



HALF-YEAR REPORT

JANUARY - JUNE 2019 / NITRO GAMES OYJ





THE HALF-YEAR PERIOD JANUARY – JUNE 2019

- Revenues (Jan - Jun): 71,9 KEUR (1 051,7 KEUR on corresponding period 2018).
- EBITDA: -1 843,5 KEUR (-2 152,9 KEUR).
- EBIT: -2 156,7 KEUR (-2 466,1 KEUR).
- Net profit: -2 162,2 KEUR (-2 476,1 KEUR).
- Cash and cash equivalents: 1 271,5 KEUR (30 June 2019).

APRIL – JUNE 2019

- Revenues (Apr - Jun): 46,8 KEUR (480,7 KEUR on corresponding period 2018).
- EBITDA: -528,0 KEUR (-1 205,0 KEUR).
- EBIT: -684,6 KEUR (-1 361,5 KEUR).
- Net profit: -687,3 KEUR (-1 367,0 KEUR).

SIGNIFICANT EVENTS DURING APRIL – JUNE 2019

- Signed agreement with Avalanche Studios to develop a mobile game utilizing existing Avalanche Studios IP with a budget of 1,25M EUR.
- Received approx. 1,6M EUR funding decision from Business Finland.
- Executed savings plan to reduce operational costs and concluded cooperation negotiations to reduce personnel costs. Overall the costs decreased a total of 40%, compared to H2/2018.
- AGM & Election of new Board of Directors.
- Change in management; Antti Villanen takes the role of Chief Strategy Officer and joins the Management Board.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Signed agreement with Netmarble EMEA to introduce Heroes of Warland to Turkey, Middle-East, and Africa.
- Started the execution of the roadmap of updates for the new version of Heroes of Warland, with the first update introduced in July.

SECURING A BRIGHTER FUTURE

“The first half of 2019 was about streamlining and re-setting our course towards a brighter future. We executed a series of actions, including cutting our costs, streamlining our organization, re-structuring the management and the project steering process. In order to secure us a brighter future, we also re-worked our game Heroes of Warland, secured funding from Business Finland and signed a new project with Avalanche Studios. The majority of these actions are materializing in our financials only after the reporting period. I’m confident that as a result of these actions, we are now past the low point in revenues.” says Jussi Tähtinen, CEO of Nitro Games.

ABOUT NITRO GAMES

Nitro Games is a free-to-play mobile game developer and publisher making games for the mid-core user segment. The Company focuses on producing competitive multiplayer games with high production value and high revenue potential for smartphones and tablets. With Nitro Games' powerful NG Platform and NG MVP-process, the Company is able to do market validation during the development to ensure high product quality. Nitro Games has developed games such as Heroes of Warland, Medals of War, Raids of Glory, East India Company, Commander: Conquest of the Americas, Pirates of Black Cove.

Nitro Games' shares are listed on Nasdaq First North Stockholm with the ticker NITRO. The Certified Adviser is Augment Partners AB, info@augment.se, +46 8-505 65 172.

www.nitrogames.com

Finnish Business ID: FI21348196





KEY FINANCIALS

	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
Revenue (EUR thousand)	46,8	480,7	71,9	1 051,7	2 204,2
Operating profit/loss (EUR thousand)	-684,6	-1 361,5	-2 156,7	-2 466,1	-5 734,4
Operating profit/loss % (EBIT %)	-1463,2 %	-283,2 %	-2997,8 %	-234,5 %	-260,2 %
EBITDA (EUR thousand)	-528,0	-1 205,0	-1 843,5	-2 152,9	-5 101,0
EBITDA %	-1128,5 %	-250,7 %	-2562,4 %	-204,7 %	-231,4 %
Net profit /loss (EUR thousand)	-687,3	-1 367,0	-2 162,2	-2 476,1	-5 748,8
Cashflow generated from operations (EUR thousand)	-1 222,7	-1 212,5	-2 430,7	-2 261,4	-4 939,9
Equity ratio (%)	63,10 %	66,13 %	63,10 %	66,13 %	84,00 %
Number of shares, average	2 618 328	2 365 047	2 618 328	2 347 088	2 668 910
Number of shares at the end of the period	2 618 328	2 618 328	2 618 328	2 618 328	3 616 328
Number of Share options	447 868	244 500	447 868	244 500	307 868
Equity per share (EUR)	0,6	0,8	0,6	0,8	1,1
Earnings per share (EUR) undiluted	-0,3	-0,5	-0,8	-0,9	-1,6
Earnings per share (EUR) diluted	-0,2	-0,5	-0,7	-0,9	-1,5
Net debt (EUR thousand)	-281,1	-326,3	-281,1	-326,3	-2 523,8
Number of employees	32	53	47	53	51

(When comparing information to previous year quarterly information, previous quarterly year is the consolidated group figures, including parent company Nitro Games Plc and its subsidiaries Nitro Games Alpha Oy and Nitro Games Beta Oy. Subsidiaries have merged to the parent company on 31.12.2018.)



