



# INTERIM REPORT

JANUARY-SEPTEMBER 2019 / NITRO GAMES OYJ





## THE INTERIM PERIOD JANUARY – SEPTEMBER 2019

- Revenues (Jan -Sep): 389,7 KEUR (1 796,4 KEUR on corresponding period 2018).
- EBITDA: -2 103,7 KEUR (-2 984,2 KEUR).
- EBIT: -2 573,5 KEUR (-3 454,0 KEUR).
- Net profit: -2 581,5 KEUR (-3 469,4 KEUR).
- Cash and cash equivalents: 414,7 KEUR, and 448,0 KEUR of short-term receivables (30 September 2019), and 460,0 KEUR of funding from Business Finland received after the period.

## JULY – SEPTEMBER 2019

- Revenues (Jul - Sep): 317,7 KEUR (744,8 KEUR on corresponding period 2018).
- EBITDA: -260,2 KEUR (-831,3 KEUR).
- EBIT: -416,8 KEUR (-987,9 KEUR).
- Net profit: -419,3 KEUR (-993,2 KEUR).

## SIGNIFICANT EVENTS DURING JULY – SEPTEMBER 2019

- Started the execution of the roadmap of updates for the new version of Heroes of Warland, with the first update introduced in July and with an increase in performance by the new updates during the period.
- Signed agreement with Netmarble EMEA to introduce Heroes of Warland to Turkey, Middle - East, and Africa.
- Started a new project with Avalanche Studios to develop a mobile game utilizing existing Avalanche Studios IP with a budget of 1,25M EUR.

## SIGNIFICANT EVENTS AFTER THE PERIOD

- Received 0,46M EUR of funding as the second instalment of funding from Business Finland.

## POSITIVE MOMENTUM

“We started the second half of this year from a considerably better position, compared to where we were at the beginning of this year. Now during the second half of the year, we have started to generate revenues again and feel confident that we are well on our way towards a brighter future. Moving forward, we are working hard to keep the positive momentum and continue the sequential improvements. I am looking forward to continuing towards the end of the year with two very exciting projects; Heroes of Warland and the new project with Avalanche Studios.”, 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 Growth Stockholm with the ticker NITRO. The Certified Adviser is Augment Partners AB, [info@augment.se](mailto:info@augment.se), +46 8-505 65 172.

[www.nitrogames.com](http://www.nitrogames.com)  
Finnish Business ID: FI21348196





## KEY FINANCIALS

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
Revenue (EUR thousand)	317,7	744,7	389,7	1 796,4	2 204,2
Operating profit/loss (EUR thousand)	-416,7	-987,9	-2 573,5	-3 454,0	-5 734,4
Operating profit/loss % (EBIT %)	-131,2 %	132,6 %	-660,4 %	-192,3 %	-260,2 %
EBITDA (EUR thousand)	-260,1	-831,3	-2 103,7	-2 984,2	-5 101,0
EBITDA %	-81,9 %	-111,6 %	-539,9 %	-166,1 %	-231,4 %
Net profit /loss (EUR thousand)	-419,3	-993,2	-2 581,5	-3 469,4	-5 748,8
Cashflow generated from operations (EUR thousand)	-507,0	-1 104,0	-2 351,5	-3 361,1	-4 939,9
Equity ratio (%)	56,83 %	50,30 %	56,83 %	50,30 %	84,00 %
Number of shares, average	3 616 328	2 439 169	3 616 328	2 439 169	2 668 910
Number of shares at the end of the period	3 616 328	2 618 328	3 616 328	2 618 328	3 616 328
Number of Share options	449 368	298 500	449 368	298 500	307 868
Equity per share (EUR)	0,4	0,4	0,4	0,4	1,1
Earnings per share (EUR) undiluted	-0,1	-0,4	-0,7	-1,3	-1,6
Earnings per share (EUR) diluted	-0,1	-0,3	-0,6	-1,2	-1,5
Net debt (EUR thousand)	556,9	845,9	556,9	845,9	-2 523,8
Number of employees	33	54	42	54	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.)

(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 (UA) has been booked under Other operating Expenses. Starting from 2019, these costs will be moved under Material and Services.)



## A WORD FROM JUSSI TÄHTINEN, CEO

### Positive momentum

We started the second half of this year from a considerably stronger position, compared to where we were at the beginning of this year. Now during the second half of the year, we are confident that we are on the right path.

