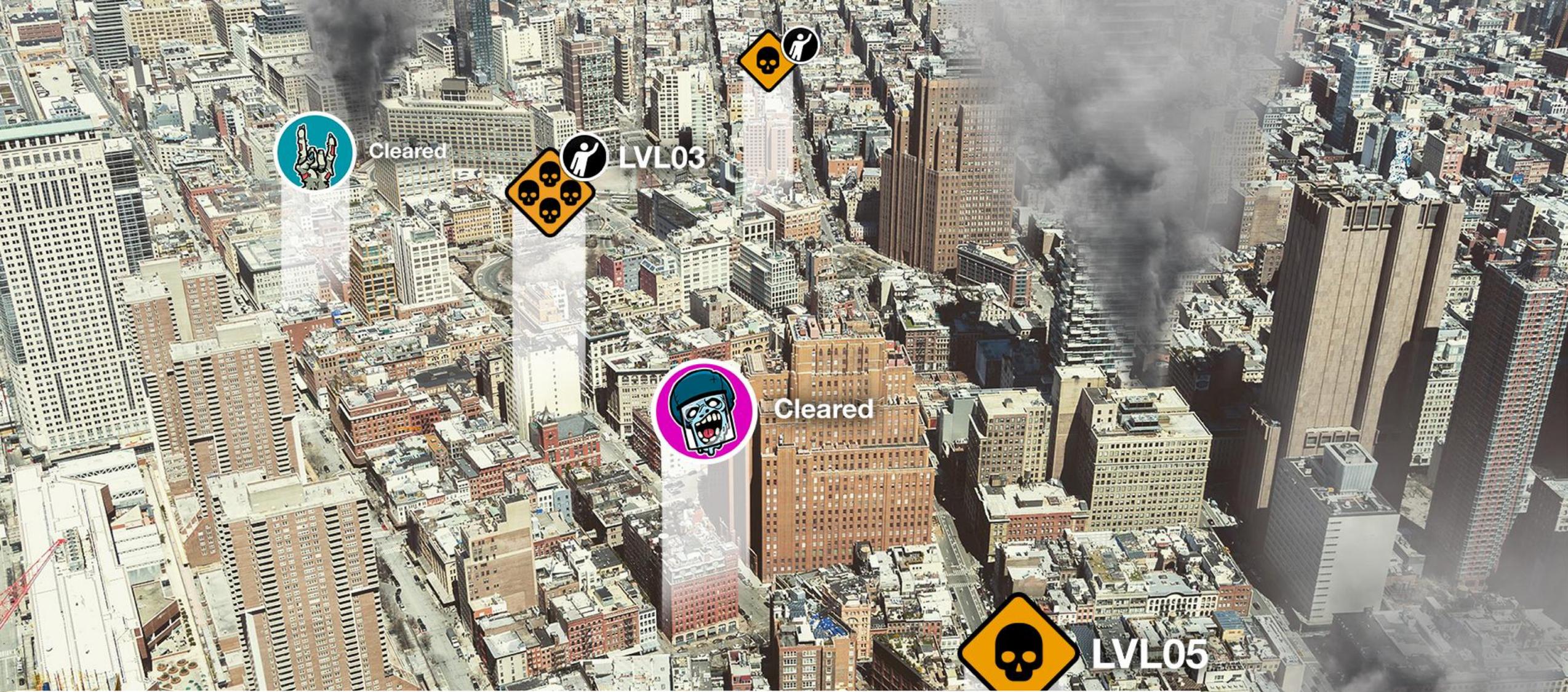
EMPLOYEES

19 (17)

NATIONALITIES



% % of staff working on Our World, No Man's Land, new projects and administration.
Comparison to previous reporting period in parenthesis



GAME DEVELOPMENT PIPELINE

THE
WALKING DEAD
NO MAN'S
LAND



THE WALKING DEAD: NO MAN'S LAND



- The development of The Walking Dead: No Man's Land has continued
- Sales and profitability has remained on a level customary to the product.
- Live operations continued actively by developing new in-game events
- The company is satisfied with the "Summer of Explosions" campaign and will collect learnings from the campaign to developed new functionalities to the game.