A WORD FROM JUSSI TÄHTINEN, CEO

Securing a brighter future

The first half of 2019 was about streamlining and re-setting our course towards a brighter future. We executed a series of actions, including cutting our costs, streamlining our organization, re-structuring the management and the project steering process. In order to secure us a brighter future, we re-worked our game Heroes of Warland, secured funding from Business Finland and signed a new project with Avalanche Studios. The majority of these actions are materializing in our financials only after the reporting period. I'm confident that as a result of these actions, we are now past the low point in revenues.

Our strategy consists of two key operations: 1) Self-publishing a portfolio of mobile games, based on our own IPs and 2) Offering our development services to other companies in the industry. Our goal is to build shareholder value by seeking growth through these two key operations.

In the self-publishing business, we focused on developing a new re-worked version of Heroes of Warland. This is a complete overhaul of the game, ranging from a new universe with stronger heroes, to new visual style, new maps, and interfaces. This all is powered by the new shooter engine in NG Platform that provides better performance and playability. The new completely re-worked version of Heroes of Warland is now introduced as a series of updates. We have started with the first update this summer, after the reporting period, and are continuing forward with more updates throughout the year. After the period, we also announced that we have signed a Game Distribution and Servicing Agreement with Netmarble EMEA, the regional office of Netmarble Games, a giant Korean games publisher and one of the fastest-growing mobile gaming companies in the world today. Netmarble EMEA acts as the publisher in the MEA region, and the launch roadmap follows our schedule in the western markets. The first step is a soft-launch in the MEA region, that is starting soon.

During the period we also concluded our efforts on our previous projects, Medals of War and Runegade Heroes. We have decided not to continue working on these titles moving forward since we haven't been able to get scalable results. We have a small team working on new game ideas, to ensure we keep building our portfolio of games to self-publish.

We announced a new agreement with Swedish AAA-studio Avalanche Studios at the end of June, for a non-disclosed title. This deal is part of our service business, where we offer our development services to other companies in the industry. The production period is until the end of April 2020 with a development budget of 1,25M €. We have now started this project after the reporting period. We are thrilled to work together with Avalanche Studios utilizing their IP.

Our revenues were very low during the first half of this year. This is a direct result of two factors:

- 1) we focused on the re-work of Heroes of Warland, combined with cost savings and limited investment into marketing to save costs, and
- 2) we did not have an active project in the service business, as we focused on exploring opportunities for new projects to be started after the team had completed the re-work on Heroes of Warland. After the period, and as a result of us now starting to launch a series of updates to Heroes of Warland, and starting the new project with Avalanche Studios, we expect to generate revenues moving forward.

We executed our cost savings plan during the first half of this year. This included reducing our personnel costs through Cooperation Negotiations process and cutting our spending on outsourced services as well as trimming our Other operating expenses. Overall, our costs during H1/2019 were 40% smaller compared to H2/2018. During this process, our focus was on improving our team and our ways of working. In addition to reducing our costs, we were able to make our team stronger by attracting new talent to better suits our needs moving forward. This cost savings and streamlining process as a whole naturally slowed us down, but it was a necessary step to take to ensure we now have a base to build on moving forward.

Despite the poor financial results of H1/2019, we are confident about moving forward to the second half of this year. We still have work to do, but we have also been able to secure a steady base to build on towards a brighter future for Nitro Games. During the first half of this year, we did suffer from lack of revenues. But moving forward, I believe we are in a strong position with our new streamlined team structure, lower cost base, the funding from Business Finland, exciting roadmap for Heroes of Warland and the new service business project with Avalanche Studios. I am confident we are now past the low point in revenues.

I am looking forward to continuing executing our strategy through the second half of this year with the exciting new opportunities we have at hand.