In the self-publishing business, our focus is on Heroes of Warland. The new completely re-worked version of Heroes of Warland is now being introduced as a series of updates. The game performance and marketing data, signals that we're on the right path. We have systematically improved the game, with the first new updates and constant live operation actions, based on the data we've collected.

Our focus market during the quarter has been iOS in the United States. We selected this, to carefully target our resources to a key market that validates our game. The United States is very competitive and expensive in marketing, and we are confident that when we get the game and the marketing to succeed there, we can replicate that success in other markets as well.

Moving forward, we continue the execution of the roadmap for Heroes of Warland, throughout this year and to 2020. The plan is to improve and expand the game step by step towards the scale-up phase in the western markets. Parallel to this, we are working together with Netmarble EMEA in preparing the game for the soft-launch in the MEA region. The lifecycle of a successful game in this category can be up to five years.

In the service business, we started a new project with Swedish AAA-studio Avalanche, for a non-disclosed title. The project had a smooth start during the quarter and is already generating revenue through the first milestones delivered and approved. The production period is until the end of April 2020 with a development budget of 1,25M €.

We are thrilled to work together with Avalanche Studios utilizing their IP and expertise with several successful shooter games. This project is a perfect match for us right now, utilizing our expertise in the shooter genre and the technology we have, with strong synergies to our self-publishing business. I am looking forward to continuing the co-operation long-term.

Our revenues grew during the third quarter. This is a result of us now step-by-step moving to live operations mode with Heroes of Warland, and parallel to that, us now starting a new project in the service business with Avalanche Studios. Moving forward, we are focusing on further development and expansion of Heroes of Warland, and continuing the co-operation with Avalanche Studios, to continue the positive progress we started during the third quarter.

While we have now started to generate revenues again, we have maintained the lower cost base, reflecting in improved EBITDA. This lower cost base is a result of our cost savings earlier this year. We also have the ongoing project with Business Finland, which acts as a source of funding for us during the second half of the year but shows in our cash position after the third quarter. Our cash position has recovered after the low point end of September, due to a natural delay in milestone-based invoicing and the funding from Business Finland, that was received after the reporting period.

Moving forward, we are working hard to keep the positive momentum and continue the sequential improvements. I am looking forward to continuing towards the end of the year with two very exciting projects; Heroes of Warland and the new project with Avalanche Studios.



Jussi Tähtinen  
CEO, Co-Founder



**"Moving forward, we are working hard to keep the positive momentum and continue the sequential improvements.**

**I am looking forward to continuing towards the end of the year with two very exciting projects; Heroes of Warland and the new project with Avalanche Studios."**

*Jussi Tähtinen*  
CEO, Co-Founder

**+  
A COMMENT FROM CEO**



## SIGNIFICANT EVENTS DURING JULY - SEPTEMBER 2019

**Nitro Games started the execution of the roadmap of updates for the new version of Heroes of Warland, with the first update introduced in July and with an increase in performance by the new updates during the period.** The rollout of the new version of Heroes of Warland started this summer as planned. The first release in July is set in a new universe with new visuals, and most importantly, powered by our new shooter engine developed during the first half of this year. The new shooter engine improves the performance of Heroes of Warland and is also used in our new projects. The game performance data from this summer and early fall signals that we're on the right path, by systematically increasing the performance of the game with new updates and live operations based on the data. Moving forward, the execution of the roadmap for Heroes of Warland continues with a series of updates. The plan is to expand the game step by step towards the scale-up phase in the western markets. Parallel to this, Nitro Games is working together with Netmarble EMEA in preparing the game for the soft-launch in the MEA region.

**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

**Nitro Games started a project 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 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.