SEASON 9 MISSIONS

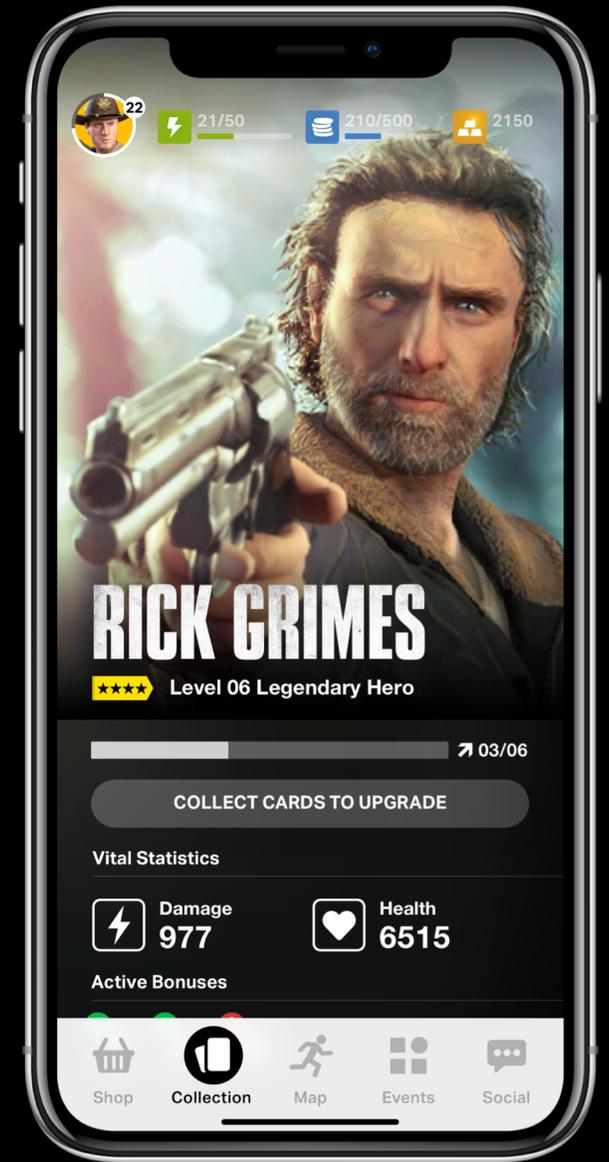
THE
WALKING DEAD
OUR WORLD



amc  NEXT GAMES

THE WALKING DEAD: OUR WORLD

- Launched globally on 153 markets on 12 July
- Six game updates, multiple server-side fixes
- Several user experience improvements, content from the tv-series for season 9 premiere added during Q3
- Live-operations tools, new features and content in development to be published still during 2018





BLADE RUNNER

BLADE RUNNER

- In soft launch on one market
- Findings taken from The Walking Dead: Our World project including management of live operations, timing of marketing investments and risk level assessment, have been taken into consideration in the development and marketing plans