Jussi Tähtinen
CEO, Co-Founder

"During the first half of this year we did suffer from lack of revenues. But moving forward, I believe we are in a strong position with our new streamlined team structure, lower cost base, the funding from Business Finland, exciting roadmap for Heroes of Warland and the new service business project with Avalanche Studios. I am confident we are now past the low point in revenues.

I am looking forward to continuing executing our strategy through the second half of this year with the exciting new opportunities we have at hand."

Jussi Tähtinen
CEO, Co-Founder

+ A COMMENT FROM CEO



SIGNIFICANT EVENTS DURING APRIL – JUNE 2019

Nitro Games has signed Agreement with Swedish AAA-studio Avalanche Studios for a non-disclosed title. The game will utilize existing Avalanche Studios IP. This Agreement is about Nitro Games developing a mobile game for Avalanche Studios, a Swedish AAA game developer, best known for its PC and Console games utilizing huge open worlds. The project started at the beginning of H2 2019 with a development budget of 1 250 000 EUR and the production period is expected to last until April 30 2020. In this project Nitro Games acts as the developer and Avalanche Studios pays the development fee to Nitro Games in installments, based on approved milestone deliveries.

Nitro Games has received a positive decision from Business Finland to receive approximately 1,6M EUR of funding for a mobile esports project. Business Finland has approved the total cost estimate of 3 270 425 EUR for a mobile esports ecosystem project. This positive decision on funding from Business Finland is a maximum of 1 635 200 EUR (50% of the approved total costs of est. 3,2 MEUR for the project). The estimated project duration is 13 February 2019 – 30 September 2020. The project is closely tied to Nitro Games' strategy and existing game portfolio of competitive multiplayer games. The project supports further development of Heroes of Warland, while Nitro Games is further exploring the opportunities connected with esports on mobile. Business Finland is a government agency and an accelerator of global growth. The is in the form of a soft loan. 30% of the approved funding was raised at the beginning of the project during the period (490 560 EUR). The rest of the approved funding is to be received against reports of project progress. The terms are favorable for Nitro Games; interest rate is 3% below the base rate determined by the Ministry of Finance (but always at least 1%) and the term is 7 years, out of which the first 3 years are an instalment-free period. The base rate as of 16 April 2019 was -0,25%. Should the project fail, Business Finland can decide not to demand the loan to be paid back. In such case the maximum amount of loan not to be recovered is 1 635 000 EUR.

Nitro Games executed savings plan to reduce operational costs and concluded cooperation negotiations to reduce personnel costs. As a result, 21 contracts of employment were terminated based on financial and production related grounds during the first half of 2019. This is expected to have a reduction of approximately 29% on the personnel costs and incur one-off costs below 100 000 EUR. The new lower cost base is expected to bring approximately 60 000 EUR savings in personnel costs per month, and is in full effect starting June 2019.

The company worked on new completely re-worked version of Heroes of Warland, that will be introduced as a series of updates, starting after the reporting period and continuing throughout the year.

Election of members of the Board of Directors. The Annual General Meeting resolved in accordance with the proposal of the shareholders representing approximately 50,06 per cent of the company's shares and votes to re-elect Antti Villanen, Jacob Ehrnrooth, Sverker Littorin, Ilkka Lassila and Wilhelm Taht of the current members of the Board of Directors as members of the Board of Directors and to elect Johan Biehl and Oliver Kern as new members of the Board of Directors for a term ending at the closing of the Annual General Meeting of the year 2020. The Board of Directors elected Jacob Ehrnrooth as the Chairman of the Board.

Co-founder Antti Villanen takes the role of Chief Strategy Officer (CSO). Antti is also a member of the Board of Directors, elected on 26 April 2019. Antti has previously been the Executive Chairman of the company, and participated actively in the company operations since its founding in 2007, when Antti was the Chief Executive Officer. In his new role as Chief Strategy Officer, Antti will lead the corporate development in Nitro Games. This function includes strategic options, business development, key partnerships as well as esports. Antti will also join the Management Board of the company. This new role is a natural extension to his role so far, since moving forward the company is looking for new business expansion areas, including non-organic growth, and therefore more expertise in this field is needed.

SIGNIFICANT EVENTS AFTER THE PERIOD

Nitro Games has signed a Game Distribution and Servicing Agreement with Netmarble EMEA, the regional office of Netmarble Games, a giant Korean games publisher and one of the fastest growing mobile gaming companies in the world today. The Agreement covers licensing of Nitro Games's game "Heroes of Warland" to Netmarble EMEA for publishing in Arabic and Turkish speaking countries.