## SIGNIFICANT EVENTS AFTER THE PERIOD

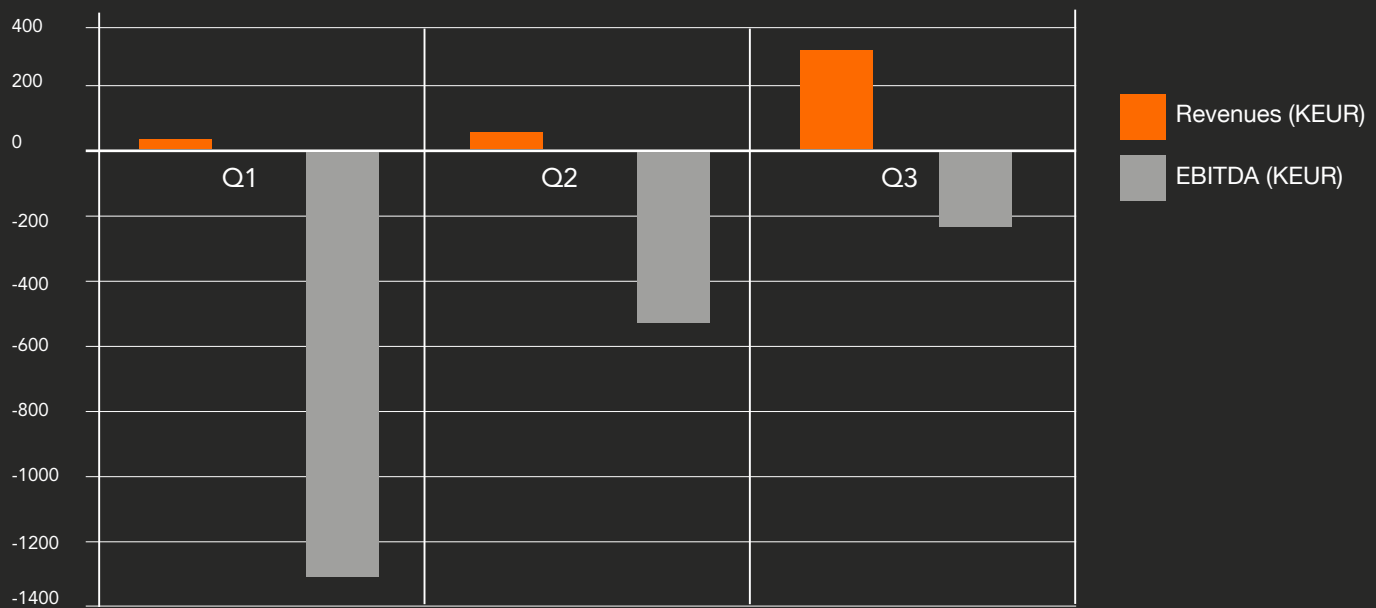
**Nitro Games has received 460 000 EUR of funding as the second instalment of funding from Business Finland.** The project has progressed following the project plan, and therefore Nitro Games has now received the second instalment of funding from Business Finland. The project and funding support the further development of Heroes of Warland, while Nitro Games is further exploring the opportunities connected with esports on mobile. The funding is in the form of a soft loan. The first installment of the approved funding was raised at the beginning of the project in April 2019 (490,560 EUR). There is still approx. 684 640 EUR left of the approved funding, after this second instalment, that is to be received against reports of project progress moving forward. The estimated project duration is 13 February 2019 – 30 September 2020. The terms of the funding have been communicated in a previous press release dated 17 April 2019.







## REVENUES & PROFIT / LOSS



*The graph above describes the development of Revenue and EBITDA per quarter in 2019, in thousand EUR.*

Revenues during the period January - September 2019 were 389 664,60 EUR (1 796 440,27 EUR on corresponding period 2018), which is a decrease of -78,31 % compared to the corresponding period 2018. During the third quarter, the company focused on the first updates of re-worked version of Heroes of Warland and started a new service business project with Avalanche Studios which reflects in increasing revenues.

Materials and services during the period January – September 2019 were -724,3 KEUR (- 994,2 KEUR). This includes third party costs related to game development and maintenance (outsourced services), as well as marketing costs, such as user acquisition costs. UA costs January – September were -386,9 KEUR (-948,1 KEUR on corresponding period 2018).

Other operating expenses during the period January - September 2019 were -1 080,8 KEUR (-2 170,0 KEUR). This includes third party costs related to accounting, legal, stock market expenses, hardware and software, travel expenses, office costs and other costs.

EBITDA amounted to -2 103,7 KEUR (-2 984,2 KEUR on corresponding period 2018).  
EBIT: Operating result before financial items amounted to -2 573,5 KEUR (-3 454,0 KEUR).  
The net result for the period amounted to -2 581,5 KEUR (-3 469,4 KEUR).