BLADE RUNNER

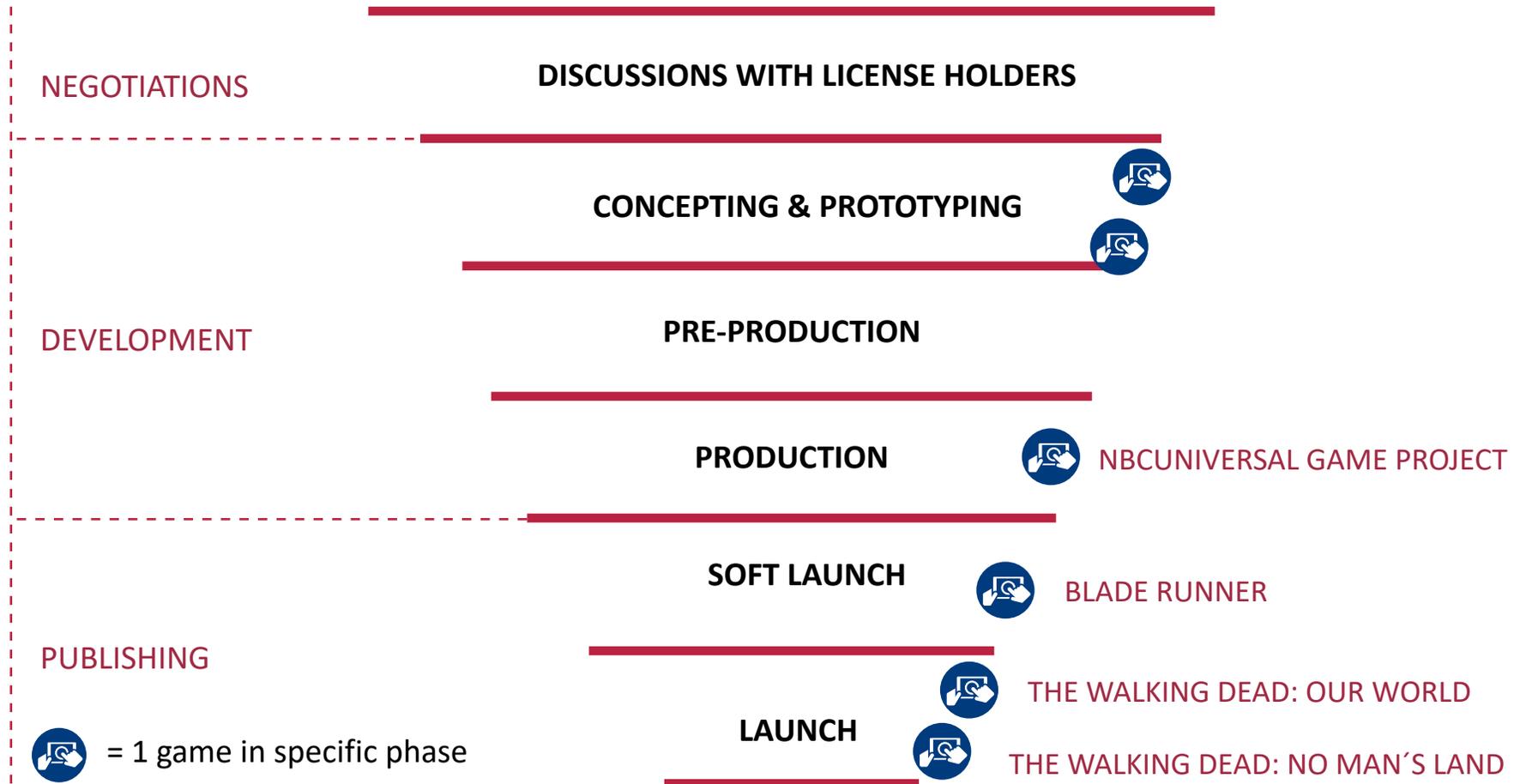


OTHER PROJECTS

- NBCUniversal game project is in production
- New license agreement with a leading license partner in the entertainment industry over a sought-after IP
- Thus, two unannounced projects in the concepting prototyping phase



SUMMARY: GAME DEVELOPMENT PIPELINE



FINANCIAL REVIEW

Annina Salvén

CFO



OPERATIONAL METRICS

	7-9/2018	7-9/2017	1-9/2018	1-9/2017
DAU	668 566	371 437	430 656	455 301
MAU	3 205 333	1 136 151	1 642 497	1 357 789
ARPPDAU (USD)	0.26	0.21	0.24	0.22
ARPPDAU (EUR)	0.22	0.18	0.21	0.20

KEY FIGURES

(EUR 1000)	7-9/2018	7-9/2017	1-9/2018	1-9/2017
Revenue	13 435	6 385	23 912	25 837
Gross bookings	13 787	6 163	24 236	24 451
Gross margin	-1 543	2 128	1 150	9 206
Operating profit (-loss) (EBIT)	-10 718	-2 113	-18 708	-2 120
EBITDA	-10 001	-1 941	-17 303	-1 292
Adjusted EBITDA	-9 767	-2 076	-17 083	-1 553
As percentage of revenue				
Gross margin (%)	-11%	33%	5%	36%
EBITDA margin (%)	-74%	-30%	-72%	-5%
Operating result (%)	-80%	-33%	-78%	-8%
As percentage of gross bookings				
Adjusted EBITDA margin (percent)	-71%	-34%	-70%	-6%

PROFITABILITY AT PROJECT LEVEL

7-9/2018	TWD: No Man's Land	TWD: Our World	Development	Tech	Admin	Total
Revenue	5 672	7 764				13 435
Gross Margin	1 630	-3 156	-16			-1 543
Staff and other operating expenses	-665	-4 591	-2 032	-486	-684	-8 458
EBITDA	965	-7 747	-2 048	-486	-684	-10 001

1-9/2018	TWD: No Man's Land	TWD: Our World	Development	Tech	Admin	Total
Revenue	15 976	7 937				23 912
Gross Margin	4 658	-3 471	-37			1 150
Staff and other operating expenses	-2 723	-7 589	-4 958	-1 391	-1 792	-18 452
EBITDA	1 934	-11 060	-4 995	-1 391	-1 792	-17 303

OUR WORLD EBITDA DURING SECOND HALF OF 3RD QUARTER

TWD: Our World	1.7-15.8.2018	16.8-30.9.2018	Total
Revenue	4 626	3 138	7 764
Gross margin	-3 995	839	-3 156
Staff and other operating expenses	-3 912	-679	-4 591
EBITDA	-7 907	161	-7 747

UPCOMING EVENTS

Financial Statements Bulletin 2018
Friday 2 February, 2019



QUESTIONS?



Nasdaq Helsinki First North: NXTGMS

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