Terms overview:

- Period: 3 years from Commercial Launch
- Service Fees: 500 000 EUR, paid in installments to Nitro Games, tied to launch progression
- Royalties: Net 35% to Nitro Games
- Territories: Turkey, Middle-East, and Africa
- Target launch: H2 2019, starting with soft-launch
- Platforms: iOS and Android





REVENUES & PROFIT / LOSS

Revenues during the period January - June 2019 were 71 944,52 EUR (1 051 660,95 EUR on corresponding period 2018), which is a decrease of -93,16 % compared to the corresponding period 2018. The company focused on executing cost savings and development of re-worked version of Heroes of Warland, which reflects in low revenues.

Materials and services during the period January – June 2019 were -498,1 KEUR (-627,4 KEUR). This includes third party costs related to game development and maintenance (outsourced services), as well as marketing costs, such as user acquisition costs. The costs decreased as a result of the cost savings plan that was executed during the first half of 2019, where the company reduced also its third party costs from outsourced development services.

Other operating expenses during the period January – June 2019 were -790,0 KEUR (- 1 484,4 KEUR). This includes third party costs related to accounting, legal, stock market expenses, hardware and software, travel expenses, office costs and other costs. The reduction in costs is due to the cost savings executed during the period.

During the reporting period, the company reduced its personnel costs, after completing the cooperation negotiations. This is expected to have a reduction of approximately 29% on the personnel costs and is expected to incur one-off costs below 100 000 EUR. The new lower cost base is expected to bring approximately 60 000 EUR savings in personnel costs per month, and is in full effect in June 2019.

EBITDA amounted to - 1 843 538,41 EUR (- 2 152 868,16 EUR on corresponding period 2018).

EBIT: Operating result before financial items amounted to -2 156 727,91 EUR (-2 466 057,67 EUR).

The net result for the period amounted to -2 162 186,75 EUR (-2 476 091,45 EUR).



CASH FLOW AND FINANCIAL POSITION

Net cash from operating activities during the period January to June 2019 was -2 430 685,44 EUR (-2 261 406,46 EUR in 2018 for the corresponding period). Net cash used in financing activities was 442 041,66 EUR (1 316 561,99 EUR). Cash and cash equivalents at the end of the period were 1 271 486,25 EUR.

INVESTMENTS AND DEPRECIATION

Part of the expenses from games in production were expensed as costs. Part of the expenses from the development of the re-worked new version of Heroes of Warland, and related technology were capitalized during the period against expected future profits. This is visible in the Income statement under Manufacturing for enterprise's own use.

New development costs were capitalized from April to June by a total of 586 278,92 EUR. This includes third party costs related to the game development and maintenance (outsourced services), personnel costs and other costs, which are directly related to the project. The depreciation of the capitalized development costs begins when the project is completed.

Depreciations were done according to the depreciation plan, consisting mostly of capitalized development costs from previous years. The depreciations amounted to a total of -313 189,50 EUR for the period of January to June 2019.

EMPLOYEES

The number of employees on June 30, 2019 was 32.

MARKET

Nitro Games operates in the global games market as a developer and publisher of mobile games. Historically, the Company has operated in a variety of market segments, including PC and console games as well as mobile games. Nitro Games now focuses on operating in the mobile games market.

2018 global games market was estimated \$134,9 billion in revenues, Mobile gaming was the largest segment in 2018, totaling estimated \$63,2 billion and accounting for 47 % of the total global market. The majority of gamers in mobile segment are playing with smartphones. 2,4 billion people will play mobile games around the world in 2019.

According to industry research firm NewZoo, the global games market is expected to grow to more than \$174 billion in 2021.

Source: NewZoo 2019



RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the Interim Period.

THE SHARE AND SHAREHOLDERS

Nitro Games' shares are traded on Nasdaq First North Stockholm since June 16, 2017.

The largest shareholders as of June 28, 2019 were:

Shareholders	Number of shares	% of shares and votes
Jasperus S.A. ¹	605 545	16,74
Savox Investments S.A. ²	433 412	11,98
Swedbank Robur NY Teknik BTI	299 000	8,27
Feat Invest Ab ³	229 717	6,35
Ludvig Strigéus	168 425	4,66
Avanza Pension försäkring Ab	150 037	4,15
Aktia Nordic Micro Cap	138 150	3,82
Antti Villanen	129 254	3,57
Ajoranta Group Ab ⁴	117 103	3,24
OP-Finland Micro Cap Fund	108 400	3,00
Others	1 237 285	34,21
The total numbers of shares	3 616 328	100,00

¹ Jasperus S.A. is controlled to 100 % by Jacob Ehrnrooth.