## CASH FLOW AND FINANCIAL POSITION

Net cash from operating activities during the period January - September 2019 was -2 351,5 KEUR (-3 361,2 KEUR in 2018 for the corresponding period). Net cash used in investing activities was -905,9 KEUR (0,0 KEUR). Net cash used in financing activities was 412,0 KEUR (1 282,9 EUR). Cash and cash equivalents at the end of the period were 414,7 KEUR, and the company had 448,0 KEUR of short-term receivables as of 30 September 2019.

---

## 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 July - September by a total of 319 621,13 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 - 469 784,25 EUR for the period of January - September 2019.

---

## EMPLOYEES

The number of employees on September 30, 2019 was 33.

---

## 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 Growth Stockholm since June 16, 2017.

The largest shareholders as of September 30, 2019 were:

Shareholders	Number of shares	% of shares and votes
Jasperus S.A. <sup>1</sup>	605 545	16,74
Savox Investments S.A. <sup>2</sup>	433 412	11,98
Swedbank Robur NY Teknik BTI	283 460	7,84
Feat Invest Ab <sup>3</sup>	229 717	6,35
Ludvig Strigéus	168 425	4,66
Avanza Pension försäkring Ab	140 564	3,89
Aktia Nordic Micro Cap	138 150	3,82
Antti Villanen	129 254	3,57
Ajoranta Group Ab <sup>4</sup>	117 103	3,24
OP-Finland Micro Cap Fund	108 400	3,00
Others	1 262 298	34,91
<b>The total numbers of shares</b>	<b>3 616 328</b>	<b>100,00</b>

<sup>1</sup> Jasperus S.A. is controlled to 100 % by Jacob Ehrnrooth.

<sup>2</sup> Savox Investments S.A. is controlled by Jacob Ehrnrooth with family.

<sup>3</sup> Feat Invest Ab is controlled by Johan Biehl.

<sup>4</sup> AjoRanta Group Ab is controlled to 100 % by CFO Matti Nikkola.

The total number of shares as of 30 September 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](mailto:info@augment.se).

---

## INVESTOR CONTACT

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

---

## FINANCIAL CALENDAR

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 28 October 2019 at 09:00 (EET).

---

## FOR FURTHER INFORMATION, PLEASE CONTACT:

### **Jussi Tähtinen, CEO**

+358 44 388 1071

jussi@nitrogames.com

### **Sverker Littorin, Board member, IR-Advisor**

+46 70 875 53 09

sverker.littorin@nitrogames.fi

---

## 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, 28 October 2019**

Jacob Ehrnrooth, Chairman

Antti Villanen

Ilkka Lassila

Sverker Littorin

Wilhelm Taht

Johan Biehl

Oliver Kern

Jussi Tähtinen, CEO



## KEY FINANCIALS

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
Revenue (EUR thousand)	317,7	744,7	389,7	1 796,4	2 204,2
Operating profit/loss (EUR thousand)	-416,7	-987,9	-2 573,5	-3 454,0	-5 734,4
Operating profit/loss % (EBIT %)	-131,2 %	132,6 %	-660,4 %	-192,3 %	-260,2 %
EBITDA (EUR thousand)	-260,1	-831,3	-2 103,7	-2 984,2	-5 101,0
EBITDA %	-81,9 %	-111,6 %	-539,9 %	-166,1 %	-231,4 %
Net profit /loss (EUR thousand)	-419,3	-993,2	-2 581,5	-3 469,4	-5 748,8
Cashflow generated from operations (EUR thousand)	-507,0	-1 104,0	-2 351,5	-3 361,1	-4 939,9
Equity ratio (%)	56,83 %	50,30 %	56,83 %	50,30 %	84,00 %
Number of shares, average	3 616 328	2 439 169	3 616 328	2 439 169	2 668 910
Number of shares at the end of the period	3 616 328	2 618 328	3 616 328	2 618 328	3 616 328
Number of Share options	449 368	298 500	449 368	298 500	307 868
Equity per share (EUR)	0,4	0,4	0,4	0,4	1,1
Earnings per share (EUR) undiluted	-0,1	-0,4	-0,7	-1,3	-1,6
Earnings per share (EUR) diluted	-0,1	-0,3	-0,6	-1,2	-1,5
Net debt (EUR thousand)	556,9	845,9	556,9	845,9	-2 523,8
Number of employees	33	54	42	54	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 parent company in 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 (UA) has been booked under Other operating Expenses. Starting from 2019, these costs will be moved under Material and Services.)