² Savox Investments S.A. is controlled by Jacob Ehrnrooth with family.

³ Feat Invest Ab is controlled by Johan Biehl.

⁴ AjoRanta Group Ab is controlled to 100 % by CFO Matti Nikkola.

The total number of shares as of 30 June 2019 is 3 616 328.



ACCOUNTING AND VALUATION PRINCIPLES

The Company prepares its financial statements in accordance with the Finnish Accounting Act (31.12.1997/1336, as amended), Finnish Accounting Ordinance (31.12.1997/1337, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (the “Finnish Accounting Standards”, “FAS”). In applicable cases The Company capitalizes the expenses used for development of products and technology, including personnel costs and procurement, subtracted with subsidies and grants received for these, to the extent that they are expected to generate economic benefits in the future. Amortization and depreciation for intangible and tangible assets are calculated by using the estimated useful life of the asset. For tangible assets depreciation according to plan starts during the calendar month when the commodity was taken into use and for intangible assets when revenue starts to accrue from the development work, typically during the year after the development work.

The Company’s capitalized development costs are amortized over a five (5) year period on a straight-line basis. For machines and equipment a 25 % expenditure residue depreciation is made yearly.

REVIEW

This report has not been reviewed by the company’s auditors.

CERTIFIED ADVISER

Nitro Games’ Certified Adviser is Augment Partners AB, phone +46 8 505 651 72, email: info@augment.se.

INVESTOR CONTACT

The latest information on the company is published on the company’s website www.nitrogames.com/investors. The company can be contacted by email jussi@nitrogames.com, or by phone +358 44 388 1071.

FINANCIAL CALENDAR

Interim Report, Jul – Sep 2019, 28 October 2019
Year-end report 2019, Jan – Dec 2019, 17 February 2020
Annual Report 2019, 17 April 2020
Interim Report, Jan – Mar 2020, 27 April 2020
Annual General Meeting 2020, 8 May 2020

NOTE

This company announcement contains information that Nitro Games Oyj is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by contact person mentioned below on 19 August 2019 at 09:00 (EEST).

FOR FURTHER INFORMATION, PLEASE CONTACT:

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BOARD DECLARATION

The Board of Directors and the Chief Executive Officer hereby certify that this Interim Report gives a true and fair view of the company's and the group's operations, financial position and results of operations, and describes significant risks and uncertainties faced by the company.

Kotka, Finland, 19 August 2019

Jacob Ehrnrooth, Chairman

Antti Villanen

Ilkka Lassila

Sverker Littorin

Wilhelm Taht

Johan Biehl

Oliver Kern

Jussi Tähtinen, CEO



KEY FINANCIALS

	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
Revenue (EUR thousand)	46,8	480,7	71,9	1 051,7	2 204,2
Operating profit/loss (EUR thousand)	-684,6	-1 361,5	-2 156,7	-2 466,1	-5 734,4
Operating profit/loss % (EBIT %)	-1463,2 %	-283,2 %	-2997,8 %	-234,5 %	-260,2 %
EBITDA (EUR thousand)	-528,0	-1 205,0	-1 843,5	-2 152,9	-5 101,0
EBITDA %	-1128,5 %	-250,7 %	-2562,4 %	-204,7 %	-231,4 %
Net profit /loss (EUR thousand)	-687,3	-1 367,0	-2 162,2	-2 476,1	-5 748,8
Cashflow generated from operations (EUR thousand)	-1 222,7	-1 212,5	-2 430,7	-2 261,4	-4 939,9
Equity ratio (%)	63,10 %	66,13 %	63,10 %	66,13 %	84,00 %
Number of shares, average	2 618 328	2 365 047	2 618 328	2 347 088	2 668 910
Number of shares at the end of the period	2 618 328	2 618 328	2 618 328	2 618 328	3 616 328
Number of Share options	447 868	244 500	447 868	244 500	307 868
Equity per share (EUR)	0,6	0,8	0,6	0,8	1,1
Earnings per share (EUR) undiluted	-0,3	-0,5	-0,8	-0,9	-1,6
Earnings per share (EUR) diluted	-0,2	-0,5	-0,7	-0,9	-1,5
Net debt (EUR thousand)	-281,1	-326,3	-281,1	-326,3	-2 523,8
Number of employees	32	53	47	53	51

(When comparing information to previous year quarterly information, previous quarterly year is the consolidated group figures, including parent company Nitro Games Plc and its subsidiaries Nitro Games Alpha Oy and Nitro Games Beta Oy. Subsidiaries have merged to the parent company on 31.12.2018.)