# INCOME STATEMENT

These unaudited financial statements report for the period 1.1.- 30.9.2019 have been prepared according to Finnish Accounting Standards (FAS) and Nasdaq First North Growth 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	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full Year 2018
	Nitro Games Oyj	Nitro Group	Nitro Games Oyj	Nitro Group	Nitro Games Oyj <i>Audited</i>
<b>Revenue</b>	<b>317,7</b>	<b>744,8</b>	<b>389,7</b>	<b>1 796,4</b>	<b>2 204,2</b>
Manufacturing for enterprise's own use	319,6	0,0	905,9	0,0	0,0
Other operating income	2,0	3,0	6,9	24,7	69,0
Raw materials and services	-226,2	-366,8	-724,3	-994,2	-1 409,3
Personnel expenses	-382,5	-526,8	-1 601,1	-1 641,3	-2 355,3
Depreciation and reduction in value	-156,6	-156,6	-469,8	-469,8	-633,4
Other operating charges	-290,8	-685,5	-1 080,8	-2 169,9	-3 609,6
<b>Operating profit (loss)</b>	<b>-416,7</b>	<b>-987,9</b>	<b>-2 573,5</b>	<b>-3 454,0</b>	<b>-5 734,4</b>
Financial income and expenses	-2,6	-5,3	-8,0	-15,4	-14,4
<b>Profit before taxes and appropriations</b>	<b>-419,3</b>	<b>-993,2</b>	<b>-2 581,5</b>	<b>-3 469,4</b>	<b>-5 748,8</b>
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
<b>Profit (loss) for the fiscal year</b>	<b>-419,3</b>	<b>-993,2</b>	<b>-2 581,5</b>	<b>-3 469,4</b>	<b>-5 748,8</b>

(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 Sep 2019 Nitro Games Oyj	30 Sep 2018 Nitro Group	Full Year 2018 Nitro Games Oyj
Audited			
ASSETS			
Non-current assets			
Intangible assets	1 358,9	1 085,8	922,4
Tangible assets	1,3	1,8	1,7
Non-current assets total	1 360,2	1 087,6	924,1
Current assets			
Receivables			
Long - term debtors	27,7	33,5	33,6
Short-term debtors	448,0	872,6	379,0
Total receivables	475,6	906,2	412,6
Cash in hand and at banks	414,7	289,3	3 260,1
Current assets total	890,4	1 195,4	3 672,7
ASSETS TOTAL	2 250,5	2 283,0	4 596,8
EQUITY AND LIABILITIES			
Equity			
Shares capital	80,0	80,0	80,0
Invested unrestricted equity reserve	17 069,0	12 483,5	17 069,0
Retained earnings (loss)	-13 288,6	-7 946,3	-7 539,8
Profit (loss) for the fiscal year	-2 581,5	-3 469,4	-5 748,8
Equity total	1 278,9	1 147,8	3 860,4
LIABILITIES			
Non-current			
Loans from credit institutions	549,6	157,2	129,6
Other creditors	0,9	447,9	0,9
Non-current total	550,5	605,1	130,6
Current			
Loans from credit institutions	94,1	102,7	94,1
Accounts Payables	152,5	209,8	259,3
Other creditors	28,6	33,3	47,7
Accruals and deferred income	145,8	184,3	204,7
Current total	421,1	530,1	605,8
Liabilities total	971,6	1 135,2	736,4
EQUITY AND LIABILITIES TOTAL	2 250,5	2 283,0	4 596,8