INCOME STATEMENT

These unaudited financial statements report for the period 1.1.- 31.3.2019 have been prepared according to Finnish Accounting Standards (FAS) and Nasdaq First North marketplace rules and regulations.

Comparability of data against the previous financial year

When comparing the figures against the previous financial year, it should be noted that the figures in the previous financial statements are the figures for the consolidated financial statements, which included the parent company Nitro Games Oyj and its subsidiaries Nitro Games Alpha Oy and Nitro Games Beta Oy. These subsidiaries have merged with the parent company on 31.12.2018.

The company will make changes in terminology used in its financial reporting at the beginning of 2019. In the past years, the cost of user acquisition has been booked under Other operating expenses. Starting from 2019, these costs will be moved under Material and Services.

EUR thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
Revenue	46,8	480,7	71,9	1 051,7	2 204,2
Manufacturing for enterprise's own use	586,3	0,0	586,3	0,0	0,0
Other operating income	2,3	18,2	4,9	21,8	69,0
Raw materials and services	-220,5	-290,4	-498,0	-627,4	-1 409,3
Personnel expenses	-547,8	-585,7	-1 218,6	-1 114,5	-2 355,3
Depreciation and reduction in value	-156,6	-156,5	-313,2	-313,2	-633,4
Other operating charges	-395,1	-827,7	-790,0	-1 484,4	-3 609,6
Operating profit (loss)	-684,6	-1 361,5	-2 156,7	-2 466,1	-5 734,4
Financial income and expenses	-2,6	-5,5	-5,5	-10,0	-14,4
Profit before taxes and appropriations	-687,3	-1 367,0	-2 162,2	-2 476,1	-5 748,8
Appropriations and taxes	0,0	0,0	0,0	0,0	0,0
Financial statement transfers	0,0	0,0	0,0	0,0	0,0
Profit (loss) for the fiscal year	-687,3	-1 367,0	-2 162,2	-2 476,1	-5 748,8

(When comparing information to previous year quarterly information, previous quarterly year is the consolidated group figures, including parent company Nitro Games Plc and its subsidiaries Nitro Games Alpha Oy and Nitro Games Beta Oy. Subsidiaries have merged to parent company in 31.12.2018.)



BALANCE SHEET

EUR thousand	30 June 2019 Nitro Games Oyj	30 June 2018 Nitro Group	Full Year 2018 Nitro Games Oyj
Audited			
ASSETS			
Non-current assets			
Intangible assets	1 195,7	1 242,3	922,4
Tangible assets	1,4	2,0	1,7
Non-current assets total	1 197,1	1 244,2	924,1
Current assets			
Receivables			
Long - term debtors	27,7	12,3	33,6
Short-term debtors	192,4	558,3	379,0
Total receivables	220,0	570,6	412,6
Cash in hand and at banks	1 271,5	1 422,7	3 260,1
Current assets total	1 491,5	1 993,3	3 672,7
ASSETS TOTAL	2 688,7	3 237,5	4 596,8
EQUITY AND LIABILITIES			
Equity			
Shares capital	80,0	80,0	80,0
Invested unrestricted equity reserve	17 069,0	12 483,4	17 069,0
Retained earnings (loss)	-13 288,6	-7 946,3	-7 539,8
Profit (loss) for the fiscal year	-2 162,2	-2 476,1	-5 748,8
Equity total	1 698,2	2 141,1	3 860,4
LIABILITIES			
Non-current			
Loans from credit institutions	577,1	180,7	129,6
Other creditors	0,9	447,9	0,9
Non-current total	578,1	628,6	130,6
Current			
Loans from credit institutions	94,1	102,7	94,1
Accounts Payables	118,6	100,3	259,3
Other creditors	29,2	32,4	47,7
Accruals and deferred income	170,4	232,5	204,7
Current total	412,4	467,8	605,8
Liabilities total	990,4	1 096,5	736,4
EQUITY AND LIABILITIES TOTAL	2 688,7	3 237,5	4 596,8



CASH FLOW STATEMENT

EUR thousand	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Full Year 2018
Cash flows from operating activities:					
Net profit (loss) before taxation, and extraordinary items (+/–)	-687,3	-1 367,0	-2 162,2	-2 476,1	-5 748,8
Adjustments for:					
Depreciation according to plan	156,6	156,6	313,2	313,2	633,4
Unrealised foreign exchange wins and losses (+/–)					
Other non-cash items (+/–)	-586,3	0,0	-586,3	0,0	-39,2
Financial income and expenses (+/–)	2,6	5,5	5,5	10,0	14,4
Other adjustments (+/–)					
Operating profit before working capital changes	-1 114,3	-1 204,9	-2 429,8	-2 152,9	-5 140,2
Working capital changes:					
Increase (–) or decrease (+) in long-term trade and other receivables	0,0	0,0	5,9	0,0	-17,0
Increase (–) or decrease (+) in trade and other receivables	-51,4	-53,4	186,7	-203,2	-24,0
Increase (–) or decrease (+) in inventories					
Increase (+) or decrease (–) in trade payables	-57,0	45,8	-193,5	94,7	241,3
Cash generated from operations	-1 222,7	-1 212,5	-2 430,7	-2 261,4	-4 939,9
Cash flow before extraordinary items	-1 222,7	-1 212,5	-2 430,7	-2 261,4	-4 939,9
Cash flow from extraordinary items (+/–)					
Net cash from operating activities (A)	-1 222,7	-1 212,5	-2 430,7	-2 261,4	-4 939,9
Cash flows from investing activities:					
Net cash from investing activities (B)	0,0	0,0	0,0	0,0	0,0
Cash flows from financing activities:					
Proceeds from issuance of share capital	0,0	1 369,1	0,0	1 369,1	5 954,7
Purchase of own shares (–)					
Proceeds from sale of own shares					
Proceeds from short-term borrowings					
Preceeds from short-term receivables					
Repayment of short-term borrowings (–)	0,0	0,0	0,0	0,0	-8,6
Proceeds from long-term borrowings	490,6	0,0	490,6	0,0	0,0
Repayment of long-term borrowings (–)	-23,5	-23,8	-43,1	-47,1	-98,4
Intrest paid and contributions from financial expenses (–)	-2,6	-5,3	-5,5	-5,5	-15,3
Dividends (–)					
Taxes					
Net cash used in financing activities (C)	464,4	1 340,1	442,0	1 316,6	5 832,4
Net increase/decrease in cash and cash equivalents (A + B + C)	-758,3	127,6	-1 988,6	-944,8	892,6
Cash and cash equivalents at beginning of period	2 029,8	1 295,1	3 260,1	2 367,5	2 367,5
Cash and cash equivalents at end of period	1 271,5	1 422,7	1 271,5	1 422,7	3 260,1



CHANGE IN EQUITY

A summary report showing changes in equity during the financial quarterly period, including comparative figures for the same period during the previous financial year.

EUR thousand	Share capital	Invested unrestricted equity reserve	Retained earnings (loss)	Profit (loss) for the financial year	Total equity
Equity 1 Apr 2019	80	17 069	-13 289	-1 475	2 385
Share capital increase					0
Shares issued					0
Profit(loss) for the financial period				-687	-687
Equity 30 Jun 2019	80	17 069	-13 289	-2 162	1 698
Equity 1 Apr 2018	80	11 114	-9 055	0	2 139
Share capital increase					0
Shares issued		1 369			1 369
Profit(loss) for the financial period				-1 367	-1 367
Equity 30 Jun 2018	80	12 483	-9 055	-1 367	2 141
Equity 1 Jan 2019	80	17 069	-13 289	0	3 860
Share capital increase					0
Shares issued					0
Profit(loss) for the financial period				-2 162	-2 162
Equity 30 Jun 2019	80	17 069	-13 289	-2 162	1 698
Equity 1 Jan 2018	80	11 114	-7 946	0	3 248
Share capital increase					0
Shares issued		1 369			1 369
Profit(loss) for the financial period				-2 476	-2 476
Equity 30 Jun 2018	80	12 483	-7 946	-2 476	2 141
Equity 1 Jan 2018	80	11 114	-7 540	0	3 654
Share capital increase					0
Shares issued		5 955			5 955
Profit(loss) for the financial period				-5 749	-5 749
Equity 31 Dec 2018	80	17 069	-7 540	-5 749	3 860



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