# CASH FLOW STATEMENT

EUR thousand	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full Year 2018
<b>Cash flows from operating activities:</b>					
Net profit (loss) before taxation, and extraordinary items (+/-)	-419,3	-993,2	-2 581,5	-3 469,4	-5 748,8
Adjustments for:					
Depreciation according to plan	156,6	156,6	469,8	469,8	633,4
Unrealised foreign exchange wins and losses (+/-)	0,0	0,0	0,0	0,0	0,0
Other non-cash items (+/-)	0,0	0,0	-586,3	0,0	-39,2
Financial income and expenses (+/-)	2,6	5,3	8,0	15,3	14,4
Other adjustments (+/-)	0,0	0,0	586,3	0,0	0,0
Operating profit before working capital changes	-260,1	-831,3	-2 103,7	-2 984,3	-5 140,2
Working capital changes:					
Increase (-) or decrease (+) in long-term trade and other receivables	0,0	-21,2	5,9	-16,9	-17,0
Increase (-) or decrease (+) in trade and other receivables	-255,6	-313,7	-69,0	-517,0	-24,0
Increase (-) or decrease (+) in inventories	0,0	0,0	0,0	0,0	0,0
Increase (+) or decrease (-) in trade payables	8,7	62,2	-184,7	157,0	241,3
Cash generated from operations	-507,0	-1 104,0	-2 351,5	-3 361,2	-4 939,9
Cash flow before extraordinary items	-507,0	-1 104,0	-2 351,5	-3 361,2	-4 939,9
Cash flow from extraordinary items (+/-)	0,0	0,0	0,0	0,0	0,0
Net cash from operating activities (A)	-507,0	-1 104,0	-2 351,5	-3 361,2	-4 939,9
<b>Cash flows from investing activities:</b>					
Purchase of tangible and intangible assets (-)	-319,6		-905,9		
Net cash used in investing activities (B)	-319,6	0,0	-905,9	0,0	0,0
<b>Cash flows from financing activities:</b>					
Proceeds from issuance of share capital	0,0	0,0	0,0	1 369,1	5 954,7
Purchase of own shares (-)	0,0	0,0	0,0	0,0	0,0
Proceeds from sale of own shares	0,0	0,0	0,0	0,0	0,0
Proceeds from short-term borrowings	0,0	0,0	0,0	0,0	0,0
Preceeds from short-term receivables	0,0	0,0	0,0	0,0	0,0
Repayment of short-term borrowings (-)	0,0	0,0	0,0	0,0	-8,6
Proceeds from long-term borrowings	0,0	0,0	490,6	0,0	0,0
Repayment of long-term borrowings (-)	-27,5	-23,5	-70,6	-70,6	-98,4
Intrest paid and contributions from financial expenses (-)	-2,6	-5,8	-8,0	-15,6	-15,3
Dividends (-)	0,0	0,0	0,0	0,0	0,0
Taxes	0,0	0,0	0,0	0,0	0,0
Net cash used in financing activities (C)	-30,1	-29,3	412,0	1 282,9	5 832,4
Net increase/decrease in cash and cash equivalents (A + B + C)	-856,7	-1 133,3	-2 845,4	-2 078,3	892,5
Cash and cash equivalents at beginning of period	1 271,5	1 422,6	3 260,1	2 367,5	2 367,5
Cash and cash equivalents at end of period	414,7	289,3	414,7	289,2	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
<b>Equity 1 Jul 2019</b>	80	17 069	-13 289	-2 162	1 698
Shares issued					0
Profit (loss) for the financial period				-419	-419
<b>Equity 30 Sep 2019</b>	80	17 069	-13 289	-2 581	1 279
<b>Equity 1 Jul 2018</b>	80	12 483	-7 946	-2 476	2 141
Shares issued					0
Profit (loss) for the financial period				-993	-993
<b>Equity 30 Sep 2018</b>	80	12 483	-7 946	-3 469	1 148
<b>Equity 1 Jan 2019</b>	80	17 069	-13 289	0	3 860
Shares issued					0
Profit (loss) for the financial period				-2 581	-2 581
<b>Equity 30 Sep 2019</b>	80	17 069	-13 289	-2 581	1 279
<b>Equity 1 Jan 2018</b>	80	11 114	-7 946	0	3 248
Shares issued		1 369			1 369
Profit(loss) for the financial period				-3 469	-3 469
<b>Equity 30 Sep 2018</b>	80	12 483	-7 946	-3 469	1 148
<b>Equity 1 Jan 2018</b>	80	11 114	-7 540	0	3 654
Shares issued		5 955			5 955
Profit (loss) for the financial period				-5 749	-5 749
<b>Equity 31 Dec 2018</b>	80	17 069	-7 540	-5 749	3 860



**Kotka office:**  
Juha Vainion katu 2  
48100 Kotka  
Finland

**Helsinki office:**  
Kaisaniemenkatu 2 B, 5th floor  
00100 Helsinki  
Finland

**Nitro Games Oyj**  
[www.nitrogames.com/investors](http://www.nitrogames.com/investors)  
**VAT: FI21348196**